



**MINUTES OF THE  
CSURMA BOARD OF DIRECTORS MEETING  
May 03, 2019  
CSU CHANCELLOR’S OFFICE, DUMKE ROOM  
401 Golden Shore • Long Beach, CA**

**10:30 AM**

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**A. CALL TO ORDER**

The meeting was called to order at 10:30 a.m. by Lisa Chavez

**A1. Approval of the Agenda**

A motion was made to approve the order of the agenda as presented.

**MOTION:** Chuck Kissel  
**SECOND:** Dwayne Brummett

<b>AYES:</b>	<i>S. Apel, M. Beatty, D. Brummett, L. Chavez, L. Kao, C. Kissel, S. Lee, W. Nishioka, B. Olmsted, J. Rentto, K. Saunders, A. Thomas, M. Thorpe, B. Tu, and A. Vasquez</i>
<b>NOES:</b>	<i>None</i>
<b>ABSTAIN:</b>	<i>J. Bowman, K. Comet, T. Hill, T. Knight, D. Nakamura, M. Perez, and L. Telles</i>
<b>ABSENT:</b>	<i>See the Attendance Page</i>

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

There were no public comments.

**C. CONSENT CALENDAR**

- C1. Approval of Minutes – October 26, 2018**
- C2. Treasurer’s Report ending December 31, 2018 and March 31, 2019**

Daniel Howell provided an update regarding the Treasurer’s Report. Due to CSURMA’s deficit cash flow, \$35MM in long-term investments will be sold and added to CSURMA’s short-term cash and investments. Howell notes that CSURMA has a positive fund balance, but cash flow has become an issue due to the prefunding of the workers’ compensation reinsurance program and the OCIP II program.

**C3. CSURMA’s Conflict of Interest Code**

A motion was made to approve and/or accept each action item on the Consent Calendar as presented.

**MOTION:** Kevin Saunders  
**SECOND:** Mike Thorpe

<b>AYES:</b>	<i>S. Apel, M. Beatty, D. Brummett, L. Chavez, L. Kao, C. Kissel, S. Lee, W. Nishioka, B. Olmsted, J. Rentto, K. Saunders, A. Thomas, M. Thorpe, B. Tu, and A. Vasquez</i>
<b>NOES:</b>	<i>None</i>
<b>ABSTAIN:</b>	<i>J. Bowman, K. Comet, T. Hill, T. Knight, D. Nakamura, M. Perez, and L. Telles</i>
<b>ABSENT:</b>	<i>See the Attendance Page</i>

**MOTION CARRIED**

**D. GENERAL ADMINISTRATION**

**D1. Adoption of the FY 2019/20 CSURMA Operating Budget**

Robert Leong summarized the FY 2019/20 operating budget. The Chancellor’s Office Enterprise Accounting Services and the Program Administrators worked together to develop a draft FY 2019/20 budget. The Executive Committee reviewed the draft budget at its meeting on March 7, 2019 and recommended the Board of Directors adopt the draft FY 2019/20 budget.

Major features of the proposed Campus budget include:

- 10.4% increase in Total Operating Revenues from \$76,199,692 to \$84,123,822.
- 0.7% decrease in Total Operating Expenses from \$90,141,617 to \$89,532,573.
- Net Deficit decreases from \$11,856,397 to \$3,314,771.
- Retained Earnings decreases from \$27,532,357 to \$24,217,586 at June 30, 2020.

Major features of the proposed AORMA budget include:

- 1.5% decrease in Total Operating Revenues from \$9,436,051 to \$9,291,783.
- 4.5% decrease in Total Operating Expenses from \$11,636,175 to \$11,107,859.
- Net Deficit decreases from \$1,790,084 to \$1,416,850.
- Retained Earnings decreases from \$18,047,124 to \$16,630,274 at June 30, 2020.

The proposed budget is estimated to produce a Net Deficit of \$6,528,997. Retained Earnings is estimated decrease from \$38,457,412 to \$31,928,415 at June 30, 2020.

A motion was made to adopted the FY 2019/20 operating budget as presented

**MOTION:** Kevin Saunders  
**SECOND:** Dwayne Brummett

<b>AYES:</b>	<i>S. Apel, M. Beatty, D. Brummett, L. Chavez, L. Kao, C. Kissel, S. Lee, W. Nishioka, B. Olmsted, J. Rentto, K. Saunders, A. Thomas, M. Thorpe, B. Tu, and A. Vasquez</i>
<b>NOES:</b>	<i>None</i>
<b>ABSTAIN:</b>	<i>J. Bowman, K. Comet, T. Hill, T. Knight, D. Nakamura, M. Perez, and L. Telles</i>

<b>ABSENT:</b> <i>See the Attendance Page</i>
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**MOTION CARRIED**

**D2.     Campus Risk Pools Funding Status**

The Board reviewed the Campus Risk Pools Funding Status exhibits. The exhibits provided an analysis of each risk pool’s funding position relative to the actuary’s projection in accordance with CSURMA’s minimum funding requirements and expected cash expenditures as of December 31, 2018 projected to June 30, 2019. At its Long Range Planning meeting in March, 2019, the Executive Committee reviewed the risk pools’ funding position and determined there were sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures.

**D3.     Nominating Committee Report and Executive Committee Elections**

Kevin Saunders explained that the Nominating Committee has made the following nominations for the two seats that will become open on July 1, 2019.

- **Seat #1 - Thom Davis**  
*This seat is currently held by Davis and if elected he will serve a second two-year term from July 1, 2019 to June 30, 2021.*
  
- **Seat #2 – Lisa Kao**  
*This seat is currently held by Kao and if elected she will serve her first complete two-year term from July 1, 2019 to June 30, 2021. (Kao was appointed mid-term to complete a term vacated by Jody Van Leuven.)*

Lisa Chavez asked for nominations from the floor. Hearing none, Chavez asked for a motion to close the nominations.

A motion was made to close nominations.

**MOTION:**   Kevin Saunders           **SECOND:**   Dwayne Brummett

<b>AYES:</b>	<i>S. Apel, M. Beatty, D. Brummett, L. Chavez, L. Kao, C. Kissel, S. Lee, W. Nishioka, B. Olmsted, J. Rentto, K. Saunders, A. Thomas, M. Thorpe, B. Tu, and A. Vasquez</i>
<b>NOES:</b>	<i>None</i>
<b>ABSTAIN:</b>	<i>J. Bowman, K. Comet, T. Hill, T. Knight, D. Nakamura, M. Perez, and L. Telles</i>
<b>ABSENT:</b>	<i>See the Attendance Page</i>

**MOTION CARRIED**

**D4.     Excess Insurance Renewals and Underwriter Meetings Report**

Daniel Howell provided a status of the upcoming program renewals. The excess liability program has seen loss development in the first excess layers for both the AORMA and Campus programs. Staff anticipates rate increases in the lower layers and possible rate increases in the excess layers due to catastrophic losses impacting the entire marketplace. The property losses to both the AORMA and Campus programs have increased over the past three years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years will likely be again partially eroded by increases this coming renewal. CSURMA approved a two-year rate agreement with CSAC-EIA for workers' compensation. The builders risk program is stable. The fine arts program was launched in 2016 and Staff anticipates underwriters will require a rate increase this year due to the high loss ratio. The SPLIP and SAFECLIP programs are performing exceptionally well with no losses. Rates will likely be stable and possibly drop. The losses within the foreign travel insurance program have stabilized at a level acceptable to underwriters. Staff expects a flat rate renewal. There have been no losses within the aviation program. Staff expects a flat renewal. The medical malpractice program is at a minimum premium. Staff expects a flat renewal. Fidelity claims remain low and therefore staff expects a premium decrease on renewal unless new claims materialize prior to renewal.

#### **D5. FY 2019/20 CSURMA Long Range Action Plan**

Daniel Howell updated the Board on the long range planning goals adopted by the Executive Committee.

- LRP-1: Creation of Formal Process to Regulate and Approve Financing of Risk Programs through CSURMA
- LRP-2: Further Development of Youth Protection Programs
- LRP-3: Review of CSURMA's Digital Compliance
- LRP-4: Development of a CSURMA Disaster/Misadventure Toolkit
- LRP-5: Memorandum of Coverage Review with Coverage Counsel
- LRP-6: Foreign Travel Tracking Program
- LRP-7: CSURMA Master Calendar for upcoming Trainings, Conferences and Events
- LRP-8: Master Enabling Agreement for Environmental Sampling Services

#### **D6. CSURMA Discussion of Emerging Risk**

Zachary Gifford explained that CSURMA's role supporting systemwide risk financing was discussed with the Chancellor's Systemwide Leadership Council on April 17, 2019. Some topics of discussion involve risk management of emerging risks, including Supporting Homeless Student Population Projects, Impact of Mental Health Issues on Enterprise/Holistic Risk, and Student Nutritional Health Projects.

Gifford asked the Board members to email him directly with other ideas. Some ideas that were discussed during the meeting were;

- Food safety for food grown on campus
- Responding to pesticide on food

- Gleaning leftover food on campus
- Assistance managing controversial events

#### **D7. Rating Plans Task Group, Memorandum of Coverage Review, Liability Deductible Selection**

Robert Leong explained it is the practice of CSURMA to review its rating plans every three years to ensure they respond fairly to all campus members. Accordingly, the Executive Committee appointed a Rating Plans Task Group (*RPTG*) to review the funding policies and rating plans for the campus coverage programs. The RPTG was also tasked to review CSURMA's coverage memoranda to ensure they meet current and anticipated needs. The RPTG's findings and recommendations, if any, will be presented to the Executive Committee at its meeting on September 6, 2019 and to the Board of Directors for adoption on November 8, 2019. Upon adoption, the rating plans will be used to calculate the annual rates beginning FY 2020/21. The new rating plan coincides with the Campus Liability Deductible Selection covering the three fiscal periods beginning July 1, 2020.

The RPTG will review the rating plans for the following campus coverage programs:

1. Workers' Compensation
2. General Liability, Errors & Omissions Liability, Employment Practices Liability
3. Property, Boiler & Machinery
4. Industrial Disability Leave, Non-Industrial Disability Insurance, Unemployment Insurance (*IDL/NDI/UI*)
5. Automobile Liability
6. Foreign Travel Insurance Program (*FTIP*)

The appointees to the RPTG are:

- Scott Apel, VP Administration & Finance, CSU Long Beach
- Thom Davis, VP Business & Administration, CSU Bakersfield
- Lisa Kao, EH&S Director / Risk Manager, CSU Fresno
- Kevin Saunders, VP Administration & Finance, CSU Monterey Bay (*RPTG Chair*)
- Jody Van Leuven, Assistant Director, CSU Systemwide Risk Management

A project timetable has been drafted. Staff anticipates the RPTG will initially meet in July 2019, and a follow-up meeting in August 2019 after the actuarial report is issued and FY 2020/21 preliminary rates are calculated.

#### **D8. Proposed Amendment: FY 2019/20 Rates and Gross Funding Campus Coverage Programs**

Robert Leong explained that the Board of Directors adopted rates and funding for FY 2019/20 on October 26, 2018. However, after reviewing anticipated expenditures for FY 2019/20 along with the March 31, 2019 financial statements, Staff recommended amending the gross funding for the IDL/NDI/UI and Campus Property as shown below:

Coverage Program	FY 19/20 Approved	FY 19/20 Proposed	\$ Chg	% Chg
Liability	\$18,605,268	\$18,605,268	\$0	0.0%
Workers' Compensation	40,781,992	40,781,992	0	0.0%
IDL/NDI/UI	15,316,000	16,800,000	1,484,000	9.7%
Property	10,388,000	11,381,659	993,659	9.6%
AIME	4,760,949	4,760,949	0	0.0%
Automobile Liability	1,408,547	1,408,547	0	0.0%
<b>Total</b>	<b>\$91,260,756</b>	<b>\$93,738,415</b>	<b>\$2,477,659</b>	<b>2.7%</b>
Liability funding is undiscounted for anticipated investment income.				
Workers' Compensation is discounted for anticipated investment income.				

The proposed increase for IDL/NDI/UI is based on claims trends as defined by the average annual expenditures, which has been increasing every year since FY 2014/15. The proposed increase in Property results from an anticipated 20% rate increase due to market trend, and the need to fund Earthquake coverage that was added on October 1, 2017.

CSURMA employs an independent actuary, Aon Risk Consultants, to project claim costs for its General / Errors & Omissions Liability, Workers' Compensation and Athletic Injury Medical Expense programs. The actuary's reports dated September 10, 2018 were used to calculate funding proposals for FY 2019/20.

A motion was made to adopt Campus coverage programs funding for FY 2019/20 as amended above.

**MOTION:** Dwayne Brummett

**SECOND:** Amy Thomas

<b>AYES:</b>	<i>S. Apel, M. Beatty, D. Brummett, L. Chavez, L. Kao, C. Kissel, S. Lee, W. Nishioka, B. Olmsted, J. Rentto, K. Saunders, A. Thomas, M. Thorpe, B. Tu, and A. Vasquez</i>
<b>NOES:</b>	<i>None</i>
<b>ABSTAIN:</b>	<i>J. Bowman, K. Comet, T. Hill, T. Knight, D. Nakamura, M. Perez, and L. Telles</i>
<b>ABSENT:</b>	<i>See the Attendance Page</i>

**MOTION CARRIED**

**E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS**

**E1. AORMA Programs Update**

Dwayne Brummett provided a brief report of the activities of the AORMA Committee.

**E2. AIME Programs Update**

Lisa Kao provided a brief report of the activities of the AIME Committee.

## **F. CLOSED SESSION**

There were no items scheduled for closed session.

## **G. INFORMATION ITEMS**

### **G1. CSURMA Insurance Requirements in Contract (IRIC) Manual**

Andrew Gaspari noted that the CSURMA IRIC manual has been updated to reflect A.M Best and Standard & Poor's ratings updates, as well as various California law developments and updates. Additional ISO analysis and been added as well as discussion on the Jones Act as it relates to Marine Related Risks. The MCS-90 Motor Carrier Public Liability sample has been replaced with the current version. As California law has developed, discussion of key statutes has been modified, including new information regarding drone coverage, carnivals and carnival rides, food trucks and farmers markets, political protests, rallies and signage, and incorporating a traffic safety plan into your event preparation. There is a new section on railroad protective liability. In addition to updating the IRIC manual, we have also updated the Special Events Resource Guide (SERG) and have included a discussion on the SERG in the IRIC.

### **G2. CSURMA Renewal of Parametric Earthquake Insurance**

Daniel Howell summarized the Parametric Earthquake Coverage. In order to lock-in current pricing, the Executive Committee approved a new three-year policy with Swiss Re for earthquake insurance with a parametric trigger. The Committee also agree to cancel and rewrite the policy effective July 1, 2019, so that the policy's anniversary date aligns with CSURMA's budget and other insurance renewals.

- New Term: July 1, 2019 to July 1, 2022
- Limit: \$25,000,000 for the three-year period (subject to the pre-defined event triggers and a table of payout factors as shown within the attached proposal)
- Deductible: Less than 45 USGS Peak Spectral Acceleration

The annual premium of \$1,550,000 is included in the CSURMA budget and will continue until expiration of the new three-year policy on July 1, 2022.

### **G3. Praesidium Utilization Report**

The Board reviewed the Praesidium CSU Youth Protection Initiatives report.

### **G4. Review of the Service Provider Performance Survey Report**

The Board reviewed the Service Provider Performance Survey report.

### **G5. CSURMA Administrative Service Calendar**



The Board reviewed the CSURMA Administrative Services Calendar.

**G6. CSURMA Board of Directors and Staff Contact List**

The Board was asked to review the attached Board of Directors contact information and provide Staff with revisions.

**H. ADJOURNMENT**

A motion was made to adjourn the meeting at 11:39 A.M.

**MOTION:** Doug Dawes

**SECOND:** Dwayne Brummett

<b>AYES:</b>	<i>S. Apel, M. Beatty, D. Brummett, L. Chavez, L. Kao, C. Kissel, S. Lee, W. Nishioka, B. Olmsted, J. Rentto, K. Saunders, A. Thomas, M. Thorpe, B. Tu, and A. Vasquez</i>
<b>NOES:</b>	<i>None</i>
<b>ABSTAIN:</b>	<i>J. Bowman, K. Comet, T. Hill, T. Knight, D. Nakamura, M. Perez, and L. Telles</i>
<b>ABSENT:</b>	<i>See the Attendance Page</i>

**MOTION CARRIED**



**CSURMA BOARD OF DIRECTORS MEETING  
ATTENDANCE**

**May 3, 2019**

**CSU CHANCELLOR'S OFFICE, DUMKE ROOM  
401 Golden Shore • Long Beach, CA**

**10:30 AM**

Board of Directors:

<b>Campus Name</b>	<b>Representative</b>	<b>Present ✓</b>	<b>Alternate</b>	<b>Present ✓</b>
CSU Bakersfield	<b>Thom Davis</b>		<b>Tim Ridley</b>	
CSU Office of the Chancellor	<b>Robert Eaton</b>		<b>Steven Relyea</b>	
CSU Channel Islands	<b>Katharine Hullinger</b>	<i>Teleconference (non-voting)</i>	<b>Elaine Crandall</b>	
CSU Chico	<b>Michael Thorpe</b>	<i>✓In Person</i>	<b>Ann Sherman</b>	
CSU Dominguez Hills	<b>Naomi Goodwin</b>		<b>Wayne Nishioka</b>	<i>✓In Person</i>
CSU East Bay	<b>Nyassa Love Johnson</b>	<i>Teleconference (non-voting)</i>	<b>Debbie Chaw</b>	
CSU Fresno	<b>Debbie Adishian-Astone</b>		<b>Lisa Kao</b>	<i>✓In Person</i>
CSU Fullerton	<b>Michael Coughlin</b>		<b>John Beisner</b>	
Humboldt State University	<b>Kimberly Comet</b>	<i>Teleconference</i>	<b>Doug Dawes</b>	
CSU Long Beach	<b>Scott Apel</b>	<i>✓In Person</i>	<b>Felissa Waynick</b>	<i>✓In Person (non-voting)</i>
CSU Los Angeles	<b>Lisa Chavez</b>	<i>✓In Person</i>	<b>Nidavone Niravanh</b>	<i>✓In Person (non-voting)</i>
California Maritime Academy	<b>Marianne Spotorno</b>	<i>Teleconference (non-voting)</i>	<b>Franz Lozano</b>	
CSU Monterey Bay	<b>Kevin Saunders</b>	<i>✓In Person</i>	<b>Art Evjen</b>	
CSU Northridge	<b>Edith Winterhalter</b>		<b>Lisa Telles</b>	<i>Teleconference</i>
Cal Poly Pomona	<b>Al Vasquez</b>	<i>✓In Person</i>	<b>Vacant</b>	
CSU Sacramento	<b>Jonthan Bowman</b>	<i>Teleconference</i>	<b>Gary Rosenblum</b>	
CSU San Bernardino	<b>Beiwei Tu</b>	<i>✓In Person</i>	<b>Douglas R. Freer</b>	<i>✓In Person (non-voting)</i>
San Diego State University	<b>Thomas McCarron</b>		<b>Jessica Rentto</b>	<i>✓In Person</i>

Campus Name	Representative	Present ✓	Alternate	Present ✓
San Francisco State University	<b>Jeff Wilson</b>	<i>Teleconference</i>	<b>Michael Beatty</b>	✓ <i>In Person</i>
San Jose State University	<b>Marla Perez-Guerra</b>	<i>Teleconference</i>	<b>Charlie Faas</b>	
Cal Poly (San Luis Obispo)	<b>Dru Zachmeyer</b>	<i>Teleconference (non-voting)</i>	<b>Cindy Vizcaino Villa</b>	
CSU San Marcos	<b>Neal Hoss</b>		<b>Erin Fullerton</b>	<i>Teleconference (non-voting)</i> ☐
Sonoma State University	<b>Tyson Hill</b>	<i>Teleconference</i>	<b>Joyce Lopes</b>	
CSU Stanislaus	<b>Amy Thomas</b>	✓ <i>In Person</i>	<b>Darrell Haydon</b>	

Campus Name	Representative	Present ✓
Chico, Research Foundation	<b>Russell Wittmeier</b>	
Dominguez Hills, Loker Student Union	<b>Cecilia Ortiz</b>	
Fullerton, Auxiliary Services Corporation	<b>Chuck Kissel</b>	✓ <i>In Person</i>
Humboldt State University Center	<b>Dave Nakamura</b>	<i>Teleconference</i>
Monterey Bay, University Corporation	<b>Starr Lee</b>	✓ <i>In Person</i>
Sacramento, University Union Operation	<b>Bill Olmsted</b>	✓ <i>In Person</i>
Sacramento, University Enterprises, Inc.	<b>Trina Knight</b>	<i>Teleconference</i>
San Diego, Research Foundation	<b>Leslie Levinson</b>	
San Luis Obispo, Associated Students, Inc.	<b>Dwayne Brummett</b>	✓ <i>In Person</i>
San Marcos, Corporation	<b>Bella Newberg</b>	

**Staff, Guests and/or Consultants Present:**

Scott Bourdon, CSU Office of the Chancellor  
 Andrew Gaspari, Alliant Insurance Services, Inc.  
 Zachary Gifford, CSU Office of the Chancellor  
 Tevea Him, Alliant Insurance Services, Inc.  
 Daniel Howell, Alliant Insurance Services, Inc.  
 William Hsu, General Counsel  
 Alice Kim, CSU Accounting  
 Sheralin Klinthong, CSU Office of the Chancellor  
 Tina Kotin-Savitch, CSU Channel Islands  
 Robert Leong, Alliant Insurance Services, Inc.  
 Susan Leung, Alliant Insurance Services  
 Amy Lightner, Alliant Insurance Services, Inc.



California State University Risk Management Authority

**APPROVED**

Jessica Liu Tanaka, CSU Accounting  
Mimi Long, Alliant Insurance Services, Inc.  
Jody Van Leuven, CSU Office of the Chancellor  
Robin Webb, General Counsel