

TOWN OF VERNON
CONTRACT #2122 – 11-9-23 - Agent of Record/Broker Services for Health Insurance Coverage and Related Ancillary Products for the Town of Vernon and Vernon Public Schools

ADDENDUM NO. 1
QUESTIONS AND ANSWERS

| | QUESTIONS | ANSWERS |
|---|--|---|
| 1 | <p>Please provide a copy of the existing Agent of Record/Broker Services Agreement along with the following:</p> <ul style="list-style-type: none"> Detailed outline of current scope of services being provided Existing AOR/broker/consulting compensation: <ul style="list-style-type: none"> If flat fee, annual fee and lines of coverage supported If commission based, percentage and annual premium by line of coverage Annual revenue received for any additional after-award compensation, overrides, bonus and/or contingencies paid to AOR/Broker by line of coverage. | Yes, a copy of the contract is included in addendum. |
| 2 | Confirm current funding arrangement for medical/pharmacy and dental coverages – Self-funded/Captive or Fully insured | We are self-funded for medical/pharmacy and dental coverages. |
| 3 | Renewal date by line of coverage | July 1 st |
| 4 | <p>Page 16, reference made specific to past experience working with the Town of Vernon & Vernon Public Schools</p> <ul style="list-style-type: none"> Number of years in municipal field – should a respondent not currently working with either, however has worked with other like entities note the number of other like entities in this section? | Yes. |
| 5 | <p>Page 17, Proposal Evaluation Criteria includes 10 points for Bidder Experience with Municipalities (Town and Vernon Public Schools)</p> <ul style="list-style-type: none"> Will only the incumbent and any other prior AOR/Broker supporting the Town and School be awarded an additional 10 points or will others with Municipal and School experience, not with the Town and Schools be eligible for scoring with these points? | That was meant to be an example, any municipal experience will be eligible. Thank you for the clarification. |
| 6 | Does the Town/School currently utilize a benefit administration and enrollment system? If so please advise which one and annual cost along with who pays the cost of access to this system. | Currently utilize our ERP for benefit enrollment but Vernon is open to proposals that include a benefit administration and enrollment system. |

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| 7 | Best rating typically applies to Carriers, will proposers that do not have a Best rating be disqualified from consideration? | Not necessarily. |
| 8 | Are benefit program offerings the same for the Town as being offered for the School? If different, please provide an outline of carriers/benefits offered by the Town. | Benefit offerings are based on collective bargaining agreements for union employees. Non-union employees also have a benefit offering. |
| 9 | Retirees: <ul style="list-style-type: none"> Are there any other benefits offered beyond the group benefits offered to Active Employees for Retirees? If so, please provide details. How many Retirees are currently covered under each entity? | Yes, Anthem Blue Cross 65 and High Option. The retirees are calculated in the qualified employees' numbers. |

TOWN OF VERNON
CONTRACT # 2039 – 11/15/2018

AGENT OF RECORD/BROKER SERVICES
FOR HEALTH INSURANCE COVERAGE AND RELATED ANCILLARY PRODUCTS
FOR THE TOWN OF VERNON, CONNECTICUT AND THE VERNON BOARD OF EDUCATION

CONTRACT

This agreement, made and concluded by and between the Town of Vernon, a Municipal corporation organized and existing under the laws of the State of Connecticut, acting herein by its Town Administrator duly authorized, hereinafter designated the 'Town' and **USI INSURANCE SERVICES, of Meriden, CT** (being the party named in the attached copy of the proposal) hereinafter designated the 'Contractor.'

A. WITNESSETH, That said Contractor has agreed, and by these presents does for his, their, or its heirs, executors, administrators, successors, and assigns covenant, promise and agree to and with the said Town, for the consideration hereinafter mentioned and contained, and under the penalty expressed in bonds hereunto annexed, that the said Contractor shall and will, at his, its, or their own proper charge, cost and expense furnish all materials in accordance with this contract and the specifications which are a part hereof, viz.; all to be in accordance with the terms of the proposal for said material submitted to the Town Administrator of the Town, and made part of this contract.

B. TOWN ADMINISTRATOR TO BE JUDGE. The Town Administrator of the Town and his duly authorized representatives, hereinafter referred to as the 'Administrator' shall be judge of the character, nature and fitness of all the materials furnished under this contract.

C. (1) CONTRACTOR RESPONSIBLE FOR WHOLE WORK. The Contractor shall be responsible for the entire work until its final acceptance, and any unfaithful or imperfect work or defective material that may be discovered at any time before said final acceptance shall be immediately corrected or removed by said Contractor on requirement of the Administrator.

(2) PARTIAL PAYMENT NOT ACCEPTANCE. It is also agreed that this is an entire contract for one whole and complete work, and that no partial payments on account by the Town, nor the presence of the Administrator or inspectors, or their supervision or inspection of work or materials, shall constitute an acceptance of any part of the work before its entire completion and final acceptance.

D. TERM

(1) The term of this Contract shall be for three years, effective for the following term:

- July 1, 2018 to June 30, 2019
- July 1, 2019 to June 30, 2020
- July 1, 2020 to June 30, 2021

(2) COMMENCEMENT AND COMPLETION OF WORK. The Contractor shall furnish the material contracted for within the time stated therefore in the specifications for this work.

(3) EXTENSION OF TIME. If the Contractor is delayed in the prosecution or completion of the work by or on account of any act or omission of the Town, or by strikes or causes beyond control of the Contractor, he shall be entitled to such reasonable extension of time for the completion of the work as may be decided upon by the Administrator, provided, however, that no claim for an extension of time for any reason shall be allowed unless, within three days after such delay occurs, notice in writing of the fact of said delay, its causes, and the extension claimed, shall be given by the Contractor to the Administrator.

(3) TIME LIMITS. All time limits stated in the Contract Documents are of the essence of the Contract.

- E. **(1) CONTRACTOR'S DUTIES AND LIABILITIES.** The Contractor shall comply with all local, state and national laws and regulations, and with all Town ordinances in the prosecution of the work, and shall secure all necessary permits and licenses.

(2) CONTRACTOR LIABLE FOR DAMAGES.

(a). The Contractor shall indemnify and save harmless the Town, its officer, agents and servants against and from all damages, costs and expenses which they or any of them may suffer by, from or out of any and all claims for payment for materials or labor used or employed in the execution of this contract, and also for injuries or damages received or sustained to person or property, or both, in consequence of or resulting from any work performed by said Contractor, or of or from any negligence in guarding said work, or of or from any act or omission of said Contractor, and said Contractor shall also indemnify and save harmless said Town from all claims under the Workmen's Compensation Act arising under or out of this contract.

(b). Employees' Compensation Insurance shall be as provided by Connecticut law and custom.

(c). INSURANCE REQUIREMENTS

Commercial General Liability (Town of Vernon added as additional insured):

| | |
|---|--------------|
| Each Occurrence: | \$ 1,000,000 |
| Personal/Advertising Injury per Occurrence: | \$ 1,000,000 |
| General Aggregate: | \$ 2,000,000 |
| Product/Completed Operations Aggregate: | \$ 2,000,000 |
| Fire Damage Legal Liability | \$ 100,000 |

Automobile Liability (Town of Vernon added as additional insured):

| | |
|---------------------------------|--------------|
| Each Accident: | \$ 1,000,000 |
| Hired/Non-owned Auto Liability: | \$ 1,000,000 |

Workers' Compensation/Employers Liability

| | | |
|-----------------------|--|--|
| Workers' Compensation | Statutory Requirement set forth by State of CT | |
| Employers Liability | | |
| Each Accident | \$ 100,000 | |
| Disease-Policy Limit | \$ 500,000 | |
| Disease-Each employee | \$ 100,000 | |

Umbrella/Excess Liability (following form of general liability, auto liability and employer liability):

| | |
|---|--------------|
| Each Occurrence: | \$ 1,000,000 |
| General Aggregate: | \$ 2,000,000 |
| Product/Completed Operations Aggregate: | \$ 2,000,000 |
| <u>Professional Liability (where required)</u> | |
| Each Claim: | \$ 1,000,000 |
| Annual Aggregate | \$ 1,000,000 |

(d). Sub-contractors must be protected by insurance the same as the principal contractor.

(e). It is agreed between the parties hereto that the amount of insurance set forth above does not in any way limit the liability of the Contractor to the Town by virtue of his promise to hold the Town harmless so that in the event that any claim results in a settlement or judgment in any amount above said limits, the Contractor shall be personally liable to the Town for the difference.

(f). Certificates of the insurance company or companies must be submitted to the Administrator before the Contractor starts work. Should any insurance expire or be terminated during the period in which the same is required by this contract, the Administrator shall be notified thirty (30) days in advance and such expired or terminated insurance must be replaced with new insurance and a new certificate furnished to the Administrator.

(g). Failure to provide the required insurance and certificates may, at the option of the Town, be held to be a willful violation of this Contract.

(3) PATENTS. The Contractor shall defend any suits or proceedings brought against the Town for alleged infringements of patents by or by reason of any material furnished under this contract, and shall pay any damages or costs that may be awarded against the Town as a result of such suits, free of all expense to the Town.

F. INDEPENDENT CONTRACTOR

The selected Contractor is an independent contractor and is not an employee, partner, or co-venturer of, or in any other service relationship with the Town of Vernon. The Contractor is not authorized to speak for, represent, or obligate the Town of Vernon in any manner without the prior expressed written authorization from the Town of Vernon.

G. INDEMNIFICATION/HOLD HARMLESS

The selected Contractor agrees to defend, indemnify and hold harmless the Town of Vernon, its respective officers, employees, elected officials, agents, servants and volunteers from and against any and all claims, liabilities, obligations, causes of action of whatsoever kind and nature for damages, including but not limited to damage to the premises or other property, and costs of every kind and description arising from its entry upon the premises, or arising from work or other activities conducted thereon, alleging but not limited to bodily injury, personal injury, medical malpractice, property damage caused by the Contractor and its employees, contractor, sub-contractors and agents, this indemnification includes the Contractor's duty to defend the Town of Vernon from any such claim.

H. WAIVER OF SUBROGATION REQUIREMENT

The selected Contractor will require all insurance policies in any way related to the work and secured and maintained by the Contractor to include clauses stating each carrier will waive all rights of recovery, under subrogation and otherwise, against the Town of Vernon, and its respective officers, employees, agents, servants, elected officials, and volunteers. The selected Contractor shall require of subcontractors, by appropriate written agreements, similar waivers each in favor of the Town of Vernon.

I. CONTINGENT UPON AVAILABILITY OF FUNDS

The town's obligation under this Agreement is contingent upon the availability of appropriated funds from which payment for Agreement purposes can be made. No legal liability on the part of the Town for any payment may arise until funds are made available and approved for this Agreement and until a Purchase Order has been issued.

NO INTEREST TO BE PAID. No interest is to be allowed or paid by the Town upon any monies retained under the provisions of this contract.

J. TERMINATION

TERMINATION FOR CAUSE: If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner his obligations under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, the Municipality shall, thereupon, have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, and reports prepared by the Contractor under this Contract shall, at the option of the Municipality, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed prior to the effective date of termination.

TERMINATION FOR CONVENIENCE: Either party to this Contract may terminate this Contract at any time by a notice in writing, effective not less than fourteen (14) days prior to the termination date. If the Contract is terminated by the Municipality as provided herein, the Contractor will be paid for services performed up to the date of termination.

- K. AVOIDANCE OF CONTRACT.** If this Contract shall be assigned without the written consent of the Administrator, or if at any time the Administrator shall be of the opinion that the work on said material is necessarily or unreasonably delayed, or that the Contractor is willfully violating any of the conditions or agreements of this contract, or that the progress of the work is, in his opinion, being so delayed that said material cannot be supplied within the required time, the Administrator may give written notice, postage prepaid, to the Contractor, at his business address, to that effect. If the Contractor shall not, within ten days after the mailing of such notice, take measures as will, in the judgment of the Administrator, insure the satisfactory completion of the work, he may notify the Contractor in writing, to discontinue all work on said material under this contract; and it is hereby agreed that the Contractor shall thereupon at once stop work and cease to have the right or claim to possession of the material; and the Town may, by means of such other agents or contractors as shall to it seem advisable, complete the work herein described, or such part thereof as it may deem necessary, and may take possession of and use such materials, except as otherwise provided. The Contractor shall not remove

any portion of the materials, except as otherwise provided. The Contractor shall not remove any portion of the materials after receiving such notice as aforesaid. And said Town is hereby authorized and empowered to apply sums of money due or to become due to said Contractor under this Contract by way of reduction in damages, and as part payment of such additional expense incurred by the Town as aforesaid.

L. PAYMENT SCHEDULE: Per USI Proposal:

- Three-year agreement: \$ 210,000
 - o Annual (x 3): \$ 70,000
 - o Monthly (x 36): \$ 5,833.33
- Billed monthly and will be paid by Insurance carrier.

M. FAIR EMPLOYMENT PRACTICES. The Contractor hereby agrees that neither he nor his subcontractors will refuse to hire or employ or to bar or to discharge from employment an individual or to discriminate against him in compensation or in terms, condition or privilege of employment because of race, color, religious creed, age, sex, national origin or ancestry, except in the case of bona fide occupational qualification or need.

The Contractor further agrees that neither he nor his subcontractors will discharge, expel or otherwise discriminate against any person because he has opposed any unfair employment practice or because he has filed a complaint or testify or assisted in any proceeding under Section 31-127 of the Connecticut General Statutes. The advertisement of employment opportunities will be carried out in such manner as not to restrict such employment so as to discriminate against individuals because of their race, color, religious creed, age, sex, national origin or ancestry, except in the case of a bona fide occupational qualification or need.

The terms stated above are taken from Section 31-126 of the Connecticut General Statutes, "Unfair Employment Practices."

N. LAWS AND JURISDICTION. The parties hereto agree that this contract is subject to the laws and jurisdiction of the State of Connecticut.

O. COMPLIANCE WITH THE IMMIGRATION REFORM AND CONTROL ACT OF 1986. The contractor hereby agrees that he is aware of and has complied with the hiring and documentation requirements of the Immigration Reform and Control Act of 1986.

The contractor agrees that it has asked for and examined documentation in order to verify the legal employability of its employees and has executed the appropriate forms attesting thereto pursuant to the Act.

The contractor further agrees to indemnify and hold the Town harmless from any costs and/or penalties incurred, including but not limited to fines, attorney's fees and costs arising from a claim of violation of said Act.

- P. **DISPUTES.** The parties agree that any dispute will be submitted to the Superior Court, Judicial District of Tolland, at Rockville, Connecticut.
- Q. **ANTI-TRUST PROVISION.** The Contractor or Subcontractor offers and agrees to assign to the Town all right, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act, 15 O.K. Section 15, or under Chapter 624 of the General Statutes of Connecticut, arising out of the purchase of services, property or intangibles of any kind pursuant to a public purchase contract or subcontract. This assignment shall be made and become effective at the time the Town awards or accepts such contract, without further acknowledgment by the parties.

IN WITNESS WHEREOF, The parties hereto set their hands and seal this 9th day of January 2019.

Signed in the presence of:

Diane Wheelock
Witness Diane Wheelock
Cassandra Minor
Witness Cassandra Minor

For the TOWN OF VERNON

By: [Signature]

Michael J. Purcaro
Town Administrator

IN WITNESS WHEREOF, The parties hereto set their hands and seal this 9th day of January 2019.

Signed in the presence of:

Christopher Monroe
Witness
Christopher Monroe
Witness

For: USI Insurance Services

By: [Signature]

Duly Authorized
Name: Thomas Kowalchik
Title: SUP Employee Benefits

TOWN OF VERNON
CONTRACT # 2039 – 11/15/2018

**AGENT OF RECORD/BROKER SERVICES
FOR HEALTH INSURANCE COVERAGE AND RELATED ANCILLARY PRODUCTS
FOR THE TOWN OF VERNON, CONNECTICUT AND THE VERNON BOARD OF EDUCATION**

EXHIBIT A

ORIGINAL RFP



REQUEST FOR PROPOSALS
Contract # 2039 – 11/15/2018

AGENT OF RECORD/BROKER SERVICES
FOR HEALTH INSURANCE COVERAGE AND RELATED ANCILLARY PRODUCTS
For The Town of Vernon, Connecticut and the Vernon Board of Education

(1) INTENT

The Town of Vernon and the Board of Education (*herein referred to as the "TOWN"*) is requesting proposals for a broker and agent of record to coordinate responses for health insurance coverage and ancillary products from reputable insurance carriers, finding the desired products at the most competitive prices. The Town currently offers health insurance to qualified employees.

(2) GENERAL INFORMATION

The Town is seeking a qualified expert professional Agent/Broker/Firm (*herein referred to as the "FIRM"*) to provide for the following professional services:

- a. Annual marketing of Town's health insurance, dental insurance, Employee Assistance Programs, Group Life Insurance, and Long Term Disability for its 645 qualified employees and retirees.
- b. Identification of ancillary products that may offer cost savings or provide additional benefit to employees.
- c. Coordination of carriers replies for coverage.
- d. Respond to the daily services needs of the Town in the areas of health insurance.

(3) SCOPE OF SERVICES

The purpose of this Request for Proposals ("RFP") is to select a Firm qualified to represent the Health insurance interests of the Town as an Agent/Broker. The selected Firm is expected to provide expert professional services, including but not limited to:

- a. Periodic review (not less than annually) of the Town's health insurance programs, specific coverage(s), loss data, and risk management measures; and make recommendations to the Town with respect to the need for ancillary insurance services, additional coverage and modifications, updating or upgrading of existing coverage (s).

Make annual recommendations concerning changes in terms, conditions, and limits of coverage; based on best industry practices.

- b. Consult and advise the Town on matters related to the Affordable Care Act, and advise the Town on new developments in the field of insurance.
- c. Upon approval by the Town, annual marketing of Town's health insurance program, including, a negotiation of carrier contract extension or change (s). This service will include comprehensive assistance and guidance in completing the insurance application process in a timely fashion, and coordinating the transition of carriers for fiscal year enrollments.
- d. Solicitation of proposals from qualified insurance carriers on an annual or as needed basis who are experienced and familiar with writing policies for Connecticut municipalities, both the Town and Board of Education; including:
 - i. Development of bid specifications to be submitted to the municipal marketplace for which proposals are sought.
 - ii. Evaluation of proposals submitted by insurance carriers relative to compliance with insurance specifications, cost and ability of each carrier to perform as required including relative solvency.
 - iii. Detailed report of solicited policy renewal options available to the Town.
 - iv. Examination and approval of issued policies and bonds for conformance with the Town's specifications and the carrier's proposal.
- e. Provision of an annual stewardship report, including insurance schedule, policy summaries, review of past year's activities and outlook for coming year's market conditions.
- f. Additional Services
 - i. Assistance to the Town in drafting insurance specifications for contracts and agreements, as requested.
 - ii. Provision of insurance certificates, pertaining to the Town's coverage as requested.

(4) EXPECTATIONS OF THE SELECTED FIRM

The selected Firm will be expected to work in partnership with Town of Vernon, and to perform the following:

- a. Maintain in good standing all the necessary licenses and certifications as required by Connecticut General Statutes and regulations for insurance agents and/or brokers and shall provide copies of the same to the Town.
- b. Attend meetings, as needed, and requested by the Town.

- c. Provide recommendation for the proposed benefit components, including self-funding specifically in the area of design, funding, cost, and administration.
- d. Conduct renewal negotiations with the carrier(s) and vendors and prepare a complete and detailed accounting of all claim costs, provider access fees, administrative expenses, risk charges, etc.
- e. Provide general problem solving throughout the plan year.
- f. Perform other duties critical to the proper formation of a health insurance plan and its optimal operation and participation.

(5) SUBMISSION AND INFORMATION REQUIREMENTS

a. Questions

Questions about this RFP should be directed to Dawn Maselek, Assistant Town Administrator, by email only at dmaselek@vernon-ct.gov; no later than 1:00 PM, Thursday, November 8, 2018. Answers to questions will be posted on the Town's website at www.vernon-ct.gov/legal-notices and on the CT Department of Administrative Services (DAS) website by Tuesday, November 13, 2018 referencing Contract # 2039-11/15/2018.

b. Incurred Costs

The Town is not liable for any costs incurred by Broker/Consultant/Firm in the submission of a proposal, and/or prior to the issuance of a contract and receipt of all necessary approvals.

All information and material returned with proposals shall become part of any contract, which results from this proposal.

c. Proprietary Information

Any proprietary information should be submitted in a separate sealed envelope plainly marked as "proprietary information." The Town will disclose this information only to those involved in the selection process.

d. Addendums to RFP

In the event it becomes necessary to revise any part of this RFP, an Addendum will be posted on the town's website and on the State Department of Administrative Services (DAS) website, referencing the contract number.

e. Proposal Submissions

Six (6) bound copies of the proposal and one (1) electronic copy (in Adobe Acrobat format saved to a PC readable medium), should be submitted in a sealed envelope marked "Contract # 2039-11/15/2018" **BID DO NOT OPEN** indicated on the outside of the envelope, to: Michael J. Purcaro, Town Administrator, Town of Vernon, Memorial Building, 14 Park Place, Third Floor, Vernon, Connecticut 06066 by 11:00 am, Thursday November 15, 2018 at which time proposals shall be opened and read aloud publicly. Emailed, faxed, or late proposals will not be accepted.

All proposals submitted become the property of the Town of Vernon and will not be returned.

f. **Proposal Submission Requirements**

Responding Firms must be capable of performing Agent of Record/Broker Services in full compliance with all federal and state statutes and regulations. Responding Firms will provide the following information:

- i. Each proposer must submit qualifications and a Fee proposal (See Appendix A).
- ii. The proposer must agree to forgo any sales commissions or other type of funding that maybe provided by vendors in the form of after award compensation for the health insurance.
- iii. **Information About Your Firm**
 - a. Name of firm and parent company, if applicable.
 - b. Contact information of persons to receive notifications and reply to Town's inquiries.
 - c. Total number of employees of the firm, servicing office(s), and their respective addresses.
 - d. Number of Connecticut public entity clients and their total annual health insurance premium.
 - e. Principal public entity markets utilized and premium volume written with them.
 - f. Description of the insurance marketing expertise of the servicing office with regard to Connecticut towns and school districts and a sample marketing plan.
 - g. A list of all personnel who would be involved with the Town's account including: Name, Title, primary responsibilities, municipal experience, and credentials.
 - h. Description of Firm's performance monitoring and measurement of insurance carriers, negotiation of policy provision interpretations and possible intervention in claims processing.
 - i. Description of the Firm's involvement with municipal and education associations in Connecticut.

- j. Confirm that you are an actuary, licensed consultant, or broker in Connecticut and provide documentation. An AM Best Rating of -A or better is highly preferred.
 - k. Confirm that you serve as a consultant or broker, independently, and are not affiliated with any insurance company, via third party administrative agency or provider network.
 - l. Explain any existing or potential relationships between your firm and insurance carriers and/or vendors that could lessen your independence and objectivity because of a perceived or actual conflict of interest.
 - m. Describe any prior business relationships you/your firm have held with the Town as an agent of record and broker.
 - n. Provide a detailed outline how the broker will be compensated, now and in the future. **NOTE:** The Town of Vernon requires complete disclosure of all fees /commissions / contingent commissions / overrides / bonuses your organization receives each year as a result of your firms work on its behalf.
 - o. Describe your Firms ability to provide expertise and experience in the areas of health benefit plan analysis and design. Detail your ability to advise municipal government on health care cost containment strategies. Give examples of your work with other companies, similar in size to Town of Vernon.
- iv. **A Detailed Scope of Services** including a detailed description of any special, in-house, services or systems available to the Town.
- a. Detail other ancillary insurance products or services your firm might recommend to the town. *For Example: Aflac, full or self-insurance, Medical, Dental, Employee Assistance Programs, Life Insurance, Short and Long Term Disability Insurance.*
 - b. Provide the names of three (3) prior clients that your firm coordinated services related to health plan and ancillary benefits, analysis and design. For each prior client, specify the type of work performed, the size of the client's group and the period retained as a client. Also include a contact name, title, mailing address, email address and phone number for the Town to contact as a reference.
 - c. Provide the names of (3) three current clients, that your firm coordinates services related to health plan and ancillary benefits, analysis and design. For each current client, specify the type of work performed, the size of the client's group and the period retained as a client. Also include a contact name, title, mailing address, email address and phone number for the Town to contact as a reference.

- d. Explain your companies training strategy that ensures the latest and most accurate information is conveyed to your customers.
- e. Describe your firms' involvement in resolving problems with claims, etc., between an insured and the insurance carrier.
- f. For Budgetary purposes, the Town expects annual cost for coverages to be provided in DRAFT form by February of each year of the agreement. Finalized numbers are expected no later than April.

(6) EVALUATION OF PROPOSALS

The Town shall be the sole judge as to whether a proposal complies with these instructions and specifications, and such a decision shall be final and conclusive.

Proposals submitted in response to this RFP and become the sole property of the Town. Proposals may not be withdrawn for sixty (60) days from the proposal due date. The Town reserves the right to reject any or all proposals received, and further reserves the right to waive non-material deficiencies in any proposal.

Firm(s) may be asked to present and explain their proposals before a panel comprised of the Town and/or committee. If selected, key personnel assigned to this project must be present at the interview.

The selected Firm must meet all municipal, state, and federal AA and EEO practices and requirement. The Town reserves the right to reject any or all proposals in whole or part, to award any one service or group of services or all services, to negotiate with any or all companies submitting proposals, and to enter into an agreement with any company for any services mentioned in this RFP; if it is deemed to be in the best interest of the Town.

The contents of the successful proposal may, at the Town's option, become part of the contract entered into by selected Firm and the Town. Selection as the preferred proposal does not provide any contract rights to that Firm. Any such rights shall accrue only when the Town and the Firm execute a binding contract. The Town reserves the right to negotiate with the successful Firm in any manner necessary to best serve the interests of the Town. If the Town fails to reach an agreement with the successful bidder, the Town may commence negotiations with an alternative bidder or reject all bids and reinstitute the RFP process.

- Proposals will be evaluated based on what is deemed to be in the best interests of the Town, including such factors as: the bidder's experience in providing Insurance Advisory and Brokerage services for municipalities Town and Board of Education in the State of Connecticut, an AM Best Rating of -A or better, the clarity and completeness of the proposal, recommendations of clients for which the bidder has previously provided services, the persons to be assigned to the project by the bidder, and total cost. Cost will not be the sole factor in evaluating bids.

Additional criteria for the selection of the consultant will be as follows:

- A submitted Fee Proposal
- The qualifications of the company.
- Experience of key personnel to be assigned to the Town.
- The Scope of Services offered.
- Strength and ability to work with and act as an ambassador to major health insurance carriers.
- The ability of the Firm to commence work in a timely manner.
- Knowledge and experience in wellness programs.

(7) INSURANCE REQUIREMENTS

Commercial General Liability (Town of Vernon added as additional insured):

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|---|--------------|
| Each Occurrence: | \$ 1,000,000 |
| Personal/Advertising Injury per Occurrence: | \$ 1,000,000 |
| General Aggregate: | \$ 2,000,000 |
| Product/Completed Operations Aggregate: | \$ 2,000,000 |
| Fire Damage Legal Liability | \$ 100,000 |

Automobile Liability (Town of Vernon added as additional insured):

| | |
|---------------------------------|--------------|
| Each Accident: | \$ 1,000,000 |
| Hired/Non-owned Auto Liability: | \$ 1,000,000 |

Workers' Compensation/Employers Liability

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|-----------------------|--|
| Workers' Compensation | Statutory Requirement set forth by State of CT |
| Employers Liability | |
| Each Accident | \$ 100,000 |
| Disease-Policy Limit | \$ 500,000 |
| Disease-Each employee | \$ 100,000 |

Umbrella/Excess Liability (following form of general liability, auto liability and employer liability):

| | |
|---|--------------|
| Each Occurrence: | \$ 1,000,000 |
| General Aggregate: | \$ 2,000,000 |
| Product/Completed Operations Aggregate: | \$ 2,000,000 |

Professional Liability (where required)

| | |
|------------------|--------------|
| Each Claim: | \$ 1,000,000 |
| Annual Aggregate | \$ 1,000,000 |

(8) INDEPENDENT CONTRACTOR

The selected firm is an independent contractor and is not an employee, partner, or co-venturer of, or in any other service relationship with the Town of Vernon. The firm is not authorized to speak for, represent, or obligate the Town of Vernon in any manner without the prior expressed written authorization from the Town of Vernon.

(9) INDEMNIFICATION/HOLD HARMLESS

The selected firm agrees to defend, indemnify and hold harmless the Town of Vernon, its respective officers, employees, elected officials, agents, servants and volunteers from and against any and all claims, liabilities, obligations, causes of action of whatsoever kind and nature for damages, including but not limited to damage to the premises or other property, and costs of every kind and description arising from its entry upon the premises, or arising from work or other activities conducted thereon, alleging but not limited to bodily injury, personal injury, medical malpractice, property damage caused by the firm and its employees, contractor, sub-contractors and agents, this indemnification includes the firm's duty to defend the Town of Vernon from any such claims except that the firm shall not be responsible or obligated for claims arising out of the sole negligence of the Town of Vernon, its elected officials, officers, department heads, employees or agents, or its predecessors in interest in the premises.

(10) WAIVER OF SUBROGATION REQUIREMENT

The selected firm will require all insurance policies in any way related to the work and secured and maintained by the firm to include clauses stating each carrier will waive all rights of recovery, under subrogation and otherwise, against the Town of Vernon, and its respective officers, employees, agents, servants, elected officials, and volunteers. The selected firm shall require of subcontractors, by appropriate written agreements, similar waivers each in favor of the Town of Vernon.

(11) CONTINGENT UPON AVAILABILITY OF FUNDS

The town's obligation under this Agreement is contingent upon the availability of appropriated funds from which payment for Agreement purposes can be made. No legal liability on the part of the Town for any payment may arise until funds are made available and approved for this Agreement and until a Purchase Order has been issued.

NO INTEREST TO BE PAID. No interest is to be allowed or paid by the Town upon any monies retained under the provisions of this contract.

(12) TERMINATION

TERMINATION FOR CAUSE: If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner his obligations under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, the Municipality shall, thereupon, have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, and reports prepared by the Contractor under this Contract shall, at the option of the Municipality, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed prior to the effective date of termination.

TERMINATION FOR CONVENIENCE: Either party to this Contract may terminate this Contract at any time by a notice in writing, effective not less than fourteen (14) days prior to the termination date. If the Contract is terminated by the Municipality as provided herein, the Contractor will be paid for services performed up to the date of termination.

Town of Vernon, Connecticut
Contract #2039 11/15/2018

**AGENT OF RECORD/BROKER SERVICES FOR HEALTH INSURANCE COVERAGE
AND RELATED ANCILLARY PRODUCTS
For The Town of Vernon, Connecticut and the Vernon Board of Education**

APPENDIX A

FEE PROPOSAL FORM MUST BE COMPLETED BY BIDDER AS PART OF SUBMISSION

| | |
|--|---|
| <i>Full Contract Price for 3 year Agreement</i> | \$ _____ |
| <i>Brokerage Service Fees (annual), if not included in price above</i> | \$ _____ |
| <i>Consultation Fees (annual), if not included in price above</i> | \$ _____ |
| <i>List any additional fees, based on the Firms Criteria of Approach</i> _____ _____ _____ | \$ _____ \$ _____ \$ _____ |
| <i>List any recommended ancillary products/services and costs, if any.</i> _____ _____ _____ | \$ _____ \$ _____ \$ _____ |
| <i>Availability to commence services with Town (Date)</i> | _____ |
| <i>Does your firm have experience in transitioning from full to self-insured?</i> | <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Yes <input type="checkbox"/> </div> <div style="text-align: center;"> No <input type="checkbox"/> </div> </div> |
| <i>Experience in Wellness Programs (yes or no) and Fee if any</i> | <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Yes <input type="checkbox"/> </div> <div style="text-align: center;"> No <input type="checkbox"/> </div> </div> \$ _____ |
| <i>Provide Affordable Care Act Consultation (yes or no) and Fee if any</i> | <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Yes <input type="checkbox"/> </div> <div style="text-align: center;"> No <input type="checkbox"/> </div> </div> \$ _____ |
| <i>Number of years in Municipal field with Town and Board of Education</i> | _____ _____ |
| <i>Proposed Timeline for implementing Services</i> _____ _____ _____ _____ | _____ _____ _____ _____ |

| PROPOSAL EVALUATION CRITERIA #2039 - Agent of Record/Broker Services for Health Insurance Coverage and Related Ancillary Products | |
|--|------------------------|
| | Points possible |
| Bidder experience with municipalities (Town and Board of Education) | 10 |
| Knowledge of Affordable Care Act (ACA) | 10 |
| Scope of Services: Clarity/completeness of Proposal | 10 |
| Ability to work with Insurance Carriers to Implement Full or Self-Insurance | 10 |
| Firms' Qualifications | 10 |
| Experience of key personnel assigned to Town | 10 |
| Ability to commence work in a timely manner | 10 |
| Proposed timeline for providing final numbers to town for budgetary purposes | 10 |
| Knowledge/experience in wellness programs | 5 |
| AM Best Rating of -A or better | 5 |
| Total Cost | 10 |
| Total Points Possible | 100 |



USI Insurance Services
530 Preston Avenue, 3rd Floor
Meriden, CT 06525

November 15, 2018

Mr. Michael J. Purcaro
Town Administrator
Town of Vernon, Memorial Building
14 Park Place, Third Floor, Vernon, CT 06066

RE: Contract # 2039 – 11/15/2018

Dear Mr. Purcaro,

As we have had the pleasure of serving as the employee benefits insurance consultant for the Town of Vernon, Connecticut and the Vernon Board of Education (the Town), we look forward to continuing our relationship and collaborating with you to implement new innovative products and services that can offer further improvements to your programs, processes, and service. Please accept this proposal as our intent to continue to serve as the Town's employee benefits insurance consultant.

We have the resources to:

- Evaluate, design, and advise on a comprehensive strategy for your employee benefit programs that helps meet the Town of Vernon, Connecticut and the Vernon Board of Education's short- and long-term goals from both a human capital and financial perspective
- Provide insight into industry best practices, market trends, as well as peer benchmarking, so the Town can maintain a competitive benefits program that meets its financial objectives
- Analyze your health care costs to identify and help manage the underlying cost drivers of your plan
- Advise you to help you manage your health care program to minimize the financial and administrative burdens of the Patient Protection and Affordable Care Act
- Provide comprehensive, dedicated support on questions and issues that arise with your plans
- Support and advise on benefits-related regulatory and compliance topics
- Identify technological solutions to help administer and communicate your benefit plans
- Continue to provide a dedicated account team with subject matter expertise in employee benefits

We are uniquely qualified to understand your goals for your benefits programs and to assist you with setting a strategy that will help you achieve them. This we believe has led to a truly rewarding business relationship and an overall better value for the Town. Our mission is to fulfill the Town's needs as they relate to employee benefits consulting and be the best advisor for your insurance plans. We understand the scope of services outlined in your request for proposal. The following presentation of USI Insurance Services (USI)'s capabilities demonstrates our commitment to client service, quality, teamwork, and market presence.

The Town of Vernon, Connecticut and the Vernon Board of Education is an important and valued client to USI and we would appreciate the opportunity to continue our relationship. Please do not hesitate to contact us for further information or clarification.

Sincerely,

Thomas Kowalchuk, HIAA
Senior Vice President, Employee Benefits
Direct dial: 203.634.5992
Email: thomas.kowalchuk@usi.com

Christopher Monroe
Senior Vice President, Employee Benefits
Direct dial: 203.634.5798
Email: chris.monroe@usi.com

THE USI ONE ADVANTAGE®

TOWN OF VERNON
CONTRACT # 2039 – 11/15/2018

**AGENT OF RECORD/BROKER SERVICES
FOR HEALTH INSURANCE COVERAGE AND RELATED ANCILLARY PRODUCTS
FOR THE TOWN OF VERNON, CONNECTICUT AND THE VERNON BOARD OF EDUCATION**

EXHIBIT B

USI SCOPE OF SERVICES

SCOPE OF SERVICES

Per the RFP, at a minimum, USI will provide expert professional services, including but not limited to:

a. Periodic review (not less than annually) of the Town's health insurance programs, specific coverage(s), loss data, and risk management measures; and make recommendations to the Town with respect to the need for ancillary insurance services, additional coverage and modifications, updating or upgrading of existing coverage (s).

Confirmed –

On an annual basis, or per request from the Town, your account team will meet with your management team to conduct a strategic planning meeting. This strategy meeting is scheduled approximately 6 – 7 months prior to the renewal date which allows for a comprehensive, historical review of plans, processes, and needs. In this meeting, we discuss current market trends, plan claims experience, and provider service.

Once the annual strategic benefits plan has been established with marketing or budget needs identified, USI manages the entire marketing, contract/rate negotiation, implementation, compliance, and contract review process. Our recommendations will always be based on our determination of the carriers/service providers that present the best match for your overall objectives. We will prepare bid specifications and solicit proposals, as necessary, from insurance markets.



USI takes a different approach to serving our client's needs. In contrast to competitors, we provide many layers of service that are tailored and focused on specific aspects of your unique employee benefit program.

| | |
|--------------------|--|
| Plan Design | Your USI Service Team members are up to date on market trends. Regular meetings with insurance carriers and vendors advise standard and leading-edge approaches. Some plans are manuscript through USI arrangement. |
| Benchmarking | USI's benchmarking tools compare benefits, rates and contributions on a local and national scale. In addition, benefits data and other sources of market information are used to benchmark plan designs, costs, coverage and employee contributions. |
| Underwriting | Dedicated underwriting and analytics personnel provide prospective analysis and retrospective reviews. Our dashboard captures critical data to project costs and also illustrates the carriers' formula to facilitate negotiations. |
| Analytics | Using our claims data warehousing 3D Verisk - USI can help clients identify health conditions that are driving costs and potential risk factors that may lead to future claims cost escalation and link them to solutions for positive financial impact. |
| Financial Modeling | Client specific financial modeling prior to open enrollment allows our clients to try different budget and contribution scenario's including the use of engaged vs. non-engaged wellness rates. |

b. Consult and advise the Town on matters related to the Affordable Care Act, and advise the Town on new developments in the field of insurance.

Confirmed –

We regularly communicate with clients to update them on marketplace conditions. USI utilizes a variety of benchmarking tools including subscription based products, public information, and aggregated client information. We maintain subscriptions to various industry specific periodicals and information services which monitor and report on market and business trends. Our national marketing teams meet monthly to discuss trends in the marketplace. Participants provide both a national and regional scope and perspective. Specialists participate in national conference calls each month to review industry trends. Because USI takes a holistic approach to benefit management, we have regularly scheduled internal “huddles” for each vertical. A USI “huddle” is a collaboration across disciplines on a particular subject to study the issues relating to employee benefit solutions. We use this team based consultative planning process throughout the year.

In addition, we also monitor legal and political climates for issues that could impact our clients.

With so many changes to the health care regulatory environment, it's more important than ever to regularly communicate with employees proactively sharing the steps the employer is taking to get ahead of potential changes. As conversations about the future of the ACA continue, employees are becoming more concerned about their health care choices and are looking to their employers to translate what these changes mean for them, in addition to reassuring them that they are covered. The employer can lean on their insurance broker to give them the information they need to share with employees.

USI's National Compliance Team combined with our National Employee Benefit Practice provides insights and updates on legislation, compliance, and healthcare reform. As legislation is proposed, we work to sift through the myriad house bills and proposals to consolidate the information for our clients in a series of compliance updates and national webinars. We monitor and analyze the impact of legislative and regulatory changes and provide recommendations to help you adjust your business planning and decision making.

Part of a larger compliance network of 20 employee benefits attorneys located throughout the country, Michael Rosenman is the ERISA and Employee Benefits Counsel for New England region clients. In addition, local and national subject matter experts are also available to provide support.

c. Upon approval by the Town, annual marketing of Town's health insurance program, including, a negotiation of carrier contract extension or change (s). This service will include comprehensive assistance and guidance in completing the insurance application process in a timely fashion, and coordinating the transition of carriers for fiscal year enrollments.

Confirmed –

Prior to renewal, USI's analytical team will develop a pre-renewal based on the same methodology used by insurance carriers. Our analytical team is made up of underwriters and analysts that are familiar with your trends and claims data. We will discuss market conditions, possible plan design changes, and new products and services. Pre-renewal starts the conversation early and provides time to make adjustments with no last-minute surprises.

Coupled with market leverage, a thorough analysis of claims and utilization data helps USI effectively negotiate with insurance carriers. We've established relationships with many highly regarded insurance providers. The result is access to exclusive products and competitive pricing with top insurers. USI underwrites independent of the carrier, which ensures your plans remain competitive.

- Population Health Management Assessment
- Independent Renewal Calculations

- RFP Specifications
- Negotiate Performance Guarantees

For self-insured clients, USI has a proprietary agreement with five of the highest ranked national stop-loss insurers. This program includes the following important features:

- Guaranteed NO LASERS at Renewal
- Early Renewal Lock In
 - Most carriers will only lock in 90 days prior to the renewal date. Through USI's program carriers, the renewal will be locked in 120 days prior to the renewal date.
- Renewal Rate Guarantees

USI will negotiate the terms and conditions under fully-insured or self-funded arrangements to make sure your costs are competitive in the marketplace and will also review your benefit plans to make sure they are in line with others in the industry. Plan alternatives will be provided to estimate cost savings with potential plan design changes as well as possible alternative funding arrangements. USI provides regular reports on claims experience to keep you up to date throughout the year. Our underwriters provide budget projections, including the estimated impact of any plan design changes. Carrier selection will also be evaluated to determine if costs are appropriate for the current benefit levels.

d. Solicitation of proposals from qualified insurance carriers on an annual or as needed basis who are experienced and familiar with writing policies for Connecticut municipalities, both the Town and Board of Education; including:

1. Development of bid specifications to be submitted to the municipal marketplace for which proposals are sought.

Confirmed –

USI utilizes a client-specific request for proposal (RFP) process to select carriers/business affiliates for our clients. This process is as detailed as required by the client and is impacted by the project timeline. The following table summarizes the key criteria for a standard Medical, Dental, Vision, FSA, HSA, Reinsurance, and Wellness RFP. A similar type of list would be utilized for other lines of coverage.

Medical

| Quality | Cost |
|--|--|
| Access <ul style="list-style-type: none"> ▪ Geographic access to providers (PCP, specialists, and hospitals) ▪ Disruption analysis ▪ Hospital match to current network ▪ PCPs accepting new patients ▪ Waiting time for appointments | <ul style="list-style-type: none"> ▪ Financial quotation ▪ Claims projection ▪ Administrative fees ▪ Stop-loss analysis ▪ Claims target/performance guarantees ▪ Fee guarantees ▪ Utilization assumptions |
| Satisfaction <ul style="list-style-type: none"> ▪ Member satisfaction ▪ Customer service statistics ▪ References | <ul style="list-style-type: none"> ▪ Contract provisions ▪ No loss/no gain |
| Program management <ul style="list-style-type: none"> ▪ Board certification (PCPs and specialists) | Internal cost structure <ul style="list-style-type: none"> ▪ Medical loss ratio ▪ PMPM (per member per month) |

Medical

Quality

- NCQA accreditation
- Provider turnover
- Total membership
- Credentialing standards

Cost

- Measures
- Provider arrangements
- Provider discounts

Administration

- Plan design compliance
- Liability insurance
- Legal involvement
- Implementation

Based on our knowledge of the marketplace and specific carriers, we work with the client to create a bid list. This list typically includes a minimum of four carriers and a maximum of eight carriers depending on the type of coverage being marketed. Time permitting; carriers are typically given two weeks to a month to complete their responses. We field questions throughout the process from potential bidders.

Once responses are received, we review each of them to determine what information is missing or needs further clarification. We review both the technical and financial responses and provide feedback to each respondent.

ii. Evaluation of proposals submitted by insurance carriers relative to compliance with insurance specifications, cost and ability of each carrier to perform as required including relative solvency.

Confirmed –

Feedback is provided to each carrier/service provider if their response does not exactly meet the requests of the proposal and the carrier/service provider is requested to make their modifications and acknowledge the changes in writing. Copies of the RFP responses and carrier correspondence are available upon request. The responses from the RFP are evaluated and scored based on a client-specific report card. USI works with the client prior to the release of the RFP to determine the most important decision-making criteria (i.e. cost, disruption, customer service, performance guarantees, etc.). Each of the RFP responses is scored and a weighted average is calculated between the technical and financial, as well as the specific section's components.

We use both local and national benchmark data in the evaluation of service provider responses. Depending on the nature of the question, we are limited by the information available to make a comparison. Some of the key areas where benchmarking can be conducted include:

- Customer service metrics – using book of business data provided by the carriers and comparing against national data
- Care management statistics – national statistics from NCQA HEDIS, etc.
- Network discounts – local, regional, and national data is used based on the location of the plan participants

Utilizing the client's report card, we create a report that scores the technical and financial responses, then provide an overall ranking of each proposal, and calculate projected annual cost. Finalists are selected based on these scores. We typically select two or three finalists, and each finalist is invited to present to the client and USI. A predetermined agenda is created with input from USI and the client.

The final step in the carrier evaluation process is a review of current and terminated references. USI recommends you conduct phone interviews with the references to gain a clearer understanding of the service provider. When required, we accompany the client on a site visit to meet their customer service team and confirm their comfort level with any specific carrier.

Being one of the largest brokerage and consulting firms in the country, USI works with the full spectrum of insurance carriers and TPAs. We evaluate each of these carriers based on the specific needs and objectives of our clients. Each client has specific organizational needs that drive their decision-making process during a service provider selection project. Some may focus on cost, care management, or customer service. Our goal is to determine which service provider is "best-in-class" as defined by the objectives of our client.

iii. Detailed report of solicited policy renewal options available to the Town.

Confirmed –

Your USI Service Team will provide you with a mid-year stewardship report on all lines of coverage. At this time, we will begin to discuss the renewal process and potential financial impact. We provide an annual comparative analysis to highlight the influence of variations.

To analyze our clients' business issues and challenges, our benefits team leverages USI ONE®, a fundamentally different approach to employee benefits and risk management. USI ONE integrates proprietary business analytics with a network of local and national technical experts in a team based consultative planning process to evaluate the client's risk profile and identify targeted solutions. Clients then receive tailored recommendations for improving their employee benefits plan through cost reduction and service enhancement resulting in an employee benefit trend advantage.

iv. Examination and approval of issued policies and bonds for conformance with the Town's specifications and the carrier's proposal.

Confirmed –

USI will perform an audit of your current plans and review the performance and contractual features of the current program against pre-determined objectives. We identify areas where the plan may not be performing at the intended level and make recommendations for consideration.

e. Provision of an annual stewardship report, including insurance schedule, policy summaries, review of past year's activities and outlook for coming year's market conditions.

Confirmed –

In addition to regular claims reports, USI will arrange annual or semi-annual stewardship meetings, per client request, to meet with your management team. This is included in our annual service calendar as a mid-year and end-of-year review. During these meetings, we review utilization, industry trend, and project future costs. By getting close to the data early on we position ourselves well to underwrite and negotiate ahead of renewal to receive aggressive initial proposals.

f. Additional Services

i. Assistance to the Town in drafting insurance specifications for contracts and agreements, as requested.

Confirmed –

USI has the support team in place to submit requests for proposals to vendors, vet the responses, and coordinate the implementation. After defining your needs, we develop terms that adequately represent your objectives and provide the information necessary for vendors to quote the insurance and services you require. USI will take the lead in preparing RFP specifications, reviewing responses, negotiating terms, presenting recommendations, and implementing the final selection. The Town will have final say in any vendor selection.

ii. Provision of insurance

Confirmed –

USI is the largest privately held broker of U.S. business. Because of our size and strength within the marketplace, we are able to develop proprietary programs with vendors; national advisory council positions with major insurance carriers; extensive pool of internal resources; and most importantly, a commitment to excellence required to earn the amount of business we service.

We bring a disciplined approach to the management of insurance carriers and vendor service providers. USI works with all major national carriers and key third-party administrators. These established relationships provide insight into customer service capabilities, account operations, national scale, hidden fees, and supplemental services. We help clients obtain the best contractual terms and conditions, competitive pricing, and meaningful service guarantees. USI maintains elite broker status with major carriers and works with hundreds of vendors for property and casualty, employee benefits, personal risk, and retirement solutions.

We develop RFP documents for the provision of insurance coverage, customized claims administration and management services of all types. This includes designing required criteria, identifying potential service providers, taking initiative on proposal assessment and evaluation, and grading the results based on the established criteria.

Non-standard provisions are generally the result of bargaining agreements, contract requirements, and/or employment agreements. When dealing with non-standard provisions, it is imperative to work with selected service providers to ensure proper administration of the provision.

Our process involves the following factors:

Identification

Up-front identification of the non-standard provision allows us to communicate the provision with service providers during the RFP process. By including the provisions and the requirements to address and administer the non-standard provision, USI can identify potential issues before they arise as well as determine any pricing implications from the service provider.

A carrier's contract is generally based on its system parameters and the ability to administer certain provisions. The contracts must be filed with and approved by the applicable state. When going outside of those approved contracts, USI works with carriers to file new documents when necessary, and proactively addresses how the provision are administered (e.g., a manual process vs. re-programming).

Negotiation

After the provision has been identified and addressed, USI works with carriers to complete the necessary steps to administer the provision. This process may entail re-filing the contract or re-programming the carrier's system. If the provision needs to be administered manually, it is important to change the provision to comply with industry standards and system constraints to minimize errors and member disruption. In some cases, this means addressing the provision during bargaining.

Communication

If the non-standard provision is administered manually, USI works with the Town to assure that your employees know what to expect. We develop communications addressing the provision, how it is administered, and what steps are necessary to minimize issues.

Monitoring

USI monitors non-standard provisions and how the carrier or service provider is administering them to minimize plan and participant issues, including potential payment errors.

TOWN OF VERNON
CONTRACT # 2039 – 11/15/2018

**AGENT OF RECORD/BROKER SERVICES
FOR HEALTH INSURANCE COVERAGE AND RELATED ANCILLARY PRODUCTS
FOR THE TOWN OF VERNON, CONNECTICUT AND THE VERNON BOARD OF EDUCATION**

EXHIBIT C

USI FEE PROPOSAL

APPENDIX A – FEE PROPOSAL FORM

Enclosed

DISCLOSURES

CONFIDENTIAL AND PROPRIETARY: This document and the information contained herein is confidential and proprietary information of USI Insurance Services LLC ("USI"). Recipient agrees not to copy, reproduce, or distribute this document, in whole or in part, without the prior written consent of USI. Estimates are illustrative given data limitation, may not be cumulative, and are subject to change based on carrier underwriting.

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Compensation disclosure

SELECT ONLY ONE:

RFP Specialist: Use below if policies are written on commission basis only, otherwise delete
Information concerning our fees

As a licensed insurance producer, USI is authorized to confer with or advise our clients and prospective clients concerning substantive benefits, terms or conditions of insurance contracts, to sell insurance and to obtain insurance coverages for our clients. Our compensation for placement of insurance coverage, unless otherwise specifically negotiated and agreed to with our client, is customarily based on commission calculated as a percentage of the premium collected by the insurer and is paid to us by the insurer. We may also receive from insurers and insurance intermediaries (which may include USI affiliated companies) additional compensation (monetary and non-monetary) based in whole or in part on the insurance contract we sell, which is contingent on volume of business and/or profitability of insurance contracts we supply to them and/or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Some of these agreements with insurers and/or intermediaries include financial incentives for USI to grow its business or otherwise strengthen the distribution relationship with the insurer or intermediary. Such agreements may be in effect with one or more of the insurers with whom your insurance is placed, or with the insurance intermediary we use to place your insurance. You may obtain information about the nature and source of such compensation expected to be received by us, and, if applicable, compensation expected to be received on any alternative quotes pertinent to your placement upon your request.

RFP Specialist: Use below if policies are written on fee basis only OR on commission and fee basis, otherwise delete
Information concerning our fees

As a licensed insurance producer, USI is authorized to confer with or advise our clients and prospective clients concerning substantive benefits, terms or conditions of insurance contracts, to sell insurance and to obtain insurance coverages for our clients. You have agreed to pay compensation to USI, for the placement of insurance, pursuant to a written agreement. We may also receive from insurers and insurance intermediaries (which may include USI affiliated companies) additional compensation (monetary and non-monetary) based in whole or in part on the insurance contract we sell, which is contingent on volume of business and/or profitability of insurance contracts we supply to them and/or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Some of these agreements with insurers and/or intermediaries include financial incentives for USI to grow its business or otherwise strengthen the distribution relationship with the insurer or intermediary. Such agreements may be in effect with one or more of the insurers with whom your insurance is placed, or with the insurance intermediary we use to place your insurance. You may obtain information about the nature and source of such compensation expected to be received by us, and, if applicable, compensation expected to be received on any alternative quotes pertinent to your placement upon your request.

Town of Vernon, Connecticut
Contract #2039 11/15/2018

**AGENT OF RECORD/BROKER SERVICES FOR HEALTH INSURANCE COVERAGE
AND RELATED ANCILLARY PRODUCTS
For The Town of Vernon, Connecticut and the Vernon Board of Education**

APPENDIX A

FEE PROPOSAL FORM MUST BE COMPLETED BY BIDDER AS PART OF SUBMISSION

| | |
|--|--|
| Full Contract Price for 3 year Agreement | \$ <u>210,000</u> |
| Brokerage Service Fees (annual), if not included in price above | \$ <u>Included in price above</u> |
| Consultation Fees (annual), if not included in price above | \$ <u>Included in price above</u> |
| List any additional fees, based on the Firms Criteria of Approach Vendors/services not specifically addressed within the RFP may require additional fees that would be discussed with the Town, e.g. wellness vendors or technology solutions | \$ _____ \$ _____ \$ _____ |
| List any recommended ancillary products/services and costs, if any. | \$ _____ \$ _____ \$ _____ |
| Availability to commence services with Town (Date) | USI is available to commence services at the Town's discretion |
| Does your firm have experience in transitioning from full to self-insured? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Experience in Wellness Programs (yes or no) and Fee If any | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> \$ _____ |
| Provide Affordable Care Act Consultation (yes or no) and Fee If any | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> \$ <u>Included in price above</u> |
| Number of years in Municipal field with Town and Board of Education | <u>24 Years, USI was established in 1994</u> |
| Proposed Timeline for Implementing Services USI is the current broker for the Town | _____ _____ _____ _____ |

TOWN OF VERNON
CONTRACT # 2039 – 11/15/2018

**AGENT OF RECORD/BROKER SERVICES
FOR HEALTH INSURANCE COVERAGE AND RELATED ANCILLARY PRODUCTS
FOR THE TOWN OF VERNON, CONNECTICUT AND THE VERNON BOARD OF EDUCATION**

EXHIBIT D

USI RFP REQUIRED CONTENT

RFP REQUIRED CONTENT

USI confirms it is capable of performing Agent of Record/Broker Services in full compliance with all federal and state statutes and regulations.

i. Each proposer must submit qualifications and a Fee proposal (See Appendix A).

Confirmed –

At a minimum, the content included in this proposal represents USI's qualifications. Please see Appendix A for our proposed Fee. Also mentioned in our Executive Summary, we would be happy to review the proposal with you in person, and can be reached by e-mail or telephone with any questions in the interim.

ii. The proposer must agree to forgo any sales commissions or other type of funding that maybe provided by vendors in the form of after award compensation for the health insurance.

Confirmed –

USI agrees to forgo any sales commissions or other type of funding that may be provided by vendors in the form of after award compensation for the health insurance.

iii. Information About Your Firm

a. Name of firm and parent company, if applicable.

USI Insurance Services LLC

USI is owned by KKR, Caisse de dépôt et placement du Québec (CDPQ), and hundreds of USI sales professionals, leadership, and employees. KKR is a global investment firm managing investments across multiple asset classes. CDPQ is a long-term institutional investor with particular focus on Canada, the United States, and Europe. With KKR and CDPQ as our private equity partner, USI continues to accelerate the path we have set for ourselves as a leading local and national insurance brokerage and consulting firm across the United States, delivering best in class property & casualty, employee benefits, personal risk, and retirement solutions.

b. Contact information of persons to receive notifications and reply to Town's inquiries.

Included below are the primary contacts to receive notifications and reply to the Town's inquiries who may also be reached via our toll-free number 855.USI.0123.

Thomas Kowalchik, Senior Vice President, Employee Benefits
USI Insurance Services, 530 Preston Avenue, P.O. Box 1040, Meriden, CT 06525
(direct) 203.634.5992 | (cell) 860.729.4651 | (fax) 866.486.3508 | thomas.kowalchik@usi.com

Christopher Monroe, Senior Vice President, Employee Benefits
USI Insurance Services, 530 Preston Avenue, P.O. Box 1040, Meriden, CT 06450
(direct) 203.634.5798 | (cell) 860.305.5762 | (fax) 866.486.3508 | chris.monroe@usi.com

c. Total number of employees of the firm, servicing office(s), and their respective addresses.

Established in 1994, USI is a top 10 insurance brokerage and consulting firm, delivering property and casualty, employee benefits, personal risk and retirement solutions throughout the United States. Headquartered in Valhalla, New York, USI is approaching \$2.0 billion in revenue with more than 6,000 professionals in over 150 local offices serving every state. USI has become a premier middle market insurance brokerage firm by leveraging the USI ONE Advantage®, an interactive platform that integrates proprietary analytics, networked resources and enterprise planning to deliver customized solutions with positive, bottom line impact. The value of USI, and our ability to attract best-in-class industry talent while delivering superior solutions and services to our clients and our communities, is achieved through the collaboration and expertise of our local teams. For more information, visit our website at www.usi.com.

The local service office for the Town is located at: 530 Preston Avenue, 3rd Floor, Meriden, CT 06450-1040. Our Meriden office currently employs 108 staff members – 42 (or 38.9%) are dedicated to employee benefits.

d. Number of Connecticut public entity clients and their total annual health insurance premium.

USI writes 30 employee benefit Public Entity clients in Connecticut that represent \$2.9M in employee benefit premiums.

e. Principal public entity markets utilized and premium volume written with them.

USI has agreements with the majority of the national and regional carriers on all lines of coverage. We also work with all major third-party administrators (TPAs) and administrative outsourcing service providers and provide comprehensive evaluation, negotiation, and management. Our diverse client base demands that we have broad access to domestic and international carriers and service providers.

As a privately-owned company, USI is sensitive to the need to be directly responsive to the RFP request. We can share more broadly the scale of our National book of business encompasses more than 1,500 public entity clients representing over \$325M in employee benefit premiums. Included below is a brief list of principal public entity markets that we work with on behalf of our clients in Connecticut.

- EmblemHealth Inc
- Cigna Corporation
- Anthem, Inc.
- Prudential Financial Inc
- Hartford Financial Services Group Inc

f. Description of the insurance marketing expertise of the servicing office with regard to Connecticut towns and school districts and a sample marketing plan.

Our approach to renewals is based upon a three-way relationship between the Town, USI, and each carrier or service provider. Empowered with extensive market knowledge, significant national and local comparative renewal data records, experience in service performance challenges, and robust technical know-how, the Town can be confident that our account team will aggressively negotiate on your behalf to provide a fair and competitive renewal recommendation.

USI will advise the Town on the use of the following services to effectively and efficiently manage the entire marketing process:

Request for Proposal (RFP) development and submission

- Develop and assemble RFP specifications based on the Town's needs assessment
- Identify all qualified carriers/service providers
- Submit RFP to all qualified carriers/service providers
- Manage carrier/service provider queries in an efficient and timely manner, working closely with carriers/service providers so that their proposals reflect requested parameters, based on the plans they are able to offer

Proposal analysis

- Review proposals and evaluate carrier/service provider responses based on the criteria set by the Town and USI
- Follow up with carriers/service providers for missing information
- Preliminary negotiations of fees and premiums with carriers/service providers chosen for finalist stage

Final negotiations

- Negotiate rate and performance guarantees with chosen carriers/service providers
- Schedule site visits with carriers/service providers (if necessary) or finalist interviews
- Check carrier/service provider references of active and terminated clients
- Notify carriers/service providers of selection and confirm costs

USI recommendations are based on our determination of the carriers and/or service providers that present the best match for the Town's overall objectives, including:

- Carrier/service provider network access for all benefit plans
- Ability of the carrier/service provider to control costs
- Level of service, including claim and other related performance guarantees
- Administrative capabilities and flexibility
- Carrier/service provider installation resources and track record
- Necessary data reporting capabilities and the carrier/service provider demonstrated quality of care initiatives
- Evaluation of alternative funding mechanisms based on the Town's risk tolerance

Final selection and communication

Once the Town elects specific plan options, USI notifies the respective carriers and service providers to finalize rates and plan documents. We work with carriers to help ensure effective administration of the plan. If necessary, we will audit carrier systems regarding proper setup of the plan design changes. We then develop employee communications that incorporate the specific plan design changes and present the information in the Annual Open Enrollment meetings. Some plan design changes may require more comprehensive communications (e.g., new product/plan, procedural change such as prescription drug step therapy). Employee communications are provided at open enrollment and occasionally mid-year to remind employees of new/changed protocol or benefits in order to avoid issues at time of claim adjudication.

Marketing approach

Our consulting approach is to assure that the Town's objectives are being met, including comprehensive coverage at a fair price with financially sound and quality insurers. Many brokerage or consulting firms operate on the assumption that marketing their clients' plans every year meets this objective and validates their services to the client. At USI, we know the value of strong relationships. When based on exceptional carrier performance, we believe continuity in the interest of establishing a long-term relationship benefits our clients.

- 1) USI also knows there are times when undertaking a market survey is the appropriate action. We feel a marketing review is in order when one or more of the following occur:
the product or network does not meet your objectives;
- 2) the cost is not competitive;
- 3) the financial stability of the carrier is in question; and/or
- 4) the service is deficient.

When necessary, we provide a comprehensive carrier marketing analysis based on your needs assessment. This analysis encompasses your goals and objectives — meeting budget constraints, providing a competitive plan design, reviewing network accessibility, and providing expected customer service.

Together, the Town and USI determine whether marketing your benefit plans is warranted based on each carrier's service performance, administrative or network issues, and your budget expectations.

Even when a client prefers to remain with an incumbent carrier, looking at options in the marketplace can allow us to negotiate reduced costs and broader offerings from the in-force carrier. We believe we are responsible for analyzing the options, sharing the alternatives with you, and once a decision has been made, assisting with plan implementation and communication and ongoing plan and vendor management.

Renewal timeline: Fully insured

To demonstrate how this relationship approach helps to ensure a timely and effective renewal process, following is a sample timeline for a fully-insured medical insurance renewal based on the Town's size and complexity.

| Sample renewal timeline - the Town tasks | Typical deadline Days from renewal date |
|---|--|
| Pre-renewal strategic planning meeting to discuss evaluation of prior plan year's renewal and goals for current plan year's renewal | 180 days |
| USI requests renewals from carriers | 150 days |
| the Town provides current census data | 120 days |
| USI distributes Request for Proposal (RFP) to carriers for alternative bids, if necessary | 120 days |
| RFP and renewal deadline – USI evaluates proposals, negotiates with carriers, and prepares a renewal/marketing report | 90 – 100 days |
| Present renewal and marketing results to the Town | 75 – 90 days |
| the Town and USI make final decisions on carrier selection, benefits plans, and employee contributions | 60 – 75 days |

Overall, we know that cost, service performance, and flexibility are key components of each carrier/service provider relationship. We assess if the carrier is fulfilling your appropriate level of satisfaction in these areas on an ongoing basis. When performance guarantees are in place, we review each area of the agreement to assess whether the carrier has met expectations. If the carrier is not performing to your standards, we strategize with you to determine the appropriate course of action at the next renewal.

g. A list of all personnel who would be involved with the Town's account including: Name, Title, primary responsibilities, municipal experience, and credentials.

Proprietary technology and USI's coordinated, hands-on delivery methods provide you with a service program that is responsive to your needs every hour of every day. Your service team is driven by a lead

consultant and core account managers who know your organization and industry well, and will follow through on promised deliverables. USI's consultative approach and consistent communication yields great outcomes. Our experienced consultants stay involved in client relationships, backed by a deep, networked team of knowledgeable professionals and support staff.

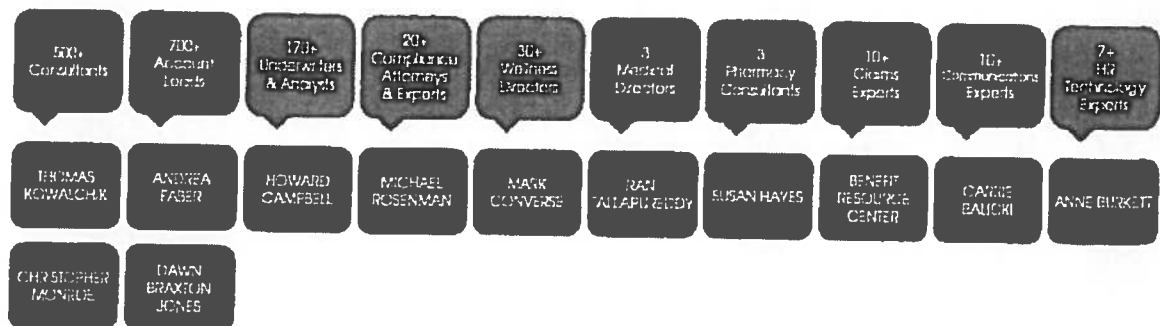
Thomas Kowalchik, Senior Vice President of Employee Benefits, and Christopher Monroe, Senior Vice President, Employee Benefits are responsible for the overall development of the insurance program, development of your service plan, and engagement of resources.

| Team member and title | Role and qualifications |
|--|---|
| Christopher Monroe Thomas Kowalchik, HIAA <i>Lead Consultants, Employee Benefits</i> Office: Meriden, Connecticut C. Monroe (25 Years of Experience) T. Kowalchick (20 Years of Experience) | Nature of expertise and role: Relationship Managers, Senior Strategic Advisors Negotiations with Carriers Local and National USI Capabilities & Resources Union Negotiations |
| Andrea Faber Dawn Braxton Jones <i>Account Managers, Employee Benefits</i> Office: Meriden, Connecticut A. Faber (13 Years of Experience) D. Jones (20 Years of Experience) | Nature of expertise and role: Day-to-Day Client Service Stewardship Reports Claims Resolution Administration & Support Services |

Included below is the USI Service Team for the Town. Biographies for each team member are included in the Exhibit section of this proposal.

USI ONE[®] Network

Dedicated technical experts networked nationally and embedded in local offices, with over 6,000 professionals nationwide to build integrated client-centered account teams



At USI, our professionals are networked nationally to build strong vertical capabilities and integrated account teams. Our local and regional experts ensure account team availability, hands-on service, and follow-through in delivering the solutions we customize for our clients.

| Team member and title | Role and qualifications |
|---|--|
| Carrie Balicki <i>Regional Operations Manager, Employee Benefits</i> | Service Operations and Communications, Quality and Delivery 10+ Years of Experience Location: New England (Meriden, Connecticut) |
| Anne Burkett, SHRM-CP, PHR, CEBS <i>National Practice Leader, HR Technology</i> | HR Technology Solutions that Promote Efficiencies and Cost Savings Strategies 10+ Years of Experience Availability: New England Region |
| Mark Converse, CEBS, CWWPC <i>Regional Practice Leader, Health and Wellness</i> | Population Health Management, Worksite Wellness Programs 20+ Years of Experience Location: New England (Warwick, Rhode Island) |
| Howard Campbell <i>Regional Underwriting & Analytics, Employee Benefits</i> | Production Analytics Consulting, Benchmarking and Predictive Modeling 20+ Years of Experience Location: New England (Meriden, Connecticut) |
| Susan Hayes, MCJ, AHFI, CPhT <i>Consultant, Pharmacy Outcomes Specialist, Principal</i> | Pharmacy Benefit Management, Marketplace Trends and Pricing Terms 35+ Years of Consulting Experience Availability: New England Region |
| Michael L. Rosenman, J.D. <i>Regional Counsel, ERISA and Employee Benefits</i> | ERISA and Employee Benefits, Health & Welfare Compliance 20+ Years of Experience Location: New England (Woburn, Massachusetts) |
| Rani Tallapureddy, MD, CMD <i>Consultant, Medical Director, Employee Benefits</i> | Interaction w/ Medical Directors and Attending Physicians, Travel Medicine 20+ Years of Consulting Experience Availability: New England Region |

h. Description of Firm's performance monitoring and measurement of insurance carriers, negotiation of policy provision interpretations and possible intervention in claims processing.

USI works with any and all carriers provided they meet all of our financial standards and are considered financially sound. We also have strong relationships with major third-party administrators (TPAs) and administrative outsourcing service providers, and provide comprehensive evaluation, negotiation, and management. Our diverse client base demands that we have broad access to domestic and international carriers and service providers.

In assessing the financial strength of insurers, USI relies upon statutory financial statements as well as the opinions and assessments of recognized rating agencies and other carrier review companies. USI authorizes insurers that it believes, at the time of placement, have the financial ability to fulfill their claim payment obligations to our clients. USI is not a guarantor of the solvency of insurers with which its brokers place business. However, our goal is to use reasonable measures to do business with financially healthy insurers. Our recommendations are based on financial and other relevant information that is available at the time of placement.

If clients elect to place their business through a state health insurance exchange, please note that these exchanges may require the availability of insurers who are not on USI's authorized list. In such cases, USI will recommend a carrier that has been authorized based on our aforementioned assessment process, although the client has the ultimate decision on insurer choice.

We continuously screen all carriers for quality by utilizing the A.M. Best Ratings of insurance carriers to effectively monitor quality and solvency. Should a rating go below A-, a carrier will be placed on a "watch" status and the Town will be notified of the change. U'SI will discuss strategy based on specific circumstances, e.g. severity of rating change, size of carrier, reputation of carrier, and quality of alternative markets available.

i. Description of the Firm's involvement with municipal and education associations in Connecticut.

U'SI has significant experience providing health care brokerage and consulting services for public sector organizations and knowledge of municipalities as well as the mandates and laws that affect public entity organizations in the State of Connecticut. With a long history of partnering with public entities, U'SI understands that benefit management in the public sector is not the same as the private sector. In Connecticut, U'SI has 30 municipality clients for whom we provide employee benefit brokerage and consulting services.

We support and are actively involved with local associations such as the Council of Small Towns (COST), Public Risk Management Association (PRIMA), Connecticut Association of School Business Officials (CASBO), and Government Finance Officers Association (GFOA).

j. Confirm that you are an actuary, licensed consultant, or broker in Connecticut and provide documentation. An AM Best Rating of -A or better is highly preferred.

Confirmed –

U'SI is an actuary, licensed consultant, or broker in Connecticut. Documentation is included in the Exhibit section of this proposal. U'SI's actuaries are accredited with the American Society of Pension Professionals & Actuaries (ASPPA).

U'SI is licensed in all jurisdictions within the continental United States for life, accident, sickness, health, variable life, variable annuity, property, casualty, personal lines, and surplus lines where applicable. It is a requirement that all individuals who sell, solicit, or negotiate insurance products who work for our company are properly licensed, and we have firm procedures to ensure we follow the state mandates in all jurisdictions. Further documentation regarding our licenses and/licensing protocols can be made available upon request.

U'SI's D&B Viability Rating – Good (Status)

U'SI's S&P credit rating – "B" with a stable outlook

k. Confirm that you serve as a consultant or broker, independently, and are not affiliated with any insurance company, via third party administrative agency or provider network.

Confirmed –

U'SI is a consultant or broker, independently, and are not affiliated with any insurance company, via third party administrative agency or provider network.

l. Explain any existing or potential relationships between your firm and insurance carriers and/or vendors that could lessen your independence and objectivity because of a perceived or actual conflict of interest.

There are no existing or potential relationships between L'SI and insurance carriers and/or vendors that could lessen L'SI's independence and objectivity because of a perceived or actual conflict of interest.

m. Describe any prior business relationships you/your firm have held with the Town as an agent of record and broker.

We are privileged and proud to have worked as your employee benefits advisor since 2015. Over this three-year period, we have worked seamlessly side-by-side with the Town's HR teams, gaining a full understanding of your benefit strategy and culture so well that we've provided customized, creative, successful solutions in a timely manner throughout the years. As the Town continues to consolidate processes, evaluate innovative solutions, and work to reduce risk while improving the overall health and productivity of your valued employees, we stand ready and able to help.

n. Provide a detailed outline how the broker will be compensated, now and in the future. NOTE: The Town of Vernon requires complete disclosure of all fees /commissions / contingent commissions / overrides / bonuses your organization receives each year as a result of your firms work on its behalf.

L'SI is open to the compensation arrangement and timing that best meets the needs of the Town of Vernon, whether that is a commission percentage built into insurance premiums, an annual fee, or any combination thereof.

L'SI offers full transparency into our compensation. Regardless of funding method, all commissions and fees are discussed and agreed upon up front and clearly delineated in your Service Agreement. Regardless of funding method, all commissions and fees are discussed and agreed upon up front and cover any services you and your account team build into your Service Agreement and Service Calendar.

To determine the appropriate level of compensation, we first review the annual premiums paid by the client for their various lines of coverage and calculate compensation as a percentage of those premiums. We then adjust this number based upon additional factors related to the service of your account, including scope (e.g., items like annual number of claims, COIs, and policies), travel expenses (if any) and efficiencies we believe we can build into the process and approach while still delivering the highest caliber services.

L'SI's proposed fee is included in Appendix A – Fee Proposal Form of this proposal.

o. Describe your Firm's ability to provide expertise and experience in the areas of health benefit plan analysis and design. Detail your ability to advise municipal government on health care cost containment strategies. Give examples of your work with other companies, similar in size to Town of Vernon.

The L'SI account team designed to serve the Town is comprised of professionals seasoned in serving public entity clients. We look for innovative and cost-effective solutions to meet clients' employee benefit needs. We are deeply committed to superior customer service and have built a multi-layered, self-insured consulting team to ensure prompt, professional, and efficient response on any issue that may arise at any time.

We are experienced in developing a strategic benefits program that meets the cultural, clinical, fiscal, and operational goals of public entity entities like the Town. Because of our size and our relationships with highly

rated insurance carriers, we can negotiate excellent rates and obtain access to select products. We augment and integrate with your Benefit Administration Team, Human Resources, Benefits, Finance, and Risk Management departments, delivering broad spectrum employee benefits consulting solutions.

Health benefit plan analysis and design have always been a core competency. Every company is slightly different based on the overall health of the population, current plan designs, company culture, industry, and pay structure. Initially, we review the current plans and benchmark the design, total cost, cost by plan, contribution strategy, and any additional wellness initiatives or incentives to establish a baseline of where you are today. More importantly, we solicit feedback on where you want to be both financially and competitively.

Once we understand the culture and the direction you are going, the approach we take is to carefully analyze your data to determine the overall health of your employee population. Our Population Health Management consultants evaluate your claim data to understand the underlying cost drivers and make specific recommendations to increase the health of your employee population and help control cost over time. Those recommendations are then reviewed by our local account team and our Underwriting and Analytics team to determine the immediate cost savings and long-term impact.

USI's priority is to determine your employee benefits philosophy through a collaborative strategic planning process. We collaborate with you to align the Town's strategic benefits plans with your organization's contractual, clinical, operational, and cultural needs for the near and long-term. Our process to provide the Town with best-in-class program solutions is divided into the following four categories:

| Contractual | Clinical | Operational | Cultural |
|--|--|--|---|
| Identifying the lowest cost, with improved contractual terms, for savings and optimal efficiency | Identifying ways to improve the health of your employees | Designing recommendations to enhance the end users' experience | Aligning recommendations with your organizational structure |

We utilize a Continuous Improvement Model in which we go through an ongoing process of discovery, analysis, implementation, and validation with each benefit plan component. This helps ensure we continuously improve your benefit plan designs and offerings to meet, and exceed, your needs. The result of this process is a customized solution that helps the Town achieve its long-term goals, reward top talent, and helps to ensure your plans are competitive and stand out in your industry.

iv. A Detailed Scope of Services including a detailed description of any special, in-house, services or systems available to the Town.

Include below is a list of USI's in-house Employee Benefit services:

- **Primary point of contact** for management and oversight of all health and welfare benefit plans.
- **Compliance support** providing answers to complex benefits questions, advice to guide fiduciary plan decisions. Compliance review tools and checklists.
- **Employee Benefits compliance review** for thorough review of all benefit-related compliance issues.
- **Compliance assistance and interpretation** of regulatory issues to include regular email updates with any significant changes to trends and regulations in the marketplace.
- **Healthcare Reform guidance, updates and impact analysis** to ensure compliance with new regulatory requirements.
- **Branded employee benefits portal & HR website** – paid in full by USI.

- **Population Health Management** providing monthly wellness campaign via email, as well as employee communications, wellness committee guidance, education on wellness programs available through current carriers, evaluation of third party vendors and programs.
- **Quarterly meetings** with client to review plan experience (if available) and performance, set future goals, provide updates on legislative issues, and review open items.
- **Strategic planning and customization of benefit package** to meet the goals and financial objectives of the client, including cost projections, factors driving cost and funding analysis.
- **Customized renewal service schedule** to target deadlines agreed upon for marketing, analysis and presentation of benefit options, as well as, implementation, education and enrollment of benefits.
- **Annual marketing** of all lines of coverage through an in-depth RFP process for competitive analysis.
- **Annual renewal analysis, negotiation, and plan recommendation**, including network and disruption analysis.
- **Annual assistance with Open Enrollment**, employee communication and education (via webinars, presentations and written materials) including customized design of enrollment materials.
- **Review of carrier/vendor contracts** to ensure accuracy.
- **Management and oversight of vendor for Flexible Spending Account administration.**
- **COBRA administration** for assistance with TPA selection and vendor management.
- **HR educational seminars** on a variety of employee benefit and human resource topics.
- **Benefit Resource Center (BRC)** – liaison between the client and insurance carriers for problem resolution and employee advocacy.
- **Client and member advocate for claim resolution.**
- **ThinkHR** – Access to live HR advisors to obtain immediate answers, access to a secure portal to email HR related questions, access to HR library tools, compliance guides, and checklists
- **Benchmarking Data** as needed or requested for plan designs and contribution structures.
- **Solutions Library.** Access to a menu of solutions that represent the combined intellectual capital and experience of USI's National Benefits Practice.
- **Customized employee communications** including but not limited to: benefit guides, benefit brochures, wallet cards, mailers, posters, Brainshark presentations
- **Customized Rx program recommendations** including but not limited to contract review, contract carve out, performance analysis, audit recommendations, plan design and network consulting.
- **3D Analytics.** Claims analysis and reporting customized based on the Town's utilization (with carrier approval).
- **USI Underwriting Team.** In-depth analysis of claim trends, renewal projections, and renewal negotiation

a. Detail other ancillary insurance products or services your firm might recommend to the town. For Example: Aflac, full or self-insurance, Medical, Dental, Employee Assistance Programs, Life Insurance, Short and Long-Term Disability Insurance.

In today's unpredictable employment environment, voluntary benefits can be a significant enhancement to your employee benefits program, especially for hiring and retaining top-notch talent. From accident plans to critical illness coverage, voluntary benefits complement your company's core benefits, giving employees more choices and increased coverage. USI's implementation of voluntary benefits plans reduces employer expense while retaining a robust employee benefit plan to help retain and attract employees

Our in-house Ancillary Benefit group develops voluntary benefit strategies for companies of all sizes and industries. First, we collaborate with you to fully understand your corporate philosophy on benefits and total rewards. Then, to create your plan, we assemble a dedicated team that's experienced in employee benefits strategy, employee communications, and benefits management. USI will review benchmark data, company claim data and trend information to help identify areas for improvement and to compare current benefits to the competition. Finally, we explain the strengths and weaknesses of each option and help you consolidate coverage for lower pricing.

Our Ancillary Benefit program management offers many advantages:

- Comprehensive support. We act as a one-stop shop for the sales, implementation, support, and integration of voluntary benefits.
- Outstanding carriers. We work with voluntary benefits insurance carriers that provide excellent protection, pricing, and service.
- Buying power. Because of the size and reputation of USI, we can secure competitive underwriting and pricing.
- Knowledge, experience, and excellent service. We develop an integrated benefits plan that fits your company's objectives, culture, and bottom line. And because of USI's geographical reach and resources, we can quickly respond to your requests.

Our holistic approach to ancillary benefits drives improved outcomes by defining customer needs; engaging in competitive program marketing to find "Best in Class" Vendors and Carriers and secure superior discounts; establishing performance goals; and, monitoring results with a focus on maximizing value and employee satisfaction.

Voluntary benefits enable you to customize benefit offerings while managing budgets, keeping reserves intact for core medical benefits, and meeting the needs of a multigenerational workforce. Your employees, meanwhile, can create a package of benefits that's tailored to their age and stage in life.

We offer access to voluntary benefits such as:

- | | |
|----------------------------------|------------------------------|
| • Life insurance | • Accident plans |
| • Dental insurance | • Critical illness insurance |
| • Vision insurance | • Cancer insurance |
| • Short-term disability coverage | • Home and auto insurance |
| • Long-term disability coverage | • Legal assistance |
| • Long-term care insurance | • Pet insurance |

You choose which benefits to offer, and your employees pay for the ones they want. The administration — including communications, enrollment, and other services — is provided through USI Insurance Services and voluntary benefits carriers.

Being able to attract talented employees — and keep them — can help your company maintain market share, expand into new markets, and ensure a strong succession plan. Voluntary benefits can help distinguish you during the recruiting process, and may ultimately give you a long-term competitive advantage.

b. Provide the names of three (3) prior clients that your firm coordinated services related to health plan and ancillary benefits, analysis and design. For each prior client, specify the type of work performed, the size of the client's group and the period retained as a client. Also include a contact name, title, mailing address, email address and phone number for the Town to contact as a reference.

Within the last three years lead consultants Thomas Kowalchik, Senior Vice President, Employee Benefits and Christopher Monroe, Senior Vice President, Employee Benefits have not lost any clients. At USI, we pride ourselves on a high client retention rate, with many clients that have been with us for well over 10 years. We take any loss of a client very seriously, and look to understand the driving force behind any change. Reasons for clients leaving vary, although an example is when a client company goes through a merger or acquisition.

c. Provide the names of (3) three current clients, that your firm coordinates services related to health plan and ancillary benefits, analysis and design. For each current client, specify the type of work performed, the size of the client's group and the period retained as a client. Also include a contact name, title, mailing address, email address and phone number for the Town to contact as a reference.

Current Clients

| | | |
|---------------------------------------|--|--|
| 1 | Company | Town of Cheshire and BOE |
| | Street Address | 84 South Main Street, Cheshire, CT 06410 |
| | Contact name | Lou Zullo, Asst Town Manager/Director of HR |
| | Telephone number | 203-271-6663 |
| | Email address | Lzullo@cheshirect.org |
| | Client size | 700 |
| | Types of policies and services used | All lines – employee benefits |
| 2 | Number of years on the account | 12 |
| | Company | Coventry Town and BOE |
| | Street Address | 1712 Main Street, Coventry, CT 06238 |
| | Contact name | John Elsesser, Town Manager |
| | Telephone number | 860-742-6324 |
| | Email address | jelsesser@coventryct.org |
| | Client size | 400 |
| 3 | Types of policies and services used | All lines – employee benefits |
| | Number of years on the account | 12 |
| | Company | Plainfield Town and BOE |
| | Street Address | 8 Community Avenue, Plainfield, CT 06374 |
| | Contact name | Kelly Vachon, Finance Director |
| | Telephone number | 860-230-3005 |
| | Email address | kvachon@plainfieldct.org |
| Client size | Client size | 350 |
| | Types of policies and services used | All lines – employee benefits |
| Number of years on the account | Number of years on the account | 10 |

d. Explain your companies training strategy that ensures the latest and most accurate information is conveyed to your customers.

USI is committed to providing excellent service to our clients and supports continuing professional education for employees to keep up to date on industry certifications. Ongoing training sessions are offered through USI University, which is an internal comprehensive learning program that provides staff with cross-functional developmental opportunities for a broad-based consulting career. All staff are required to certify compliance with the USI Code of Business Conduct, which includes explicit references to a security policy available for review on the Company intranet. This includes a Security Awareness Training standard that addresses required training for new hires and ongoing required training throughout employment at USI.

We continue to deliver innovative solutions that offer best-in-class insurance programs, and our personnel are fully conversant on technical components of these programs. Our thoughtful approach to providing brokerage and consulting services supports fully-integrated services for our clients.

- *Growth with existing professionals* – invested heavily in a training and development program designed for current associates and experienced, industry new hires. *Growth with new professionals* – a strategic investment that provides extensive training through the continued expansion of USI University and Fast Start, and best-in-class tools such as USI Omni Knowledge Engine and resources, and USI Engagement Platform. *Growth with acquisitions* – continued growth and expansion through insurance brokerage acquisitions into strategic geographies and markets with new teams and talent with high growth potential.

A commitment to excellence is fundamental to the philosophy of USI Insurance Services and its affiliates. The Code of Business Conduct applies to all our directors, officers, employees, and agents whether they work on a full-time, part-time, consultative, or temporary basis. This commitment to excellence means all employees share a common set of objectives, and are acknowledged for the achievement of those objectives.

e. Describe your firms' involvement in resolving problems with claims, etc., between an insured and the insurance carrier.

Your dedicated USI Account Manager will assist with escalated claims issues and advocate for the Town and its plan members until the matter is brought to resolution. Clients also have access to our Benefit Resource Center (BRC), a benefits information hotline. We are committed to providing the Town with customized support creating solutions that influence best outcomes and pride ourselves on service that supports the unique needs of each client.

In collaboration with lead consultants Tom Kowalchik, Senior Vice President, Employee Benefits, and Chris Monroe, Senior Vice President, Employee Benefits, your dedicated USI Account Manager will coordinate the activities of your USI Service Team to ensure all aspects of your benefits program are handled both efficiently and effectively which also includes:

- Administrative support with claims reports and enrollment
- Open enrollment coordination, plan implementation
- Employee assistance with claims resolution
- Employee communications
- Daily plan activity, service, and problem resolution

We act as the primary contact for plan-related issues and interface with insurance carriers as needed to assist the Town in the resolution of problems associated with benefit programs. Together, your USI Service Team will sustain clear communication for effective benefits management.

Our Benefit Resource Center (BRC) is designed to provide you and your employees with a responsive, consistent, hands-on approach to benefit inquiries, and remove the burden of employee calls to the HR department. The call center, also available via email, relieves HR staff from time spent on administration, increases employee satisfaction and awareness of benefits plans, and works in conjunction with your USI account manager to ensure your health and welfare plan is operating efficiently.

Our benefit specialists are experienced professionals with backgrounds that include insurance claims processing, provider relations, benefit utilization management, account management and customer service. All have years of experience resolving problems quickly and painlessly. If our specialist cannot immediately resolve an issue, he or she keeps the employee or dependent informed as progress develops, and the same specialist will see the issue through to resolution.

In order to best serve the needs of our customers, USI designed a customized database especially for the Benefit Resource Center. This database features personalized claims tracking, access to clients' benefit

summaries and plan details, as well as tailored client utilization reports. These reports provide clarity in trends your plans are experiencing. With this knowledge, your LSI team can produce communication materials to provide your employees a better understanding of a particular benefit. Your LSI team can also approach the carrier if it is not administering the benefit as it was intended.

The BRC is committed to maintaining privacy while complying with federal HIPAA regulations and guidelines. As part of our privacy protection policy, we will not share "PII" (Protected Health Information) with any other parties unless explicitly outlined by the claimant (or legal guardian for underage claimants) on an Authorization for Release of Information. The BRC retains all claim-related records in accordance with HIPAA guidelines.

f. For Budgetary purposes, the Town expects annual cost for coverages to be provided in DRAFT form by February of each year of the agreement. Finalized numbers are expected no later than April.

Confirmed –

LSI will provide annual cost for coverages in draft form by February of each year of the agreement and will also provide finalized numbers no later than April or as requested by the Town.