



**APPROVED**

**MINUTES OF THE  
CSURMA BOARD OF DIRECTORS MEETING**

**May 6, 2016**

**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 11:00 a.m. by Linda Hawk

All Board of Directors and guests introduced themselves.

**A1. Approval of the Agenda**

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

**MOTION:** Jody Van Leuven

**SECOND:** Guy Dalpe

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

There were no public comments.

**C. CONSENT CALENDAR**

**C1. Approval of Minutes – October 23, 2015**

**C2. CSURMA Treasurer's Report**

**C3. Adoption of the CSURMA's Conflict of Interest Code**

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

**MOTION:** Frank Mumford

**SECOND:** Kevin Saunders

**MOTION CARRIED**

**D. GENERAL ADMINISTRATION**

## D1. Adoption of the FY 2016/17 CSURMA Operating Budget

Rob Leong summarized the FY 2016/17 CSURMA Operating Budgets features. Systemwide Risk Management, Enterprise Accounting and the Program Administrators worked together to develop the proposed budget for FY 2016/17.

Major features of the proposed **Campus Programs** budget include:

- Increase in Total contributions from \$77,345,917 to \$78,818,221.
- Increase in Liability contributions from \$13,514,960 to \$14,240,860 due to actuarial projected claim trend.
- Slight increase in Workers' Compensation contributions from \$37,744,986 to \$37,823,215 (discounted) due to actuarial projected claim trend.
- No change in IDL/NDI/UI contributions from \$13,500,000 due to claims trend.
- Increase in Property contributions from \$8,000,000 to \$8,250,000 for new Fine Arts, Archives & Artifacts program (FAAAP). Premiums are subject to adjustment based on final reported total insured values (TIV).
- Increase in Auto Liability contributions from \$688,468 to \$845,823 per current Motor Vehicle Self-Insurance Account (MVIA) allocation for FY 15/16. Actual 2016/17 MVIA will be issued by DGS later this month.
- Increase in AIME contributions from \$3,897,503 to \$4,158,323 (discounted) per recommendation of the AIME Committee due to claims trend.

The proposed Campus programs operating budget would develop Total Revenues of \$74,233,215, Total Operating Expenses of \$74,538,120, and Total Non-Operating Revenues of \$2,127,765, generating Net Surplus of \$1,822,859 additions to retained earnings.

Major features of the proposed **AORMA Programs** budget include:

- Slight decrease in Total contributions from \$13,427,580 to \$13,210,576.
- Increase in Liability contributions from \$3,831,957 to \$3,880,956 due to actuarial projected claim trend and projected reinsurance premiums.
- Liability Program Reinsurance Premiums increased from \$850,000 to \$1,400,000 based on marketing results (the reinsurance premiums are shown as negative operating revenues within the budget)
- Increase in Workers' Compensation contributions from \$4,496,250 to \$4,523,000 due to actuarial projected claim trend and projected excess insurance premium.
- Increase in Property contributions from \$2,204,231 to \$2,368,714 due to change in total insured values and expected insurance premiums. Premiums are subject to adjustment based on final reported total insured values (TIV) and final negotiated rates.
- Increase in Crime from \$299,468 to \$310,552 due to claims experience.
- Decrease in Unemployment Insurance contributions of \$2,595,674 to \$2,127,354 due to claims trend.

The proposed AORMA programs operating budget would develop Total Operating Revenues of \$10,131,576 Total Operating Expenses of \$11,494,635, and Total Non-Operating Revenues of \$350,975, generating a deficit \$1,012,083 to be funded by retained earnings.

Leong also noted that pursuant to California Government Code Section 53607, the Board is requested to delegate authority for a one-year period to the Treasurer to invest or to reinvest funds, or to sell or exchange securities so purchased, and to assume full responsibility for those transactions until the delegation of authority is revoked or expires, and to make a report of those transactions to the Board. Subject to review, the Board may renew the delegation of authority pursuant to this section each year.

A motion was made to adopt Resolution No. 01-16 (BOD) as presented.

**MOTION:** Jody Van Leuven

**SECOND:** Frank Mumford

### **MOTION CARRIED**

#### **D2. Campus Risk Pools Program Funding Status**

Rob Leong summarized the risk pool exhibits which are prepared annually in accordance with the CSURMA's adopted funding policy for its self-funded pooling programs. The exhibits provide an analysis of the pooled program's funding position relative to the actuary's projection for CSURMA's minimum funding requirements and expected cash expenditures for program administration through June 30, 2016. The green section on the exhibit represents the amount of funds in excess of the outstanding losses at a 70% confidence level.

In accordance with the CSURMA's adopted funding policy for its self-funded pooling programs, Staff prepared an analysis of the pooled programs funding position relative to the actuary's projection for CSURMA's minimum funding requirements and expected cash expenditures for program administration through June 30, 2016. The Executive Committee, at its March 10, 2016 meeting, reviewed the pooled programs funding position to determine if there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures. The Executive Committee will again review CSURMA's funding position in light of the year-end audited financial statements when completed, and determine at that time if there are ample surplus to consider a release of dividends to the members, or if an assessment is necessary.

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

At its January meeting, the Executive Committee Chair, Linda Hawk, appointed a nominating committee of Robert Eaton, Lisa Chavez and Jody Van Leuven. As shown below, four seats are up for election at today's meeting.

- Chair, Linda Hawk currently holds this seat

- Vice Chair, Mike Lee currently holds this seat
- Seat #3, Kevin Saunders currently holds this seat
- Seat #4, Scott Apel currently holds this seat as an interim Executive Committee member. Apel was appointed by Linda Hawk as an interim member to fill the vacancy due to Lori Gentles' departure.

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

A motion was made to close nomination as there were no nominations from the floor.

**MOTION:** Guy Dalpe

**SECOND:** Stephen Mastro

### **MOTION CARRIED**

The Board of Directors elected by acclamation the proposed slate of candidates for the term July 1, 2016 to June 30, 2018:

- Chair, Linda Hawk
- Vice Chair, Mike Lee
- Seat #3, Kevin Saunders
- Seat #4, Scott Apel

### **D4. Amendment of Policies and Procedures**

Linda Hawk asked Daniel Howell to review the recommended revisions to the CSURMA Policies and Procedures. Howell explained that the Executive Committee adopted Resolution No. 04-13 (EC) which specifies that CSURMA's policies and procedures will be reviewed on a regular basis to ensure administrative tasks remain relevant and effective for its operations. The resolution defines the process for the Executive Committee to review even-numbered policies and procedures in even-numbered calendar years, and odd-numbered policies and procedures in odd-numbered calendar years.

The Executive Committee reviewed all of the even-numbered policies and procedures at its meetings on January 11, 2016 and March 11, 2016. Most of the proposed changes are minor and intended to establish formatting conformance. However, substantive revisions are recommended to policy and procedure nos. 14, 18 and 20, and a new policy and procedure, no. 24, is being recommended. Howell summarized the changes.

1. Policy and Procedure 14 – *Campus Risk Pool Dividends and Assessments* – was revised to grant authority to the Executive Committee to declare a dividend if overall funding is sufficient to support such action. Howell reiterated that the dividend would need to be within the established guidelines. Assessment will still need Board approval.

2. Policy and Procedure 18 – *Board of Directors Participation and Executive Committee Nominations and Elections Process* – Amended to clarify the policy and process of CSURMA representation on outside committees and boards.
3. Policy and Procedure 20 and 24 – *Owner Controlled Insurance Program (OCIP) and Builder’s Risk Insurance Program (BRIP)* – As recommended by CPDC and Systemwide Risk Management, the OCIP and BRIP sections of the policy and procedure were separated into two policies and procedures.

A motion was made to approve the revisions to Policies and Procedures 14, 18, 20 and 24.

**MOTION:** Frank Mumford  
**SECOND:** Kevin Saunders

**MOTION CARRIED**

**D5. Insurance Renewals Update and Underwriter Meetings Report**

Daniel Howell provided information regarding CSURMA’s insurance and reinsurance programs renewals. In April 2016, CSURMA’s Treasurer, Robert Eaton and Secretary-Auditor, Zachary Gifford, completed meetings with insurance underwriters in preparation for final renewal negotiations. The AORMA primary excess liability program will experience a substantial increase due to recent losses. The University excess tower will be stable with possibly an increase that follows the increase in full time equivalent students. Howell notes that Staff is negotiating with underwriters to expand the use of reinsurance into the excess layers. The property program will likely see a flat rate renewal for AORMA and an increase for the University program due to a recent large loss. The initial 18 month primary coverage program with CSAC EIA for workers’ compensation is up for renewal and initial terms are showing that the renewal cost should come in below CSU and AORMA’s expected loss costs as calculated by CSURMA’s actuary. The Foreign Travel Insurance Program may see an increase in cost due to claims experience. The new Fine Arts, Artifacts and Archives insurance program is being expanded to a Systemwide offering. The sublimit for unscheduled items is being negotiated.

**D6. Master Enabling Agreement for Transportation**

Zachard Gifford noted that the Executive Committee, at its meeting earlier today, approved a master enabling agreement with GoGround for the University’s transportation management services. All GoGround transportation carriers are TSX safety certified and carry insurance limits of between \$5MM and \$20MM. GoGround carries \$11MM in excess insurance. Because of the standardization of service, GoGround is able to provide cost savings.

**D7. Revised Liability Memorandum of Coverage Effective July 1, 2016**

As summarized by Daniel Howell, a Memorandum of Coverage (MOC) is a contract between the members and the JPA. It is not an insurance policy. Insurance companies regularly review their policy forms and make revisions to reflect industry trend and claims experience. Similarly, it is prudent for CSURMA to review its coverage forms and make amendments to clarify and enhance coverage as appropriate. Robert Lowe, from Alliant Insurance Services, summarized the revisions to the MOCs for the AORMA Liability Program as well as the Campus Liability Risk Pool and notes that the revised MOCs are more in line with the standard public educators form.

A motion was made to delegate authority to the Executive Committee and the AORMA Committee to adopt revisions to the MOC's to be effective July 1, 2016.

**MOTION:** Frank Mumford

**SECOND:** Kevin Saunders

### **MOTION CARRIED**

#### **D8. FY 2016/17 Long Range Planning Goals**

Daniel Howell explained that the Executive Committee held its long range planning session on March 11, 2016. The planning session consisted of a review of the FY 2015/16 Long Range Action Plan, a report on its status, an evaluation on where efforts should be focused for the next one to three years, and the development of new long range goals for FY 2016/17 and beyond. Based on the discussions during the long range planning session, Staff drafted the FY 2016/17 Long Range Action Plan which was approved by the Executive Committee as its meeting today. Howell reviewed the FY 16/17 Long Range Action Plan goals:

1. Master Out-of State On-Line Education Surety
2. Special Events Resource Guide
3. Benchmarking and Trend Analysis
4. Insurance Policy Database
5. Captive Insurer
6. Loan Policy and Investment Options
7. On-Campus Visits with Vice Presidents
8. CSURMA Communications and Outreach Plan
9. Master Enabling Agreement for Transportation

#### **D9. Adoption of Final 2016 CSURMA Meeting Calendar**

The Board reviewed the CSURMA meeting dates for 2016 shown below. Daniel Howell noted that the Fall Board meeting has been schedule for November 2, 2016 at 4:30 PM during the Fitting the Pieces Together Conference in Sacramento. A CABO meeting in San Diego was scheduled for Friday, September 9, 2016, which conflicts with the CSURMA Executive Committee meeting on the same date; therefore, the Executive Committee moved its September 9<sup>th</sup> meeting to September 23<sup>rd</sup>.



January 10, 2016 at 3:00 PM (AOA Conference, Sacramento).....	EC
March 10, 2016 at 2:00 PM (Chancellor’s Office).....	EC
March 11, 2016 at 8:30 AM (Chancellor’s Office) .....	EC LRP
May 6, 2016 at 8:00 AM (Chancellor’s Office) .....	EC
May 6, 2016 at 10:30 AM (Chancellor’s Office) .....	BOD
September 23, 2016 at 8:30 AM (Location TBD) .....	EC
November 2, 2016 at 1:30 PM (Sacramento, FTPC).....	EC
November 2, 2016 at 4:00 PM (Sacramento, FTPC).....	BOD
December 2, 2016 at 8:30 AM (Chancellor’s Office) .....	EC

A motion was made to accept and approved the final 2016 CSURMA meeting dates as presented.

**MOTION:** Jody Van Leuven

**SECOND:** Guy Dalpe

**MOTION CARRIED**

**D10. Third Party Workers’ Compensation Claims Administrator Service Performance Audit Presentation**

The Board reviewed the results of the Workers’ Compensation Claims Administration service performance review. CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers’ Compensation Risk Pool claims. Pursuant to CSURMA Policy and Procedure No. 5, a regular performance audit is performed to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements outlined in the Service Agreement between CSURMA and Sedgwick CMS. A service performance audit for 2015 was completed by Jacki Graf, CSURMA’s Senior Workers’ Compensation Claims Consultant in October and November of 2015. Graf summarized the results of the audit.

**D11. Risk Program Benchmarking and Trend Analysis**

At the March 2015 long range planning meeting, the CSURMA Executive Committee determined that CSURMA should establish a regular practice of benchmarking CSURMA performance to internal and external standards. Towards that end, CSURMA joined the California Workers’ Compensation Institute (CWCI), a statewide database on claims costs that will allow CSURMA to evaluate program performance for the campuses and auxiliary organizations. The CWCI database is now populated with CSU data for comparative analysis and allows staff to identify performance measures. In addition, the University of California has agreed to join and provide their claims data to CWCI which should provide even more valuable benchmarking opportunities. Jacki Graf presented some of the on-line comparison charts.

**E. OTHER INSURANCE PROGRAMS**

**E1. AORMA Programs Update**

Frank Mumford provided a brief report of the activities of the AORMA Committee.

## **E2. AIME Programs Update**

Jody Van Leuven 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. CSU IIPP Work Group**

The Board reviewed the “Movement Motivation: The Case for Promoting Movement in Office Workers at CSU Campuses” white paper which has been uploaded to the CSU LMS.

### **G2. CSURMA Insurance Requirement in Contracts Manual – Version 9.0**

The Insurance Requirements in Contracts Manual has been updated and edited. CSU has developed specific Executive Orders, standard agreements and practices that take precedence over the discussion in the manual. Note for example that CSU has promulgated standard waiver, informed consent and indemnification language that should be the basis of agreements entertained by Campus and auxiliary organization personnel. Also, the Office of General Counsel has longstanding experience in matters regularly encountered and Campus University Counsel should be consulted as appropriate. Finally, and perhaps as a starting point when questions arise, the Systemwide Office of Risk Management has a wealth of experience and depth of resources to assist in efforts to establish agreements that protect the University community. The IRIC Manual - version 9.0 has been uploaded onto the CSURMA website.

### **G3. Integrated CSU Administrative Manual**

The Board reviewed the listing of the sections of the Integrated CSU Administrative Manual (ICSUAM) that have been adopted by CSURMA

Section 1301 – Hospitality, Payment or Reimbursement of Expenses

Section 3000 - General Accounting

Section 8000 - Information Security

Section 1101 – Delegation of Authority to Obligate the University

Section 7100 – Identity Access Management

Section 6000 – Financing, Treasury, and Risk Management – *adopted March 11, 2016*

Section 13000 – Auxiliary Organizations Administration – *adopted March 11, 2016*

### **G4. CSURMA Master Investment Policy**

The Board reviewed the CSURMA Investment Policy and related policies which were adopted by the Executive Committee as the Master Investment Policy of the CSURMA.

**G5. Review of the Service Provider Performance Survey Report**

The Board reviewed the Service Provider Performance Survey Report. CSURMA strives to provide consistency and reliability over time. One key component to accomplishing this goal is evaluating those organizations that provide services to CSURMA. On an annual basis CSU Systemwide Risk Management contacts CSURMA members who regularly use vendor services and asks them to complete an on-line vendor survey. The complete 2015 Vendor Survey Report will be posted on the CSURMA website.

**G6. CSURMA Administrative Service Calendar**

The Board reviewed the CSURMA Administrative Services Calendar.

**G7. 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.

**G8. Unemployment Insurance Claims Cost Summary Charts**

The Board reviewed the Unemployment Insurance Claims report showing a quarter by quarter comparison of claims costs and also a nine-year cost history.

**H. ADJOURNMENT**

The meeting was adjourned at 12:49 P.M.



**CSURMA BOARD OF DIRECTORS MEETING  
ATTENDANCE**

**May 6, 2016**

**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>	✓ <i>In Person</i>	<b>Tim Ridley</b>	✓ <i>In Person (non-voting)</i>
CSU Office of the Chancellor	<b>Robert Eaton</b>	✓ <i>In Person</i>	<b>Vacant</b>	
CSU Channel Islands	<b>Katharine Hullinger</b>	✓ <i>In Person</i>	<b>Caroline J. Doll</b>	
CSU Chico	<b>Michael Thorpe</b>	✓ <i>In Person</i>	<b>Lorraine B. Hoffman</b>	
CSU Dominguez Hills	<b>Stephen J. Mastro</b>	✓ <i>In Person</i>	<b>Jeff Wood</b>	✓ <i>In Person (non-voting)</i>
CSU East Bay	<b>Nyassa Love Johnson</b>	<i>Teleconference</i>	<b>Debbie Chaw</b>	
CSU Fresno	<b>Debbie Adishian-Astone</b>		<b>Lisa Kao</b>	
CSU Fullerton	<b>Michael Coughlin</b>		<b>John Beisner</b>	
Humboldt State University	<b>Michael Burghart</b>	<i>Teleconference</i>	<b>Joyce Lopes</b>	<i>Teleconference (non-voting)</i>
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>Kevin Brady</b>	✓ <i>In Person (non-voting)</i>
California Maritime Academy	<b>Marianne Spotorno</b>	<i>Teleconference</i>	<b>Franz Lozano</b>	<i>Teleconference (non-voting)</i>
CSU Monterey Bay	<b>Kevin Saunders</b>	✓ <i>In Person</i>	<b>Lenore Reed</b>	<i>Teleconference (non-voting)</i>
CSU Northridge				
Cal Poly Pomona	<b>Sharon Reiter</b>		<b>Valerie Eberle</b>	✓ <i>In Person</i>
CSU Sacramento	<b>Mike Lee</b>	✓ <i>In Person</i>	<b>Kirtland Stout</b>	✓ <i>In Person (non-voting)</i>



California State University Risk Management Authority

**APPROVED**

CSU San Bernardino	<b>Jody Van Leuven</b>	<i>✓ In Person</i>	<b>Douglas R. Freer</b>	
San Diego State University	<b>Thomas McCarron</b>		<b>Jessica Rentto</b>	<i>Teleconference</i>
San Francisco State University	<b>Ronald Cortez</b>		<b>Michael Beatty</b>	<i>✓ In Person</i>
San Jose State University	<b>Mark Loftus</b>	<i>Teleconference</i>	<b>Josee Larochelle</b>	
Cal Poly (San Luis Obispo)	<b>Dru Zachmeyer</b>		<b>Cindy Vizcaino Villa</b>	
CSU San Marcos	<b>Linda Hawk</b>	<i>✓ In Person</i>	<b>Erin Fullerton</b>	<i>✓ In Person (non-voting)</i>
Sonoma State University	<b>Tyson Hill</b>	<i>Teleconference</i>	<b>Nathan Johnson</b>	
CSU Stanislaus	<b>Amy Thomas</b>	<i>Teleconference</i>	<b>Douglas Dawes</b>	

<b>Auxiliary Name</b>	<b>Representative</b>	<b>Present ✓</b>
University Glen Corporation	<b>Dave Nirenberg</b>	<i>✓ In Person</i>
Fresno Association Inc., CSU Fresno	<b>Keith Kompsi</b>	
Humboldt State University Center	<b>Dave Nakamura</b>	
California State University, Long Beach Foundation	<b>Brian Nowlin</b>	
Forty-Niner Shops, Inc., CSU, Long Beach	<b>Robert de Wit</b>	
University Corporation, CSU Monterey Bay	<b>Gigi Kiama</b>	
University Enterprises, Inc. (UEI)	<b>Jim Reinhart</b>	
University Union Operation of CSUS, Inc.	<b>Leslie Davis</b>	
San Jose State University Research Foundation	<b>Cheree Aguilar</b>	
Associated Students, Inc., Cal Poly San Luis Obispo	<b>Dwayne Brummett</b>	
CSU Fullerton Auxiliary Services Corporation	<b>Frank Mumford</b>	<i>✓ In Person</i>
Cesar Chavez Student Center, San Francisco	<b>Guy Dalpe</b>	<i>✓ In Person</i>



**APPROVED**

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

Rufus Gant – Cal Poly Pomona  
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor  
Jacki Graf - Alliant Insurance Services, Inc.  
Tevea Him – Alliant Insurance Services, Inc.  
Daniel Howell - Alliant Insurance Services, Inc.  
William Hsu – CSU, Office of General Counsel  
Alice Kim – CSU, Office of the Chancellor  
Rob Leong - Alliant Insurance Services, Inc.  
Jessica Liu – CSU, Office of the Chancellor  
Mimi Long - Alliant Insurance Services, Inc.  
Robert Lowe – Alliant Insurance Services  
Rebecca Skidmore – CSU, Office of the Chancellor  
Editha Winterhalter – CSU, Northridge