A meeting of the Audit and Insurance Committee of the Board of Trustees convened at 10:04 a.m. on Friday, August 26, 2016, in Room 326 of Stewart Center on the campus of Purdue University in West Lafayette, Indiana.

All members of the Committee were present: Thomas Spurgeon, chair; JoAnn Brouillette; and Malcolm DeKryger. Other trustees present were: Michael Berghoff; Vanessa Castagna; Michael Klipsch; Cameron Mann; and Don Thompson. Trustees Sonny Beck and Gary Lehman were not in attendance.

Officers and administrators in attendance were: Mitch Daniels, president; Deba Dutta, provost and executive vice president for academic affairs and diversity; Bill Sullivan, treasurer and chief financial officer; Jim Almond, senior vice president and assistant treasurer; Steve Schultz, legal counsel; Janice Indrutz, executive assistant to the Board and corporate secretary; Tom Keon, chancellor of Purdue University Northwest; and Vicky Carwein, chancellor of Indiana University-Purdue University Fort Wayne.

I. APPROVAL OF MINUTES

Upon proper motion duly seconded, the Committee voted unanimously to approve the minutes of its last meeting held on February 26, 2016.

II. APPROVAL OF 2017 HEALTH CARE PLAN RATES

Trustee Spurgeon reminded the Committee and members of the Board that since 2014, the university had contracted with Anthem to administer three health plans to faculty and staff. He indicated that Ms. Eva Nodine, director of benefits, would recommend that the university continue to offer the same three health plans and that the recommendation would include a 4% increase in employer and employee premiums.

Ms. Nodine then expanded on the background that Trustee Spurgeon had provided. She noted that 74% of employees had participated in the two consumer-driven health plans, and she reminded the Committee that rates had not been increased for the past two years even while the plans had been enhanced. She further explained that the recommended 4% increase in employee premiums was less than half of current medical inflation trends and necessary to avoid a future rate increase at or above the national trend. She also informed the Committee that the increase translated to a maximum cost to an employee of $200.

Ms. Nodine responded to questions from Trustee Castagna and Trustee Thompson, and Treasurer Sullivan explained the reasons why he said it was getting tougher and tougher to keep costs to a minimum every year. As a former employer who provided health care plans, Trustee Spurgeon complimented the team on the program. President Daniels expressed his
belief that the essential element of the health plans was the power of consumerism, and he said the plans were well thought out and well implemented.

Upon proper motion duly seconded, the Audit and Insurance Committee voted unanimously to approve the 2017 health care plan rates. Supporting documents were filed with the minutes.

III. ADJOURNMENT

By consent, the meeting adjourned at 10:12 a.m.