

The Board of Trustees of the University of Central Arkansas convened in a called teleconference meeting at 8:30 a.m., Friday, October 9, 2009, with the following officers and members present:

Chair: Mr. Rush Harding, III  
Vice Chair: Dr. Harold Chakales  
Secretary: Mr. Scott Roussel  
Mrs. Patricia Bassett  
Mrs. Kay Hinkle  
Mr. Bobby Reynolds  
Mr. Randy Sims

## **ACTION AGENDA**

### **Insurance Services**

#### **Healthcare**

The University's current health care insurer, United Healthcare, issued a renewal rate of 12%. The University then issued a Request for Proposal for health care coverage for the 2010 calendar year. Four providers: QualChoice, Blue Cross/Blue Shield, CoreSource and United Healthcare, submitted proposals with various plan designs, including self-funded plans.

A five-member Insurance Evaluation Committee was convened and discussed whether or not the University should pursue self-funding its health insurance coverage. Based on the trend in the employee usage of the health insurance, the increase in health care costs, and the lack of reserves for this particular project, the Insurance Evaluation Committee recommended against the University self-insuring its health care coverage at this time.

Since CoreSource's proposal was limited to a self-funded proposal, the remaining three proposals were evaluated and scored by the Insurance Evaluation Committee. The proposal by United HealthCare, which contained no changes to benefits and a 2% premium increase, is recommended by the Insurance Evaluation Committee as the best proposal at the best price. This recommendation was then presented to the Fringe Benefits Committee and approved as the proposal to recommend to the Board of Trustees.

The 2% increase in the premiums will be covered on the same cost-sharing basis as current premiums. The University pays 85 % of employee-only, 60 % of employee + one and 55 % of family coverage.

#### **Life Insurance and Long-Term Disability**

A request for proposals (RFP) was released this year for life insurance and long-term disability (LTD) coverage. Two providers responded, Blue Cross/Blue Shield and United HealthCare Life. The Insurance Evaluation Committee that reviewed health proposals also reviewed Life and LTD proposals. With proposed coverage equivalent to current coverage, Blue Cross/Blue Shield is the Insurance Evaluation Committee recommended insurer for 2010. The University Fringe Benefits Committee met and also recommended accepting the Blue Cross/Blue Shield proposal.

Life insurance benefits will remain unchanged, with the university paying 100% of the premium for employees at one times their annual salary (minimum coverage \$25,000; maximum coverage \$250,000). Life rates will decrease from .21 to .14 for each \$1,000 in coverage. Employees may also purchase additional coverage up to three times their annual salary (maximum coverage \$350,000). There is no change in rates for the optional coverage.

The LTD cost will increase from .19 to .22 per \$100 in coverage and LTD coverage also remains unchanged with the university paying 100% of that coverage. LTD provides 66.6% coverage of a disabled employee's salary, up to a maximum of \$8,100 per month.

### **Dental**

The University's current dental insurer, Delta Dental, issued a renewal rate projection of 12 %. The RFP for life and LTD insurance also included a request for dental coverage. Only one valid proposal was received and that was from Blue Cross/Blue Shield (BC/BS). The proposal was to maintain current coverage with an average 12% increase in premiums. The Insurance Evaluation Committee recommended opening negotiations with BC/BS to see if there was any flexibility with the proposed premiums. Negotiations ended with BC/BS offering coverage equivalent to current coverage at a 5% increase in premiums.

The following resolution was unanimously adopted upon motion by Randy Sims with a second by Harold Chakales:

**“BE IT RESOLVED: THAT THE ADMINISTRATION IS AUTHORIZED TO ESTABLISH A CONTRACT WITH UNITED HEALTHCARE FOR HEALTH INSURANCE COVERAGE FOR THE PERIOD OF JANUARY 1, 2010 THROUGH DECEMBER 31, 2010;**

**BE IT FURTHER RESOLVED: THAT THE ADMINISTRATION IS AUTHORIZED TO ESTABLISH A CONTRACT WITH BLUE CROSS/BLUE SHIELD FOR LIFE, AD&D AND LONG-TERM DISABILITY INSURANCE COVERAGE FOR THE PERIOD OF JANUARY 1, 2010 THROUGH DECEMBER 31, 2010;**

**BE IT FURTHER RESOLVED: THAT THE ADMINISTRATION IS AUTHORIZED TO ESTABLISH A CONTRACT WITH BLUE CROSS/BLUE SHIELD FOR DENTAL INSURANCE COVERAGE FOR THE PERIOD OF JANUARY 1, 2010 THROUGH DECEMBER 31, 2010.”**

There being no further business to come before the Board, the meeting was adjourned upon motion by Randy Sims with a second by Harold Chakales.

**The University of Central  
Arkansas Board of Trustees**

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**Rush Harding, III, Chair**

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**Scott Roussel, Secretary**