



APPROVED

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING**

MARCH 20, 2014

**ALLIANT INSURANCE SERVICES
1301 Dove Street, 2nd Floor • Newport Beach, CA**

10:00 AM

MEMBERS PRESENT

Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach
Patricia Worley, Associated Students Inc., Sacramento State University
Frank Mumford, CSU Fullerton Auxiliary Services Corporation, CSU Fullerton
Gigi Kiama, University Corporation, CSU Monterey Bay
Guy Dalpe, Cesar Chaves Student Center, San Francisco State University
Leslie Davis, University Union Operation of CSUS, Inc., Sacramento State University
Keith Kompsi, Fresno Association, Inc., CSU Fresno (*via Teleconference*)
Kurt Borsting, Associated Students, Inc., CSU Fullerton
Melinda Coil, San Diego State University Research Foundation
Haleh Minakary, The Cal Poly Pomona Foundation, Inc., Cal Poly Pomona
Brian Nowlin, CSULB Foundation, CSU Long Beach

MEMBERS ABSENT

Dwayne Brummett, Associated Students, Cal Poly San Luis Obispo

STAFF, GUESTS AND CONSULTANTS

Daniel Howell, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.
Myron Leavell, Alliant Insurance Services, Inc.
Zachary Gifford, CSU Office of the Chancellor
William Hsu, CSU Office of General Counsel
Mauri McGuire, Carl Warren and Company

A. CALL TO ORDER

The meeting was called to order by the Vice Chair, Robert de Wit at 10:01AM.

B. PUBLIC COMMENTS

There were no public comments.

C. CONSENT CALENDAR

C1. Approval of the Agenda

A motion was made to approve the March 20, 2014 agenda.

MOTION: Guy Dalpe

SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

C2. Approval of Minutes – December 5, 2013

A motion was made to approve the minutes of the December 5, 2013 meeting.

MOTION: Guy Dalpe

SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			

Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

D. CLOSED SESSION

A motion was made to enter closed session.

MOTION: Frank Mumford

SECOND: Brian Nowlin

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

The AORMA Chair reported that action had been taken during closed session.

E. STANDING COMMITTEE REPORTS

E1. Programs Committee Report

Guy Dalpe provided a brief review of the last Programs Committee meetings.

The Programs Committee met in December 2013, February and March 2014. The Committee reviewed and approved the insurance program cost allocations for the FY 14/15 coverage term.

The committee is also reviewing an alternative liability program member allocation formula for FY 15/16. The proposed allocation will move away from the standard ISO rating model.

The committee also reviewed the following Policies and Procedure and provided recommended revisions to Staff. These Policies and Procedures are being presented to the AORMA Committee for approval at today's meeting.

- W-2 *Contribution Payments* - Revised to be consistent with the current CSURMA policy and provision which has been adopted and is used by both the campuses and the auxiliaries.
- W-3 *Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less* - The termination penalty was removed as no auxiliary has been asked to leave the workers' compensation program. Instead, staff will work with the auxiliary organization to design a plan to reduce the member's exp mod.
- W-4 *Claims Handling Procedures and Guidelines* - The revisions reflect Sedgwick's actual practice. The name Sedgwick CMS was removed and replaced with Workers' Compensation TPA.
- W-5 *Workers' Compensation Coverage Claims Settlement Authority* – The title of Secretary was changed to Secretary-Auditor and the emergency claims settlement process was changed to be consistent with the liability claims handling policy and procedure.
- W-6 *Volunteer Claims* – The obsolete references to AO Comp were removed.
- W-7 *Workers' Compensation Safety Program Award – Safety Superstar* - The programs committee recommends deletion of this policy and procedure.
- W-8 *Workers Compensation Program Payroll Reporting Responsibilities* - One word was changed. The Program Administrator “may” rather than “will” increase payroll for any member who has not submitted payroll.

E2. Member Services, Loss Control and Training Committee Report

Melinda Coil provided a brief review of the last Member Services, Loss Control and Training meetings.

The MSLCTC has added four additional meetings to this year's calendar.

The Risk Reduction Grant Program was reviewed. It was reported that many items submitted were for normal expenses although the focus should be on new innovative projects. It was also noted that submissions for reimbursement must be made within the grant period.

The Alliant Loss Control Program received an additional \$15,000 in funding to provide for more safety days.

The Smartphone app has been discontinued as an AORMA project; however, it is still available to individual auxiliaries.

The new Shoes for Crews AORMA program is up and running and a general announcement was sent out to the AORMA members.

SkillsSoft training is not available to all auxiliary organizations as of yet as it is still being reviewed by the AORMA testers.

F. GENERAL ADMINISTRATION

F1. Alliant Loss Control Services Contract

The Committee reviewed the addendum to the Alliant Risk Control Consulting (ARCC) contract for the FY 13/14 term to provide for ten (10) more safety days. The annual cost of the current contract with ARCC is \$87,000. This includes 60 safety days at a cost of \$1,450 per day. The additional contract increase of \$15,000 will result in approximately 10 more safety days.

The MSLCTC has recommended that \$15,000 be reallocated from the Risk Reduction Grant Program to Alliant Risk Control Consulting to fund additional safety days.

A motion was made to reallocate \$15,000 from the Risk Reduction Grant Program to the Alliant Risk Control Consulting contract for ten (10) additional safety days in FY 13/14.

MOTION: Frank Mumford

SECOND: Guy Dalpe

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F2. Review and Approval of FY 13/14 CSURMA Budget – Midterm Adjustments

The CSURMA Board of Directors adopted the FY 13/14 budget at its meeting in May, 2013. AORMA’s actual expenses within the quarterly financial statement at December 31, 2013 were reviewed against the approved FY 13/14 budgeted expenses. There were no exceptions in excess of \$10,000; therefore, no midterm changes to the budget are recommended.

A motion was made to recommend approval to the CSURMA Executive Committee of no changes to AORMA’s expenses within the FY 13/14 CSURMA Budget.

MOTION: Frank Mumford

SECOND: Guy Dalpe

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F3. Review and Approval of FY 14/15 CSURMA Budget

CSURMA’s next fiscal year begins on July 1, 2014. The FY 14/15 operating budget is to be approved at the May, 2014, CSURMA Board of Directors meeting. The Chancellor’s Office and Program Directors have worked together to develop a draft FY 14/15 budget for the AORMA Committee to review at today’s meeting.

AORMA separately approves the budget for its coverage programs. The FY 14/15 budget is based on the funding and dividend calculations as presented and approved at the September, 2013, AORMA Committee meeting.

Daniel Howell explained that the Claims Payments and Legal Expenses for CSURMA decreased by \$8.8 Million because some big claims were paid and settled, and a large recovery from SELF was received.

A motion was made to recommend adoption of the proposed FY 14/15 AORMA budget to the CSURMA Executive Committee .

MOTION: Guy Dalpe
SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F4. Chancellor’s Office Services Budget Proposal for FY 14/15

CSURMA engages and reimburses the CSU Chancellor’s Office for services provided by Enterprise Accounting, Office of General Counsel, and Systemwide Risk Management in support of CSURMA’s programs. The table below summarizes the cost of services provided:

Service Provider	FY 2012/13	FY 2013/14	FY 2014/15
Financial Services	\$325,000	\$325,000	\$325,000
Office of General Counsel	327,360	338,000	366,514
Risk Management	769,398	792,480	715,000
Public Safety	213,660	220,070	220,000
TOTAL:	\$1,635,418	\$1,675,550	\$1,626,514

The FY 14/15 Public Safety cost of \$220,000 is a placeholder only. The new CSU CFO may recommend no safety officer and instead allocate the money for public safety training, crowd control, police training, etc. The Executive Committee will receive a proposal from Mike Redmond prior to final approval of the Public Safety costs.

This item is for information only; no action was taken. The CSURMA Executive Committee will review and approve the memoranda of understanding and delegate to the Chair the authority to execute the documents at its meeting on March 21, 2014.

F5. Property Program Memorandum of Coverage

The Property Program Memorandum of Coverage declarations page has been revised to include the new mandatory deductible amounts. The declarations page was amended as follows:

Item 4: Deductibles:

1. Cyber Theft Coverage (for all Members) \$25,000 – per occurrence
2. Flood Coverage (all Zones except A & V): \$100,000 - per occurrence
3. Flood Coverage (Zones A & V): \$250,000 - each occurrence
4. All Other Covered Perils (Personal Property and Business Interruption / Loss of Rents) \$5,000
5. All Other Covered Perils (Real Property) 1% of the Real Property Value;
subject to minimum of \$5,000 and maximum of \$50,000

If two or more deductible amounts provided in this Declarations Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

Once approved by the AORMA Committee, the revised Property Program Memorandum of Coverage will be uploaded into the AORMA Program Manual on the CSURMA website.

A motion was made to approve the revisions to the Property Program Memorandum of Coverage declarations page as presented above.

MOTION: Guy Dalpe
SECOND: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			

Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F6. Crime Program Memorandum of Coverage

The Crime Program Memorandum of Coverage and Declarations Page have been revised to include the new mandatory \$5,000 deductible for all members.

Once approved by the AORMA Committee, the revised Crime Program Memorandum of Coverage and Declarations Page will be uploaded into the AORMA Program Manual within the CSURMA Website.

A motion was made to approve the revisions to the Crime Program Memorandum of Coverage and Declarations Page.

MOTION: Guy Dalpe
SECOND: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F7. Liability Insurance Program Auxiliaries Multiple Employer VEBA

The excess fiduciary carrier has added the Auxiliaries Multiple Employee VEBA trust to the excess fiduciary liability policy for no additional premium and will provide a retroactive date of July 1, 2010.

This item is presented as information only; no action was taken.

F8. Revisions to Policy and Procedure A-1 – Composition, Election and Term Limits

Policy and Procedure A-1 has been revised to show that the AORMA at-large committee members may serve a maximum of three consecutive COMPLETE two-year terms.

If an AORMA committee member vacates his/her seat mid-term, the AORMA Chair can appoint a replacement. The revision to Policy and Procedure A-1 clarifies that the appointed committee member can finish out the vacated term seat and then can serve an additional three complete two-year terms.

Once approved by the AORMA Committee, the revised Policy and Procedure will be uploaded on the CSURMA website.

It was noted by the Frank Mumford that the Policy and Procedure does not actually give the AORMA Committee Chair the authority to appoint a committee member should the seat be vacated mid-term. He also noted that there is not a requirement that the AORMA Committee approve the appointment. Staff will make the appropriate revisions for the committee's approval.

A motion was made to approve the revisions to Policy and Procedure A-1 as presented at today's meeting.

MOTION: Robert de Wit
SECOND: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			

AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F9. Revisions to Policy and Procedure A-5 –Calendar of Reports, Audits, Filings and Reviews

Policy and Procedure A-5 has been revised to show that the Claims Administration Audits will be performed every two years - the liability program, every odd numbered year and the workers' compensation every even numbered year. The Campus and Auxiliary liability audits are performed in the same year; however, the workers' compensation audits are performed in alternate years.

The Workers' Compensation Claims Administration audit is being conducted now and the results will be presented to the committee at its September, 2014 meeting.

Once approved by the AORMA Committee, the revised Policy and Procedure will be uploaded on the CSURMA website.

A motion was made to approve the revisions to Policy and Procedure A-5.

MOTION: Frank Mumford

SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F10. Revisions to Policy and Procedure A-6 - Risk Reduction Matching Grant Incentive Program

In order to more efficiently manage the Risk Reduction Matching Grant Program to reduce losses, with less MSLCTC review time, Policy and Procedure A-6 has been revised to include more involvement by AORMA’s Loss Control Consultant.

The grant program will continue to have the same purpose of funding specialized training, safety equipment, physical improvements or any other safety related item that will lead to a documentable reduction in claims costs. The only revision to the program is that the grant projects will be suggested by AORMA’s Loss Control Consultant, Brent Escoubas. ARCC currently provides loss control inspection services. ARCC’s role will be expanded to include recommendations to the MSLCTC of grant projects that may result in the reduction in future claims.

Policy and Procedure A-6 has been modified so that the grant projects are now suggested by AORMA’s Loss Control Consultant - Alliant Risk Control Consulting (ARCC) – rather than by the Member. ARCC, along with staff and the MSLCTC, will analyze AORMA’s losses to determine those members with the highest loss ratios. Then ARCC will select locations to be visited, complete physical inspections and recommend grant projects as appropriate. The MSLCTC will still be required to approve the grant projects recommended by ARCC.

Once approved by the AORMA Committee, the revised Policy and Procedure will be uploaded on the CSURMA website.

Frank Mumford suggested that Item 6 be moved to Item 2.c. because it is appropriate for the AORMA Loss Control Consultant to develop benchmarks to evaluate the success of the program.

A motion was made to approve the revisions to Policy and Procedure A-6, with the one revision noted above.

MOTION: Brian Nowlin
SECOND: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			

Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F11. Revisions to Policy and Procedure W-2 – Contribution Payments

Policy and Procedure W-2 has been revised (1) to be consistent with CSURMA Policy and Procedure No. 6 – Payment Policy, (2) to reflect to the current AORMA Workers’ Compensation Program contribution practices and (3) to delete all references to the obsolete AO Comp Bylaws.

Once approved by the AORMA Committee, the revised Policy and Procedure will be uploaded to the CSURMA website.

A motion was made to approve the revisions to Policy and Procedure W-2 as recommended by the Programs Committee.

MOTION: Frank Mumford

SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F12. Revisions to Policy and Procedure W-3 – Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less

The current version of Policy and Procedure W-3 includes a termination penalty if a member has an experience modification factor in excess of 1.25 for two full years. This penalty has been deleted and replaced with notification to the member of its experience modification factor and assistance by the Program Administrator in designing a plan to reduce the member’s experience modification factor.

If the AORMA Committee does have cause to terminate a Member from the Workers’ Compensation Program, the CSURMA Bylaws include a termination provision stating that a Member may be terminated from membership in CSURMA or from participation in a program of CSURMA.

Once approved by the AORMA Committee, the revised Policy and Procedure will be uploaded to the CSURMA website.

A motion was made to approve the revisions to Policy and Procedure W-3 as recommended by the Programs Committee.

MOTION: Frank Mumford

SECOND: Brian Nowlin

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F13. Revisions to Policy and Procedure W-4 – Claims Handling Procedures and Guidelines

The current version of Policy and Procedure W-4 has been reviewed by the Program Administrator, Sedgwick claims administration staff and Jacki Graf, the CSURMA Workers’ Compensation Claims Consultant. A few changes were made to (1) accurately reflect Sedgwick’s claims handling process, (2) consistently utilize the same verbiage throughout the document, and (3) replace Sedgwick CMA with TPA so that the Policy and Procedure does not appear to address only Sedgwick’s claim handling practices.

Once approved by the AORMA Committee, the revised Policy and Procedure will be uploaded to the CSURMA website.

A motion was made to approve the revisions to Policy and Procedure W-4 as recommended by the Programs Committee.

MOTION: Leslie Davis
SECOND: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F14. Revisions to Policy and Procedure W-5 – Workers’ Compensation Coverage Claims Settlement Authority

Policy and Procedure W-5 has been revised to (1) delete all references to AOC, (2) add the revised title of the CSURMA Secretary to CSURMA Secretary/Auditor, and (3) amend/add the



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approved language for emergency meetings of the AORMA Committee officers for claims settlement authorization.

Once approved by the AORMA Committee, the revised Policy and Procedure will be uploaded to the CSURMA website.

A motion was made to approve the revisions to Policy and Procedure W-5, as recommended by the Programs Committee.

MOTION: Brian Nowlin
SECOND: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F15. Workers' Compensation Program W-6 – Volunteer Claims

Policy and Procedure W-6 has been revised to (1) delete the references to the obsolete AO Comp Board of Trustees and the Bylaws of the Board of Trustees, and (2) delete the reference to the obsolete AORMA Workers' Compensation Committee which was rolled into the AORMA Programs Committee several years ago, and (3) indicate that volunteer losses MAY be evaluated annually.

Once approved by the AORMA Committee, the revised Policy and Procedure will be uploaded to the CSURMA website.

A motion was made to approve the revision to Policy and Procedure W-6, as recommended by the Programs Committee.

MOTION: Guy Dalpe
SECOND: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F16. Deletion of Policy and Procedure W-7 – Workers’ Compensation Safety Program Award – Safety Superstar

Policy and Procedure W-7 outlines the procedures required to determine which auxiliaries deserve the workers’ compensation annual safety award. The procedure is dated and doesn’t accurately acknowledge those auxiliaries that consistently maintain favorable loss ratios. The awards program is based on a single year’s claims information and doesn’t take into account the size difference between the auxiliaries.

A motion was made to delete Policy and Procedure W-7 and to revisit an awards program in a few years, after the new workers’ compensation rating plan has been finalized, as recommended by the Program Committee.

MOTION: Kurt Borsting
SECOND: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			

Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F17. Revisions to Policy and Procedure W-8 – Workers’ Compensation Program Payroll Reporting Responsibilities

Policy and Procedure W-8 describes the Member’s final audit and estimated payroll reporting responsibilities. One minor change was made to the document to show that the Program Administrator **MAY** increase a Member’s payroll by the percentage outlined in the Policy and Procedure if the Member does not report its payroll in a timely manner.

Once approved by the AORMA Committee, the revised Policy and Procedure will be uploaded to the CSURMA website.

It was pointed out that the Amended Date should be changed to March 20, 2014.

A motion was made to approve the revisions to Policy and Procedure W-8, with the one additional change noted above.

MOTION: Frank Mumford

SECOND: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			

Pat Worley - Alternate				
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MOTION CARRIED

F18. Review of the Slate of Nominees for the AORMA Committee

Mark Day, the Executive Director of the Santos Manuel Student Union of California State University, San Bernardino, has accepted the AORMA Committee at-large seat nomination. The election results will be reported at the next meeting on May 8th. Mark has been a Programs Committee member since April 28, 2011.

F19. Delegation of the Authority to Renew Insurance Programs

Daniel Howell reviewed the item with the AORMA Committee. AORMA’s insurance and reinsurance programs renew on July 1st. The Program Administrator is actively marketing the programs to ensure competitive rates and terms. Underwriting meetings are scheduled for the week of March 31, 2014 with key markets, including presentations to underwriters by the CSU Chancellor and Acting Deputy Assistant Vice Chancellor Financing and Treasury/Risk Management.

Following are some comments specific to CSURMA’s Programs:

- **Primary Reinsurance Agreement** – Genesis may ask AORMA to increase its self-insured retention from \$350,000 to \$500,000 or \$750,000. A pricing increase is anticipated.
- **Excess Liability** – This program has been stable with new underwriters following CSU’s withdrawal from the Schools Excess Liability Fund on June 30, 2010. Last year, the underwriters in the \$25 million excess \$25 million layer were replaced to avoid coverage restrictions and reduce cost. The market is firm but not hardening dramatically. CSURMA has recent loss activity that may impact the primary excess layer renewal. An overall cost increase is expected to be less than 10%.
- **Property** – AORMA has had good results in recent years. The property market has softened somewhat. Staff is actively marketing the property program and expects the renewal costs to decrease slightly.
- **Workers’ Compensation** – the California Workers’ Compensation Insurance market is hardening. Underwriters have not offered the AORMA program a multi-year policy due to its size. We are expecting a renewal cost increase of less than 10% for AORMA.
- **Fidelity** – We are expecting a rate increase of 5% due to AORMA’s one large loss.

A motion as made to delegate authority to the Secretary/Auditor to approve the renewal quotes and bind coverage if within the approved budget.

MOTION: Guy Dalpe
SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett				X
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Robert de Wit	X			
Gigi Kiama	X			
Keith Kompsi	X			
Haleh Minakary	X			
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Pat Worley - Alternate				

MOTION CARRIED

F20. Review of Auxiliary Service Provider Report

Zachary Gifford provided a high-level report on the Service Provider Performance evaluation as it related to the Auxiliaries.

Respondents are now only required to complete the survey for those vendors that they use.

Vendors were generally viewed as providing good service to the membership.

G. INFORMATION ITEMS

The Committee Members reviewed the following information items:

- G1. FY 13/14 Long Range Action Plan**
- G2. CSURMA AORMA 2014 Meeting Calendar**
- G3. CSURMA AORMA Program Administrator’s Contact Lists**
- G4. AORMA Committee Member – Effective 7/01/13**
- G5. AORMA’s Travel Reimbursement Policy**

F. ADJOURNMENT

The meeting was adjourned at 12:05 PM.