AGENDA

1. Call to Order

2. Roll Call

3. Adoption of the Agenda

4. Public Comments

5. Action Items

   A. Southern University System 2009-2010 Budget Summary

   B. FY 2009-2010 Operating Budgets
      1) Southern University Board of Supervisors and System Administration
      2) Southern University and Agricultural and Mechanical College
      3) Southern University Law Center
      4) Southern University at New Orleans
      5) Southern University at Shreveport
      6) Southern University Agricultural Research and Extension Center

   C. BA-7,#1: Increase in spending authority based on restoration of funds by the Legislature ($6,323,793.00), and an increase in projected self generated revenues from tuition increases ($835,660.00)

   D. Special Budgets, FY 2009-2010
      1) Southern University System Administration Inter-Institutional Cost Transfers
      2) Southern University System Inter-Institutional Direct Charges
      3) Southern University System Special Meals and Miscellaneous Travel

   E. Revised Contract for the FY 2009-2010 Student Injury and Sickness Insurance Plan, Systemwide

6. Other Business

7. Adjournment

MEMBERS

Mrs. Lea P. Montgomery (Chair); Atty. Walter C. Dumas (Vice Chairman);
Mr. Richard J. Caiton, Jr.; Atty. Warren A. Forstall; Ms. Raushanah S. Hunter;
Atty. Patrick O. Jefferson; Mr. Myron K. Lawson; Mr. Darren G. Mire;
Atty. Tony M. Clayton, Ex Officio
Revised

August 24, 2009

Dr. Kassie Freeman
Interim President
Southern University System
Baton Rouge, Louisiana 70813

Dear Dr. Freeman:

At its meeting on July 24, 2009, the Board of Supervisors approved the awarding of the 2009-2010 Student Injury and Sickness Insurance Contract to Monumental Life Insurance Company, represented by Collegiate Risk Management, Inc., its authorized agent (the company). The company was selected as the lowest bidder, with the following rates per enrolled student for the 2009-2010 school year:

Mandatory Coverage (All Enrolled Students)

- Annual $80.80
- Fall Semester (Only) $39.00
- Spring/Summer* $42.00
- Summer Session* $13.00
- Summer Programs/Other Institutes $4.00

*(Thru end of contract year)

When the Student Injury and Sickness Insurance Brochure was being prepared, it was discovered that the company to whom the contract had been awarded had not met one of the mandatory specifications as set forth in the University’s Invitation to Bid (ITB) the Student Injury and Sickness Insurance Plan; namely, the company had reduced co-insurance from 100% as specified in the ITB, to 90% (See Exhibit A). This deviation from the ITB specifications had been stated in the company’s letter of introduction to its proposal and was inadvertently overlooked by the student insurance committee, and this office, when the proposals were reviewed (See Exhibit A). Although the 2009-2010 Contract had been signed by the University, it had not been signed by the company when the oversight was discovered (See Exhibit “B”).

"An Equal Educational Opportunity Institution"
Dr. Kassie Freeman  
Interim President  
Southern University System  
August 24, 2009  
Page 2  

With guidance from the University’s legal counsel (See Exhibits “C”), the company was advised that it would either have to comply with the specifications of the ITB and pay the claims at 100% for the same proposed annual rate of $80.80, or it would be disqualified for deviating from the ITB specifications (See Exhibits “D” and “E”). There was one remaining qualifying vendor who responded to the ITB, GM-Southwest, Inc. This vendor proposed to insure the students within the Southern University System at an annual rate of $89.75 with no deviation from the specifications in the ITB.  

In a letter dated August 7, 2009, the company asked that the University, in its evaluation and awarding of the contract process, take into consideration its plan enhancements and the “dollar” value those enhancements would hold for the students (See Exhibit “F”). During a telephone conference call with the University’s legal counsel, and via an e-mail dated August 7, 2009 (See Exhibit “G”), we were advised that the University should take into consideration the company’s plan enhancements/other cost factors, when awarding the Contract. Failure to do so could potentially mean legal exposure for the University. Counsel also advised that with any lengthy legal battle with the company, the students would not have insurance coverage as the current Contract would expire August 12, 2009. For these reasons, we were advised to accept the final offer of the company, which was to pay the claims at 100%, but at an annual rate of $89.70 (See Exhibit “H”).  

For the reasons afore stated, we are requesting your approval and the approval of the Board of Supervisors, to enter into a contract with Monumental Life Insurance Company to insure the students within the Southern University System for the 2009-2010 school year, at an annual rate of $89.70 (Schedule shown below), rather than the annual rate of $80.80 that was approved by the Board on July 24, 2009.  

**Mandatory Coverage (All Enrolled Students)**  
- **Annual** $89.70  
- **Fall Semester (Only)** $43.70  
- **Spring/Summer** $46.00  
- **Summer Session** $13.00  
- **Summer Programs/Other Institutes** $4.00  
  *(Thru end of contract year)*
Dr. Kassie Freeman
Interim President
Southern University System
August 24, 2009
Page 3

All consideration given to this request is appreciated.

Sincerely yours,

Tolor E. White
Vice President for Finance and
Business Affairs & Comptroller

TEW/hac

Attachments

Approved: [Signature]
Dr. Kassie Freeman, Interim President
Southern University System
June 30, 2009

Southern University and A&M College
Purchasing Department
James L. Prestage Drive
J.S. Clark Hall Annex - 1st Floor East
Baton Rouge, Louisiana 70813

RE: Southern University and Agricultural & Mechanical College
Invitation to Bid - Student Injury & Sickness Insurance Plan
Bid Number 10019

Dear Ms. Antoine and Mr. White:

Thank you for allowing Collegiate Risk Management, to provide you with a proposal to help meet the health insurance needs for the students attending Southern University and A & M College System. A quality insurance program that meets the needs of your students at a competitive price, backed up with superior service, is always our goal. As you know, we serviced the student health insurance needs for Southern University for many years and we welcome the opportunity to work again with Southern University and A&M College System's students and school administrators. This contract would commence on August 12, 2009 and terminate August 13, 2010.

We searched the market and were able to obtain a quote underwritten by Monumental Life Insurance Company (a division of AEGON), and an A.M. Best's A+ (Superior) rated carrier for financial strength. They offer superior claims service through Bollinger, Inc, who has been providing coverage and claims administration services to colleges and universities for over 50 years and currently handles over 200 colleges and universities nationwide. Southern University was previously with Monumental so you have some feeling for their experience and expertise. They use state-of-the art claims payment and reporting software. They have all the necessary resources to perform the contract offered with this proposal.

Monumental will duplicate all benefits of the current plan, as they appear in the 2008-2009 Southern University and A&M College Student Health Insurance Plan brochure with the following changes:

- Eliminate hospital pre-notification requirements
- Reduce Coinsurance from 100% to 90%
- Dental and Vision through Co-Health
- Identity Theft Recovery Assistance Program (see attachment)
- Travel Assistance Program provided by On-Call International (see attachment)
- 24 Hour Nurse Advice Line (see attachment)
- Emergency Return Home Benefit (see attachment)
- Bedside Visit Benefits (see attachment)
STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

BID NUMBER 10019

AGREEMENT FOR SERVICES

This agreement made and entered into this _____ day of ________ in the year Two
Thousand and Nine, by and between the State of Louisiana, Southern University and
Agricultural and Mechanical College System, Baton Rouge, Louisiana, herein appearing
through Dr. Kassie Freeman, Interim President, party of the first part and hereinafter termed the
University, and Monumental Life Insurance Company, herein represented by Collegiate
Risk Management, Inc., 110 Athens St., Suite 200, Tarpon Springs, FL 34689, and party of
the second part and hereinafter termed the Contractor.

Witnessed, that the University and the Contractor, for the consideration hereinafter
specified, agree that the Contractor shall provide student injury and sickness insurance to all
enrolled students in the Southern University and A & M College System as follows:

1. In accordance with Contractor’s Bid Proposal Number 10019;

2. The specifications, special conditions, contractual agreement, etc., contained
in said proposal are hereby made a part of this Contract to the same extent
as if incorporated herein in full; and

3. The term of this Contract shall be for a period of one (1) year, beginning
August 12, 2009 and ending August 13, 2010.

The Contract provides for maximum benefit coverage of $15,000 for all enrolled
students, and for all elementary, middle, high school and/or other students enrolled in Summer
Programs/Other Institutes sponsored and supervised by the University.

The amount per insured to be paid the Contractor by the University for the life of this
Contract shall be as follows:

BASIC PLAN

(ALL ENROLLED STUDENTS AND OPTIONAL DEPENDENT COVERAGE)

<table>
<thead>
<tr>
<th></th>
<th>ANNUAL</th>
<th>FALL</th>
<th>SPRING/SUMMER</th>
<th>SUMMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>$800.00</td>
<td>$39.00</td>
<td>$42.00</td>
<td>$13.00*</td>
</tr>
<tr>
<td>Spouse Only</td>
<td>$240.00</td>
<td>$121.00</td>
<td>$121.00</td>
<td>$75.00</td>
</tr>
<tr>
<td>Child Only</td>
<td>$110.00</td>
<td>$46.00</td>
<td>$46.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Children Only</td>
<td>$110.00 (Per child)</td>
<td>$46.00 (Per child)</td>
<td>$46.00 (Per child)</td>
<td>$30.00 (Per Child)</td>
</tr>
<tr>
<td>Spouse/Child</td>
<td>$390.00</td>
<td>$165.00</td>
<td>$165.00</td>
<td>$100.00</td>
</tr>
<tr>
<td>Spouse/Children</td>
<td>$505.00</td>
<td>$210.00</td>
<td>$210.00</td>
<td>$130.00</td>
</tr>
</tbody>
</table>

*The $13.00 Summer rate covers all students who were not enrolled in the Spring/Summer period, but enrolled ONLY for the Summer Session(s). They are covered through the end of the Contract year.
REPATRIATION INSURANCE **
(Fall, Spring/Summer Sessions, and all Summer Sessions)
** Included in the above rates quoted for all enrolled students, with a maximum benefit coverage
of $7,500.00.

SUMMER PROGRAMS/OTHER INSTITUTES***
$15,000 maximum benefit (up to 9 weeks coverage), at the rate of $4.00 per student for the entire
summer session.
*** All elementary, middle, high school and/or other students enrolled in the Summer
Programs/Other Institutes sponsored and supervised by the Policyholder (Mandatory).

PAYMENTS

Tuition billing is by the semester. The University shall pay the Contractor each
semester an amount equal to the number of enrolled students and the premium rate quoted for
each student. Each campus within the University System - Southern University Baton Rouge
(with Southern University Law Center included), Southern University at New Orleans, and
Southern University at Shreveport - will submit the list of insured students and the premium
check to the Contractor as soon as practicable, after the fourteenth (14th) class day of each
semester/session. Payment of premium for participants in Summer Programs/Other Institutes
(This includes all elementary, middle, high school and/or other students enrolled in the
Summer Programs/Other Institutes sponsored and supervised by the University) will be made
upon receipt and processing of the Contractor's invoice, based on the list of students submitted
by each Summer Program/Other Institute to the Contractor. All checks shall be made payable
to Monumental Life Insurance Company, and mailed to: Collegiate Risk Management,
Inc., 110 Athens Street, Tarpon Springs, FL 34689.

TERMINATION OF THE CONTRACT

The termination of the Contract may be affected according to conditions specified in
the bid proposal, which is hereby made a part of this Contract and incorporated herein in full
by reference.

MONUMENTAL LIFE INSURANCE COMPANY /
COLLEGIATE RISK MANAGEMENT, INC.

By: ________________________________

SOUTHERN UNIVERSITY AND A & M
COLLEGE SYSTEM

By: ________________________________

Dr. Kassie Freeman
Interim President
Southern University System

Evidence of Authority to submit the bid
shall be required in accordance with R.S.
38:2212(a)(1)(c) and/or R.S. 39:1504
(3)(2)(d)

Title ___________________________________________________________________

Witnessed: ________________________________
You have indicated this was released as an ITB. Once opened, all submissions in the ITB are
deemed public and anyone, including vendors, may review the information and bids. That is
NOT the case with an RFP where submissions remain private until an actual final award and
contract are completed. The bid amounts are available fro release or viewing.

The ITB required 100% co-insurance. Two vendors remain that have not been disqualified.
College has proposed only 90% co-insurance. That is a variation on a mandatory provision
and with that they would be disqualified.

On informing the company of the issue, Collegiate proposed keeping the mandatory 100% but
requested their bid quote be increased $12.00 per student in cost. The chart for the two
remaining vendors showed Collegiate with the better price originally. In our discussion you
indicated the addition of $12.00 to Collegiate's original bid amount results in their price
being higher than the remaining vendor. The result would then be the other vendor has the
best price at 100% and would be awarded the contract.

You can certainly inform Collegiate that the 100% must be included and that if they increase
their cost by $12.00 per student they will no longer be the low bidder.
August 5, 2009

Mrs. Vonda White
President
Collegiate Risk Management, Inc.
110 Athens Street, Suite 200
Tarpon Springs, Florida 34689

RE: Student Injury and Sickness Contract for 2009-2010

Dear Mrs. White:

This is a follow-up to several e-mails and telephone conversations between Mrs. Karen Simpson-Giannatteo and Mrs. Helen Carter, Assistant Coordinator of the Student Insurance Program, regarding the 2009-2010 Brochure. As they were preparing the Brochures for this year, Mrs. Carter asked Karen to make all the changes to the Brochure as required in our Invitation to Bid (ITB). She indicated that she did not believe that was possible. The area in question is as follows:

- Reduce coinsurance from 100% to 90%

Our ITB clearly stated in SECTION IV - POLICY SPECIFICATIONS, 4.4 Bidder's Policy Agreement that:

"4.4.1 Bidder must agree to write the Policy in such a manner as to indicate clearly, without any question or doubt, all benefits provided as set forth in the specifications."

The proposed changes to our ITB would disqualify your proposal if not adjusted. Please confirm if your underwriter will agree to pay claims at 100%, as required in the ITB.

I hope that this can be resolved.

Sincerely,

[Signature]

Tolor E. White
Vice President for Finance and Business Affairs & Comptroller

TEW/hac

To: Dr. Kassie Freeman
Dr. Kuti Lomotey
Dr. Victor Ukpolo
Judge Freddie Pitcher (Retired)
Dr. Ray Belton

"An Equal Educational Opportunity Institution"
Mrs. Vonda White  
President  
Collegiate Risk Management, Inc.  
110 Athens Street, Suite 200  
Tarpon Springs, Florida 34689  

RE: Student Injury and Sickness Contract for 2009-2010  

Dear Mrs. White:

This is the University’s response regarding the issue of reducing the co-insurance from 100% to 90%. The Invitation to Bid (ITB) required 100% co-insurance. There are two vendors remaining that have not been disqualified, Collegiate Risk Management, Inc. and GM-Southwest, Inc. *Collegiate Risk Management, Inc. has proposed only 90% co-insurance, which is a variation on a mandatory provision of the ITB, which disqualifies the vendor.* GM-Southwest, Inc. quoted the Student Health Insurance Plan as requested with “no-deviations” to the specifications.

Your letter dated August 5, 2009, provided three (3) options from the underwriter. Option #1 stated:

1. *They would be willing to increase the co-insurance to 100%, but would need to increase the student rate by $12.00 per student.*

Following are the original rates quoted by the two remaining companies on the Invitation to Bid Number 10019, Bid Response Form (copies attached):

Collegiate Risk Management, Inc. ........... $80.80 Annual (12 months)

GM-Southwest, Inc. .................$89.75 Annual (12 months)

Based on these quotes, Collegiate Risk Management, Inc. was awarded the Contract as the lowest bidder. To add $12.00 to your quote, the rates would be:

Collegiate Risk Management, Inc. ........... $92.80 Annual (12 months)

GM-Southwest, Inc. ..................$89.75 Annual (12 months)

"An Equal Educational Opportunity Institution"
The addition of $12.00 to Collegiate Risk Management’s original bid amount results in your price being higher than the remaining vendor. GM-Southwest, Inc. would then have the lowest bid at 100% co-insurance (“no-deviations” to the specifications) and would be awarded the Contract.

In order for Collegiate Risk Management, Inc. to be awarded the Student Injury and Sickness Insurance Contract for the 2009 – 2010 school year, the company MUST agree to 100% co-insurance for the original quote of $80.80. Otherwise, the Contract will be awarded to GM-Southwest, Inc.

May I have your immediate response.

Sincerely,

[Signature]

Tolor E. White
Vice President for Finance and Business Affairs & Comptroller

TEW/hac

Attachments

xc:  Dr. Kassie Freeman
     Dr. Kofi Lomotey
     Dr. Victor Ukpolo
     Judge Freddie Pitcher (Retired)
     Dr. Ray Belton

SOUTHERN UNIVERSITY
August 7, 2009

Mr. Tolor White
Vice President for finance and
Business Affairs & Comptroller
Southern University and A.&M. College
Baton Rouge, LA 70813

Re: Student Injury and Sickness Contract for 2009-2010

Dear Mr. White,

As a result of our discussion yesterday, I met with our underwriting department to once again review the information provided in your ITB for Student Injury and Sickness Insurance. Unfortunately, based upon the claims history of your account, we are unable to deviate from our initial proposal. We certainly want to retain your account and want to propose the following options:

1. Increase the coinsurance from 90% to 100% which would reflect an increase of $12 to the student rate ($92.80).

2. Leave the plan at 90% and review the account upon renewal and discuss changing the coinsurance to 100% at that time.

While I am aware that bottom line cost is very important, it is equally important to acknowledge the benefit enhancements our proposal includes. These benefits include eliminating hospital pre-notification, Identity Theft Recovery Assistance Program, 24-Hour Nurse Line, Emergency Return Home Benefit, Bedside Visit Benefit and Travel Assistance Program. So, while option 1 above does increase our rate to $92.80 and makes us the second lowest rate behind GM-Southwest, Inc. ($89.75), our plan enhancements certainly hold a value of more than $3.05 per student. I hope your evaluation process takes this into consideration.

If there is anything I can do to further assist in this matter, please feel free to contact me.

Sincerely,

Michael W. Chymiy
Vice President

Corporate Headquarters: 101 JFK Parkway, Short Hills, NJ 07078 • 800-350-8005 •
Linda Clark [linda@decurlaw.com]
Friday, August 07, 2009 3:22 PM
Linda Antoine; Helen Carter
resend info

Linda & Helen - First time I am seeing their argument on other cost factors. Usually there is but one factor!

Have you/can you evaluate to see if you can substantiate the cost saving to a figure that then lowers them to some number of value below the number 2 company?
August 10, 2009

Mr. Tolor White  
Vice President for finance and  
Business Affairs & Comptroller  
Southern University and A&M College  
Baton Rouge, LA 70813  

Re: Student Injury and Sickness Contract for 2009-2010

Dear Mr. White,

As a result of your latest correspondence dated August 7, 2009, please allow this letter to serve as confirmation that we agree to revise our 2009-2010 Student Injury and Sickness proposal as follows:

1. Increase the coinsurance level from 90% to 100%.
2. Revise the per student rate to $89.70.

Please do not hesitate to contact me with any questions.

Sincerely,

Michael W. Chymiy  
Vice President