There are several changes to employee benefits for the 2015 plan year.

Originally, Arkansas Blue Cross and Blue Shield proposed a 14% increase in medical insurance premiums for 2015. A committee was then established with the goal of ensuring that employees are offered the most affordable and comprehensive benefits package available in the marketplace with extensive provider network accessibility. The committee has been working with a benefits consultant since the beginning of 2014 and a request for proposal (RFP) was sent to benefits carriers.

The original RFP resulted in a 12.4% increase in medical insurance premiums with no change in dental premiums. Further discussions between the committee, the consultant and potential carriers led to an agreement to bundle the medical insurance, dental insurance, short term disability, long term disability and term life insurance as well as increase medical deductible and out-of-pocket plan designs to obtain the following results:

- Increase in medical insurance premiums of 8% compared to the originally proposed 14%
- Decrease in the dental insurance premiums of 5% compared to the originally proposed rate
- Decrease in the basic life insurance premium from $.62 per $1,000 coverage to $.36 per $1,000 coverage, which results in a $6.50 savings per month for the maximum $50,000 policy
- Decrease in the short term disability average monthly premium from $43.85 per month to $25.67 per month
- Decrease in the long term disability average monthly premium from $33.63 per month to $19.63 per month depending on participant’s age and salary
- Guarantee issue, which means participants are eligible for coverage without regard to health status, was obtained for short term disability, long term disability, basic life and voluntary group life during this initial open enrollment period. Short term disability and voluntary group life were granted guarantee issue permanently during subsequent open enrollment periods.

If you currently have long term disability, short term disability or term life insurance through American Fidelity, you must enroll with USAble during open enrollment to keep coverage. Your American Fidelity coverage will not be offered for the 2015 plan year.

Health Insurance

Health insurance will remain with Arkansas Blue Cross and Blue Shield. Premiums will increase and the new monthly rates are listed below.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Monthly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse Coverage</td>
<td>$390.00</td>
</tr>
<tr>
<td>Child(ren) Coverage</td>
<td>$162.40</td>
</tr>
<tr>
<td>Family Coverage</td>
<td>$560.20</td>
</tr>
</tbody>
</table>

The University will continue to pay 100% of the premium for employees which will be $414.80 per month.

Changes in coverage are listed below:

- Deductible increasing from $750 individual/$1,500 family to $950 individual/$1,900 family
- In-network out-of-pocket limit increasing from $2,000 individual/$4,000 family to $2,500 individual/$5,000 family

Dental Insurance

Dental insurance will remain with Arkansas Blue Cross and Blue Shield. Premiums will decrease and the new monthly rates are listed below.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Monthly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse Coverage</td>
<td>$25.10</td>
</tr>
<tr>
<td>Child(ren) Coverage</td>
<td>$21.70</td>
</tr>
<tr>
<td>Family Coverage</td>
<td>$56.20</td>
</tr>
</tbody>
</table>

The University will continue to pay 100% of the premium for employees which will be $24.70 per month.
Rate guarantee is two years for dental premiums.

Remember that deductions for medical and dental premiums are made one month in advance so these premiums will affect your December payroll for January 1 coverage.

**Disability Insurance**

Long term and short term disability insurances will be offered through USAble Life rather than American Fidelity. The disability premium savings will vary based on your current individual elections. If you currently have American Fidelity disability products, they will not be offered for the 2015 plan year. You will need to enroll in USAble products during open enrollment to continue to have disability coverage.

USAble offers guarantee issue during this open enrollment period only. Therefore, if you were unable to carry disability coverage prior to this notice, you may be eligible January 1, 2015.

**Long Term Disability**

- Disability insurance is designed to offer income protection when you are disabled and cannot work
- Pays 60% of your monthly salary with a monthly maximum of $7500
- Elimination period is 90 days accident/90 days sickness
- Benefit duration is Social Security Normal Retirement Age
- Premium is age banded and rates will be announced during open enrollment
- Rate guarantee is three years for long term disability premiums

**Short Term Disability**

- Disability insurance is designed to offer income protection when you are disabled and cannot work
- Pays 60% of your weekly salary with a weekly maximum of $1500
- Elimination period is 7 days accident/7 days sickness
- Benefit duration is 13 weeks
- Premium is $.48 per $10 of your weekly salary
- Rate guarantee is three years for short term disability premiums

**Group Term Life Insurance**

Group term life insurance products will be offered through USAble ONLY beginning with February 1, 2015 coverage. If you currently have a policy through American Fidelity it will not be offered for the 2015 plan year. You will need to enroll in USAble products during open enrollment to continue to have term life insurance coverage. You may choose Basic Term Life and/or Voluntary Group Term Life with guaranteed coverage.

**Basic Term Life Insurance with AD&D**

- Coverage amount is twice your annual salary with a maximum of $50,000 coverage
- University pays half of the premium if elected
- Premium is $.36 per $1,000 coverage
- Rate guarantee is three years for basic term life insurance premiums

**Voluntary Group Term Life Insurance with AD&D Optional**

- Coverage amount is dependent on your needs.
- May be purchased in $10,000 units.
- Spouse and children coverage is available
- Guarantee issue up to $150,000 for employee, $30,000 for spouse and $10,000 for children.
- Premium is age banded and rates will be announced during open enrollment
- Rate guarantee is three years for voluntary group term life
**Supplemental Insurance**

Supplemental insurance products will continue to be offered through American Fidelity. Those products include:

- Cancer
- Accident
- Hospital Indemnity/GAP
- Critical Care
- Flexible Spending Accounts

**Vision Insurance**

Vision insurance will remain with Humana with no changes in coverage or premiums.

Open Enrollment is fast approaching! More details will be announced soon.