

# AMERICAN PUBLIC GAS ASSOCIATION

## REQUEST FOR PROPOSALS

### Group Health Insurance Program

#### 1. Summary

The American Public Gas Association, a Virginia non-stock and non-profit corporation with its principal place of business at 201 Massachusetts Avenue NE, Suite C4, Washington, DC 20002 (the “Association”), is a nationwide association for publicly- and community-owned gas utilities. The Association is requesting proposals for an Association-endorsed group insurance program that can be made available to current and retired employees of Association members and their dependents (“Program”). The Program should include health insurance benefits, including wellness, disease management and preventive care options, as well as life insurance, dental insurance, short and long-term disability coverage and prescription coverage, Medicare supplement, vision coverage, and optional life insurance.

The objective of the Program is to provide an association-type group option for delivering employee benefits to Association members as an alternative to group plans sponsored on an employer-by-employer basis.

- Participation in the Program will not be a condition of membership in the Association; members of the Association will be free to obtain coverage from any source they deem advisable;
- Participation in the Program will also be open to non-members of the Association, including private for-profit utilities;
- For those publicly- and community-owned gas utilities, proposals should indicate whether coverage would also be available to other municipal employees (e.g. police, firefighters, sanitation workers, etc. of the town or locality in question).

It will be important that the insurance company or companies providing the insurance be rated A or better by A.M. Best Company or similar rating agency, and be licensed in all states.

Similarly, insurance producers submitting proposals must be licensed in all states as of the Program inception date, and third party administrators submitting proposals for self-funded plans must be licensed in all states that require TPAs to be licensed as of the Program inception date.

**This RFP is neither a request nor an authorization to approach insurance companies or other underwriting sources on behalf of the Association.**

**2. About the Association**

The Association ([www.apga.org](http://www.apga.org)) currently has approximately 700 members located in 36 states of the United States. It is estimated that of those members, some have stand-alone employee benefit plans and the balance are insured through their municipality. Approximately 90% of the members have fewer than 50 employees.

Employment classes include gas technician, measurement technician, leak detection, locator, engineer, clerical, drivers, and management.

**3. Deadline**

The deadline for submitting a proposal in response to this Request for Proposals is 5:00 p.m. Eastern Standard Time January 23, 2012. All proposals must be received by this deadline.

**4. Proposal Instructions**

Proposals should be broken down into group health, life, dental and disability, and should include the following minimum information:

- Proposed effective date;
- Insured or self-funded;
- Financial size and current rating of carrier(s);
- Estimated premiums (per employee per month (“PEPM”));
- TPA fees, if applicable, PEPM;
- Whether administration of COBRA/HIPAA compliance is included, and if so, PEPM cost;
- Whether utilization review is included, including assistance with completion of Form 5500;
- Duration of the rate guaranty (one year, two years, etc.)
- Form of coverage (e.g. group contract per employer, single association master group-contract, group insurance or self-insurance trust);
- Summary of coverage details, including, with respect to health and dental insurance, available deductibles and co-pays, options for in network and out-of-network services, what will be the network of providers, options or discounts for wellness incentives, whether there is a minimum number or percentage of the eligible employees required to

be enrolled, and whether there is a minimum amount each employer participating in the Program would be required to pay in premiums or administration fees;

- Procedure for handling claims;
- Whether the Program would be accessible by other insurance producers; most Association members have an existing relationship with a producer;
- Description of what would be needed from the Association on an ongoing basis in order to help administer the Program;
- Compensation to the Association for use of its proprietary information, passive website link, and administrative services;
- A description of the marketing efforts that will be employed to grow the Program.

**5. Proposal Receipt and Opening:**

Proposals must be delivered, by hand or mail, to:

American Public Gas Association  
201 Massachusetts Ave., NE  
Suite C-4  
Washington, D.C. 20002  
Attention: Bert Kalisch, President and Chief Executive Officer  
E Mail: [bkalisch@apga.org](mailto:bkalisch@apga.org)  
Marked "Group Insurance Health Proposal"

Envelopes containing proposals should be sealed and marked in the lower left hand corner "Request for Proposal of Group Insurance Program," and the date. Failure to do so will cause the proposal not to be considered. Express mail envelopes containing a sealed proposal shall also be sealed and marked in the same manner.

Potentially successful bidders will be contacted within thirty (30) days of the deadline for submissions. A follow up oral presentation may be required from the proposer at the Association's May meeting in Washington, DC. The successful bidder will be notified within thirty (30) days of such meeting, to be followed by formal contract negotiations. The expected launch date of the Program is July 9, 2012.

**6. Response Format**

Proposers should present their responses to this Request for Proposals in the manner and format listed below.

(a) Proposal Summary.

Provide a detailed cover letter describing the proposed Program structure, available coverages, and claim handling procedures and all information described in Item 3, Proposal Instructions.

(b) References.

Identify potential references for any programs of similar size and scope. Include the name of the organization and the name and telephone number of a responsible contact person. References will not be contacted unless the proposal proceeds past the formal interview stage.

(c) History, Background, Experience .

Provide a detailed overview of the organization, including a description of the department and individuals who would be charged with furnishing the deliverables. The Association will receive proposals from firms having specific experience and qualifications in the area identified in this Request for Proposal. For consideration, proposals for the project must contain evidence of the firm's experience in the specified area and other disciplines directly related to the proposed service. Other information required by the Association may be included elsewhere in this Request for Proposals. All proposers shall provide:

- How long the company has been in business;
- How many government or other clients are enrolled in your plans;
- Annual premium billing.

**7. General Provisions**

The Association will enter into an Insurance Program Agreement with the successful bidder that will include the following minimal requirements:

(a) Term and termination

Two year term, right to terminate immediately for cause, subject to 30 day cure period; automatic one year renewals unless either party gives 90 days' notice of non-renewal.

(b) Exclusive Program Endorsement; Use of Proprietary Information

The Association will endorse the Program exclusive of other employee benefits programs; and the parties will have mutual access to membership lists, the right to link to each other's websites, use each other's trademarks, logos, etc.

(c) Scope of Services

Services will include:

- Provide an annual report outlining the in-force programs and their status, and a preliminary marketing report describing the market conditions for each benefit. This report should outline suggestions and recommendations for future Program strategy.
- Determine and recommend the most economical funding methods for the benefit programs.
- Represent the Association in all negotiations with providers on all issues including those related to fees, benefit levels, plan design, and special terms and conditions.
- Assist the Association with the implementation and communication of new programs or changes to existing programs
- Provide assistance to Association members in resolving customer service issues, claims problems, annual open enrollment services and continuing remote enrollment services as appropriate for both current and new the Association employees.
- Advise the Association of any new developments in the law and employee benefit programs on an ongoing basis.

(d) Association Fee

The Association will require reasonable compensation for its obligations under the agreement. Such compensation will not take the form of an insurance commission, but may be a percentage of Program premiums and fees, depending on the circumstances.

(e) Ownership of Expirations

The right to use and control of the “expiration list” will belong to the successful bidder.

(f) Maintenance of licenses and compliance with laws

The successful bidder will be responsible for maintain the Program’s compliance with all applicable laws and regulations, except that the Association will be responsible for its own regulatory compliance.

(g) Representations and warranties

The agreement will contain standard representations and warranties, including successful bidder will be required to have and maintain all required licenses.

(h) Indemnification

The successful bidder will be required to hold the Association harmless from claims arising from the bidder's administration of the Program.

(i) Miscellaneous

The agreement will contain the standard "boilerplate," including being non-assignable, and District of Columbia choice of law and forum provisions.

**The Association reserves the right to reject any or all proposals received, and to accept the proposal deemed most advantageous to the best interest of the Association.**

**8. Proposal Clarifications and Additional Information**

Proposers are cautioned that any statements made by the contact person that materially change any portion of the proposal document shall not be relied upon unless subsequently ratified by a formal written amendment to the proposal document.

No oral statement of any person shall modify or otherwise affect the terms, conditions, scope of work or specifications stated in this RFP.

**9. Proposal Acceptance Period**

Any proposal submitted as a result of this RFP shall be binding on the proposer for ninety (90) calendar days following the proposal opening date.

**10. Certification of Independent Price Determination**

The proposer certifies that the prices submitted in response to this RFP have been arrived at independently and not for the purpose of restricting competition and that there has not been any consultation, communication or agreement with any other proposer or competitor relating to those prices, the intention to submit a proposal or the methods or factors used to calculate the prices proposed.

**11. Collusion among Proposers**

Each proposer, by submitting a proposal, certifies that it is not a party to any collusive action or any action that may be in violation of applicable Antitrust Statutes. Any or all proposals shall be rejected if there is any reason for believing that collusion exists among the proposers. The Association may or may not, at its discretion, accept future proposals for the same work from participants in such collusion.

More than one proposal from an individual, firm, partnership, cooperation or association under the same or different names will be rejected. Reasonable grounds for believing that a

proposer has interest in more than one proposal for Program being proposed may result in rejection of all proposals in which the proposer is believed to have an interest.

**12. Ethics**

The proposer certifies that its proposal was made without collusion or fraud; that it has not offered or received any kickbacks or inducements from any other proposer, supplier, or sub-proposer in connection with the proposal; and that it has not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of value.

**13. Expenses Incurred in Preparing Proposals**

The Association accepts no responsibility for any expense incurred by the proposer in the preparation and presentation of a proposal. Such expenses shall be borne exclusively by the proposer.

**14. Independent proposer**

The proposer shall be legally considered an independent proposer and neither the proposer nor its employees shall, under any circumstances, be considered servants or agents of the Association; and the Association shall be at no time legally responsible for any negligence or other wrongdoing by the Proposer, its servants or agents.

**15. Informalities and Irregularities**

The Association has the right to waive minor defects or variations of the proposal from the exact requirements of the specifications that do not affect the price, quality, quantity, delivery, or performance time of the services being procured. If insufficient information is submitted by a proposer with the proposal for the Association to properly evaluate the proposal, the Association has the right to require such additional information as it may deem necessary after the time set for receipt of proposals, provided that the information requested does not change the price, quality, quantity, delivery or performance time for the services being procured.