

MWCARP Servicing Carrier RFP - 2019

Amendment #2

Synopsis of ADDITIONAL Written Questions & Answers

1. **All questions regarding whether portal access for policyholders and agents is optional?**

The Servicing Carrier is required to provide an electronic request and delivery portal as is outlined in the Servicing Carrier Operational Guidelines, Part A – Policy Issuance Services, Section 19.

2. **All questions regarding how many applications are sent to the Servicing Carrier without a FEIN or SSN?**

We don't have a specific data count for the total number of applications that are processed without the FEIN or SSN. However, we estimate it to be about 35% of all applications.

3. **All questions regarding what percentage of Plan policies are currently being charged a Service Fee by the insurance producer?**

We don't have a specific data count for the total number of Plan policies with a Service Fee. However, there are three different insurance agencies that consistently submit applications that include a Service Fee. We estimate the number of policies with a Service Fee to be around 5% of all policies.

4. **All questions regarding which carriers have expressed an interest in bidding?**

We don't believe it would be appropriate to disclose the names of the entities that have expressed an interest in the Servicing Carrier RFP, however, there is a total of 8 entities that have expressed interest.

5. **All questions regarding specific line items on the Monthly Transaction Report (MTR) as it relates to "Claim Fees – VOIDS" and whether the Service Carrier is responsible for filing and paying the Premium Tax.**

Our preference is that Claim Fees be shown on a gross level, so any VOIDS must be shown as well. The zero balance for VOIDS shown on the sample MTR is because for that month, the Servicing Carrier did not have any VOIDS.

With respect to Premium Taxes, these are expenses that are reimbursed by the Plan via the MTR process. The Servicing Carrier to pay/file these taxes on a quarterly basis on behalf of the Plan. That is why it showed as a zero balance on the sample MTR that was provided to all potential bidders.

6. All questions regarding the Minnesota Basic Manual – Rule 3.A.13.b. – Audit Noncompliance Charge (ANC) and its use by the Plan.

Plan policyholders are subject to this Basic Manual rule. The Plan does not deviate from this Rule, however, while it is not reflected in the Servicing Carrier Operational Guidelines, ANC charges that are less than \$2,000 are not turned over to the Plan's premium collection vendors due to the high level of audit compliance that results from the ANC being applied.