Nevada Deferred Compensation
YOUR PLAN...YOUR FUTURE

Request for Proposal from Public Accounting Firms to Conduct an Audit of the Nevada Public Employees' Deferred Compensation Program

1027 S. Carson Street, Suite E
Carson City, NV 89701
775.882.0760 775.886.9621 FAX

NOTICE TO PROPOSERS

There may be one or more amendments to this proposal solicitation sent via e-mail. If your company desires to receive copies or notices of any such amendments, you must provide the information requested below to Tara Hagan by e-mail at tarahagan@defcomp.nv.gov.

Company name _____

Mailing address _____

_____

_____

Phone number _____

Fax number _____

Contact person _____

E-mail address _____

Any alterations to the document made by the proposer may be grounds for rejection of proposal, cancellation of any subsequent award, or any other legal remedies available to the State of Nevada.

There should be no communication, either in person, in writing, or by phone and email between any proposer and any (1) Deferred Compensation Committee Member, (2) Program Staff (general inquiries regarding the RFP content and process are permissible), (3) Program consultants (4) elected officials or their staff members or (5) any other person in position to influence the decision of the Committee Members at any time during the RFP process, and until the Committee makes it's decision, except at a time specified for the pre bid question process and oral presentations by selected proposers. Direct communication in an attempt to influence the awarding of the RFP shall be considered grounds for disqualification.

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I. Purpose/Objective

The Nevada Deferred Compensation Committee (the "Committee") is seeking formal written proposals from public accounting firms (the "Firm") to conduct the first financial and subsequent annual audits of the Nevada Public Employees' Deferred Compensation Program (the "Program") for fiscal years commencing on July 1, 2008, 2009, and 2010. The firm will conduct audits for the voluntary Deferred Compensation Program and the FICA-Alternative Plan. The audits will include the following:

A. Financial Audit – For each fiscal year, the Firm will audit the records of the Plan in accordance with generally accepted auditing standards (the "Financial Audit"). The purpose of this Financial Audit will be for the Firm to express its opinion as to whether or not the Program records accurately reflect the financial position of the Program. The Financial Audit will also include any findings of misstatements due to error, fraud, or other reasons that would cause the financial records to not be an accurate representation of the financial condition of the Program.

B. Contractually Agreed Upon Procedures Audit of the Record-keepers/Providers– The Firm will conduct an audit of the Record-keepers/Providers (the "Providers") for each audit year, including the measurement through a statistically valid sampling of certain Program requirements and specifications (the "Agreed Upon Procedures Audit"). The audit will include a review of the Providers' system of internal controls and a sampling and measurement of various types of transactions from the Providers', which may include enrollment data, accuracy of contributions/deposits, accuracy of participant account balances, accuracy on general/stable value account interest rate crediting and other transactions and record keeping details. The Firm will prepare a written report summarizing the results of the Agreed Upon Procedures Audit.

C. Procedure Audit Payroll Centers, including the Political Jurisdictions – The Firm will conduct an audit of the various Payroll Centers ("Centers"), including measurement through statistically valid sampling certain Program requirements and specifications ("Payroll Procedures Audit"). The audit will include a review of the Centers internal controls and a sampling and measurement of various types of transactions, which may include contribution monitoring and processing, termination date procedures and other transactions, as appropriate. The Firm will prepare a written report summarizing the results of the Payroll Procedures Audit.

II. Background

The Nevada Public Employees Deferred Compensation Program, a voluntary tax-deferred supplemental savings plan (IRC 457(b)), provides participants and their beneficiaries with a supplement to their retirement savings. The Program operates solely in the interest of plan participants and beneficiaries. The five-member Committee, appointed by the Governor pursuant to NRS 287.325, oversees the Program and strives to provide quality investment options at minimal costs while maintaining high standards of customer service. The Committee and its Executive Officer monitor the program providers, communicate the importance of supplemental savings through seminars, newsletters and other informational efforts, and administer the Program in accordance with state and federal guidelines. The Program is governed by Section 457 of the Internal Revenue Code (IRC) and the Nevada Revised Statutes (NRS) 287.250 et seq.

The Program is currently serviced under a dual provider arrangement with Hartford and ING. As of December 31, 2008, total Plan assets were valued at $403.3 million. The Hartford maintains $342.7 million in assets and ING maintains $60.6 million in assets. Currently, the Plan has approximately 13,000 participants, including 8,500 who are actively contributing.

Part-time, seasonal and temporary employees of the State of Nevada (hired after January 1, 2004) or Nevada System of Higher Education (hired after July 1, 2005) are required to participate in the Nevada FICA Alternative Deferred Compensation Plan. FICA is the Federal Insurance Contributions Act. This is an alternative to Social Security coverage as permitted by the federal Omnibus Budget Reconciliation Act of 1990 ("OBRA"). This Plan also is administered by Hartford and ING. Total FICA Plan assets as of December 31, 2008 were approximately $8.9 million. Currently the Plan has approximately 18,000 participants, however the Staff is currently working to reduce this number through mandatory distributions and communication efforts.

For more information regarding the Nevada Deferred Compensation Program, including the Plan Document, Investment Policy Statement and other references, please visit the Program web site at http://defcomp.state.nv.us.

III. Schedule of Events

The following Schedule of Events represents the Committee's best estimate of the schedule that shall be followed. Unless otherwise specified, the time of day for the following events shall be between 8:00 a.m. and 5:00 p.m. Pacific Daylight Time. The Committee reserves the right, at its sole discretion, to adjust this schedule as it deems necessary.

Event Description	**Date**
RFP Issued	June 29, 2009
Deadline for Submitting Questions	July 10, 2009
Answers to all Questions Available on	July 17, 2009
Proposals Due	September 9, 2009
Selection/Finalist Presentation (if needed)	October 14, 2009
Completion of Final Contract	November 5, 2009
Final Contract to Board of Examiners	December 8, 2009
Implementation Begins	January 2, 2010

IV. Scope of Services

The Program's auditor will provide the following services:

A. Financial Audit

The principal purpose of the Financial Audit for each Audit Year is the expression of opinion that the investment reports of the Plan accurately reflect the net assets of the Plan available for benefits and that the statement of changes (as reflected in the investment reports) in net assets of the Plan available for benefits are in conformity with generally accepted accounting principles and are consistently applied.

The Firm selected to provide the audit services will work with the Committee, Staff, Consultants and Providers in auditing the Program's financial records for the Audit Year. This will include a review of the statements for compliance with the principles of the Governmental Accounting Services Board applicable to the Program. The Audit Services will also include a verification by the auditor that the liabilities of the Program, as recorded by the Providers and investment consultant, accurately state the liability of the Program for benefits and that the value of the account balances of participants as recorded by the Providers are equal, as of the date of the financial statement, to the value of Plan assets.

Each proposal must state that the Firm agrees to the distribution at least once a year (at the Program's expense) of the Program's financial statements and the auditor's opinion in respect of such statements to Program participants and other third parties.

B. Contractually Agreed Upon Procedures Audit of Providers

The contract between the Committee and the current Providers sets forth the applicable performance critiera specified in the contract. Failure to meet a performance criterion for a specified performance period may result in a fee or penalty as set forth in the contract, subject to a final determination by the Committee. A summary of the Administrative Services Agreements (ASA) to be audited are attached to this Request for Proposals (See Exhibit C and D).

The contract requires Providers to report to the Committee on an annual basis with respect to its performance against the ASA and to calculate the amount of any fees, if applicable, associated with the failure to meet the established criteria.

The ASA criteria are all objective measures of performance. The Provider is required under the terms of the contract to maintain sufficient data, reports and controls so that it is possible for an independent third party to measure its performance against each of the criteria.

For each Audit Year, the public accounting firm will be required to assess the performance of the Provider against each of the criteria specified in the contract. The public accounting firm will need to:

(i) determine that the Provider is correctly measuring and reporting its performance in respect of the established criteria;
(ii) verify through appropriate sampling of the underlying data and other techniques the accuracy of the results reported by the Provider
(iii) verify and confirm that the protocols, reports, programs and data collection techniques employed by the Provider validly measure the applicable criteria;
(iv) confirm the accuracy of the results reported by the Provider;
(v) prepare a written report of its findings for the Committee in accordance with the timing and delivery requirements set by the Committee for the applicable Audit Year

C. Procedure Audit Payroll Centers, including the Political Jurisdictions

For each Audit Year, the public accounting firm will be required to undertake a management audit of the Program's Payroll Centers ("Centers"), including measurement through statistically valid sampling certain Program requirements and specifications ("Payroll Procedures Audit").

The audit will include a review of the Centers internal controls and a sampling and measurement of various types of transactions to ensure that:

(i) Payroll Centers are monitoring and processing contributions in accordance with the Program requirements;
(ii) Payroll Centers are processing termination dates and other transactions in accordance with the Program requirements.

(iii) Prepare a written report of its findings for the Committee in a report delivered to the Committee each Audit Year in accordance with the timing and delivery requirements set by the Committee for the applicable Audit Year

D. Advice on Accounting Rules and other Recommendations
The public accounting firm will be required to be available to provide periodic advice to the Committee, its Staff, and legal advisers on the application of accounting rules and standards to the Program established in connection therewith and the assets and liabilities of the Program , and to advise the Committee of any actual or anticipated changes to these rules and standards that may affect the Program or the reporting and disclosure of financial information related to the Program. In addition, the Firm may have recommendations or suggestions related to this audit, as it is the first audited conducted by the Program.

V. Minimum Qualifications

The public account firm must have prior experience auditing a 457(b) Deferred Compensation plan with multiple payroll centers, at least 5,000 participants and a minimum of $250 million in plan assets.

VII. Form and Substance of Proposal

RFP

All proposals must be in writing, describe the scope of the auditing and other services the Firm proposes to perform, meet the minimum requirements described in Section V and clearly indicate all direct and indirect fees for the preparation of the audit and the ranges of fees for each of the services described in Section IV. All proposals must contain the information requested in this RFP and the required forms. Proposals must fully disclose any sponsorship or similar arrangement as well as any business relationship the proposing firm has with current investment providers to the Program. Proposals must indicate whether, over the past five years, the proposer's organization or any officer or principal of such organization has been involved in any litigation or legal proceedings, including, without limitation, any such litigation or proceedings involving the State or any agency or political subdivision thereof. If so, provide a brief explanation and indicate the current status of the litigation. A minimum of three (3) references, with relationships meeting the minimum qualifications, must be included in the RFP response.

Each proposal prepared in response to this RFP should describe:

(i) the sampling and other techniques that the public accounting firm will utilize to provide the services described above;
(ii) the individuals who will be responsible for providing these services;
(iii) the frequency with which the public accounting firm will provide the services during the Audit Year and the steps that the public accounting firm will take during the Audit Year to carry out these services;
(iv) any limitations on its ability to provide the services or certification described by this section;

(v) the separate fees and anticipated costs associated with each of the services to be provided under this section; and

(vi) any other information that the accounting firm deems relevant to the Committee in its assessing the proposal.

VII. Submission Conditions

Proposals must meet the minimum requirements and may be rejected if they are conditional or incomplete. The Committee reserves the right to reject any or all proposals, to allow a submitter to clarify or cure any defect in their submission, or to elect not to award any contract as a result of this competitive evaluation/selection process. Firms submitting proposals must agree to the following conditions and indicate this agreement in their submission to the Committee:

1. Late submissions will not be accepted.
2. All costs incurred in preparing or submitting qualifications are the firm's sole responsibility. The Program will not reimburse any vendor for any costs incurred.
3. The Program will treat all information submitted as available for public inspection once the deadline for submitting has expired.

VIII. Contractual Requirements

Any Firm selected through this process will be required to agree to the standard contract stipulations. Execution of Attachment A of this RFP shall constitute an agreement to all terms and conditions specified in the RFP, including, without limitation, the Attachment B contract form and all terms and conditions therein, except such terms and conditions that the vendor expressly excludes. Exceptions will be taken into consideration as part of the evaluation process.

IX. Insurance Requirements

The selected Firm must maintain, for the duration of the contract, insurance coverages as set forth in the Insurance Schedule of the contract form appended to this RFP. Work on the contract shall not begin until after the awarded vendor has submitted acceptable evidence of the required insurance coverages.

Notwithstanding any other requirement of this section, the State reserves the right to consider reasonable alternative methods of insuring the contract in lieu of the insurance policies required by the above-stated Insurance Schedule. It will be the awarded vendor's responsibility to recommend to the State alternative methods of insuring the contract. Any alternatives proposed by a vendor should be accompanied by a detailed explanation regarding the vendor's inability to obtain insurance coverage as described above. The State shall be the sole and final judge as to the adequacy of any substitute form of insurance coverage.

XI. Proposal Evaluations

All written submissions that conform to the requirements outlined in this Request for Proposal will be reviewed and evaluated by a panel of the Committee's choosing. The Committee, in its sole discretion, reserves the right to interview any, all or none of the public accounting firms submitting qualifications. The Committee may skip the interview phase and directly enter into service agreement negotiations with any submitter determined by the Committee to be the best-qualified public accounting firm based solely on written responses received pursuant to this Request for Proposal process. Interviews, if required, are tentatively scheduled to occur on or about October 14, 2009.

The Firm will be selected based on:

1. Responses to the specific points outlined in the Request for Proposal;
2. Experience in providing similar deferred compensation audit services;
3. Information gathered from the references;
4. Responses to interview or follow-up questions, if applicable;
5. Costs or fees for services identified.

Based upon the above criteria, the panel will recommend to the State of Nevada Deferred Compensation Plan Committee the firm that it judges to be the most highly qualified. The Program will enter into an agreement with the selected Firm, unless the selected Firm and the Program are unable to reach mutually agreeable contract terms. If mutually agreeable contract terms cannot be reached, the Program may award the agreement to another Firm.

XII. SUBMISSION REQUIREMENTS

Each Bidder must submit a total of eight [**8**] bound copies and two (2) electronic copies by **3:00 p.m. Pacific Daylight Time, on Tuesday, September 4, 2009** in accordance with the following**:**

One original copy marked "master" and 7 identical copies to:

Tara Hagan, Executive Officer

Nevada Public Employees Deferred Compensation Program

1027 S. Carson Street, Suite E

Carson City, NV 89701

tarahagan@defcomp.nv.gov Tel. 775-882-0760, Fax 775-882-0621

In addition to the hard copy proposals, bidders must also provide a copy of their proposals in an electronic format to Tara Hagan via e-mail: tarahagan@defcomp.nv.gov

Attachment A
CERTIFICATION OF COMPLIANCE WITH TERMS AND CONDITIONS OF RFP

I have read, understand and agree to comply with the terms and conditions specified in this Request for Proposal. Checking "YES" indicates acceptance, while checking "NO" denotes non-acceptance and should be detailed below. Any exceptions **MUST** be documented.

YES _____ NO _____ SIGNATURE _____

EXCEPTIONS: Attach additional sheets if necessary. Please use this format.

EXCEPTION SUMMARY FORM

RFP SECTION NUMBER	**RFP PAGE NUMBER**	**EXCEPTION (PROVIDE A DETAILED EXPLANATION)**

Attachment B

CONTRACT FORM

The following State Contract Form is provided as a courtesy to vendors interested in responding to this RFP. Please review the terms and conditions in this form, as this is the standard contract used by the State for all services of independent contractors. Please pay particular attention to the insurance requirements, as specified in paragraph 15.

As with all other requirements of this RFP, vendors may take exception to any of the terms in the Contract Form, including the required insurance limits. Exceptions will be considered during the evaluation process. It is not necessary for vendors to complete the Contract Form with their proposal responses.

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada
Acting By and Through Its

(NAME, ADDRESS, PHONE AND FACSIMILE NUMBER OF CONTRACTING AGENCY)

and

(NAME, CONTACT PERSON, ADDRESS, PHONE, FACSIMILE NUMBER OF INDEPENDENT CONTRACTOR)

WHEREAS, NRS 284.173 authorizes elective officers, heads of departments, boards, commissions or institutions to engage, subject to the approval of the Board of Examiners, services of persons as independent contractors; and

WHEREAS, it is deemed that the service of Contractor is both necessary and in the best interests of the State of Nevada;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

2. DEFINITIONS. "State" means the State of Nevada and any state agency identified herein, its officers, employees and immune contractors as defined in NRS 41.0307. "Independent Contractor" means a person or entity that performs services and/or provides goods for the State under the terms and conditions set forth in this Contract. "Fiscal Year" is defined as the period beginning July 1 and ending June 30 of the following year.

3. CONTRACT TERM. This Contract shall be effective from _____ subject to Board of Examiners' approval (anticipated to be _____) to _____, unless sooner terminated by either party as specified in paragraph ten (10).

4. NOTICE. Unless otherwise specified, termination shall not be effective until ____ calendar days after a party has served written notice of default, or without cause upon the other party. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified above.

5. INCORPORATED DOCUMENTS. The parties agree that the scope of work shall be specifically described. This Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA: STATE SOLICITATION OR RFP #_____ and AMENDMENT(S) #___;
ATTACHMENT BB: INSURANCE SCHEDULE; AND
ATTACHMENT CC: CONTRACTOR'S RESPONSE

A Contractor's Attachment shall not contradict or supersede any State specifications, terms or conditions without written evidence of mutual assent to such change appearing in this Contract.

6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph five (5) at a cost of $ _____ per _____ (state the exact cost or hourly, daily, or weekly rate exclusive of travel or per diem expenses) with the total Contract or installments payable: _____, not to exceed $ _____. The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

7. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations specified.

8. TIMELINESS OF BILLING SUBMISSION. The parties agree that timeliness of billing is of the essence to the contract and recognize that the State is on a fiscal year. All billings for dates of service prior to July 1 must be submitted to the State no later than the first Friday in August of the same year. A billing submitted after the first Friday in August, which forces the State to process the billing as a stale claim pursuant to NRS 353.097, will subject the Contractor to an administrative fee not to exceed one hundred dollars ($100.00). The parties hereby agree this is a reasonable estimate of the additional costs to the State of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to the Contractor.

9. INSPECTION & AUDIT.

a. Books and Records. Contractor agrees to keep and maintain under generally accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.

b. Inspection & Audit. Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by the State Auditor, the relevant state agency or its contracted examiners, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this paragraph.

c. Period of Retention. All books, records, reports, and statements relevant to this Contract must be retained a minimum three (3) years, and for five (5) years if any federal funds are used pursuant to the Contract. The retention period runs from the date of payment for the relevant goods or services by the State, or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. CONTRACT TERMINATION.

a. Termination Without Cause. Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties, or unilaterally by either party without cause.

b. State Termination for Non-appropriation. The continuation of this Contract beyond the current biennium is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature and/or federal sources. The State may terminate this Contract, and Contractor waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the Contracting Agency's funding from State and/or federal sources is not appropriated or is withdrawn, limited, or impaired.

c. Cause Termination for Default or Breach. A default or breach may be declared with or without termination. This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

i. If Contractor fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

ii. If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

iii. If Contractor becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

iv. If the State materially breaches any material duty under this Contract and any such breach impairs Contractor's ability to perform; or

v. If it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the State of Nevada with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

vi. If it is found by the State that Contractor has failed to disclose any material conflict of interest relative to the performance of this Contract.

d. Time to Correct. Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in paragraph four (4), and the subsequent failure of the defaulting party within fifteen (15) calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

e. Winding Up Affairs Upon Termination. In the event of termination of this Contract for any reason, the parties agree that the provisions of this paragraph survive termination:

i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;

ii. Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Contracting Agency;

iii. Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by the Contracting Agency;

iv. Contractor shall preserve, protect and promptly deliver into State possession all proprietary information in accordance with paragraph twenty-one (21).

11. REMEDIES. Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation one hundred and twenty-five dollars ($125.00) per hour for State-employed attorneys. The State may set off consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190.

12. LIMITED LIABILITY. The State will not waive and intends to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any State breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the fiscal year budget in existence at the time of the breach. Damages for any Contractor breach shall not exceed one hundred and fifty percent (150%) of the contract maximum "not to exceed" value. Contractor's tort liability shall not be limited.

13. FORCE MAJEURE. Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

14. INDEMNIFICATION. To the fullest extent permitted by law Contractor shall indemnify, hold harmless and defend, not excluding the State's right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents.

15. INDEPENDENT CONTRACTOR. Contractor is associated with the State only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract, Contractor is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for the State whatsoever with respect to the indebtedness, liabilities, and obligations of Contractor or any other party. Contractor shall be solely responsible for, and the State shall have no obligation with respect to: (1) withholding of income taxes, FICA or any other taxes or fees; (2) industrial insurance coverage; (3) participation in any group insurance plans available to employees of the State; (4) participation or contributions by either Contractor or the State to the Public Employees Retirement System; (5) accumulation of vacation leave or sick leave; or (6) unemployment compensation coverage provided by the State. Contractor shall indemnify and hold State harmless from, and defend State against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses arising or incurred because of, incident to, or otherwise with respect to any such taxes or fees. Neither Contractor nor its employees, agents, nor representatives shall be considered employees, agents, or representatives of the State. The State and Contractor shall evaluate the nature of services and the term of the Contract negotiated in order to determine "independent contractor" status, and shall monitor the work relationship throughout the term of the Contract to ensure that the independent contractor relationship remains as such. To assist in determining the appropriate status (employee or independent contractor), Contractor represents as follows:

Contractor's Initials

YES **NO**

1. Does the Contracting Agency have the right to require control of

	when, where and how the independent contractor is to work?	_____	_____
2.	Will the Contracting Agency be providing training to the independent contractor?	_____	_____
3.	Will the Contracting Agency be furnishing the independent contractor with worker's space, equipment, tools, supplies or travel expenses?	_____	_____
4.	Are any of the workers who assist the independent contractor in performance of his/her duties employees of the State of Nevada?	_____	_____
5.	Does the arrangement with the independent contractor contemplate continuing or recurring work (even if the services are seasonal, part-time, or of short duration)?	_____	_____
6.	Will the State of Nevada incur an employment liability if the independent contractor is terminated for failure to perform?	_____	_____
7.	Is the independent contractor restricted from offering his/her services to the general public while engaged in this work relationship with the State?	_____	_____

16. INSURANCE SCHEDULE. Unless expressly waived in writing by the State, Contractor, as an independent contractor and not an employee of the State, must carry policies of insurance and pay all taxes and fees incident hereunto. Policies shall meet the terms and conditions as specified within this Contract along with the additional limits and provisions as described in Attachment BB, incorporated hereto by attachment. The State shall have no liability except as specifically provided in the Contract.

The Contractor shall not commence work before:

1) Contractor has provided the required evidence of insurance to the Contracting Agency of the State, and
2) The State has approved the insurance policies provided by the Contractor.

Prior approval of the insurance policies by the State shall be a condition precedent to any payment of consideration under this Contract and the State's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of the State to timely approve shall not constitute a waiver of the condition.

Insurance Coverage: The Contractor shall, at the Contractor's sole expense, procure, maintain and keep in force for the duration of the Contract insurance conforming to the minimum limits as specified in Attachment BB, incorporated hereto by attachment. Unless specifically stated herein or otherwise agreed to by the State, the required insurance shall be in effect prior to the commencement of work by the Contractor and shall continue in force as appropriate until:

1. Final acceptance by the State of the completion of this Contract; or
2. Such time as the insurance is no longer required by the State under the terms of this Contract;

Whichever occurs later.

Any insurance or self-insurance available to the State shall be in excess of, and non-contributing with, any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by the State, Contractor shall provide the State with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify the State and immediately replace such insurance or bond with an insurer meeting the requirements.

General Requirements:

a. Additional Insured: By endorsement to the general liability insurance policy evidenced by Contractor, the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 shall be named as additional insureds for all liability arising from the Contract.
b. Waiver of Subrogation: Each insurance policy shall provide for a waiver of subrogation against the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 for losses arising from work/materials/equipment performed or provided by or on behalf of the Contractor.
c. Cross-Liability: All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
d. Deductibles and Self-Insured Retentions: Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the State. Such approval shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured

retention shall not exceed fifty thousand dollars ($50,000.00) per occurrence, unless otherwise approved by the Risk Management Division.

e. Policy Cancellation: Except for ten (10) days notice for non-payment of premium, each insurance policy shall be endorsed to state that without thirty (30) days prior written notice to the State of Nevada, c/o Contracting Agency, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mailed to the address shown on page one (1) of this contract:

f. Approved Insurer: Each insurance policy shall be:

1) Issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made; and

2) Currently rated by A.M. Best as "A-VII" or better.

Evidence of Insurance:

Prior to the start of any Work, Contractor must provide the following documents to the contracting State agency:

1) Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the State to evidence the insurance policies and coverages required of Contractor. The certificate must name the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 as the certificate holder. The certificate should be signed by a person authorized insurer to bind coverage on its behalf. The state project/contract number; description and contract effective dates shall be noted on the certificate, and upon renewal of the policies listed Contractor shall furnish the State with replacement certificates as described within Insurance Coverage, section noted above.

Mail all required insurance documents to the State Contracting Agency identified on page one of the contract.

2) Additional Insured Endorsement: An Additional Insured Endorsement (CG 20 10 11 85 or CG 20 26 11 85) , signed by an authorized insurance company representative, must be submitted to the State to evidence the endorsement of the State as an additional insured per General Requirements, subsection a above.

3) Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

Review and Approval: Documents specified above must be submitted for review and approval by the State prior to the commencement of work by Contractor. Neither approval by the State nor failure to disapprove the insurance furnished by Contractor shall relieve Contractor of Contractor's full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of Contractor or its sub-contractors, employees or agents to the State or others, and shall be in addition to and not in lieu of any other remedy available to the State under this Contract or otherwise. The State reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

17. COMPLIANCE WITH LEGAL OBLIGATIONS. Contractor shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Real property and personal property taxes are the responsibility of Contractor in accordance with NRS 361.157 and NRS 361.159. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. The State may set-off against consideration due any delinquent government obligation in accordance with NRS 353C.190.

18. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

19. SEVERABILITY. If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

20. ASSIGNMENT/DELEGATION. To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by State, such offending portion of the assignment shall be void, and shall be a breach of this Contract. Contractor shall neither assign, transfer nor delegate any rights, obligations nor duties under this Contract without the prior written consent of the State.

21. STATE OWNERSHIP OF PROPRIETARY INFORMATION. Any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under

the Contract), or any other documents or drawings, prepared or in the course of preparation by Contractor (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of the State and all such materials shall be delivered into State possession by Contractor upon completion, termination, or cancellation of this Contract. Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of Contractor's obligations under this Contract without the prior written consent of the State. Notwithstanding the foregoing, the State shall have no proprietary interest in any materials licensed for use by the State that are subject to patent, trademark or copyright protection.

22. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State has a legal obligation to disclose such information unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

23. CONFIDENTIALITY. Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this Contract.

24. FEDERAL FUNDING. In the event federal funds are used for payment of all or part of this Contract:

a. Contractor certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

b. Contractor and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

c. Contractor and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

25. LOBBYING. The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

a. Any federal, state, county or local agency, legislature, commission, counsel or board;
b. Any federal, state, county or local legislator, commission member, counsel member, board member, or other elected official; or
c. Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

26. WARRANTIES.

a. General Warranty. Contractor warrants that all services, deliverables, and/or work product under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

b. System Compliance. Contractor warrants that any information system application(s) shall not experience abnormally ending and/or invalid and/or incorrect results from the application(s) in the operating and testing of the business of the State. This warranty includes, without limitation, century recognition, calculations that accommodate same century and multi-century formulas and data values and date data interface values that reflect the century.

27. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. Contractor acknowledges that as required by statute or regulation this Contract is effective only after approval by the State Board of Examiners and only for the period of time specified in the Contract. Any services performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor.

28. GOVERNING LAW; JURISDICTION. This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. The parties consent to the exclusive jurisdiction of the First Judicial District Court, Carson City, Nevada for enforcement of this Contract.

29. ENTIRE CONTRACT AND MODIFICATION. This Contract and its integrated attachment(s) constitute the entire agreement of the parties and as such are intended to be the complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated

attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Office of the Attorney General and the State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Independent Contractor's Signature Date	Independent's Contractor's Title
Signature Date	Title
Signature Date	Title
Signature Date	Title
Signature - Board of Examiners	APPROVED BY BOARD OF EXAMINERS
Approved as to form by:	On _____ (Date)
__ATTACHMENT BB	On _____

INSURANCE SCHEDULE

INDEMNIFICATION CLAUSE:

Contractor shall indemnify, hold harmless and, not excluding the State's right to participate, defend the State, its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs, (hereinafter referred to collectively as "claims") for bodily injury or personal injury including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified

by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State.

INSURANCE REQUIREMENTS:

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

1. **Commercial General Liability – Occurrence Form**
   Policy shall include bodily injury, property damage and broad form contractual liability coverage.
   - General Aggregate $2,000,000
   - Products – Completed Operations Aggregate $1,000,000
   - Personal and Advertising Injury $1,000,000
   - Each Occurrence $1,000,000

   a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. **Automobile Liability**
   Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

   Combined Single Limit (CSL) $1,000,000

a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor".

3. **Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	$100,000
Disease – Each Employee	$100,000
Disease – Policy Limit	$500,000

a. Policy shall contain a waiver of subrogation against the State of Nevada.

b. This requirement shall not apply when a contractor or subcontractor is exempt under N.R.S., **AND** when such contractor or subcontractor executes the appropriate sole proprietor waiver form.

4. **Professional Liability (Errors and Omissions Liability)**
The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Each Claim	$1,000,000
Annual Aggregate	$2,000,000

a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the State of Nevada, Department (Division) of _____ is named as an additional insured, the State of Nevada shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.

2 The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the State, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to **(State agency Representative's Name & Address)**.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Nevada and with an "A.M. Best" rating of not less than A-VII. The State in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State with certificates of insurance (ACORD form or equivalent approved by the State) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by the State before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract shall be sent directly to **(State Agency Representative's Name and Address)**. The State project/contract number and project description shall be noted on the certificate of insurance. The State reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time**.**

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insureds under its policies **or** Contractor shall furnish to the State separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the Risk Management Division or the Attorney General's Office, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Independent Contractor's Signature	Date	Independent's Contractor's Title
Signature- State of Nevada	Date	Title

RMIns rev 03/08

EXHIBIT C
Hartford

January 30, 2009

Tara Hagan
Executive Officer
Nevada Public Employees' Deferred Compensation Program
1027 S. Carson Street, Suite E
Carson City, NV 89701

Dear Ms. Hagan:

This letter is in response to your request for clarification concerning Hartford's Service Standards as defined in the Scope of Services between Hartford Life Insurance Co. and the State of Nevada. Specifically, the timing standards as they are defined in the Amendment to the Scope of Service, Appendix A, page 3, Administrative Functions. In an effort to clarify and further define the service standards we offer the following explanation and offer to amend the Scope of Service document to clarify our standards.

- **Asterisk**
  Under each of the Standards the definition of "within 24 hrs" is followed by an asterisk without a corresponding note. The asterisk intent is to define when the 24 hour period begins. The 24 hrs begins on the date the paperwork is received in good order by the Hartford. This standard applies to withdrawals, Rollovers out, QDRO Processing and loan processing. Contribution Posting and Emergency withdrawals require further clarification

- **Contribution Posting**
  Contribution postings have differing timing standards from the other administrative functions. Contributions are posted to the participant accounts the same business day if received in good order prior to the close of the New York Stock Exchange.

- **Emergency Withdrawals**
  Emergency withdrawals differ from the other items listed in the Scope of services due to the election of The Hartford's Hardship/Unforeseen Emergency approval service. Under this service The Hartford approves the hardship/unforeseen emergency request through the procedures as laid out in the Scope of Work's Appendix' D. Due to those procedures a request is not considered in good order until the Hartford has reached a determination and approved the request as stated in section 1.1 of appendix D. The timing of this determination is defined in Appendix D in section 1.5 "The Hartford shall perform such review, reach a determination and advise the Participant of it's determination within five (5) business days of receipt of a completed Hardship Request Package". After the determination has been completed the request is processed within 24 hrs.

We have included a copy of the current appendix A and appendix D and highlighted the items clarified in this letter for reference. If you agree with these updates or have additional suggestions please notify us and we will provide an amendment to the Scope of Services agreement to incorporate the clarification.

We believe clarifications of our standards will allow us to continue to provide the level of service and dedication the State of Nevada has come to expect from the Hartford.

Sincerely,

The Hartford

Enclosures.

Service Guarantees from Scope of Work, Appendix A

Service Guarantees – Hartford Life guarantees that it will respond to the Plan Sponsor, Plan Participants, or complete various services within the time standards set forth below following receipt, prior to 4 p.m. Eastern Time, of materials, data, or communication, as applicable, in Good Order at Hartford Life's home office in Simsbury, Connecticut. Hartford Life shall make reasonable best faith efforts to obtain the appropriate party information necessary to bring such material/data/communication into Good Order. To be in Good Order, an instruction must be authorized Participant or Group Funding Agreement Owner instruction to Hartford Life that is given with such clarity and completeness that Hartford Life is not required to exercise any discretion and must utilize such forms as Hartford Life may require.

	Standard	Guarantee
Participant Services phone response time	Quarterly average of 80% within 20 seconds for participant calls received in our contact center	$5,000 for any occurrence
Plan Sponsor Services phone response time	Plan Sponsors call directly into the Plan Manager, calls are immediately answered.	Not applicable
Quarterly Statement delivery	Mailed within 10 business days after quarter end	$5 per participant per quarter
Transition Deliverables	N/A	Our guarantee will provide for an immediate payment of $5,000 to the plan sponsor if we fail to meet the mutually agreed upon transition deadline. An additional $2,000 penalty for each business day that we do not remedy the condition up to a total penalty of $15,000.
Transition Timeline	N/A	Same As above
Participant Satisfaction Survey	Upon request	Our guarantee will provide for an immediate payment of $5,000 to the plan sponsor if we fail to meet the mutually agreed upon survey distribution deadline. In addition, we will work with the State to determine a level of participant satisfaction and include penalties if the survey results fall below the benchmark.
Administrative functions:		

	Standard	Guarantee
• **Withdrawals**	Within 24 Hours*	$5,000 for any occurrence
• **Emergency Withdrawals**	Within 24 Hours*	$5,000 for any occurrence
• **Contribution posting**	Within 24 Hours*	$5,000 for any occurrence
• **Rollovers out**	Within 24 Hours*	$5,000 for any occurrence
• **QDRO processing**	Within 24 Hours*	$5,000 for any occurrence
• **Loan processing**	Within 24 Hours*	$5,000 for any occurrence
Plan Sponsor reports	Internet reports can be obtained immediately. Ad-hoc reports take a maximum of three days. Quarterly reports are mailed within ten business days of quarter end.	Not applicable
Number of on-site group seminars	Provide mutually agreeable number of educational seminars annually to participants. Education plan due within 90 days after contract renewal. Annual performance results due 31 days after year end.	$1,000 for failure to provide agreed-upon number of onsite group meetings
Number of individual meetings	Provide representative on site for mutually agreeable number of days per month to meet with plan participants.	$1,000 per year if agreed-upon number of days is not provided for 3 or more months.

Note: Service standards are designed with normal business volumes in mind. However, in the rare event that access to services and participant accounts is affected by market conditions, system performance or for other reasons beyond the control of The Hartford the service standards and guarantees will be suspended. Any processing delays will not affect the applicable price date."

Scope of Work, Appendix D

Scope of Work

Appendix D

Hardship Withdrawal Review and Process Administrative Guidelines

With respect to the administrative services provided by Hartford Life in connection with Unforeseeable Emergency Withdrawal Requests (hereinafter referred to as "**Hardship Withdrawal Requests**") submitted by Participants in the Plan Sponsor's 457(b) Eligible Deferred Compensation Plan, the Plan Sponsor and Hartford Life agree as follows:

1.1 Plan Sponsor authorizes Hartford Life to review and process Participant Hardship Withdrawal Requests determined to be in Good Order as set forth in Section 2.1 of this Appendix D.

1.2 Plan Sponsor shall retain the final authority as to the determination of Good Order with respect to all Hardship Withdrawal Requests.

1.3 Hartford Life shall provide all necessary paperwork within a standardized Hardship Withdrawal Request package to Participants. Such materials shall also be made available to the Plan Sponsor upon request.

1.4 Hardship Withdrawal Requests must be submitted to Hartford Life on a prescribed request form provided by Hartford Life as part of the standardized Hardship Withdrawal Request package. Such form shall be forwarded directly to Hartford Life's Home Office in Simsbury, Connecticut.

1.5 Hartford Life shall review all Hardship Withdrawal Requests made by Participants to determine whether such requests are in Good Order as set forth in Section 2.1 of this Exhibit. Hartford Life shall perform such review, reach a determination and advise the Participant of its determination within five (5) business days of receipt of a completed Hardship Withdrawal Request package.

1.6 After reviewing each Hardship Withdrawal Request, Hartford Life shall;

a) process payment where the Participant's Hardship Withdrawal Request is determined to be in Good Order as set forth in Section 2.1 of this Amendment; or

b) not make payment where the Participant's Hardship Withdrawal request is determined not in Good Order as set forth in Section 2.1 of this Amendment. Written notification shall be sent to the Participant; or

c) Hartford Life will provide Plan Sponsor with a quarterly report outlining hardship related activity for the preceding quarter.

2.1 Plan Sponsor authorizes Hartford Life to process Hardship Withdrawal Requests found to be in Good Order. Good Order shall be found where the Unforeseeable Emergency creates a severe financial hardship to the Participant.

a) The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case. However, the Unforeseeable Emergency must be the result of;

1) a sudden and unexpected illness or accident of the Participant, the Participant's Spouse, the Participant's Beneficiary, or the Participant's Dependent, in accordance with Code Section 152 and the regulations promulgated hereunder; or
2) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); or
3) funeral expenses of a Spouse, Beneficiary, or a Dependent of the Participant; or
4) medical expenses of a Participant, or a Dependent or a Beneficiary of the Participant, including non-refundable deductibles, as well as for the cost of prescription drug medication, which is not reimbursed or compensated by insurance or otherwise;
5) imminent foreclosure or eviction from the Participant's primary residence.

b) The Unforeseeable Emergency must <u>not</u> be the result of:

1) payment of an elective medical or dental procedure;
2) payment of educational expenses;
3) purchase of a home or automobile;
4) automobile or home repair;
5) litigation expenses;
6) payment for marriage costs;
7) payment for divorce, divorce settlement or child support;
8) payment for costs related to bankruptcy (except when bankruptcy is a direct result of an unforeseeable illness or casualty;

9) payment of bills that the Participant knowingly incurred, but cannot pay such as loans, large credit card debt, vehicle or house payments, even if needed to prevent repossession (except when payment cannot be made as a direct result of an unforeseeable illness or casualty);
10) to refinance debt;
11) payment of any expenses related to grandchildren unless such children are claimed as a dependent on most recent tax return;
12) to cover a loss not covered by insurance because of failure to retain insurance coverage;
13) payment of funeral expenses of anyone not claimed as a dependent on most recent tax return;
14) payment of income tax, property tax back taxes or fines associated with back taxes; or
15) any other event listed in an addendum attached to this Amendment.

c) The Unforeseeable Emergency does not create a severe financial hardship to the Participant to the extent that any such hardship is or may be relieved:

1) through reimbursement or compensation by insurance or otherwise;
2) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship;
3) by cessation of deferrals under the plan if required by the plan document;
4) if the Participant qualifies for a commercial bank loan, where required by the Plan;
5) if the cessation of deferrals would alleviate the financial need; or
6) by any other circumstances listed in an addendum attached to this Amendment.

The amount of the payment pursuant to an Unforeseeable Emergency shall be permitted to the extent reasonably needed to satisfy the emergency.

3.1 Plan Sponsor reserves the right to amend Section 2.1 of this Exhibit.

3.2 Plan Sponsor reserves the right to review all Hardship Withdrawal Requests made by Participants to determine whether such requests are in Good Order as set forth in this Exhibit. If the Plan Sponsor, in its sole discretion, makes such determination, the Plan Sponsor must provide written documentation indicating that it has reviewed and approved the Participant request and provide direction to Hartford Life to process the withdrawal.

EXHIBIT D
ING

February 9, 2009

Tara Hagan
Executive Officer,
Nevada Public Employees' Deferred Compensation Program
1027 S Carson Street, Suite E
Carson City, NV 89701

Dear Tara,

It's come to my attention that an item in the ING State of Nevada Performance Standards requires further clarification. Specifically, the language surrounding seminars is confusing and does not accurately reflect the Performance Standard.

On the Performance Standard page, under the service entitled "Education Services", 35 participant seminars are listed as "35 investment seminars". "Participants Seminars" are also broken out in a separate row of the table. To clarify, the row that refers to the Service "Participant Seminars" is a duplicate and should be ignored. The intent of the Performance Standard is for ING to provide a minimum of 35 investment oriented participant seminars annually. The guarantee if that standard is not met on an annual basis is $5,000.

Thank you for the opportunity to clarify this language. If you have any questions, please feel free to contact me.

Sincerely,

Steve Platt
Manager, State of Nevada

The State of Nevada Employees
457 (b) Deferred Compensation Plan

Performance Standards

Service	Performance Standard	Annual Guarantee if Standard Not Met
Participant Satisfaction	ING is confident in our capabilities at providing outstanding participant service. The State's feedback as well as the feedback from plan participants will form the basis for the evaluation with overall participant satisfaction.	$5,000
Phone Response Time	Average speed of answer/30 seconds or less(1))	$5,000
Enrollments	Enrollments in good order processed within two business days, effective based on IRS and plan document guidelines	$5,000
Contribution Processing	Applied to participant accounts same business day received in good order if received prior to close of NYSE	$5,000
Fund Transfer Requests	Processed same business day received in good order if received prior to the close of the NYSE.	$5,000
Investment Election Changes	Processed same business day received in good order if received prior to the close of the NYSE	$5,000
Distribution Requests	Distribution processed as of the date received in good order and payment is mailed or made available electronically within 3 business days of processing	$5,000
Participant Statements	Mailed within 15 business days after quarter end	$10 per participant per quarter
Education Services	A minimum number of annual participant meetings and seminars as follows: 75 group enrollment meetings 35 investment seminars 25 retirement counseling seminars	$5,000
Participant telephone requests	Response time to a participant's telephone request is 48 hours	$100 per participant
Participant written communications	Written requests are responded to within 5 business days	$100 per participant
Participant one-on-one meetings	Minimum of 1,200 annually	$5,000
Participant Seminars	Minimum of 35 annually	$5,000

*1 Effective January 2007, our Standard Response Time objective is an average speed of answer within 30 seconds or less.

The State shall provide the Contractor with at least 30 business days advance written notice of any determination that the Contractor has failed to perform or has insufficiently performed together with a detailed explanation of how the State arrived at its determination. The Contractor shall have the right, during the ensuing 30 business days following such notice, to remedy the problem. If the Contractor satisfactorily remedies the service failure within the prescribed remedy period, it shall have no obligation to pay the performance penalty amount as to that failure. Notwithstanding the above listed penalties, the Contractor's total payment for all service failures shall not exceed $20,000 annually.

THE STATE OF NEVADA EMPLOYEES DEFERRED COMPENSATIN PLAN STATE By: _____ Printed Name: _____ Title: _____	ING LIFE INSURANCE AND ANNUITY COMPANY By: _____ Printed Name: _____ Title: _____
ING FINANCIAL ADVISERS, LLC By:_____ Printed Name:_____ Title: _____	