



APPROVED

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING**

MAY 4, 2017

**CSU CHANCELLOR'S OFFICE, ANACAPA ROOM
401 GOLDEN SHORE • LONG BEACH, CA
10:00 AM**

MEMBERS PRESENT

Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach
Gigi Kiama, The University Corporation at Monterey Bay
Starr Lee, Cal Poly Corporation at San Luis Obispo
Dave Nakamura, Humboldt State University Center (*via Teleconference*)
Bella Newberg University Auxiliary and Research Services Corporation, San Marcos
Dave Nirenberg, CI University Auxiliary Services, Inc.
Brian Nowlin, CSU Long Beach Research Foundation
Jim Reinhart, University Enterprises, Inc., CSU Sacramento (*via Teleconference*)

MEMBERS ABSENT

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

STAFF, GUESTS AND CONSULTANTS

Deirdre Boyle, Carl Warren and Company
Zachary Gifford, CSU Office of the Chancellor – Systemwide Risk Management
Tevea Him, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc.
David Kervella, Systemwide Professional Development, CSU Office of the Chancellor
Tim Leech, Alliant Risk Control Consulting
Amy Lightner, Alliant Insurance Services, Inc.
Jessica Liu, CSU Office of the Chancellor, CSURMA Accounting
Mimi Long, Alliant Insurance Services, Inc.
Mauri McGuire, Carl Warren and Company
Maria Starn, CSU Office of the Chancellor, Office of General Counsel

A. CALL TO ORDER

The meeting was called to order by the Second Vice Chair, Gigi Kiama at 10:09 AM. Dave Nakamura and Jim Reinhart expressed their desire to abstain from voting on all motions.

A1. Approval of the Agenda

Gigi Kiama noted that Alliant Risk Control Consulting presentation and Online Training Platform will be discussed right after approval of the consent calendar.

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

Motion: Dave Nirenberg
Second: Brian Nowlin

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

MOTION CARRIED

B. PUBLIC COMMENTS

There were no comments from members of the public.

C. CONSENT CALENDAR

C1. Approval of Minutes – March 9, 2017

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

Motion: Robert de Wit
Second: Bella Newberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			

Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

MOTION CARRIED

F4. Alliant Risk Control Consulting Presentation

Tim Leech provided a brief overview of the services provided under the current contract as well as introducing John Owen who has been assigned to work with the CSURMA AORMA members. Rather than replacing Brent Escoubas with just one ARCC staff member, the decision was made to have AORMA serviced by Tim Leech, John Owen, Archie Lazar and Kristina Loiselle. Staff was instructed to send out information to the members regarding the new staffing at ARCC.

Tevea Him will upload information onto the CSURMA website which includes the basic contact information as well as the subject matter expert for each campus and type of operation.

F2. On-Line Training Platform Update

David Kervella from Systemwide Professional Development provided an overview of the progress of transitioning the Campus auxiliary organization staff onto the SkillPort platform. Four campuses are still working on the integration process.

- CSU BakersfieldIn process
- Maritime AcademyIn process (Tentatively June 1, 2017)
- CSU Long BeachIn process (Tentatively May 25, 2017)
- San Diego State UniversityIn process (Tentatively June 22, 2017)

Mimi Long noted that after the contract terminates on June 30, 2017, Target Solutions will run a Completions Report for each of the AORMA members which will then be uploaded onto the SkillPort platform. This report will be available by July 10, 2017. Long also notes that those members in the AORMA workers’ compensation program will still be able to use the TargetSolutions training through the CSAC EIA contract. Kervella noted that AORMA wasn’t charged by Systemwide Professional Development for the FY 16/17 term.

D. CLOSED SESSION

1. Arce v CSUN ASI
2. Tu Nghiem v CSU Associated Students, Inc. (Aquatic Center)
3. Diane Adams v Sacramento State Associated Students, Inc. (Aquatic Center)
4. Grajeda v. Cal Poly Pomona Foundation
5. Ming Xu v CSU Dominguez Hills Foundation
6. Schwemley v CSU Sacramento Union
7. Jennifer Garcia, et. al. (Class Action) v CSU Fullerton Auxiliary Services Corp

A motion was made to enter closed session at 10:40 A.M.

Motion: Brian Nowlin
Second: Robert de Wit

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

MOTION CARRIED

The Committee left closed session at 11:15 AM. The Gigi Kiama reported that no action was taken during closed session.

Motion: Bella Newberg
Second: Robert de Wit

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

MOTION CARRIED

E. STANDING COMMITTEE REPORTS

E1. Programs Committee Report

Gigi Kiama, the Programs Committee Chair, reported that the Programs Committee had not met since the last AORMA Committee meeting.

E2. AOA Executive Committee Report

There was no AOA Executive Committee meeting since the last AORMA meeting.

F. GENERAL ADMINISTRATION

F1. Excess Insurance Renewals and Underwriter Meetings Report

Daniel Howell provided an update regarding the insurance renewals for FY 17/18. The excess liability program has seen loss development in the first layers for both the AORMA and Campus programs. The Program Administrator anticipates rate increases in the lower layers and flat renewals in the excess. Due to favorable market conditions, the Treasurer and Secretary-Auditor have asked the Bermuda market to price additional excess capacity above the current limits. AORMA's property loss ratio is at 55% and the campus program is at 88%. The Program administrator expects a slight reduction in rate for AORMA and a 5% increase for the campuses. Insured values have risen by 3%. Rates have declined over 38% during the past five years. CSURMA has an existing two-year rate agreement with CSAC EIA and the Executive Committee is considering a new agreement that would reduce rates and extend the rate guarantee to FY 18/19. The Fine Arts program was launched in 2016 and Staff anticipates underwriters will agree to a flat renewal despite losses. 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, which would move the current coverage away from the liability program. Crime claims are down, despite social engineering (phishing) losses. Staff expects a premium decrease at renewal.

F3. Member Allocation Formula Review

Mimi Long explained that Policy and Procedure A-5 requires the Programs Committee to review the member allocation formula for each AORMA program with a pooled layer every three years to verify that the allocation formula is still fair and equitable. The Programs Committee is recommending several changes which Long summarized.

F3a. L-8 – Liability Program Member Allocation Formula

1. Use a rolling five-year total expenditures (as the rating basis for "all other")
2. Decrease the minimum Experience Modification Factor from .75 to .50
3. Add a \$1,000 minimum to the Excess Premium
4. Increase the maximum Excess Premium by 5% each year for three years
5. Increase the minimum Administrative Costs by 10% each year for three years
6. Increase the program Minimum Premium by 15% each year for three years

It is expected that the smaller members who are subject to the minimum premium will see a maximum increase of 15% each year for three years. Other members may see a decrease in premium due to the reduction of the minimum EMF from .75 to .50. The use of the rolling five-year total expenditures is expected to create premium stability over time.

The Committee reviewed the draft revisions to Policy and Procedure L-8.

F3b. C-1 – Crime Program Member Allocation Formula

1. Use a rolling five-year total expenditures when determining the minimum premium
2. Increase the loss ratio surcharges
3. Apply the minimum premium before the loss rating

The use of the rolling five-year total expenditures is expected to create premium stability for those members subject to the minimum premium. The loss ratio surcharges have increased so that the program will receive additional reimbursement from those members with loss ratios above 100%.

The Committee reviewed the draft revisions to Policy and Procedure C-1.

F3c. P-1 – Property Program Member Allocation Formula

1. Increase loss ratio surcharges

The change will result in additional reimbursement to the pool for those members with a loss ratio in excess of 150%. This change does not negatively impact any one member. However, should losses increase, higher surcharges could be charged.

The Committee reviewed the draft revisions to Policy and Procedure P-1.

F3d. UI-1 – Formula for Determining UIP Annual Deposit

1. Increase the minimum administrative surcharge

The minimum administrative costs will be increase by 20% each year for the next three years as shown below.

Current Cost:.....	\$250
FY 18/19:	\$300
FY 19/20:	\$360
FY 20/21:	\$432

The Committee reviewed the draft revisions to Policy and Procedure UI-1.

F3e. W-1 – Workers’ Compensation Program Member Allocation Formula

1. Add a \$1,000 minimum premium, and review a percentage increase annually
2. Increase the maximum change to the experience modification factor (EMF) from +15% to +20% and eliminate the maximum decrease of -15%

The addition of a \$1,000 minimum premium will only impact one member who is currently paying \$99. The change to the EMF allows the pool to receive additional compensation for losses incurred as well as rewarding those members who make improvements to their claims experience.

The Committee reviewed the draft revisions to Policy and Procedure W-1.

A motion was made to approve the changes to the allocation formulas as recommended by the Programs Committee as well as the revisions to Policy and Procedures Nos. L-8, P-1, C-1, UI-1 and W-1.

Motion: Brian Nowlin
Second: Bella Newberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura	X			
Dave Nirenberg		X		
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

MOTION CARRIED

F5. CSURMA AORMA Committee Election Results

Mimi Long let the Committee know that Shannon Stratton of Associate Student Inc., San Bernardino, Bill Olmstead of University Union Operation of CSUS, Inc. and Tina Knight of University Enterprises Inc., CSU Sacramento have been elected to serve on the AORMA Committee for a two-year term effective July 1, 2017 through June 30, 2019.

F6. Watercraft Program Update

Amy Lightner explained that CSU’s campuses and auxiliary organizations own a variety of watercraft. While the liability coverage programs include all watercraft up to 50 feet in length, the

liability coverage programs do not include the variety of additional coverages or hull coverage provided under a traditional marine insurance policy. The Program Administrator was directed to determine the benefits of launching a CSURMA watercraft program with the goal of providing consistently high level of coverage at group discounted pricing. With that in mind, Staff approached the marine markets to solicit a dedicated program and have obtained a suitable proposal from one of the leading marine markets, Navigators, who has offered to customize such program for CSURMA. This is not a mandatory program and so in order to launch Staff will start with Alliant’s existing standalone placements to achieve the economies of scale necessary then work with the other Campuses and Auxiliary Organizations to join and take advantage of the enhanced coverages and discounted pricing.

A motion was made to approve the delegation of authority to the CSURMA Secretary-Auditor to finalize the program.

Motion: Brian Nowlin
Second: Dave Nirenberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura	X			
Dave Nirenberg		X		
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

MOTION CARRIED

F7. AOA Annual Conference – Risk Management Sessions

The Committee reviewed the AOA Session Topics proposed for the 2018 AOA Conference:

1. Drones
2. Insurance Requirements in Contracts
3. Major Property Losses Pre and Post
4. Foreign Travel Good Practices / Rental Car Coverage
5. Cyber Risks
6. Safety Program – Wellness Program
7. Phishing & Social Engineering
8. Workers Compensation Program – Employee Return to Work
9. Minors: Physical Hazardous, Coverage Limits, etc.

The Committee decided on the following Risk Management Sessions for the 2018 AOA Conference:

1. Major Property Losses Pre and Post
2. Cyber Risks
3. Wellness Center: Insurance Requirements, Waivers, Maintenance, Etc.
4. Programs for Minors: Insurance Requirements, Waivers, Etc.

A motion was made to approve the sessions noted above.

Motion: Bella Newberg
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura	X			
Dave Nirenberg		X		
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

MOTION CARRIED

F8. CSURMA October 2017 Meeting Date Proposed Change

Due to conflicting schedules on Thursday October 19th and Friday, October 20th, the October meetings has been moved to Thursday, October 26th and Friday, October 27th, 2017.

G. INFORMATIONAL ITEMS

- G1. CSURMA AORMA Meeting Calendar
- G2. AORMA Long Range Action Plan
- G3. AORMA Service Calendar
- G4. CSURMA AORMA Program Administrator’s Contact Lists
- G5. AORMA Committee Roster
- G6. Policy & Procedure A-7 – CSURMA Travel Reimbursement Policy

The Committee reviewed the information items but there was no discussion.



APPROVED

H. ADJOURNMENT

The meeting was adjourned at 12:33 PM.