

# REQUEST FOR STATEMENTS OF QUALIFICATIONS FOR MARKET CONDUCT EXAMINATION CONSULTING SERVICES

**Issuing Agency:** State of Connecticut Insurance Department  
153 Market Street, 7th Floor  
P.O. Box 816  
Hartford, CT 06142-0816

**Title:** Request for Statement of Qualifications (“RFQ”) to provide market conduct examination consulting services to the Connecticut Insurance Department Market Conduct Division

Pursuant to Conn. Gen. Stat. §38a-15, the Insurance Commissioner (“Commissioner”) shall, as often as he or she deems it expedient undertake a market conduct examination of the affairs of any insurance company, health care center, third-party administrator (as defined in section 38a-720) or fraternal benefit society doing business in this state. To carry out the examinations under this Section, the Commissioner may appoint, as market conduct examiners, one or more competent persons, not officers or connected with or interested in any insurance company, health care center, third-party administrator or fraternal benefit society, other than as a policyholder. In conducting the examination, the Commissioner, his actuary or any examiner authorized by the Commissioner may examine, under oath, the officers and agents of such an insurance company, health care center or fraternal benefit society and all persons deemed to have material information regarding the company's, center's or society's property or business.

Pursuant to Conn. Gen. Stat. §§4-8 and 38a-15<sup>1</sup>, the Connecticut Insurance Department (“Department”) is seeking to establish a Qualified Provider List (“QPL”) to be used to select Contractors to provide consulting services to the Department. Each interested individual and/or organization (each, an “Applicant”) is invited to submit to the Department one (1) original and five (5) copies of a statement of qualifications (“Statement”) which delineates how the requirements of a category or categories, as outlined herein, are satisfied as well as rates for professional services for each category.

Statements are accepted on an ongoing basis. **All Statements must conform to the requirements as identified in this request. The Department will not accept electronic submissions.**

**SEND ALL STATEMENTS DIRECTLY TO THE STATE OF CONNECTICUT INSURANCE DEPARTMENT, TO THE ATTENTION OF THE DEPUTY COMMISSIONER/AGENCY PROCUREMENT OFFICER**

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<sup>1</sup> Section 4-8 of the Connecticut General Statutes authorizes the Commissioner to enter into contractual agreements as necessary to discharge his duties.

**MAILING ADDRESS:** P.O. Box 816, Hartford, CT 06142-0816

**OFFICE ADDRESS:** 153 Market Street, 7th Floor  
Hartford, CT 06103

OFFICE ADDRESS to be used only for express mail or delivery service or for hand delivery of any documents.

Questions regarding the Statement must be submitted <b>by email</b> only. Please send emails to: <a href="mailto:cid.biz@ct.gov">cid.biz@ct.gov</a>
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Accepted Providers will be notified by email
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The Department will accept candidates and will update the list as service providers are prequalified. Once placed on the list, each service provider must conform to the annual renewal requirements to stay on the list.

### **Background**

The Department's Market Conduct Division ("Market Conduct") is charged with the responsibility of examining the records of domestic and foreign insurance companies to review the treatment of policyholders and claimants in Connecticut. Examinations are conducted on a routine basis or as needed. Examinations include the review of policy underwriting and rating, cancellations and non-renewals, and claim settlements. Market Conduct also performs routine examinations of the marketing and solicitation practices of insurance companies. The marketing and solicitation examinations include the review of original insurance applications, advertising materials, and agent recruiting, training and supervision procedures.

Using the most cost effective approach to supplement staff resources in the performance of its statutory obligations, the Department may out-source all or part of a market conduct examination. Pursuant to Conn. Gen. Stat. §38a-15, all the expense of any examination made under the authority of Conn. Gen. Stat. §38a-15, other than examinations of domestic insurance companies and domestic health care centers, are paid by the company, center, administrator or society examined. Domestic insurance companies and other domestic entities examined outside the state pay the traveling and maintenance expenses of examiners.

### **Rejection of Statement**

The Department reserves the right, in its sole discretion, to reject any Statement if deemed to be in the best interest of the State to do so or if the Statement is deemed not to conform to the requirements of this RFQ. The Department shall have authority to award contracts to vendors who offer acceptable Statements to the State, with cost and other factors considered.

Statements will not be accepted from any entity or person, who is currently

- (i) a respondent or defendant in any administrative or civil action brought by the Commissioner alleging misfeasance or negligence in their professional capacity unless such action has been resolved with a finding or judgment of no misfeasance or negligence by the respondent or defendant; or
- (ii) a defendant in any action brought by the Commissioner in his or her capacity as liquidator or rehabilitator of an insurance company pursuant to chapter 704c of the Connecticut General Statutes alleging misfeasance or negligence by the defendant in their professional capacity, unless such action has been resolved with a finding or judgment of no misfeasance or negligence by the respondent or defendant. Any person or entity against whom a finding or judgment of misfeasance or negligence is upheld in any action by the Commissioner, will not be eligible to submit a statement to be considered for inclusion on the QPL for a three year period from the date of the imposition of the ruling.

Following a review of the Statements, the Agency Procurement Officer (“APO”) shall recommend a list to the Commissioner for the Commissioner’s approval of qualified service providers that satisfy the Department’s criteria as set forth in this RFQ. The Department’s QPL will be used as the basis of selection when the need for a specific service arises. At such times, one or more qualified individuals and/or organizations may be asked to submit proposals on specific assignments for consideration. Proposals for each assignment will be evaluated and given fair consideration for a prospective engagement with the ultimate decision for a contract made by the Commissioner or the Commissioner’s designee. The Department will comply with the non-discrimination and affirmative action provisions of the Connecticut General Statutes as well as any other laws affecting contracting and the awarding of state contracts along with any applicable federal laws in the ultimate engagement of outside services.

### **Discretionary Rights Reserved to the Department**

The Department reserves the right to award in part, to reject any and all statements in whole or in part for misrepresentation or if the Applicant is in default of any prior Department contract, or if the Statement limits or modifies any of the terms and conditions and/or specifications of this RFQ.

The Department also reserves the right to waive technical defect, irregularities and omissions, if, in its judgment, the interest of the Department will be served. The Department reserves the right to correct inaccurate awards resulting from its clerical errors. This may include, in extreme circumstances, revoking the awarding of a contract already made to a proposer and subsequently awarding the contract to another proposer. Such action on the part of the Department shall not constitute a breach of contract on the part of the Department since the contract with the initial Applicant is deemed to be void *ab initio* and of no effect as if no contract ever existed between the Department and the Applicant.

The Department also reserves the right to revise, discontinue or close to additional applicants this posting at any time.

### **Cost Liability**

The State of Connecticut assumes no responsibility and no liability for costs incurred by any Applicant prior to selection as a Contractor for a specific consulting engagement.

### **No Guarantee of Selection**

Acceptance of your Statement and placement on the Department's QPL does **not** guarantee that an Applicant will be selected for an engagement.

### **Freedom of Information Act Disclosure**

Documents received and maintained by the Department may be subject to public disclosure upon a request made under Connecticut's Freedom of Information Act (C.G.S. Secs 1-200 *et seq.*). When submitting a Statement, the Applicant may wish to designate with an appropriate notation any page of the Statement that is believed to contain trade secret(s) or confidential information. While such a notation will not automatically constitute a determination that the information so designated is exempt from disclosure, it will aid the Department in evaluating the information in the event such evaluation becomes necessary for the purpose of determining whether it falls within an exception to the Freedom of Information laws.

### **General Information**

Setting the scope of the examination is the sole responsibility of the Department. The area(s) in which the Department may need outside expertise will be determined by the scope of the examination and availability of Department staff resources.

All Applicants should review the template Contract for Consulting Services ("Contract"), and associated certifications and affidavits as required by state law, samples of which is attached to this document as Appendix 1. **The terms and conditions of the core Contract for Consulting Services are in conformity with the contracting laws of the State of Connecticut and are not negotiable. Failure to accept the terms and conditions of the Contract will be grounds for exclusion from consideration.** Exhibit A to engagement Contract will reflect the negotiated Scope of Service requirements and compensation arrangements for each specific consulting engagement.

Appendix 2 provides a link to the most recently published Guide to the Code of Ethics for Current or Potential State Contractors.

**Please Note:** *The terms and conditions of the core Contract as well as the certifications or affidavits, are subject to change at any time as required by changes*

*to state law or under the requirements of the Office of the Attorney General, Department of Administrative Services, State Insurance and Risk Management Board, Office of Policy and Management or the State Contracting Standards Board.*

### **Instructions to Applicants**

Statements must contain all required information as requested in the section below entitled "Statement Format and Content". In addition, all affidavits or certifications provided as appendices must be completed in full and returned as part of the statement response.

### **Questions**

Questions regarding this RFQ must be submitted in writing by email. Questions should be directed to:

Timothy Curry  
Deputy Commissioner and Agency Procurement Officer  
Connecticut Insurance Department

Timothy.Curry@ct.gov  
Or  
cid.biz@ct.gov

### **Applicant's Statement**

In order to be considered for selection, Applicants must submit a complete response to this RFQ. One **(1)** original and five **(5)** copies of each Statement must be submitted in hard copy to the Insurance Department. No other distribution of the Statements shall be made by the bidder. The complete application package shall consist of a Statement that includes the following information:

1. A cover letter identifying:
  - the original copy of the Statement
  - contact information (including name, title, postal address, email address, telephone and fax numbers)
  - a statement certifying that all information included in the Statement and submitted is accurate to the best of the applicant's knowledge and belief
  - a statement certifying that the Applicant has received a copy of the current Guide to the Code of Ethics for Current or Potential State Contractors
  - a statement certifying that the Applicant has reviewed the sample Contract and the various certifications and affidavits and that Applicant understands that a condition of being included on the Insurance Department QPL is acceptance of the terms and conditions of the core Contract, certifications and affidavits without any opportunity to negotiate any terms, conditions or provisions other than the scope of service and cost for each specific engagement for which the Applicant may be selected. **(Please do not execute the sample Contract or any of the certifications/affidavits.)**

2. The cover letter must be signed by the applicant's chief executive officer or an individual authorized to act in such capacity for the Applicant;
3. Consecutive page numbering for easy reference;
4. A Statement table of contents and identification of Statement sections; and
5. Identifiable and specific responses to each of the particular criteria set forth in this RFQ;

### **Acceptance of Statement Content**

The contents of the statement of any Applicant may become a part of any contract awarded as a result of these specifications.

### **Term of List and Renewal Requirements**

Once qualified following submission and acceptance of a Statement pursuant to this RFQ, a service provider will be eligible for consideration for an assignment through June 30 of each year. Placement on the list as a prequalified provider is automatically renewable upon the following conditions:

- Submission by June 30 of each year to the Department of an:
  - annual fee schedule for the period of July 1 through June 30 inclusive (*The Department does not negotiate rates for each engagement; the Department will only pay for services according to the rates on file. If a rate not on file is billed, payment will be made at the filed rate.*)
  - an organizational update, including any management and staff changes and resumes of any new staff as of July 1 of each year
- Maintaining a satisfactory evaluation of delivered services

Not later than sixty (60) days after a service provider completes work on a contract, a written evaluation of the service provider's performance will be completed. A service provider must receive a satisfactory evaluation to be eligible for future projects. The Department will annually review each service provider's evaluation(s) to determine if a minimum aggregate satisfactory rating has been maintained. Any service provider not maintaining a minimum aggregate satisfactory rating will be terminated from the list. Such a service provider may re-apply to be added to the list after a period of one year.

### **Oral Presentation**

The Department will not require any oral presentations.

## **Price Changes**

All prices when established and agreed upon shall be firm and not subject to increase during the period of the contract.

## **Statement Format and Content**

All instructions, terms and conditions contained in the Statement must be met in order to qualify for consideration of award. Those statements which do not meet those conditions will be considered non-responsive.

### **Section 1 – TABLE OF CONTENTS**

Applicants must include a Table of Contents that lists sections and subsections with page numbers that follow the organization and sequence for this Statement as required.

### **Section 2 - INDIVIDUAL OR ORGANIZATIONAL PROFILE**

The Applicant shall submit a description of the administration and operation of its organization including how it satisfied the above statutory requirements. .

This section of the statement shall contain at least the following information:

1. Location of Applicant's headquarters and nearest offices. Include copy of Certificate of Incorporation or Partnership.
2. Any Applicant seeking to be a Qualified Provider shall provide the following about itself and any parent corporation and all subsidiaries and affiliates: (1) an organizational chart by ownership of all affiliated entities; (2) the names and addresses of owners/partners/shareholders of each entity; and (3) the names and addresses of members of the Board of each entity.
3. A chart of the Applicant's organization which shows, for key project staff members, their level of responsibility within that organization. Provide an estimate of the number, types and functions of the personnel considered necessary to the administration and operation of the organization on a statewide basis with a separate job description detailing the roles of key persons. Include an explanation of the contractual and financial relationships between the Applicant and the personnel who will actually be responsible for providing consulting services.
4. A list of any other regulatory entities with which the Applicant is similarly contracted. This list shall include a brief description of the nature of any such arrangement.
5. In responding to this RFQ, the Applicant must describe the means by which it will:

- Provide personnel who possess the appropriate training and qualifications for the area in which they will be providing consulting services. The Statement should include the criteria to be used for the selection of personnel
- Ensure the availability of appropriate personnel as needed for timely and efficient services.
- Ensure the neutrality and objectivity of all personnel providing consulting services and avoid conflicts of interest. Provide affirmative evidence that no conflict of interest exists.

### **Section 3 - STATEMENT OF WORK**

Provide an example of a detailed, task-oriented breakdown for conducting market conduct examinations. Please provide work plan examples for routine, comprehensive, target, and limited scope examinations. Also provide work plans for multistate examinations where Connecticut will act as the lead state. Include an approach to managing the work plans.

### **Section 4 – PERSONNEL RESOURCES**

Identify the key personnel that will be assigned to a market conduct engagement. Attach resumes reflecting their qualifications and work experience in the subject area. [Note: If a Qualified Provider is selected for an engagement, the State must be notified in writing and in advance regarding the departure of any key personnel from the project.]

### **Section 5 - PROPOSED COST**

The Statement should include the Applicants rate structure for each level of staff available to be used in a market conduct examination engagement. *Note: The State of Connecticut is exempt from the payment of excise, transportation and sales taxes imposed by the Federal Government and/or the State. Such taxes must not be included in the proposed cost.*

### **Section 6 – CONFLICT OF INTEREST**

Include a disclosure statement concerning any current business relationships (within the last three (3) years) that pose a conflict of interest as defined by Connecticut General Statutes Section 1-85.

### **Section 7 - ADDITIONAL DATA**

Provide any additional information which the proposer wishes to bring to the attention of the State that is relevant to this RFQ.

### **STATEMENT EVALUATION CRITERIA**

The following criteria, not necessarily listed in order of significance, will be used to evaluate statements:

1. The qualifications and quantified experience of personnel to be providing consulting services.
2. The firms past performance on projects of similar scope and size.



3. The ability of the Applicant, as judged by the State, to successfully complete the assignments within the proposed schedule.
4. Costs/fee structure.
5. Performance evaluations on file for Applicants currently on the Department's QPL.

### **SELECTION OF PROVIDERS FROM THE QPL FOR AN ENGAGEMENT**

When the need for a consultant arises, the QPL will be used as the source for selection of a service provider(s). For some engagements the Department may choose to identify more than one service provider(s) and request additional information relative to specific qualifications for the assignment, availability of specialized resources, etc., prior to formulating a recommendation.

The following criteria will be used in the evaluation process:

- Demonstrated proficiency in performing assignments of this nature for Connecticut and other regulatory jurisdictions and/or the insurance industry;
- Personnel capabilities including the education, experience and skills required to provide the service, as well as sufficient staff resources to meet the Department's needs and established timeframes; and
- Professional fees and expense structure.

A recommendation to engage the service provider(s) will be submitted to the Agency Procurement Officer ("APO") who will make a recommendation to the Commissioner. The Commissioner shall either accept, reject or modify the APO's recommendation.

The Department, in accordance with provisions of the Connecticut General Statutes, will prepare the actual Contract for Consulting Services ("Contract"). Statutory contractual provisions, a detailed description of the services to be provided, staffing levels, professional fees and expenses, deliverables, time frame for completion as well as the responsibilities of the service provider and the Department will be specified in the Contract.

By execution of the Contract, the selected service provider expressly agrees to comply with all statutory provisions of the core Contract. The Scope of Services will be customized for each outsourced project and will contain the provider's approach, deliverables and time frames and compensation.

In preparation for developing the Scope of Services, the proposed service provider(s) may be required to review work papers, recorded information, documents and copies thereof produced by, obtained by or disclosed by the commissioner or any person in the course of the contracted service. Pursuant to Conn. Gen. Stat. §38a-8(f):

The commissioner shall maintain, as confidential, information obtained, collected or prepared in connection with examinations, inspections or investigations, and complaints from the public received by the Insurance Department if such records are protected from disclosure under federal law or state statute or, in the opinion of the commissioner, such records would disclose, or would reasonably lead to the disclosure of: (1) Investigative information the disclosure of which would be prejudicial to such investigation, until such time as the investigation is concluded; or (2) personal, financial or medical information concerning a person who has filed a complaint or inquiry with the Insurance Department, without the written consent of the person or persons to whom the information pertains.

There are various other confidentiality provisions which are applicable to other types of services to be provided. The proposed service providers may be asked to complete Nondisclosure/Confidentiality Agreements prior to accessing any information which may be considered to be confidential by statute.

The service provider must provide the Department with an estimate of its professional fees and expenses based on staffing level, hours and rates for each phase of an engagement.

All Contracts must be executed by a party who is authorized to bind the contract as evidenced by a board of directors' resolution or certification under oath.

### **THE ENGAGEMENT EVALUATION PROCESS**

Not later than sixty days after a service provider completes work on a contract, the Department supervising examiner involved in the oversight of the examination will complete a written evaluation of the service provider's performance. The criteria to be considered includes but is not limited to the following:

- Knowledge and understanding of Connecticut's regulatory framework;
- Performance (quality, quantity, thoroughness, accuracy and timing);
- Communicating and reporting progress to the Department at regular intervals;
- Ability to deliver contracted services within agreed upon cost estimates; and

- Value added (training, researching issues, understanding and documenting new developments).

The Department's evaluation will also take into consideration the service provider's understanding of the scope of the assignment, time frame in which it was completed, the final work product and final cost of the services provided in comparison to the original estimate. A service provider must receive a satisfactory evaluation to be eligible for future projects.

**APPENDIX 1**  
**[SAMPLE EXAMINATION CONTRACT– NOT FOR EXECUTION]**

***CONTRACT FOR CONSULTING SERVICES***

This Contract (hereinafter “Contract”) is entered into between the **STATE OF CONNECTICUT** acting through the Insurance Commissioner of the State of Connecticut, (hereinafter the “State”) and **[CONTRACTOR NAME]** (hereinafter the “Contractor”). The parties hereto agree that the services specified in this Contract shall be provided by the Contractor in strict compliance with the provisions of this Contract.

**1. Statutory Authority**

The State is authorized to enter into this Contract pursuant to sections 4-8 and 38a-15 of the Connecticut General Statutes.

**2. Entire Contract**

This Contract embodies the entire contract between the State and the Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Contract shall supersede all prior written Contracts between the parties and their predecessors related to the examination of on behalf of **[COMPANY BEING EXAMINED]** (hereinafter referred to as the “Company”), pursuant to section 38a-15 of the Connecticut General Statutes (“Examination”). No changes, amendments, or modifications of any of the terms or conditions of the Contract shall be valid unless reduced to writing and signed by all parties. This Contract shall inure to the benefit of each party’s heirs, successors, and assigns. In the event of a conflict between the main body of this Contract and an Exhibit to this Contract, the provisions of the main body of this Contract shall prevail.

**3. Amendment of the Contract**

When reasonable or necessary changes to the services or fees described in Exhibit A to this Contract are requested, the Contractor shall promptly advise the State as to whether it agrees to the proposed changes and estimate their monetary effect, if any. The Contractor shall implement no change unless it is approved by the State in writing; and, unless otherwise agreed to in writing, the provisions of this Contract shall apply to all changes in the Contractor’s services. If the State determines that any change materially affects the cost or time of performance of this Contract as a whole, the Contractor and the State will mutually agree to an equitable adjustment, and this Contract shall be modified accordingly. Except for extensions made in accordance with the section dealing with the Duration of the Contract, no amendment to or modification or other alteration of the Contract shall be valid or binding upon the State unless made in writing, signed by all parties to the Contract, and if applicable, approved by the Connecticut Attorney General.

**4. Duration of Contract**

This Contract shall be in effect from the date of execution of this Contract by all parties through completion of the Examination, including any legal or regulatory proceedings that may arise as a result of the Examination, unless terminated pursuant to section 32 of this Contract. The duration of this Contract will be extended to accommodate changes in services made in accordance with section 3 of this Contract, or upon the express written agreement of the State and the Contractor.

**5. Price Schedule, Payment Terms and Billing**

Payment terms under this Contract are set forth in Exhibit A. Payment shall be made only after the State receives and accepts the goods and or the services as set forth in Exhibit A and after it receives a properly completed invoice.

**6. Contractor Changes**

The Contractor shall notify the State in writing no later than ten (10) days from the effective date of any change in:

- (a) its certificate of incorporation or other organizational document;
- (b) more than a controlling interest in the ownership of the Contractor; or
- (c) the individual(s) in charge of the performance of the Contract.

This change shall not relieve the Contractor of any responsibility for the accuracy and completeness of the performance of the Contract. The State, after receiving written notice by the Contractor of any State's satisfaction, that any individuals retiring or otherwise separating from the Contractor have been compensated in full or that provision has been made for compensation in full, for all work performed under terms of the Contract. The Contractor shall deliver such documents to the State in accordance with the terms of the State's written request. The State may also require, and the Contractor shall deliver, a financial statement showing that solvency of the Contractor is maintained. The death of any Contractor Party, defined as "a Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract and the Contractor intends for such other person or entity to perform under the Contract in any capacity", as applicable, shall not release the Contractor from the obligation to perform under the Contract; the surviving Contractor Parties, as appropriate, must continue to perform under the Contract until performance is fully completed.

**7. Cost Modifications**

The parties may agree to a reduction in the cost of the Contract at any time during which the Contract is in effect. Without intending to impose a limitation on the nature of the reduction, the reduction may be to hourly, staffing, or unit costs, the total cost of the Contract or the reduction may take such other form as the State deems to be necessary or appropriate.

**8. Contractor Responsibilities**

- (a) The Contractor agrees to provide the State, as agent for the State for the services herein, in the manner described in Exhibit A, the services set forth in Exhibit A attached hereto.
- (b) To assist the State in its Examination, the State is engaging the services of the Contractor as an examiner pursuant to section 38a-15 of the Connecticut General Statutes. As between Contractor and Company, Contractor will undertake this engagement in reliance upon its understanding that (1) Contractor will be responsible to the State, and not the Company, for the conduct of its work and the report of its findings thereon, and (2) Contractor will have no responsibility to the Company for any subsequent developments, whether based upon such report or otherwise.

- (c) The services to be provided in accordance with this Contract by the Contractor will be conducted at the direction of the Examiner-In-Charge.
- (d) The Contractor agrees invoices shall be generated on a monthly basis, and submitted to the State by the end of the following month for approval. Such invoices shall include a description of all charges billed. Within fifteen days of receipt of an invoice by the State, the State shall notify the Contractor of any required changes in the invoice.
- (e) The Contractor agrees to provide services as specified by this Contract in a manner that shall reflect its high regard for quality and that is consistent with the procedures as outlined in the NAIC Market Regulation Handbook.
- (f) Contractor agrees to provide services as specified by the Contract in a manner that shall reflect its high regard for quality. Contractor agrees to take all reasonable steps necessary to safeguard data, files, reports, or other information from loss, destruction, or erasure. The State agrees to notify Contractor, in writing, of any incident that may give rise to liability on the part of Contractor within ten (10) days of the date of its acquiring knowledge of such potential liability. Contractor agrees to notify the State, in writing, of any incident that may give rise to liability on the part of the State within ten (10) days of the date of its acquiring knowledge of such potential liability.
- (g) The parties agree that the services to be provided under this Contract cannot be relied upon to disclose errors, irregularities including fraud or defalcations or illegal acts that may exist. The Contractor specifically agrees, however, that the Contractor shall inform the State of any such matters that come to its attention.
- (h) The Contractor recognizes section 1-86e(a) of the Connecticut General Statutes which states: No person hired by the state as a consultant or independent contractor shall (1) use the authority provided to the person under the contract, or any confidential information acquired in the performance of the contract, to obtain financial gain for the person, an employee of the person or a member of the immediate family of any such person or employee; (2) accept another state contract which would impair the independent judgment of the person in the performance of the existing contract; or (3) accept anything of value based on an understanding that the actions of the person on behalf of the state would be influenced.
- (i) In the event of any related legal, regulatory or other proceeding related to this Examination, the Contractor agrees to provide testimony as required regarding the services provided and the information reviewed.

## **9. Independent Contractor**

- (a) The Contractor agrees to perform the Services hereunder solely as an Independent Contractor. The Parties to this Contract agree that it does not create any actual or apparent partnership, franchise, or relationship of employer and employee between the parties. The Contractor is not authorized to enter into or commit the Company or State to any agreements, and the Contractor shall not represent itself as the agent or legal representative of the Company.

- (b) The Contractor is not entitled to participate in any State or Company benefit program, including without limitation any health or retirement plans. The Contractor is not entitled to any remuneration, benefits, or expenses other than as specifically set forth in this Contract.
- (c) The Company and State are not liable for taxes, Workers' Compensation, unemployment insurance, employers' liability, employer's FICA, social security, withholding tax, or other taxes or withholding for or on behalf of the Contractor or any other person consulted or employed by the Contractor in performing the services set forth in this Contract. All such costs are the Contractor's responsibility.
- (d) The Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. The Contractor shall maintain complete control over its employees, if any. The Contractor shall perform all services in accordance with the requirements of this Contract, and all applicable laws and regulations.
- (e) The Contractor has thoroughly searched its records deemed by the Contractor to be relevant to the services to be provided in accordance with this Contract, and represents that based on such search, services rendered by the Contractor to the State hereunder do not in any way conflict with other contractual commitments with or by the Contractor. The State recognizes that the Contractor is, however, engaged by new clients everyday and cannot assure that following commencement of the services, engagements with clients which may create a potential conflict will not occur with the Contractor. The Contractor will notify the State should they identify a conflict that occurs following commencement of services under this Contract.

#### **10. Contractor Representations and Warranties**

The Contractor, represents and warrants to State for itself and any Contractor Parties, that:

- (a) if they are entities, they are duly and validly existing under the laws of their respective states of organization and authorized to conduct business in the State of Connecticut in the manner contemplated by the Contract. Further, as appropriate, they have taken all necessary action to authorize the execution, delivery and performance of the Contract and have the power and authority to execute, deliver and perform their obligations under the Contract;
- (b) they will comply with all applicable State and Federal laws and municipal ordinances in satisfying their obligations to the State under and pursuant to the Contract, including, but not limited to (1) Connecticut General Statutes Title 1, Chapter 10, concerning the State's Codes of Ethics;
- (c) the execution, delivery and performance of the Contract will not violate, be in conflict with, result in a breach of or constitute (with or without due notice and/or lapse of time) a default under any of the following, as applicable: (1) any provision of law; (2) any order of any court or the State; or (3) any indenture, agreement, document or other instrument to which it is a party or by which it may be bound;
- (d) they are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any governmental entity;
- (e) as applicable, they have not, within the three years preceding the Contract, in any of their current or former jobs, been convicted of, or had a civil judgment rendered against them or against any person who would perform under the Contract, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a transaction or contract with any governmental entity. This includes, but is not limited to, violation of Federal or state antitrust statutes or commission

of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

- (f) they are not presently indicted for or otherwise criminally or civilly charged by any governmental entity with commission of any of the offenses listed above;
- (g) they have not within the three years preceding the Contract had one or more contracts with any governmental entity terminated;
- (h) they have not employed or retained any entity or person, other than a bona fide employee working solely for them, to solicit or secure the Contract and that they have not paid or agreed to pay any entity or person, other than a bona fide employee working solely for them, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of the Contract or any assignments made in accordance with the terms of the Contract;
- (i) to the best of their knowledge, there are no claims involving the Contractor or Contractor Parties that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to perform fully under the Contract;
- (j) they shall disclose, to the best of their knowledge, to the State in writing any claims involving them that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to perform fully under the Contract, no later than ten (10) calendar days after becoming aware or after they should have become aware of any such claims.
- (k) they are able to perform under the Contract using their own resources or the resources of a party who is not a Contractor;
- (l) they have paid all applicable workers' compensation second injury fund assessments concerning all previous work done in Connecticut;
- (m) they have a record of compliance with Occupational Health and Safety Administration regulations without any unabated, willful or serious violations;
- (n) they owe no unemployment compensation contributions;
- (o) they are not delinquent in the payment of any taxes owed, or, that they have filed a sales tax security bond, and they have, if and as applicable, filed for motor carrier road tax stickers and have paid all outstanding road taxes;
- (p) each Contractor Party has vested in the Contractor plenary authority to bind the Contractor Parties to the full extent necessary or appropriate to ensure full compliance with and Performance in accordance with all of the terms and conditions of the Contract and that all appropriate parties shall also provide, no later than fifteen (15) days after receiving a request from the State, such information as the State may require to evidence, in the State's sole determination, compliance with this section.

## **11. Notices**

All notices, demands, requests, consents, approvals or other communications required or permitted to be given or which are given with respect to this Contract (for the purpose of this section collectively called "Notices") shall be deemed to have been effected at such time as the notice is placed in the U.S. mail, first class and postage pre-paid, return receipt requested, or, placed with a recognized, overnight express delivery



service that provides for a return receipt or emailed or faxed. All such Notices shall be in writing and shall be addressed as follows:

STATE:

CONTRACTOR:

The parties may change their respective addresses and appoint successors to the individuals identified to receive notices under this paragraph upon prior written notification to the other parties.

**12. Laws and Regulations**

The Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder. All references in this Contract to any statute, public act, regulation, code or executive order shall mean such statute, public act, regulation, code or executive order, respectively, as it has been amended, replaced or superseded at any time. Notwithstanding any language in this Contract that relates to such statute, public act, regulation, code or executive order, and notwithstanding a lack of a formal amendment to this Contract, this Contract shall always be read and interpreted as if it contained the most current and applicable wording and requirements of such statute, public act, regulation, code or executive order as if their most current language had been used in and requirements incorporated into this Contract at the time of its execution.

**13. Forum and Choice of Law**

The parties deem the Contract to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflict of laws. To the extent that any immunities provided by the Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any claims in any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

**14. Labor and Personnel**

At all times, the Contractor shall utilize qualified personnel necessary to perform the services under this Contract.

**15. Conflicts, Errors, Omissions and Discrepancies**

In case of conflicts, discrepancies, errors or omissions among the various parts of this Contract, any such matter shall be submitted immediately by the Contractor to the State for clarification. The State shall issue such clarification within a reasonable period of time. Any services affected by such conflicts, discrepancies, errors or omissions that are performed by the Contractor prior to clarification by the State shall be at the Contractor's risk.

**16. Nondisclosure**

The Contractor shall not release any information concerning the services provided pursuant to this Contract or any part thereof to any member of the public, press, business entity, or any official body unless prior written consent is obtained from the State.

**17. Inspection**

- (a) The State may, at reasonable hours, inspect and examine all of the parts of the Contractor's plants and places of business which, in any way, are related to, or involved in, the performance of this Contract.
- (b) The Contractor shall maintain accurate and complete records. The Contractor shall make all of its records available at all reasonable hours for audit and inspection by the State.
- (c) The State shall make all requests for any audit or inspection in writing and shall provide the Contractor with at least twenty-four (24) hours' notice prior to the requested audit and inspection date. If the State suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.
- (d) All audits and inspections shall be at the State's expense.
- (e) The Contractor shall keep and preserve or cause to be kept and preserved all of records until three (3) years after the latter of (i) final payment under this Agreement, or (ii) the expiration or earlier termination of this Agreement, as the same may be modified for any reason. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Contractor shall retain or cause to be retained all records until all claims or audit findings have been resolved.
- (f) The Contractor shall cooperate fully with the State in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.
- (g) The Contractor shall incorporate this entire section verbatim into any contract or other agreement that it enters into with any subcontractor.

**18. Workpapers**

- (a) All of the services performed by the Contractor relating to the subject of this Contract are subject to the review, inspection and approval of the State, and therefore, any and all written and electronic records, including but not exclusively limited to any books, papers, notes, files, records, memos, drafts, findings, draft reports, and reports related to such services (hereinafter "Workpapers" or "Workpaper") shall be subject to the inspection and approval of the State. The Contractor shall furnish all Workpapers and additional information requested by the State to the State and grant the State's duly authorized representatives free access to any Workpapers at all reasonable times, upon twelve (12) hours notice to the Contractor. At the State's request, the Contractor shall provide the State with certified copies of Workpapers in the possession or control of the Contractor. The Workpapers may be provided in an electronic format that is acceptable to the State.
- (b) The Contractor agrees that all Workpapers shall remain the property of the State and all Workpapers retained by the Contractor are retained on behalf of the State. All Workpapers retained by the

Contractor shall be stored by the Contractor for a period of (7) years or until the next examination of the Company or the next accreditation review of the State by the National Association of Insurance Commissioners (hereinafter "NAIC") is completed, whichever is later (hereinafter "Retention Period"). During the Retention Period, the Contractor shall maintain all Workpapers in its possession in the office or facility closest to the State's office that is appropriate for the retention of documents. After or during the Retention Period or upon completion of the services provided in accordance with this Contract and any regulatory or legal proceeding associated with the Examination, the State may take possession of any original Workpapers retained by the Contractor and the Contractor shall submit such Workpapers to the State in accordance with the State's direction. The Contractor may retain photocopies of the original Workpapers and may retain any original Workpapers the State does not wish to possess. All such materials are to be kept confidential and in a secure location unless and until such time as the documents lose their confidentiality as set forth in subsection 23(b) of this Contract.

- (c) The Contractor agrees to maintain all Workpapers as confidential information owned by the State. The Contractor will abide by any confidentiality protections afforded to the Workpapers by applicable law. The Contractor shall only disclose Workpapers to its own employees as necessary to perform the job as outlined in Exhibit A and to the State unless permitted, in writing, by the State to do otherwise.
- (d) The Contractor agrees to take all reasonable steps necessary to safeguard the Workpapers, or other information from loss, destruction, unauthorized disclosure or erasure during the course of the Contract and the Retention Period.
- (e) The Contractor agrees that excerpts of any Workpaper generated by the Contractor may be included in a final examination report issued by the State. The contents of the final examination report will be determined at the sole discretion of the State, and it is the sole responsibility of the State to interpret the Contractor's findings and to make representations regarding said interpretations.

**19. Non-Waiver**

None of the conditions of this Contract shall be considered waived by the State, the Company, or the Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Contract unless expressly stipulated in such waiver.

**20. Promotion**

- (a) Unless specifically authorized in writing by the Commissioner on a case by case basis, the Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:
  - (1) in any advertising, publicity, promotion; nor
  - (2) to express or to imply any endorsement of the Contractor's products or services; nor
  - (3) in any manner (whether or not similar to uses prohibited by subparagraphs (1) and (2) above), except only to prepare and deliver in accordance with this Contract such items as are hereby contracted for by the State.

- (b) Unless specifically authorized in writing by the Company on a case by case basis, the Contractor shall have no right to use, and shall not use, the name of the Company, their subsidiaries or affiliates, their officials or employees, or the servicemarks or trademarks of the Company, its parents, subsidiaries, or affiliates or any information concerning the services provided pursuant to this Contract:
- (1) in any advertising, publicity, promotion; nor
  - (2) to express or to imply any endorsement of the Contractor's products or services; nor
  - (3) in any manner (whether or not similar to uses prohibited by subparagraphs (1) and (2) above), except only to prepare and deliver in accordance with this Contract such items as are hereby contracted or required by law.
- (c) Notwithstanding the provisions of paragraphs (a) and (b) above, nothing herein shall preclude or limit the Contractor from referring to the State or the Company as an entity that has engaged or have been the subject of services performed by the Contractor in connection with similar contracts providing it is done in the ordinary course of marketing its business and only the general nature of the services rendered to the State or Company in connection with this Contract are described.

## **21. Survival**

The rights and obligations of the parties which by their nature survive termination or completion of this Contract, including but not limited to those set forth in sections 16, 17, 18, 20, 22, 40, 41, and 42 of this Contract, shall remain in full force and effect.

## **22. Confidentiality of Proprietary Information**

- (a) The State and the Contractor agree that all Workpapers, working papers, recorded information, documents and copies thereof, and all other information written or oral, produced by, obtained by or disclosed to the State and the Contractor in the course of providing the services contemplated by this Contract ("Proprietary Information") shall be forever given confidential treatment, shall not be subject to subpoena and shall not be made public by the State or the Contractor, except that the State may make certain limited disclosures in accordance with applicable provisions of the Connecticut General Statutes;
- (b) Proprietary Information shall not include information which (1) is or becomes available to the public other than as a result of a disclosure by the Contractor or its representatives; (2) was or becomes available to the Contractor on a non-confidential basis from a source other than the Company, the State or their respective representatives, provided that such source is not known by the Contractor to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company, the State, or any of their respective representatives with respect to such Proprietary Information; (3) is developed by the Contractor independently of any disclosures of information by the State or the Company; or (4) is disclosed by the Company in connection with litigation between or among parties hereto arising hereunder;
- (c) The Contractor further agrees not to use such Proprietary Information for any purpose other than the provision of services as contemplated by this Contract, and that the Company shall have the right to enforce the terms of this section against the Contractor. The Contractor also agrees that damages would not be a sufficient remedy for any breach of this Contract by the Contractor or its representatives, that in addition to all other remedies the State and the Company shall be entitled to

seek specific performance and injunctive or other equitable relief as a remedy for any such breach. The Contractor also agrees to waive, and to use its best efforts to cause its representatives to waive, any requirement for the securing or posting of any bond in connection with any such remedy;

- (d) The Contractor shall be permitted to disclose Proprietary Information only to the Contractor's employees who will have need of such data or information in connection with the performance of this Contract. The Contractor shall clearly instruct such employees not to violate the confidentiality provisions contained herein, and the Contractor shall take appropriate steps to ensure that such obligations are fulfilled; and
- (e) In the event that the Contractor is requested or directed (by deposition, interrogatories, requests for information or documents in legal proceedings, subpoenas, civil investigative demand or similar process), in connection with any legal or regulatory proceedings, to disclose any Proprietary Information, the Contractor shall give the Company and the State prompt written notice of such request or direction so that the Company and the State may independently or jointly seek an appropriate protective order or other remedy. The Company may alternatively waive compliance with the relevant provisions of this Contract pertaining to the Proprietary Information, provided that the State also agrees that the requested disclosure is appropriate and permissible under the relevant provisions of the Contract and the Connecticut General Statutes. In the event that such protective order or any other remedy is not obtained, or the Company waives compliance with the relevant provisions of this Contract with the State's assent, the Contractor shall furnish only that portion of the Proprietary Information that is legally required to be disclosed.

**23. Notification of Liability**

- (a) The State agrees to notify the Contractor, in writing, of any incident that the State recognizes as giving rise to liability on the part of the Contractor within ten (10) days of the date of its acquiring knowledge of such potential liability; and
- (b) The Contractor agrees to notify the State, in writing, of any incident that the Contractor recognizes as giving rise to liability on the part of the State within ten (10) days of the date of its acquiring knowledge of such potential liability.

**24. Executive Orders Numbers**

This Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of the Contract as if they had been fully set forth in it. The Contract may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services and to Executive Order No. 49 of Governor Dannel P. Malloy, promulgated May 22, 2015, mandating disclosure of certain gifts to public employees and contributions to certain candidates for office. If Executive Order 14 and/or Executive Order 49 are applicable, they are deemed to be incorporated into and are made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the State shall provide a copy of these orders to the Contractor.

**25. Non-Discrimination**

The Contractor agrees to the following provisions required pursuant to section 4a-60a of the Connecticut General Statutes.

References in this section to "contract" shall mean this Contract and references to "contractor" shall mean the Contractor.

(a) For purposes of this Section, the following terms are defined as follows:

- (1) "Commission" means the Commission on Human Rights and Opportunities;
- (2) "Contract" and "contract" include any extension or modification of the Contract or contract;
- (3) "Contractor" and "contractor" include any successors or assigns of the Contractor or contractor;
- (4) "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.
- (5) "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;
- (6) "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;
- (7) "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced;
- (8) "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;
- (9) "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and
- (10) "public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

- (b) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.
- (c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- (e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

- (f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
- (g)(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.
- (h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

**26. Americans With Disabilities Act**

The Contractor shall be and remain in compliance with the Americans with Disabilities Act of 1990 (“Act”), to the extent applicable, during the terms of this Contract. The State may terminate the Contract if the Contractor fails to comply with the Act.

**27. Sovereign Immunity/Litigation**

- (a) The parties acknowledge and agree that nothing in the Contract shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have, or will have with respect to all matters arising out of the Contract. To the extent that this section conflicts with any other section, this section shall govern.
- (b) The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings in any State or Federal Court in addition to, or in lieu of, said Chapter 53 proceedings.
- (c)



**28. Specification of State Official**

Wherever the term “Commissioner” is used in this Contract, it shall include her authorized agent, employee or designee.

**29. Assignment**

This Contract shall not be assigned by the Contractor without the express prior written consent of the State. Notice shall be no less than thirty (30) days prior to the assignment of this Contract and shall include the identity of the assignee.

**30. Severability**

If any part or parts of this Contract are held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Contract notwithstanding the part or parts found to be void or unenforceable.

**31. Termination of Contract**

- (a) Notwithstanding any provisions in this Contract, the State, through a duly authorized employee, may terminate the Contract whenever the State makes a written determination that such termination is in the best interests of the State. The State shall notify the Contractor in writing of termination pursuant to this section, which notice shall specify the effective date of termination and the extent to which the Contractor must complete its performance under the Contract prior to such date.
- (b) Notwithstanding any provisions in this Contract, the State, through a duly authorized employee, may, after making a written determination that the Contractor has breached the Contract, terminate the Contract in accordance with the provisions in the Breach section of this Contract.
- (c) The State shall send the notice of termination via certified mail, return receipt requested, to the Contractor at the most current address which the Contractor has furnished to the State for purposes of correspondence, or by hand delivery, or by electronic mail. Upon receiving the notice from the State, the Contractor shall immediately discontinue all services affected in accordance with the notice, undertake all commercially reasonable efforts to mitigate any losses or damages, and deliver to the State all Workpapers. The Workpapers are deemed to be the property of the State and the Contractor shall deliver them to the State no later than thirty (30) days after the termination of the Contract or fifteen (15) days after the Contractor receives a written request from the State for the Workpapers. The Contractor shall deliver those Workpapers that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to, ASCII or TXT.
- (d) Upon receipt of a written notice of termination from the State, the Contractor shall cease operations as the State directs in the notice, and take all actions that are necessary or appropriate, or that the State may reasonably direct, for the protection, and preservation of the Workpapers and any other property. Except for any work which the State directs the Contractor to perform in the notice prior to the effective date of termination, and except as otherwise provided in the notice, the Contractor shall terminate or conclude all existing subcontracts and purchase orders and shall not enter into any further subcontracts, purchase orders or commitments.
- (e) Upon termination of the Contract, all rights and obligations shall be null and void, so that no party shall have any further rights or obligations to any other party, except with respect to the sections which survive termination. All representations, warranties, agreements and rights of the parties under the Contract shall survive such termination to the extent not otherwise limited in the Contract and without

each one of them having to be specifically mentioned in the Contract.

- (f) Termination of the Contract pursuant to this section shall not be deemed to be a breach of contract by the State.
- (g) If the Contractor, during the term of this Contract, shall file for bankruptcy or be adjudicated bankrupt, or have any judgment of bankruptcy or insolvency entered against it, the State may terminate this Contract without notice.
- (h) In the event of termination of this Contract, the Contractor shall prepare and submit a final invoice to the State for payment by the Company in accordance with this Contract and section 38a-14 of the Connecticut General Statutes.

### **32. Breach**

If either party breaches the Contract in any respect, the non-breaching party shall provide written notice of such breach to the breaching party and afford the breaching party an opportunity to cure the breach within ten (10) days from the date that the breaching party receives such notice. Any other time provided for in the notice shall trump such ten (10) days. Such right to cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure but the nature of the breach is such that it cannot be cured within the right to cure period. The notice may include an effective Contract termination date if the breach is not cured by the stated date and, unless otherwise modified by the non-breaching party in writing prior to the termination date, no further action shall be required of any party to effect the termination as of the stated date. If the notice does not set forth an effective Contract termination date, then the non-breaching party may terminate the Contract by giving the breaching party no less than twenty four (24) hours' prior written notice. If the State believes that the Contractor has not performed according to the Contract, the State may withhold payment in whole or in part pending resolution of the performance issue, provided that the State notifies the Contractor in writing prior to the date that the payment would have been due in accordance with this Contract and section 38a-15 of the Connecticut General Statutes.

### **33. Force Majeure**

The Contractor and the State shall not be responsible for delays or failures in performance resulting from acts beyond its control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental codes or regulations superimposed after the fact, failures of public or private carrier or utility, fire, communication line failures, earthquakes, or other disasters. In the case of any such exception, the nonperforming party shall give immediate written notice to the other, explaining the cause and probable duration of any such nonperformance.

### **34. Headings**

The headings contained in this Contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this Contract.

### **35. Contractor Certification**

- (a) By its signing this Contract, the Contractor certifies that no elected or appointed official or employee of the State has or will benefit financially or materially from this Contract. This Contract may be terminated by the State if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees from the Contractor, its agent, or employees.

- (b) The Contractor certifies and attests that neither the Contractor nor any member of Contractor's staff has provided, or caused to be provided, gifts, as defined in Conn. Gen. Stat. § 1-79(e), to any state official or employee of the contracting agency.
- (c) The Contractor certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State, nor has made an admission of guilt of such conduct which is a matter of record.
- (d) The Contractor certifies that no business, personal, or investment relationships exist, or have existed, between the Contractor or members of Contractor's staff and the State.
- (e) The Contractor certifies that no items of value have been provided to any elected or appointed official or employee of the State for which full payment has not been made.

**36. Campaign Contribution Restrictions**

For all State contracts defined in Connecticut General Statutes §9-612(f)(1) as having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice, as set forth in attached "Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations.

**37. Incumbency Certificate**

The State shall receive true and complete certificates from the Contractor, following the guidelines attached hereto in Exhibit B and in substantial form to those incumbency certificates attached hereto in Exhibit B, certifying that the signor is authorized to sign this Contract on behalf of their respective company.

**38. Counterparts and Facsimile Signatures**

This Contract may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Either copy may be introduced into evidence during a regulatory or legal proceeding. Facsimile or electronic signatures are original signatures.

**39. No Setoff Against Other Contracts.**

Notwithstanding anything to the contrary in this Contract, each of the parties hereto acknowledges and agrees that it shall have no right hereunder to offset any amounts due or owing (or to become due and owing) to any other party under this Contract against any amounts due or owing by such other party or any of its subsidiaries or affiliates under this Contract or any other agreement, contract or understanding.

**40. Indemnification**

- (a) The Contractor shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all (1) actions, suits, claims, demands, investigations and proceedings of any kind, open, pending, threatened, whether

mature, unmaturing, contingent, known or unknown, at law or in equity, in any forum ("Claims") arising, directly or indirectly, in connection with the Contract, including the acts of commission or omission (collectively, the "Acts") of the Contractor or Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract and the Contractor intends for such other person or entity to perform under the Contract in any capacity ("Contractor Parties"); and (2) liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the Contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this section. The Contractor's obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of the Contractor's bids submitted in response to the State's request inviting bids, proposals, information or quotes for services or any Working Papers, any intellectual property rights, other proprietary rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of the Contract.

- (b) The Contractor shall not be responsible for indemnifying or holding the State harmless from any liability arising due to the negligence of the State or any other person or entity acting under the direct control or supervision of the State.
- (c) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such Claims.
- (d) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.
- (e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a Claim against a third party.
- (f) This section shall survive the termination of the Contract and shall not be limited by reason of any insurance coverage.

#### **41. Insurance**

Before commencing performance of any work under this Contract, the Contractor shall obtain and maintain at its own cost and expense for the duration of the Contract, the following insurance as described in (a) through (d) below. The Contractor shall assume any and all deductibles in the described insurance policies. At the request of the State, the Contractor shall name the State as an additional insured on the policy and shall provide a copy of the policy to the State prior to the effective date of the Contract. The Contractor's insurers shall have no right of recovery or subrogation against the State and the described Contractor's insurance shall be primary coverage. The State shall be entitled to recover under the insurance policy even if a body of competent jurisdiction determines that the State is contributorily negligent. Any failure to comply with the claim reporting provisions of the policy shall not affect coverage provided to the State.

- (a) Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include, Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability and Broad

Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply separately to the project or the general aggregate limit shall be twice the occurrence limit.

- (b) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the Contractor does not own an automobile, but one is used in the execution of the Contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of the contract, then automobile coverage is not required.
- (c) Professional Liability: \$1,000,000 limit of liability.
- (d) Workers' Compensation and Employers Liability: Statutory coverage in compliance with the compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with minimum limits of \$100,000 each accident, \$500,000 Disease-Policy Limit, \$100,000 each employee.

#### **42. Protection of Confidential Information - Breach of Security or Loss**

- (a) For purposes of this Section, the following terms are defined as follows:

"Confidential Information" shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Confidential Information shall also include any information that the Department classifies as "confidential" or "restricted." Confidential Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public.

"Confidential Information Breach" shall mean, generally, an instance where an unauthorized person or entity accesses Confidential Information in any manner, including but not limited to the following occurrences: (1) any Confidential Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (2) one or more third parties have had access to or taken control or possession of any Confidential Information that is not encrypted or protected without prior written authorization from the State; (3) the unauthorized acquisition of encrypted or protected Confidential Information together with the confidential process or key that is capable of compromising the integrity of the Confidential Information; or (4) if there is a substantial risk of identity theft or fraud to the client, the Contractor, the Department or State.

- (b) Contractor and Contractor Parties, at their own expense, have a duty to and shall protect from a Confidential Information Breach any and all Confidential Information which they come to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards.

- (c) Each Contractor or Contractor Party shall develop, implement and maintain a comprehensive data - security program for the protection of Confidential Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Confidential Information, and

information of a similar character, as set forth in all applicable federal and state law and written policy of the Department or State concerning the confidentiality of Confidential Information. Such data-security program shall include, but not be limited to, the following:

- 1) A security policy for employees related to the storage, access and transportation of data containing Confidential Information;
- 2) Reasonable restrictions on access to records containing Confidential Information, including access to any locked storage where such records are kept;
- 3) A process for reviewing policies and security measures at least annually;
- 4) Creating secure access controls to Confidential Information, including but not limited to passwords; and
- 5) Encrypting of Confidential Information that is stored on laptops, portable devices or being transmitted electronically.

(d) The Contractor and Contractor Parties shall notify the Department and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Confidential Information which Contractor or Contractor Parties possess or control has been subject to a Confidential Information Breach. If a Confidential Information Breach has occurred, the Contractor shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of Administrative Services, the Department and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring or protection plan shall be made available by the Contractor at its own cost and expense to all individuals affected by the Confidential Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Connecticut General Statutes § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Confidential Information Breach. The Contractors' costs and expenses for the credit monitoring and protection plan shall not be recoverable from the Department, any State of Connecticut entity or any affected individuals.

(e) The Contractor shall incorporate the requirements of this Section in all subcontracts requiring each Contractor Party to safeguard Confidential Information in the same manner as provided for in this Section.

**[CONTRACTOR]**

By \_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title:

**CONNECTICUT INSURANCE COMMISSIONER**

\_\_\_\_\_ Date: \_\_\_\_\_

Katharine L. Wade  
Commissioner

**APPROVED AS TO FORM - ATTORNEY GENERAL**

By \_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title:

**[CONTRACTOR]**

By \_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title:

**CONNECTICUT INSURANCE COMMISSIONER**

\_\_\_\_\_ Date: \_\_\_\_\_

Katharine L. Wade  
Commissioner

**APPROVED AS TO FORM - ATTORNEY GENERAL**

By \_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title:



**[CONTRACTOR]**

By \_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title:

**CONNECTICUT INSURANCE COMMISSIONER**

\_\_\_\_\_ Date: \_\_\_\_\_

Katharine L. Wade  
Commissioner

**APPROVED AS TO FORM - ATTORNEY GENERAL**

By \_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title:

**EXHIBIT A**

**Scope of Services**

[to be completed for each assignment]

**EXHIBIT B**

***[Attach form of Incumbency Certificate to be provided upon execution]***

Appendix 2

Ethics Guide

[http://www.ct.gov/ethics/lib/ethics/guides/contractors\\_guide\\_10.pdf](http://www.ct.gov/ethics/lib/ethics/guides/contractors_guide_10.pdf)