



Benefit Services

New Mexico State University

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MEMORANDUM

TO: Ms. Angela Throneberry
Senior Vice President, Administration & Finance

FROM: René S. Yoder, Benefits Manager

ON BEHALF OF: Benefits Advisory Committee

RE: Recommendation to Award Request for Proposal I0111888-A
Life/Disability benefits

DATE: August 2, 2012

The Benefit Advisory Committee (BAC) was established to assist New Mexico State University, under the guidance of Human Resource Services, with review of current benefit programs offered to NMSU employees and recommend changes that would benefit the employee and employer through increased value and/or decreased cost.

The BAC has recently reviewed summaries of proposals for all life insurances and long term disability insurance, through the Request for Proposal Process, presented by the Human Resources benefits consultant, Mercer. The presentations provided summary information regarding proposed plan design and associated costs that have resulted in a recommendation by the committee.

The BAC understands that funding for increased benefits may not be available at this time and has tailored their recommendation to include options for administration to consider that would increase the cost to the university and/or the employee.

Based on review of proposals, the BAC recommends awarding the contract for group life insurance, supplemental life insurance, accidental death and dismemberment insurance and long term disability insurance to Dearborn National Life insurance company. Dearborn National currently holds the contracts for the university group life and long term disability programs. The award would replace Metlife as the supplemental life company and Chartis as the AD&D life company.

The committee reviewed plan design and associated costs with regards to the current plans in place, as well as potential increases in benefit coverage for existing plans. The BAC's preference for plan benefits is outlined in the attached spreadsheet, with associated costs, in order of recommended support. All recommended plans are supported by the BAC for implementation.

Recommendations:

- First Choice – Employer paid Group Life and LTD
 - Estimated annual increase in cost to NMSU of \$448,578
- Second Choice – Employee/Employer paid Group Life and Employer Paid LTD
 - Estimated annual increase in cost to NMSU of \$59,252
- Third Choice – Same as Current – Employee/Employer paid Group Life/LTD
 - Estimated annual decrease in cost to NMSU of \$8,629

The Benefits Advisory Committee will continue to review NMSU benefit programs over the next year, facilitated by Human Resource Services, to recommend potential plan changes to be implemented that can increase the value of being an NMSU employee. The committee will consider financial constraints as well as employee concerns regarding benefit programs and recommend changes that are of benefit to NMSU and its employees.

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