

**MINUTES OF THE
CSURMA EXECUTIVE COMMITTEE MEETING**

MAY 5, 2017

**CSU CHANCELLOR'S OFFICE, ANACAPA ROOM
401 GOLDEN SHORE • LONG BEACH, CA**

8:30 AM

MEMBERS PRESENT

Scott Apel, California State University Long Beach
Lisa Chavez (Vice-Chair), California State University Los Angeles
Thom Davis, California State University, Bakersfield
Robert Eaton (Treasurer), California State University, Office of the Chancellor
Mike Lee (Chair), California State University, Sacramento
Kevin Saunders, California State University, Monterey Bay
Jody Van Leuven, California State University, San Bernardino

MEMBERS ABSENT

Dwayne Brummett AORMA Vice-Chair), Associated Students, Inc. at San Luis Obispo
Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation

STAFF, GUESTS & CONSULTANTS

Michael Beatty, San Francisco State University
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor
Tevea Him – Alliant Insurance Services, Inc.
Daniel Howell - Alliant Insurance Services, Inc.
Sedong John, CSU Office of the Chancellor, CSURMA Accounting
Alice Kim, CSU Office of the Chancellor, CSURMA Accounting
Rob Leong - Alliant Insurance Services, Inc.
Amy Lightner, Alliant Insurance Services, Inc.
Mimi Long - Alliant Insurance Services, Inc.
Jessica Liu, CSU Office of the Chancellor, CSURMA Accounting
Maria Starn, CSU Office of the Chancellor, Office of General Counsel
Kirtland Stout, CSU Sacramento

A. CALL TO ORDER

The meeting was called to order by the Chair, Mike Lee at 8:30 AM.

A1. Approval of the Agenda

Mike Lee requested that the Humboldt State University member loan item which is a part of the Financial Statement item be moved out of the Consent Calendar for discussion a part of General Administration.

A motion was made to approve the revised agenda order as discussed.

MOTION: Lisa Chavez
SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

B. PUBLIC COMMENTS

There were no comments from the public.

C. CONSENT CALENDAR

- C1. Approval of Minutes – March 9 and March 10, 2017**
- C2a Financial Report: Draft Financial Statement at March 31, 2017**
- C2b. Financial Report: Treasurer’s Quarterly Investment Report**
- C3. FY 2017/2018 CSURMA Operating Budget**
- C4. CSURMA October 2017 Meeting Date Proposed Change**
- C5. JPA Operations Management Review**

A motion was made to approve the items within the consent calendar.

MOTION: Lisa Chavez
SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			

Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D. GENERAL ADMINISTRATION

C2a. Humboldt State University - Member Loan

Robert Eaton explained that CSURMA has received a member loan extension request from Humboldt State University. HSU is looking to convert a HSU Advancement Foundation loan to a Campus loan. HSU would provide CSURMA with a loan pay down amount of \$200,000 as part of the extension. HSU plans to sell the property that was originally purchased with the loan and would use the proceeds to reduce or possibly pay off the loan.

A motion was made to (1) approve a five-year loan extension with a \$200,000 down payment, (2) require that all proceeds of the sale of the property would be used to pay off or pay down the outstanding loan amount, (3) delegate authority to the Treasurer to finalize the loan documents.

MOTION: Scott Apel
 SECOND: Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D1. CSURMA Accounting Team

The Committee was introduced to Sedong John the Director, Systemwide Accounting & Reporting who has replaced Kelly Cox as the director of accounting for CSURMA.

D2. FY 2017/2018 Long Range Action Plan

Daniel Howell reviewed the items on the draft FY 17/18 Long Range Action Plan.

- LRP-1 Special Events Resources Guide
- LRP-2 RMIS Reporting
- LRP-3 Captive Insurer
- LRP-4 Campus Visits
- LRP-5 Accessing and Communicating EIA Resources
- LRP-6 Member Loan Policy
- LRP-7 Allocation of Investment
- LRP-8 Earthquake Coverage
- LRP-9 Risk Management Grant Program
- LRP-10 Workers' Compensation Projects Based on CWCI Data
- LRP-11 Marine Program
- LRP-12 Auxiliary Organization Employee Benefits
- LRP-13 Student Health and UC Ship
- LRP-14 Workers' Compensation Experience Modification Factor

A motion was made to approve the draft FY 17/18 Long Range Action Plan as presented.

MOTION: Robert Eaton

SECOND: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D3. Excess Insurance Renewals Update and Underwriter Meeting Report

Daniel Howell summarized the progress of the excess insurance renewal placements. The Excess Liability has seen loss development in the first excess layers for both the AORMA and Campus programs. Staff expects a 6% increase to the primary layer and a 3% increase to the \$20MM xs \$5MM layer. No increase is expected for the layers in excess of \$20MM. Staff is working with the Bermuda markets to secure pricing quotes for a \$100MM xs \$200MM layer. Within the Property Program, AORMA's property loss experience is at 55% in the primary excess layer and the campus program is at 88%. Staff expects a slight reduction in rate for AORMA and a 5% increase for the campuses. Insured values have risen by 3%. The Builders Risk program is stable and Staff expects a 5% rate reduction at renewal. Rates are down 25% in

recent years. The Fine Arts Program was launched in 2016 and Staff anticipates underwriters will agree to a flat renewal despite losses. Both SPLIP and SAFECLIP have performed exceptionally well with no losses and rates will continue to drop. The Foreign Travel Insurance Program’s loss ratio has stabilized at a level acceptable to underwriters. Staff expects a flat rate renewal. The Aviation Program has no losses and the market is soft. Staff expects a flat rate renewal or slight decrease; however, the Program may be enhanced to include blanket drone coverage, moving the current coverage from the Liability Program. The Medical Malpractice Program is at minimum premiums and therefore, Staff expects a flat renewal with same underwriting team now at Ascot. The Fidelity Program claims are down, despite social engineering (phishing) losses. Staff expects a premium decrease on renewal.

D4. CSURMA Workers’ Compensation Renewal Options

Daniel Howell explained that the current two-year workers’ compensation option through CSAC EIA doesn’t look as desirable because CSURMA is outperforming the actuary’s predictions from the prior year. At the March meeting, action was taken to provide direction to the Program Administrator to work with EIA on the two-year solution asking them to lower the rate and to minimize the potential for an audit premium by providing an agreement to waive an audit if payroll varies by +/-5%. CSAC EIA isn’t able to waive the audit because the other CSAC EIA members don’t get the same deal, and therefore, CSURMA would be getting preferential treatment. CSAC EIA did agree to inflate CSURMA’s payroll by 5.5% and decrease the rate by 2.5%. CSURMA would only pay an additional premium if the actual payroll decreases more than 5.5%.

A motion was made to delegate authority to CSURMA Treasurer and Secretary-Auditor to extend a two-year agreement with CSAC EIA’s EWC Program as proposed above.

MOTION: Robert Eaton
SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D5. Captive Evaluation and Development

Zachary Gifford and Robert Eaton updated the members on the formation of a captive insurance vehicle. CSURMA has retained the services of Skip Myers to perform an assessment and to create a road map. Myers is with a law firm in Washington DC and is a subject matter expert. The goal is to form a captive for the legacy workers’ compensation claims. The expected rate of return is less than 7%; realistically between 2% and 4%.

D6. Risk Management Innovation Grant Program

Zachary Gifford provided a summary of the grant applications received.

CSU Fullerton - CibrTrac eCompliance system for EH&S data management framework. \$9,000.

A motion was made to approve the CSU Fullerton grant proposal.

MOTION: Kevin Saunders
SECOND: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

Channel Islands – NTT Training. NFPA 70E Arc Flash Electrical Safety Training. \$2,143 requested.

A motion was made to approve the CSU Channel Islands grant proposal.

MOTION: Scott Apel
SECOND: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			

Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

Dominguez Hills – Six projects. Training and materiel for equipment operator safety training and workplace safety programs. \$9,383 requested.

A motion was made to approve the CSU Dominguez Hills grant proposal.

MOTION: Kevin Saunders
SECOND: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel			X	
Dwayne Brummett				X
Lisa Chavez			X	
Thom Davis			X	
Robert Eaton			X	
Mike Lee			X	
Frank Mumford				X
Kevin Saunders			X	
Jody Van Leuven			X	

MOTION DID NOT CARRY

Maritime Academy – Articulate eLearning software license to develop EH&S risk management resources training modules. \$700 requested. No motion was made. This grant request was not approved.

Maritime Academy – Materials and supplies for Emergency Preparedness Campaign assisting students to create their own preparedness kit. \$2,000 requested. No motion was made. This grant request was not approved.

Maritime Academy – LaMotte SMART Water Analysis Laboratory, plus Lead Reagent. \$1,750 requested. A motion was made to approve CSU Maritime Academy grant proposal.

MOTION: Robert Eaton
SECOND: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			

Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

Northridge – Terra Dotta Software to manage foreign travel exposure. \$10,000 requested. No motion was made. This grant request was not approved.

San Diego – Campus fall risk assessment related to rooftop fall hazards. \$8,750 requested. No motion was made. This grant request was not approved.

Sonoma – Ongoing air sampling by Campus EH&S. \$10,000 requested. No motion was made. This grant request was not approved.

D7. CSURMA Policy & Procedure No. 21. Risk Management Innovation Grants

Zachary Gifford noted that at its March 10, 2017 Long Range Planning meeting, the Executive Committee approved changes to the Risk Management Innovation Grant program to revise the focus from Campus safety projects to Systemwide safety projects. Grant applications must now be submitted by WERCS affinity groups. A budget of \$150,000 was approved for FY 2017/18 grant awards. The Executive Committee reviewed the revisions to Policy & Procedure No. 21.

A motion was made to approve the proposed revisions to Policy & Procedure No. 21.

MOTION: Scott Apel
SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D8. Risk Management Information System (RMIS) / Claims Management Information System (CMIS)

As explained by Zachary Gifford, the CSURMA Executive Committee approved the selection of Ventiv’s RiskConsole Risk Management Information System (RMIS). Implementation of RiskConsole will consolidate CSURMA’s insurance policy database and loss history and provide the campuses access to create dashboards on their programs and benchmarks. Implementation requires a project manager at one half of an FTE for a year and the Chancellor’s Office is not staffed for this. Ventiv has offered a consultant at a cost of \$97,500.

For over a decade CSURMA has contracted for the iVOS Claims Management Information System (CMIS) for the University’s liability claims administration process. The cost of this agreement is allocated solely to the Campus Risk Pool Liability fund. In the course of implementing RMIS it was determined that it made sense to incorporate the CMIS agreement with the RMIS agreement.

Currently the CMIS and RMIS agreements are separate. Staff recommends incorporating the CMIS into the RMIS agreement. If incorporating the two agreements isn’t feasible, Staff recommends drafting an updated CMIS agreement.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to incorporate the CMIS agreement into the RMIS agreement and to approve the additional costs of \$97,500 for the project manager consultant services.

MOTION: Robert Eaton
 SECOND: Thom Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS

E1. AIME Programs Update

Jody Van Leuven provided a brief report of the activities of the AIME Committee.

E2. AORMA Programs Update

Mimi Long provided a brief report of the activities of the AORMA Committee.

F. CLOSED SESSION

1. Benjamin v. CSU (Sonoma)
2. SLO Landslide (property loss)
3. San Francisco State (Science Building) Coverage Claim

A motion was made to enter closed session at 10:14 PM.

MOTION: Robert Eaton

SECOND: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

The Committee left closed session at 10:23 PM. The Chair reported that no action was taken during closed session.

G. INFORMATION ITEMS

The Committee reviewed and discussed the information items.

- G1. Alliant Service Team Update**
- G2. CSURMA Administrative Service Calendar**
- G3. 2017 CSURMA Meeting Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

H. ADJOURNMENT

A motion was made to adjourn the meeting at 10:23 PM.

MOTION: Kevin Saunders

SECOND: Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED