

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 2015-0106)

THIS PROCUREMENT AGREEMENT (“AGREEMENT”) is by and between the City of Franklin, Tennessee (“CITY”), and Sun Life Assurance Company of Canada (“VENDOR”), who mutually agree as follows:

1. CITY issued (a) on March 20, 2015 Purchasing Office Solicitation No. 2015-026, a procurement solicitation for bids for stop loss insurance for employee and retiree health and pharmacy programs, and (b) on March 23, 2015 Addendum No. 1 to Purchasing Office Solicitation No. 2015-026 (collectively, “SOLICITATION”), a copy of which is attached hereto as Attachment No. 1 and hereby incorporated by reference as if fully set forth herein.
2. In response to CITY’s SOLICITATION, VENDOR submitted a bid dated April 2, 2015 (“SUBMITTAL”), a copy of which is attached hereto as Attachment No. 2 and hereby incorporated by reference as if fully set forth herein.
3. VENDOR has now also submitted CITY’s Indemnification Agreement, executed for VENDOR, a copy of which is attached hereto as Attachment No. 3 and hereby incorporated by reference as if fully set forth herein.
4. CITY awarded on May 12, 2015 and now desires to retain VENDOR for stop loss insurance for employee and retiree health and pharmacy programs, pursuant to SOLICITATION, SUBMITTAL and this AGREEMENT, such insurance to include the following features: (a) \$250,000 specific individual deductible; (b) no aggregating specific deductible; (c) \$355,000 laser at July 1, 2015; and (d) no new laser(s) at optional renewals.
5. The term of award shall commence effective July 1, 2015 and shall expire on June 30, 2016.
6. This AGREEMENT may be terminated by CITY with at least thirty (30) days’ prior written notice of termination. This AGREEMENT may be terminated by VENDOR only for CITY’s failure to pay after 60 days have passed from written notification to CITY of failure to pay.
7. At any time after commencement but before or as soon as practicable after the expiration of the term of award, CITY and VENDOR may, by mutual consent, exercise not more than four (4) options to extend the term of award, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, except with respect to pricing which shall be negotiated in advance of the optional term of extension commencement; and (d) that if VENDOR chooses not to consent to an extension to the term of award, then it shall notify CITY of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of award. Note that CITY and VENDOR each specifically retain the non-exclusive right, with or without cause, not to extend the term of award.

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8. In the event of a conflict between the following documents, the order of precedence shall be as follows: (a) this AGREEMENT; (b) SOLICITATION; and (c) SUBMITTAL.

EXECUTED THIS _____ DAY OF _____ 20__.

For VENDOR:

For CITY:

(signature of VENDOR's authorized representative)

(signature of CITY's authorized representative)

TITLE: _____

TITLE: _____ Mayor

Approved as to Form:

Attorney for City of Franklin

CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT
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Attachment No. 1

SOLICITATION

NOTICE TO BIDDERS

NOTICE IS HEREBY GIVEN that the City of Franklin, TN, will receive sealed written bids in the City's Purchasing Office, City Hall, Suite 107, 109 Third Avenue South, Franklin, TN 37064, until 2:00 p.m. Central Time on April 2, 2015, at which time and location they will be publicly opened, for the following procurement: stop loss insurance for employee and retiree health and pharmacy programs (Purchasing Office Solicitation No. 2015-026). Bids must be prepared and submitted in accordance with the City of Franklin's specifications and other procurement documents pertaining to this solicitation, including any addenda that may be issued, available on the Business Opportunities page of the City's website (<http://www.franklintn.gov/>) or by contacting the City of Franklin Purchasing Office (purchasing@franklintn.gov; 615/550-6692). The City reserves the right to reject any and all bids, and to waive formalities.

{text below this line not to be published}

DATE OF PUBLICATION OF THIS NOTICE TO BIDDERS: March 19, 2015

City of Franklin Instructions for Bidders

Purchasing Office Solicitation No.: 2015-026

1. Solicitation identified: These instructions apply to the following procurement:
stop loss insurance for employee and retiree health and pharmacy programs
Purchasing Office Solicitation No.: 2015-026
2. Solicitation packet component documents: These Instructions for Bidders accompany the following documents which, in total, represent the complete solicitation packet:
 - a. Notice to Bidders;
 - b. City of Franklin Instructions for Bidders (this document);
 - c. City of Franklin Specifications;
 - d. City of Franklin Bid Submittal Form;
 - e. City of Franklin Affidavit of Non-Collusion;
 - f. City of Franklin Affidavit of Title VI Compliance;
 - g. City of Franklin Standard Procurement Terms and Conditions;
 - h. City of Franklin Procurement Agreement form; and
 - i. City of Franklin Indemnification Agreement.
3. Location of bid opening: Bid opening will be held in the City of Franklin Purchasing Office (see address below, under “Delivery of bids”), or at another location within the City of Franklin City Hall. If the location of the bid opening is other than at the Purchasing Office, such location shall be posted on the front door of the Purchasing Office at least five (5) minutes before the appointed time of bid opening.
4. Who may attend bid openings: City of Franklin bid openings are open to the public. Bidders are specifically welcome to attend.
5. Withdrawal of bids; expiration of submittal validity (see also “Errors and omissions” below):
 - a. Before the bid submittal deadline, submitted bids may be withdrawn upon the request of the submitting party. At the request of the submitting party, withdrawn bids may be returned unopened to the submitting party but only at the submitting party’s expense. Such a request to withdraw a bid and such a request to return a withdrawn bid must be in writing, shall be addressed to the Purchasing Office, must be received by the Purchasing Office before the bid submittal deadline, and may be submitted via either e-mail (purchasing@franklintn.gov) or fax (615/550-0079).
 - b. After the bid submittal deadline, submitted bids may not be withdrawn.
 - c. Before award, all bids and associated pricing as submitted shall be considered valid and may be accepted by the City at least through June 30, 2015 and until the date indicated on the bidder’s Bid Submittal Form as the “last date that bid and associated pricing is valid and may be accepted by the City.”
 - d. Upon award, the accepted bid and associated pricing shall be considered valid for the term of award (see Specifications).

City of Franklin Instructions for Bidders

Purchasing Office Solicitation No.: 2015-026

6. Submittal timing: Bids are to be delivered no earlier than five (5) City of Franklin business days before the submittal deadline. Bids delivered either more than five (5) City of Franklin business days before the submittal deadline or at any time after the submittal deadline shall be rejected and not evaluated.
7. Bids rejected on account of timing: Submitters of bids rejected on account of timing shall be notified by the City of such rejection as soon as practicable. Bids rejected on account of timing may be retrieved by the submitter at the submitter's expense. The City shall promptly cause to be destroyed and discarded any and all bids rejected on account of timing and not retrieved by the submitter within five (5) City of Franklin business days of the submitter being notified of the rejection.
8. Bid to be sealed: Each bid shall be submitted inside one (1) or more sealed container(s).
9. Submittal to include one (1) set of original bid documents plus two (2) complete duplicate sets plus one (1) complete digital copy: Please submit one (1) set of bid documents on paper with original signatures plus two (2) complete duplicate sets also on paper plus one (1) exact and complete digital copy. The contents of the duplicate sets shall contain no more and no less than, and shall be in the same order as, the contents of the bid documents with original signatures. The digital copy shall be loaded on either a CD or a flash drive that itself is labeled with the bidder's name. The digital copy shall be submitted along with the bid documents on paper. The contents of the digital copy shall contain no more and no less than, and shall be in the same order as, the contents of the bid documents on paper, and shall consist of one (preferably) or more text-searchable, non-password-protected files in Portable Document Format (PDF).
10. Bid submittal contents: Included with the bid are to be the following components:
 - a. City of Franklin Bid Submittal Form, executed in full;
 - b. Detailed vendor-supplied description of bid product(s) and/or service(s);
 - c. A copy of your Tennessee license;
 - d. Sample of the bidder's contract;
 - e. Disclosure of all lawsuits regarding the type of coverage being quoted within the past three years, whether anticipated, pending or concluded, to which the bidder has been a party;
 - f. Disclosure of any other names or former names under which they have operated
 - g. City of Franklin specifications for this procurement, marked by the bidder as to compliance therewith as per the instructions therein;
 - h. Detailed vendor-supplied identification, listing and description of any exceptions to the written specifications as per the instructions therefor;
 - i. Vendor-supplied contact information for minimum of three references (see below);
 - j. City of Franklin Standard Procurement Terms and Conditions, with the vendor's contact information inserted;
 - k. Vendor's proposed terms and conditions, if any, that are not inconsistent with the City's Standard Procurement Terms and Conditions;
 - l. City of Franklin Affidavit of Non-Collusion, executed in full;
 - m. City of Franklin Affidavit of Title VI Compliance, executed in full; and
 - n. a complete digital copy and two (2) complete duplicate sets of submitted bid documents per these Instructions for Bidders.

City of Franklin Instructions for Bidders

Purchasing Office Solicitation No.: 2015-026

11. Bid container label: The outside face of the bid container(s) must be labeled with the following information:

- a. the bidder's name and address; and
- b. the following text:

SEALED BID
City of Franklin solicitation no.
2015-026 (stop loss insurance)
NOT TO BE OPENED EXCEPT AT
BID OPENING April 2, 2015, 2:00
p.m. Central Time

12. Delivery of bids:

- a. Bids are to be addressed and delivered to:

City of Franklin Purchasing Office
Franklin City Hall, Suite 107
109 3rd Ave. South
Franklin, TN 37064

- b. Bids must be printed on paper and signed. A bid may be mailed via U.S. Mail or shipped or hand-delivered via courier. Bids submitted to the City electronically (e.g., via e-mail or fax) are not permitted and shall be rejected.
- c. A bid is not considered delivered unless and until it has been received by the City of Franklin Purchasing Office at the physical location listed above. A bid that is en route via U.S. Mail or courier, or delivery of a bid to another City office or location, does not in and of itself constitute delivery of that bid to the City of Franklin Purchasing Office.
- d. The Purchasing Office shall exclusively determine whether a bid was received before the submittal deadline, and shall use the most accurate time piece available in its office as an aide to doing so.

13. Reference request: Bidders shall provide three references for similar services provided within the last twelve months. Information to be provided shall include: customer/client name, customer/client address, description of services provided, contact name and title, and contact telephone number. If the City of Franklin is a recent customer/client of the bidder, then add the City of Franklin to the list of three references as a fourth reference.

14. Selection criteria: Selection of the lowest and best responsive and responsible bid shall be based upon a combination of some or all of the following factors: the quoted purchase costs and/or life-cycle costs to the City of bids that are responsive to the solicitation; compliance with the City's instructions, specifications and standard procurement terms and conditions; any terms and conditions stated by the bidder in the bid; anticipated timeliness of delivery of the bid item(s); the character, integrity and reputation of the bidder; the results of any reference checks; and any prior experience of the City of Franklin with the bidder and/or the bid item(s) and/or any component thereof.

City of Franklin Instructions for Bidders

Purchasing Office Solicitation No.: 2015-026

15. Bid tabulation; notice of intent to award: The tabulation of bids received, as prepared by the City, may also indicate a recommendation as to the selection of the lowest and best responsive and responsible bid, in which case the tabulation of bids received also functions as the City's notice of intent to award. Bidders may request a copy of the tabulation of bids received by contacting the City's Purchasing Office (see contact information below) at any time on or after the tentative date of release of the City's tabulation of bids received and notice of intent to award (see Specifications).
16. Awards to be made by BOMA: Purchases shall be awarded by the City of Franklin's Board of Mayor and Aldermen. See Specifications for tentative date of award. Purchases shall be awarded to the bidder who submits the lowest and best responsive and responsible bid. The awards shall be memorialized in writing, using the City's Procurement Agreement form.
17. Other documents to be required of successful bidder: Before award of the procurement by the City, the successful bidder (that is, the vendor who is recommended be awarded the purchase) shall provide the following documents:
 - a. Vendor-supplied agreement or contract, if any, by and between the City and the bidder to be awarded the procurement, the final terms and conditions of which are mutually acceptable to both parties, executed for the vendor;
 - b. City of Franklin Indemnification Agreement, executed in full;
 - c. Certificate of Insurance that meets or exceeds the City's Insurance Requirements;
 - d. City of Franklin Procurement Agreement, executed for the vendor; and
 - e. If the vendor prefers to be paid by direct deposit (such as "ACH" or "Electronic Funds Transfer") as opposed to credit card, and if the vendor has not been paid by the City by means of direct deposit within the last two (2) years, then the vendor shall submit a completed City's Vendor Information Form and IRS Form W-9 (both of which forms are available upon request from the Purchasing Office).
18. City's right to reject bids, waive formalities: The City of Franklin reserves the right to reject any and all bids, and to waive formalities.
19. Errors and omissions (see also "Withdrawal of bids; expiration of submittal validity" above):
 - a. Errors made by the bidder on the Bid Submittal Form or elsewhere in the bidder's submittal packet that are discovered by the bidder before submittal shall be corrected by the bidder. If such a correction results in altering but not replacing one or more documents, then the bidder's representative shall initial each such correction in non-erasable ink.
 - b. Errors made by the bidder on the Bid Submittal Form or elsewhere in the bidder's submittal packet that are discovered by the bidder after submittal but before the bid submittal deadline may be corrected by the bidder but only by submitting such replacement documents as necessary to make the correction. Such a submittal of replacement documents shall be labeled "SEALED AMENDED BID" and shall

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Purchasing Office Solicitation No.: 2015-026

- otherwise be submitted pursuant to the same instructions above as for the submittal of the original bid documents. Such a submittal of replacement documents shall not be submitted electronically, and shall not be submitted after the bid submittal deadline.
- c. Uncorrected errors made by the bidder on the Bid Submittal Form or elsewhere in the bidder's submittal packet shall be considered on a case-by-case basis by the City. Uncorrected errors made by the bidder may be deemed by the City to be so severe as to make the bid non-responsive. At the discretion of the City, bidders may be permitted to clarify a submitted bid, but no bid shall be altered or amended by the bidder after submittal. In the case of a discrepancy between the bidder's unit price for a particular line item as quoted in the bid and the unit price calculated by dividing the bidder's extension price for that same line item by the quantity indicated for that same line item, then the bidder's unit price for that line item as quoted in the bid shall prevail.
 - d. Omissions from a bidder's submittal packet shall be considered on a case-by-case basis by the City. Omissions may be deemed by the City to be so severe as to make the bid non-responsive. At the discretion of the City, bidders may be permitted to clarify a submitted bid, but no bid shall be altered or amended by the bidder after submittal.
20. Questions, requests for clarifications, and requests to revise the procurement solicitation; addenda: To ask questions, to request clarifications about any aspect of this procurement solicitation, or to request revisions to the procurement solicitation before the deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of the procurement solicitation, please contact:
- City of Franklin Purchasing Office (see address above)
purchasing@franklintn.gov
Tel: 615/550-6692
Fax: 615/550-0079
- Depending upon the inquiry, the City may request that the question, request for clarification, or request for revision be submitted in writing, whereupon the City may make all vendors known or thought to be interested in the solicitation aware of the inquiry and of the City's response thereto.
- Addenda to this procurement solicitation may be issued. Before submitting its response, it is the responsibility of each respondent to confirm whether any addenda to this procurement solicitation have in fact been issued by the City. To do so, please contact the City's Purchasing Office (see contact information above).
21. Communication with City during procurement phase: Any questions about either the content of or the procurement process pertaining to this procurement solicitation should be addressed as described above. Until the procurement award has been made, vendors shall not communicate about either the content of or the procurement process pertaining to this procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.

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22. Vendor protest: A vendor who feels the need to object to either a deficiency of this procurement solicitation or a proposed award pertaining to this procurement solicitation are encouraged, as soon as possible, to express their concerns to and seek remedy from the Purchasing Manager (see contact information above). Vendors who are not satisfied with, or who choose not to pursue, such an informal resolution of their concerns and who feel compelled to lodge a formal protest about some aspect of a City procurement not pertaining to new construction shall do so pursuant to the City's Vendor Protest Procedure for City procurements not pertaining to new construction, a mandatory administrative procedure which all aggrieved actual or prospective vendors must utilize and exhaust prior to seeking judicial review or remedy. For a copy of the City's Vendor Protest Procedure for City of Franklin procurements not pertaining to new construction, please contact the City's Purchasing Office (see contact information above) or click on the following link: <http://www.frankltn.gov/government/finance-administration/purchasing-office/vendor-protest-procedure>.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

1. Solicitation identified: These specifications apply to the following procurement:
stop loss insurance for employee and retiree health and pharmacy programs
Purchasing Office Solicitation No.: 2015-026
2. Notice to Bidders publication date: **March 19, 2015**
3. Solicitation release date: **March 20, 2015**
4. Deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation: **March 26, 2015, 2:00 p.m. Central Time**
5. Bids submittal deadline and scheduled opening: **April 2, 2015, 2:00 p.m. Central Time**
6. Tentative date of release of City's tabulation of bids received and notice of intent to award: **April 24, 2015**
7. Tentative date of award: Meeting of Board of Mayor and Aldermen at which is tentatively scheduled to be awarded the selection of the lowest and best responsive and responsible bid: **May 12, 2015**
8. Objective: To secure, by means of a competitive procurement process, the selection of the lowest and best responsive and responsible bid from a vendor to furnish all labor, materials and means necessary to provide stop loss insurance for employee and retiree health and pharmacy programs as specified below for the City of Franklin Human Resources Department. See the accompanying Instructions for Bidders for additional information and instructions.
9. Exceptions:
 - a. In order to avoid the need to take an exception to a specification, potential bidders may request revisions to the specifications before the deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of the specifications. See the accompanying Instructions for Bidders for contact information.
 - b. Any deviation or variance from the City's specifications shall be considered to be an exception.
 - c. Any exceptions to the City's specifications shall be identified by the bidder on the City's specifications document as well as listed and described in detail, along with any other exceptions to this procurement solicitation, in a separate written document to be prepared

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

and submitted by the bidder, referencing any subsection number. Such listing shall include a description of exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations. Any and all exceptions to this procurement solicitation which the City, in its sole discretion, deems not to meet or exceed the City's intention as expressed and implied by the procurement solicitation may be considered by the City as a factor in evaluating the bid.

10. General terms and conditions:

- a. Bid price. The bid price shall include the cost of all equipment, labor, insurance coverages, materials and delivery and/or freight charges, and any required trade and/or contractor license fees, business license fees and construction and/or building permit(s), necessary to render the specified service(s).
- b. Licenses and permits. The successful bidder shall obtain all required licenses and permits, in accordance with applicable state and local codes, necessary to render the specified service(s), and shall pay any fees therefor, including but not limited to: trade and/or contractor licenses; state, county and/or city business licenses; and construction and/or building permits.
- c. Payment terms. As a matter of practice, the City of Franklin pays for goods and/or services only after receipt and acceptance by the City of such goods and/or services, and only after receipt of an accurate, proper, complete and itemized invoice for such goods and/or services, net 30 calendar days from date of delivery and/or completion/installation/rendering or date of invoice, whichever is later. The City's preferred payment terms, as described in the preceding sentence, are offered to the bidder or proposer as a condition of award. If the City's preferred payment terms are unacceptable to the bidder or proposer, then the bidder or proposer shall indicate on the Submittal Form its preferred payment terms. Payment terms may be a factor in the City's selection criteria. Payment terms are non-negotiable after award is made.
- d. Applicable laws and regulations. All applicable federal and state laws, city ordinances, orders, rules and regulations of all authorities having jurisdiction over the specified service(s) shall apply to the quoted purchase price, and they will be deemed to be included in these specifications the same as though they are written out in full herein.
- e. Use of subcontractors. The successful bidder may subcontract any portion of the award but only with the prior consent of the City. Requirements for references and insurance shall apply to any subcontractor.
- f. Safe work area. The successful bidder will be expected to utilize best practices to minimize the risk of personal injury to the public, City personnel and employees of the bidder and/or the bidder's subcontractors, if any.
- g. Other documents to be required of successful bidder. See the accompanying "Instructions for Bidders" for a listing of other documents to be required of the successful bidder.
- h. Damages. The successful bidder shall be responsible for any damages it causes in the course of performing the specified service(s), including to existing utilities, underground irrigation, concrete, asphalt, buildings, or grounds, and shall repair or replace any damaged property to the satisfaction of the City of Franklin at its own expense.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- i. Standard Procurement Terms and Conditions. By submitting its bid, the vendor certifies that it has read and accepts all terms, conditions and requirements of this solicitation, including the terms and conditions identified and listed in the City of Franklin Standard Procurement Terms and Conditions attached hereto and hereby incorporated by reference.
- j. Refusal to honor submittal. If and after an award is made by the City, if the vendor refuses to execute an agreement or contract or in any other way honor the terms and conditions of its submittal, the City shall be entitled to seek compensation for its damages, which may include the cost of conducting a new solicitation.
- k. Confidential and/or proprietary information; trade secrets. All contents of all submittals are subject to public disclosure and shall not contain any confidential and/or proprietary information and/or trade secrets. Further, by submitting its bid, the vendor indemnifies and holds the City of Franklin harmless against any loss or damage, including reasonable attorney fees, it may incur as a result of the City's reliance upon the vendor's representation that materials supplied by the vendor do not contain trade secrets or proprietary information which is not subject to public disclosure.

11. Detailed specifications: Please note:

- Bidders are required to submit with their bid a detailed description of all bid products, items and/or services.
- Bidders are required to mark with a "C" the blank line next to any specification below to which their bid COMPLIES.
- Bidders are required to mark with an "E" the blank line next to any specification below to which their bid takes EXCEPTION.
- Any exceptions to the City's specifications shall be identified by the bidder on the City's specifications document as well as listed and described in detail, along with any other exceptions to this procurement solicitation, in a separate written document to be prepared and submitted by the bidder, referencing any subsection number. Such listing shall include a description of exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations.
- Bidders are required to submit with their bid these Specifications for this procurement, marked by the bidder as to compliance herewith as per the instructions above.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- 11.1.** **General.**
- 11.1.1.** _____ The City of Franklin is seeking bids from qualified licensed insurance carriers only for stop loss insurance coverage for its employee and retiree health and pharmacy programs.
- 11.1.2.** _____ The City intends to select one stop loss carrier as a result of this procurement solicitation.
- 11.1.3.** _____ Bidders must be represented directly. Participation by brokers or commissioned agents will not be allowed during the bid process or during the term of award.
- 11.1.4.** _____ If the bid is being submitted in conjunction with a Managing General Underwriter (MGU), then the term “bid” refers to both the Insurance Carrier and the MGU.
- 11.1.5.** _____ Bids must be exclusive of commissions or fees. The City will not pay commissions or fees to any entity in association with its stop loss coverage.
- 11.1.6.** _____ Term of award. The services to be rendered pursuant to this procurement solicitation are to be offered for a term of award of one (1) year, effective July 1, 2015.
- 11.1.7.** _____ Early termination / cancelation. The contract may be terminated by the City with at least thirty (30) days’ prior written notice of termination. The contract may be terminated by the bidder only for the City’s failure to pay after 60 days have passed from written notification to the City of failure to pay.
- 11.1.8.** _____ Options to extend term of award. At any time after commencement but before or as soon as practicable after the expiration of the term of award, the City and the vendor may exercise an option to extend the term of award up to four (4) times, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, except with respect to pricing which shall be negotiated in advance of the optional term of extension commencement; and (d) that if the vendor chooses not to consent to an extension to the term of award, then it shall notify the City of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of award. Note that the City and the vendor each specifically retain the right, with or without cause, not to extend the term of award.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

11.1.9. Insurance requirements:

11.1.9.1. _____ Before award of the procurement by the City, any MGU participating in the bid submitted by the successful bidder (that is, the vendor who is recommended be awarded the purchase) shall provide one or more unexpired certificates of insurance providing evidence of the following minimum types and limits of insurance coverage:

Type of Coverage	Limits of Coverage	Certificate of Insurance
Workers Compensation	Statutory limits	Certificate Holder only
Employers Liability	\$1,000,000 Bodily Injury Each Accident \$1,000,000 Policy Limit Bodily Injury by Disease \$1,000,000 Each Employee Bodily Injury by Disease	Certificate Holder only
Professional Liability	\$1,000,000 Combined Single Limit	Certificate Holder only

11.1.9.2. _____ If and when insurance coverage documented by the certificate(s) of insurance referenced above expires before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this procurement solicitation, then the MGU shall immediately suspend work or supply unless and until it provides one or more unexpired replacement certificates of insurance that indicates the new date(s) of insurance coverage expiration and that meets or exceeds the insurance requirements as specified above.

11.1.9.3. _____ In the event that insurance coverage documented by the certificate(s) of insurance referenced above is materially modified or canceled before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this procurement solicitation, then the MGU shall, immediately upon learning of any such material modification or cancelation, suspend work or supply and shall, within three (3) calendar days of such learning, notify the City of any such material modification or cancelation.

11.1.9.4. _____ The MGU agrees to impose the City's insurance requirements upon any subcontractors it utilizes for this procurement. Use of any particular subcontractor for this procurement shall have been approved by the City in advance of that subcontractor commencing work for this procurement.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- 11.2. Minimum qualifications of bidders.** The successful bidder shall possess and demonstrate the following minimum competencies, experience and other qualifications:
- 11.2.1. _____** A history of successfully providing Stop Loss Coverage to groups of a similar size.
- 11.2.2. _____** Financial strength (as reflected by standardized ratings and insurance coverage).
- 11.2.3. _____** Experience (as reflected by references and industry reputation).
- 11.2.4. _____** Adherence to legal obligations (as measured by litigation history and regulatory agencies).
- 11.3. About the entity to be insured.**
- 11.3.1. _____** The City's health plan is self-funded and administered by Blue Cross Blue Shield of Tennessee, using the Blue Cross Blue Shield of Tennessee Network P.
- 11.3.2. _____** The estimated July 1, 2015 projected enrollment of employees receiving benefits under the City's health plan is 220 in single coverage and 430 in family coverage.
- 11.3.3. _____** The following appendices to Purchasing Office Solicitation No. 2015-026 are available upon request made to the City of Franklin Purchasing Office (purchasing@franklintn.gov; 615-550-6692):
- Appendix No. 1: Census (in Excel format)
 - Appendix No. 2: Claims Experience
 - Appendix No. 3: High Claimant Reports
 - Appendix No. 4: Current Summary Plan Descriptions
 - Appendix No. 5: Current Rates and Aggregate Factors
- 11.4. Other provisions.**
- 11.4.1. _____** Bidders must accept all individuals who are covered under the City's self-funded health plan on the day prior to the effective date of the stop loss contract between the successful bidder and the City, including individuals covered through the Consolidated Omnibus Reconciliation Act of 1986 (COBRA) and retirees.
- 11.4.2. _____** Bidders must agree to work with the City's third party administrator and its claims processing systems for the purposes of processing claims under the stop loss contract.
- 11.4.3. _____** Bidders must be willing to waive actively-at-work provisions.
- 11.4.4. _____** Rates should be stated on a two-tier basis on the Bid Submittal Form.
- 11.4.5. _____** Bidders shall be approved by the appropriate regulatory authorities in the State of Tennessee to provide the services herein described.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- 11.5.** **Minimum stop loss coverage.** Bidders must meet or exceed the minimum coverage requirements described below. Bidders are to identify where coverage exceeds the minimum requirements.
- 11.5.1.** _____ Type of coverage. The City currently carries specific stop loss insurance for medical and prescription drug claims. The current specific individual deductible is \$225,000. We are requesting bidders quote an individual specific deductible of \$225,000 and \$250,000. Specific coverage must include advance funding of specific claims. The coverage must include all medical and prescription drug claims.
- 11.5.2.** _____ Lifetime maximum. Bidders must quote an unlimited lifetime maximum per covered individual.
- 11.5.3.** _____ Contract basis. The City currently has a 48/12 contract for specific coverage. Bidders must quote at least a 24/12 contract basis for specific stop loss insurance, and must indicate the bid contract basis on the Bid Submittal Form.
- 11.5.4.** _____ No new laser (higher individual specific deductible) at renewal with rate cap. Bids should include options that guarantee no new lasers (higher individual specific deductibles) at July 1, 2016 optional renewal, and also guarantee that specific stop loss rates will not increase more than a specified percentage at July 1, 2016 optional renewal. Bidders must indicate on the Bid Submittal Form what the maximum rate increase at July 1, 2016 optional renewal could be (as a percentage of quoted rates).
- 11.5.5.** _____ Eligible claim expenses. Eligible claim expenses under the stop loss policy must follow the covered underlying plan. Any exclusions must be disclosed.
- 11.6.** **Additional variables.**
- 11.6.1.** _____ In addition to the \$250,000 specific individual deductible, the City would also like to consider the coverage variables described below. For bid evaluation purposes, the total value of each bid combination of coverage variables will be calculated by multiplying the bid rates by the respective projected population at July 1, 2015. The City reserves the right to choose whichever combination of coverage variables it deems to be in its best interests.
- 11.6.2.** _____ Aggregating specific deductible. The City would like to consider aggregating specific deductible options. Bidders shall quote aggregating specific deductibles of \$100,000, \$125,000, and \$150,000.
- 11.6.3.** _____ Laser. The City would like to consider allowing new laser (higher individual specific deductible) at July 1, 2016 optional renewal.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- 11.7. Other information requested.**
- 11.7.1.** _____ On the Bid Submittal Form, provide the full name and address of your organization as well as any branch offices that will be responsible for performing the services pursuant to this procurement solicitation.
- 11.7.2.** _____ Provide a copy of your Tennessee license.
- 11.7.3.** _____ A sample of the bidder's contract is required as part of the bid submittal.
- 11.7.4.** _____ On the Bid Submittal Form, indicate your financial performance rating from A.M. Best and Standard and Poor's. Bidders shall hold at least an "A" rating or better at the time of bid submission with A.M. Best in order to submit a bid.
- 11.7.5.** _____ On the Bid Submittal Form, indicate the number of years the company has been in business, the number of stop loss contracts in force, and the percentage of stop loss contracts that are with employers in the public sector.
- 11.7.6.** _____ Direct contracts with stop loss carriers are preferred, but bids submitted in conjunction with an MGU will be considered. If the bid is submitted in conjunction with an MGU, the following questions must be answered on the Bid Submittal Form:
- 11.7.6.1.** _____ Does the MGU have claims paying authority? If so, to what extent?
- 11.7.6.2.** _____ Does the MGU assume any risk for the insurance carrier? If yes, how much?
- 11.7.7.** _____ Bidders must disclose all lawsuits regarding the type of coverage being quoted within the past three years, whether anticipated, pending or concluded, to which the bidder has been a party. Include court name, location, and case number of pending and disposed lawsuits. For completed lawsuits, describe the outcome of the litigation. Bidders must also disclose any court orders issued by a court of competent jurisdiction against the bidder, as well as any settlements or agreements entered into as a result of litigation. The amount of any confidential settlement need not be disclosed but the fact of any such settlement must be disclosed.
- 11.7.8.** _____ Bidders must disclose any other names or former names under which they have operated.
- 11.7.9.** _____ Upon request, bidders may be asked to furnish its most recent financial statements showing bidder's financial condition as well as any subsidiary statements or explanations that the City may request.

Bid Submittal Form

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the

City of Franklin, Tennessee

Purchasing Office Solicitation No.: 2015-026

Vendor's name, street address, and mailing address:	_____ _____ _____ _____
Vendor's contact person's name (printed), title, telephone number and e-mail address:	_____ _____ _____ _____
Does the bidder take any exceptions to the City's procurement solicitation?	<input type="checkbox"/> Yes, see enclosed. <input type="checkbox"/> No, bidder takes no exceptions.
Are exceptions, if any, to the City's procurement solicitation listed separately, described, compared to the City's intention as expressed and implied by the City's solicitation documents and submitted?	<input type="checkbox"/> Yes, see enclosed. <input type="checkbox"/> No, bidder takes no exceptions.
Are the City's preferred payment terms (net 30 days from date of delivery or date of invoice, whichever is later) acceptable to bidder?	<input type="checkbox"/> Yes. <input type="checkbox"/> No, bidder requests the following payment terms: _____
Last date (no sooner than June 30, 2015) that bid and associated pricing is valid and may be accepted by the City:	_____
Method of payment – The City prefers to pay its vendors electronically, either by direct deposit (i.e., "ACH" or "Electronic Funds Transfer"), or by Visa credit card, rather than by conventional check. Which payment method would the bidder prefer?	<input type="checkbox"/> ACH or Electronic Funds Transfer. <input type="checkbox"/> Visa credit card.
Receipt acknowledged of any and all issued addenda to this solicitation:	<input type="checkbox"/> Addendum No. _____ received. <input type="checkbox"/> Addenda Nos. _____ received. <input type="checkbox"/> No addenda received.
Branch office(s) that will be responsible for performing the services pursuant to this procurement solicitation (include street address):	_____ _____ _____ _____
Financial performance rating from A.M. Best and Standard and Poor's:	_____
Number of years the company has been in business:	_____
Number of stop loss contracts in force:	_____
Percentage of stop loss contracts that are with employers in the public sector:	_____
Contract basis for specific stop loss coverage (minimum 24/12):	_____
Maximum rate increase at 7/1/2016 renewal (as a percentage of 7/1/2015 quoted rates) if no new lasers (higher individual specific deductibles):	_____

Bid Submittal Form

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the

City of Franklin, Tennessee

Purchasing Office Solicitation No.: 2015-026

Vendor's name:	_____
If the bid is submitted in conjunction with an MGU, the following questions must be answered:	
Does the MGU have claims paying authority? If so, to what extent?	<input type="checkbox"/> Yes, to the following extent: _____ _____ <input type="checkbox"/> No, the MGU does not have claims paying authority.
Does the MGU assume any risk for the insurance carrier? If yes, how much?	<input type="checkbox"/> Yes, to the following extent: _____ _____ <input type="checkbox"/> No, the MGU does not assume any risk for the insurance carrier.
Are the following components included with this Bid Submittal Form in the bid submittal? <ul style="list-style-type: none"> • Detailed vendor-supplied description of bid product(s) and/or service(s); • A copy of your Tennessee license; • Sample of the bidder's contract; • Disclosure of all lawsuits regarding the type of coverage being quoted within the past three years, whether anticipated, pending or concluded, to which the bidder has been a party; • Disclosure of any other names or former names under which they have operated; • City of Franklin specifications for this procurement, marked by the bidder as to compliance therewith as per the instructions therein; • Detailed vendor-supplied identification, listing and description of any exceptions to the written specifications as per the instructions therefor; • Vendor-supplied contact information for minimum of three references; • City of Franklin Standard Procurement Terms and Conditions, with the vendor's contact information inserted; • Vendor's proposed terms and conditions, if any, that are not inconsistent with the City's Standard Procurement Terms and Conditions; • City of Franklin Affidavit of Non-Collusion, executed in full; • City of Franklin Affidavit of Title VI Compliance, executed in full; and • A complete digital copy and two (2) complete duplicate sets of submitted bid documents per the Instructions for Bidders. 	<input type="checkbox"/> Yes, see enclosed. <input type="checkbox"/> No, bidder chooses <u>not</u> to include all of these components (WARNING: doing so may cause the City to deem the bid non-responsive).
Signature of bidder's authorized representative: I have received and read, and do understand and consent, to all instructions, terms and conditions, including those imposed by reference, which apply to this procurement solicitation and compliance with which is required as a condition precedent to consideration of the bid submitted herewith.	_____ (signature)
Title of bidder's authorized representative:	_____
Date of signature:	_____

Bid Submittal Form

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the

City of Franklin, Tennessee

Purchasing Office Solicitation No.: 2015-026

Vendor's name:				
Bid stop loss rates:				
Coverage variables			Rate per single employee¹ per month	Rate per family² per month
Specific individual deductible	Aggregating specific deductible	Laser		
\$225,000	\$0	no	\$ _____	\$ _____
\$225,000	\$100,000	no	\$ _____	\$ _____
\$225,000	\$125,000	no	\$ _____	\$ _____
\$225,000	\$150,000	no	\$ _____	\$ _____
\$225,000	\$0	yes	\$ _____	\$ _____
\$225,000	\$100,000	yes	\$ _____	\$ _____
\$225,000	\$125,000	yes	\$ _____	\$ _____
\$225,000	\$150,000	yes	\$ _____	\$ _____
\$250,000	\$0	no	\$ _____	\$ _____
\$250,000	\$100,000	no	\$ _____	\$ _____
\$250,000	\$125,000	no	\$ _____	\$ _____
\$250,000	\$150,000	no	\$ _____	\$ _____
\$250,000	\$0	yes	\$ _____	\$ _____
\$250,000	\$100,000	yes	\$ _____	\$ _____
\$250,000	\$125,000	yes	\$ _____	\$ _____
\$250,000	\$150,000	yes	\$ _____	\$ _____

¹ This rate applies to employees enrolled in single coverage.

² This rate applies to employees enrolled in family coverage.

Affidavit of Non-Collusion

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the City of Franklin, Tennessee

State of _____)
) SS
County of _____)

Affiant, _____, deposes and makes oath that:
(printed name of person signing Affidavit)

1. He or she is the _____ of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)

(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

- 2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
- 3. Such bid or proposal is genuine and is not a collusive or sham bid or proposal;
- 4. Neither the said Bidder or Proposer nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this Affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any official or agent of the City of Franklin or with any other firm, person, or potential or actual bidder or proposer to submit a collusive or sham bid or proposal in connection with the contract for which the attached bid or proposal has been submitted, or to refrain from bidding or proposing indirectly, or sought by agreement, or collusion, or communication, or conference with any other firm, person, or potential or actual bidder or proposer to fix the price or prices or cost element of the bid, quoted or proposed price or the bid, quoted or proposed price of any other potential or actual bidder or proposer, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Franklin or any person interested in the proposed contract;
- 5. The price or prices quoted in the attached bid or proposal are fair and proper and are not tainted by a collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or Proposer or any of its agents, representatives, owners, employees, or parties in interest, including this Affiant; and
- 6. He or she understands that Article VIII, Section 16, of the City Charter of Franklin, and T.C.A. §6-54-107, prohibit any member of the Board of Mayor and Aldermen, or officer elected by said Board, from being interested in any contract, or work of any kind whatever, under its control and direction, and any contract in which any such person shall have an interest shall be void and unenforceable, subjecting any funds received by contractor to be returned in full to the City, in addition to any other penalties provided by law.

(signature of Affiant) (title of Affiant)

Sworn and subscribed to before me this _____ day of _____, 20____

(Notary Public) My Commission Expires: _____

Affidavit of Title VI Compliance

a form required of Bidders and Proposers on purchases of services for the
City of Franklin, Tennessee

State of _____)
County of _____) SS

Affiant, _____, deposes and makes oath that:
(printed name of person signing Affidavit)

1. He or she is the _____ of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)

(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
3. No person on the grounds of handicap or disability, age, race, color, religion, sex, national origin or any other class protected by federal and/or Tennessee constitutional, statutory and/or case law shall be excluded from participation in, or denied benefits of, or be otherwise subjected to discrimination in, the performance of the contract that results from the procurement solicitation to which this affidavit is a component, or in the employment practices of the successful Bidder or Proposer during the performance of the contract that results from said procurement solicitation;
4. The successful Bidder or Proposer shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to employees and job applicants, notices of such non-discrimination;
5. If, with the prior consent of the City, the successful Bidder or Proposer subcontracts any portion of the contract that results from the procurement solicitation to which this affidavit is a component, then the successful Bidder or Proposer shall contractually obligate all of its subcontractors for said contract to comply with the same non-discrimination provisions as those required of the successful Bidder or Proposer; and
6. This Affidavit is made on personal knowledge.

(signature of Affiant)

(title of Affiant)

Sworn and subscribed to before me this _____ day of _____, 20_____

(Notary Public)

My Commission Expires: _____

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

1. Assignment/Subcontracting. Neither party may assign any rights or obligations under these Standard Procurement Terms and Conditions or any Statement of Work without the prior written consent of the other party. These Standard Procurement Terms and Conditions will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Vendor may subcontract any portion of the work only with the prior consent of the City, but such subcontracting will not relieve Vendor of its duties under these Standard Procurement Terms and Conditions.
2. Time of the Essence. The parties agree that TIME IS OF THE ESSENCE with respect to the vendor's performance of all provisions of this procurement.
3. Taxes. As a tax-exempt entity, the City shall not be responsible for sales or use taxes incurred for products or services. Upon request, the City shall supply Vendor with a copy of its Sales and Use Tax Exemption Certificate. Vendor shall bear the burden of providing its suppliers with a copy of the City's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred.
4. Notices. Any notice provided pursuant to these Standard Procurement Terms and Conditions, if specified to be in writing, will be in writing and will be deemed given: (a) if by hand delivery, then upon receipt thereof; (b) if mailed, then three (3) City business days after deposit in the mail where sender is located, postage prepaid, certified mail return receipt requested; (c) if by next day delivery service, then upon such delivery; or (d) if by facsimile transmission or electronic mail, then upon confirmation of receipt. All notices will be addressed to the parties at the addresses set forth below (or set forth in such other document which these Standard Procurement Terms and Conditions may accompany, or such other address as either party may in the future specify in writing to the other):

In the case of the City:

In the case of Vendor:

City of Franklin

Attn: Purchasing Manager

Re: City of Franklin Purchasing Office Solicitation No. 2015 - 026

109 Third Ave. South

P.O. Box 305

Franklin, TN 37065-0305

FAX: 615/550-0079

E-mail: purchasing@franklintn.gov

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

5. Confidentiality and Proprietary rights. Vendor waives any right to confidentiality of any document, e-mail or file it fails to clearly mark on each page (or section as the case may be) as confidential or proprietary. Proprietary rights do not extend to the data created by the City's users of the System; all rights to that data (including derivative or hidden data such as metadata) shall vest solely in City at the moment of creation and City shall retain exclusive rights, title, and ownership of all data and images created therefrom at the moment of creation and utilization, through and including image creation. City may be required to disclose documents under state or federal law. City shall notify Vendor if a request for documents has been made and shall give Vendor a reasonable opportunity under the circumstances to respond to the request by redacting proprietary or other confidential information. In exchange, Vendor agrees to indemnify, defend, and hold harmless City for any claims by third parties relating thereto or arising out of (i) the City's failure to disclose such documents or information required to be disclosed by law, or (ii) the City's release of documents as a result of City's reliance upon Vendor 's representation that materials supplied by Vendor (in full or redacted form) do not contain trade secrets or proprietary information, provided that the City impleads Vendor and Vendor assumes control over that claim.
6. Derivative Works. To the extent that the Agreement contains Vendor's reservation of rights, such definitions and limitations are superseded by the following: "Derivative Work" means a program that is based on or derived from one or more existing programs or components. If the original software is modified to create a new program, a derived work is created. If the original software was designed to accept plug-ins or drivers using a defined mechanism, such a driver or plug-in does not form a derived work. Linking to a library in the way it was designed to be interfaced with, does *not* constitute deriving a work. "Derivative work" is *not* the data that the Licensee inputs, manipulates, modifies or otherwise improves, nor the images resulting therefrom.
7. Arbitration/Mediation. No arbitration shall be required as a condition precedent to filing any legal claim arising out of or relating to the Contract. No arbitration or mediation shall be binding.
8. Waiver. Neither party's failure or delay to exercise any of its rights or powers under these Standard Procurement Terms and Conditions will constitute or be deemed a waiver or forfeiture of those rights or powers. For a waiver of a right or power to be effective, it must be in writing signed by the waiving party. An effective waiver of a right or power shall not be construed as either (a) a future or continuing waiver of that same right or power, or (b) the waiver of any other right or power.
9. Warranties/Limitation of Liability/Waiver. City reserves all rights afforded to local governments under law for all general and implied warranties. The City does not waive any rights it may have to all remedies provided by law and therefore any attempt by Vendor to limit its liability shall be void and unenforceable.
10. Severability. If any term or provision of these Standard Procurement Terms and Conditions is held to be illegal or unenforceable, the validity or enforceability of the remainder of these Standard Procurement Terms and Conditions will not be affected.

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

11. Precedence. In the event of conflict between the provisions of these Standard Procurement Terms and Conditions and any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, the provisions of these Standard Procurement Terms and Conditions will to the extent of such conflict take precedence unless such document expressly states that it is amending these Standard Procurement Terms and Conditions.
12. Indemnification. Vendor agrees to indemnify and save the Government of Franklin, the City of Franklin and individual, on or off duty, officers, and employees of the City of Franklin, harmless from any and all losses, damages and expenses, including court costs and attorneys' fees, by reason of any loss, whatsoever, arising out of or relating to or in consequence of the work done in connection with the contract of which this agreement is a part, excepting only such losses as shall be occasioned solely by the negligence of the City of Franklin.
13. Additions/Modifications. If seeking any addition or modification to the Contract, the parties agree to reference the specific paragraph number sought to be changed on any future document or purchase order issued in furtherance of the Contract, however, an omission of the reference to same shall not affect its applicability. In no event shall either party be bound by any terms contained in any purchase order, acknowledgement, or other writings unless: (a) such purchase order, acknowledgement, or other writings specifically refer to the Contract or to the specific clause they are intended to modify; (b) clearly indicate the intention of both parties to override and modify the Contract; and (c) such purchase order, acknowledgement, or other writings are signed, with specific material clauses separately initialed, by authorized representatives of both parties.
14. Applicable Law; Choice of Forum/Venue. These Standard Procurement Terms and Conditions are made under and will be construed in accordance with the laws of the State of Tennessee without giving effect to any state's choice-of-law rules. The choice of forum and venue shall be exclusively in the Courts of Williamson County, TN.
15. Termination. Unless the City has indicated otherwise for a specific procurement solicitation, either party may terminate these Standard Procurement Terms and Conditions, with or without cause, upon thirty (30) calendar days' notice to the other. Upon termination by the vendor, the City shall be entitled to retain ownership of any and all goods and equipment purchased. Upon termination by the City, the vendor shall be entitled to receive any amounts due as a result of goods and equipment already delivered and/or services already rendered; however, the City shall maintain ownership and control of any goods and equipment purchased. Upon termination of services, whether connected or unconnected to goods and equipment, such services shall be rendered until the conclusion of the 30th calendar day as stated in the notice or until a contractual benchmark has been achieved, or as the parties may otherwise agree.

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

16. Breach. Upon deliberate breach of these Standard Procurement Terms and Conditions, or of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, by either party, the non-breaching party shall be entitled to terminate these Standard Procurement Terms and Conditions without notice, with all of the remedies it would have in the event of termination under section 10 (“Severability”) above, and may also have such other remedies as it may be entitled to in law or in equity.

17. Default. If Vendor fails to perform or comply with any provision of these Standard Procurement Terms and Conditions, or of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, then the City (i) may cancel the purchase award and/or the accompanying contract or agreement or purchase order, in whole or in part, without penalty or protest by Vendor; (ii) may consider such failure to perform or comply as a breach of contract; (iii) reserves the right to purchase its requirements from the vendor that submitted the next lowest and best responsive and responsible bid, or the vendor that submitted the next best proposal, if that vendor will still honor that bid or proposal, or to seek new bids or proposals, or to pursue one or more other options available to the City in compliance with its then current purchasing policy; and (iv) may hold the defaulting vendor liable for all damages provided by law, including cost of cover.

18. Entire Agreement. These Standard Procurement Terms and Conditions, including any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, constitutes the entire agreement between the parties and supersedes any prior or contemporaneous communications, representations or agreements between the parties, whether oral or written, regarding the subject matter of these Standard Procurement Terms and Conditions. The terms and conditions of these Standard Procurement Terms and Conditions may not be changed except by an amendment expressly referencing these Standard Procurement Terms and Conditions by section number and signed by an authorized representative of each party.

19. Survival. These Standard Procurement Terms and Conditions shall survive the completion of or any termination of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany.

CITY OF FRANKLIN, TENNESSEE

PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20__ - ____)

THIS PROCUREMENT AGREEMENT (“AGREEMENT”) is by and between the City of Franklin, Tennessee (“CITY”), and _____ (“VENDOR”), who mutually agree as follows:

1. CITY issued (a) on ____ __, 20__ Purchasing Office Solicitation No. 20__-__, a procurement solicitation for bids for _____, and (b) on ____ __, 20__ Addendum No. __ to Purchasing Office Solicitation No. 20__-__ (collectively, “SOLICITATION”), a copy of which is attached hereto as Attachment No. 1 and hereby incorporated by reference as if fully set forth herein.
2. In response to CITY’s SOLICITATION, VENDOR submitted a bid/proposal dated ____ __, 20__ (“SUBMITTAL”), a copy of which is attached hereto as Attachment No. 2 and hereby incorporated by reference as if fully set forth herein.
3. VENDOR has now also submitted one or more Certificate(s) of Insurance, a copy of which is attached hereto as Attachment No. 3 and hereby incorporated by reference as if fully set forth herein, that meet or exceed CITY’s Insurance Requirements as specified in SOLICITATION.
4. If and when insurance coverage documented by Certificate(s) of Insurance referenced above expires before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall immediately suspend work or supply and delivery unless and until it provides one or more unexpired replacement certificates of insurance that indicates the new date(s) of insurance coverage expiration and that meets or exceeds CITY’s Insurance Requirements as specified in SOLICITATION.
5. In the event that insurance coverage documented by Certificate(s) of Insurance referenced above is materially modified or canceled before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall, immediately upon learning of any such material modification or cancellation, suspend work or supply and delivery and shall, within three (3) calendar days of such learning, notify CITY of any such material modification or cancellation.
6. VENDOR agrees to impose the City’s insurance requirements upon any subcontractors it utilizes for this procurement. Use of any particular subcontractor for this procurement shall have been approved by the City in advance of that subcontractor commencing work for this procurement.
7. VENDOR has now also submitted CITY’s Indemnification Agreement, executed for VENDOR, a copy of which is attached hereto as Attachment No. 4 and hereby incorporated by reference as if fully set forth herein.

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20__ - ____)

8. CITY awarded on _____, 20__ and now desires to retain **VENDOR** to _____, pursuant to SOLICITATION, SUBMITTAL and tabulation, as prepared by CITY, of bids received in response to SOLICITATION, a copy of which tabulation is attached hereto as Attachment No. 5 and hereby incorporated by reference as if fully set forth herein.

[OR]

9. CITY awarded on _____, 20__ and now desires to retain **VENDOR** to _____, pursuant to SOLICITATION and SUBMITTAL, and as follows:

Item No.	Description	Quantity	Unit Price	Extended Price	Invoice Due and Payable
1					upon delivery/completion, net 30 days from date of delivery/completion or date of invoice, whichever is later
2					upon delivery/completion, net 30 days from date of final delivery/completion or date of invoice, whichever is later
Total:	All specified materials and services				

10. **[If applicable:]** The term of award shall commence upon execution of this AGREEMENT and shall expire three (3) years from the execution date of this AGREEMENT. At any time after commencement but before or as soon as practicable after the expiration of this term of award, CITY and **VENDOR** may, by mutual consent, exercise not more than two (2) options to extend the term of award, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, including pricing; and (d) that if **VENDOR** chooses not to consent to an extension to the term of award, then it shall notify CITY of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of award. Note that CITY and **VENDOR** each specifically retain the non-exclusive right, with or without cause, not to extend the term of award.

11. In the event of a conflict between CITY's SOLICITATION and **VENDOR**'s SUBMITTAL, CITY's SOLICITATION shall supersede any conflicting terms and conditions within **VENDOR**'s SUBMITTAL, except for any exceptions identified by **VENDOR** in its SUBMITTAL and accepted at the time of award by CITY.

[OR]

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20__ - ____)

12. In the event of a conflict between the following documents, the order of precedence shall be as follows: (a) this AGREEMENT; (b) SOLICITATION; and (c) SUBMITTAL.

EXECUTED THIS _____ DAY OF _____ 20__.

For VENDOR:

For CITY:

(signature of VENDOR's authorized representative)

(signature of CITY's authorized representative)

TITLE: _____

TITLE: _____ Mayor

Approved as to Form:

Attorney for City of Franklin

CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT
(City of Franklin Contract No. 20____ - _____)

Attachment No. 1

SOLICITATION

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____ - _____)

Attachment No. 2

SUBMITTAL

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20____ - _____)

Attachment No. 3

Certificate(s) of Insurance

Certificate Date	Producer	Certificate Number	Type of Insurance	Policy Expiration
			Commercial General Liability	
			Automobile Liability	
			Workers Compensation and Employers' Liability	

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____ - _____)

Attachment No. 4

Indemnification Agreement

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____ - _____)

Attachment No. 5

Tabulation of bids received

Indemnification Agreement
a form required of Bidders and Proposers on purchases of services for the
City of Franklin, Tennessee

On behalf of Bidder/Proposer, _____ agrees that:
(printed name of person signing Agreement)

1. He or she is the _____ of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)
- _____
(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
3. The Bidder or Proposer agrees to indemnify and save the Government of Franklin, the City of Franklin and individual, on or off duty, officers, and employees of the City of Franklin, harmless from any and all losses, damages and expenses, including court costs and attorneys fees, by reason of any loss, whatsoever, arising out of or relating to or in consequence of the work done in connection with the contract of which this Agreement is a part, excepting only such losses as shall be occasioned solely by the negligence of the City of Franklin; and
4. This Agreement is made on personal knowledge.

(signature of person whose printed name appears above)

(title of person whose printed name appears above)

(Submitted in response to City of Franklin Purchasing Office Solicitation No. 2015_026)

Form revised 02/25/2005

City of Franklin Addendum No. 1 to

Purchasing Office Solicitation No.: 2015-026

1. Solicitation identified: This Addendum No. 1 applies to the following procurement:
stop loss insurance for employee and retiree health and pharmacy programs
Purchasing Office Solicitation No.: 2015-026

2. Notice to Bidders publication date: **March 19, 2015**

3. Solicitation release date: **March 20, 2015**

4. Addendum No. 1 release date: **March 23, 2015**

5. Deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation: **March 26, 2015, 2:00 p.m. Central Time**

6. Bids submittal deadline and scheduled opening: **April 2, 2015, 2:00 p.m. Central Time**

7. Tentative date of release of City's tabulation of bids received and notice of intent to award: **April 24, 2015**

8. Tentative date of award: Meeting of Board of Mayor and Aldermen at which is tentatively scheduled to be awarded the selection of the lowest and best responsive and responsible bid: **May 12, 2015**

9. Addendum:

In reference to the City of Franklin's March 20, 2015 Purchasing Office Solicitation No. 2015-026 for stop loss insurance for employee and retiree health and pharmacy programs, the City has been asked certain questions about the solicitation by one or more vendors who are potential bidders.

The purpose of this Addendum No. 1 is to announce to all interested vendors the City's responses to the questions that have been asked to date.

Please note that the submittal deadline and scheduled opening of all bids received remains unchanged and is:

April 2, 2015, 2:00 p.m. Central Time

Below are the questions asked to date and the City's responses thereto:

City of Franklin Addendum No. 1 to

Purchasing Office Solicitation No.: 2015-026

Q1: It appears the City is looking for a self-funded retiree offering. Am I reading this correctly? If so, do you know if the City is interested in a fully insured Group Medicare Advantage program for the Medicare eligible retirees?

A1: Pursuant to this procurement solicitation, the City is accepting bids for Stop Loss Insurance only. The City is not soliciting other coverages at this time. Further, retirees over 65 are not eligible for the City medical plan.

10. Acknowledge receipt of addendum: Bidders shall acknowledge receipt of this addendum on the Bid Submittal Form in the space to the right of the text on that form that reads, "Receipt acknowledged of any and all issued addenda to this solicitation."
11. Questions, requests for clarifications, and requests to revise the procurement solicitation; addenda: To ask questions, to request clarifications about any aspect of this procurement solicitation, or to request revisions to the procurement solicitation prior to the March 26, 2015, 2:00 p.m. Central Time deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of the procurement solicitation, please contact:

City of Franklin Purchasing Office
Franklin City Hall, Suite 107
109 3rd Ave. South
Franklin, TN 37064
purchasing@franklintn.gov
Tel: 615/550-6692
Fax: 615/550-0079

Depending upon the inquiry, the City may request that the question, request for clarification, or request for revision be submitted in writing, whereupon the City may make all vendors known or thought to be interested in the solicitation aware of the inquiry and of the City's response thereto.

12. Communication with City during procurement phase: Any questions about either the content of or the procurement process pertaining to this procurement solicitation should be addressed as described above. Until the procurement award has been made, vendors shall not communicate about either the content of or the procurement process pertaining to this procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.

CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT
(City of Franklin Contract No. 2015-0106)

Attachment No. 2

SUBMITTAL

Bid Submittal Form

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the
City of Franklin, Tennessee

Purchasing Office Solicitation No.: 2015-026

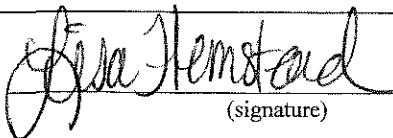
Vendor's name, street address, and mailing address:	Sun Life Assurance Company of Canada One Sun Life Executive Park Wellesley Hills, MA 02481
Vendor's contact person's name (printed), title, telephone number and e-mail address:	Lisa Hemstead Sr. Stop Loss Specialist (617) 584-4278 Lisa.Hemstead@Sunlife.com
Does the bidder take any exceptions to the City's procurement solicitation?	<input type="checkbox"/> Yes, see enclosed. <input checked="" type="checkbox"/> No, bidder takes no exceptions.
Are exceptions, if any, to the City's procurement solicitation listed separately, described, compared to the City's intention as expressed and implied by the City's solicitation documents and submitted?	<input type="checkbox"/> Yes, see enclosed. <input checked="" type="checkbox"/> No, bidder takes no exceptions.
Are the City's preferred payment terms (net 30 days from date of delivery or date of invoice, whichever is later) acceptable to bidder?	<input checked="" type="checkbox"/> Yes. <input type="checkbox"/> No, bidder requests the following payment terms: _____
Last date (no sooner than June 30, 2015) that bid and associated pricing is valid and may be accepted by the City:	_____
Method of payment – The City prefers to pay its vendors electronically, either by direct deposit (i.e., "ACH" or "Electronic Funds Transfer"), or by Visa credit card, rather than by conventional check. Which payment method would the bidder prefer?	<input checked="" type="checkbox"/> ACH or Electronic Funds Transfer. <input type="checkbox"/> Visa credit card.
Receipt acknowledged of any and all issued addenda to this solicitation:	<input checked="" type="checkbox"/> Addendum No. <u>1</u> received. <input type="checkbox"/> Addenda Nos. _____ received. <input type="checkbox"/> No addenda received.
Branch office(s) that will be responsible for performing the services pursuant to this procurement solicitation (include street address):	3819 Dartmouth Ave, Nashville, TN 37215 _____ _____
Financial performance rating from A.M. Best and Standard and Poor's:	AM Best: A+ / Standard & Poors: Aa3
Number of years the company has been in business:	33
Number of stop loss contracts in force:	1860; 4.5 million lives covered
Percentage of stop loss contracts that are with employers in the public sector:	Upon Request
Contract basis for specific stop loss coverage (minimum 24/12):	24/12
Maximum rate increase at 7/1/2016 renewal (as a percentage of 7/1/2015 quoted rates) if no new lasers (higher individual specific deductibles):	50%

Bid Submittal Form

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the

City of Franklin, Tennessee

Purchasing Office Solicitation No.: 2015-026

Vendor's name:	Sun Life Assurance Company of Canada
If the bid is submitted in conjunction with an MGU, the following questions must be answered:	
Does the MGU have claims paying authority? If so, to what extent?	<input type="checkbox"/> Yes, to the following extent: _____ _____ <input type="checkbox"/> No, the MGU does not have claims paying authority.
Does the MGU assume any risk for the insurance carrier? If yes, how much?	<input type="checkbox"/> Yes, to the following extent: _____ _____ <input type="checkbox"/> No, the MGU does not assume any risk for the insurance carrier.
Are the following components included with this Bid Submittal Form in the bid submittal? <ul style="list-style-type: none"> Detailed vendor-supplied description of bid product(s) and/or service(s); A copy of your Tennessee license; Sample of the bidder's contract; Disclosure of all lawsuits regarding the type of coverage being quoted within the past three years, whether anticipated, pending or concluded, to which the bidder has been a party; Disclosure of any other names or former names under which they have operated; City of Franklin specifications for this procurement, marked by the bidder as to compliance therewith as per the instructions therein; Detailed vendor-supplied identification, listing and description of any exceptions to the written specifications as per the instructions therefor; Vendor-supplied contact information for minimum of three references; City of Franklin Standard Procurement Terms and Conditions, with the vendor's contact information inserted; Vendor's proposed terms and conditions, if any, that are not inconsistent with the City's Standard Procurement Terms and Conditions; City of Franklin Affidavit of Non-Collusion, executed in full; City of Franklin Affidavit of Title VI Compliance, executed in full; and A complete digital copy and two (2) complete duplicate sets of submitted bid documents per the Instructions for Bidders. 	<input checked="" type="checkbox"/> Yes, see enclosed. <input type="checkbox"/> No, bidder chooses <u>not</u> to include all of these components (WARNING: doing so may cause the City to deem the bid non-responsive).
Signature of bidder's authorized representative: I have received and read, and do understand and consent, to all instructions, terms and conditions, including those imposed by reference, which apply to this procurement solicitation and compliance with which is required as a condition precedent to consideration of the bid submitted herewith.	 _____ (signature)
Title of bidder's authorized representative:	Sr. Stop Loss Specialist
Date of signature:	4/2/15

Bid Submittal Form

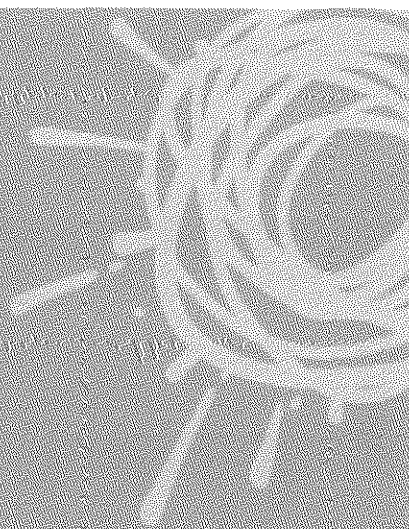
a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the
City of Franklin, Tennessee

Purchasing Office Solicitation No.: 2015-026

Vendor's name:			Sun Life Assurance Company of Canada	
Bid stop loss rates:				
Coverage variables				
Specific individual deductible	Aggregating specific deductible	Laser	Rate per single employee ¹ per month	Rate per family ² per month
\$225,000	\$0	no	\$ 22.48	\$ 60.88
\$225,000	\$100,000	no	\$ 18.15	\$ 48.55
\$225,000	\$125,000	no	\$ 17.30	\$ 46.12
\$225,000	\$150,000	no	\$ 16.50	\$ 43.84
\$225,000	\$0	yes	\$ 21.86	\$ 59.11
\$225,000	\$100,000	yes	\$ 17.66	\$ 47.14
\$225,000	\$125,000	yes	\$ 16.83	\$ 44.79
\$225,000	\$150,000	yes	\$ 16.06	\$ 42.58
\$250,000	\$0	no	\$ 18.47	\$ 51.24
\$250,000	\$100,000	no	\$ 14.32	\$ 38.98
\$250,000	\$125,000	no	\$ 13.49	\$ 36.53
\$250,000	\$150,000	no	\$ 12.72	\$ 34.25
\$250,000	\$0	yes	\$ 17.96	\$ 49.75
\$250,000	\$100,000	yes	\$ 13.94	\$ 37.86
\$250,000	\$125,000	yes	\$ 13.14	\$ 35.49
\$250,000	\$150,000	yes	\$ 12.39	\$ 33.27

¹ This rate applies to employees enrolled in single coverage.

² This rate applies to employees enrolled in family coverage.



PROPOSAL

Brighter under the sun

Created for:
City of Franklin

Introduction

Thank you for the opportunity to provide your company with insurance protection. We are honored to offer this proposal to you.

Proposal presented to

City of Franklin
109 Third Ave S Suite 107
Franklin, TN 37064

SIC Code: 9111

Proposal presented by

Sun Life Financial
One Sun Life Exec Park
112 Worcester St
Wellesley Hills, MA 02481
Tel: 800-786-5433

Benefits quoted

Specific Stop-Loss

Proposed Effective Date

July 1, 2015

Things to know

- This proposal shows a summary of proposed benefits, rates, and underlying assumptions. It is not part of the group policy or a legal contract with Sun Life Financial or its affiliated companies.
- This proposal is valid for 60 days, starting from April 2, 2015, and only for the proposed Effective Date.
- The rates shown may be subject to recalculation pending a) final enrollment, b) census data, and c) review of any additional data requested in the proposal. Please review the assumptions for information about how the rates were derived.

Producer licensing

All Sun Life Financial companies require producers who use insurance quotes for the purpose of soliciting, selling or negotiating insurance to be licensed both by the state where the prospective client is located and by any state where the solicitation, sale, or negotiation of insurance occurs, if different. This requirement pertains to all forms of solicitation, sale, or negotiation of insurance, including but not limited to solicitation, sale, or negotiation conducted in person, or by telephone, by e-mail, by fax, or otherwise.

Producer compensation

We encourage brokers and their clients to discuss what commission or other compensation may be paid in connection with the purchase of products and services from Sun Life companies. All Sun Life Financial companies may pay the selling broker, agency, or third party administrator for the promotion, sale, and renewal of the products and services offered in this proposal. In addition to our standard compensation arrangements, we may make additional cash payments or reimbursements to selling brokers in recognition of their marketing and distribution activities, persistency levels, and volume of business. For New York-issued cases, producers must comply with the specific compensation disclosure requirements of New York Regulation 194.

Plan and rates

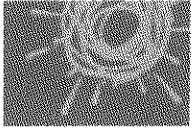
This proposal may be based on employee census information provided by the employer. Acceptance of the group and final rates will be determined by Sun Life based on actual enrollment and case experience, if required. Terms and conditions of any coverage under the policy may be determined by all required final data and by underwriting rules, minimum participation requirements, and policy provisions in effect on the date coverage begins.

Underwriting companies

The Sun Life Financial group of companies operates under the Sun Life Financial name. In the United States and elsewhere, insurance products are offered by members of the Sun Life Financial group that are insurance companies. Sun Life Financial Inc., the publicly traded holding company for the Sun Life Financial group of companies, is not an insurance company and does not guarantee the obligations of these insurance companies. Each insurance company relies on its own financial strength and claims-paying ability.

Affordable Care Act

The Affordable Care Act (ACA) includes plan requirements. This proposal represents Sun Life's effort to work with you to meet your requirements under the ACA, including—but not limited to—the dependent age and rescission provisions. Regarding the rescission provision, it is the self-funded medical plan's responsibility to keep its census data up to date at all times. If the plan inadvertently does not remove a terminated participant, Sun Life may deny a claim. However, in that situation, the plan is responsible.



Stop-Loss

We are pleased to offer Stop-Loss insurance to employers. Our coverage provides a full range of services and features designed to make self-funding easier and more affordable. Here are some highlights:

- **Autonomy:** Receive fast, final decisions to underwriting and claim requests because we don't need to take the time to ask for a reinsurer's approval. As a direct-writer carrier, we retain 99.5% of the Specific risk and 100% of the Aggregate risk for our Stop-Loss policies.
- **Excellent claims service:** Experience a high standard of customer service, including an average 10-business-day turnaround time for complete Specific claim requests.
- **Money-saving programs:** Get SunResources® and SunEliteSM —both are provided to all Sun Life Stop-Loss customers. Sun Life nurse consultants work with administrators even before the Stop-Loss deductible is reached to help reduce claim expenses for the plan through SunResources® access to specialized vendors. The SunEliteSM medical plan document review service delivers insight you can use to strengthen cost containment, federal law compliance, and discretionary authority language.
- **Comprehensive policy:** Enjoy a Stop-Loss policy that covers a variety of managed care fees, off-label drug use, alternative care, state assessments, and state-mandated hospital surcharges. These reimbursable expenses can help lower the total cost of self-funding.
- **Flexibility:** Choose from a full range of plan designs to meet any budget. Designs include a range of deductibles and run-in and run-out options.
- **Customized protection:** Tailor coverage with the innovative Cancer rider deductible (requires an in force Sun Life Cancer/Critical Illness policy), Aggregating Specific deductible, Monthly Aggregate Accommodation option, Advance Funding and Clinical Trials option.
- **No New Lasers at Renewal:** Eliminate the potential for additional lasers with the No New Lasers at Renewal option. It includes the Renewal Rate Increase Cap to help make renewals even more predictable and stable.
- **Gapless Renewals:** Catch claims that would otherwise go uncovered between policy years with the Gapless Renewals option. This added coverage was created for claims that don't fall into the normal run-out pattern.
- **No Redisclosure at Renewal:** Rely on this to make things easier—you don't have to send in a large claims disclosure again at renewal.

Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 07-SL REV 7-12.

Stop-Loss

Rates

Plan 1

NO NEW LASERS AT RENEWAL OPTION

Proposed Third Party Administrator: BLUE CROSS/BLUE SHIELD OF TENNESSEE

Proposed network: BCBS Tenn-Chatt/Memphis, Blue Card

Specific Stop-Loss insurance

Effective Date: 07/01/2015	Commission: 0.00%	SIC:	9111
Policy year end date: 06/30/2016			
Covered benefits	Medical including prescription drug plan		
Annual maximum: Unlimited			
Claim Basis:	24/12		
Specific Deductible	\$225,000		\$250,000
Aggregating Specific Deductible			
Employee tier/lives			
Employee only	223	\$22.48	\$18.47
Employee and family	423	\$60.88	\$51.24
Total Lives	646		
Monthly premium	\$30,765		\$25,793
Policy year premium	\$369,150		\$309,537
Policy year cost summary			
Specific Deductible	\$225,000		\$250,000
Total premium	\$369,150		\$309,537

Included in this plan:

- Managed care discount for pre-certification, utilization review, medical case management
- Retirees included for Specific coverage

Additional options:

- Additional discounts on the Specific rates have been applied for the following:
 - Pregnancy management
 - Neonatal network
 - Disease management
- If these programs are not in place by the effective date, rates will be increased 2% for each program.
- A discount may be available with the purchase of Group Life and/or LTD.

Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 07-SL REV 7-12.

Plan 2

LASERS AT RENEWAL OPTION

Proposed Third Party Administrator: BLUE CROSS/BLUE SHIELD OF TENNESSEE

Proposed network: BCBS Tenn-Chatt/Memphis, Blue Card

Specific Stop-Loss insurance

Effective Date: 07/01/2015	Commission: 0.00%	SIC:	9111
Policy year end date: 06/30/2016			
Covered benefits	Medical including prescription drug plan		
Annual maximum: Unlimited			
Claim Basis:	24/12		
Specific Deductible	\$225,000		\$250,000
Aggregating Specific Deductible			
Employee tier/lives			
Employee only	223	\$21.86	\$17.96
Employee and family	423	\$59.11	\$49.75
Total Lives	646		
Monthly premium	\$29,878		\$25,049
Policy year premium	\$358,530		\$300,623
Policy year cost summary			
Specific Deductible	\$225,000		\$250,000
Total premium	\$358,530		\$300,623

Included in this plan:

- Managed care discount for pre-certification, utilization review, medical case management
- Retirees included for Specific coverage

Additional options:

- Additional discounts on the Specific rates have been applied for the following:
 - Pregnancy management
 - Neonatal network
 - Disease management
- If these programs are not in place by the effective date, rates will be increased 2% for each program.
- A discount may be available with the purchase of Group Life and/or LTD.

Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 07-SL REV 7-12.

Plan 3

NO NEW LASERS AT RENEWAL OPTION

Proposed Third Party Administrator: BLUE CROSS/BLUE SHIELD OF TENNESSEE

Proposed network: BCBS Tenn-Chatt/Memphis, Blue Card

Specific Stop-Loss insurance

Effective Date: 07/01/2015		Commission: 0.00%	SIC:	9111
Policy year end date: 06/30/2016				
Covered benefits		Medical including prescription drug plan		
Annual maximum: Unlimited				
Claim Basis:		24/12		
Specific Deductible		\$225,000	\$225,000	\$225,000
Aggregating Specific Deductible		\$100,000	\$125,000	\$150,000
Employee tier/lives				
Employee only	223	\$18.15	\$17.30	\$16.50
Employee and family	423	\$48.55	\$46.12	\$43.84
Total Lives	646			
Monthly premium		\$24,584	\$23,367	\$22,224
Policy year premium		\$295,041	\$280,390	\$266,669
Policy year cost summary				
Specific Deductible		\$225,000	\$225,000	\$225,000
Total premium		\$295,041	\$280,390	\$266,669

Included in this plan:

- Managed care discount for pre-certification, utilization review, medical case management
- Retirees included for Specific coverage

Additional options:

- Additional discounts on the Specific rates have been applied for the following:
 - Pregnancy management
 - Neonatal network
 - Disease management
- If these programs are not in place by the effective date, rates will be increased 2% for each program.
- A discount may be available with the purchase of Group Life and/or LTD.

Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 07-SL REV 7-12.

April 2, 2015

Plan 4

LASERS AT RENEWAL OPTION

Proposed Third Party Administrator: BLUE CROSS/BLUE SHIELD OF TENNESSEE

Proposed network: BCBS Tenn-Chatt/Memphis, Blue Card

Specific Stop-Loss insurance

Effective Date: 07/01/2015	Commission: 0.00%	SIC:	9111
Policy year end date: 06/30/2016			
Covered benefits	Medical including prescription drug plan		
Annual maximum: Unlimited			
Claim Basis:	24/12		
Specific Deductible	\$225,000	\$225,000	\$225,000
Aggregating Specific Deductible	\$100,000	\$125,000	\$150,000
Employee tier/lives			
Employee only	223	\$17.66	\$16.83
Employee and family	423	\$47.14	\$42.58
Total Lives	646		
Monthly premium	\$23,878	\$22,699	\$21,593
Policy year premium	\$286,514	\$272,405	\$259,072
Policy year cost summary			
Specific Deductible	\$225,000	\$225,000	\$225,000
Total premium	\$286,514	\$272,405	\$259,072

Included in this plan:

- Managed care discount for pre-certification, utilization review, medical case management
- Retirees included for Specific coverage

Additional options:

- Additional discounts on the Specific rates have been applied for the following:
 - Pregnancy management
 - Neonatal network
 - Disease management
- If these programs are not in place by the effective date, rates will be increased 2% for each program.
- A discount may be available with the purchase of Group Life and/or LTD.

Plan 5

NO NEW LASERS AT RENEWAL OPTION

Proposed Third Party Administrator: BLUE CROSS/BLUE SHIELD OF TENNESSEE

Proposed network: BCBS Tenn-Chatt/Memphis, Blue Card

Specific Stop-Loss insurance

Effective Date: 07/01/2015	Commission: 0.00%	SIC:	9111
Policy year end date: 06/30/2016			
Covered benefits	Medical including prescription drug plan		
Annual maximum: Unlimited			
Claim Basis:	24/12		
Specific Deductible	\$250,000	\$250,000	\$250,000
Aggregating Specific Deductible	\$100,000	\$125,000	\$150,000
Employee tier/lives			
Employee only	223	\$14.32	\$12.72
Employee and family	423	\$38.98	\$34.25
Total Lives	646		
Monthly premium	\$19,682	\$18,460	\$17,324
Policy year premium	\$236,203	\$221,552	\$207,909
Policy year cost summary			
Specific Deductible	\$250,000	\$250,000	\$250,000
Total premium	\$236,203	\$221,552	\$207,909

Included in this plan:

- Managed care discount for pre-certification, utilization review, medical case management
- Retirees included for Specific coverage

Additional options:

- Additional discounts on the Specific rates have been applied for the following:
 - Pregnancy management
 - Neonatal network
 - Disease management
- If these programs are not in place by the effective date, rates will be increased 2% for each program.
- A discount may be available with the purchase of Group Life and/or LTD.

Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 07-SL REV 7-12.

Plan 6

LASERS AT RENEWAL OPTION

Proposed Third Party Administrator: BLUE CROSS/BLUE SHIELD OF TENNESSEE

Proposed network: BCBS Tenn-Chatt/Memphis and Blue Card

Specific Stop-Loss insurance

Effective Date: 07/01/2015	Commission: 0.00%	SIC:	9111
Policy year end date: 06/30/2016			
Covered benefits	Medical including prescription drug plan		
Annual maximum: Unlimited			
Claim Basis:	24/12		
Specific Deductible	\$250,000	\$250,000	\$250,000
Aggregating Specific Deductible	\$100,000	\$125,000	\$150,000
Employee tier/lives			
Employee only	223	\$13.94	\$13.14
Employee and family	423	\$37.86	\$35.49
Total Lives	646		
Monthly premium	\$19,123	\$17,942	\$16,836
Policy year premium	\$229,459	\$215,351	\$202,017
Policy year cost summary			
Specific Deductible	\$250,000	\$250,000	\$250,000
Total premium	\$229,459	\$215,351	\$202,017

Included in this plan:

- Managed care discount for pre-certification, utilization review, medical case management
- Retirees included for Specific coverage

Additional options:

- Additional discounts on the Specific rates have been applied for the following:
 - Pregnancy management
 - Neonatal network
 - Disease management
- If these programs are not in place by the effective date, rates will be increased 2% for each program.
- A discount may be available with the purchase of Group Life and/or LTD.

Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 07-SL REV 7-12.

Stop-Loss

Assumptions

- Clinical Trial Coverage: Costs relating to non-experimental and non-investigational treatment incurred as part of a clinical trial are covered as eligible expenses. Costs relating to experimental or investigational treatment are not covered.
- Mental/nervous/drug/alcohol coverage is based on current plan design.
- Advance Funding Endorsement included.
- This proposal includes the No New Laser at Renewal option and a Renewal Rate Cap of 50.00%. The Renewal Rate Cap applies to the Specific Stop-Loss rates and Aggregating Specific Deductible (if applicable), and it assumes there are no material changes to the policyholder's plan, the Stop-Loss policy, or the group being covered, for Plan 1.
- This proposal includes the No New Laser at Renewal option and a Renewal Rate Cap of 50.00%. The Renewal Rate Cap applies to the Specific Stop-Loss rates and Aggregating Specific Deductible (if applicable), and it assumes there are no material changes to the policyholder's plan, the Stop-Loss policy, or the group being covered, for Plan 3.
- This proposal includes the No New Laser at Renewal option and a Renewal Rate Cap of 50.00%. The Renewal Rate Cap applies to the Specific Stop-Loss rates and Aggregating Specific Deductible (if applicable), and it assumes there are no material changes to the policyholder's plan, the Stop-Loss policy, or the group being covered, for Plan 5.
- This proposal includes the Laser at Renewal option and allows your renewal to contain new or revised lasers, for Plan 2.
- This proposal includes the Laser at Renewal option and allows your renewal to contain new or revised lasers, for Plan 4.
- This proposal includes the Laser at Renewal option and allows your renewal to contain new or revised lasers, for Plan 6.
- This quote includes an Aggregating Specific Deductible, for Plans 3,4,5,6.
- Quote based on current plan of benefits.
- We are offering a conditional 120 Day Early Lock option. You must provide all required information through 2/28/2015 including but not limited to a signed SRQ and application. The information must be received no later than 4/24/2015. This offer is no longer valid after 4/24/2015.
- This proposal assumes the mirroring amendment/endorsement is included. Mirroring of the employer's plan document is subject to review and approval by Sun Life Financial and may impact the quoted rates. The employer plan document must be submitted within 90 days of the policy effective date and must include an executed signature page.
- This proposal assumes the police/fire employees are 36.20% of the group.
- The standard dependent definition is an employee's spouse and unmarried natural, adopted, or step children, unless otherwise noted.
- This proposal assumes your plan covers only full-time and regular part-time hourly and salaried employees, unless otherwise noted.

Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 07-SL REV 7-12.

- Final rates for Specific coverage are guaranteed for 12 months from the Effective Date, unless a change in risk occurs. Risk changes include plan or policy amendments; Third Party Administrator or Administrative Services Only changes; network or cost-containment vendor changes; enrollment shifts greater than 15%; participation shifts in each plan option greater than 10%; and addition/deletion of a subsidiary, division, affiliate, or associated company.

Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 07-SL REV 7-12.

Stop-Loss

Individual claim assessments

- member #90283604301 has a Specific Deductible of \$355,000. We will review and consider additional information. If an Identifier is referenced, please provide the name of this individual.

Stop-Loss

Sold Case requirements

- Copy of plan document
- Final census information through the end of the enrollment period, including age or date of birth, gender, zip codes, coverage codes, and identification of any HMO, retiree, COBRA, and noneligible employees
- Special Risk Questionnaire (SRQ)
- For cases with run-in only:
 - Pending hospital expenses and known confinements that have not yet generated a bill
 - Pre-certification billing through 2 weeks prior to the Effective Date
 - Outstanding claims due to subrogation, audit, contested denials, or any other reason
- For cases with 12/12 or run-outs: pre-certification billing through 2 weeks prior to the Effective Date

Issuance of a contract is subject to submission of all Sold Case and Proposal Contingencies.

Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 07-SL REV 7-12.

Disclosures

Policy disclosures

Stop-Loss

Exclusions

We do not reimburse for any of the following:

- Expenses for medical services rendered to a Covered Person by the Covered Person's family member or relative.
- Expenses that are payable or reimbursable under any Workers' Compensation Law or similar legislation.
- Expenses for any cosmetic Treatment as defined in Your Plan. This exclusion does not apply to expenses relating to breast reconstruction after mastectomy.
- Expenses for any Experimental or Investigational Treatment, or for any hospital confinement or Treatment that results from Experimental or Investigational Treatment.
- Expenses for any transplant not included in the definition of Transplant.
- Expenses relating to non-human organ or tissue transplants, gene therapies, xenographs or cloning.
- Expenses for any Treatment administered outside the United States if the Covered Person traveled to the location where the Treatment was received for the purpose of obtaining the Treatment.
- Expenses for benefits in excess of Your Plan's limits, or expenses that are excluded under Your Plan.
- Expenses in excess of the Usual and Customary Charge.
- Any amount paid by You in excess of a negotiated provider discount, or any penalty or late charge incurred, or any discount lost, unless previously approved in writing by Us at Our U.S. Headquarters.
- Expenses associated with the administration of Your Plan including, but not limited to, claim payment fees, cost containment administrative fees, PDP administration fees, PPO access fees, premium functions, medical review and consultant fees, unless otherwise covered under this Policy.
- Expenses paid by You relating to any litigation concerning Your Plan, including, but not limited to, attorneys' fees, extra-contractual damages, compensatory damages and punitive damages.
- Any portion of an expense which You are not obligated to pay under Your Plan, or which is reimbursable to You under:
 - Another group health benefit program; or
 - A government or privately supported medical research program; or
 - Medicare; or
 - Any coordination of benefits or non-duplication of benefits provision of Your Plan; or
 - Worker's compensation; or
 - Any other source.
- Expenses incurred by a person who is employed by You at any unit, subsidiary or division of Yours that has not been underwritten by Us.
- Expenses incurred for any illness or injury due to, or aggravated by, war or an act of war, whether declared or undeclared.
- Expenses paid by You for any Treatment authorized or approved under any provision of Your Plan which:
 - Allows the plan administrator to approve alternative care or alternative treatment; or

- Allows the plan administrator to alter, modify, or waive Plan provisions or limitations, or
 - Grants You or Your plan administrator discretion to approve coverage for Treatment not otherwise covered under Your Plan;
- unless the Treatment satisfies the criteria for Alternative Care set forth in Section II.
- Expenses covered under a Prescription Drug Plan, unless Prescription Drug Plan coverage is a Covered Benefit on the Schedule of Benefits.
 - Expenses for any Transplant if You have a separate insurance policy that covers Transplants for Covered Persons regardless of whether the Covered Person is covered by that policy.
 - Notwithstanding any other Policy provision, We will not reimburse any expense incurred by any employee, or by the employee's dependents, where the employee is a member of: (a) a division, unit, group, subsidiary, affiliate, or class of employee of the Policyholder; or (b) an association, trust, cooperative or similar organization connected with the Policyholder, that is not covered by the Plan as of the Policy Renewal Effective Date.

General disclosures

1. For current financial ratings, please visit www.sunlife.com.

The Sun Life Financial group of companies operates under the "Sun Life Financial" name. In the United States and elsewhere, insurance products are offered by members of the Sun Life Financial group that are insurance companies. Sun Life Financial Inc., the publicly traded holding company for the Sun Life Financial group of companies, is not an insurance company and does not guarantee the obligations of these insurance companies. Each insurance company relies on its own financial strength and claims-paying ability.

2. Based on market capitalization data, as of March 31, 2013 provided by Thomson Reuters and compiled by Sun Life Financial.

3. Based on in force premium for U.S. business. Source: for Disability, LIMRA, U.S. Group Disability Insurance 2011 Annual Sales and In Force Report.

4. The services identified below are not insurance, are offered only on specific lines of coverage, and carry a separate charge, which is added to the cost of the insurance. The cost is included in the total amount billed. Emergency Travel Assistance is provided by Assist America®. Identity Theft Protection is provided by SecurAssist®, an Assist America program. Convenience Resources and Adult /Elder Care Support are provided by Harris, Rothenberg International, Inc. Claimant Support Services, Online Will Preparation, and HealthChampionSM (health care support services) are provided by ComPsych®. Employee Assistance Program (EAP) work/life services, which are provided by ComPsych, are also not insurance, and the charge is segregated from the insurance cost but included in the total amount billed. The benefit-specific sections of this proposal will note if any of these services are available to employees. Sun Life is not responsible or liable for care, services, or advice given by any provider or vendor of the services. Sun Life reserves the right to discontinue any of the services at any time.

Service guarantees: if we do not meet our service standards, the employer is given a refund as a percentage of premium. Certain limitations apply.

Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states, except New York, under Policy Form Series 93P-LH, 98P-ADD, 02-SL, 07-SL REV 7-12, 01C-LH-PT, 12-GP-01, 12-DI-C-01, 12-SD-C-01, GP-A, 13-SD-C-01, 12-AC-C-01, 12-AC-R-01, and 12-AC-R-02. In New York, group insurance policies are underwritten by Sun Life and Health Insurance Company (U.S.) (Windsor, CT) under Policy Form Series 13-GP-LH-01, 13-GP-LF-01, GP-A, 06P-NY-DBL, 07-NYSL REV 7-12. Product offerings may not be available in all states and may vary depending on state laws and regulations.

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License No: 2249099
NPN: 6610988

State of Tennessee
Department of
Commerce and Insurance



LISA A. HEMSTEAD

LICENSE TYPE	LINES OF AUTHORITY	LICENSE EXPIRATION DATE
INSURANCE PRODUCER	Life Accident & Health	01/31/2017

LISA A. HEMSTEAD
3819 DARTMOUTH AVE
NASHVILLE TN 37215

State of Tennessee
Department of
Commerce and Insurance
LISA A. HEMSTEAD

License No: 2249099

NPN: 6610988

9006061

This is to certify that all requirements of the State of Tennessee have been met.

LICENSE TYPE
INSURANCE PRODUCER

LINES OF AUTHORITY
Life
Accident & Health

LICENSE EXPIRATION DATE
01/31/2017

This insurance license shall remain in effect until the expiration date unless suspended, revoked or forfeited. The insurance producer must complete continuing education, renew the license and pay fees.



IN-1313
Department of
Commerce and Insurance

Sun Life Assurance Company of Canada Stop-Loss Policy

Policyholder: ABC Company
Policy Number: 12345
Policy Effective Date: January 1, 2012

This Policy is delivered in [State] and is subject to the laws of that jurisdiction.

Sun Life Assurance Company of Canada agrees to pay the benefits provided by this Policy in accordance with the provisions contained herein. This Policy is issued in consideration of the Application submitted by the Policyholder, a copy of which is attached, and continued payment of premium by the Policyholder. The Application, and any Riders, Endorsements, Addenda and Amendments to this Policy are made part of this Policy.

The Policyholder will hereafter be referred to as "You," "Your," and "Yours."

Sun Life Assurance Company of Canada will hereafter be referred to as "We," "Our," and "Us."

When determining any date under this Policy, all days begin at 12:00:00 a.m. and end at 11:59:59 p.m. standard time for Your headquarters.

Signed at Our U.S. headquarters, One Sun Life Executive Park, Wellesley Hills, Massachusetts, by:



Dean A. Connor
President and Chief Executive Officer



Dana J. Easthope
Vice-President, Associate General Counsel
and Corporate Secretary

PLEASE READ YOUR POLICY CAREFULLY
Non-Participating

This is a reimbursement policy. You, or Your Plan administrator, are responsible for making benefit determinations under your Plan. We have no duty or authority to administer, settle, adjust or provide advice regarding claims filed under Your Plan.



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Sample

Schedule of Benefits
Specific Benefit

Original Specific Benefit Effective Date January 1, 2013

Benefit Specifications

Policy Year January 1, 2013 through December 31, 2013

Reimbursement Percentage 100% of Eligible Expenses

Covered Benefits Medical, Including Prescription Drugs

Specific Benefit Deductible \$XXX,XXX

Specific Benefit Lifetime Maximum
Eligible Expenses \$XXX,XXX,XXX

Specific Benefit Claims Basis **24/12 (12 Month Run-In)**
Eligible Expenses include only those expenses Incurred during the Policy Year, or within 12 months prior to the Policy Year (the Run-In Period), and Paid during the Policy Year.

Covered Unit(s) Single Employee, Employee and Family

Retirees Covered

Specific Benefit Premium Rate \$XX.XX per Single Employee per month
\$XX.XX per Employee and Family per month

Premium Due Date The Policy Effective Date and the first day of each succeeding month.

Sample

**Schedule of Benefits
Aggregate Benefit**

Original Aggregate Benefit Effective Date January 1, 2013

Benefit Specifications

Policy Year January 1, 2013 through December 31, 2013

Reimbursement Percentage 100% of Eligible Expenses

Covered Benefits Medical
Prescription Drug Plan (PDP)

Aggregate Benefit Maximum \$X,XXX,XXX

Aggregate Benefit Maximum Eligible Expenses Per Covered Person \$XXX,XXX

Aggregate Deductible Factor (“ADF”) The ADF per Benefit Month for each Covered Unit by Covered Benefit is as follows:

<u>Covered Benefit</u>	<u>Covered Unit</u>	<u>ADF</u>
Medical	Single Employee	\$XXX.XX
	Employee and Family	
PDP	Single Employee	\$XXX.XX
	Employee and Family	

Minimum Aggregate Deductible The Minimum Aggregate Deductible for the current Policy Year is the greater of:
a) \$X,XXX,XXX; or
b) X% of the Monthly Aggregate Deductible for the first month of the Policy Year, then multiplied by 12.

Aggregate Benefit Attachment Point The Aggregate Benefit Attachment Point is the greater of:
a) the sum of the Monthly Aggregate Deductibles for the Policy Year; or
b) the Minimum Aggregate Deductible.

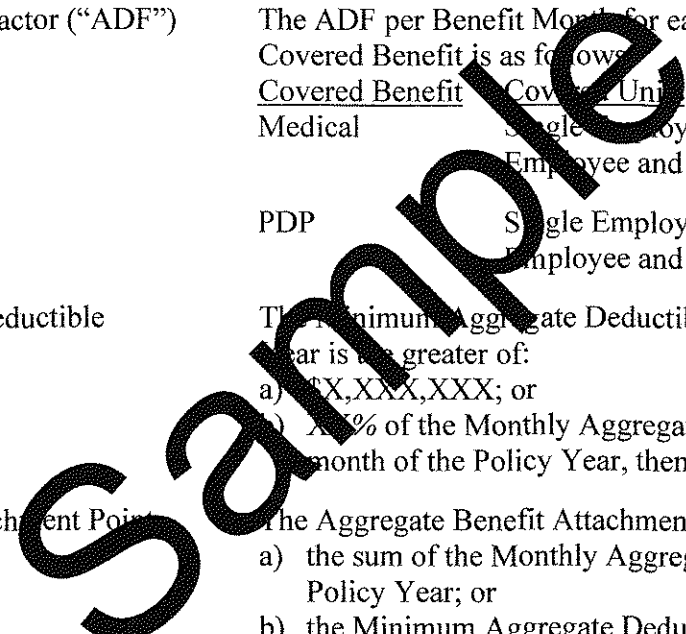
Aggregate Benefit Claims Basis **24/12 (12 Month Run-In)**
Eligible Expenses include only those expenses Incurred during the Policy Year, or within 12 months prior to the Policy Year (the “Run-In Period”), and Paid during the Policy Year.

Covered Unit(s) Single Employee, Employee and Family

Retirees Covered

Aggregate Benefit Premium Rate \$X.XX per Covered Units per month.

Premium Due Date The Policy Effective Date and the first day of each succeeding month.



Section 1 Definitions

Alternative Care: For the purpose of determining Eligible Expenses under this Policy, Alternative Care means a plan of Treatment identified through case management services provided to Your Plan. We may consider expenses arising from Alternative Care for reimbursement if the Treatment is cost-effective and Medically Appropriate and Necessary for the care of a Covered Person. Alternative Care must satisfy the requirements set forth in Section II, Expenses Eligible for Reimbursement.

Benefit Month: Any calendar month during which this Policy is in force.

Catastrophic Diagnosis: Any medical condition that is a special risk on Our Special Risk Questionnaire.

Claims Basis: The period of time, shown on the Schedule(s) of Benefits, during which Eligible Expenses must be Incurred by a Covered Person and Paid by You to be eligible for reimbursement under this Policy.

Covered Benefits: The benefit provisions of Your Plan that are insured for stop-loss coverage under this Policy. The Covered Benefits for this Policy are shown on the Schedule(s) of Benefits.

Covered Person: A person enrolled in Your Plan and entitled to receive benefits under Your Plan while this Policy is in force. Retirees, as defined by Your Plan, may be Covered Persons if they are included on the Schedule(s) of Benefits. Covered Person also includes a person enrolled in Your Plan and entitled to receive benefits under Your Plan during the Run-In Period who dies before the Policy Effective Date.

Covered Unit: A category of participants under Your Plan. The Covered Unit(s) for this Policy are shown on the Schedule(s) of Benefits.

Dependent: A person enrolled in Your Plan and entitled to receive benefits under Your Plan as a dependent of a Covered Person. If the law of the state where the Policy is issued requires that domestic partners be covered under Your Plan, then individuals who are domestic partners under the law shall be considered Dependents under the Policy.

Drug or Alcohol Dependence: Dependence on, or abuse of, a chemical substance or alcohol as classified by the current edition of the Diagnostic and Statistical Manual of the American Psychiatric Association ("DSM") or a comparable manual if the American Psychiatric Association stops publishing the DSM.

Experimental or Investigational Treatment: For the purpose of determining Eligible Expenses under this Policy, a Treatment (other than Covered Off-Label Drug Use) will be considered by Us to be experimental or investigational if:

1. The Treatment is governed by the United States Food and Drug Administration ("FDA") and the FDA has not approved the Treatment for the particular condition at the time the Treatment is provided; or
2. The Treatment is provided as part of an ongoing Phase I, II or III clinical trial as defined by the National Institute of Health, National Cancer Institute or the FDA; or
3. There is documentation in published U.S. peer-reviewed medical literature that states that further research, studies, or clinical trials are necessary to determine the safety, toxicity or efficacy of the Treatment.

Experimental or Investigational Treatment shall not include any Treatment provided as part of a clinical trial that would have been provided to the Covered Person if the Covered Person had not participated in the clinical trial.

Incurred: The date on which Treatment is provided.

Independent Review Panel: A panel retained through a third party vendor of medical review services that is comprised of three physicians who are board-certified in the medical specialty or subspecialty that most typically administers the Treatment under review.

Section 1 Definitions

Medical Management Vendor: A third party hired to reduce or control the cost of services or supplies provided to Covered Persons under Your Plan.

Medically Necessary and Appropriate: For the purpose of determining Eligible Expenses under this Policy, a medically necessary and appropriate Treatment is one that We determine meets all of the following criteria:

1. It is recommended and provided by a licensed physician, dentist or other medical practitioner who is practicing within the scope of his or her license; and
2. It is generally accepted as the standard of medical practice and care for the diagnosis and treatment of the particular condition; and
3. It is approved by the FDA, if applicable.

Mental Illness: For the purpose of determining Eligible Expenses under this Policy, Mental Illness includes, but is not limited to, bipolar affective disorder, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders and any other mental and nervous condition classified in the DSM. Mental Illness does not include any condition listed in Appendix G of the DSM-IV, titled "ICD-9-CM Codes for Selected General Medical Conditions and Medication Induced Disorders," or any comparable listing if Appendix G is no longer published

Off-Label Drug Use: The use of a drug for a purpose other than that for which it was approved by the FDA.

Original Aggregate Benefit Effective Date: When We provide you with Aggregate Benefit coverage under this Policy for consecutive Policy Years, the Original Aggregate Benefit Effective Date is the date Aggregate Benefit coverage first became effective in the consecutive year period.

Original Specific Benefit Effective Date: When We provide you with Specific Benefit coverage under this Policy for consecutive Policy Years, the Original Specific Benefit Effective Date is the date Specific Benefit coverage first became effective in the consecutive year period.

Paid: The date Your check or draft for payment of expenses Incurred by a Covered Person is issued and delivered to the payee, provided that the account upon which the payment is drawn contains sufficient funds to permit the check or draft to be honored.

Plan: Your self-funded benefit plan established to provide benefits to Covered Persons as described in Your plan document. For the purpose of determining benefits payable under this Policy, the Plan shall not include any amendments made to the plan document after the Original Aggregate Benefit Effective Date or the Original Specific Benefit Effective Date, whichever is earlier, unless We notify You in writing from Our U.S. Headquarters that We accept the amendment.

Policyholder: You, the legal entity to whom this Policy is issued.

Prescription Drugs: For the purpose of determining Eligible Expenses under this Policy, Prescription Drugs includes all prescription drugs covered under Your Plan, other than prescription drugs administered to a Covered Person while he or she is confined in a hospital or other medical facility.

Prescription Drug Plan: A benefit provision of Your Plan, or a separate employee benefit plan maintained by You, under which prescription drug expenses are paid independently of other medical expenses. Expenses incurred under a Prescription Drug Plan will be included as Eligible Expenses only if the Prescription Drug Plan is included as a Covered Benefit in the Schedule of Benefits. A Prescription Drug Plan does not mean prescription drug expenses paid subject to any deductibles and coinsurance applicable to other medical benefits under Your Plan.

Provider Network: A Preferred Provider Organization (PPO), Exclusive Provider Organization (EPO), Point of Service Plan (POS), self-funded Health Maintenance Organization (HMO), or any managed care network offered under Your Plan.

Section 1 Definitions

Reimbursement Percentage: The percent of Eligible Expenses that will be considered for reimbursement under this Policy.

Schedule of Benefits: This Policy's schedule of Specific Benefit coverage or Aggregate Benefit coverage provided under this Policy.

Special Risk Questionnaire: A report used to provide Us with certain information We require to underwrite this Policy.

Third Party Administrator ("TPA"): A third party that You have entered into an agreement with to provide administrative services to Your Plan. Your TPA is not Our agent.

Transplant: The transplant of organs from human to human, including bone marrow, stem cell and cord blood transplants. Transplants include only those transplants that: (a) are approved for Medicare coverage on the date the Transplant is performed; and (b) are not otherwise excluded by this Policy.

A Transplant must be performed at a Transplant Facility in order to be considered for reimbursement under this Policy.

Transplant Deductible: A deductible, in addition to the Specific Benefit Deductible, that must be satisfied before any Eligible Expenses Incurred in connection with a covered Transplant will be considered for reimbursement under this Policy.

Transplant Facility: A hospital or facility which is accredited by the Joint Commission on Accreditation of Healthcare Organizations to perform a Transplant and:

For organ transplants: is an approved member of the United Network for Organ Sharing for such Transplant or is approved by Medicare as a transplant facility for such Transplant;

For unrelated allogeneic bone marrow or stem cell transplants: is a participant in the National Marrow Donor Program;

For autologous stem cell transplants: is approved to perform such Transplant by: (a) the state where the Transplant is to be performed; or (b) Medicare, or (c) the Foundation for the Accreditation of Hemopoietic Cell Therapy. Outpatient transplant facilities must be similarly approved.

Treatment: Any treatment, procedure, service, device, supply or drug provided to a Covered Person.

Usual and Customary Charge: The usual and customary charge for the locality where the expenses are incurred.

U.S. Headquarters: Our United States headquarters located at One Sun Life Executive Park, Wellesley Hills, Massachusetts.

Section II
Benefit Provisions
Specific Benefit

Definitions

Specific Benefit Deductible: The amount of Eligible Expenses relating to a Covered Person that You must pay before You become eligible for a Specific Benefit.

Specific Benefit Lifetime Maximum Eligible Expenses: The Specific Benefit Lifetime Maximum Eligible Expenses is the maximum amount of Eligible Expenses We will ever apply towards the Specific Benefit for a Covered Person during his or her lifetime. All Eligible Expenses incurred by a Covered Person during the first Policy Year or any subsequent Renewal Policy Year will apply toward the Specific Benefit Lifetime Maximum Eligible Expenses. The Specific Benefit Lifetime Maximum Eligible Expenses amount is shown in the Schedule of Benefits.

Specific Benefit

The Specific Benefit for any Covered Person for any Policy Year equals:

1. The total amount of Eligible Expenses for the Covered Person; minus
2. The Specific Deductible;

multiplied by the Reimbursement Percentage shown on the Schedule of Benefits – Specific Benefit,” if that Reimbursement Percentage is less than 100%.

The amount of Eligible Expenses with respect to any Covered Person is subject to the Specific Benefit Lifetime Maximum Eligible Expenses.

Sample

Section II
Benefit Provisions
Aggregate Benefit

Definitions

Aggregate Benefit Attachment Point: The amount of Eligible Expenses You must pay during the Aggregate Benefit Claims Basis before We will consider an Aggregate Benefit claim. The Aggregate Benefit Attachment Point is shown on the Schedule of Benefits.

Aggregate Deductible Factor: The deductible factor per Benefit Month per Covered Unit by Covered Benefit. The Aggregate Deductible Factor for each Covered Benefit is shown on the Schedule of Benefits.

Aggregate Benefit Maximum Eligible Expenses per Covered Person: The maximum amount of Eligible Expenses for any one Covered Person that will be used to calculate the Aggregate Benefit. The Aggregate Benefit Maximum Eligible Expenses per Covered Person is shown on the Schedule of Benefits

Minimum Aggregate Deductible: The minimum amount of Eligible Expenses You must pay before You become eligible for an Aggregate Benefit. The Minimum Aggregate Deductible is shown on the Schedule of Benefits.

Monthly Aggregate Deductible: The sum of the deductibles for all Covered Benefits for each Benefit Month. The deductible for each Covered Benefit is calculated by multiplying the number of Covered Units on the first day of the Benefit Month by the Aggregate Deductible Factor for each Covered Benefit. The calculation of the Monthly Aggregate Deductible is subject to the 5% Adjustment Rule.

5% Adjustment Rule: If the Monthly Aggregate Deductible decreases from one month ("Month A") to the next ("Month B"), for any reason, the Monthly Aggregate Deductible for Month B shall not be less than 95% of the Monthly Aggregate Deductible for Month A.

Aggregate Benefit

The Aggregate Benefit equals:

1. The total amount of Eligible Expenses for all Covered Persons, subject to the Aggregate Benefit Maximum Eligible Expenses Per Covered Person; minus the greater of
2. The Aggregate Benefit Attachment Point; and

multiplied by the Reimbursement Percentage shown on the "Schedule of Benefits – Aggregate Benefit," if that Reimbursement Percentage is less than 100%.

The Aggregate Benefit will be calculated after the end of the Aggregate Benefit Claims Basis.

Aggregate Benefit Maximum

The Aggregate Benefit We will pay will not exceed the Aggregate Benefit Maximum shown on the Schedule of Benefits.

Section II
Benefit Provisions
SunExcel® Centers of Excellence Transplant Benefit

Introduction

This is a voluntary program. If you utilize it, you must comply with the following terms to receive a benefit under it.

This program provides a number of benefits, which include:

- Providing Covered Persons with access to Centers of Excellence Transplant Facilities;
- Reducing the Specific Benefit Deductible for a Covered Person who uses a Centers of Excellence Transplant Facility for a Transplant;
- Payment of the transplant network access fee;
- Reimbursement for travel and lodging expenses incurred by a Covered Person (and the Covered Person's parents or legal guardian(s) if a Covered Person is a minor or one companion if the Covered Person is not a minor) for the purpose of traveling to and from the Transplant, if such expenses are covered under Your Plan; and
- Reimbursement for certain expenses and deductibles paid by the Policyholder.

Definitions For the purpose of this program, the following terms shall be defined as follows:

Centers of Excellence Transplant Facility: A Transplant Facility We have contracted with as part of the SunExcel® Centers of Excellence Transplant Benefit program.

Requirements

To qualify for the Transplant Benefits, You and Your Plan must satisfy all of the following requirements:

1. Your Plan must:
 - a) Require pre-certification for Transplant related hospitalizations and outpatient Transplant procedures;
 - b) Offer a minimum Transplant benefit of \$300,000;
 - c) Treat Centers of Excellence Transplant Facilities as in-network providers; and
2. You must:
 - a) Require Your TPA and Provider Network(s) to permit Covered Persons to access SunExcel® Centers of Excellence Transplant Facilities;
 - b) Advise Your TPA or Medical Management Vendor(s) that Covered Persons may access Centers of Excellence Transplant Facilities;
 - c) Agree to waive any exclusion under Your Plan that excludes expenses relating to the acquisition of an organ for a Transplant ("organ acquisition expenses"), when organ acquisition expenses are included in the global fee negotiated with a Centers of Excellence Transplant Facility; and
 - d) Advise Your TPA or Medical Management Vendor to contact Our Stop Loss Case Management department at 1-800-432-1102 x2141 when You or they receive notice that a Covered Person may require a Transplant so that We can set up the transplant contract with the Center of Excellence Transplant Facility.

Section II
Benefit Provisions
SunExcel® Centers of Excellence Transplant Benefit

SunExcel® Centers of Excellence Transplant Benefit

If You satisfy the requirements set forth above, and a Covered Person has a Transplant performed at a Centers of Excellence Transplant Facility, We will:

1. Reduce the Specific Benefit Deductible for the Covered Person by \$XXXXXX amount for the Policy Year in which the Transplant occurs; and
2. Pay any fee required for access to the Centers of Excellence Transplant Facility.

In addition, if Your Plan provides the following benefits as Covered Benefits under the Eligible Expenses under the SunExcel® Transplant Benefit will include:

1. Up to \$5,000 for any travel and lodging expenses incurred by the Covered Person (and the Covered Person's parents or legal guardian(s) if a Covered Person is a minor or one companion if the Covered Person is not a minor) for the purpose of traveling to and from the Transplant, if such expenses are covered under Your Plan; and/or
2. Up to \$1,500 for any deductible and co-payments waived by, on behalf of, the Covered Person by Your Plan, for the year in which the Transplant occurs.

Sample

Section II
Benefit Provisions
Expenses Eligible for Reimbursement

Eligible Expenses

Eligible Expenses include any amount paid by You for Medically Necessary and Appropriate expenses incurred by a Covered Person which:

1. Have been paid in accordance with the terms of Your Plan; and
2. Were Incurred and Paid during the applicable claims basis; and
3. Are paid under a Covered Benefit shown on the Schedule of Benefits; and
4. Are not otherwise excluded under this Policy.

Alternative Care

In addition to satisfying Eligible Expenses criteria 2, 3 and 4 above, expenses related to Alternative Care may be considered Eligible Expenses when all of the following additional criteria have been satisfied and submitted to Sun Life Case Management for approval:

1. You demonstrate to Our satisfaction that providing the Alternative Care resulted in a cost savings to the Plan; and
2. The Alternative Care was recommended by case management services provided to Your Plan; and
3. The Alternative Care was Medically Necessary and Appropriate.

Off-Label Drug Use

In addition to satisfying the criteria for Eligible Expenses set forth above, expenses related to Off-Label Drug Use may be considered Eligible Expenses when all of the following additional criteria have been satisfied:

1. The drug is not excluded under Your Plan; and
2. The drug has been approved by the FDA; and
3. You can demonstrate to Our satisfaction that the Off-Label Drug Use is appropriate and generally accepted in the medical community for the condition being treated; and
4. If the drug is used for the treatment of cancer, a nationally recognized compendia as determined by Us, recognize it as an appropriate treatment and
5. The drug is not provided as part of a Phase I, II or III clinical trial as defined by the National Institute of Health, National Cancer Institute or the FDA.

Reimbursement of Certain Fees

Eligible Expenses will also include the following fees Incurred and Paid by You, when approved by Us at Our U.S. Headquarters:

1. Reasonable hourly fees for case management services provided by a registered nurse case manager retained by You or Your TPA; and
2. Fees for: (a) hospital bill audits; (b) access to non-directed provider networks; and (c) negotiating out of network bills.

Such fees shall be considered Eligible Expenses only if You can demonstrate to Us that the work that generated the fees resulted in a cost savings to the Plan. If the Plan can demonstrate such a cost savings, We will reimburse You up to 25% of the amount saved, per hospital confinement per Covered Person.

Fees charged by Your TPA or any subsidiary of Your TPA for any of these services will be considered Eligible Expenses only if prior approval has been obtained in writing from Us at Our U.S. Headquarters.

State Health Care Surcharges

If You pay a state health care surcharge in connection with the payment of Eligible Expenses, the health care surcharge shall be considered an Eligible Expenses. Penalties or fines associated with the health care surcharge or the underlying expenses will not be considered Eligible Expenses..

Section II
Benefit Provisions
Limitations and Exclusions

We will NOT reimburse You for:

1. Expenses for medical services rendered to a Covered Person by the Covered Person's family member or relative.
2. Expenses that are payable or reimbursable under any Workers' Compensation Law or similar legislation.
3. Expenses for any cosmetic Treatment as defined in Your Plan. This exclusion does not apply to expenses relating to breast reconstruction after mastectomy.
4. Expenses for any Experimental or Investigational Treatment.
5. Expenses for any transplant not included in the definition of Transplant.
6. Expenses relating to non-human organ or tissue transplants, gene therapies, xenographs or cloning.
7. Expenses for any Treatment administered outside the United States if the Covered Person traveled to the location where the Treatment was received for the purpose of obtaining the Treatment.
8. Expenses for benefits in excess of Your Plan's limits, or expenses that are excluded under Your Plan.
9. Expenses in excess of the Usual and Customary Charge.
10. Any amount paid by You in excess of a negotiated provider discount, or any penalty or late charge incurred, or any discount lost, unless previously approved in writing by Us at Our U.S. Headquarters.
11. Expenses associated with the administration of Your Plan including, but not limited to, claim payment fees, cost containment administrative fees, pharmacy benefit manager administration fees, PPO access fees, premium functions, medical review and consultant fees, unless otherwise covered under this Policy.
12. Expenses paid by You relating to litigation concerning Your Plan, including, but not limited to, attorneys' fees, extra-contractual damages, compensatory damages and punitive damages.
13. Any portion of an expense which You are not obligated to pay under Your Plan, or which is reimbursable to You under:
 - a) Another group health benefit program; or
 - b) A government or privately supported medical research program; or
 - c) Medicare; or
 - d) Any coordination of benefits or non-duplication of benefits provision of Your Plan; or
 - e) Worker's compensation; or
 - f) Any other source.
14. Expenses incurred by a person who is employed by You at any unit, subsidiary or division of Yours that has not been underwritten by Us.
15. Expenses incurred for any illness or injury due to, or aggravated by, war or an act of war, whether declared or undeclared.
16. Expenses paid by You for any Treatment authorized or approved under any provision of Your Plan which:
 - a) Allows the plan administrator to approve alternative care or alternative treatment; or
 - b) Allows the plan administrator to alter, modify, or waive Plan provisions or limitations, or
 - c) Grants You or Your plan administrator discretion to approve coverage for Treatment not otherwise covered under Your Plan;unless the Treatment satisfies the criteria for Alternative Care set forth in Section II.

Section II
Benefit Provisions
Limitations and Exclusions

17. Expenses for any Transplant if You have a separate insurance policy that covers Transplants for Covered Persons regardless of whether the Covered Person is covered by that policy.
18. Expenses covered under a Prescription Drug Plan, unless Prescription Drug Plan coverage is a Covered Benefit on the Schedule of Benefits.
19. Expenses for Treatment of Mental Illness and Drug or Alcohol Dependence will be limited to the lesser of Your Plan's maximum benefit for such condition or the Specific Benefit Deductible.
20. Notwithstanding any other Policy provision, We will not reimburse any expense incurred by any employee, or by the employee's dependents, where the employee is a member of: (a) a division, unit, group, subsidiary, affiliate, or class of employee of the Policyholder; or (b) an association, trust, cooperative or similar organization connected with the Policyholder, that is not covered by the Plan as of the Policy Renewal Effective Date.
21. Regardless of any provision in Your Plan, if on the Policy Effective Date or Policy Renewal Effective Date, a Covered Person is not Actively At Work or a Dependent is totally disabled, is in an institution receiving medical care or Treatment, or is confined at home or elsewhere, any expenses Incurred by the Covered Person or Dependent will not be considered for Eligible Expenses under this policy. This limitation will continue for all expenses Incurred by the Covered Person until he or she is Actively at Work and for all expenses incurred by the Dependent until he or she is no longer totally disabled or is no longer in an institution receiving medical care or Treatment or confined at home or elsewhere.

For the purpose of this provision:

- a) A Covered Person is considered to be Actively At Work if he or she is:
 - i) Working at Your usual place of business or at such place or places that Your normal course of business may require;
 - ii) Performing all of the duties of his or her occupation on a full-time basis; and
 - iii) Not confined in any institution receiving care or treatment of physical or mental infirmities.If a Covered Person is not Actively At Work on the Policy Effective Date or Policy Renewal Effective Date solely because that day is not a regularly scheduled workday, the Covered Person will be deemed Actively At Work on that day.
- b) A Dependent is considered totally disabled if he or she, solely because of injury or sickness, cannot engage in substantially all of the normal activities of a person of like age and sex in good health

Section III Claim Provisions

Proof of Claim

Proof of claim must be provided to Us at Our U.S. Headquarters. Expenses for claims submitted to Us that are not submitted in accordance with the Proof of Claim provisions of this Policy are not reimbursable and shall not be considered Eligible Expenses under the Policy.

Specific Benefit

Written proof of claim, in a form and content satisfactory to Us, must be provided to Us as soon as reasonably possible after the Specific Benefit Deductible for a Covered Person has been satisfied. Proof of claim must be provided to Us no later than 12 months after the end of the Specific Benefit Claims Basis during which the claim arose.

Proof of claim for a Specific Benefit claim shall include the following:

1. A fully completed claim form;
2. A copy of the Covered Person's original enrollment record and records of any change in the Covered Person's coverage under Your Plan;
3. Copies of all bills over \$25,000 and invoices for expenses submitted for reimbursement under this Policy;
4. Proof of payment of any expenses submitted to Us for reimbursement under this Policy or a claims paid detailed report, which includes: Dates of Service, Provider Name, Provider TIN, Amount billed, Discount amount, Eligible Amount, Amount paid, Date paid, Reimbursement amount requested, Previously paid amount, ICD 9 codes and CBT Codes; and
5. Any additional information We may require to fulfill Our obligations under this Policy.

Aggregate Benefit

Written proof of claim, in a form and content satisfactory to Us, must be provided to Us as soon as reasonably possible after the end of the Aggregate Benefit Claims Basis for the Policy Year. Proof of claim must be provided to Us no later than twelve (12) months after the end of the Aggregate Benefit Claims Basis.

Proof of claim for an Aggregate Benefit claim shall include the following:

1. A complete aggregate calculation report;
2. A detailed claims history report for all Eligible Expenses Incurred and Paid during the Aggregate Benefit Claims Basis;
3. A report listing all Covered Unreimbursed Eligible for benefits under Your Plan at any time during the Aggregate Benefit Claims Basis;
4. A copy of Your Plan in effect during the Policy Year and any amendments thereto;
5. If Prescription Drug Plan coverage is included as a Covered Benefit on the Schedule of Benefits, a copy of all prescription drug invoices and an itemization thereof, including the amounts of any rebates received by You; and
6. Any additional information We may require to fulfill Our obligations under this Policy.

Appeal of a Claim Determination

You may appeal the initial claim determination made by Us under this Policy by submitting a written appeal to Us at Our U.S. Headquarters within ninety (90) days from the date of Our determination. Your appeal should state the basis of Your disagreement with Our initial claim determination and should include all documentation and information supporting Your appeal that has not been previously provided to Us. Once you receive a determination from Us regarding Your appeal, You will have exhausted Your administrative remedies under this Policy.

Deferred Payments by You

You must obtain prior written approval from Us at Our U.S. Headquarters in order for any Eligible Expenses Incurred in the Policy Year, but Paid after the end of the applicable claims basis to be considered eligible for reimbursement under this Policy.

**Section III
Claim Provisions**

Payment of Claims

All benefits due under this Policy will be paid to You. During the Policy Year, reimbursements will be disbursed when the amount payable exceeds \$500.00. Any reimbursable amount remaining unpaid at the end of a Policy Year will be paid after the end of the Policy Year.

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Section IV Your Rights and Responsibilities

Authorizations to Release Information

You are responsible for authorizing Your TPA, Plan Administrator, case manager or other third party service provider to release to Us information We request to underwrite, review potential claims, make claim determinations, calculate potential reimbursements, or perform other obligations under this Policy. If We do not receive requested information, it may result in the delay, reduction or denial of a claim.

Disclosure Requirements

This Policy has been underwritten based upon the information You provided to Us concerning all persons eligible for benefits under Your Plan on the Original Specific Benefit Effective Date and/or the Original Aggregate Benefit Effective Date (or on the effective date of any class of Covered Persons added thereafter). This includes, but is not limited to, those persons who are a special risk as defined in the Special Risk Questionnaire.

Your signature on the Application for this Policy warrants and represents to Us that:

1. You or Your authorized representative have consulted with your precertification, utilization review and Medical Management Vendors and Your TPA, or former TPA, to determine who must be disclosed as a special risk on the Special Risk Questionnaire, and
2. You have identified any person who is or may be a special risk by either listing them on the Special Risk Questionnaire or by indicating any such person on the reports listed on the Special Risk Questionnaire.

If You fail to disclose an individual as a special risk, who should have been disclosed as a special risk in accordance with the Special Risk Questionnaire, We will have the right to revise the premium rates, deductibles, deductible factors and terms and conditions of this Policy in accordance with Our underwriting practices in effect at the time the Policy was underwritten, retroactive to the Original Specific Benefit Effective Date and/or the Original Aggregate Benefit Effective Date.

Reporting Requirements

You are required to provide periodic reports to Us as described below. If You, or Your TPA, do not provide the reports, or do not provide them on a timely basis, We reserve the right, once we receive them, to take whatever action We could have taken if the reports had been provided when required. Such action may include, but is not limited to, the right to revise premium rates, deductibles, and deductible factors, and to do so retroactive to the Original Specific Benefit Effective Date and/or the Original Aggregate Benefit Effective Date.

Specific Benefit Reporting

You, or Your TPA, are required to provide Us with notice of any potential Specific Benefit claim within thirty-one (31) days of the date:

1. A Covered Person's Eligible Expenses exceed 50% of the Specific Benefit Deductible; or
2. You, Your TPA, or Your medical management, utilization review or precertification vendors, or any other party acting on Your behalf, are notified that a Covered Person has been diagnosed with, or treated for, a Catastrophic Diagnosis.

Aggregate Benefit Reporting

You, or Your TPA, are required to provide Us with a monthly report that lists:

1. The total amount of Eligible Expenses Incurred by any Covered Person and Paid by You, or Paid on Your behalf, during the Benefit Month; and
2. The number of each type of Covered Unit on the first day of the Benefit Month.

You must provide the Aggregate Benefit report to Us within thirty-one (31) days after the end of each Benefit Month.

Section IV Your Rights and Responsibilities

Renewal Reporting

If You intend to renew this Policy, then three months prior to the end of the Policy Year, You, or Your TPA, are required to provide Us with a report that includes the following information:

1. Monthly Paid claims and enrollment data, organized by Covered Benefit;
2. Large claim information, including amount, diagnosis and prognosis, and any Covered Person who has been diagnosed with a Catastrophic Diagnosis;
3. A census of all Covered Persons;
4. A summary of the number of Covered Persons by workplace zip code, if this Policy covers Employees at multiple locations;
5. A summary report of pre-certification, utilization review and case management services;
6. A summary report of Your Provider Network(s) or per diem arrangements, setting forth the average hospital discount or per diem charge per day;]
7. A copy of changes adopted by or proposed for Your Plan.

Plan Changes

You must notify Us in writing at Our U. S. Headquarters at least thirty-one (31) days before the effective date of any change in, or to:

1. Your Plan;
2. Your TPA;
3. Your Provider Networks; or
4. Your Medical Management Vendors.

Our prior written agreement is required before the coverage under this Policy will apply to any such change. Otherwise, benefits under this Policy will be paid based upon the terms of Your Plan, as it existed prior to any such change. We reserve the right to terminate this Policy as of the effective date of any change in or to Your Plan, Your TPA, Your Provider Network, or Your Medical Management Vendor.

Notice of Legal Action

You agree to give Us prompt notice of (a) any event that might result in a lawsuit relating to this Policy; or (b) any lawsuit involving this Policy, and to promptly provide Us with copies of any correspondence and pleadings relating to any such event or lawsuit.

Hold Harmless

You agree to defend, indemnify and hold Us harmless from and against any and all claims, demands and causes of action of every kind, relating to any litigation, that We, without Our fault, become involved with that relates to this Policy or Your Plan. You shall pay any and all attorneys' fees, costs, expenses, and damages (including compensatory, exemplary or punitive damages) incurred by Us, or payable by Us, in connection with any such litigation.

This Hold Harmless provision shall not apply to litigation solely between You and Us relating to this Policy.

Refund of Overpayment

If We, You, or Your TPA determine that We have overpaid You under this Policy, You will promptly refund such overpayment to Us within 60 days of such a determination. If We are required to take legal action to collect such overpayment, You agree to indemnify Us for any costs of collection, including, but not limited to, attorneys' fees and court costs.

Responsibility for Your TPA

You are solely responsible for the actions of Your Plan Administrator, Your TPA and any other agent of Yours. Your TPA acts on Your behalf, not on Our behalf. Your TPA is not Our agent. We are not responsible for any compensation owed to, or claimed by, Your TPA or other agents for services provided to, or on behalf of, Your Plan. This Policy does not make Us a party to any agreement between You and Your TPA, nor does it make Your TPA a party to this Policy.

Section IV
Your Rights and Responsibilities

Right of Recovery

You must pursue all valid claims including, but not necessarily limited to, claims for restitution, constructive trust, equitable lien, breach of contract, injunction, and any other state or federal law claims You or Your Plan may have against any third party responsible, in whole or in part, for any Eligible Expenses Paid by You. You must immediately advise Us of any amount You recover from them. We reserve the right to pursue any and all such claims not pursued by You, and You agree to assign such claims to Us upon Our request

Sample

Section V Our Rights and Responsibilities

Audit

We have the right to inspect and audit any and all of Your records and procedures, and those of Your TPA and any other party, that relate to any claim made by You under this Policy. We have the right to require documentation from You that demonstrates You paid an Eligible Expense and that the payment was made in accordance with the terms of Your Plan. We reserve the right to employ a third party, at Our expense, to assist Us with any audit function.

Determination of Eligible Expenses

For the purpose of determining Eligible Expenses under this Policy, We have the right to determine whether an expense was Paid by You in accordance with the terms of Your Plan.

Cost Containment

We have the right to retain the services of a Medical Management Vendor, or other service providers at Our expense, to (a) assist Us with cost containment with respect to claims under Your Plan; or (b) provide services to You, Your Plan, or Your Plan Participants to reduce cost, risk or expenses under Your Plan. We may also cause a Medical Management Vendor or other service provider, with whom we may have negotiated a set or discounted rate, to contact You if, in Our determination, the Medical Management Vendor or other service provider provides a service that may allow You or Your Plan to reduce your risk, costs and expenses.

Confidentiality

We will protect the privacy and confidentiality of all personally identifiable medical information provided to Us in the course of underwriting or administering this Policy in accordance with Our policies and applicable state and federal laws.

Recoupment

We have the right to recoup from any benefit payable to You under this Policy any premium You owe to Us that has not been paid. Our right of recoupment does not impair Our right to terminate this Policy for non-payment of premium under the Termination Provisions of this Policy.

Right to Recalculate

We have the right to recalculate any Specific Benefit Premium Rate, Specific Benefit Deductible, Aggregating Specific Deductible, Aggregating Benefit Premium Rate, Aggregate Deductible Factor or Minimum Aggregate Deductible with respect to this Policy Year whenever any one or more of the following events occur:

1. Your Plan changes;
2. You change Your Plan, Your Provider Network(s), or Medical Management Vendor(s);
3. This Policy is amended;
4. The number of Covered Units on the first day of a Benefit Month increases or decreases by more than 15% from the number of Covered Units on the first day of the Policy Year;
5. The number of Covered Units on the first day of a Benefit Month increases or decreases by more than 10% from the first day of the prior Benefit Month;
6. A unit, division, subsidiary, or affiliated company of Yours is added to, or deleted from, this Policy;
7. The amount of Eligible Expenses paid in any one of the three (3) months immediately preceding the Policy Effective Date (the "three month period") exceeds 125% of the monthly average of Eligible Expenses Incurred during the nine (9) months immediately preceding the three month period; or
8. There are changes in You, or Your TPA's, claim paying system or payment practices that causes a variation of fifteen (15) days or more in the most recent twelve (12) month average of claim processing time.

Any right to recalculate exercised under this section may be made retroactive to the Policy Effective Date at Our election. Any recalculation will be made in accordance with Our underwriting practices in effect at the time the Policy was underwritten. The right to recalculate shall survive the termination of this Policy.

Section V
Our Rights and Responsibilities

Right of Reimbursement

Any portion of an Eligible Expense which You recover from a third party:

1. Is not eligible for reimbursement under this Policy; and
2. Cannot be used to satisfy any deductible or attachment point under this Policy; and
3. Must be repaid to Us if We previously reimbursed You for it.

Any repayment amount You owe Us may be reduced, with Our consent, by any reasonable and necessary expenses You incurred in obtaining the recovery from the third party. Any repayment amount You owe to Us shall survive the termination of this Policy

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Section VI General Provisions

Assignment

Your interest in this Policy cannot be assigned.

Bankruptcy or Insolvency

The bankruptcy, insolvency, dissolution, receivership or liquidation of You, Your Plan or Your TPA will not impose upon Us any obligations other than those set forth in this Policy.

Clerical Error

In the event of a clerical error in this Policy, the Policy will be revised to correct the error. Your failure to:

1. Report the existence of a Covered Person; or
2. File proof of claim in a timely manner; or
3. Comply with the reporting requirements of this Policy;

shall not constitute clerical error.

Entire Contract

This Policy, along with any Attachments, Riders, Endorsements, Addenda or Amendments, and the Application completed by You constitutes the entire contract of insurance between us.

Legal Action

You may not bring a legal action against Us to recover on this Policy earlier than sixty (60) days after You have furnished Us with proof of claim in accordance with the Proof of Claim provisions of this Policy. You may not bring any legal action against Us to recover on this Policy after three (3) years from the time proof of claim is required under this Policy.

Misrepresentation

If:

1. You make any misstatement, omission or misrepresentation, whether intentional or unintentional, in the information or documentation You, Your TPA or any other party acting on Your behalf, provide to Us, and which We rely upon during the underwriting of this Policy; or
2. After this Policy is issued, We learn of expenses or claims that were incurred or paid, but not reported to Us, during the underwriting of this Policy.

We have the right, at Our election, to rescind this Policy or to revise the premium rates, deductibles, and terms and conditions of this Policy in accordance with Our underwriting practices in effect at the time the Policy was underwritten. Any such revisions may be made retroactive to the Policy Effective Date.

No ERISA Liability

Under no circumstance will We accept responsibility as a "Plan Administrator" or be deemed a "plan fiduciary" with respect to your Plan under the Employee Retirement Income Security Act of 1974, as amended.

Non-Participating Policy

This Policy is non-participating and does not share in Our surplus earnings.

Policy Amendment

No change in this Policy, or waiver of any of its provisions, will be valid unless such change or waiver is in writing and agreed to by Us at Our U.S. Headquarters and made a part of this Policy. No agent, broker, TPA, or managing general underwriter has authority to change this Policy or waive any of its provisions.

Section VI
General Provisions

Policy Renewal

This Policy may be renewed unless it has been terminated or is subject to termination in accordance with the Termination Provisions of this Policy. Policy changes for any renewal policy will appear on a revised Schedule of Benefits and/or a Policy amendment. Your payment of the renewal premium after receipt of the revised Schedule of Benefits and/or Policy amendment constitutes acceptance of the renewal policy by You.

No New Special Conditions Rider at Renewal

We guarantee that if You renew Your Policy with Us, Your renewal stop loss policy will not contain a new or revised Special Conditions Rider, provided that:

1. Your Plan contains no changes that materially affect or alter the risk presented by Your current Policy;
2. Your renewal stop loss policy contains no material changes from Your present Policy; and
3. A new unit, division, subsidiary, affiliated company or class of covered people is not added to this Policy.

We reserve the right to carry over to the renewal stop loss policy any Special Conditions Rider that is part of Your current Policy.

We, in our sole discretion, shall determine whether any of the changes referenced in sections 1 through 3 above are material. If We determine that any change is material, this provision shall be of no force and effect.

Special Conditions Rider at Renewal

If You renew Your Policy with Us, Your renewal stop loss policy may contain a new or revised Special Conditions Rider.

Renewal Rate Increase Cap

If You renew Your Policy with Us, We guarantee that the Specific Benefit Premium Rate on Your renewal stop loss policy will not be increased more than 50% over the Specific Benefit Premium Rate shown on the Schedule of Benefits, provided that:

1. Your Plan contains no changes that materially affect or alter the risk presented by Your current Policy;
2. Your renewal stop loss policy contains no material changes from Your present Policy; including, but not limited to, changes to (a) the length of the Policy Year; (b) Covered Benefits; (c) coverage for Retirees; (d) the Specific Benefit Deductible; (e) the Claims Basis; (f) the Specific Benefit Lifetime Maximum or Annual Maximum Eligible Expenses; (g) the Specific Benefit Reimbursement Percentage; (h) the commission payable; (i) Your TPA; or (j) Provider Networks;
3. There are no material changes in the demographic distribution of the group covered by Your current Policy versus the group covered by the renewal stop loss policy; and
4. A new unit, division, subsidiary, affiliated company or class of covered people is not added to this Policy.
5. There is no charge in any assessment levied against Us by the state in which this Policy was issued.

We, in our sole discretion, shall determine whether any of the changes referenced in sections 1 through 3 above are material. If We determine that any change is material, we shall adjust the Renewal Rate Increase Cap accordingly.

Section VI General Provisions

Premium Provisions

Premium Payments

Premium is due on or before the Premium Due Date.

Grace Period

A grace period of forty-five (45) days will be allowed for the payment of each premium due after the first premium has been paid. This Policy will continue in force during the grace period. If a premium is not paid by the end of the Grace Period, this Policy will terminate, without notice to You, as of the last date for which premium was paid.

Premium Data

You must provide a report to Us with each premium payment, in a form satisfactory to Us, that lists:

1. The number of each type of Covered Unit, for each Covered Benefit, under Your Plan on the first day of the Benefit Month; and
2. The amount of premium paid.

We use such premium data reports solely to process premium. They do not replace any report required, or which may be required, under Section IV of this Policy.

Severability

In the event that a court of competent jurisdiction invalidates any provision of this Policy, all remaining provisions of the Policy shall continue in full force and effect.

Termination Provisions

1. If You fail to pay the premium, this Policy will terminate in accordance with the Premium Provision of this Policy;
2. If Your Plan is terminated, this Policy will terminate on the date the Plan terminated; or
3. If You fail to maintain a minimum of 35 participants in Your Plan at any time during the Policy Year, We may elect to terminate this Policy at the end of the first month during which there are less than 35 participants.
4. This Policy will terminate at the end of the Policy Year unless agreed by You and Us to renew.
5. If You, or Your TP, fail to satisfy any of Your obligations under this Policy, We may terminate this Policy by giving You sixty (60) day advance written notice.
6. We may terminate this Policy at the end of the Policy Year by providing you 31 days advanced written notice.
7. You may terminate this Policy at any time by providing Us with 31 days advance written notice at Our U.S. Headquarters.

The parties to this Policy may agree in writing to terminate it at any time.

Reinstatement

If this Policy is terminated for non-payment of premium, We may, at Our sole discretion, agree to reinstate it as of the date it terminated upon payment of all outstanding premiums. We may require You to provide certain information to Us before We will consider reinstating the Policy.

Time Limitations

If any time limitation in this Policy is less than that permitted by the law of the state in which the Application was taken, the limitation is hereby extended to the minimum period permitted by the law

Sun Life Assurance Company of Canada

POLICY ENDORSEMENT

This endorsement is part of the Policy to which it attaches and is effective on XXXXXXXX , XXXX. It is part of, and subject to, the other terms and conditions of the Policy. If the terms of this endorsement and the Policy conflict, then this endorsement's provisions will control.

If We determine that:

- (a) You have paid expenses incurred by a Covered Person in accordance with the terms of Your Plan; and
- (b) the expenses were incurred and paid during the applicable Claims Basis; and
- (c) the expenses are paid under a Covered Benefit as shown on the Schedule of Benefits,

then the expenses paid by You shall be considered Eligible Expenses unless they are barred by *Limitations and Exclusions* 8, 10, 11, 12, 14, 15, 17, and 20 as stated in the Policy.



Dean A. Connor
President and Chief Executive Officer

Sample



Employee Benefits Group – SC 4399
One Sun Life Park
Wellesley Hills, MA 02481

April 2, 2015

Sun Life Assurance Company of Canada is engaged in litigation arising in the ordinary course of business, none of which is expected to have a material adverse effect on its financial position.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

1. Solicitation identified: These specifications apply to the following procurement:
stop loss insurance for employee and retiree health and pharmacy programs
Purchasing Office Solicitation No.: 2015-026
2. Notice to Bidders publication date: **March 19, 2015**
3. Solicitation release date: **March 20, 2015**
4. Deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation: **March 26, 2015, 2:00 p.m. Central Time**
5. Bids submittal deadline and scheduled opening: **April 2, 2015, 2:00 p.m. Central Time**
6. Tentative date of release of City's tabulation of bids received and notice of intent to award: **April 24, 2015**
7. Tentative date of award: Meeting of Board of Mayor and Aldermen at which is tentatively scheduled to be awarded the selection of the lowest and best responsive and responsible bid: **May 12, 2015**
8. Objective: To secure, by means of a competitive procurement process, the selection of the lowest and best responsive and responsible bid from a vendor to furnish all labor, materials and means necessary to provide stop loss insurance for employee and retiree health and pharmacy programs as specified below for the City of Franklin Human Resources Department. See the accompanying Instructions for Bidders for additional information and instructions.
9. Exceptions:
 - a. In order to avoid the need to take an exception to a specification, potential bidders may request revisions to the specifications before the deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of the specifications. See the accompanying Instructions for Bidders for contact information.
 - b. Any deviation or variance from the City's specifications shall be considered to be an exception.
 - c. Any exceptions to the City's specifications shall be identified by the bidder on the City's specifications document as well as listed and described in detail, along with any other exceptions to this procurement solicitation, in a separate written document to be prepared

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

and submitted by the bidder, referencing any subsection number. Such listing shall include a description of exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations. Any and all exceptions to this procurement solicitation which the City, in its sole discretion, deems not to meet or exceed the City's intention as expressed and implied by the procurement solicitation may be considered by the City as a factor in evaluating the bid.

10. General terms and conditions:

- a. Bid price. The bid price shall include the cost of all equipment, labor, insurance coverages, materials and delivery and/or freight charges, and any required trade and/or contractor license fees, business license fees and construction and/or building permit(s), necessary to render the specified service(s).
- b. Licenses and permits. The successful bidder shall obtain all required licenses and permits, in accordance with applicable state and local codes, necessary to render the specified service(s), and shall pay any fees therefor, including but not limited to: trade and/or contractor licenses; state, county and/or city business licenses; and construction and/or building permits.
- c. Payment terms. As a matter of practice, the City of Franklin pays for goods and/or services only after receipt and acceptance by the City of such goods and/or services, and only after receipt of an accurate, proper, complete and itemized invoice for such goods and/or services, net 30 calendar days from date of delivery and/or completion/installation/rendering or date of invoice, whichever is later. The City's preferred payment terms, as described in the preceding sentence, are offered to the bidder or proposer as a condition of award. If the City's preferred payment terms are unacceptable to the bidder or proposer, then the bidder or proposer shall indicate on the Submittal Form its preferred payment terms. Payment terms may be a factor in the City's selection criteria. Payment terms are non-negotiable after award is made.
- d. Applicable laws and regulations. All applicable federal and state laws, city ordinances, orders, rules and regulations of all authorities having jurisdiction over the specified service(s) shall apply to the quoted purchase price, and they will be deemed to be included in these specifications the same as though they are written out in full herein.
- e. Use of subcontractors. The successful bidder may subcontract any portion of the award but only with the prior consent of the City. Requirements for references and insurance shall apply to any subcontractor.
- f. Safe work area. The successful bidder will be expected to utilize best practices to minimize the risk of personal injury to the public, City personnel and employees of the bidder and/or the bidder's subcontractors, if any.
- g. Other documents to be required of successful bidder. See the accompanying "Instructions for Bidders" for a listing of other documents to be required of the successful bidder.
- h. Damages. The successful bidder shall be responsible for any damages it causes in the course of performing the specified service(s), including to existing utilities, underground irrigation, concrete, asphalt, buildings, or grounds, and shall repair or replace any damaged property to the satisfaction of the City of Franklin at its own expense.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- i. Standard Procurement Terms and Conditions. By submitting its bid, the vendor certifies that it has read and accepts all terms, conditions and requirements of this solicitation, including the terms and conditions identified and listed in the City of Franklin Standard Procurement Terms and Conditions attached hereto and hereby incorporated by reference.
 - j. Refusal to honor submittal. If and after an award is made by the City, if the vendor refuses to execute an agreement or contract or in any other way honor the terms and conditions of its submittal, the City shall be entitled to seek compensation for its damages, which may include the cost of conducting a new solicitation.
 - k. Confidential and/or proprietary information; trade secrets. All contents of all submittals are subject to public disclosure and shall not contain any confidential and/or proprietary information and/or trade secrets. Further, by submitting its bid, the vendor indemnifies and holds the City of Franklin harmless against any loss or damage, including reasonable attorney fees, it may incur as a result of the City's reliance upon the vendor's representation that materials supplied by the vendor do not contain trade secrets or proprietary information which is not subject to public disclosure.
11. Detailed specifications: Please note:
- Bidders are required to submit with their bid a detailed description of all bid products, items and/or services.
 - Bidders are required to mark with a "C" the blank line next to any specification below to which their bid COMPLIES.
 - Bidders are required to mark with an "E" the blank line next to any specification below to which their bid takes EXCEPTION.
 - Any exceptions to the City's specifications shall be identified by the bidder on the City's specifications document as well as listed and described in detail, along with any other exceptions to this procurement solicitation, in a separate written document to be prepared and submitted by the bidder, referencing any subsection number. Such listing shall include a description of exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations.
 - Bidders are required to submit with their bid these Specifications for this procurement, marked by the bidder as to compliance herewith as per the instructions above.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- 11.1. C **General.**
- 11.1.1. C The City of Franklin is seeking bids from qualified licensed insurance carriers only for stop loss insurance coverage for its employee and retiree health and pharmacy programs.
- 11.1.2. C The City intends to select one stop loss carrier as a result of this procurement solicitation.
- 11.1.3. C Bidders must be represented directly. Participation by brokers or commissioned agents will not be allowed during the bid process or during the term of award.
- 11.1.4. C If the bid is being submitted in conjunction with a Managing General Underwriter (MGU), then the term "bid" refers to both the Insurance Carrier and the MGU.
- 11.1.5. C Bids must be exclusive of commissions or fees. The City will not pay commissions or fees to any entity in association with its stop loss coverage.
- 11.1.6. C Term of award. The services to be rendered pursuant to this procurement solicitation are to be offered for a term of award of one (1) year, effective July 1, 2015.
- 11.1.7. C Early termination / cancelation. The contract may be terminated by the City with at least thirty (30) days' prior written notice of termination. The contract may be terminated by the bidder only for the City's failure to pay after 60 days have passed from written notification to the City of failure to pay.
- 11.1.8. C Options to extend term of award. At any time after commencement but before or as soon as practicable after the expiration of the term of award, the City and the vendor may exercise an option to extend the term of award up to four (4) times, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, except with respect to pricing which shall be negotiated in advance of the optional term of extension commencement; and (d) that if the vendor chooses not to consent to an extension to the term of award, then it shall notify the City of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of award. Note that the City and the vendor each specifically retain the right, with or without cause, not to extend the term of award.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

11.1.9. Insurance requirements:

11.1.9.1. _____ Before award of the procurement by the City, any MGU participating in the bid submitted by the successful bidder (that is, the vendor who is recommended be awarded the purchase) shall provide one or more unexpired certificates of insurance providing evidence of the following minimum types and limits of insurance coverage:

Type of Coverage	Limits of Coverage	Certificate of Insurance
Workers Compensation	Statutory limits	Certificate Holder only
Employers Liability	\$1,000,000 Bodily Injury Each Accident \$1,000,000 Policy Limit Bodily Injury by Disease \$1,000,000 Each Employee Bodily Injury by Disease	Certificate Holder only
Professional Liability	\$1,000,000 Combined Single Limit	Certificate Holder only

11.1.9.2. _____ If and when insurance coverage documented by the certificate(s) of insurance referenced above expires before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this procurement solicitation, then the MGU shall immediately suspend work or supply unless and until it provides one or more unexpired replacement certificates of insurance that indicates the new date(s) of insurance coverage expiration and that meets or exceeds the insurance requirements as specified above.

11.1.9.3. _____ In the event that insurance coverage documented by the certificate(s) of insurance referenced above is materially modified or canceled before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this procurement solicitation, then the MGU shall, immediately upon learning of any such material modification or cancelation, suspend work or supply and shall, within three (3) calendar days of such learning, notify the City of any such material modification or cancelation.

11.1.9.4. _____ The MGU agrees to impose the City's insurance requirements upon any subcontractors it utilizes for this procurement. Use of any particular subcontractor for this procurement shall have been approved by the City in advance of that subcontractor commencing work for this procurement.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- 11.2. **Minimum qualifications of bidders.** The successful bidder shall possess and demonstrate the following minimum competencies, experience and other qualifications:
- 11.2.1. C A history of successfully providing Stop Loss Coverage to groups of a similar size.
- 11.2.2. C Financial strength (as reflected by standardized ratings and insurance coverage).
- 11.2.3. C Experience (as reflected by references and industry reputation).
- 11.2.4. C Adherence to legal obligations (as measured by litigation history and regulatory agencies).
- 11.3. **About the entity to be insured.**
- 11.3.1. C The City's health plan is self-funded and administered by Blue Cross Blue Shield of Tennessee, using the Blue Cross Blue Shield of Tennessee Network P.
- 11.3.2. C The estimated July 1, 2015 projected enrollment of employees receiving benefits under the City's health plan is 220 in single coverage and 430 in family coverage.
- 11.3.3. C The following appendices to Purchasing Office Solicitation No. 2015-026 are available upon request made to the City of Franklin Purchasing Office (purchasing@franklintn.gov; 615-550-6692):
- Appendix No. 1: Census (in Excel format)
 - Appendix No. 2: Claims Experience
 - Appendix No. 3: High Claimant Reports
 - Appendix No. 4: Current Summary Plan Descriptions
 - Appendix No. 5: Current Rates and Aggregate Factors
- 11.4. **Other provisions.**
- 11.4.1. C Bidders must accept all individuals who are covered under the City's self-funded health plan on the day prior to the effective date of the stop loss contract between the successful bidder and the City, including individuals covered through the Consolidated Omnibus Reconciliation Act of 1986 (COBRA) and retirees.
- 11.4.2. C Bidders must agree to work with the City's third party administrator and its claims processing systems for the purposes of processing claims under the stop loss contract.
- 11.4.3. C Bidders must be willing to waive actively-at-work provisions.
- 11.4.4. C Rates should be stated on a two-tier basis on the Bid Submittal Form.
- 11.4.5. C Bidders shall be approved by the appropriate regulatory authorities in the State of Tennessee to provide the services herein described.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- 11.5. C **Minimum stop loss coverage.** Bidders must meet or exceed the minimum coverage requirements described below. Bidders are to identify where coverage exceeds the minimum requirements.
- 11.5.1. C Type of coverage. The City currently carries specific stop loss insurance for medical and prescription drug claims. The current specific individual deductible is \$225,000. We are requesting bidders quote an individual specific deductible of \$225,000 and \$250,000. Specific coverage must include advance funding of specific claims. The coverage must include all medical and prescription drug claims.
- 11.5.2. C Lifetime maximum. Bidders must quote an unlimited lifetime maximum per covered individual.
- 11.5.3. C Contract basis. The City currently has a 48/12 contract for specific coverage. Bidders must quote at least a 24/12 contract basis for specific stop loss insurance, and must indicate the bid contract basis on the Bid Submittal Form.
- 11.5.4. C No new laser (higher individual specific deductible) at renewal with rate cap. Bids should include options that guarantee no new lasers (higher individual specific deductibles) at July 1, 2016 optional renewal, and also guarantee that specific stop loss rates will not increase more than a specified percentage at July 1, 2016 optional renewal. Bidders must indicate on the Bid Submittal Form what the maximum rate increase at July 1, 2016 optional renewal could be (as a percentage of quoted rates).
- 11.5.5. C Eligible claim expenses. Eligible claim expenses under the stop loss policy must follow the covered underlying plan. Any exclusions must be disclosed.
- 11.6. **Additional variables.**
- 11.6.1. C In addition to the \$250,000 specific individual deductible, the City would also like to consider the coverage variables described below. For bid evaluation purposes, the total value of each bid combination of coverage variables will be calculated by multiplying the bid rates by the respective projected population at July 1, 2015. The City reserves the right to choose whichever combination of coverage variables it deems to be in its best interests.
- 11.6.2. C Aggregating specific deductible. The City would like to consider aggregating specific deductible options. Bidders shall quote aggregating specific deductibles of \$100,000, \$125,000, and \$150,000.
- 11.6.3. C Laser. The City would like to consider allowing new laser (higher individual specific deductible) at July 1, 2016 optional renewal.

City of Franklin Specifications

Purchasing Office Solicitation No.: 2015-026

- 11.7. C **Other information requested.**
- 11.7.1. C On the Bid Submittal Form, provide the full name and address of your organization as well as any branch offices that will be responsible for performing the services pursuant to this procurement solicitation.
- 11.7.2. C Provide a copy of your Tennessee license.
- 11.7.3. C A sample of the bidder's contract is required as part of the bid submittal.
- 11.7.4. C On the Bid Submittal Form, indicate your financial performance rating from A.M. Best and Standard and Poor's. Bidders shall hold at least an "A" rating or better at the time of bid submission with A.M. Best in order to submit a bid.
- 11.7.5. C On the Bid Submittal Form, indicate the number of years the company has been in business, the number of stop loss contracts in force, and the percentage of stop loss contracts that are with employers in the public sector.
- 11.7.6. C Direct contracts with stop loss carriers are preferred, but bids submitted in conjunction with an MGU will be considered. If the bid is submitted in conjunction with an MGU, the following questions must be answered on the Bid Submittal Form:
- 11.7.6.1. Does the MGU have claims paying authority? If so, to what extent?
- 11.7.6.2. Does the MGU assume any risk for the insurance carrier? If yes, how much?
- 11.7.7. C Bidders must disclose all lawsuits regarding the type of coverage being quoted within the past three years, whether anticipated, pending or concluded, to which the bidder has been a party. Include court name, location, and case number of pending and disposed lawsuits. For completed lawsuits, describe the outcome of the litigation. Bidders must also disclose any court orders issued by a court of competent jurisdiction against the bidder, as well as any settlements or agreements entered into as a result of litigation. The amount of any confidential settlement need not be disclosed but the fact of any such settlement must be disclosed.
- 11.7.8. C Bidders must disclose any other names or former names under which they have operated.
- 11.7.9. C Upon request, bidders may be asked to furnish its most recent financial statements showing bidder's financial condition as well as any subsidiary statements or explanations that the City may request.

References of In-force Policies with Sun Life

Hamilton County Government

Policy holder name: Alecia Poe

Email: Apoe@HamiltonTn.gov

Phone No. 423-209-6136

Address:

117 East 7th Street
Chattanooga, TN 37102

City of Asheville

Policy holder name: Ashley Lategan

Email: alategan@ashevillenc.gov

Phone No. 828-259-5489

Address:

70 Court Plaza
PO BOX 7148
Asheville NC 288027

City of Greer

Policy holder name: Alicia A. Williamson

Email: Awilliamson@cityofgreer.org

Phone No. 864-848-2174

Address:

301 E Poinsett Street
Greer, SC 296513

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

1. Assignment/Subcontracting. Neither party may assign any rights or obligations under these Standard Procurement Terms and Conditions or any Statement of Work without the prior written consent of the other party. These Standard Procurement Terms and Conditions will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Vendor may subcontract any portion of the work only with the prior consent of the City, but such subcontracting will not relieve Vendor of its duties under these Standard Procurement Terms and Conditions.
2. Time of the Essence. The parties agree that TIME IS OF THE ESSENCE with respect to the vendor's performance of all provisions of this procurement.
3. Taxes. As a tax-exempt entity, the City shall not be responsible for sales or use taxes incurred for products or services. Upon request, the City shall supply Vendor with a copy of its Sales and Use Tax Exemption Certificate. Vendor shall bear the burden of providing its suppliers with a copy of the City's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred.
4. Notices. Any notice provided pursuant to these Standard Procurement Terms and Conditions, if specified to be in writing, will be in writing and will be deemed given: (a) if by hand delivery, then upon receipt thereof; (b) if mailed, then three (3) City business days after deposit in the mail where sender is located, postage prepaid, certified mail return receipt requested; (c) if by next day delivery service, then upon such delivery; or (d) if by facsimile transmission or electronic mail, then upon confirmation of receipt. All notices will be addressed to the parties at the addresses set forth below (or set forth in such other document which these Standard Procurement Terms and Conditions may accompany, or such other address as either party may in the future specify in writing to the other):

In the case of the City:

City of Franklin

Attn: Purchasing Manager

Re: City of Franklin Purchasing Office Solicitation No. 2015_026

109 Third Ave. South

P.O. Box 305

Franklin, TN 37065-0305

FAX: 615/550-0079

E-mail: purchasing@franklintn.gov

In the case of Vendor:

Sun Life Assurance

Lisa Hemstead

3819 Dartmouth Ave

Nashville, TN 37215

lisa.hemstead@sunlife.com

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

5. Confidentiality and Proprietary rights. Vendor waives any right to confidentiality of any document, e-mail or file it fails to clearly mark on each page (or section as the case may be) as confidential or proprietary. Proprietary rights do not extend to the data created by the City's users of the System; all rights to that data (including derivative or hidden data such as metadata) shall vest solely in City at the moment of creation and City shall retain exclusive rights, title, and ownership of all data and images created therefrom at the moment of creation and utilization, through and including image creation. City may be required to disclose documents under state or federal law. City shall notify Vendor if a request for documents has been made and shall give Vendor a reasonable opportunity under the circumstances to respond to the request by redacting proprietary or other confidential information. In exchange, Vendor agrees to indemnify, defend, and hold harmless City for any claims by third parties relating thereto or arising out of (i) the City's failure to disclose such documents or information required to be disclosed by law, or (ii) the City's release of documents as a result of City's reliance upon Vendor 's representation that materials supplied by Vendor (in full or redacted form) do not contain trade secrets or proprietary information, provided that the City impleads Vendor and Vendor assumes control over that claim.
6. Derivative Works. To the extent that the Agreement contains Vendor's reservation of rights, such definitions and limitations are superseded by the following: "Derivative Work" means a program that is based on or derived from one or more existing programs or components. If the original software is modified to create a new program, a derived work is created. If the original software was designed to accept plug-ins or drivers using a defined mechanism, such a driver or plug-in does not form a derived work. Linking to a library in the way it was designed to be interfaced with, does *not* constitute deriving a work. "Derivative work" is *not* the data that the Licensee inputs, manipulates, modifies or otherwise improves, nor the images resulting therefrom.
7. Arbitration/Mediation. No arbitration shall be required as a condition precedent to filing any legal claim arising out of or relating to the Contract. No arbitration or mediation shall be binding.
8. Waiver. Neither party's failure or delay to exercise any of its rights or powers under these Standard Procurement Terms and Conditions will constitute or be deemed a waiver or forfeiture of those rights or powers. For a waiver of a right or power to be effective, it must be in writing signed by the waiving party. An effective waiver of a right or power shall not be construed as either (a) a future or continuing waiver of that same right or power, or (b) the waiver of any other right or power.
9. Warranties/Limitation of Liability/Waiver. City reserves all rights afforded to local governments under law for all general and implied warranties. The City does not waive any rights it may have to all remedies provided by law and therefore any attempt by Vendor to limit its liability shall be void and unenforceable.
10. Severability. If any term or provision of these Standard Procurement Terms and Conditions is held to be illegal or unenforceable, the validity or enforceability of the remainder of these Standard Procurement Terms and Conditions will not be affected.

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

11. Precedence. In the event of conflict between the provisions of these Standard Procurement Terms and Conditions and any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, the provisions of these Standard Procurement Terms and Conditions will to the extent of such conflict take precedence unless such document expressly states that it is amending these Standard Procurement Terms and Conditions.
12. Indemnification. Vendor agrees to indemnify and save the Government of Franklin, the City of Franklin and individual, on or off duty, officers, and employees of the City of Franklin, harmless from any and all losses, damages and expenses, including court costs and attorneys' fees, by reason of any loss, whatsoever, arising out of or relating to or in consequence of the work done in connection with the contract of which this agreement is a part, excepting only such losses as shall be occasioned solely by the negligence of the City of Franklin.
13. Additions/Modifications. If seeking any addition or modification to the Contract, the parties agree to reference the specific paragraph number sought to be changed on any future document or purchase order issued in furtherance of the Contract, however, an omission of the reference to same shall not affect its applicability. In no event shall either party be bound by any terms contained in any purchase order, acknowledgement, or other writings unless: (a) such purchase order, acknowledgement, or other writings specifically refer to the Contract or to the specific clause they are intended to modify; (b) clearly indicate the intention of both parties to override and modify the Contract; and (c) such purchase order, acknowledgement, or other writings are signed, with specific material clauses separately initialed, by authorized representatives of both parties.
14. Applicable Law; Choice of Forum/Venue. These Standard Procurement Terms and Conditions are made under and will be construed in accordance with the laws of the State of Tennessee without giving effect to any state's choice-of-law rules. The choice of forum and venue shall be exclusively in the Courts of Williamson County, TN.
15. Termination. Unless the City has indicated otherwise for a specific procurement solicitation, either party may terminate these Standard Procurement Terms and Conditions, with or without cause, upon thirty (30) calendar days' notice to the other. Upon termination by the vendor, the City shall be entitled to retain ownership of any and all goods and equipment purchased. Upon termination by the City, the vendor shall be entitled to receive any amounts due as a result of goods and equipment already delivered and/or services already rendered; however, the City shall maintain ownership and control of any goods and equipment purchased. Upon termination of services, whether connected or unconnected to goods and equipment, such services shall be rendered until the conclusion of the 30th calendar day as stated in the notice or until a contractual benchmark has been achieved, or as the parties may otherwise agree.

Standard Procurement Terms and Conditions City of Franklin, Tennessee

16. Breach. Upon deliberate breach of these Standard Procurement Terms and Conditions, or of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, by either party, the non-breaching party shall be entitled to terminate these Standard Procurement Terms and Conditions without notice, with all of the remedies it would have in the event of termination under section 10 ("Severability") above, and may also have such other remedies as it may be entitled to in law or in equity.
17. Default. If Vendor fails to perform or comply with any provision of these Standard Procurement Terms and Conditions, or of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, then the City (i) may cancel the purchase award and/or the accompanying contract or agreement or purchase order, in whole or in part, without penalty or protest by Vendor; (ii) may consider such failure to perform or comply as a breach of contract; (iii) reserves the right to purchase its requirements from the vendor that submitted the next lowest and best responsive and responsible bid, or the vendor that submitted the next best proposal, if that vendor will still honor that bid or proposal, or to seek new bids or proposals, or to pursue one or more other options available to the City in compliance with its then current purchasing policy; and (iv) may hold the defaulting vendor liable for all damages provided by law, including cost of cover.
18. Entire Agreement. These Standard Procurement Terms and Conditions, including any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, constitutes the entire agreement between the parties and supersedes any prior or contemporaneous communications, representations or agreements between the parties, whether oral or written, regarding the subject matter of these Standard Procurement Terms and Conditions. The terms and conditions of these Standard Procurement Terms and Conditions may not be changed except by an amendment expressly referencing these Standard Procurement Terms and Conditions by section number and signed by an authorized representative of each party.
19. Survival. These Standard Procurement Terms and Conditions shall survive the completion of or any termination of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany.

Affidavit of Non-Collusion

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the
City of Franklin, Tennessee

State of Tennessee)

County of Davidson) SS

Affiant, Lisa Hemstead, deposes and makes oath that:
(printed name of person signing Affidavit)

1. He or she is the Representative of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)

Sun Life Assurance Company of Canada
(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

- The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
- Such bid or proposal is genuine and is not a collusive or sham bid or proposal;
- Neither the said Bidder or Proposer nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this Affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any official or agent of the City of Franklin or with any other firm, person, or potential or actual bidder or proposer to submit a collusive or sham bid or proposal in connection with the contract for which the attached bid or proposal has been submitted, or to refrain from bidding or proposing indirectly, or sought by agreement, or collusion, or communication, or conference with any other firm, person, or potential or actual bidder or proposer to fix the price or prices or cost element of the bid, quoted or proposed price or the bid, quoted or proposed price of any other potential or actual bidder or proposer, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Franklin or any person interested in the proposed contract;
- The price or prices quoted in the attached bid or proposal are fair and proper and are not tainted by a collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or Proposer or any of its agents, representatives, owners, employees, or parties in interest, including this Affiant; and
- He or she understands that Article VIII, Section 16, of the City Charter of Franklin, and T.C.A. §6-54-107, prohibit any member of the Board of Mayor and Aldermen, or officer elected by said Board, from being interested in any contract, or work of any kind whatever, under its control and direction, and any contract in which any such person shall have an interest shall be void and unenforceable, subjecting any funds received by contractor to be returned in full to the City, in addition to any other penalties provided by law.

Lisa Hemstead
(signature of Affiant)

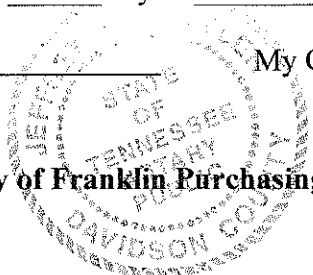
Sr. Stop Loss Specialist
(title of Affiant)

Sworn and subscribed to before me this 2nd day of April, 2015

Jeffrey A. Lutz
(Notary Public)

My Commission Expires: 3/6/2018

(Submitted in response to City of Franklin Purchasing Office Solicitation No. 2015_026)



Affidavit of Title VI Compliance

a form required of Bidders and Proposers on purchases of services for the

City of Franklin, Tennessee

State of Tennessee)

County of Davidson) SS

Affiant, Lisa Hemstead, deposes and makes oath that:
(printed name of person signing Affidavit)

1. He or she is the Representative of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)
Sun Life Assurance Company of Canada
(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
3. No person on the grounds of handicap or disability, age, race, color, religion, sex, national origin or any other class protected by federal and/or Tennessee constitutional, statutory and/or case law shall be excluded from participation in, or denied benefits of, or be otherwise subjected to discrimination in, the performance of the contract that results from the procurement solicitation to which this affidavit is a component, or in the employment practices of the successful Bidder or Proposer during the performance of the contract that results from said procurement solicitation;
4. The successful Bidder or Proposer shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to employees and job applicants, notices of such non-discrimination;
5. If, with the prior consent of the City, the successful Bidder or Proposer subcontracts any portion of the contract that results from the procurement solicitation to which this affidavit is a component, then the successful Bidder or Proposer shall contractually obligate all of its subcontractors for said contract to comply with the same non-discrimination provisions as those required of the successful Bidder or Proposer; and
6. This Affidavit is made on personal knowledge.

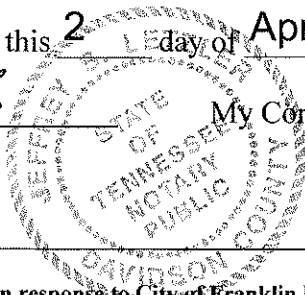
Lisa Hemstead
(signature of Affiant)

Sr. Stop Loss Specialist
(title of Affiant)

Sworn and subscribed to before me this 2 day of April, 2015

Jeffrey A. Leiby
(Notary Public)

My Commission Expires: 3/6/2018



CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT
(City of Franklin Contract No. 2015-0106)

Attachment No. 3

Indemnification Agreement