

**ADDENDUM TO THE AGENDA
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

May 10, 2003

ADDENDUM TO THE AGENDA
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

May 10, 2003

SECTION II – FINANCIAL MATTERS

As a result of information received after the agenda was prepared and distributed, item G. has been revised and item J. has been added.

G. APPROVAL OF LIFE INSURANCE CARRIER AND RATES FOR 2003-2004

The University offers two group life insurance programs through Canada Life Assurance Company. There are 69 employees and 73 retirees enrolled in the original program and 756 employees and 17 retirees enrolled in the revised program. Employees hired after February 1, 1988, are enrolled in the revised program.

Aon Consulting was asked to prepare specifications, solicit bids, and analyze proposals for renewal of the University's group life insurance program. Twenty-two life insurance companies were contacted and asked to present proposals. Competitive bids were received from four companies. Prudential Insurance Company of America submitted a proposal that would provide identical coverage to the University's current plan design with a three-year rate guarantee of \$.21/\$1,000 for life insurance and \$.02/\$1,000 for Accidental Death and Dismemberment insurance. Approval of the rate and plan proposal with Prudential Insurance Company of America will result in a cost savings to the University in 2003-04 of approximately \$26,000.

Approval of the group life insurance program with Prudential Insurance Company of America with the proposed rates effective July 1, 2003, is recommended.

J. APPROVAL OF SUPPLEMENTAL LIFE INSURANCE CARRIER FOR 2003-2004

The University offers employees and their dependents supplemental life insurance on a voluntary basis through TransAmerica Life Assurance Company. There are 192 employees enrolled in the program.

Aon Consulting was asked to prepare specifications, solicit bids, and analyze proposals for renewal of the University's supplemental life insurance program. Twenty-two life insurance companies were contacted and asked to present proposals. Competitive bids were received from four companies. Prudential Insurance Company of America agreed to match the University's plan design with an 18 percent reduction in cost to employees. The rates quoted per \$1,000 coverage based on age are for a three-year guaranteed period.

Approval of the supplemental life insurance program with Prudential Insurance Company of America effective July 1, 2003, is recommended.