



STATE OF NEBRASKA

TECHNICAL PROPOSAL FOR BENEFITS
CONSULTANT

RFP# 5297Z1

OPENING DATE: MAY 25, 2016, 2 P.M.

MAY 25, 2016

Michelle Thompson
State of Nebraska Purchasing Bureau

Dear Ms. Thompson,

As a Nebraska resident and former Nebraska Cornhusker, receiving the State of Nebraska RFP for Health and Welfare Benefit Consulting Services was like your secret high school crush randomly sitting down at your lunch table and bemoaning the fact that they had just broken up with their steady, it is only three weeks until Prom, and now they don't have a date. SO YOU'RE SAYING WE HAVE A CHANCE! To put it in more professional and insurance terms, "we are honored and pleased to receive this opportunity." We prefer the high school version, so thanks for the chance!

Because benefits consulting firms aren't consumer brands with public advertising, it is a rather difficult task to distinguish one from the other. We all have actuaries, attorneys, communicators, underwriters, and even physicians. Can we somehow prove our actuaries are more actuarial? I don't think so, and in insurance, size only matters for predictability. We have taken a different approach to an old, tired insurance consulting model by adding freakishly talented professionals from a wide array of industries to deliver tremendous expertise in every aspect of Health and Welfare Benefits Consulting. **Our philosophy could be compared to The State assembling some of the most talented people in our history. Envision people such as Warren Buffet, Johnny Carson, Tom Osborne, Ted Kooser, and Bob Gibson all assembled together. You wouldn't have Warren Buffet throwing fastballs or Tom Osborne telling jokes or writing poetry. You would allow wildly talented people to apply their unique expertise. We don't just have a clinical team — we have one of the country's leading researchers on clinical wellness with more than 200 published clinical journal articles. We don't just have compliance attorneys — we have the chairperson of the legislative committee for the National Association of Health Underwriters. We don't just have communication consultants, we have the communicator that owned the digital consumer experience for Southwest Airlines. We have assembled the best because we believe the State of Nebraska deserves the best!**

Our tagline is "Thinking Ahead..." because our customers buy our cumulative knowledge and experience, but they also buy our culture. If we were in the computer business we'd like to think of ourselves as Mac rather than PC. If a restaurant, as Raising Cane's more than McDonalds. If a grocery store as **HyVee** rather than Safeway. We are among five of the largest employee-owned insurance advisory firms in the country. We are not an institution...we are a movement that has spirit, passion, and life with double digit organic growth in our **benefit division** for 18 of the past 20 years. We believe **The State of Nebraska** might be interested in a business partner that has a robust ownership mentality of its employees, believes it can transform an over-regulated industry, and can consistently outpace the rest of the industry through a passionate culture because it's kind of like looking in a corporate mirror.

We believe employers hire consultants for one of three primary needs. They need a pain reliever because health insurance in the U.S. is the most complicated consumer industry in the world. They need an investment advisor because of the massive expense and perpetual inflation. They need a risk reducer because the claim that never happens is free. At our core we are a pain reliever, investment advisor, and risk reducer. **The State of Nebraska** has essentially asked for the same three things in your long-term strategy. You need a pain reliever to improve the participant experience, an investment advisor to help you buy localized medicine, and a risk reducer to improve well-being. We believe these goals are not achievable without a simplicity strategy that creates a foundation upon which to build the three walls of your strategy. Let's start there!

Best Regards,



Beau Reid, Division Leader/Shareholder
(402) 697-4741; BReid@holmesmurphy.com



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A. TECHNICAL PROPOSAL SUBMISSION

1. REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

BIDDER MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the bidder guarantees compliance with the provisions stated in this Request for Proposal, agrees to the terms and conditions unless otherwise agreed to (see Section III) and certifies that bidder maintains a drug free work place environment.

Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

Yes **NEBRASKA CONTRACTOR AFFIDAVIT:** Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this RFP.

 I hereby certify that I am a **Resident disabled veteran or business located in a designated enterprise zone** in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

FIRM: Holmes Murphy & Associates

COMPLETE ADDRESS: 13810 FNB Parkway, Suite 300 Omaha, NE 68154

TELEPHONE NUMBER: (402) 697.4741

FAX NUMBER: (402) 408.2164

SIGNATURE: 

DATE: May 25, 2016

TYPED NAME & TITLE OF SIGNER: Beau Reid, Division Leader/Shareholder

SECTION III – TERMS AND CONDITIONS

By signing the "Request for Proposal for Contractual Services" form, the bidder guarantees compliance with the provisions stated in this Request for Proposal, agrees to the Terms and Conditions unless otherwise agreed to, and certifies bidder maintains a drug free work place environment.

Bidders are expected to closely read the Terms and Conditions and provide a binding signature of intent to comply with the Terms and Conditions; provided, however, a bidder may indicate any exceptions to the Terms and Conditions by (1) clearly identifying the term or condition by subsection, and (2) including an explanation for the bidder's inability to comply with such term or condition which includes a statement recommending terms and conditions the bidder would find acceptable. Rejection in whole or in part of the Terms and Conditions may be cause for rejection of a bidder's proposal. **Bidders must include completed Section III with their proposal response.**

The State of Nebraska is soliciting bids in response to the RFP. The State of Nebraska will not consider proposals that propose the substitution of the bidder's contract, agreements, or terms for those of the State of Nebraska's. Any License, Service Agreement, Customer Agreement, User Agreement, Bidder Terms and Conditions, Document, or Clause purported or offered to be included as a part of this RFP must be submitted as individual clauses, as either a counter-offer or additional language, and each clause must be acknowledged and accepted in writing by the State. If the Bidder's clause is later found to be in conflict with the RFP or resulting contract the Bidder's clause shall be subordinate to the RFP or resulting contract.

A. GENERAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
JR			

The contract resulting from this Request for Proposal shall incorporate the following documents:

1. Amendment to Contract Award with the most recent dated amendment having the highest priority;
2. Contract Award and any attached Addenda;
3. The Request for Proposal form and the Contractor's Proposal, signed in ink
4. Amendments to RFP and any Questions and Answers; and
5. The original RFP document and any Addenda.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to Contract Award with the most recent dated amendment having the highest priority, 2) Contract Award and any attached Addenda, 3) the signed Request for Proposal form and the Contractor's Proposal, 4) Amendments to RFP and any Questions and Answers, 5) the original RFP document and any Addenda.

Any ambiguity in any provision of this contract which shall be discovered after its execution shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

Once proposals are opened they become the property of the State of Nebraska and will not be returned.

B. AWARD

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
JR			

All purchases, leases, or contracts which are based on competitive proposals will be awarded according to the provisions in the Request for Proposal. The State reserves the right to reject any or all proposals, in whole or in part, or to award to multiple bidders in whole or in part, and at its discretion, may withdraw or amend the Request for Proposal at any time. The State reserves the right to waive any deviations or errors that are not material, do not invalidate the legitimacy of the proposal, and do not improve the bidder's competitive position. All awards will be made in a manner deemed in the best interest of the State. The Request for Proposal does not commit the State to award a contract. If, in the opinion of the State, revisions or amendments will require substantive changes in proposals, the due date may be extended.

By submitting a proposal in response to this Request for Proposal, the bidder grants to the State the right to contact or arrange a visit in person with any or all of the bidder's clients.

Once intent to award decision has been determined, it will be posted to the Internet at:
<http://das.nebraska.gov/materiel/purchasing.html>

Grievance and protest procedure is available on the Internet at:
http://das.nebraska.gov/materiel/purchase_bureau/docs/vendors/protest/ProtestGrievanceProcedureForVendors.pdf

Any protests must be filed by a vendor within ten (10) business days after the intent to award decision is posted to the Internet.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §§ 48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for services to be covered by any contract resulting from this Request for Proposal.

D. PERMITS, REGULATIONS, LAWS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

The Contractor shall procure and pay for all permits, licenses, and approvals necessary for the execution of the contract. The Contractor shall comply with all applicable local, state, and federal laws, ordinances, rules, orders, and regulations.

E. OWNERSHIP OF INFORMATION AND DATA

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

The State of Nebraska shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or derived by the Contractor pursuant to this contract.

The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, and other rights or titles (e.g. rights to licenses transfer or assign deliverables) necessary to execute this contract. The contract price shall, without exception, include compensation for all royalties and costs arising from patents, trademarks, and copyrights that are in any way involved in the contract. It shall be the responsibility of the Contractor to pay for all royalties and costs, and the State must be held harmless from any such claims.

F. INSURANCE REQUIREMENTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
JP			Fire Damage: Same as Damage to rented premises. Damage to rented premises used to be referred to as Fire Legal. Should not have both required. Medical Payments-Recommend \$5000 per person.

The Contractor shall not commence work under this contract until all the insurance required hereunder has been obtained and such insurance has been approved by the State. The Contractor shall maintain all required insurance for the life of this contract and shall ensure that the State Purchasing Bureau has the most current certificate of insurance throughout the life of this contract. If Contractor will be utilizing any Subcontractors, the Contractor is responsible for obtaining the certificate(s) of insurance required herein under from any and all Subcontractor(s). The Contractor is also responsible for ensuring Subcontractor(s) maintain the insurance required until completion of the contract requirements. The Contractor shall not allow any Subcontractor to commence work on any Subcontract until all similar insurance required of the Subcontractor has been obtained and approved by the Contractor. Approval of the insurance by the State shall not limit, relieve, or decrease the liability of the Contractor hereunder.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Insurance coverages shall function independent of all other clauses in the contract, and in no instance shall the limits of recovery from the insurance be reduced below the limits required by this section.

1. WORKERS' COMPENSATION INSURANCE

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. This policy shall include a waiver of subrogation in favor of the State. The amounts of such insurance shall not be less than the limits stated hereinafter.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such

operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an occurrence basis, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. The policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered excess and non-contributory. The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

3. INSURANCE COVERAGE AMOUNTS REQUIRED

COMMERCIAL GENERAL LIABILITY	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Fire Damage	\$50,000 any one fire
Medical Payments	\$10,000 any one person
Damage to Rented Premises	\$300,000 each occurrence
Contractual	Included
XCU Liability (Explosion, Collapse, and Underground Damage)	Included
Independent Contractors	Included
Abuse & Molestation	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
WORKER'S COMPENSATION	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
USL&H Endorsement	Statutory
Voluntary Compensation	Statutory
COMMERCIAL AUTOMOBILE LIABILITY	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
UMBRELLA/EXCESS LIABILITY	
Over Primary Insurance	\$5,000,000
PROFESSIONAL LIABILITY	
Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
COMMERCIAL CRIME	
Crime/Employee Dishonesty Including 3 rd Party Fidelity	\$1,000,000
SUBROGATION WAIVER	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
LIABILITY WAIVER	
"Commercial General Liability & Commercial Automobile Liability policies shall be primary and any insurance or self-insurance carried by the State shall be considered excess and non-contributory."	

4. EVIDENCE OF COVERAGE

The Contractor should furnish the State, with their proposal response, a certificate of insurance coverage complying with the above requirements to the attention of the Buyer at 402-471-2089 (fax)

Administrative Services
 State Purchasing Bureau
 1526 K Street, Suite 130
 Lincoln, NE 68508

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Notice of cancellation of any required insurance policy must be submitted to Administrative Services State Purchasing Bureau when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

G. COOPERATION WITH OTHER CONTRACTORS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The State may already have in place or choose to award supplemental contracts for work related to this Request for Proposal, or any portion thereof.

1. The State reserves the right to award the contract jointly between two or more potential Contractors, if such an arrangement is in the best interest of the State.
2. The Contractor shall agree to cooperate with such other Contractors, and shall not commit or permit any act which may interfere with the performance of work by any other Contractor.

H. INDEPENDENT CONTRACTOR

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

It is agreed that nothing contained herein is intended or should be construed in any manner as creating or establishing the relationship of partners between the parties hereto. The Contractor represents that it has, or will secure at its own expense, all personnel required to perform the services under the contract. The Contractor's employees and other persons engaged in work or services required by the contractor under the contract shall have no contractual relationship with the State; they shall not be considered employees of the State.

All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination against the Contractor, its officers, or its agents) shall in no way be the responsibility of the State. The Contractor will hold the State harmless from any and all such claims. Such personnel or other persons shall not require nor be entitled to any compensation, rights, or benefits from the State including without limit, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

I. CONTRACTOR RESPONSIBILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

The Contractor is solely responsible for fulfilling the contract, with responsibility for all services offered and products to be delivered as stated in the Request for Proposal, the Contractor's proposal, and the resulting contract. The Contractor shall be the sole point of contact regarding all contractual matters.

If the Contractor intends to utilize any Subcontractor's services, the Subcontractor's level of effort, tasks, and time allocation must be clearly defined in the Contractor's proposal. The Contractor shall agree that it will not utilize any Subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State. Following execution of the contract, the Contractor shall proceed diligently with all services and shall perform such services with qualified personnel in accordance with the contract.

J. CONTRACTOR PERSONNEL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The Contractor warrants that all persons assigned to the project shall be employees of the Contractor or specified Subcontractors, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor. The Contractor shall include a similar provision in any contract with any Subcontractor selected to perform work on the project.

Personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of key personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or Subcontractor employee.

In respect to its employees, the Contractor agrees to be responsible for the following:

1. any and all employment taxes and/or other payroll withholding;

2. any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. damages incurred by Contractor's employees within the scope of their duties under the contract;
4. maintaining workers' compensation and health insurance and submitting any reports on such insurance to the extent required by governing State law; and
5. determining the hours to be worked and the duties to be performed by the Contractor's employees.

K. CONTRACT CONFLICTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

Contractor shall insure that contracts or agreements with sub-contractors and agents, and the performance of services in relation to this contract by sub-contractors and agents, does not conflict with this contract.

L. STATE OF NEBRASKA PERSONNEL RECRUITMENT PROHIBITION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The Contractor shall not, at any time, recruit or employ any State employee or agent who has worked on the Request for Proposal or project, or who had any influence on decisions affecting the Request for Proposal or project.

M. CONFLICT OF INTEREST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

By submitting a proposal, bidder certifies that there does not now exist any relationship between the bidder and any person or entity which is or gives the appearance of a conflict of interest related to this Request for Proposal or project.

The bidder certifies that it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder or which creates an actual or appearance of conflict of interest.

The bidder certifies that it will not employ any individual known by bidder to have a conflict of interest.

N. PROPOSAL PREPARATION COSTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The State shall not incur any liability for any costs incurred by bidders in replying to this Request for Proposal, in the demonstrations and/or oral presentations, or in any other activity related to bidding on this Request for Proposal.

O. ERRORS AND OMISSIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The bidder shall not take advantage of any errors and/or omissions in this Request for Proposal or resulting contract. The bidder must promptly notify the State of any errors and/or omissions that are discovered.

P. BEGINNING OF WORK

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

Q. ASSIGNMENT BY THE STATE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The State shall have the right to assign or transfer the contract or any of its interests herein to any agency, board, commission, or political subdivision of the State of Nebraska. There shall be no charge to the State for any assignment hereunder.

R. ASSIGNMENT BY THE CONTRACTOR

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
RP			

The Contractor may not assign, voluntarily or involuntarily, the contract or any of its rights or obligations hereunder (including without limitation rights and duties of performance) to any third party, without the prior written consent of the State, which will not be unreasonably withheld.

S. DEVIATIONS FROM THE REQUEST FOR PROPOSAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
RP			

The requirements contained in the Request for Proposal become a part of the terms and conditions of the contract resulting from this Request for Proposal. Any deviations from the Request for Proposal must be clearly defined by the bidder in its proposal and, if accepted by the State, will become part of the contract. Any specifically defined deviations must not be in conflict with the basic nature of the Request for Proposal, mandatory requirements, or applicable state or federal laws or statutes. "Deviation", for the purposes of this RFP, means any proposed changes or alterations to either the contractual language or deliverables within the scope of this RFP. The State discourages deviations and reserves the right to reject proposed deviations.

T. GOVERNING LAW

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
RP			

The contract shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the State of Nebraska regarding this Request for Proposal or any resultant contract shall be brought in the State of Nebraska administrative or judicial forums as defined by State law. The Contractor must be in compliance with all Nebraska statutory and regulatory law.

U. ATTORNEY'S FEES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Contractor agrees to pay all expenses of such action, as permitted by law, including attorney's fees and costs, if the State is the prevailing party.

V. ADVERTISING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its services are endorsed or preferred by the State. News releases pertaining to the project shall not be issued without prior written approval from the State.

W. STATE PROPERTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Contractor's use during the performance of the contract. The Contractor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected.

X. SITE RULES AND REGULATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The Contractor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily

operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to between the State and the Contractor.

Y. NOTIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

During the bid process, all communication between the State and a bidder shall be between the bidder's representative clearly noted in its proposal and the buyer noted in Section II.A. Procuring Office and Contact Person, of this RFP. After the award of the contract, all notices under the contract shall be deemed duly given upon delivery to the staff designated as the point of contact for this Request for Proposal, in person, or upon delivery by U.S. Mail, facsimile, or e-mail. Each bidder should provide in its proposal the name, title, and complete address of its designee to receive notices.

1. Except as otherwise expressly specified herein, all notices, requests, or other communications shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth above, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or three (3) calendar days following deposit in the mail.
2. Whenever the Contractor encounters any difficulty which is delaying or threatens to delay its timely performance under the contract, the Contractor shall immediately give notice thereof in writing to the State reciting all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery schedule or be construed as a waiver by the State of any of its rights or remedies to which it is entitled by law or equity or pursuant to the provisions of the contract. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery schedule because of such delay.

Either party may change its address for notification purposes by giving notice of the change, and setting forth the new address and an effective date.

For the duration of the contract, all communication between Contractor and the State regarding the contract shall take place between the Contractor and individuals specified by the State in writing. Communication about the contract between Contractor and individuals not designated as points of contact by the State is strictly forbidden.

Z. EARLY TERMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
 - e. an involuntary proceeding has been commenced by any party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
 - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
 - g. Contractor intentionally discloses confidential information;
 - h. Contractor has or announces it will discontinue support of the deliverable;
 - i. second or subsequent documented "vendor performance report" form deemed acceptable by the State Purchasing Bureau; or
 - j. Contractor engaged in collusion or actions which could have provided Contractor an unfair advantage in obtaining this contract.

AA. FUNDING OUT CLAUSE OR LOSS OF APPROPRIATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BP			

The State may terminate the contract, in whole or in part, in the event funding is no longer available. The State's obligation to pay amounts due for fiscal years following the current fiscal year is contingent upon legislative appropriation of funds for the contract. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal years for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of any termination, and advise the Contractor of the location (address and room number) of any related equipment. All obligations of the State to make payments after the termination date will cease and all interest of the State in any related equipment will terminate. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been

satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

BB. BREACH BY CONTRACTOR

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

The State may terminate the contract, in whole or in part, if the Contractor fails to perform its obligations under the contract in a timely and proper manner. The State may, by providing a written notice of default to the Contractor, allow the Contractor to cure a failure or breach of contract within a period of thirty (30) calendar days (or longer at State's discretion considering the gravity and nature of the default). Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing the Contractor time to cure a failure or breach of contract does not waive the State's right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby.

CC. ASSURANCES BEFORE BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

If any document or deliverable required pursuant to the contract does not fulfill the requirements of the Request for Proposal/resulting contract, upon written notice from the State, the Contractor shall deliver assurances in the form of additional Contractor resources at no additional cost to the project in order to complete the deliverable, and to ensure that other project schedules will not be adversely affected.

DD. ADMINISTRATION – CONTRACT TERMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

1. Contractor must provide confirmation that upon contract termination all deliverables prepared in accordance with this agreement shall become the property of the State of Nebraska; subject to the ownership provision (section E) contained herein, and is provided to the State of Nebraska at no additional cost to the State.

2. Contractor must provide confirmation that in the event of contract termination, all records that are the property of the State will be returned to the State within thirty (30) calendar days. Notwithstanding the above, Contractor may retain one copy of any information as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures.

EE. FORCE MAJEURE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under the contract due to a natural disaster, or other similar event outside the control and not the fault of the affected party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of the contract. The party so affected shall immediately give notice to the other party of the Force Majeure Event. The State may grant relief from performance of the contract if the Contractor is prevented from performance by a Force Majeure Event. The burden of proof for the need for such relief shall rest upon the Contractor. To obtain release based on a Force Majeure Event, the Contractor shall file a written request for such relief with the State Purchasing Bureau. Labor disputes with the impacted party's own employees will not be considered a Force Majeure Event and will not suspend performance requirements under the contract.

FF. PROHIBITION AGAINST ADVANCE PAYMENT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

Payments shall not be made until contractual deliverable(s) are received and accepted by the State.

GG. PAYMENT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

State will render payment to Contractor when the terms and conditions of the contract and specifications have been satisfactorily completed on the part of the Contractor as solely determined by the State. Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §§ 81-2401 through 81-2408). The State may require the Contractor to accept payment by electronic means such as ACH deposit.

In no event shall the State be responsible or liable to pay for any services provided by the Contractor prior to the Effective Date, and the Contractor hereby waives any claim or cause of action for any such services.

HH. INVOICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. Invoices may be mailed to Wellness & Benefits Administrator, State of Nebraska, 1526 K Street, Suite 110, Lincoln, NE 68508. Upon agreement between the State and the Contractor, invoices may be e-mailed. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

II. RIGHT TO AUDIT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
RR			

Contractor shall establish and maintain a reasonable accounting system that enables the State to readily audit contract. The State and its authorized representatives shall have the right to audit, to examine, and to make copies of or extracts from all financial and related records (in whatever form they may be kept, whether written, electronic, or other) relating to or pertaining to this contract kept by or under the control of the Contractor, including, but not limited to those kept by the Contractor, its employees, agents, assigns, successors, and Subcontractors. Such records shall include, but not be limited to, accounting records, written policies and procedures; all paid vouchers including those for out-of-pocket expenses; other reimbursement supported by invoices; ledgers; cancelled checks; deposit slips; bank statements; journals; original estimates; estimating work sheets; contract amendments and change order files; back charge logs and supporting documentation; insurance documents; payroll documents; timesheets; memoranda; and correspondence.

Contractor shall, at all times during the term of this contract and for a period of five (5) years after the completion of this contract, maintain such records, together with such supporting or underlying documents and materials. The Contractor shall at any time requested by the State, whether during or after completion of this contract and at Contractor's own expense make such records available for inspection and audit (including copies and extracts of records as required) by the State. Such records shall be made available to the State during normal business hours at the Contractor's office or place of business. In the event that no such location is available, then the financial records, together with the supporting or underlying documents and records, shall be made available for audit at a time and location that is convenient for the State. Contractor shall ensure the State has these rights with Contractor's assigns, successors, and Subcontractors, and the obligations of these rights shall be explicitly included in any subcontracts or

agreements formed between the Contractor and any Subcontractors to the extent that those Subcontracts or agreements relate to fulfillment of the Contractor's obligations to the State.

Costs of any audits conducted under the authority of this right to audit and not addressed elsewhere will be borne by the State unless certain exemption criteria are met. If the audit identifies overpricing or overcharges (of any nature) by the Contractor to the State in excess of one-half of one percent (.5%) of the total contract billings, the Contractor shall reimburse the State for the total costs of the audit. If the audit discovers substantive findings related to fraud, misrepresentation, or non-performance, the Contractor shall reimburse the State for total costs of audit. Any adjustments and/or payments that must be made as a result of any such audit or inspection of the Contractor's invoices and/or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of the State's findings to Contractor.

JJ. TAXES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
JR			

The State is not required to pay taxes of any kind and assumes no such liability as a result of this solicitation. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor.

KK. INSPECTION AND APPROVAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
JR			

Final inspection and approval of all work required under the contract shall be performed by the designated State officials. The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

LL. CHANGES IN SCOPE/CHANGE ORDERS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
JR			

The State may, upon the written agreement of Contractor, make changes to the contract within the general scope of the RFP. The State may, at any time work is in progress, by written agreement, make alterations in the terms of work as shown in the specifications, require the Contractor to make corrections, decrease the quantity of work, or make such other changes as the State may find necessary or desirable. The Contractor shall not claim forfeiture of contract by reasons of such changes by the State. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, or a pro-rated value.

Corrections of any deliverable, service or performance of work required pursuant to the contract shall not be deemed a modification. Changes or additions to the contract beyond the scope of the RFP are not permitted.

MM. SEVERABILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.

NN. CONFIDENTIALITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

All materials and information provided by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information. All materials and information provided by the State or acquired by the Contractor on behalf of the State shall be handled in accordance with federal and state law, and ethical standards. The Contractor must ensure the confidentiality of such materials or information. Should said confidentiality be breached by a Contractor; Contractor shall notify the State immediately of said breach and take immediate corrective action.

It is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable to Contractors by 5 U.S.C. 552a (m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

OO. PROPRIETARY INFORMATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

Data contained in the proposal and all documentation provided therein, become the property of the State of Nebraska and the data becomes public information upon opening the proposal. If the bidder wishes to have any information withheld from the public, such information must fall within the definition of proprietary information contained within Nebraska's public record statutes. **All proprietary information the bidder wishes the State to withhold must be submitted in a sealed package, which is separate from the remainder of the proposal, and provide supporting documents showing why such documents should be marked proprietary.** The separate package must be clearly marked PROPRIETARY on the outside of the package. **Bidders may not mark their entire Request for Proposal as proprietary.** Bidder's cost proposals may not be marked as proprietary information. Failure of the bidder to follow the instructions for submitting proprietary and copyrighted information may result in the information being viewed by other bidders and the public. Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. § 84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, bidders submitting information as proprietary may be required to prove specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive. Although every effort will be made to withhold information that is properly submitted as proprietary and meets the State's definition of proprietary information, the State is under no obligation to maintain the confidentiality of proprietary information and accepts no liability for the release of such information.

PP. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION/COLLUSIVE BIDDING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

By submission of this proposal, the bidder certifies that it is the party making the foregoing proposal and that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and further that the bidder has not, directly or indirectly, submitted the proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

QQ. STATEMENT OF NON-COLLUSION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The proposal shall be arrived at by the bidder independently and be submitted without collusion with, and without any direct or indirect agreement, understanding or planned common course of action with, any person; firm; corporation; bidder; Contractor of materials, supplies, equipment or services described in this RFP. Bidder shall not collude with, or attempt to collude with, any state officials, employees or agents; or evaluators or any person involved in this RFP. The bidder shall not take any action in the restraint of free competition or designed to limit independent bidding or to create an unfair advantage.

Should it be determined that collusion occurred, the State reserves the right to reject a bid or terminate the contract and impose further administrative sanctions.

RR. PRICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

All prices, costs, and terms and conditions outlined in the proposal shall remain fixed and valid commencing on the opening date of the proposal until an award is made or the Request for Proposal is cancelled.

Prices quoted on the Cost Proposal form shall remain fixed for the initial contract period which is three (3) years. Any request for a price increase subsequent to the initial contract period shall not exceed four percent (4%) of the previous Contract period and must be submitted in writing to the State Purchasing Bureau a minimum of 120 days prior to the end of the current contract period, and be accompanied by documentation justifying the price increase. Further documentation may be required by the State to justify the increase. The State reserves the right to deny any requested price increase. No price increases are to be billed to any State Agencies prior to written amendment of the contract by the parties.

The State will be given full proportionate benefit of any price decrease during the term of the contract. Contractor represents and warrants that all prices for services, now or subsequently specified, are as low as and no higher than prices which the Contractor has charged or intends to charge customers other than the State for the same or similar products and services of the same or equivalent quantity and quality for delivery or performance during the same periods of time. If, during the term of the contract, the Contractor shall reduce any and/or all prices charged to any customers other than the State for the same or similar products or services specified herein, the Contractor shall make an equal or equivalent reduction in corresponding prices for said specified products or services.

Contractor also represents and warrants that all prices set forth in the contract and all prices in addition, which the Contractor may charge under the terms of the contract, do not and will not violate any existing federal, state, or municipal law or regulations concerning price discrimination and/or price fixing. Contractor agrees to hold the State harmless from any such violation. Prices quoted shall not be subject to increase throughout the contract period unless specifically allowed by these specifications.

SS. BEST AND FINAL OFFER

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

The State will compile the final scores for all parts of each proposal. The award may be granted to the highest scoring responsive and responsible bidder. Alternatively, the highest scoring bidder or bidders may be requested to submit best and final offers. If best and final offers are requested by the State and submitted by the bidder, they will be evaluated (using the stated criteria), scored, and ranked by the Evaluation Committee. The award will then be granted to the highest scoring bidder. However, a bidder should provide its best offer in its original proposal. Bidders should not expect that the State will request a best and final offer.

TT. ETHICS IN PUBLIC CONTRACTING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

No bidder shall pay or offer to pay, either directly or indirectly, any fee, commission compensation, gift, gratuity, or anything of value to any State officer, legislator, employee or evaluator based on the understanding that the receiving person's vote, actions, or judgment will be influenced thereby. No bidder shall give any item of value to any employee of the State Purchasing Bureau or any evaluator.

Bidders shall be prohibited from utilizing the services of lobbyists, attorneys, political activists, or consultants to secure the contract. It is the intent of this provision to assure that the prohibition of state contact during the procurement process is not subverted through the use of lobbyists, attorneys, political activists, or consultants. It is the intent of the State that the process of evaluation of proposals and award of the contract be completed without external influence. It is not the intent of this section to prohibit bidders from seeking professional advice, for example consulting legal counsel, regarding terms and conditions of this Request for Proposal or the format or content of their proposal.

If the bidder is found to be in non-compliance with this section of the Request for Proposal, they may forfeit the contract if awarded to them or be disqualified from the selection process.

UU. INDEMNIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

1. GENERAL

The Contractor agrees to defend, indemnify, hold, and save harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this RFP.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel provided by the Contractor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 *et seq.* and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

VV. NEBRASKA TECHNOLOGY ACCESS STANDARDS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

WW. ANTITRUST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

XX. DISASTER RECOVERY/BACK UP PLAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue services as specified under the specifications in the contract in the event of a disaster.

YY. TIME IS OF THE ESSENCE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
PR			

Time is of the essence in this contract. The acceptance of late performance with or without objection or reservation by the State shall not waive any rights of the State nor constitute a waiver of the requirement of timely performance of any obligations on the part of the Contractor remaining to be performed.

ZZ. RECYCLING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

Preference will be given to items which are manufactured or produced from recycled material or which can be readily reused or recycled after their normal use as per Neb. Rev. Stat. § 81-15,159.

AAA. DRUG POLICY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

BBB. EMPLOYEE WORK ELIGIBILITY STATUS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>

The completed United States Attestation Form should be submitted with the Request for Proposal response.

2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. § 4-108.

CCC. CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND INELIGIBILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

The Contractor, by signature to this RFP, certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participating in transactions (debarred). The Contractor also agrees to include the above requirements in any and all Subcontracts into which it enters. The Contractor shall immediately notify the Department if, during the term of this contract, Contractor becomes debarred. The Department may immediately terminate this contract by providing Contractor written notice if Contractor becomes debarred during the term of this contract.

Contractor, by signature to this RFP, certifies that Contractor has not had a contract with the State of Nebraska terminated early by the State of Nebraska. If Contractor has had a contract terminated early by the State of Nebraska, Contractor must provide the contract number, along with an explanation of why the contract was terminated early. Prior early termination may be cause for rejecting the proposal.

DDD. POLITICAL SUB-DIVISIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

The Contractor may extend the contract to political sub-divisions conditioned upon the honoring of the prices charged to the State. Terms and conditions of the Contract must be met by political sub-divisions. Under no circumstances shall the State be contractually obligated or liable for any purchases by political sub-divisions or other public entities not authorized by Neb. Rev. Stat. § 81-145, listed as "all officers of the state, departments, bureaus, boards, commissions, councils, and institutions receiving legislative appropriations." A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

EEE. OFFICE OF PUBLIC COUNSEL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

If it provides, under the terms of this contract and on behalf of the State of Nebraska, health and human services to individuals; service delivery; service coordination; or case management, Contractor shall submit to the jurisdiction of the Office of Public Counsel, pursuant to Neb. Rev. Stat. §§ 81-8,240 et seq. This section shall survive the termination of this contract and shall not apply if Contractor is a long-term care facility subject to the Long-Term Care Ombudsman Act, Neb. Rev. Stat. §§ 81-2237 et seq.

FFF. LONG-TERM CARE OMBUDSMAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
BR			

If it is a long-term care facility subject to the Long-Term Care Ombudsman Act, Neb. Rev. Stat. §§ 81-2237 et seq., Contractor shall comply with the Act. This section shall survive the termination of this contract.

2. CORPORATE OVERVIEW

A. BIDDER IDENTIFICATION AND INFORMATION

The bidder must provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business and whether the name and form of organization has changed since first organized.

Holmes Murphy is so much more than just an employee benefits and risk management insurance brokerage firm. It's been a long time since our primary role was helping organizations buy insurance. That's not why our clients hire us – they're looking to us to find innovative ways to manage risk and improve their employees' well-being. And that's what we're doing. Simply put, we make employee benefits easy.

Through our innovation and complete suite of benefits consulting services, we offer plans that are unique and custom-built for your needs. Ranging from plan design and compliance to employee engagement and the latest benefit delivery technology, our experienced benefit professionals engineer high-quality, low-cost solutions specific to your challenges. We also help employees get healthier, which in turn reduces cost for everyone. You'll score peace of mind by reducing risk and increasing profits.

We make a difference for each of our clients by promoting health, protecting wealth and delivering peace of mind. Our people are some of the most driven professionals in the industry, dedicated to building their knowledge and learning not just how to do what needs to be done, but how to do it smarter and faster than anyone else. They're building state-of-the-art benefit solutions that give you the peace of mind we promise, and free you to focus on your business. We're willing to go against the status quo to challenge ourselves, our clients, and our industry to think differently about insurance solutions so we can achieve superior results. We champion your cause and use our market leverage to bring the very best to you in a way you can understand.

We do all this for you because we believe health matters. Health matters because people matter. Your people are your most valuable resource, and we want to partner with you to keep them healthy and secure for as long as possible.

As a privately held Limited Liability Corporation, Holmes Murphy never puts quarterly earnings or a stock price ahead of our client's best interests. We are governed by a management committee that preserves our culture to consistently deliver value in the risk management, insurance, health and employee benefits marketplace and serve our clients, internal shareholders, and associates with the greatest of integrity.

Holding Company:

Holmes Murphy and Associates, LLC
3001 Westown Parkway
West Des Moines, IA 50266

Local Service Office:

Holmes Murphy
13810 FNB Parkway, Suite 300
Omaha, NE 68154

We are owned by a group of 22 voting and 66 nonvoting shareholder employees and believe the best professional service firms are privately-held where the owners are involved in the day-to-day business of our

clients. We intend to stay this way through a succession plan that enables us to continue to grow capital and remain privately-held. We will, from time-to-time, pursue strategic acquisitions and alliances when it offers us a competitive advantage. We are in our fourth generation of leadership in the 84 year old history of our firm and are licensed to do business in all 50 states.

Holmes Murphy was founded in 1932 by Max Holmes and Ray Murphy. During the 1950's, Holmes Murphy broadened its base, and in partnership with the Iowa State Bar Association, launched our employee benefits business.

B. FINANCIAL STATEMENTS

The bidder must provide financial statements applicable to the firm. If publicly held, the bidder must provide a copy of the corporation's most recent audited financial reports and statements, and the name, address, and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.

If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information, must be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm must provide a banking reference.

The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

The State may elect to use a third-party to conduct credit checks as part of the corporate overview evaluation.

We can confidently say that there are no financial status or stability issues that would hinder our ability to deliver for the State of Nebraska. We maintain rigorous accounting and audit controls and will connect you with our Chief Financial Officer, Ellen Willadsen, who can provide a confidential letter of financial stability, if necessary. There are not any ownership interests exceeding 10 percent of the company by any one individual nor is there equity interests held outside of our company. We have included a copy of our latest Dun & Bradstreet report in the Appendix as well as Banker's Trust Company as a banking reference. Contact information for Banker's Trust Company is provided below:

Dave P. Gregory

Vice President & Senior Commercial Relationship Manager
Bankers Trust Company
453 7th Street, Des Moines, IA 50309-2728

dgregory@bankerstrust.com
Direct: (515) 245-2437
Cell: (515) 371-3396
Fax: (515) 245-521

Holmes Murphy was founded in 1932 by Max Holmes and Ray Murphy. During the 1950's, Holmes Murphy broadened its base, and in partnership with the Iowa State Bar Association, launched our employee benefits business. In 1987, the Dallas office was opened to serve two Iowa clients moving their corporate headquarters to North Texas. Holmes Murphy has since grown to become one of the largest privately-held benefit consulting firms in the country with employee benefit revenues exceeding \$135 million in 2015.

We now serve more than 6,500 clients around the globe from 12 service centers throughout the United States. Different than many of our competitors, **Holmes Murphy's business focus is to remain independent from employee benefit service providers and continue providing advisory services** that matter to our clients. We currently employ more than 700 full-time associates nationwide.

LITIGATION

Holmes Murphy does not have any pending lawsuits. As one of the country's largest employee owned agencies there have been times when a subsidiary has found themselves in coverage related situations. However, at no time has an Employee Benefit contract breach or lawsuit ever been filed in our Omaha office.

C. CHANGE OF OWNERSHIP

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the bidder must describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded vendor(s) will require notification to the State.

Holmes Murphy does not anticipate any change in ownership status in the 12 months following the proposal due date.

D. OFFICE LOCATION

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska must be identified.

Confirmed; the State of Nebraska's account would be served from our office in Omaha, Nebraska.

E. RELATIONSHIPS WITH THE STATE

The bidder shall describe any dealings with the State over the previous five (5) years. If the organization, its predecessor, or any party named in the bidder's proposal response has contracted with the State, the bidder shall identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

Holmes Murphy does not have any prior dealings or contracts with the State of Nebraska within the past five years.

F. BIDDER'S EMPLOYEE RELATIONS TO STATE

If any party named in the bidder's proposal response is or was an employee of the State within the past five (5) years, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.

If any employee of any agency of the State of Nebraska is employed by the bidder or is a Subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

We are not aware of any person currently employed at Holmes Murphy that was an employee with the State of Nebraska within the past five years.

G. CONTRACT PERFORMANCE

If the bidder or any proposed Subcontractor has had a contract terminated for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default.

It is mandatory that the bidder submit full details of all termination for default experienced during the past five (5) years, including the other party's name, address, and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past five (5) years, so declare.

If at any time during the past five (5) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting party.

Confirmed; Holmes Murphy has not had a contract terminated for default within the past five years.

H. SUMMARY OF BIDDER'S CORPORATE EXPERIENCE

The bidder shall provide a summary matrix listing the bidder's previous projects similar to this Request for Proposal in size, scope, and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.

The bidder must address the following:

- iv. Provide narrative descriptions to highlight the similarities between the bidder's experience and this Request for Proposal. These descriptions must include:
 - a) The time period of the project;
 - b) The scheduled and actual completion dates;
 - c) The Contractor's responsibilities;
 - d) For reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number, and e-mail address); and
 - e) Each project description shall identify whether the work was performed as the prime Contractor or as a Subcontractor. If a bidder performed as the prime Contractor, the description must provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.

Confirmed; we have provided three descriptions of our experience with clients that highlights our expertise in the area of health and welfare benefits consulting in the Appendix as Tab 9.

- v. Contractor and Subcontractor(s) experience must be listed separately. Narrative descriptions submitted for Subcontractors must be specifically identified as Subcontractor projects.

All work is done as the contractor. No subcontractors are used in our consulting work.

- vi. If the work was performed as a Subcontractor, the narrative description shall identify the same information as requested for the Contractors above. In addition, Subcontractors shall identify what share of contract costs, project responsibilities, and time period were performed as a Subcontractor.

All work is done as the contractor. No subcontractors are used in our consulting work.

I. SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH

The State prefers the proposed account manager have a minimum of 10 years consulting experience in employee benefits, including a minimum of 5 years consulting experience in governmental benefits or employers with self-insured health plans with more than 10,000 employees enrolled. The State reserves the right to have complete approval rights to the account manager assigned to our account.

The bidder must identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this Request for Proposal. The names and titles of the team proposed for assignment to the State project shall be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.

The bidder shall provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the Request for Proposal in addition to assessing the experience of specific individuals.

Resumes must not be longer than three (3) pages. Resumes shall include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.

Other companies consult with the experts. We hire them. We see ourselves as an extension of your Human Resources/Benefits team. Whether through general administrative support, vendor management, financial analysis or strategic long-term planning, we are here to assist your team in navigating the benefits landscape so that you get the most value out of your benefit programs. We recognize that day-to-day support looks different for each client and don't believe in a "one size fits all" approach. We have assembled a team that we feel will fit your current needs. That being said, we will continue to evaluate and monitor our team member progress through direct input from the State of Nebraska.

Each team member works with multiple senior staff and most clients have at least two individuals who share accountability – and compensation. We believe this shared accountability ensures that ideas, thought processes and innovations are shared amongst the entire Holmes Murphy client base. Each of our service teams are specifically created around the needs of our clients.

What we bring to the table is a proven, strategic consulting approach to find the best fit for your company's culture. Your company is unique. So is ours. We take the time to get to know you, your company culture and find out what tools, programs, and services make the most sense for you.

Holmes Murphy is proposing a comprehensive team of experts to work with the State of Nebraska in their employee benefits advisory services. The following individuals will have direct responsibility for the State's account. Their distinguished biographies are detailed below.

CONSULTING TEAM LEAD

ED OLEKSIK, J.D.



Ed Oleksiak will serve as the team consulting lead for the State of Nebraska. As chief compliance officer, Ed Oleksiak leads Holmes Murphy's national advisory group on healthcare reform as well as working directly with the majority of clients with more than 20,000 covered lives. His extensive experience in managing administration, budgeting, and planning of welfare benefit plans, as well as his legal expertise enables him to offer a unique perspective on legislative and compliance issues affecting employers.

Prior to joining Holmes Murphy, Ed served as Vice President of HR for a \$400 million **retail business** with more than 100 locations nationwide. In that role, he was responsible for all aspects of HR and safety including employment, labor relations, salary and benefits administration, organizational development, and regulatory compliance. Prior to that position, he managed benefit plans for an employer with more than 10,000 active employees and 7,000 retirees. Ed has more than 20 years of experience in negotiations, mediations, and arbitrations with union and collectively bargained groups including United Steel Workers and United Rubber Workers.

Ed holds a B.S. in Mathematics/Computer Science from Walsh University, and an M.B.A. and J.D. in Corporate Law from the University of Akron. He serves as chair of the National Association of Health Underwriters (NAHU) Legislative Council and board member for the Southwest Benefits Association.

Some of Ed's clients include North East Independent School District in San Antonio, Texas, (9,600 employees) the City of Dallas, Texas, (10,000 employees).

ACTUARIAL SUPPORT

MARK VAN BUSKIRK



Mark Van Buskirk joined Holmes Murphy as Chief Actuary in February, 1999. Mark brings more than 17 years of actuarial experience in the healthcare industry to the Holmes Murphy team. Mark's expertise includes all financial aspects of health and welfare plans. He excels in creative financial modeling of unique ideas to help clients design, monitor, and implement their health plans. Prior to joining Holmes Murphy, Mark's previous actuarial experience includes two years with Arthur Andersen, five years with Coopers and Lybrand, and two years with Towers Perrin.

Education and Professional Accreditation include:

- B.S. in Computer Sciences from Northwestern University: May 1982
- M.S. from Northwestern University: June 1986
- Ph.D. from Northwestern University: June 1993
- Associate, Society of Actuaries
- Member, American Academy of Actuaries

STRATEGIC LEADERSHIP

JEN KIVLIN



Jen Kivlin brings a wealth of experience to the Holmes Murphy Employee Benefits division. Her expertise spans the HR and Accounting gamut providing clients with strategic direction on successful budgeting and cost containment methodologies while adhering to competitive benefit offerings. Jen will provide strategic guidance related to the State of Nebraska team.

Jen graduated from the University of Iowa with a degree in Finance. After college, she went straight into the insurance industry where she discovered her passion for employee benefits and never looked back.

Jen joined Holmes Murphy after serving as a leader in compensation and benefits for several large national employers over the past 10 years. Jen was director of compensation and benefits for 2 large national employers, including Lee Enterprises and HNI. She witnessed first-hand the successful strategies and has joined our team to help implement the "Best In Class" solutions to other self-funded employers. Jen also has extensive experience working with unions and collectively bargained groups.

Outside of work, Jen juggles the schedules of her two active sons. In her free time she enjoys reading, trying to play the piano, and taking any vacation that has no set agenda.

WALLY GOMAA



Wally Gomaa's drive to revolutionize healthcare in the areas of disease management and wellness inspired him to become a founder and CEO of ACAP Health, and Senior Vice President and shareholder of Holmes Murphy & Associates.

Prior to Holmes Murphy and ACAP, Wally served as President of Great-West Life and Annuity. There he was responsible for overseeing the operations of the health plan including the medical management, network development and claims and call center operations.

Striving to manage and prevent chronic conditions, ACAP Health is a research and consulting firm providing advanced clinical strategies to employers, carriers and healthcare stakeholders interested in developing programs that measurably slow the production of disease. ACAP stands for Accountable Care, Accountable Patients—reflecting the company's revolutionary way of delivering measurable results and lower healthcare costs.

Wally was a featured speaker for the Disease Management Association of America and has been quoted in various healthcare magazines. His overall healthcare expertise and experiences allowed him to implement the nation's largest chronic disease management program for individuals with diabetes and heart disease.

In addition, Wally has served in a variety of capacities within the healthcare industry including senior financial officer for both health plans and provider organizations, and network contracting leadership roles. He has been active in the implementation of several innovative information system initiatives within the industry. The client list for ACAP Health is impressive with several companies in the Fortune 100 including American Airlines and Google.

Wally earned his Bachelor of Business Administration and Accounting from Stephen F. Austin State University, followed by an MBA from the University of Houston. Wally is also certified in the American College of Practice Executives.

CLINICAL SUPPORT

DR. TIM CHURCH



Dr. Tim Church is one of the country's leading physicians in exercise and obesity research. As Chief Medical Officer for Holmes Murphy and ACAP Health, Dr. Church is responsible for guiding the company in the creation of disease-specific battle plans to reduce the production of and destruction from disease. He is currently leading development of an integrated weight loss strategy.

Prior to joining ACAP Health, Dr. Church was a professor of Preventive Medicine at Pennington Biomedical Research Center at Louisiana State University where he promoted healthy living through research and education in nutrition and exercise biology. As the former vice president of medical and laboratory research at The Cooper Institute in Dallas, he established himself as an international leader in some of the most comprehensive studies on human performance and disease prevention.

Dr. Church has received numerous awards for his research in preventative health and is frequently used as an expert source for preventative health stories with major national media outlets, including: The New York Times, U.S. News & World Report, the Wall Street Journal, Time Magazine, the London Times, NBC's Today show, The Washington Post, and many more. As a consultant to the U.S. Department of Health and Human Services' Physical Activity Guidelines Advisory Committee, Dr. Church contributed to their national report published in 2008. He has also authored more than 150 research articles and co-authored, *Move Yourself, The Cooper Clinic Medical Director's Guide to All Healing Benefits of Exercise (Even a Little!)*.

After receiving a B.S. in Animal Physiology from U.C. Davis, Dr. Church received his Medical Doctorate and Ph.D. from Tulane University School of Medicine in New Orleans, LA. During his preventive medicine residency training, he also obtained a master's degree in Public Health.

DIGITAL CONSUMER MARKETING/ENGAGEMENT SPECIALIST

KENDALL RAMIREZ



Kendall Ramirez has spent her career helping brands create experiences that lead to passionate customers. As the Director of Engagement at ACAP Health, Kendall leads marketing, communication and customer experience initiatives for the organization and the solutions it offers, such as Naturally Slim. ACAP Health partners with employers to help them eradicate preventable diseases in their employee population with the goal of reducing healthcare costs. Kendall consults with these employers to increase employee engagement in the programs they launch.

Prior to joining ACAP Health, Kendall was the Director of Customer Experience Marketing at Southwest Airlines. Kendall and her team were responsible for ensuring the entire customer experience was an appropriate reflection of the Southwest brand and helped drive customer evangelists. From the first communication that inspired a trip, through booking a reservation and taking the trip, Kendall's team was responsible for engineering the customer experience and making every communication as engaging as possible.

Before joining Southwest Airlines in 2008, Kendall was the Director of Relationship Marketing at imc2, an interactive marketing agency, where she helped clients develop effective targeted communication and loyalty programs. Her clients included brands such as NCL, Lean Cuisine, My M&Ms, and multiple P&G brands. Prior to that, Kendall worked in marketing in various industries but always focused on using marketing capabilities to build effective and engaging relationships with customers.

Kendall received both her undergraduate marketing degree and her MBA from the University of Texas at Austin.

LOCAL DIVISION LEADER

BEAU REID



Beau Reid is an insurance leader whose experience offers a continuum of solutions for any Employee Benefits program. Beau will serve as the local team leader and work in conjunction with Ed and the rest of the team in Omaha. His philosophy is to focus on long term cost containment through classic risk management strategies, wellness initiatives and behavioral intervention. Only a reduction in the severity and number of claims will impact the trajectory of medical inflation. Beau works with his clients to stop the production of disease by engaging their employees in their personal health status,

NOT their insurance.

After earning his M.B.A. from University of Nebraska, Beau founded the Reid Company, a highly respected Employee Benefits organization. After 12 years of managing his own firm, Beau joined Holmes Murphy in January 2004, and was named as the Division Leader for the Nebraska office in September 2011. Some of Beau's current clients include: Mosaic, Hornady Manufacturing, and Lincoln Industries.

In the community, Beau is a youth-focused volunteer — giving his time and expertise to coaching youth sports. He sits on the boards of Bryan Health System, Lincoln Workwell, and Lincoln Boys and Girls Club.

CRAIG JOHNSON

SR. CLIENT SERVICE CONSULTANT



As Sr. Client Service Consultant, Craig Johnson continuously collects and analyzes customer feedback to positively impact new clients, develop new opportunities, deepen expertise in clients' most challenging issues, and boldly push them toward greater possibilities. Craig will work with the State of Nebraska on strategy with wellness programs.

Prior to Holmes Murphy, Craig served as a wellness and safety manager where he helped his prior organization earn numerous worksite wellness awards, including the Nebraska Governor's Wellness Award. He serves on the advisory board of the Nebraska Nutrition, Physical Activity and Obesity (NPAO) Plan.

A graduate of Nebraska Wesleyan University, Craig earned his B.S. in Exercise Science. He also earned his Master's from the University of Nebraska at Omaha, in Health and Wellness Management with an emphasis in Corporate

Health Promotion. Some of Craig's clients include Fillmore County Hospital, in Geneva, Nebraska; Norder Ag Supply in Bruning, Nebraska; and MetalQuest in Hebron, Nebraska.

In the past, Craig served on a Center for Disease Control (CDC) panel for the prevention and control of obesity. His expertise in health and wellness make him an asset to Employee Benefits clients as he provides them with new strategies and best practices in wellness, safety and professional development.

TERRI DILL
PHARMACY CONSULTANT



With more than 15 years of experience in the healthcare industry, Terri Dill's expertise is comprehensive. Whether serving small-businesses who need basic programs or major employers with complex requirements, Terri is innovative in designing pharmacy solutions. She is abreast of the drug pipeline and informs employers of new products released to the market that could impact their pharmacy spend. She oversees enrollment and explains new programs or program changes in ways that keep companies productive and participants satisfied.

Terri joined Holmes Murphy & Associates in July, 2015. Prior to Holmes Murphy, Terri worked in specialty pharmacy. During her tenure in pharmacy she served as the Vice President, Managed Care Sales and oversaw contract management with health plans, pharmacy benefit manager, third party administrators, wholesaler agreements, employer group relationships, and managerial responsibilities for the account management team. Terri's background serves as a key role for pharmacy expertise in contract negotiations with pharmacy benefit managers.

Currently, Terri has an Associate degree in Emergency Medical Services and is working toward the professional certified employee benefit specialist (CEBS) designation. She is a member of the State of Nebraska Health Underwriters Association. Some of Terri's former clients include Centene Corporation, Inland Empire Health Plan, and Virginia Premier Health Plan.

When Terri isn't serving clients, she is working with her husband and three children to operate the family farm. Dill also volunteers her time with the United Way and the local Omaha Leukemia & Lymphoma society chapter.

MARY KRAMER, CEBS, RHU
SR. CLIENT SERVICE CONSULTANT, EB



Mary Kramer will be the State of Nebraska's day to day contact. Mary is proficient in self and alternative-funded medical plans, voluntary benefits, legislative compliance and contract negotiation. She is integrally involved in the strategy support, financial planning, and analysis of client's current benefit and healthcare management programs.

Mary has earned her Certified Associate Benefits Specialist (CEBS) and Registered Health Underwriter (RHU) designations and has been with Holmes Murphy for more than 12 years.

Her 35 years of experience will serve the State of Nebraska well. Some of Mary's clients include NorthStar Financial Services Group, LLC, Mosaic, and Hornady Manufacturing.

VOLUNTARY PRODUCTS CONSULTING LEADER

JEFF SPENCER



Jeff Spencer is Senior Vice President of Holmes Murphy and responsible for the leadership of the Kansas City operation. Since establishing the Kansas City office in 2003 from scratch, he has developed a team that has established Holmes Murphy as one of the fastest growing agencies in Kansas City. He is also a shareholder and serves on the board of directors for ACAP Health.

Jeff has been in the industry for more than 20 years in the carrier and brokerage channels. He is known for his leadership and expertise in creating the most comprehensive strategies to meet the financial goals of the clients he serves. His energy for finding the right solutions to bring the right results for his clients has built him a solid reputation throughout the Midwest.

Career achievements for this former captain of the University of Kansas baseball team include being named to Ingram's "40 under 40" and his office names as a Kansas City Business Journal Best Places to Work, as well as consistently recognized as a top performer in Holmes Murphy employee surveys. He is also an active member in his church and country club. When Jeff isn't on the golf course or charting a new course for business, he enjoys spending time with his wife and three sons.

DENNIS F. BISHOP II **PRESIDENT & SHAREHOLDER**



Den Bishop is President of Holmes Murphy. As a member of the company's Executive Committee, he leads the Employee Benefits practice. Bishop is also a co-founder of ACAP Health, an innovation and consulting subsidiary focused on clinical solutions.

Den is a recognized industry leader and is a member of the Council of Employee Benefits Experts and serves on the Board of C2 Solutions. He is also the author of *The Book on Healthcare Reform* and is recognized speaker on the subject of the economic implications of the Affordable Care Act.

Prior to joining Holmes Murphy, Den was the Manager of Health & Welfare Benefits Practice for Hewitt Associates in Dallas. Den began his benefit career at Aetna in sales and sales management positions.

A graduate of Southern Methodist University, Den earned his degree in Business Administration while also earning All-American and National Senior Player of the Year honors in tennis.

J. SUBCONTRACTORS

If the bidder intends to Subcontract any part of its performance hereunder, the bidder must provide:

- vii. name, address, and telephone number of the Subcontractor(s);**
- viii. specific tasks for each Subcontractor(s);**
- ix. percentage of performance hours intended for each Subcontract; and**
- x. total percentage of Subcontractor(s) performance hours.**

No work is subcontracted out. All consulting work is performed by Holmes Murphy personnel.

3. TECHNICAL APPROACH

A. UNDERSTANDING OF THE PROJECT REQUIREMENTS

The contractor will provide the following services:

- 1. Strategic consulting services for all health and welfare programs including the State's self-insured medical, pharmacy, wellness programs, and collective bargaining;
- 2. Actuarial services for the State's Employee Health Plan;
- 3. Health plan data analytics and reporting;
- 4. Assist with benefit plan requests for proposals (RFP); and
- 5. Legislative and Regulatory Analysis & Education.

Confirmed; Holmes Murphy understands the scope of the project requirements. All of the services listed above are part of our consultative approach to working with clients of all sizes and complexity. Over the past 10 years, our team has worked on roughly 33 percent of *all* municipality business in Texas with estimated populations of 60,000 and above. Holmes Murphy will work with you to develop and implement a comprehensive multi-year program strategy to achieve meaningful improvement in the financial performance of your benefit programs.

Holmes Murphy is comprised of talented individuals from a variety of distinctly specialized backgrounds. Most of our employees left their previous organizations to work in an environment that provides them with freedom to leverage their talents in providing industry-leading innovation and solutions to our clients. Previous employers include many of the large national consulting houses and national health plans, as well as Fortune 500 companies. This collaboration offers the State of Nebraska the best of both worlds: a local focus with a national presence.

Holmes Murphy's specialized backgrounds, talent, and creativity have provided us with tremendous industry visibility and influence. *We are the only firm in the country to have representatives from one office sit on the national consultant advisory boards of each of the three largest national health plans.* It is our intention to demonstrate that the Holmes Murphy team will provide best in class experience, resources, service, and technology. You will also find that our pricing accurately reflects our exceptional service level.

B. BUSINESS REQUIREMENTS

- 1. The contractor shall provide an Account Management team to oversee the services listed in detail under the Scope of Work. The Account Manager shall be accessible by phone and email. A backup to the Account Manager shall also be assigned when the Account Manager is not available.

Confirmed; your dedicated account team leads Ed Oleksiak and Beau Reid are both accessible by phone and email and the team dedicated to the State of Nebraska will include a backup when any team member is not available.

2. The bidder shall have at least five years of business experience providing comprehensive employee benefit consulting services to large public sector and non-public sector employers which more than 10,000 employees and retirees.

Confirmed; Holmes Murphy has more than 10 years providing comprehensive consulting services to large public sector and more than 50 years with non-public sector employers with more than 10,000 employees.

3. The contractor shall have experience providing benefit consult services to large employers who offer a self-insured employee health plan and wellness program.

Confirmed; Holmes Murphy has experience providing comprehensive consulting services to large self-insured employers with health and wellness programs.

4. The contractor shall certify it, as well as any subcontractors that it utilizes, is in full compliance with HIPAA's regulations protecting the privacy of individually identifiable health information.

Confirmed; Holmes Murphy is in full compliance with HIPAA regulations protecting the privacy of individually identifiable health information.

5. The contractor shall agree to sign the State's Business Associate Agreement.

Confirmed; Holmes Murphy will agree to sign a mutually agreeable State of Nebraska Business Associate Agreement.

C. RESPOND TO EACH SECTION IN SCOPE OF WORK

Explain how the bidder will provide the services below to the State by completing the following tables. Response shall demonstrate experience performing similar services for other State or large employers including accomplishments and other information. Include examples of the bidder's work, when applicable.

1. Strategic Consulting Services

The contractor will provide strategic consulting services for all health and welfare programs listed above in Section IV. B. Project Environment. Services include, but not limited to, the following list of services.

- a. Regularly consult with the State on strategy and programs to which help manage the State's self-insured health and wellness plan including plan design, networks, pharmacy benefit program, stop loss, and carriers.

Renewal timeline:

- i. Plan Year begins: July 1
 - ii. Governor renewal review: February 1
 - iii. Final rates & plan design: March 1
- b. Regularly meet with Employee Wellness and Benefit staff to stay abreast of administrative, programmatic, regulatory, and other issues and opportunities regarding the State's employee benefit programs
- c. Attend benefit plan vendor meetings as requested to provide input and recommendations.
- d. Provide on-going monitoring of developments in new benefit strategies.
- e. Assist in reviews, analysis and recommendations of employee benefits in preparation of labor negotiations and be available to attend onsite preparation meetings as requested.
- f. Train Administrative Services staff on topics including regulatory updates, industry trends, data analysis, and compliance.

a	Describe the bidder's approach to providing strategic consulting services to the State on all of the benefit programs. Include a summarized listing of services included with the proposal.
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Response: We know that the minute you hire us, your problems become our opportunities to solve. One of the first things our client service team does after we are engaged is to schedule a client kick-off meeting. This enables our team to guide our clients through the following stages:

STAGE I: ONBOARDING

We like to call this the “getting to know you” stage. Before we know where we want to take you, we have to understand how you got where you are and where you want to be. The onboarding stage involves a quick ramp-up where we gather material directly from your service providers and a materials checklist we will send directly to you. (We’ll be asking for things like an employee census and learning more about your culture, HR/Benefits team and how you interact with employees throughout the year).

STAGE II: DISCOVERY AND DIAGNOSIS

While we are collecting and beginning to analyze this data, we will be asking questions throughout the consulting process. During the onboarding process, data is transformed into information that enables our teams to develop cost projections, utilization analysis and benchmarking with peers in your industry to determine the outliers in your plans. This information, along with an informational interviewing process called Core Beliefs, enable our teams to transition to Stage III with a thorough understanding of where we should go next.

STAGE III: STRATEGIC PLANNING

This stage is where we align the strategic priorities of your organization with the short and long-term goals for your employee benefit programs. If you did not have a clearly articulated benefit’s philosophy when we started, you will have one after we complete this process. After various options are considered, a multi-year plan design will begin to emerge that will have the approval and endorsement of the company’s leadership team. This phase involves creative benefits design, actuarial and underwriting projections, contribution modeling, and budget impact analysis.

STAGE IV: IMPLEMENTATION AND EXECUTION

General George Patton said “a good plan implemented today is better than a perfect plan implemented tomorrow.” After a multi-year strategic plan has been developed, we know that putting our ideas into action is just as important as having developed the right road map for your organization. We will utilize our project management and “timeline to implementation” tools to identify who has responsibility among our service providers, Holmes Murphy, and your team for doing what task by what date. Adhering to these milestones enables all parties to measure our progress toward open enrollment and effective date adherence so that your employees have a positive user experience.

STAGE V: ACCOUNTABILITY AND ENGAGEMENT

Purchasing employee benefits that yield the greatest value at the most attractive unit costs can be of high importance to clients seeking short-term savings, but creating accountability and engagement among plan beneficiaries is what will flatten trend for years to come. *One of the greatest differentiators between Holmes Murphy and our competitors is the ability to help our clients deploy innovative programs that continue to move the needle after we have picked the low hanging fruit.* By deploying proven programs that lead to greater consumer advocacy, transparency and accountability, we help our clients target inefficiencies in care delivery in a way that transforms a company’s culture, health, and productivity.

STAGE VI: MEASUREMENT AND REPORTING

We would not be able to continue working with our clients unless we could demonstrate the value of our relationship. This is why we have made investments in financial reporting, utilization, and data warehousing systems that enable our account teams to validate whether prescriptive plan changes are making an impact. Whether we are measuring for client satisfaction through surveys or monitoring a “continuously enrolled” population for a clinical intervention program, we share outcomes with our clients to determine the value of change brought about through our involvement in a transparent and collaborative manner.

In summary, many of our best ideas come from clients who take us to places we have never gone before. And many of our clients simply appreciate our operating as an extension of their HR and benefits team. Whether we end up deploying value-based health programs, narrow or onsite care delivery systems, consumer-directed programs, or clinical accountability programs, Holmes Murphy has the resources under our roof to transition you through every stage of the process and bring you greater value with industry leading satisfaction.

In summary, our consulting services include these general areas:

- Strategic Support/Plan Performance
- Vendor Selection Support
- Vendor Management
- Financial/Budget/Actuarial
- Administration/HR Support
- Communications
- Compliance Support

Describe the bidder’s experience consulting on a self-insured health plan with over 20,000 participants.

Response: Holmes Murphy’s largest public entity client is the City of Dallas with 12,000 employees (approximately 22,000 covered lives). The City of Dallas has been a client for three years and we value their partnership. Some of the services we provide for the City of Dallas include:

- Long-term Strategic Consulting Services
- Tactical day-to-day advisory work
- RFP analysis and vendor negotiations
- Claims audit
- Actuarial work including - GASB 45 valuations and IBNR estimates
- Monthly reporting
- Health Care Reform consulting
- Voluntary benefits consulting
- Open enrollment – communications material, meetings
- SPDs

Additionally, we have many clients with more than 20,000 covered lives that are self-funded. Texas Instruments is one of our largest self-funded clients with more than 60,000 covered lives. We have provided full health and welfare benefits consulting services to TI for more than four years. All of the strategic consulting services described in the Scope of Work are services we conduct for our clients.

HyVee has been our client for full employee benefits and consulting services since 2008. HyVee is a self-funded client with 22,000 employees eligible for health insurance and approximately 32,000 covered lives.

McLane Company is also a premier client of Holmes Murphy since 1997. McLane is a self-funded client with 16,000 employees and approximately 38,500 covered lives.

Other clients include Brinker International, North East Independent School District, and Sabre Holdings.

Describe the services and resources available to assist the State in managing their pharmacy benefit program.

Response: Charisse McCumber is a Vice President and leads the national accounts consulting services practice at Holmes Murphy. Whether clients are looking for an integrated prescription drug approach or a stand-alone solution, Charisse directs the team that provides strategic pharmacy benefits consulting with the top service providers in the Pharmacy Benefit Management (PBM) industry. The pharmacy analytics group supports our account teams with many of the following services:

- PBM Marketing and RFP Procurement
- Contract negotiations
- Claims re-pricing and analytics
- Benchmarking and Pharmacy utilization
- Disease Management Programs/Clinical Conditioning
- Specialty pharmacy and injectables
- Onsite pharmacy delivery
- Pharmacy plan audits
- Pharmacotherapy for Weight Management

Additionally, Terri Dill in our Omaha office is pharmacy resource for the State of Nebraska. Terri is innovative in designing pharmacy solutions whether for small-businesses who need basic programs or major employers with complex requirements.

She is abreast of the drug pipeline and informs employers of new products released to the market that could impact their pharmacy spend. She oversees enrollment and explains new programs or program changes in ways that keep companies productive and participants satisfied.

Terri joined Holmes Murphy in July 2015. Prior to Holmes Murphy, Terri worked in specialty pharmacy. During her tenure in pharmacy, she served as the Vice President of Managed Care Sales and oversaw contract management with health plans, pharmacy benefit managers, third party administrators, wholesaler

agreements, employer group relationships, and managerial responsibilities for the account management team. Terri's background serves as a key role for pharmacy expertise in contract negotiations with pharmacy benefit managers.

Describe the bidder's experience consulting on a wellness program comparable in size to the State's wellness program.

Response: Holmes Murphy has provided wellness consulting services, [Naturally Slim](#), to one of our clients (a large university in Texas) through our subsidiary company, ACAP Health, since early 2012. Since being introduced to this client at a National SHRM conference in 2011, both the partnership and the wellness program have grown considerably.

Holmes Murphy and ACAP set out to reduce the prevalence of Metabolic Syndrome with this client's employees. The initial program was launched in 2012 as a "pilot" for early adopters and included 339 participants. This original group lost 3,414 pounds in 10 weeks and had a Metabolic Syndrome reversal rate of 57 percent.

With the success of the initial pilot, the programs were rolled out company-wide. The specifics of the wellness partnership year-to-date are described below:

CLIENT RESULTS	
Initial Class	Q1 2012
Most Recent Class	Q4 2015
Total participants to date (all classes)	1,186
POST-PROGRAM RESULTS	
Average weight loss	10.3 lbs
Total pounds lost	10,094
% that lost more than 10 pounds	41%
% of Body Weight Lost	4.80%
BIOMETRIC RESULTS	
% of participants starting with MetS	25%
% that reversed MetS	60%
% of MetS participants that reversed elevated fasting glucose	34%
% of MetS participants that reversed elevated blood pressure	47%
% of MetS participants that reversed low HDL	12%
% of MetS participants that reversed elevated triglycerides	46%

d

% of MetS participants that reversed elevated waist circumference

21%

Describe the bidder's collective bargaining experience assisting another State government, or large employer similar to the State of Nebraska.

Response: Holmes Murphy has a large practice built around public entity and large employer clients throughout the country. Many of our clients include unions or collectively bargained health plans. Some of the clients we serve include Greyhound Lines (Amalgamated Transit Union) and the City of Dallas, Texas (Dallas Police and Fire Union). Greyhound's union membership is about 4,000 employees and the City of Dallas' union membership is about 6,000 employees. We have worked with the Dallas Police and Fire Union on their Meet and Confer Process for the last three years as their employee benefits consultant.

Additionally, your consulting team lead, Ed Oleksiak, has extensive HR experience with the United Steel Workers and United Rubber Workers Unions prior to joining Holmes Murphy. Jen Kivlin also has extensive experience with unions while working in compensation and benefits for both Lee Enterprises and HNI.

We understand the complexities and have developed a very good working relationship with these organizations built upon transparency, education, and alignment. Once they understand the components, and how their engagement and partnership is critical to maintaining a rich benefit plan at an affordable price, they value our expertise and relationship with them.

What data analytic tools will be used to analyze medical and pharmacy claims data? Will the State have access to any of the data analytic tools?

Response: Our technology engine is a Software as a Service (SaaS) platform that your account team uses as a data warehouse and provide "big-data" analytics insight for the State of Nebraska. This technology is the industry's most advanced health analytics system. **By aggregating all health, self-reported health assessments, clinical biometric, pharmacy, clinical and lab feeds, Holmes Murphy is able to objectively measure results and maintain past history, even if the State of Nebraska elects to change carriers.**

The system gives our clients an objective approach to managing health care through continual data analysis, gaps in care, risk and chronic disease management insight. Having robust analytics at the tip of your fingers enables our teams to answer questions like – "What percentage of my population is pre-diabetic, diabetic or has completed their eye exam and HbA1c testing. Many of our competitors have pre-template driven paper reports that do not offer "longitudinal" and "continuously enrolled" query capabilities. This is like comparing our competitor's "phone book" reporting to our in-house "Google Search" capabilities that Holmes Murphy has made through its six figure investments in technology.

Client-specific, member-level biometric data, clinic data and health improvement program results will also be integrated, where available. The data will be scrubbed, tested extensively and processed to generate our new monthly reporting package, customized client reporting and enhanced real-time financial reporting.

Standard and ad-hoc reporting capabilities will be available to our teams at all times with claim and eligibility data refreshed monthly via carrier file transmissions.

Detailed, integrated reporting allows us to closely monitor actual plan performance and to identify any potential issues and program performance for our clients. We will provide reporting to the State of Nebraska on a monthly basis or less frequently, if you prefer. We believe that by taking a proactive approach, we can identify potential trends early and recommend necessary actions before the next budget cycle.

What resources will be utilized to stay informed of best practices in employee benefits in State Government and other employers similar in size?

Response: The Holmes Murphy compliance team makes it our mission to ensure our clients have a clear understanding of benefits legislation, compliance, and new products in employee benefits. We want to make sure you know what's happening, and that we're telling you about it in terms you can understand and can quickly apply to your unique business situations. We strive for simplicity in our products, our services, and the way we keep you informed about the changing regulatory landscape.

Our compliance team, led by our chief compliance officer, Ed Oleksiak, J.D., utilizes an extensive network of electronic resources to collect the latest updates, including federal bureau websites, federal databases, the EBIA and Thompson Reuters Checkpoint databases, and updates from major insurers and benefits groups. While we have our own attorneys on staff, we make sure we do not get into the business of practicing law. This is why we will, from time to time, use outside counsel or recommend attorney-client privilege be retained through our client's existing legal relationships. Ed also serves as the chair of the National Legislative Council for the National Association of Health Underwriters, which means he and his colleagues on the council are connected with the leaders who shape our nation's public policy concerning health reform and benefits regulation.

Since our compliance experts are in-house, we're able to offer compliance guidance and insights into the latest legislation at a much lower cost and with more personal service than what you get from global consulting houses or law firms that bill by the hour. Our team's extensive relationships in the industry and background in compliance enables them to monitor the latest legislation and provide an understanding of how it will specifically impact your business. *You get the best of both worlds – experienced legal minds who can quickly translate the latest changes in benefits legislation and share with you in plain language how it will affect your business.*

2. Actuarial Services & Related Reporting

The contractor shall provide actuarial services for the State's employee health insurance plan and wellness program. The following services and reports shall be prepared as part of this contract:

- a. An annual plan cost analysis and annual calculation of the employer and employee contributions for each of the State's health plans.

- a. Analyze and recommend the annual Claims Fluctuation Reserve (CFR) level at the end of the plan year. The State currently maintains a CFR at a 90% confidence level.
- b. Analyze and recommend a projected Incurred But Not Recorded (IBNR) amount at the end of the plan year.
- c. Help the State prepare a Value on Investment (VOI or ROI) for the State's wellness program each year.

a	<p>Describe the bidder's experience in performing actuarial services for other States or companies of similar size.</p> <p>Response: Our actuarial services are designed for self- funded plans. Our internal actuarial team consists of the following:</p> <ul style="list-style-type: none"> • Chief Actuary, Mark Van Buskirk. Mark received his Ph.D. and M.S. in mathematics and has a Bachelor of Science degree in Computer Science from Northwestern University. He is an active member in the American Academy of Actuaries and also is an Associate in the Society of Actuaries. • Consulting Actuary, Shawn McGhee. Shawn has a Bachelor of Science degree in Applied Mathematical Sciences with Actuarial Option from Texas A&M University. He recently earned his Associate of the Society of Actuaries (ASA) designation • Senior Financial Analyst, Josh Parrish. Josh has a Bachelor of Science in Statistics and Earth Science from the University of Michigan. <p>Holmes Murphy analyzes the financial performance of your medical benefit programs. This allows us to measure network and plan design performance and to benchmark your plan compared to the industry. On an on-going basis, we expand our plan analysis to monitor vendor performance and to model specific program strategies. This includes vendor or plan design changes so we can identify the activities that add the greatest value to your benefit program and employees.</p> <p>To help our clients manage their self-insured plans, our approach is to develop an independent actuarial budget. Our budget modeling tool is modified to assist each client in making decisions based on their strategic plan.</p> <p>We closely monitor the actual performance of your budget to identify and discuss any potential discrepancies on a monthly basis. This information is delivered in our Monthly Financial Summary Report, which is developed specifically for our self-insured customers. On a quarterly basis, we also complete a budget reforecast to determine trends that may impact your budget. We believe that by taking a proactive approach to this budgeting process, we can identify potential trends early and help the State of Nebraska prioritize initiatives in the upcoming year.</p> <p>In addition to the budgeting process, our actuaries will also prepare an IBNR, develop funding and COBRA rates, and will model stop-loss insurance levels to help determine the most effective excess risk contract.</p>
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b	<p>Provide an example of a premium equivalents report for a self-insured health plan with multiple plans.</p>
	<p>Response: Confirmed; a sample report is located in the Appendix.</p>
c	<p>Explain the approach to analyzing and recommending a CFR level. Provide an example of a CFR report the State would receive.</p> <p>Response: We believe that setting the CFR level is fundamental to proper management of the health care plan. <i>Our expertise differentiates us from other consultants in that we don't just set the level in a vacuum, but rather tie it in with other aspects of your organization.</i></p> <p>Although statistics plays a role in setting the level, to properly manage the fund, you have to consider outside variables such as the plan's reserve levels, other reserves that the State holds, the State's risk tolerance, the State's cash supply and operations. Of the numerous public entities that we consult, there are generally two methods for setting the CFR level. The simplest and most common is to set the level to be a number of months of claims – the most popular being three months of medical and pharmacy (and dental if self-insured) claims. The number of months can vary between two to six months and may or may not include the IBNR.</p> <p>However, the second method is preferred since it centers the CFR level around the State's stop-loss coverage. In this method, the CFR level set would be based on either the aggregate or the individual stop-loss coverage. For the aggregate, the CFR would be set at the maximum liability (the liability up to the aggregate stop-loss level) minus the expected liability. For the individual stop-loss, the level would be set to some multiple of the individual stop-loss level in order to cover that number of additional large claims. Of course, the number of additional large claims covered would be a function of the size of the population. Regardless of the method used to set the level, we would measure the confidence interval of the CFR as well as the probability of ruin so that the reserve that is set is within the risk tolerance of the organization.</p> <p>But almost as important as setting the CFR, is setting a methodology for adhering to the CFR. Apart from just pulling money in and out of the CFR, we have helped many clients tie the CFR in with the renewals and rate increases so that money from the current year's health plan is always stabilizing the CFR and direct transactions from other funds would only be required in extreme cases. We also recommend having a written policy that exactly determines the methodology for setting the CFR level and adherence to it from year to year to protect the fund and the health of the plan.</p>
d	<p>Explain the approach to calculating IBNR. Provide an example of IBNR report the State would receive.</p> <p>Response: A description of our method for calculating the IBNR is described in the report included in the Appendix. We have devoted a lot of thought and research into developing and</p>

choosing our method and feel it is advantageous over other methods for the following two reasons: it immediately adjusts for headcount changes and it reduces volatility from measurement to measurement.

Although the former may not be an issue for the state (it is more relevant for companies engaged in acquisitions, divestitures, layoffs, growth, etc.), the latter does apply. Inherent in most methods is a dependence on the most recent month of incurred and paid claims. If that number is high, the IBNR will be high and vice versa. And as claims can vary widely from month to month, the IBNR will vary widely. Our method "smooths" out that volatility by using 48 months of data and assuming constant "intra-month" lag factors so that the calculation is not so dependent on that last month of incurred and paid claims. A sample IBNR report is located in the Appendix.

Describe the bidder's experience calculating VOI on a wellness program. Provide an example of a VOI report.

Response: Holmes Murphy has a wealth of experience developing customized targets and measurements to determine whether your wellness programs are performing at expected levels, including:

- Participation and Engagement
- Clinical Improvement and Risk Reduction
- Financial and Economic Value of Investment (VOI)

Holmes Murphy has developed a number of VOI models for quantifying the performance of the wellness and health care management programs and we have extensive technical experience in this area.

e In regards to implementation of the programs, our service professionals are intimately familiar in working with the vendors in this capacity. Due to our continued focus in health and wellness programs, the vast majority of Holmes Murphy clients have an active wellness strategy. As a result, we have a broad and deep understanding of the different vendors' capabilities to find the best fit for each client and to help make the program successful.

Clinical Data Warehouse and Biometric Reporting

In addition to Value of Investment (VOI) reporting we also have a proprietary clinical data warehouse and biometric reporting capabilities. Holmes Murphy has a slightly different view of data warehousing. We see an opportunity to not only evaluate historical plan performance but to utilize tools to support an improved future outcome. Our philosophy is one of measuring and influencing risk factors before they become either an elevated disease state or a clinical event. Stated another way, we look through the front windshield out ahead of our client's utilization and focus on reducing the production and destruction from future disease. A sample VOI report is included in the Appendix.

3. Health Plan Analytics and Reporting

The contractor shall provide the State with the following services:

- a. A monthly budget report of the State’s health plan performance comparing actual to budgeted costs.
- b. Pursuant to Nebraska Revised Statute 50-502, the State of Nebraska Health Insurance Plan Annual Report due November each year. See Attachment C for the most recent report.
- c. Health plan reports including cost trending and multi-year forecasting projections as requested by the State.
- d. Other reporting requirements may include health plan analytical reports, industry surveys, and benefit program performance and gaps.

a	<p>Provide an example of the monthly budget report for self-insured health plan.</p> <p>Response: Confirmed; a copy of our monthly financial statistical report is included in the Appendix.</p>
b	<p>Describe the resources available to prepare a report similar to the <i>State of Nebraska Health Insurance Plan Annual Report</i>.</p> <p>Response: Holmes Murphy provides comprehensive reports/presentations to clients on a regular basis. The entire account team dedicated to the State would be available to produce a report/presentation similar to the State of Nebraska Health Insurance Plan Annual Report. All of the financial reports (MFSR, budget, Actuarial) already provided are included in an annual report we would provide for the State.</p>
c	<p>Provide a sample of a report which would be similar to the <i>State of Nebraska Health Insurance Plan Annual Report</i>.</p> <p>Response: All of the financial reports (MFSR, budget, Actuarial) already provided are included in an annual report we would provide for the State. If selected as a finalist, we would be happy to provide a sample report that would be similar to the State’s current report.</p>
d	<p>Provide a list and examples of other reports that are offered including health plan analytic reports.</p> <p>Response: Holmes Murphy has developed a financial reporting system that produces a summary of historical losses and trends customized for the State of Nebraska with self-funded plans. Our experience reporting package includes specific exhibits to highlight large loss claims, stop-loss reimbursements, lag reports for medical, pharmacy, and dental experience, aggregate stop-loss tracking, annual budget to actual reporting, and future trend projections and utilization studies. We are including a sample Monthly Financial Services Report (MFSR) in the Appendix.</p> <p>It is our responsibility to assemble this information and make meaning of it for your HR/Benefits and executive leadership teams. Our teams follow a “data leads to wisdom” approach to learning with our clients. Our clients appreciate it when we can take an ever-growing collection of benefit data points and transform that into information by leveraging our people, process, and</p>

technology resources. This approach leads to knowledge that empowers you to make better decisions that will impact your organization.

A crucial element of benefit plan management is measurement. We cannot help you and your leadership teams make effective decisions if there is not accurate measurement of both historical claims experience and prospective clinical indicators that serve as accurate predictive indicators of disease. Holmes Murphy can help analyze and measure your benefit plan using the following strategies and tools:

- **Budget Analysis and Support:** Our goals in budgeting are to eliminate surprises and to reduce administrative burden. We will closely monitor the actual performance to identify and discuss any potential discrepancies on a monthly basis. We believe that by taking a proactive approach to the budgeting process, we can identify potential trends *early* and take the necessary actions that will benefit you.
- **Reporting:** Our primary role in reporting and analysis is to bring life to vendor data. It should not be your job to sort through potentially hundreds of pages of reports to try to figure out what is happening with the costs and why. We will provide the vendor data analysis and deliver a meaningful summary of the information providing clear answers. We will also provide claim detail summary reports. The end result of the analytical process will not only offer observations of what is happening, but will also include recommendations and solutions that could be implemented to influence future outcomes.
- **Plan Analysis:** Holmes Murphy analyzes the financial performance of your medical benefit programs. This allows us to measure network and plan design performance and to benchmark your plan compared to the industry. On an on-going basis, we expand our plan analysis to monitor vendor performance and to model specific program strategies. This includes vendor or plan design changes so we can identify the activities that add the greatest value to your benefit program and employees.
- **Utilization Monitoring:** Holmes Murphy enlists the support of our healthcare and data management analysts to actively review the clinical utilization reports for trends in healthcare services. Integrated with our financial reporting activities, we provide meaningful answers to what the utilization drivers are at the base level. In addition, we continuously work to identify the strategies that will have the greatest impact on utilization including plan design, contribution, and condition management programs.

4. **Benefit Plan Request for Proposals (RFP)**

The contractor will assist the State in the preparation and evaluation process for all benefit plan RFP and in accordance with processes established by state statute and the State Purchasing Bureau. Services may include but not limited to develop the technical requirements, assist with questions from potential bidders, provide questions for oral interviews, develop scoring methodology, and conduct cost evaluations.

See Attachment D for the anticipated time line of the benefit RFP's.

Describe the bidder's experience in assisting other customers similar to the State with RFP.

Response: Our goal in the RFP process is to ensure that the selected vendors match the cultural and business needs for your organization. We streamline the review process by developing models that weigh the carrier responses and create a score in each area based on what is most important to the State of Nebraska. By doing this, we simplify the process for the benefits team and spend time evaluating the best fit, instead of pouring through hundreds of pages of RFP responses.

Holmes Murphy has established rigorous selection criteria for potential vendors and will recommend a selection after following these steps:

RFP Action Plan	
Step 1	Information Gathering: This phase will include obtaining any missing or outdated information, acquiring historical claims and employee census data, and reviewing current Summary Plan Descriptions.
Step 2	Develop RFP Specifications: This phase will include drafting of the actual RFP document and defining desired vendor service, network, and pricing criteria. We will discuss all selection criteria at this point and make any changes and customizations that are needed. The next step is to send the selection criteria to the vendors and receive their submitted proposals.
Step 3	Vendor Negotiation and Selection: Once the proposals are received, they are then evaluated and scored. This helps develop a report for the finalist selection. As we negotiate with vendors, we will also examine your loss history, establish the necessary types of coverage consistent with your risk tolerance, choose vendors that provide superior service, and adopt the optimal funding mechanisms for your specific needs.
Step 4	Implementation & Execution: Holmes Murphy will work with the benefits team and your selected vendor to successfully implement the vendor and plans selected. We will also assist you in creating customized communication pieces to explain the plan to employees.
Step 5	Ongoing Management: After the effective date we will continue to monitor the plan to ensure the vendor and selected plans are meeting the performance requirements set forth during the RFP process.

a

5. Legislative and Regulatory Analysis & Education

The contractor will assure the State is informed of any regulatory laws and changes which affects the State's employee benefit program. Services include:

- a. Provide guidance, impact analysis and training on all regulatory requirements which affect the State's benefit program. This includes COBRA, ACA, HIPAA, Section 125, IRS, and any other employment laws which affect the State's benefit programs.
- b. Keep the State informed of pending and final federal and state legislation which may affect the State's employee benefit program.
- c. Provide guidance and training to the State to assist them with complying with the Affordable Care Act.
- d. Assist the State with preparing fiscal notes as requested while the Legislature is in session.

	<p>Explain how the bidder educates their customers of updates and changes to ACA regulations. What resources are available specific to ACA?</p> <p>Response: Holmes Murphy is committed to aggressively understanding laws and regulations related to health and welfare programs and providing guidance to our clients on the best way to respond. Holmes Murphy's national advisory group on healthcare reform was created prior to the passage of the Affordable Care Act in order to respond to the ongoing challenges our clients would face. This team continues to interpret and guide our clients and account teams with members represented from our Compliance, Actuarial, Communication, and Clinical support groups.</p> <p>a We consistently hear from our clients how much they appreciate our ability to take complex compliance information and make it actionable for their staff members, showing them in real-life terms how forms and communications we develop can take the burden of regulation and worry of compliance off their plates. We share the latest developments in healthcare legislation and compliance updates through weekly compliance alerts, delivered via targeted email distribution lists.</p> <p>Essentially, your weekly update will tell you everything that happened that week in the regulatory landscape and how it may affect your business. And our compliance team is available to discuss anything you find in those weekly updates if you have more specific questions. Our compliance team is happy to conduct training and education sessions for your staff and executives on a variety of healthcare topics. Our attorneys, clinicians, and actuaries really do get excited talking about these issues.</p>
<p>b</p>	<p>Describe how the bidder stays updated with Federal and State regulations which affect employee benefit programs.</p> <p>Response: The Holmes Murphy compliance team makes it our mission to ensure our clients have a clear understanding of benefits legislation, compliance, and new products in employee benefits. We want to make sure you know what's happening, and that we're telling you about it in terms</p>

you can understand and can quickly apply to your unique business situations. We strive for simplicity in our products, our services, and the way we keep you informed about the changing regulatory landscape.

Our compliance team, led by our chief compliance officer, Ed Oleksiak, J.D., utilizes an extensive network of electronic resources to collect the latest updates, including federal bureau websites, federal databases, the EBIA and Thompson Reuters Checkpoint databases, and updates from major insurers and benefits groups. While we have our own attorneys on staff, we make sure we only act in an advisory capacity. This is why we will, from time to time, use outside counsel or recommend attorney-client privilege be retained through our client's existing legal relationships. Ed also serves as the chair of the National Legislative Council for the National Association of Health Underwriters, which means he and his colleagues on the council are connected with the leaders who shape our nation's public policy concerning health reform and benefits regulation.

Since our compliance experts are in-house, we're able to offer compliance guidance and insights into the latest legislation at a much lower cost and with more personal service than what you get from global consulting houses or law firms that bill by the hour. Our team's extensive relationships in the industry and background in compliance enables them to monitor the latest legislation and provide an understanding of how it will specifically impact your business. *You get the best of both worlds – experienced legal minds who can quickly translate the latest changes in benefits legislation and share with you in plain language how it will affect your business.*

Describe tools and resources available to help stay compliant with all federal and state regulatory requirements.

c

Response: Our compliance team utilizes an extensive network of electronic resources to collect the latest updates, including federal bureau websites, federal databases, the EBIA and Thompson Reuters Checkpoint databases, and updates from major insurers and benefits groups. This is why we will, from time to time, use outside counsel or recommend attorney-client privilege be retained through our client's existing legal relationships. Ed also serves as the chair of the National Legislative Council for the National Association of Health Underwriters, which means he and his colleagues on the council are connected with the leaders who shape our nation's public policy concerning health reform and benefits regulation.

Provide two (2) examples of recent training the bidder offered to their customers?

d

Response: Holmes Murphy also is a market leader in providing education and training events onsite or, covering topics from HIPAA and COBRA compliance to clinical benchmarking, and many of these seminars qualify for SPHR and PHR credits. Some of our past events include:

- Innovator Series
- Mini Medical School for HR Professionals

- Mini Law School for HRs Professionals
- Syndrome X – The Next Generation in Healthcare and Wellness Interventions
- Prescription Drug Trends
- Defined Contribution Healthcare
- Myths and Realities Regarding Healthcare Costs
- Corporate Wellness Strategies
- Overview of the recent Medicare and HSA Legislation
- Health Plan Cost Containment Strategies
- Clinical Benchmarking
- Healthcare Consumerism and Focused Interventions
- Annual Healthcare Perform Conference

Our compliance team is happy to conduct training and education sessions for your staff and executives on a variety of healthcare topics. Our attorneys, clinicians, and actuaries really do get excited talking about these issues.

D. TECHNICAL REQUIREMENTS – HIPAA

To ensure everyone we work with is adhering to privacy requirements, we do a deep dive into our clients' policies and procedures to confirm they're meeting privacy and security requirements. We identify the individuals who work with a client company and who may have access to protected health information (PHI), and make sure they've executed a Business Associate Agreement.

Using our extensive connections within the benefits industry, we make sure the carriers and providers we're recommending to our clients have the right documentation and contingency plans in place. We don't use compliance as a point of negotiation – our service partners are compliant and have thorough risk management and privacy policies. Our partners have response plans in place to deal with a violation and recover from it quickly and with minimal impact to our clients. We only use PHI when absolutely necessary to minimize the risk of a HIPAA violation happening at all.

Holmes Murphy employees participate in mandatory HIPAA trainings – which our customers are also invited to attend – all their emails are secured to protect any potentially private data. We post notices in key locations to remind our teams that privacy should be top-of-mind for them at all times.

While risks are mitigated, they are never truly eliminated. We do our best to keep our clients as bulletproof as possible in the event of an audit or data breach. In the event of a violation, we make sure that our privacy team (including our HIPAA privacy officer) identifies it as quickly as possible and collects the necessary data to move the issue towards resolution.



APPENDIX

FORM A BIDDER CONTACT SHEET	TAB 1
SAMPLE MONTHLY FINANCIAL STATISTICAL REPORT	TAB 2
HOLMES MURPHY DUN & BRADSTREET REPORT	TAB 3
SAMPLE IBNR REPORT	TAB 4
SAMPLE VOI WELLNESS REPORT	TAB 5
SAMPLE PREMIUM EQUIVALENTS REPORT	TAB 6
SAMPLE UTILIZATION REPORT	TAB 7
SAMPLE IMPLEMENTATION TIMELINE	TAB 8
BIDDER EXPERIENCE NARRATIVE	TAB 9

Form A
Bidder Contact Sheet
Request for Proposal Number 529721

Form A should be completed and submitted with each response to this Request for Proposal. This is intended to provide the State with information on the bidder's name and address, and the specific person(s) who are responsible for preparation of the bidder's response.

Preparation of Response Contact Information	
Bidder Name:	Holmes Murphy & Associates
Bidder Address:	13810 FNB Parkway, Suite 300 Omaha, NE 68154
Contact Person & Title:	Beau Reid, Division Leader/Shareholder
E-mail Address:	BReid@holmesmurphy.com
Telephone Number (Office):	(402) 697.4741
Telephone Number (Cellular):	(402) 770.5529
Fax Number:	(402) 408.2164

Each bidder shall also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	Holmes Murphy & Associates
Bidder Address:	13810 FNB Parkway, Suite 300 Omaha, NE 68154
Contact Person & Title:	Beau Reid, Division Leader/Shareholder
E-mail Address:	BReid@holmesmurphy.com
Telephone Number (Office):	(402) 697.4741
Telephone Number (Cellular):	(402) 770.5529
Fax Number:	(402) 408.2164

Proprietary Information

RFP 5297 Z1

ABC Company Monthly Financial Reports,
January 2015 through November 2015

6 pages

HOLMES, MURPHY AND ASSOCIATES, LLC

D-U-N-S® 07-347-4389 Headquarters(Subsidiary) Phone 515 223-6800
 Mailing PO BOX 9207 3001 Westown Pkwy,
 Address Des Moines, West Des Moines, IA 50266
 IA 50306 Website:
 www.holmesmurphy.com

Comprehensive Report

Purchase Date: 11/03/2015
 Last Update Date: 05/11/2015
 Attention: Cindy

Executive Summary

Company Info

Year Started	1971	Employees	300
Control Year	1971	Employees Here	210 at this location
CEO	DANIEL T. KEOUGH, CEO-MBR	Trade Styles	(SUBSIDIARY OF HMA, INC, WEST DES MOINES, IA); HOLMES, MURPHY

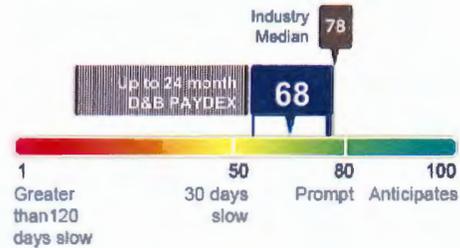
D&B Rating

D&B Rating

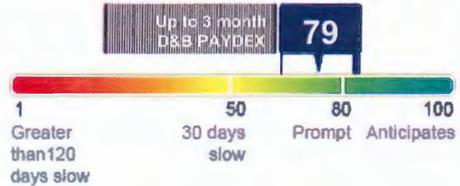
ER3

D&B PAYDEX®

Up to 24 month D&B PAYDEX



Up to 3 month D&B PAYDEX



Predictive Analytics

Financial Stress Class



The Financial Stress Class of 2 for this company shows that firms with this class had a failure rate of 0.09% (9 per 10,000).

Credit Score Class



The Credit Score class of 1 for this company shows that 1.10% of firms with this classification paid one or more bills severely delinquent.

Financial Stress Class	2	Credit Score Class	1
Financial Stress Score	1,525	Credit Score	597
Highest Risk	1,001	Highest Risk	101
Lowest Risk	1,875	Lowest Risk	670

Risk Category

High Moderate Low

Conservative Credit Limit \$75,000

Aggressive Credit Limit \$100,000

D&B Viability Rating

2
1
B
Z

2 Viability Score

9 High Risk 5 1 Low Risk

1 Portfolio Comparison

9 High Risk 5 1 Low Risk

B Data Depth Indicator

G Descriptive A Predictive

Z Company Profile

Subsidiary

Business Information

Business Summary

Branch & Division	YES
Financing	SECURED
SIC	6411 Insurance agent/broker
NAICS	524210 Insurance Agencies and Brokerages
History Status	CLEAR

Credit Capacity Summary

D&B Rating ER3

Prior D&B Rating	ER3
Rating Date	01/01/1991
Payment Activity (based on 55 experiences) USD	
Average High Credit	\$7,389
Highest Credit	200,000
Total Highest Credit	245,900

D&B Viability Rating

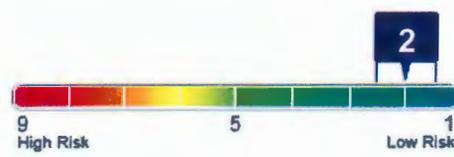
assessment of the probability that a company will no longer be in business within the next 12 months.

2

Viability Score

Compared to All US Businesses within D&B Database:

- Level of risk: **Low Risk**
- Businesses ranked 2 have a probability of becoming no longer viable: **2%**
- Percentage of businesses ranked 2: **4%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**



1

Portfolio Comparison

Compared to all Businesses within the same MODEL SEGMENT:
Model Segment: **Established Trade Payments**

- Level of risk: **Low Risk**
- Businesses ranked 1 within this model segment have a probability of becoming no longer viable: **2%**
- Percentage of businesses ranked 1 within this model segment: **11%**
- Within this model segment, the average probability of becoming no longer viable: **5%**



B

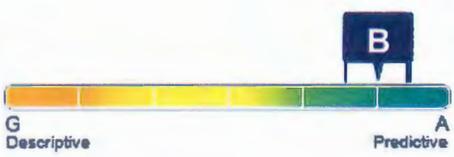
Data Depth Indicator

Data Depth Indicator Details:

- ✓ Rich Firmographics
- ✓ Extensive Commercial Trading Activity
- ✓ Basic Financial Attributes

Greater data depth can increase the precision of the D&B Viability Rating assessment.

You have the ability to influence the confidence of the viability assessment by asking the business to report more information to D&B at <https://iupdate.dnb.com/iUpdate/>



Z

Company Profile

Subsidiary

Business History

Officers
 DANIEL T. KEOUGH, CEO-MBR;
 NICKOLAS J HENDERSON, COO;
 MARTY WILLIS, PRIN;
 JOHN A. HURLEY II, SENIOR, V PRES;
 CLIFFORD (KIP) AUGSPURGER, V PRES;
 CHRIS BOYD, V PRES;
 STEVE FLOOD, V PRES;
 LAURE GUISINGER, V PRES

Directors THE OFFICER(S) and Mike Foley, and Wally Gomaa.

As of 05/11/2015

The Iowa Secretary of State verified that the business name has changed from Select Benefit Administrators to Holmes, Murphy And Associates, LLC.

Business started 1971 by Max Holmes. Present control succeeded 1984. 100% of capital stock is owned by parent company.

RECENT EVENTS:

On March 15, 2015, sources stated that Holmes Murphy & Associates Inc, West Des Moines, IA, has completed the acquisition of Willis of Minnesota, Inc., Omaha NE, on March 2, 2015. With the acquisition, Willis of Minnesota, Inc. has ceased to operate as a legal entity and will now operate as a branch of Holmes Murphy & Associates Inc. Terms of the transaction were not disclosed. Further details are unavailable.

On October 21, 2011, sources stated that Holmes, Murphy and Associates Inc., West Des Moines, IA, has completed the acquisition of Bridge Insurance Partners LLC, Dallas, TX, on October 4, 2011. With the acquisition, Bridge Insurance Partners LLC will now operate as a subsidiary of Holmes, Murphy and Associates Inc. Terms of the details were not disclosed. Further details are unavailable.

On September 16, 2011, sources stated that Holmes Murphy & Associates, West Des Moines, IA, acquired the large-market accounts of Northwestern Benefits Inc., Dallas, TX, on July 11, 2011. Further details are not disclosed.

On May 27, 2009, sources stated that Holmes, Murphy & Associates, Inc., West Des Moines, IA, has completed the acquisition of Kirke Insurance Services, Scottsdale, AZ, on June 01, 2008. With this acquisition, Kirke Insurance Services discontinued its operations and its location now operates as a branch of Holmes, Murphy & Associates, Inc. Employees and management were retained. Terms were not disclosed.

DANIEL T. KEOUGH. Served as Founder and CEO of Innovative Captive Strategies.

NICKOLAS J HENDERSON born 1955. 1981-present active here.

MARTY WILLIS born 1949. 1984-present active here.

JOHN A. HURLEY II, SENIOR. Antecedents not available.

CLIFFORD (KIP) AUGSPURGER. Antecedents not available.

CHRIS BOYD. Antecedents not available.

STEVE FLOOD. Antecedents not available.

LAURE GUISINGER. Antecedents not available.

ANNOUNCED PURCHASE OF ASSET:

According to published reports, Holmes Murphy & Associates, DUNS 073474389, (West des Moines, IA) announced that it has entered into an agreement with Willis of Colorado, Inc., DUNS 078678841, (Denver, CO), to purchase certain assets within their construction and surety bond division. The transaction closed May 1, 2015.

PURCHASE OF ASSET:

According to published reports, Holmes Murphy & Associates, DUNS 073474389, (Des Moines, IA) announced that it has acquired the Omaha, Nebraska-based operations of Willis of Minnesota, Inc., DUNS 929292477, (Omaha, NE).

Business Registration

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF Oct 23 2015:

Registered Name	HOLMES, MURPHY AND ASSOCIATES, LLC	Registration ID	19217	Filing Date	11/30/1971
		Duration	PERPETUAL	Registered Agent	KARLA RADDA 3001 WESTOWN PKWY, WEST DES MOINES, IA 502660000
		Status	ACTIVE		
Business Type	DOMESTIC LIMITED LIABILITY CO	Where Filed	SECRETARY OF STATE/CORPORATIONS DIVISION , DES MOINES , IA		
State of Incorporation	IOWA				

Government Activity Summary

Activity Summary		Possible candidate for socioeconomic program consideration	
Borrower	No	Labor Surplus Area	N/A
Administrative Debt	No	Small Business	N/A
Grantee	No	Women Owned	N/A
Party Excluded from Federal Programs	No	Minority Owned	N/A
Public Company	N/A		
Contractor	No		
Importer/Exporter	N/A		

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

Operations Data

As of 05/11/2015

Description: Subsidiary of HMA, INC, WEST DES MOINES, IA which operates as holding company. Parent company owns 100% of capital stock. Parent company has four other subsidiary(ies). Intercompany relations: Consist of common management.

Foreign Parent is pany is a subsidiary of H M A, Inc, Duns #10-734-6934, and reference is made to that report for background information on the parent company and its management.. As noted this company is a subsidiary of H M A, Inc, Duns #10-734-6934, and reference is made to that report for background information on the parent company and its management. Financial figures are not available on parent company.

Operates as an insurance agent (100%).

ADDITIONAL TELEPHONE NUMBER(S): Facsimile (Fax) 515 223-6944. Toll-Free 800 247-7756.

Has 6,000+ account(s). Terms are on a commission basis and vary per client agreement. Sells to commercial concerns. Territory : United States.

Nonseasonal.

Employees: 300 which includes officer(s). 210 employed here.

Facilities: Rents 35,000 sq. ft. on 1&3 floor of a three story brick a building.

Location: Central business section on main street.

Special Events

As of 05/07/2015

Business name changed from Holmes, Murphy & Associates, Inc. to Holmes, Murphy And Associates, LLC.

Industry Data

SIC

Code	Description
64110301	Insurance agents, nec

NAICS

Code	Description
524210	Insurance Agencies and Brokerages

Family Tree

Parent

HMA, INC
(D-U-N-S@:10-734-6934)
AKA: HOLMES MURPHY
3001 WESTOWN PKWY STOP
1,
WEST DES MOINES, IA
50266-1321

Branches Domestic

MURPHY HOLMES & ASSOCIATES INC; (D-U-N-S@:03-019-5742) 2637 S 158TH PLZ STE 200, OMAHA, NE 68130-1769	MURPHY HOLMES & ASSOCIATES INC; (D-U-N-S@:94-870-2584) 500 1ST AVE NE STE 300, CEDAR RAPIDS, IA 52401-1323	MURPHY HOLMES & ASSOCIATES INC; (D-U-N-S@:62-237-7815) 12712 PARK CENTRAL DR STE 100, DALLAS, TX 75251-1527	MURPHY HOLMES & ASSOCIATES INC; (D-U-N-S@:83-075-7444) 6929 E GREENWAY PKWY, SCOTTSDALE, AZ 85254-2169	MURPHY HOLMES & ASSOCIATES INC; (D-U-N-S@:02-077-2567) 311 SW WATER ST STE 211, PEORIA, IL 61602-4108
MURPHY HOLMES & ASSOCIATES INC; (D-U-N-S@:02-747-3178) 6300 W 143RD ST STE 200, SHAWNEE MISSION, KS 66223-2910	MURPHY HOLMES & ASSOCIATES INC; (D-U-N-S@:80-496-7086) 247 RESEARCH PKWY, DAVENPORT, IA 52806-7342	MURPHY HOLMES & ASSOCIATES INC; (D-U-N-S@:07-976-7040) 10707 PACIFIC ST STE 200, OMAHA, NE 68114-4762		

Subsidiaries Domestic

BRIDGE INSURANCE PARTNERS SERVICES, LLC; (D-U-N-S@:80-843-5734) AKA: BRIDGE INSURANCE PARTNERS 12221 MERIT DR STE 1100, DALLAS, TX 75251-2227	INNOVATIVE CAPTIVE STRATEGIES, INC.; (D-U-N-S@:04-744-1410) 3001 WESTOWN PKWY STE 200, WEST DES MOINES, IA 50266-1321	
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Affiliates Domestic

SELECT BENEFIT ADMINISTRATORS INC; (D-U-N-S@:80-835-5531) 4400 W TOWN PARKWAY #300, WEST DES MOINES, IA 50266	
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This list is limited to the first 25 branches, subsidiaries, divisions and affiliates, both domestic and international. Please use the Global Family Linkage Link above to view the full listing.

Financial Statements

Key Business Ratios

Business ratios are not available for this company or its industry. Certain segments, such as financial services, insurance companies, government agencies and public institutions, have distinctive financial reporting characteristics that do not allow for calculation of these measures.

Most Recent Financial Statement

As of 05/07/2015

As of May 7, 2015, outside sources confirmed operation and location.

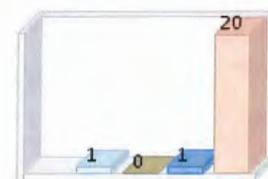
Indicators

Public Filings Summary

The following data includes both open and closed filings found in D&B's database on this company

Record Type	No. of Records	Most Recent Filing Date
Judgment	1	04/16/2007
Lien	0	
Suit	1	03/06/2006
UCC	20	08/28/2015

Public Filings



Bankruptcy Judgment Lien Suit UCC

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

Full Filings

Judgments

Status	Unsatisfied	Latest Info Received	07/09/2007
against	HOLMES MURPHY & ASSOCIATES and OTHERS	Type	Judgment
Where Filed	WOODBURY COUNTY SMALL CLAIMS AND ASSOCIATE COURT, SIOUX CITY, IA	Status Attained	04/16/2007
In Favor of	BARBARA DEMING	CASE NO.	03971 SCCV107330
		Date Filed	04/16/2007

Suits

Amount	\$3,000	Latest Info Received	03/27/2006
Status	Pending	CASE NO.	03971 SCCV107330
Where Filed	WOODBURY COUNTY SMALL CLAIMS AND ASSOCIATE COURT, SIOUX CITY, IA	Status Attained	03/06/2006
Plaintiff	BARBARA DEMING	Date Filed	03/06/2006
Defendant	HOLMES MURPHY & ASSOC AND OTHERS		
Cause	MONEY JUDGEMENT		

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

UCC Filings

Collateral	All Inventory - All Account(s) - All General intangibles(s) - All	Latest Info	03/24/2015
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Filing No.	E15014584-1	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	02/27/2015
Secured Party	BANKERS TRUST COMPANY, DES MOINES, IA		
Debtor	HOLMES, MURPHY AND ASSOCIATES, LLC		
Collateral	Accounts receivable and proceeds - Inventory and proceeds - Account(s) and proceeds - General intangibles(s) and proceeds - and OTHERS	Latest Info Received	09/15/2005
Filing No.	E697700	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	09/01/2005
Secured Party	BANKERS TRUST COMPANY, N.A., DES MOINES, IA		
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		
Filing No.	E10052334-2	Latest Info Received	09/08/2010
Original UCC Filed Date	09/01/2005	Type	Continuation
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	08/31/2010
Secured Party	BANKERS TRUST COMPANY, N.A., DES MOINES, IA	Original Filing No.	E697700
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		
Filing No.	E15054331-0	Latest Info Received	08/31/2015
Original UCC Filed Date	09/01/2005	Type	Termination
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	08/28/2015
Secured Party	BANKERS TRUST COMPANY, N.A., DES MOINES, IA	Original Filing No.	E697700
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		
Collateral	Accounts receivable and proceeds - Inventory and proceeds - Account(s) and proceeds - General intangibles(s) and proceeds - and OTHERS	Latest Info Received	09/15/2005
Filing No.	E697699	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	09/01/2005
Secured Party	BANKERS TRUST COMPANY, N.A., DES MOINES, IA		
Debtor	HMA, INC.		
Collateral	Computer equipment and proceeds - Business machinery/equipment and proceeds	Latest Info Received	01/28/2014
Filing No.	X14000008-2	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	01/02/2014
Secured Party	U.S. BANK EQUIPMENT FINANCE, MARSHALL, MN		
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC., OMAHA, NE		
Collateral	Communications equipment - Business machinery/equipment - Computer equipment	Latest Info Received	07/07/2008
Filing No.	X131412-6	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	06/06/2008
Secured Party	I2 LEASING, INC., DES MOINES, IA		
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		
Collateral	Leased Equipment including proceeds and products - Leased Computer equipment including proceeds and products - Leased Communications equipment including proceeds and products - Leased Business machinery/equipment including proceeds and products	Latest Info Received	01/03/2013
Filing No.	X12039261-6	Type	Original
		Date Filed	12/12/2012



Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA		
Secured Party	I2 LEASING, INC., DES MOINES, IA		
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		
Collateral	Leased Communications equipment including proceeds and products - Leased Computer equipment including proceeds and products - Leased Business machinery/equipment including proceeds and products	Latest Info Received	07/27/2009
Filing No.	X165294-3	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	07/06/2009
Secured Party	INFOMAX OFFICE SYSTEMS INC., CEDAR RAPIDS, IA		
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		
Collateral	Leased Communications equipment including proceeds and products - Leased Computer equipment including proceeds and products - Leased Business machinery/equipment including proceeds and products	Latest Info Received	09/07/2007
Filing No.	X103317-9	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	08/22/2007
Secured Party	I2 LEASING, INC., DES MOINES, IA		
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		
Collateral	Leased Equipment including proceeds and products	Latest Info Received	10/12/2005
Filing No.	P519514	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	10/06/2005
Secured Party	12 LEASING, INC., DES MOINES, IA		
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		
Filing No.	X059168	Latest Info Received	04/04/2006
Original UCC Filed Date	10/06/2005	Type	Amendment
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	03/29/2006
Secured Party	12 LEASING, INC., DES MOINES, IA	Original Filing No.	P519514
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		
Collateral	Leased Business machinery/equipment and proceeds - Leased Equipment and proceeds	Latest Info Received	06/05/2012
Filing No.	X12015344-3	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, DES MOINES, IA	Date Filed	05/14/2012
Secured Party	DCE FINANCIAL SERVICES, INC., CHICAGO, IL		
Debtor	HOLMES, MURPHY AND ASSOCIATES, INC.		

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed. Additional UCC and SLJ filings for this company can be found by conducting a more detailed search in our Public Records Database.

Commercial Credit Score

Summary

Credit Score Class



Incidence of Delinquent Payment

Among Companies with This Class	1.10%
Average Compared to All Businesses	10.20%
Credit Score Percentile	95
Credit Score	597
Number of Payment Experiences	55

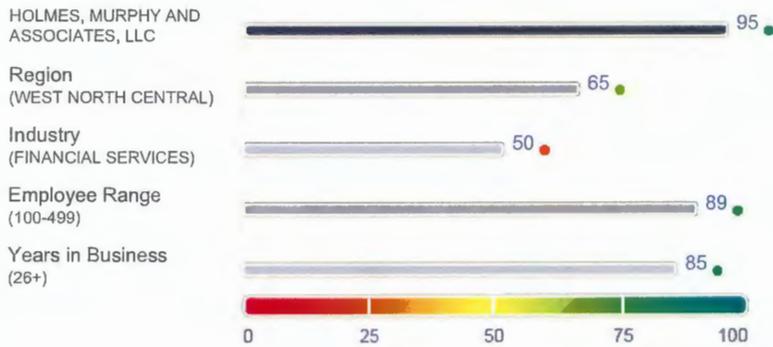
Key Factors

- Higher risk industry based on delinquency rates for this industry
- Evidence of open suits and judgments

Notes:

- The Credit Score Class indicates that this firm shares some of the same business and payment characteristics of other companies with this classification. It does not mean the firm will necessarily experience delinquency.
- The Incidence of Delinquent Payment is the percentage of companies with this classification that were reported 91 days past due or more by creditors. The calculation of this value is based on D&B's trade payment database.
- The Credit Score Percentile reflects the relative ranking of a firm among all scorable companies in D&B's file.
- The Credit Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Credit Score Percentile Norms Comparison



- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.
- Lower risk than other companies in the same employee size range.
- Lower risk than other companies with a comparable number of years in business.

Financial Stress Score

Summary

Financial Stress Class



Financial Stress Score Percentile

Financial Stress National Percentile	77
Financial Stress Score	1525
Probability of Failure with This Score	0.09%
Failure per 10K	9/10,000
Average Failure Rate within D&B database	0.48%
Failure per 10K	48/10,000
Number of Payment Experiences	55

Key Factors

- UCC Filings reported.
- High number of inquiries to D&B over last 12 months.
- Unstable Paydex over last 12 months.

Notes:

- The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.
- The probability of failure shows the percentage of firms in a given percentile that discontinue operations with loss to creditors. The average probability of failure is based on businesses in D&B's database and is provided for comparative purposes.
- The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&B's file.
- The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Financial Stress Percentile Comparison

HOLMES, MURPHY AND ASSOCIATES, LLC



Region (West North Central)



Industry (Financial Services)



Employee Range (100-499)



Years in Business (26+)



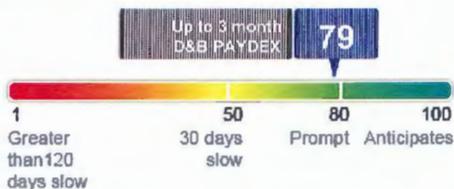
- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.
- Lower risk than other companies in the same employee size range.
- Similar risk compared to other companies with a comparable number of years in business.

Advanced Paydex + CLR

D&B PAYDEX®

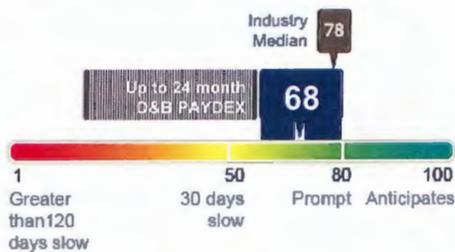
Shows the D&B PAYDEX scores as calculated up to 3 months and up to 24 months of payment experiences.

Up to 3 month D&B PAYDEX



When weighted by dollar amount, payments to suppliers average 2 Days Beyond Terms. Based on payments collected over last 3 months.

Up to 24 month D&B PAYDEX



When weighted by dollar amount, payments to suppliers average 17 days beyond terms. Based on payments collected up to 24 months.

When weighted by dollar amount, the industry average is 3 DAYS BEYOND terms.

- High risk of late payment (average 30 to 120 days beyond terms)
- Medium risk of late payment (average 30 days or less beyond terms)
- Low risk of late payment (average prompt to 30+ days sooner)

Payment Trend	unchanged*	Total Payment Experiences for the HQ	55	Highest Now Owing	\$200,000
Payments Within Terms	91%	Total Placed for Collection	0	Highest Past Due	\$85,000
Average High Credit	\$7,389	Largest High Credit	\$200,000		

* compared to payments three months ago

Credit Limit Recommendation

Risk Category



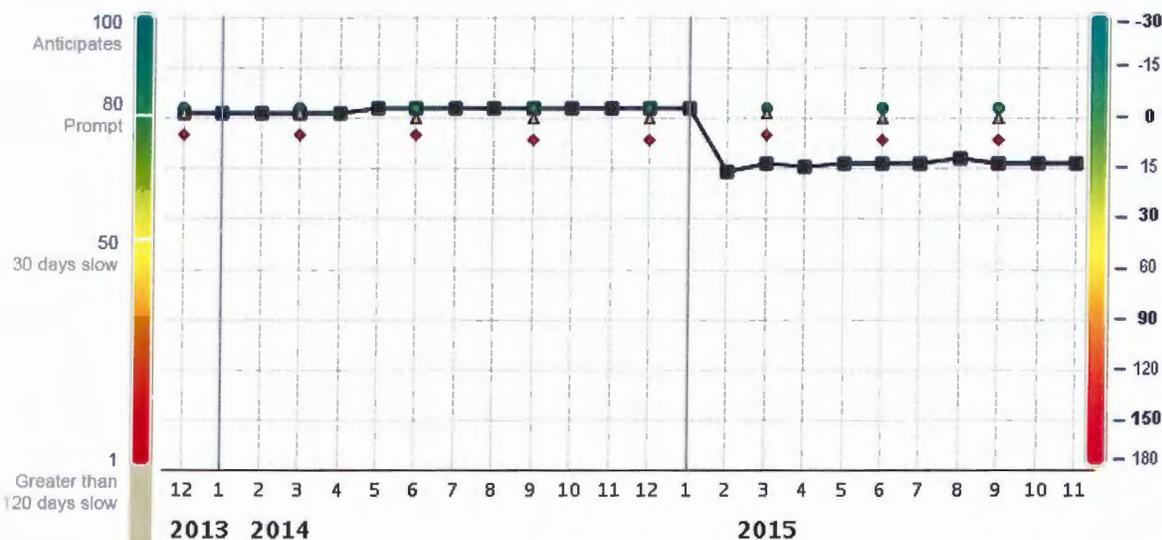
Recommendation Date	11/03/2015
Conservative Credit Limit	\$75,000
Aggressive Credit Limit	\$100,000

Key Factor

Risk is assessed using D&B's scoring methodology and is one factor used to create the recommended limits

PAYDEX Yearly Trend

Shows PAYDEX scores of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Insurance agent/broker, based on SIC code 6411.



	2013	2014	2015
This Business	79	79	68
Industry Quartiles			
Upper	80	80	80
Median	79	79	78
Lower	74	74	73

Note

- Current PAYDEX® for this Business is 68, or equal to 17 days beyond terms.
- The 24 month high paydex is 80.0, or equal to GENERALLY WITHIN terms.
- The 24 month low paydex is 66.0, or equal to 19 DAYS BEYOND terms.
- Industry upper quartile represents the performance of the payers in the 75th percentile.
- Industry lower quartile represents the performance of the payers in the 25th percentile.

Payment Habits

Credit Extended	% of Payments Within Terms	No. of Payment Experiences	Total Amount USD
Over \$100,000	50%	1	\$200,000
50,000-100,000	0%	0	0
15,000-49,999	100%	1	20,000
5,000-14,999	100%	2	10,000
1,000-4,999	100%	5	9,500
Under 1,000	86%	24	4,350

Based on up to 24 months of payments

Payment Summary

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

There are 55 payment experiences in D&B's file, with 31 experiences reported during the last three month period. The highest Now Owes on file is \$200,000. The highest Past Due on file is \$85,000.

All Industries



Industries	Total Received	Total Amounts	Largest High Credit	Within Terms (%)	Days Slow (%)			
					0-30	31-60	61-90	90+
Telephone communicatns	7	\$21,300	\$20,000	100	0	0	0	0
Misc business service	4	3,500	2,500	96	4	0	0	0
Misc business credit	4	3,100	250	100	0	0	0	0
Newspaper-print/publ	3	5,350	5,000	98	2	0	0	0
Misc equipment rental	3	250	250	100	0	0	0	0
Misc publishing	3	350	250	100	0	0	0	0
Mfg flour products	1	200,000	200,000	50	50	0	0	0
Public finance	1	5,000	5,000	100	0	0	0	0
Personal credit	1	2,500	2,500	100	0	0	0	0
Security broker/deal	1	1,000	1,000	100	0	0	0	0
Paper mill	1	500	500	50	50	0	0	0
Whol service paper	1	250	250	50	50	0	0	0
Whol office supplies	1	250	250	100	0	0	0	0
Reg misc coml sector	1	250	250	100	0	0	0	0
Whol office equipment	1	100	100	100	0	0	0	0
Lithographic printing	1	50	50	100	0	0	0	0
Short-trm busn credit	1	50	50	50	50	0	0	0
Whol electrical equip	1	50	50	100	0	0	0	0

Other Payment Categories

Category	Total Received	Total Dollar Amounts	Largest High Credit
Cash experiences	18	\$2,000	\$1,000
Payment record unknown	1	50	50
Unfavorable comments	0	0	0
Placed for Collection	0	0	0

Detailed Payment History

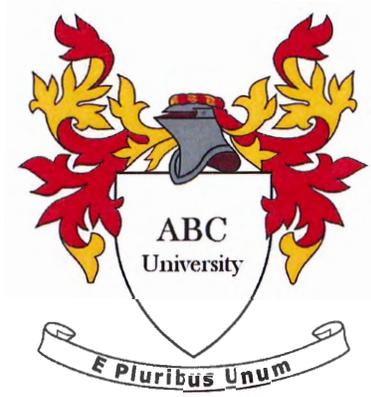
Date Reported	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale within(months)
October 2015	Ppt	\$0	\$0	\$0	N/A	1
	Ppt	0	0	0	N/A	2-3
	Ppt	5,000	5,000	0	N/A	1
	Ppt	250	250	0	Lease Agreemnt	
	Ppt	250	250	0	N30	1
September 2015	Ppt	0	250	0	N/A	1
	Ppt	0	2,500	0	N/A	1
	Ppt	20,000	15,000	0	N/A	1
	Ppt	2,500	0	0	N/A	4-5
	Ppt	2,500	1,000	0	N/A	1
	Ppt	1,000	1,000	0	N/A	1
	Ppt	1,000	1,000	0	N30	1
	Ppt	500	0	0	N/A	4-5
Ppt	250	0	0	N/A	4-5	

	Ppt	250	250	0	Lease Agreement	1
	Ppt	250	0	0	N/A	4-5
	Ppt	100	100	0	N/A	1
	Ppt	100	100	0	N/A	1
	Ppt	100	100	0	Lease Agreement	1
	Ppt	100	0	0	N/A	1
	Ppt	50	50	0	N/A	1
	Ppt	50	0	0	N/A	1
	Ppt	50	0	0	N/A	1
	Ppt	50	0	0	N/A	1
	Ppt-Slow 30	500	0	0	N/A	1
	Ppt-Slow 30	250	100	0	N/A	1
	Ppt-Slow 30	250	0	0	N/A	2-3
	Ppt-Slow 30	50	0	0	N/A	1
	Slow 30	100	0	0	N/A	6-12
	(031)	0	0	0	Sales COD	1
July 2015	(032)	1,000	0	0	Cash account	1
	(033)	100	0	0	Cash account	2-3
June 2015	Ppt	50	0	0	N/A	1
	(035)	50	0	0	Cash account	4-5
May 2015	(036)Satisfactory	250	0	0	N/A	1
	(037)	50	0	0	Cash account	1
	(038)	50	0	0	Cash account	1
	(039)	50	0	0	Cash account	1
	(040)	50	0	0	Cash account	1
	(041)	50	0	0	Cash account	1
April 2015	(042)	100	0	0	Cash account	1
March 2015	(043)	100	0	0	Cash account	1
November 2014	Ppt	50	0	0	N30	6-12
September 2014	(045)	50	0	0	N/A	1
August 2014	(046)	50	0	0	Cash account	4-5
	(047)	50	0	0	Cash account	1
July 2014	Ppt	5,000	0	0	N/A	1
	Ppt-Slow 30	200,000	200,000	85,000	N/A	1
	(050)	50	0	0	Cash account	1
	(051)	50	0	0	Cash account	1
	(052)	50	0	0	Cash account	1
April 2014	(053)	100	0	0	Cash account	1
	(054)	50	0	0	Cash account	1
February 2014	Ppt	0	0	0	N/A	1

Lines shown in red are 30 or more days beyond terms

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.



ABC University

**Incurred But Not Reported Reserve
December 31, 2015**



ABC University IBNR for 12/31/2015

We have completed our analysis of the incurred but not reported claim liability of ABC University's medical and prescription drug plans. Based on our calculations, ABC University should be holding approximately \$300,000 in IBNR reserves. This represents 7.5% of total annual paid claims. The results are detailed in the table below.

IBNR Calculation

The calculation depends on the data, methodology and assumptions which are described above.

	Medical	Rx	Dental
Avg. no. of months lag	1.10	1.10	1.10
Monthly paid claims	\$610.34	\$100.38	\$21.69
Trended to 12/31/2015	\$722.55	\$113.96	\$23.76
Headcount	1,984	1,984	1,786
IBNR (by benefit)	\$1,576,000	\$249,000	\$47,000
Run-out Admin Fees	\$157,000	\$0	\$11,000
Total	\$1,733,000	\$249,000	\$58,000
Total IBNR	\$2,040,000		

Methodology

There are four components utilized to determine the IBNR reserve:

- Average number of months lag
- Per employee per month claims cost (PEPM)
- Enrolled headcount
- Administration fees for processing of run-out claims (if applicable to the client contract)

To determine the reserve for the incurred but not reported claims, Holmes Murphy employs the following methodology:

- Headcount is determined by computing the average of the latest two months of enrolled headcount on the plan, utilizing the months from which the IBNR is generated.
- PEPM is calculated separately for medical, prescription drug, and dental claims utilizing the latest 48 months of claims and enrollment, if available. Enrollment is lagged for one month for the medical PEPM, zero months for prescription drug, and one month for dental. The resulting PEPM is then trended for the number of months required for the end of the period.
- The triangle lag report provided by the medical, prescription drug, and/or dental vendors is utilized to calculate the average percent of claims that have historically been paid in the month of incurred, the 1st month after, the 2nd month after, the 3rd month after, and so on. Weighted average is then applied to the results to create the "average number of months of lag".
- The administrative fee required to process the run-out claims is determined by the Administrative Services contract. Typically, the fee is payable for three months based on the most recent enrolled headcount, but this can vary by contract.

Assumptions & Data

The following assumptions were used when performing the reserve calculation:

- Monthly claims, enrollment data, and paid-and-incurred triangle reports are directly provided by BCBS of Texas. The data is complete and accurate through December 2015. When the data is not equal to the effective date, then the results are trended forward accordingly.
- The calculated trend rate is based on a regression analysis of actual monthly claims and enrollment (PEPM), resulting in a 5.3% trend for medical, 12.8% for pharmacy and 5.0% for dental. When projecting into future months, the national average trend rates are used and assumed to continue at that level in the future. The national trend rates are 7.8% for medical and 12.1% for pharmacy.
- There are no additional loads for conservatism or loss adjustment expenses in the calculation.

Reasonableness of Results

Two tests were considered in determining the reasonableness of our results:

1. Actual run-out can vary significantly from month to month depending upon unknown, outstanding claims. There is no exact IBNR level that can be guaranteed with 100% certainty. Rather, embedded with each reserve estimate is a probability that the actual claims run-out will be higher or lower than that estimate. Although the data is limited, the IBNR for Med & Rx at \$174k would have covered



78% of the months from Jan 2015 to Dec 2015. We feel that this is within the realm of reasonability and justifiability.

2. Another measure is viewing the IBNR reserve as a multiple of the average monthly claims. Historically, that number used to be about 2.5, and then as claims adjudication became more and more automated, that number declined to 2.0, then 1.75. Now, most of our clients are between 0.8 - 1.6. If we take the monthly average claims for Med & Rx over the past 36 months, we get \$142,000. Our IBNR for Medical and Rx of \$174,000 is thus reasonable with a multiple of 1.22

CERTIFICATION AND INDEPENDENCE

To reach this opinion, I have relied on data received from ABC University, CIGNA, and Delta Dental the plan's claims administrators. I have not audited this data but have checked it for general reasonableness. All assumptions and methodologies used are in accordance with accepted actuarial standards and make good and sufficient provisions for all unpaid claims and other actuarial liabilities under the terms of the plan.

I do not have and have never had any direct financial interest in ABC University or any of its affiliates. I have never worked as an officer, director or employee of ABC University. I am an Associate in the Society of Actuaries and a Member of the American Academy of Actuaries.

Sincerely,

Shawn McGhee, ASA, MAAA
Consulting Actuary
Holmes Murphy & Associates



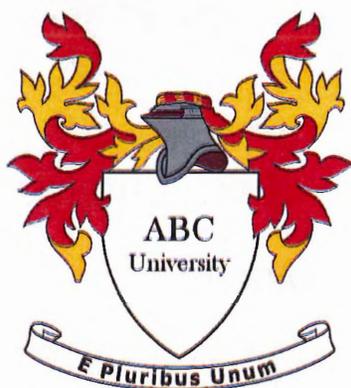
Proprietary Information

RFP 5297 Z1

ROI Considerations for ABC COMPANY

Enterprise

15 pages



ABC University

ABC University

Actuarial Report for Plan Year '15-'16

January, 2016



EXHIBIT 1 – ACTUARIAL CERTIFICATION

I, Mark Van Buskirk, am Chief Actuary with Holmes Murphy & Associates. I have been retained by the ABC University to provide the actuarial opinion required by the state. I am not an employee of the state; I am an associate of the Society of Actuaries and a member of the American Academy of Actuaries; therefore I meet the qualification standards described in the regulations for providing such an opinion. This opinion is based on the results of the plan year ending October 31, 2015.

Based on my analysis of the information provided by the plan sponsor and the third party administrator, it is my opinion that:

- The financial position of the State is sound on an expected basis as of October 31, 2015. By that I mean that the premiums plus assets are enough to cover the expected claims, expenses, and IBNR reserve. And the State passes all of the tests required by the state policy.
- The State's level of specific and aggregate stop-loss insurance combined with its surplus provide adequate protection against all expected contingencies but not all possible contingencies. The specific stop-loss level of \$250,000 is appropriate and the 24/12 contract with a terminal liability rider combined with a reserve for claims incurred but not reported satisfies the regulation's 12/15 minimum requirement and the aggregate insurance satisfies the minimum 125% of expected claims requirement.
- The projected premium income for PY '15-'16, the Supplemental Contribution Fund and the other plan assets exceed both the expected and maximum liability and expenses.
- The fund balance (the plan assets minus the plan liabilities) is more than the required \$500,000.

The information used in this report was provided by the plan sponsor, the State, and the third party administrators. I have not audited any data but have checked it for general reasonableness. We do not accept responsibility for the accuracy or completeness of the data on which this report is based.

All assumptions and methodologies used are in accordance with generally accepted actuarial standards and are based on actuarial requirements of the State's policy.

Mark Van Buskirk PhD, ASA, MAAA
Chief Actuary



ABC University

EXHIBIT 2 – STATEMENT OF THE COST OF COVERAGE

The following monthly costs disclose all of the fixed fees that are expected to be charged against the State during the plan year ending October 31, 20154. This table satisfies requirement 1-68-2(b) (8) of the State policy.

<u>Medical</u>	
Administration Fee (medical, prescription drug, UR, PPO)	\$43.66
Specific stop-loss insurance	\$44.55
Aggregate stop-loss premium	\$1.03
Professional and State Fees	\$36.03
Total PEPM	\$125.27
Expected total enrollment	1,699
Total Medical Fees	\$2,553,975
<u>Dental</u>	
Administration Fee	\$2.62
Expected total enrollment	1,620
Total dental fees	\$50,933
TOTAL FIXED CHARGES	\$2,604,908

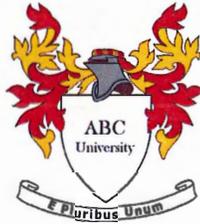


ABC University

EXHIBIT 3 – PROJECTED MAXIMUM CLAIM LIABILITY

The maximum liability shows the maximum cost exposure that the State could experience in a given plan year. This is not the absolute maximum, however, since the dental plan does not have aggregate stop-loss coverage. Theoretically, the dental plan’s maximum exposure would be the number of members times the plan’s annual maximum. But it would be overly conservative to use such a large number to test financial soundness. Thus, we follow the same convention as the medical aggregate stop-loss and use 115% of expected claims keeping in mind that that is not a “true” maximum. This is certainly reasonable as dental claims are much more predictable than medical claims.

<u>Medical Maximum Claim Liability</u>	
Attachment points	
Single	\$938.71
Family	\$938.71
Enrollment	
Single	903
Family	796
Maximum Annual Liability	\$19,138,419
<u>Dental Maximum Claim Liability</u>	
Actual Dental Claims (PY '14-'15)	\$1,003,355
Avg. Enrollment (Lagged 1 Month)	1,659
PEPM	\$50.40
Trend (6%)	<u>\$3.02</u>
Projected PEPM	\$53.42
Projected Enrollment	1,620
Projected Dental Claims (PY '15-'16)	\$1,038,554
115% of Claims	\$1,194,337
Total Maximum Claim Liability	\$20,332,757



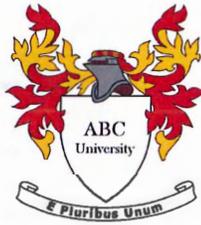
ABC University

EXHIBIT 4 – PLAN YEAR '15-'16 PROJECTED PREMIUM INCOME

The projected premium income for plan year '15-'16 was calculated by multiplying the premiums by the current enrollment. Actual income will vary depending on how the enrollment varies by tier and plan throughout the year.

Note that these rates were set to cover the expected cost of the plan, not the maximum cost which is 115% of the expected cost. So the rates will not be sufficient to cover the maximum liability.

	Enrollment	PY '14-'15 Premiums
\$300 Deductible PPO		
Single	129	\$675
Family	151	\$1,841
\$700 Deductible PPO		
Single	62	\$577
Family	51	\$1,574
\$1,500 Deductible PPO		
Single	674	\$423
Family	553	\$1,223
High Deductible Health Plan (HDHP)		
Single	3	\$419
Family	1	\$1,211
\$3,000 Deductible PPO		
Single	35	\$397
Family	40	\$1,178
Dental		
Single	767	\$34
Family	853	\$90
Total Annual Premium		\$19,306,392



ABC University

EXHIBIT 5 – ASSET SUMMARY

The asset summary not only shows the value of the assets at 10/31 but also shows how those assets are segmented into the supplemental contribution fund and other plan assets. Again the regulations establish the supplemental contribution fund to cover the claims exposure between the premiums that were set to cover the "expected" claims liability and the "maximum" claims liability. The supplemental contribution fund required for plan year '15-'16 is highlighted in green.

	<u>As of 10/31/15</u>	<u>Required for PY '15-'16</u>	<u>Change</u>
Supplemental Contribution Fund	\$4,095,502	\$3,631,273	(\$464,229)
Other Plan Assets	\$3,252,167	\$3,716,396	\$464,229
Total	\$7,347,669	\$7,347,669	\$0



ABC University

EXHIBIT 6 – PROJECTION OF CASH FLOW FOR PY '15-'16

This table takes the assets at the beginning of the year and projects them to the end of the year on two bases: one using the expected claims liability and the other using the maximum claims liability. Whereas the maximum is a “worst-case scenario”, the expected is a more realistic projection of the assets. In both cases, it is clear to see that the projected assets at the end of the year should be sufficient to cover all reasonable contingencies. This table satisfies the projection portion of requirement 1-68-2(b) (2) of the State policy.

	<u>Expected</u>	<u>Maximum</u>
Plan assets as of 10/31/2015	\$7,347,669	\$7,347,669
Projected claim liability	(\$17,680,658)	(\$20,332,757)
Administration expenses	(\$2,604,908)	(\$2,604,908)
Premium for the '15-'16 plan year	\$19,306,392	\$19,306,392
Investment income	\$240,033	\$193,621
Estimated plan assets as of 10/31/2016	\$6,608,528	\$3,910,018



ABC University

EXHIBIT 7 – MINIMUM FUND BALANCE AT 10/31/2015

Policy 1-68-10 requires that the minimum fund balance be at least \$500,000. The minimum fund balance is defined to be the difference between the plan assets and the liabilities.

Total Assets	
Fair market value of investments	\$7,347,669
Accrued premium income	\$0
Accrued stop-loss reimbursements owed to plan	\$0
Total plan assets	\$7,347,669
Total Liabilities	
Incurred but not reported reserve	\$1,544,000
Deferred contributions	\$627,997
Other liabilities	\$176,525
Total liabilities	\$2,348,522
Fund Balance as of 10/31/2014	\$4,999,147



ABC University

EXHIBIT 8 – RECOMMENDED LEVEL OF STOP-LOSS INSURANCE

Specific Stop-Loss Coverage

The \$250,000 stop-loss level is appropriate given the level of assets in the State. An important issue with health care reform is the maximum level of specific stop-loss coverage. Whereas in the past, plans usually had lifetime benefit maximums of \$1M or \$2M, health care reform requires a plan to be unlimited. Thus it is important that the specific stop-loss coverage not have a lifetime maximum as well. It is our understanding that the State's policy does not have a maximum and the State is completely protected for all claims above \$250,000, and thus the level of coverage is adequate.

Aggregate Stop-Loss Coverage

Since the SCF will cover a bad claims year up to the aggregate stop-loss coverage, by definition, the coverage should be adequate. Also, the 115% is within the 125% required by the State policy. Therefore, we feel that the aggregate stop-loss coverage is adequate.

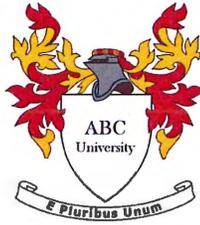


ABC University

EXHIBIT 9 – CALCULATION OF THE INCURRED BUT NOT REPORTED RESERVE

There are three components of the IBNR reserve: the number of months lag, the per-employee-per-month claims and the headcounts (highlighted in blue). The number of months of lag was calculated by finding the historical average based on a claims lag report. For the PEPM, the last 48 months of claims were taken and trended forward to the end of the plan year. The headcount used was the average of the last two months of the plan year, the two months that are most likely to produce the run-out claims. The IBNR then was just the multiplication of these three components.

	Medical	Rx	Dental
Avg. number of months lag	1.34	0.73	0.73
Monthly paid claims (last 48 months)	\$557.58	\$150.32	\$51.78
Trended to 10/31/2015	\$559.77	\$151.51	\$52.05
Headcount (avg. of last 2 months)	1,724	1,724	1,654
IBNR (claims)	\$1,290,000	\$191,000	\$63,000
Total	<u>\$1,290,000</u>	<u>\$191,000</u>	<u>\$63,000</u>
Total IBNR	<u>\$1,544,000</u>		



ABC University

EXHIBIT 10 – METHODS AND ASSUMPTIONS

Experience Period	11/1/2014 – 10/31/2015
Exposure Period	11/1/2015 – 10/31/2016
Medical Trend	7.9%
Rx Trend	12%
Dental Trend	6%
Return on Assets	3.5%
IBNR Calculation Method	Described in Exhibit 9

EXHIBIT 11 – CONCLUSION

The financial condition of the State improved significantly from last year. The level of assets increased over the year and now are not only more than adequate to cover all reasonable expected contingencies but cover all maximum contingencies as well (assuming the maximum dental claims are as describe in section 3). In regards with State policy, the State is at a sound level.

Proprietary Information

RFP 5297 Z1

Health Plan Report

72 pages

Proprietary Information

RFP 5297 Z1

Sample Implementation Timeline

17 pages

TAB 9 – BIDDER EXPERIENCE

Your Holmes Murphy team manages employee benefits for numerous public entity clients with diverse benefit plans and employee populations. This team is experienced with presenting to School Boards, City Councils, and Commissioner Courts. Our consultants understand the unique challenges faced by public entities from budgetary restrictions to the high visibility and scrutiny of your decisions. The expertise of our team makes Holmes Murphy uniquely qualified to partner with the State of Nebraska. Our consultants bring their diverse experiences together to find innovative solutions for their clients.

Our experience includes conducting employee clinic feasibility studies and negotiating direct contracts with 3rd party clinics. We excel at implementing and improving wellness programs for public sector employers. Our actuaries will use our proprietary budget model to forecast your benefit budget and assist you with determining your annual benefit rates. Our compliance team will keep you up to date on new regulations and ensure your benefit plans are in compliance.

We have extensive experience in the public entity purchasing and procurement process and have developed a very streamlined and efficient method. We will act on your behalf to negotiate the best balance of cost and services. Our team understands how RFPs operate, how renewals should be managed, and we know the pitfalls to avoid. We will monitor performance guarantees, ongoing reporting requirements, and manage service issues. The relationships we've built in the insurance industry, our growing market share and customer base, and our proven history of results have led to our representatives being included on the National Advisory Councils for Aetna, BCBS National Consortium, CIGNA, and United HealthCare. This involvement gives us valuable insights into the products and strategic directions these insurers are contemplating, as well as access to the decision-makers who are shaping our national policy on healthcare.

We are confident that you can pick up the phone today and call any of the medical or ancillary vendors in the marketplace and hear great things about Holmes Murphy. Our partnership and collaborative work style translates to better outcomes for you as the client.

City of Dallas

Holmes Murphy has been the health and welfare benefits consultant for the City of Dallas for three years. Our consultant relationship began in 2013 and is currently ongoing. The City of Dallas has approximately 12,000 employees (20,000 covered lives). Dallas, located in North Texas, is the 9th largest city in the United States and the 3rd largest in Texas. The current population of Dallas in 2014 is estimated at 1.28 million. Additionally, we have worked with the Dallas Police and Fire Union on their Meet and Confer Process for the last three years as their employee benefits consultant.

Some of the services we provide for the City of Dallas include:

- Long term Strategic Consulting services
- Tactical day to day advisory work
- RFP analysis and vendor negotiations
- Claims audit
- Actuarial work including - GASB 45 valuations & IBNR estimates
- Monthly reporting
- Health Care Reform consulting
- Voluntary benefits consulting
- Open enrollment – communications material, meetings
- SPDs.

Contact Information:

Holmes Murphy
David Gibson, CEBS
Vice President, Client Service
(214) 265.6656
dgibson@holmesmurphy.com



Texas Instruments

As a global semiconductor company operating in 35 countries, Texas Instruments (TI) are problem-solvers collaborating to change the world through technology.

Holmes Murphy has been pleased to serve TI as their health and welfare benefits consultant since 2012. With 30,000 employees, Holmes Murphy has been influential in strategizing, marketing, and managing benefit programs for almost 60,000 lives. Not an easy task, but a very rewarding one.

Some of the services we provide TI include:

- Long term Strategic Consulting services
- Tactical day to day advisory work
- RFP analysis and vendor negotiations
- Claims audit
- Actuarial work
- Monthly reporting
- Health Care Reform consulting
- Voluntary benefits consulting
- Open enrollment – communications material, meetings
- SPDs

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