REQUEST FOR PROPOSALS

FOR

ACTUARIAL SERVICES RELATING TO HEALTH CARE COSTS AND BENEFITS INCLUDING SERVICES FOR THE VALUATION OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

FOR

THE

ALABAMA RETIRED EDUCATION EMPLOYEES' HEALTH CARE TRUST

AND

PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE PLAN

PERFORMED FOR THE

FISCAL YEARS 2026-2030

RFP 25-009

Issue Date: April 25, 2025

THIS RFP CONTAINS INFORMATION UNDER THE FOLLOWING HEADINGS:

SECTION I—General Information for the Proposer

A. Purpose
B. Background
C. Description of the Trust's Management
D. Other Information
E. Proposal Opening
F. Delivery Schedule
G. Payment Schedule
H. Selection of Firm
I. Economy of Preparation
J. News Releases
K. Addenda to the RFP
L. Contact Point
M. Minimum Qualifications
N. State of Alabama Contract Requirements
O. Confidentiality

SECTION II—Nature of Services Required

A. Purpose
B. Required Services

SECTION III-- Information Required from Proposers

SECTION IV-- Criteria for Evaluation

A. Evaluation Process
B. PEEHIP Rights
C. Cost and Price Analysis
D. Proposal Evaluation Form
E. Proposal Form

SECTION V--Attachments

A. State of Alabama Disclosure Statement (Required by Act 2001-955)
B. Immigration Compliance Certificate
C. Bidder Profile Form
D. Bidder Reference Form
E. IRS Form W-9
F. Certification of Bidder or Proposer
G. Non-Disclosure Agreement
H. E-Verify Memorandum of Understanding
I. Sample RSA State Contract
J. RSA Third Party Vendor Security Checklist
K. Business Associate Agreement

SECTION I—GENERAL INFORMATION FOR THE PROPOSER

A. PURPOSE:

REQUEST FOR PROPOSALS:

The purpose of this Request for Proposals (RFP) is to solicit proposals from qualified firms to provide actuarial services to the Public Education Employees' Health Insurance Plan (PEEHIP) and the Alabama Retired Education Employees' Health Care Trust (Trust), consisting primarily of annual actuarial services for the valuation of Other Post-Employment Benefits (OPEB) for the Trust in compliance with the requirements for Governmental Accounting Standards Board (GASB) 74 and 75.

B. BACKGROUND:

The Alabama Retired Education Employees' Health Care Trust (Trust) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan trust that sponsors healthcare benefits to the retirees of participating state and local educational institutions. The Trust was established under the Alabama Retiree Health Care Funding Act of 2007, which was codified at Code of Alabama 1975, Sections 36-36-1 thru 36-36-11 and which authorized and directed the Public Education Employees' Health Insurance Board (Board) to create an irrevocable trust to fund postemployment healthcare benefits to retirees. Health insurance benefits for active and retired Alabama public education employees are provided through PEEHIP and paid out of the Public Education Employees' Health Insurance Fund (PEEHIF). In order to comply with the reporting requirements of GASB Statement No. 75, *Financial Reporting for Postemployment Benefits Other Than Pensions*, the contributions and benefit payments related to retirees that are processed through the PEEHIF are segregated from the PEEHIF and reported as part of the Trust. In accordance with GASB, the Trust is considered a component unit of the State of Alabama (State) and is included in the State's Annual Comprehensive Financial Report.

PEEHIP and PEEHIF were established in 1983 by the Alabama Legislature under the provisions of Act 83-455 to provide a uniform plan of health insurance for active and retired employees of state and local educational institutions which provide instruction at any combination of grades K-14 (collectively, eligible employees), and to provide a method for funding the benefits related to the plan. The four-year universities participate in the plan with respect to their retired employees and are eligible and may elect to participate in the plan with respect to their active employees. (At this time, only two universities have elected to participate in the plan with respect to their active employees.) Responsibility for the establishment of the health insurance plan and its general administration and operations is vested in the PEEHIP Board of Control (Board). The Board is a corporate body for purposes of management of the health insurance plan. The *Code of Alabama 1975, Section 16-25A-4* provides the Board with the authority to amend the benefit provisions in order to provide reasonable assurance of stability in future years for the plan. All assets of the Trust are held in trust for the payment of post-employment health care benefits. The Board has been appointed as the administrator of the PEEHIF and the members of the Board serve as the Trustees of the Trust.

The assets of the Trust may not be used for any purpose other than to acquire permitted investments, pay administrative expenses, and provide postemployment healthcare benefits to or for retired employees and their dependents. The Board periodically reviews the funds available in the PEEHIF

and determines if excess funds are available. If excess funds are determined to be available in the PEEHIF, the Board may authorize a transfer of funds from the PEEHIF to the Trust.

As of September 30, 2024, there were 199 participating employers and 11 participating universities in PEEHIP, and as of the latest actuarial valuation, there were 135,931 active members, 100,462 retired members or participating spouses of retirees, and 2,557 participating survivors.

The PEEHIP offers a basic hospital medical plan to active members and non-Medicare eligible retirees. Benefits include inpatient hospitalization for a maximum of 365 days without a dollar limit, inpatient rehabilitation, outpatient care, physician services, and prescription drugs.

Active employees and non-Medicare eligible retirees who do not have Medicare eligible dependents can enroll in a health maintenance organization (HMO) in lieu of the basic hospital medical plan. The HMO includes hospital medical benefits, dental benefits, vision benefits, and an extensive formulary. However, participants in the HMO are required to receive care from a participating physician in the HMO plan.

The PEEHIP offers four optional plans (Hospital Indemnity, Cancer, Dental, and Vision) that may be selected in addition to or in lieu of the basic hospital medical plan or HMO. The Hospital Indemnity Plan provides a per-day benefit for hospital confinement, maternity, intensive care, cancer, and convalescent care. The Cancer Plan covers cancer disease only and benefits are provided regardless of other insurance. Coverage includes a per-day benefit for each hospital confinement related to cancer. The Dental Plan covers diagnostic and preventive services, as well as basic and major dental services. Diagnostic and preventive services include oral examinations, teeth cleaning, x-rays, and emergency office visits. Basic and major services include fillings, general aesthetics, oral surgery not covered under a Group Medical Program, periodontics, endodontics, dentures, bridgework, and crowns. Dental services are subject to a maximum of $1,250 per year for individual coverage and $1,000 per person per year for family coverage. The Vision Plan covers annual eye examinations, eye glasses, and contact lens prescriptions.

PEEHIP members may opt to elect the PEEHIP Supplemental Plan as their hospital medical coverage in lieu of the PEEHIP Hospital Medical Plan. The PEEHIP Supplemental Plan provides secondary benefits to the member's primary plan provided by another employer. Only active and non-Medicare retiree members and dependents are eligible for the PEEHIP Supplemental Plan. There is no premium required for this plan, and the plan covers most out-of-pocket expenses not covered by the primary plan. The plan cannot be used as a supplement to Medicare, the PEEHIP Hospital Medical Plan, or the State or Local Governmental Plans administered by the State Employees' Insurance Board (SEIB).

The *Code of Alabama 1975, Section 16-25A-8* and the *Code of Alabama 1975, Section, 16-25A-8.1* provide the Board with the authority to set the contribution requirements for plan members. Additionally, the Board is required to certify to the Governor and the Legislature the amount, as a monthly premium per active employee, necessary to fund the coverage of active and retired member benefits for the following fiscal year. The Legislature then sets the premium rate in the annual appropriation bill.

For employees who retired after September 30, 2005, but before January 1, 2012, the employer contribution of the health insurance premium set forth by the Board for each retiree class is reduced by 2% for each year of service less than 25 and increased by 2% for each year of service over 25 subject to adjustment by the Board for changes in Medicare premium costs required to be paid by a

retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree.

For employees who retired after December 31, 2011, the employer contribution to the health insurance premium set forth by the Board for each retiree class is reduced by 4% for each year of service less than 25 and increased by 2% for each year over 25, subject to adjustment by the Board for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree. For employees who retired after December 31, 2011, who are not covered by Medicare, regardless of years of service, the employer contribution to the health insurance premium set forth by the Board for each retiree class is reduced by a percentage equal to 1% multiplied by the difference between the Medicare entitlement age and the age of the employee at the time of retirement as determined by the Board. This reduction in the employer contribution ceases upon notification to the Board of the attainment of Medicare coverage.

Effective January 1, 2023, United Health Care (UHC) Group replaced the Humana contract for Medicare eligible retirees and Medicare eligible dependents of retirees. The Medicare Advantage Prescription Drug Plan (MAPDP) is fully insured by UHC, and members are able to have all of their Medicare Part A, Part B, and Part D (prescription drug coverage) in one convenient plan. With the UHC plan for PEEHIP, retirees can continue to see their same providers with no interruption and see any doctor who accepts Medicare on a national basis. Retirees have the same benefits in and out-of-network and there is no additional retiree cost share if a retiree uses an out-of-network provider and no balance billing from the provider.

Each year, as noted above, the State specifies the monthly amount that participating school systems must contribute for each active employee. The monthly amount for fiscal year 2025 is $800 per active employee. In accordance with the 2020 budget established by the Alabama Legislature, participating school systems paid the required monthly amount of $800 on behalf of each active employee. In addition to the employer payments each month, retirees are required to pay certain premium amounts. The required retiree monthly contribution rates for calendar year 2025 are as follows:

Retired Member Rates

Coverage Tier	Premium if Retiree Subscriber is NME	Premium if Retiree Subscriber is ME
Individual Coverage	$200	$25
Family Coverage:		
Non-Medicare-eligible (NME) dependent(s) but no spouse	$455	$280
NME dependent(s) & NME spouse	$555	$380
NME dependent(s) & Medicare-eligible (ME) spouse	$455	$280
NME spouse only	$530	$355
ME spouse only	$265	$90
Non-spousal ME dependent only	$265	$90
Non-spousal ME dependent& ME spouse	$330	$155

-Tobacco surcharge - $50 per month
-PEEHIP Supplemental Plan - $0

-Optional Plans (Hospital Indemnity, Cancer, Dental, Vision) – up to two optional plans can be taken by retirees at no cost if the retiree is not also taking one of the Hospital Medical Plans. Otherwise, retirees can purchase the Optional Plans at the normal monthly rate of $38 or $50 for family dental.

-Members who retired on or after October 1, 2005, and before January 1, 2012, pay 2% of the employer premium for each year under 25 years of service, and for each year over 25 years of service, the retiree premium is reduced by 2%.

-Employees who retire on or after January 1, 2012, with less than 25 years of service, are required to pay 4% for each year under 25 years of service. Additionally, non-Medicare eligible employees who retire on or after January 1, 2012 are required to pay 1% more for each year less than age 65 (age premium) and to pay the net difference between the active employee subsidy and the non-Medicare eligible retiree subsidy (subsidy premium). When the retiree becomes Medicare eligible, the age and subsidy premiums no longer apply. However, the years of service premium (if applicable to the retiree) will continue to be applied throughout retirement. These changes are being phased in over a five-year period.

Surviving Spouse Rates Effective 1/1/2025 – 12/31/2025

-Surviving Spouse Non-Medicare Eligible - $1,001
-Surviving Spouse Non-Medicare Eligible and Dependent Non-Medicare Eligible - $1,586
-Surviving Spouse Non-Medicare Eligible and Dependent Medicare Eligible - $1,367
-Surviving Spouse Medicare Eligible - $260
-Surviving Spouse Medicare Eligible and Dependent Non-Medicare Eligible - $1,091
-Surviving Spouse Medicare Eligible and Dependent Medicare Eligible - $520

C. DESCRIPTION OF THE TRUST'S MANAGEMENT:

The Trust is under the management of the Trustees of the Alabama Retired Education Employees' Health Care Trust. The Trustees, by statute, are the members of the Boards of Control of the Teachers' Retirement System of Alabama (TRS) and PEEHIP. The TRS Secretary-Treasurer is also the Chief Executive Officer (CEO) of the Trust. Several other administrative personnel are shared between TRS, PEEHIP and the Trust. This has allowed greater efficiencies by consolidating operations of the organizations by function.

D. OTHER INFORMATION:

Additional terms and conditions applicable to, and hereby incorporated within, this RFP and all proposals submitted in response to this RFP are located at https://www.rsa-al.gov/about-rsa/itb-rfp/ and titled:

- RSA Reservation of Rights and Requirements for ITBs and RFPs
- RSA Standard Terms and Conditions for Solicitations and Contracts
- RSA Procedures for Resolution of Controversies

By submitting a proposal, all proposers are deemed to have agreed to all terms and conditions included within the above documents unless a proposer provides RSA with a document clearly stating its exceptions to any term or condition, along with a detailed justification therefor.

Other documents that are considered as part of this RFP may be located via the Internet as follows:

https://www.rsa-al.gov/ - RSA home page

https://www.rsa-al.gov/peehip/ - PEEHIP Member home page
https://www.rsa-al.gov/employers/peehip/ - PEEHIP Participating Employer home page
https://www.rsa-al.gov/employers/financial-reports/ - PEEHIP Financial Reports home page

1. Alabama Retired Education Employees' Health Care Trust financial statements
2. Alabama Public Education Employees' Health Insurance Plan Report of Actuary on the Retiree Health Care Valuation
3. PEEHIP Publications:
    a. Member Handbook
    b. PEEHIP Summary Plan Description
    c. Retirees with Medicare
    d. PEEHIP Hospital Medical Matrix of Benefits
    e. Supplemental Medical Plan Matrix
    f. Optional Plan Booklet
    g. Optional Plan Brochure
    h. VIVA Health Plan Matrix of Benefits

E. PROPOSAL OPENING:

Please submit six printed copies, along with one (1) optional redacted copy (see below for redaction requirements), and a digital copy on a USB drive in a sealed wrapper with the following plainly marked on the front:

ALABAMA RETIRED EDUCATION EMPLOYEES' HEALTH CARE TRUST (TRUST) and
PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE PLAN
ACTUARIAL SERVICES RELATING TO HEALTHCARE COSTS AND BENEFITS INCLUDING SERVICES FOR THE VALUATION OF POST-EMPLOYMENT BENEFITS (OPEB)
RFP 25-009
OPENING June 20, 2025

Proposals will be sent to:

Via UPS or FedEx:

Diane E. Scott, CPA
Chief Financial Officer
Retirement Systems of Alabama
201 South Union Street
Montgomery, Alabama 36104-0001

Via US Mail:

Diane E. Scott
Chief Financial Officer
Retirement Systems of Alabama
PO Box 302150
Montgomery, Alabama 36130-2150

Proposals may be hand delivered to Room 792 of the Retirement Systems Building, 201 South Union Street, Montgomery, Alabama. Proposals will be accepted until 3:00 p.m. on June 20, 2025 and opened at that time. Proposals will not be accepted after this time. PEEHIP reserves the right (but has no obligation) to reject any and all responses to this RFP, to waive minor variances in proposals, and to modify the RFP or extend its timeline. Questions related to this RFP may be addressed to Taylor Benefield at taylor.benefield@rsa-al.gov. Questions must be received by 3:00 p.m., May 9, 2025.

All responses to this solicitation may be subject to public disclosure upon request. Proposers should be aware of the Open Records Act (Ala. Code §36-12-40), the Alabama Trade Secrets Act (Ala. Code §8-27-1 to 8-27-6), and the Public Record Status of Certain Procurement Information statute (Ala. Code §41-4-115).

Any response submitted that contains confidential, trade secret, or proprietary commercial information must be clearly marked on the outside as containing confidential information, and each page upon which confidential information appears must be clearly marked as such. Identification of an entire proposal as confidential is not acceptable unless the proposer states in detail the specific grounds and applicable laws which support treatment of the entire material as protected from disclosure.

The owner of the information marked as confidential shall indemnify and hold RSA, and any of its officers, agents, and employees harmless from all costs or expenses including, but not limited to, attorney fees and expenses related to litigation concerning any disclosure or non-disclosure of said information and documents.

RFP Timetable

RFP Issued	**April 25, 2025**
Deadline for receipt of questions	**May 9, 2025, 3:00 p.m. CST**
Issue responses to questions	**May 16, 2025**
Proposals Due	**June 20, 2025, 3:00 p.m. CST**
Conduct Finalist Interviews	**June 23 - 26, 2025**
Award Contract	**June 27, 2025**

F. OPEB VALUATION DELIVERY SCHEDULE:

The OPEB valuation for FY2026 (10/1/2025 – 9/30/2026) may begin in October 2026. A final report must be completed within six weeks. GASB reports for FY2026 may begin in December 2026. A final report must be completed within six weeks.

G. PAYMENT SCHEDULE:

Payment for the GASB 74 report, GASB 75 report, Individual GASB 75 reports for participating employers and OPEB valuation will be made upon the firm's completion of each individual report along with a detailed invoice. RSA requires payment terms to be payable 30 days from receipt of invoice. Payment terms for all other actuarial services provided under this RFP shall be determined by mutual agreement of the parties.

H. SELECTION OF FIRM:

The PEEHIP expects to employ the successful Proposer to perform OPEB valuations and GASB reports for the fiscal years 2026 - 2030. All responding vendors will be notified of PEEHIP's decision in writing within a reasonable length of time following the selection. Prior to the selection, one or more firms may be requested to make presentations to the evaluation committee. All proposals shall become the property of the PEEHIP.

I. ECONOMY OF PREPARATION:

Proposals should be prepared simply and economically and provide a concise description of the Proposer's response to the requirements of this RFP. Emphasis should be on clarity. The PEEHIP will not be responsible for any costs incurred by any Proposer in the preparation of a proposal.

J. NEWS RELEASES:

News releases pertaining to this RFP or the actuarial services to which it relates will be made only with prior written approval of PEEHIP's CEO or his representative.

K. ADDENDA TO THE RFP:

RSA reserves the right to modify this RFP in accordance with the provisions contained herein. Any modifications made to the RFP prior to proposal due date will be provided in writing on the PEEHIP website: https://www.rsa-al.gov.

L. CONTACT POINT:

Any questions that arise concerning this RFP may be directed to Taylor Benefield at taylor.benefield@rsa-al.gov.

M. MINIMUM EXPERIENCE QUALIFICATIONS:

Proposals will be accepted from firms where both the firm and the assigned lead actuarial staff members meet the following minimum experience qualifications:

- The supervising actuary must meet the American Academy of Actuaries Qualification Standards and be a Fellow of the Society of Actuaries (FSA) or an Associate of the Society of Actuaries (ASA).
- The supervising actuary should also have significant experience with public-sector retirement systems and retiree health care plans.
- The supervising actuary should have significant experience and expertise regarding
    - Retiree health care plan design
    - OPEB accounting and reporting information under GASB Statement Nos. 74 and Statement No. 75,
    - Governmental funding arrangements for retiree health care
    - Medicare Part D Employer Group Waiver Plans
    - Medicare Advantage Plans
    - Industry trends in retiree health care

- Performed OPEB valuations for the most recent three (3) consecutive years of two or more public sector retiree health plans, each with at least $200 million in premiums or claims expense and 30,000 or more retired members.

N. STATE OF ALABAMA CONTRACT REQUIREMENTS

The State of Alabama requires all providers of professional services to submit a Disclosure Statement with each contract. Accordingly, the Disclosure Statement included in Section V of this Request for Proposals (RFP) must be completed and submitted with the proposal.

The State of Alabama requires that state agencies and political subdivisions entering into contracts as defined under section 31-13-9(l) have an affirmative duty to insure that the language set out in section 31-13-9(k) is included in each contract and that contractors entering into such contracts provide appropriate verification that they have enrolled in E-Verify and have complied with its requirements. Accordingly, the Immigration Compliance Certificate included in Section V of this Request for Proposals (RFP) must be completed and submitted with each vendor's proposal.

The State of Alabama requires all contracts to contain certain language in a specific format. This language is outlined in the Contract shell included in Section V.

O. CONFIDENTIALITY

All material and information received by any proposer, including the successful proposer, shall be kept confidential by the proposer(s) unless disclosure is specifically authorized in writing by RSA. Confidential information may not be used by any proposer or successful proposer except in the fulfillment of a contract resulting from the RFP, and must be kept confidential and handled in conformity with all applicable federal and state laws.

Successful proposer must sign a Non-Disclosure Agreement (NDA) with RSA. See attached NDA in Section V.

Proposals may be subject to disclosure and/or reproduction under Alabama law once a contract has been awarded.

SECTION II—NATURE OF SERVICES REQUIRED

A. Purpose

The purpose of this solicitation is to acquire actuarial services for PEEHIP and the Trust, which shall consist of the following services for the fiscal years ending September 30, 2026, 2027, 2028, 2029 and 2030:

- OPEB Actuarial Valuation
- GASB 74 Report
- GASB 75 Report
- GASB 75 Participating Employer Individual Reports

B. Required Services

The following services are to be provided:

1. Perform annual actuarial valuation of the ALABAMA RETIRED EDUCATION EMPLOYEES' HEALTH CARE TRUST as of the end of the fiscal year. Actuary will be provided with files detailing eligible PEEHIP members and retirees, coverage provided, and other information as required by actuary to perform the valuation. Information will be provided by the RSA Financial Accounting and Reporting Division. The 2026 valuation may begin in December 2026 and shall be completed within 6 six weeks.

2. Prepare necessary information for inclusion in the financial reports of the Alabama Retired Education Employees' Health Care Trust and/or, if applicable during the term of the engagement, the Public Education Employees' Health Insurance Plan.

3. Ensure actuarial reporting is in compliance with the requirements of the GASB 74 and 75 pronouncements related to Other Post-Employment Benefits.

4. Ad hoc consulting related to OPEB or other GASB requirements.

SECTION III--INFORMATION REQUIRED FROM PROPOSERS

For any Proposal to be considered, the Proposer must submit the following information:

1. Background information of your firm including services it performs, ownership structure, the size of your firm and the location of the staff that will perform the services. Discuss in detail the services your firm performs relative to the services required of this RFP.

2. Disclose any disciplinary action or litigation taken against the firm or firm's staff regarding professional services.

3. A description of the services to be provided as described in Section II of this document including the methodologies and/or models that would be used.

4. A detailed timeline of the project identifying key phases and estimates of the hours per phase. Include expectations of client prepared workpapers and review.

5. A detailed list of data elements required along with file layouts.

6. The firm must demonstrate its experience with descriptions of three previous OPEB valuations including the plan size and a brief description of the client, name of the primary actuaries that performed the work on this project and client reference information for verification of the experience purported. These three references should be similarly situated to a plan the size of PEEHIP's retiree population. For client reference information, include contact person, e-mail, and phone number.

7. A prior OPEB valuation report compliant with GASB completed by your firm in the past twelve months.

8. A positive statement that the firm and assigned actuaries for this project have met each of the minimum qualifications set forth in Section I. M.

9. Resumes for the key personnel who will be assigned to this engagement.

10. A discussion that provides evidence of the Proposer's knowledge of the state, regional, and national healthcare market.

11. On December 8, 2015, the PEEHIP Board of Control adopted a Business Associate Policy. This policy is attached to this RFP. Related to this policy, please provide the following:
    a. A statement describing your firm's ability to comply with this policy
    b. The most recent compliance reports (external HIPAA Attestation Report or Service Organization Control Report or HITRUST certification) indicating your firm's compliance with this policy

12. Please provide a detailed transition plan for the FY 2026 OPEB valuation.

13. Please provide an overview of your firm's transition plan if the contract is not renewed in the future.

14. In Section V of this RFP is a Contract Shell with contract terms required in all State of Alabama contracts. Review this contract shell and provide an affirmative statement that Proposer will agree to the requirements for all State of Alabama contracts. In the event there are any provisions to which proposer does not agree, please provide proposed language.

15. Please provide any agreements or requirements proposer desires that PEEHIP enter into.

16. Describe your firm's utilization of Artificial Intelligence in providing actuarial services to your clients. Disclose whether, what type, and to what extent, information owned by or related to RSA or its members would be uploaded or entered into any Artificial Intelligence tool or software utilized by your firm. Disclose whether the tool is private or public, whether the tool is owned by your firm, and an overview of what your firm's relationship with the tool or software is.

17. In Section V of this RFP is a copy of the PEEHIP Business Associate Agreement (BAA). Review the BAA and provide an affirmative statement that Proposer will agree to accept the terms of this BAA.

18. The cost proposal and technical proposal must be submitted in separate and clearly labeled envelopes.

19. Completion of the Proposal Form in Section IV. This cost will be used to determine the cost portion of the proposal's score.

20. The following additional forms must be completed and <u>returned with proposal</u>. Forms A through G are available for download via RSA's website, https://www.rsa-al.gov/about-rsa/itb-rfp)
    A. State of Alabama Disclosure Statement
    B. Immigration Compliance Certificate
    C. Proposer Profile Form
    D. Proposer References Form
    E. IRS Form W-9
    F. Certification of Bidder or Proposer Form
    G. Non-Disclosure Agreement
    H. E-Verify Memorandum of Understanding (with EIN and entity name matching IRS Form W-9)
    I. Sample RSA State Contract
    J. RSA Third Party Vendor Security Checklist
    K. Business Associate Agreement

21. Include the names, e-mail addresses and telephone numbers of personnel of your organization authorized to execute the proposed contracts with the PEEHIP.

22. Include any other information believed to be pertinent but not specifically requested elsewhere in this RFP.

Section IV—Criteria for Evaluation

A. EVALUATION PROCESS

The following process will be used to evaluate vendor proposals:

a. A review committee will evaluate by consensus scoring of each proposal submitted in response to these Proposal specifications.
b. Responses received within the time frame and in the form specified by the guidelines will first be evaluated to confirm that all proposal sections, as detailed, have been provided in the Proposal response.
c. Each proposal will be reviewed, and points awarded to all items indicated on the Proposal Evaluation Form. Any proposal component may be awarded points not to exceed the maximum specified on the Proposal Evaluation Form. The total technical score available is 70 points.
d. Each proposal component will be summed to obtain a total score.
e. PEEHIP may, at its sole discretion, conduct an interview with the finalists.

B. PEEHIP's RIGHTS

Proposers should note that PEEHIP reserves the right to modify this evaluation structure if it is deemed necessary or request additional information from vendors. It is the intention of PEEHIP to select the most qualified and cost-effective proposal based on the evaluation of the Proposer's responses to this RFP. However, PEEHIP reserves the right to ask vendors for additional information and/or an oral presentation to clarify their proposals. PEEHIP also reserves the right to reject any and all proposals.

PEEHIP reserves the right to award any service, in whole or in part, if proposals suggest that doing so would be in PEEHIP's best interest. PEEHIP also reserves the right to issue multiple awards, no awards, or cancel or alter the procurement at any time. In addition, PEEHIP reserves the right to extend the proposed RFP timeline in PEEHIP's discretion. Proposals containing the lowest cost will not necessarily be awarded the contract as PEEHIP recognizes that factors other than cost are important to the ultimate selection of the provider or providers of the services. Proposals provided in response to this RFP must comply with the submittal requirements set forth herein, including all forms and certifications, and will be evaluated in accordance with the criteria and procedures described herein. Based on the results of the evaluation, PEEHIP will award the contract(s) to the most advantageous proposer(s), based on cost and the technical evaluations set forth in the RFP. Any contract awarded hereunder shall be subject to the approval of all appropriate PEEHIP and government officials in accordance with applicable state laws and regulations.

C. COST AND PRICE ANALYSIS:

The cost evaluation will be based on examination by the Evaluation Committee of each Proposer's stated cost components and will constitute 30% of the overall proposal's evaluation. The preparation of the annual valuations and GASB 74 and 75 reports should be a fixed price. Billing is to be submitted with the detail by staff member of hours worked on each task. Total paid to

the selected vendor for the annual valuation and all reports will not exceed the proposed cost in any fiscal year unless both parties agree.

From time to time, there may be additional requests for consulting hours outside the preparation of the annual OPEB valuation and GASB reports. Proposal should also provide the billing rates for consulting hours by job class.

Cost scoring will be determined as follows:

a. Cost proposals must be provided in a separate envelope clearly labeled, "Cost Proposal".
b. The Proposer submitting the lowest Proposal for the annual OPEB valuation and GASB reports will receive 25 points.
c. The Proposer submitting the lowest average hourly consulting rates will receive 5 points.
d. All other Proposers will be evaluated by use of the following formulae:

$$\frac{\text{Lowest Cost of All Valuations}}{\text{Cost of Proposal Under Evaluation}} \times 25 \text{ points} = \text{Proposer's Score for Cost of Valuation}$$

$$\frac{\text{Lowest Wt. Avg Cost of All Consulting Hrs.}}{\text{Wt. Avg Cost of Consulting Hrs Under Eval}} \times 5 \text{ points} = \text{Proposer's Score for Misc Consulting Hours}$$

NOTE: The PEEHIP will not be liable for any expense for use of any job classification by the vendor that is not identified in the vendor's response.

D. PROPOSAL EVALUATION FORM

General Proposal Categories	Possible Points	Reviewer's Score
Description of Services to be Performed	10	
Experience with Similar Proposals	25	
Experience of Personnel Assigned including state, regional and national healthcare market	20	
IT Risk	5	
Methodology and Ability to Meet Timeline	10	
Total Technical Score	**70**	
Cost Proposal	30	
Total Possible Points	**100**	
Finalist Interviews (optional)	10	

Proposers must respond to all required components of the RFP.

E. PROPOSAL FORM

Name of Proposing Firm:

Task	**FY 2026 Proposed Fixed Cost**	**FY 2027 Proposed Fixed Cost**	**FY 2028 Proposed Fixed Cost**	**FY 2029 Proposed Fixed Cost**	**FY 2030 Proposed Fixed Cost**	**Total Proposed Cost 2026 - 2030**
Annual OPEB Actuarial Valuation						
GASB 74 Report						
GASB 75 Report						
GASB 75 Participating Employer Individual Reports						

Task	**FY 2026 Estimated Hours**	**FY 2027 Estimated Hours**	**FY 2028 Estimated Hours**	**FY 2029 Estimated Hours**	**FY 2030 Estimated Hours**	**Total Estimated Hours 2026 - 2030**
Annual OPEB Actuarial Valuation						
GASB 74 Report						
GASB 75 Report						
GASB 75 Participating Employer Individual Reports						

Hourly Rates and Projected Work Distribution for Assigned Staff related to OPEB valuation (this will also be the contracted rates for general consulting work):

Staff Level	Hourly Rate	Projected Distribution
Partner/Principal/Consulting Actuary	$	
Senior Actuary	$	
Staff Actuary	$	
Administrative Staff	$	
Total	N/A	100%

Weighted Average Cost of Consulting Hours

Ancillary expenses (required 1 PEEHIP board meeting per year, travel, meals, lodging, etc.) are to be included in the proposed hourly rates.

SECTION V—Attachments

The following documents must be completed and submitted with your proposal. Forms A through G can be found on the RSA website (https://www.rsa-al.gov/about-rsa/itb-rfp/). RSA may, at its discretion, reject any proposal not containing all of the requested additional documents.

A. State of Alabama Disclosure Statement (Pursuant to the *Code of Alabama 1975, Title 41, Chapter 16, Article 3B)*

B. Immigration Compliance Certificate

C. Proposer Profile Form

D. Proposer References Form

E. IRS Form W-9

F. Certification of Bidder or Proposer

G. Non-Disclosure Agreement – This document does not have to be signed with the return of the proposal; however, proposers must document any exceptions to the standard terms or will be deemed to have accepted all terms contained in this NDA.

H. E-Verify Memorandum of Understanding – A copy of the proposer's fully-executed E-Verify MOU with the US Department of Homeland Security should be included with your proposal. (EIN # and Name on IRS Form w-9 should be same on E-Verify)

I. Sample RSA State Contract – This document does not have to be signed; however, proposers must document any exceptions to the standard terms or will be deemed to have accepted all standard terms contained in this sample contract. (This document is not on the RSA website but is provided in the subsequent pages of the RFP).

J. RSA Third Party Vendor Security Checklist

K. Business Associate Agreement

SAMPLE CONTRACT FORM

STATE OF ALABAMA
MONTGOMERY COUNTY

AGREEMENT TO PROVIDE ACTUARIAL CONSULTING SERVICES

THIS AGREEMENT TO PROVIDE ACTUARIAL CONSULTING SERVICES ("AGREEMENT"), which results from RSA RFP 25-_____, entitled Request for Proposals for Actuarial Consulting Services ("RFP"), is made and entered into effective October 1, 2025, by and among the Teachers' Retirement System of Alabama, the Employees' Retirement System of Alabama, and the Judicial Retirement Fund (collectively referred to herein as The Retirement Systems of Alabama or "RSA"), and _____, hereinafter referred to as "Contractor".

RECITALS

A. RSA issued the RFP, and Contractor was awarded this contract based upon the terms of Contractor's Proposal dated _____, 2025 ("Contractor's Proposal").

B. The parties wish to enter into this Agreement to formalize the terms under which Contractor will provide the services.

Now, Therefore, in consideration of the foregoing and the mutual covenants of the parties contained herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Scope of Services. Upon request of RSA, Contractor shall perform the following services for RSA ("Services"): the services described in the RFP and in Contractor's Proposal.

2. Consideration. As consideration for the Services rendered pursuant to this Agreement, RSA agrees to compensate Contractor in accordance with the rates and fees set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

Contractor shall send detailed invoice(s) for all work in arrears as work is completed but no more frequently than monthly. Invoices must be e-mailed to AccountingOps@rsa-al.gov. RSA shall have thirty days from receipt of an invoice from Contractor to render payment. Should RSA dispute any invoiced amount, RSA must deliver within thirty days of receipt of invoice written notice to Contractor detailing the specific facts and circumstances of the dispute and shall timely pay all undisputed amounts. The parties agree to work together in good faith to resolve any disputed amounts.

3. Term. This Agreement shall be for the period beginning October 1, 2025, and ending September 30, 2030.

4. Approvals. Contractor acknowledges and understands that this Agreement is not effective until it has received all required state government approvals, and Contractor shall not begin performing work hereunder until notified to do so by RSA. Contractor is entitled to no compensation for work performed prior to the effective date of this Agreement.

5. Independent Contractors. Contractor acknowledges that Contractor is an independent contractor, and neither Contractor nor Contractor's employees are to be considered employees of RSA or entitled to benefits under the State of Alabama merit system.

6. **No State Debt, Etc.** Contractor acknowledges that the terms and commitments contained herein shall not be constituted a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provisions of this Agreement shall contravene any statute or Constitutional provision or amendment, either now in effect or which may, during the course of the Agreement, be enacted, then that conflicting provision in the Agreement shall be deemed null and void and the remaining provisions shall continue to be valid and enforceable. Contractor may not assign this Agreement or any interest herein or any money due hereunder without the expressed written consent of RSA.

7. **Indemnification.** To the fullest extent permitted by law, the Contractor shall defend, indemnify, and hold harmless RSA, and their agents and employees (hereinafter collectively referred to as the "Indemnitees") from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of, related to, or resulting from performance of the Services.

8. **Insurance.** Contractor agrees that Contractor shall maintain or obtain (as applicable), with respect to the activities in which Contractor engages pursuant to this Agreement, commercial general liability insurance, workers compensation insurance, employers' liability insurance, automobile liability insurance, cyber security insurance, and professional liability (errors and omissions) insurance, in amounts reasonable and customary for the nature and scope of business engaged by Contractor. All insurance shall be provided by insurers licensed in Alabama, or in the state where Contractor resides, to provide the types of insurance required, and insurers must have an A.M. Best Rating of "A-"or better and a financial rating of Class VII or larger. Before beginning work, Contractor shall have on file with RSA a valid Certificate of Insurance showing the types and limits of insurance carried. The foregoing coverages shall be maintained without interruption for the entire term of this Agreement. If requested by RSA, Contractor agrees to name RSA as additional insured on any applicable policies and shall state that this coverage shall be primary insurance for the additional insureds. RSA reserves the right to require additional insurance coverage other than that listed herein as RSA deems appropriate from time to time with a 30-day notice to Contractor.

Contractor must provide at least 30 days' notice (10 days' notice in the event of cancellation due to non-payment of premium) prior notice of any cancellation, non-renewal or material change to any insurance policy covered by this Agreement. If any such notice is given, RSA shall have the right to require that a substitute policy(ies) be obtained prior to cancellation and replacement Certificate(s) of Insurance shall be provided to RSA.

9. **Confidentiality and Ownership.** Contractor acknowledges that, in the course of performing its responsibilities under this Agreement, Contractor may be exposed to or acquire information that is proprietary or confidential to RSA or RSA's members. Contractor agrees to hold such information in confidence and not to copy, reproduce, sell, assign, license, market, transfer or otherwise disclose such information to third parties or to use such information for any purpose whatsoever, without the express written permission of RSA, other than for the performance of obligations hereunder or as required by applicable state or federal law. For purposes of this Agreement, all records, financial information, specifications and data disclosed to Contractor during the term of this Agreement, whether submitted orally, in writing, or by any other media, shall be deemed to be confidential in nature unless otherwise specifically stated in writing by RSA.

Contractor acknowledges that all data relating to RSA is owned by RSA and constitutes valuable property of RSA. RSA shall retain ownership of, and all other rights and interests with respect to, its data (including, without limitation, the content thereof, and any and all copies, modification, alterations, and enhancements thereto, and any derivative works, resulting therefrom), and nothing herein shall be construed as granting Contractor any ownership, license, or any other rights of any nature with respect thereto. Contractor may not use RSA's data (including de-identified data) for any purpose other than providing the Services contemplated hereunder. Upon termination of the Agreement, Contractor agrees to return or destroy all copies of RSA's data in its possession or control except to the extent such data must be retained pursuant to applicable law.

10. State Immigration Law Compliance. By signing this Agreement, the contracting parties affirm, for the duration of the Agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the Agreement and shall be responsible for all damages resulting therefrom.

11. Free Trade Clause. In compliance with Ala. Code §41-16-5, Contractor hereby certifies that it is not currently engaged in, and will not engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which this state can enjoy open trade.

12. Economic Boycott Prohibition. In compliance with Ala. Code §41-16-161, Contractor hereby certifies that Contractor, without violating controlling law or regulation does not and will not, during the term of this Agreement, engage in economic boycotts.

13. Dispute Resolution. In the event of any dispute between the parties, senior officials of both parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail and the dispute involves the payment of money, a party's sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama.

For any and all other disputes arising under the terms of this Agreement which are not resolved by negotiation, the parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing where appropriate, mediators selected from the roster of mediators maintained by the Center for Dispute Resolution of the Alabama State Bar.

Contractor acknowledges and agrees that RSA is prohibited from indemnifying Contractor for any reason. RSA does not release or waive, expressly or impliedly, RSA's right to assert sovereign immunity or any other affirmative defense right it may have under state law. RSA shall control the defense and settlement of any legal proceeding on behalf of RSA, including the selection of attorneys.

14. Proration. Any provision of this Agreement notwithstanding, in the event of failure of RSA to make payment hereunder as a result of partial unavailability, at the time such payment is due, of such sufficient revenues of the State of Alabama or RSA to make such payment (proration of appropriated funds for the State of Alabama having been declared by the governor pursuant to Ala. Code §41-4-90), Contractor shall have the option, in addition to the other remedies of the contract, of renegotiating the Agreement (extending or changing payment terms or amounts) or terminating the Agreement.

15. **Non-Appropriation of Funds.** Pursuant to Ala. Code §41-4-144(c), in the event funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the Agreement may be cancelled, and Contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the services being delivered under the Agreement.

16. **Certification Pursuant to Act No. 2006-557.** Ala. Code §41-4-142 provides that every bid submitted, and contract executed, shall contain a certification that the supplier and all its affiliates that make sales for delivery into Alabama or leases for use in Alabama are registered, collecting, and remitting Alabama state and local sales, use, and/or lease tax on all taxable sales and leases into Alabama. Contractor hereby certifies it is in full compliance with §41-4-142 and acknowledges RSA may declare this Agreement void if the certification is false.

17. **Open Records Law Compliance.** Contractor acknowledges and agrees that RSA may be subject to Alabama open records laws or similar state and/or federal laws relating to disclosure of public records and may be required, upon request, to disclose certain records and information covered by and not exempted from such laws. Contractor acknowledges and agrees that RSA may comply with these laws without violating any provision of Contractor's proposal or this final agreement.

18. **Applicable Law.** This Agreement shall be governed and construed in accordance with Alabama law, without giving any effect to the conflict of laws provision thereof.

19. **Termination.**

Termination for Convenience. This Agreement may be terminated for any reason by either party with the submission of a thirty day written notice of intent thereof.

Termination for Default. RSA may terminate immediately all or any part of this Agreement by giving notice of default by Contractor if the Contractor (1) refuses or fails to deliver the goods or services within the time specified, (2) fails to comply with any of the provisions of the Agreement or so fails to make progress as to endanger or hinder performance, (3) becomes insolvent or subject to proceedings under any law relating to bankruptcy, insolvency, or relief of debtors. In the event of termination for default, RSA's liability will be limited to the payment for goods and/or services delivered and accepted as of the date of termination.

20. **Artificial Intelligence.** Contractor agrees that it will not, under any circumstance, provide RSA information or RSA member data to an Artificial Intelligence (AI) tool without the prior express written consent of RSA following specific disclosure by Contractor of information to be disclosed to AI. Contractor agrees that it will provide prior written notification to RSA regarding any potential AI utilization that may occur in relation to any portion of the services provided hereunder. Contractor further agrees that for any services and/or work product for which AI is utilized, Contractor will indicate in writing to RSA that such services and/or work product involve AI utilization and will further indicate in writing to RSA whether Contractor independently verified the accuracy, validity, and reliability of any and all AI assistance and/or output. Contractor understands and agrees that, in addition to any other indemnification obligation contained in this agreement, Contractor assumes full responsibility and liability regarding Contractor's use of AI in the performance of services and agrees to indemnify and hold harmless RSA related to any errors resulting from the use of AI and/or Contractor's disclosure of confidential or health information to AI.

21. **Waiver.** The failure of RSA to require performance of any provision of this Agreement shall not affect RSA's right to require performance at any time thereafter, nor shall a waiver of any breach or default constitute a waiver of any subsequent breach of default nor constitute a waiver of the provision itself.

22. **Entire Agreement.** It is understood by the parties that this instrument, including its exhibit(s), contains the entire agreement of the parties with respect to the matters contained herein (provided, however, that Contractor's Proposal, and the attachments thereto (including without limitation Contractor's best and final offer and Business Associate Agreement, if applicable) shall be incorporated herein for all practical purposes and further provided that to the extent there exists a direct conflict between this Agreement and any of the foregoing, this Agreement shall supersede as to the conflicting provision(s)).

In Witness Whereof, the parties have executed this Agreement effective as of the date first provided above.

Contractor's EIN

Contractor: _____

_____

By: _____
Its: _____
Date: _____

The Retirement Systems of Alabama

By: David G. Bronner
Its: Secretary-Treasurer / CEO
Date: _____

Reviewed and Approved as to Form:

_____

RSA Legal Counsel

Approved:

_____

Hon. Kay Ivey, Governor
State of Alabama

Exhibit A

Consideration

RSA shall pay to Contractor the following fees for any such services rendered at RSA's request in accordance with the terms more specifically set forth in the Agreement:

	Proposer Name:	**Date:**	
	Prepared By:	**Title:**	
	I. Security Policy	**YES/NO/NA**	**Comments**
	A. Policy		
1	Is there a corporate information security policy in place? If yes, provide as an attachment.		
2	Does the policy state what is and is not permissible as it pertains to sensitive company and customer information?		
3	Does the policy identify what is classified as sensitive company and customer information?		
4	Does the policy identify management and employee responsibilities including contractors?		
5	Does the policy identify use of employee owned devices such as laptops, smart phones, and any other form of device capable of storing data?		
6	Does the policy address change management requirements?		
7	Is there a policy on the portable media?(e.g., thumb drives, CDRW, etc.)		
8	Are personnel and contract personnel required to have national background check performed as part of your security policy? Please provide a copy of Proposers personnel policy if this is separate addressing hiring and termination procedures.		
	B. Procedures		
1	Are procedures in place to implement the information security policy?		
2	Are the procedures and standards evaluated to determine their level of impact to the business process?		
3	Does the project management methodology uphold the security practices? If yes, explain how.		
4	Are there policy and procedures in place to vet and audit subcontractors prior to contract acceptance where applicable?		
	C. Document Handling		
1	Is there a reasonable and usable information classification policy?		
2	Does the information classification policy address all enterprise information?		
3	Is an information classification methodology in place to assist employees in identifying levels of information within the business unit?		
4	Is there an information handling matrix that explains how specific information resources are to be handled?		
	II. Corporate Practices		
	A. Organizational Suitability		
1	The Information Security Program has an executive level committee assigned for reporting and guidance purposes?		
2	Are employees able to perform their duties efficiently and effectively while following security procedures?		
3	Does the information security program have its' own line item in the budget?		
4	Does the security group have the authority to submit needed security policy changes throughout the enterprise?		
5	Is an annual report on the level of information security compliance issued to management?		
6	Is there more than one person responsible for the implementation of the Information Security Program?		
	B. Personnel Issues		
1	Are employees able to work less than a 50 hour work week on a monthly average and complete their assignments?		
2	Are employees and project managers aware of their responsibilities for protecting information resources via written policy?		
3	Are technical employees formally trained to perform their tasks?		

4	Are contract personnel subject to confidentiality agreements?		
5	Are contract personnel subject to the same policies employees are?		
6	Is access to sensitive/confidential information by contract personnel monitored?		
7	Are national background checks performed on all proposing party employees?		
8	Is a similar screening process carried out for contractors and temporary staff?		
9	Does employment application ask if the prospective employee has ever been convicted of a crime? If so, does proposing firm employee individuals with felony convictions?		
10	Are prior employment verifications performed for initial employment?		
11	Are there any current or pending litigations against staff, former staff, or contract staff regarding coporate espianage, identity theft, or any other areas regarding the security of privacy of confidential information?		
	C. Training and Education		
1	Do employees receive security related training specific to their responsibilities? If yes, please attach a sample.		
2	Are employees receiving both positive and negative feedback related to security on their performance evaluations?		
3	Is security-related training provided periodically to reflect changes and new methods?		
4	Are system administrators given additional security training specific to their jobs?		
5	Have employees undergone a HIPAA training class for those handling personal health information (PHI)?		
	D. Oversight and Auditing		
1	Is Proposer at minimum AICPA SOC 1 Type 2 compliant for financial reporting. If so, please provide the SOC report(s).		
2	Is Proposer's datacenter AICPA SOC 2 Type 2 compliant? If not please comment what compliance level your datacenter facility meets.		
3	Are the security policies and procedures routinely tested?		
4	Are exceptions to security policies and procedures justified and documented?		
5	Are audit logs or other reporting mechanisms in place on all platforms?		
6	Are errors and failures tracked?		
7	When an employee is found to in non-compliance with security policies, has appropriate disciplinary action been taken?		
8	Are audits performed on an annual basis?		
9	Are unscheduled/surprise audits performed?		
10	Has someone been identified as responsible for reconciling audits?		
11	Does either an internal or external auditor independently audit Proposer’s operational controls on a periodic basis?		
12	Is an independent review carried out in order to assess the effective implementation of security policies?		
13	Can the Proposer provide evidence of having gone through a recent audit of their organization’s operational policies, procedures, and operating effectiveness, such as a SOC Type 2 report?		
14	Have outside audits been performed on internal operations? Please provide copies.		
15	Has Proposer experienced a security breach of corporate or customer data within the last 10 years?		
16	Is there is any concluded or pending litigation against the Proposer or an employee related to a contract engagement or security breach?		
17	Does the Proposer subcontract services that will be required to fullfil services as required in RSA's RFP.		
18	Does Proposer have a change management committee? Does it meet on regularly scheduled intervals?		
	E. Application Development and Management		

1	Has an application development methodology been implemented?		
2	Are appropriate/key application users involved with developing and improving application methodology and implementation process?		
3	Is pre-production testing performed in an isolated environment?		
4	Has a promotion to production procedures been implemented?		
5	Is there a legacy application management program?		
6	Are secure coding standards implemented and are they followed?		
7	Are applications testing for security vulnerabilities prior to being released to production?		
8	Is there a dedicated security team for testing applications for vulnerabilities?		
9	Are there procedures in place for protecting source code developed by the Proposer (physically and electronically)?		
10	Is system access and security based on the concept of least possible privilege and need-to-know?		
11	Does Proposer perform source code reviews for each release?		
12	Are backdoors prevented from being placed into application source code?		
	III Physical Security		
	A. Physical and Facilities		
1	Is access to the building(s) controlled?		
2	Is access to computing facilities controlled more so than to the building?		
3	Is there an additional level of control for after-hours access?		
4	Is there an audit log to identify the individual and the time of access that is monitored by a group other than Information Technology?		
5	Are systems and other hardware adequately protected from theft?		
6	Are procedures in place for proper disposal of confidential information?		
7	Are proper fire suppression systems located in the facility?		
8	Are facilities more than 5 miles from a government facility or airport?		
9	Are the servers and facilities that house software documentation and programming logic located in a secure facility?		
10	Is all confidential and restricted information marked as such and stored in a secure area (room, cabinet) with access restricted to authorized personnel only?		
11	Does Proposer allow employees to work remote or in a virtual environment? Please provide documentation around controls for safeguarding computer systems and confidential data.		
	B. After-Hours Review		
1	Are areas containing sensitive information properly secured?		
2	Are workstation secured after-hours?		
3	Are keys and access cards properly secured?		
4	Is confidential information properly secured?		
5	Are contract cleaning crews activities monitored?		
	C. Incident Handling		
1	Has an Incident Response Team (IRT) been established?		
2	Have employees been trained as to when the IRT should be notified?		
3	Has the IRT been trained in evidence gathering and handling?		
4	Are incident reports issued to appropriate management?		
5	After an incident, are policies and procedures reviewed to determine if modification need to be implemented?		
6	Does the Proposer have a process in place to notify IT security of breaches and/or problems so that proper notification and correction can be done?		
	D. Contingency Planning		
1	Has a Business Impact Analysis been conducted on all systems, applications, and platforms?		
2	Is there a documented data center Disaster Recovery Plan (DRP) in place?		
3	Are backup media password protected or encrypted?		
4	Has the data center DRP been tested within the past 12 months?		

5	Are system, application, and data backups sent to a secure off-site facility on a regular basis?		
6	Are Service Level Agreements that identify processing requirements in place with all users and service providers?		
7	Have departments, business units, groups, and other such entities implemented business continuity plans that supplement the data center DRP?		
8	Have Emergency Response Procedures (ERP) been implemented?		
9	Have ERPs been tested for effectiveness?		
	IV. Business Impact Analysis, Disaster Recovery Plan		
	A. General Review		
1	Backup planning includes identification of all critical data, programs, documentation, and support items required performing essential task during recovery?		
2	The BIA is reviewed and updated regularly with special attention to new technology, business changes, and migration of applications to alternative platforms?		
3	Critical period timeframes have been identified for all applications and systems?		
4	Senior management has reviewed and approved the prioritized list of critical applications?		
	B. Disaster Recovery Plan (DRP)		
1	A corporate disaster recovery plan coordinator has been named and a mission statement identifying scope and responsibilities has been published?		
2	A "worst-case" scenario DRP to recover normal operations within the prescribed timeframes has been implemented and tested?		
3	Listing of current emergency telephone numbers for police, fire department, medical aid, and company officials are strategically located throughput the facility and at off-site locations?		
4	The backup site is remote from hazards that endanger the main data center?		
5	Contracts for outsourced activities have been amended to include service providers' responsibilities for DRP?		
6	Lead times for communication lines and equipment, specialized devices, power hookups, construction, firewalls, computer configurations, and LAN implementation have been factored into the DRP?		
7	At least one copy of the DRP is stored at the backup site and is updated regularly?		
8	Automatic restart and recovery procedures are in place to restore data files in the event of a processing failure?		
9	Contingency arrangements are in place for hardware, software, communications, software, staff and supplies.		
10	Customer software solutions that are being developed and\or in production are backed up as part of the Proposer's backup and recovery procedures?		
	C. Testing		
1	Backup and recovery procedures are tested at least annually?		
2	Training sessions are conducted for all relevant personnel on backup, recovery, and contingency operating procedures?		
3	Appropriate user representative have a particular role in creating and reviewing control reliability and backup provisions for relevant applications?		
4	Appropriate user representatives participate in the DRP tests?		
	Other Issues		
1	Provisions are in place to maintain the security of processing functions in the event of an emergency?		
2	Insurance coverage for loss of hardware and business impact is in place?		
	V. Technical Safeguards		
	A. Passwords		
1	Are host systems and servers as well as application servers secured with unique passwords?		
2	Are default accounts de-activated?		

3	Are temporary user accounts restricted and disabled within 4 hours?		
4	Are the password management systems forcing users to change passwords every 90 days or less?		
5	Are users of all company-provided network resources required to change the initial default password?		
6	Are the passwords complex? Contain upper case, lower case, special character or number, and at least 8 characters long.		
7	Do network and system administrators have adequate experience to implement security standards?		
8	Are reports and logs pertaining to network users reviewed and reconciled on a regular basis?		
9	Are permissions being set securely?		
10	Are administrators assigned a unique ID for access to critical systems?		
11	Are administrators using appropriate tools to perform their jobs?		
12	Does the application support multi-factor authentication?		
13	Are online systems always secured using SSL encryption?		
	B. Infrastructure		
1	Is the network infrastructure audited on an annual basis?		
2	Are network vulnerability assessments conducted on an annual basis?		
3	Are changes/improvements made in a timely fashion following network vulnerability assessments?		
4	If you house or develop solutions around credit card transactions are you CISP compliant?		
	C. Firewalls		
1	Are protocols allowed to initiate connections from "outside" the firewall?		
2	Has a risk analysis been conducted to determine if the protocols allowed maintain an acceptable level of risk?		
3	Has the firewall been tested to determine if outside penetration is possible?		
4	Are other products in place to augment the firewall level security?		
5	Are the firewalls maintained and monitored 24x7?		
6	Have services offered across the firewall been documented?		
7	Has a Demilitarized Zone (DMZ) or Perimeter Network been implemented?		
8	Has the firewall administrator been formally trained?		
9	Is there more than one person administering the firewall?		
10	Is the firewall for the ASP separate from the corporate firewall?		
	D. Data Communications		
1	Is there a remote access procedure in place?		
2	Is there a current network diagram?		
3	Are Access Control List (ACLs) maintained on a regular basis?		
4	Is the network environment partitioned?		
5	Are the corporate routers separated from the ASP routers?		
6	Are the corporate switches separated from the ASP switches?		
7	Does the communication equipment log administrative access to the systems?		
8	Is SNMP data collected from the data communication devices?		
9	Is syslog data collected from the data communication devices?		
10	Are there standard templates for configuring routers?		
11	Are there standard templates for configuring switches?		
	E. Databases		
1	Are default database passwords changed?		
2	Are database administrators trained or certified?		
3	Are database backups performed daily?		
	F. Computing Platforms		
1	Are critical servers protected with appropriate access controls?		
2	Are development staff administrators on their computers used for writing source code?		
3	Is there a company image used for corporate PCs and laptops?		

4	Does the company have an asset management system to track software installed?		
5	Is there an anti-virus application installed on all PC's, laptops, and servers?		
6	Does the anti-virus application automatically update computing assets 3 times or more per day?		
7	Is there a URL filtering solution in place?		
8	Do computing assets have a corporate anti-malware application installed?		
9	Are Internet facing servers protected with host based intrusion prevention?		
10	Are employees restricted to what can be installed on their computer systems? How is this managed for remote employees if applicable?		
11	Do any of the Proposer's computer systems including storage reside on a cloud computing environment? Is it owned and operated by the Proposer? If no, please explain.		
	G. Intrusion Prevention		
1	Is host based intrusion prevention software installed on all Internet facing servers?		
2	Are network based intrusion prevention systems in-line and defending?		
3	Is host based intrusion prevention software installed on all laptops?		
4	Is there a dedicated security staff monitoring 24x7 alerts from the host based intrusion prevention?		
5	Is there a dedicated security staff monitoring 24x7 alerts from the network based intrusion prevention?		
	VI. Telecommunications Security		
	A. Policy		
1	Is there a published policy on the use of organizational telecommunications resources?		
2	Have all employees have been made aware of the telecommunications policy?		
3	Employees authorized for Internet access are made aware of the organization's proprietary information and what they can discuss in open forums?		
4	Employees using cellular or wireless phones are briefed on the lack of privacy of conversations when using unsecured versions of technology?		
5	The organization has a published policy on prosecution of employees and outsiders if found guilty of serious premeditated criminal acts against the organization?		
6	Are corporate devices such as iPhones or Android based phones centrally managed by the Proposer to control rogue software installations and protect corporate data?		
	B. Standards		
1	A threshold is established to monitor and suspend repeated unsuccessful dial-in or remote access attempts?		
2	Access to databases reachable via dial-in or VPN have access control in place to prevent unauthorized access?		
3	Financial applications available via dial-in or VPN have audit trails established to track access and transaction usage?		
4	Are audit trails reviewed and corrective action taken on a regular basis?		
5	When possible are acl security programs used to control dial-in or remote access to a specific application?		
6	Company proprietary data, stored on portable computers are secured from unauthorized access?		
7	Are corproate emails allowed to be sent from unique domains not one used by Proposer such as Gmail or Microsoft Email?		
8	Users of all company-provided communication systems are required to change the default or initial password?		
	C. Practices		
1	Security, application, and network personnel actively work to ensure control inconvenience is as minimal as possible?		

2	Personnel independent of the operations staff and security administration review tamper-resistant logs and audit trails?		
3	Special procedures and audited userIDs have been established for application, system, network troubleshooting activities?		
4	Messages and transactions coming in via phone lines are serially numbered, time stamped, and logged for audit investigation and backup purposes?		
5	Employees are made aware of their responsibility to keep remote access codes secure from unauthorized access and usage?		
6	Removal of portable computers from the corporate locations must be done through normal property removal procedures?		
7	Employees are briefed on their responsibility to protect the property of the company when working away from the corporate environment?		
	VII. Company Information		
	A. Public Information		
1	Is the company publicly traded?		
2	Is the company bonded?		
3	Are all employees in the continental US? If not please list.		
	B. Private Information		
1	Are there any planned acquisitions in the next 12 months?		
2	Are there current plans to sell the company in the next 12 months?		

BUSINESS ASSOCIATE AGREEMENT

This Agreement is made and entered into this ____ day of _____20__, by and between _____ ("Business Associate") and the Public Education Employees' Health Insurance Board ("Plan Sponsor"), acting on behalf of the Public Education Employees' Health Insurance Plan ("Covered Entity").

WHEREAS, Business Associate and Covered Entity desire and are committed to complying with all relevant federal and state laws with respect to the confidentiality and security of Protected Health Information (PHI), including, but not limited to, the federal Health Insurance Portability and Accountability Act of 1996, and accompanying regulations, as amended from time to time (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), and any regulations promulgated thereunder.

NOW, THEREFORE, for valuable consideration the receipt of which is hereby acknowledged and intending to establish a business associate relationship under 45 CFR §164, the parties hereby agree as follows:

I. Definitions

A. "Business Associate" shall have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean [**Insert Name of Business Associate**].

B. "Breach" shall be defined as set out in 45 CFR §164.402.

C. "CFR" means the Code of Federal Regulations. A reference to a CFR section means that section as amended from time to time; provided that if future amendments change the designation of a section referred to herein, or transfer a substantive regulatory provision referred to herein to a different section, the section references herein shall be deemed to be amended accordingly.

D. "Compliance Date(s)" shall mean the date(s) established by the Secretary or the United States Congress as the effective date(s) of applicability and enforceability of the Privacy Rule, Security Rule and HITECH Standards.

E. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR §164.501 and shall include a group of records that is: (i) the enrollment, payment, claims adjudication and case or medical management record systems maintained by or for Covered Entity by Business Associate or (2) used, in whole or in part, by or for Covered Entity to make decisions about Individuals.

F. "Electronic Protected Health Information" (EPHI) shall have the same meaning as the term "electronic protected health information" in 45 CFR §160.103, limited to the information received from or created on behalf of Covered Entity by Business Associate.

G. "HITECH Standards" shall mean the privacy, security and security breach notification provisions applicable to a Business Associate under Subtitle D of the Health Information Technology for Economic and Clinical Health Act, which is Title XIII of the American Recovery and Reinvestment Act of 2009, as such law may be amended from time to time, and any regulations promulgated thereunder.

H. "Individual" shall have the same meaning as the term "individual" in 45 CFR §160.103, and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).

I. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR parts 160 and 164, subparts A and E.

J. "Protected Health Information" (PHI) shall have the same meaning as the term "protected health information" in 45 CFR §160.103, limited to the information received from or created on behalf of Covered Entity by Business Associate.

K. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR §164.501.

L. "Security Incident" shall have the same meanings as the term "security incident" in 45 CFR §164.304.

M. "Security Rule" shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR parts 160 and 164, subparts A and C.

N. "Unsecured PHI" shall have the same meaning as "unsecured protected health information" in 45 CFR §164.402.

Terms used, but not otherwise defined, shall have the same meaning as those terms in the Privacy Rule, Security Rule and HITECH Standards.

II. Obligations of Business Associate

A. Business Associate agrees not to use or disclose PHI other than as permitted or required by this Agreement or as Required by Law. Business Associate will take reasonable efforts to limit requests for, use and disclosure of PHI to the minimum necessary to accomplish the intended request, use or disclosure and comply with 45 CFR 164.502(b) and 514(d) .

B. To the extent the Business Associate conducts a "Standard Transaction" as outlined in 45 CFR Part 162, Business Associate agrees to comply and to require any agent or subcontractor to comply with all applicable requirements set forth in 45 CFR Part 162.

C. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement. Business Associate shall implement administrative, physical, and technical safeguards (including written policies and procedures) that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity as required by the Security Rule.

D. Business Associate agrees to report to Covered Entity any use or disclosure of PHI other than as provided for by this Agreement promptly after Business Associate has actual knowledge of such use or disclosure, and to report promptly to the Covered Entity all Security Incidents of which it becomes aware. Following the discovery of a Breach of Unsecured PHI, Business Associate shall notify Covered Entity of such Breach without

unreasonable delay, and in no event later than 30 calendar days after such discovery. The notification will include the identification of each individual whose Unsecured PHI has been, or is reasonably believed to have been, accessed, acquired or disclosed during the Breach. A Breach shall be treated as discovered as of the first day on which such Breach is known or reasonably should have been known to Business Associate. The parties acknowledge and agree that this section constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which no additional notice to Covered Entity is required by applicable laws or regulations. "Unsuccessful Security Incidents" shall include, but not be limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI, and so long as additional notice to Covered Entity is not required by applicable laws or regulations.

E. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Agreement or applicable regulations. Business Associate has a duty to assist the Covered Entity in any mitigation, notice, reporting, or other remedial actions required, all of which would be at the Covered Entity's request and in the Covered Entity's sole discretion.

F. Business Associate agrees to include in its agreement with any agent or subcontractor to whom it provides PHI on behalf of the Covered Entity conditions with respect to such information that are at least as restrictive as those that apply through this Agreement to Business Associate. Business Associate agrees to ensure that any agents, including sub-agents, to whom it provides EPHI received from, or created or received by Business Associate on behalf of the Covered Entity, agree in writing to implement the same reasonable and appropriate safeguards that apply to Business Associate to protect the Covered Entity's EPHI.

G. If Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make available to Covered Entity, within a reasonable time, such information as Covered Entity may require to fulfill Covered Entity's obligations to respond to a request for access to PHI as provided under 45 CFR §164.524 or to respond to a request to amend PHI as required under 45 CFR §164.526. Business Associate shall refer to Covered Entity all such requests that Business Associate may receive from Individuals. If Covered Entity requests Business Associate to amend PHI in Business Associate's possession in order to comply with 45 CFR §164.526, Business Associate shall effectuate such amendments no later than the date they are required to be made by 45 CFR §164.526; provided that if Business Associate receives such a request from Covered Entity less than ten (10) business days prior to such date, Business Associate will effectuate such amendments as soon as is reasonably practicable.

H. If applicable, Business Associate agrees to provide to Covered Entity within a reasonable time such information necessary to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures as provided under 45 CFR §164.528. Business Associate shall refer to Covered Entity all such requests which Business Associate may receive from Individuals.

I. Upon reasonable notice, Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI available to the U.S. Secretary of Health and Human Services, or an officer or employee of that Department to whom relevant authority has been delegated, at Covered Entity's expense in a reasonable time and manner, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

J. Notwithstanding any other provision in this Agreement, Business Associate hereby acknowledges and agrees that to the extent it is functioning as a Business Associate of Covered Entity, Business Associate will comply with the HITECH Business Associate provisions and with the obligations of a Business Associate as prescribed by HIPAA and the HITECH Act commencing on the Compliance Date of each such provision. Business Associate and the Covered Entity further agree that the provisions of HIPAA and the HITECH Act that apply to Business Associates and that are required to be incorporated by reference in a Business Associate Agreement are incorporated into this Agreement between Business Associate and Covered Entity as if set forth in this Agreement in their entirety and are effective as of the Compliance Date.

III. Permitted Uses and Disclosures by Business Associate

Except as otherwise limited in this Agreement, Business Associate may:

A. Use or disclose Protected Health Information on behalf of the Covered Entity, if such use or disclosure of Protected Health Information would not violate the Privacy Rule, including the minimum necessary standard, if done by the Covered Entity.

B. Use or disclose PHI to perform the services outlined in the **<applicable services agreement>.**

C. Use Protected Health Information for the proper management and administration of Business Associate or to fulfill any present or future legal responsibilities of Business Associate.

D. Disclose Protected Health Information for the proper management and administration of Business Associate or to fulfill any present or future legal responsibilities of Business Associate, provided that such disclosure is either Required by Law or Business Associate obtains reasonable assurances from any person to whom Protected Health Information is disclosed that such person will: (i) keep such information confidential, (ii) use or further disclose such information only for the purpose for which it was disclosed to such person or as Required by Law, and (iii) notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

E. Use Protected Health Information to provide data aggregation services relating to the health care operations of the Covered Entity, as provided in 45 CFR §164.501.

F. To create de-identified data, provided that the Business Associate de-identifies the information in accordance with the Privacy Rule. De-identified information does not constitute PHI and is not subject to the terms and conditions of this Agreement.

G. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR 164.502(j)(1).

H. Business Associate agrees to ensure that access to EPHI related to the Covered entity is limited to those workforce members who require such access because of their role or function. Business Associate agrees to implement safeguards to prevent its workforce members who are not authorized to have access to such EPHI from obtaining access and to otherwise ensure compliance by its workforce with the Security Rule

IV. Obligations of Covered Entity

A. Covered Entity shall notify Business Associate of any facts or circumstances that affect Business Associate's use or disclosure of PHI. Such facts and circumstances include, but are not limited to: (i) any limitation or change in Covered Entity's notice of privacy practices, (ii) any changes in, or withdrawal of, an authorization provided to Covered Entity by an Individual pursuant to 45 CFR §164.508; and (iii) any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522.

B. Covered Entity warrants that it will not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or is not otherwise authorized or permitted under this Agreement.

C. Covered Entity acknowledges and agrees that the Privacy Rules allow the Covered Entity to permit Business Associate to disclose or provide access to PHI, other than Summary Health Information, to the Plan Sponsor only after the Plan Sponsor has amended its plan documents to provide for the permitted and required uses and disclosures of PHI and to require the Plan Sponsor to provide a certification to the Plan that certain required provisions have been incorporated into the Plan documents before the Plan may disclose, either directly or through a Business Associate, any PHI to the Plan Sponsor. Covered Entity hereby warrants and represents that Plan documents have been so amended and that the Plan has received such certification from the Plan Sponsor.

D. Covered Entity agrees that it will have entered into Business Associate Agreements with any third parties to whom Covered Entity directs and authorizes Business Associate to disclose PHI.

V. Effective Date; Termination

A. The effective date of this Agreement shall be the date this Agreement is signed by both parties (or the Compliance Date, if later).

B. This Agreement shall terminate on the date Business Associates ceases to be obligated to perform the functions, activities, and services described in Article III.

C. Upon Covered Entity's knowledge of a material breach or violation of this Agreement by Business Associate, Covered Entity shall notify Business Associate of such breach or violation and Business Associate shall have thirty (30) days to cure the breach or end the violation. In the event Business Associate does not cure the breach or end the violation, Covered Entity shall have the right to immediately terminate this Agreement and any underlying services agreement if feasible.

D. Upon termination of this Agreement, Business Associate will return to Covered Entity, or if return is not feasible, destroy, any and all PHI that it created or received on behalf of Covered Entity and retain no copies thereof. If the return or destruction of the PHI is determined by Business Associate not to be feasible, Business Associate shall limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible. If return or destruction of the PHI is feasible but Business Associate is required by law to retain such information or copies thereof, Business Associate will maintain the PHI for the period of time required under applicable law after which time Business Associate shall return or destroy the PHI.

E. Business Associate's obligations under Sections II and III of this Agreement shall survive the termination of this Agreement with respect to any PHI so long as it remains in the possession of Business Associate.

VI. Other Provisions

A. The parties acknowledge that the foregoing provisions are designed to comply with the mandates of the Privacy and Security Rules and the HITECH Standards and agree to make any necessary changes to this agreement that may be required by any amendment to the final regulations promulgated by the Secretary If the parties are unable to reach agreement regarding an amendment within thirty (30 days) of the date that Business Associate receives any written objection from Covered Entity, either party may terminate this Agreement upon ninety (90) days written notice to the other party. Any other amendment to the Agreement unrelated to compliance with applicable law and regulations shall be effective only upon execution of a written agreement between the parties.

B. Except as it relates to the use, security and disclosure of PHI and electronic transactions, this Agreement is not intended to change the terms and conditions of, or the rights and obligations of the parties under any other services agreement between them.

C. Business Associate agrees to defend, indemnify and hold harmless Covered Entity, its affiliates and each of their respective directors, officers, employees, agents or assigns from and against any and all actions, causes of action, claims, suits and demands whatsoever, and from all damages, liabilities, costs, charges, debts, fines, government investigations, proceedings, and expenses whatsoever (including reasonable attorneys' fees and expenses related to any litigation or other defense of any claims), which may be asserted or for which they may now or hereafter become subject arising in connection with (i) any misrepresentation, breach of warranty or non-fulfillment of any undertaking on the part of Business Associate under this Agreement; and (ii) any claims, demands, awards, judgments, actions, and proceedings made by any person or organization arising out of or in any way connected with Business Associate's performance under this Agreement.

D. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity, Business Associate, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

E. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Covered Entity to comply with the Privacy and Security Rules and the HITECH Standards.

F. If any provision of this Agreement is held illegal, invalid, prohibited or unenforceable by a court of competent jurisdiction, that provision shall be limited or eliminated in that jurisdiction to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable

G. This Agreement replaces and supersedes in its (their) entirety any prior Business Associate Agreement(s) between the parties.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Agreement has been signed and delivered as of the date first set forth above.

Public Education Employees' Health Insurance Board **the Plan Sponsor, acting on behalf of Covered Entity**	**<insert name of Business Associate>**
_____	_____
Signature	*Signature*
_____	_____
Printed Name	*Printed Name*
_____	_____
Title	*Title*