



APPROVED

**MINUTES OF THE CSURMA AORMA
PROGRAMS COMMITTEE MEETING
MAY 1, 2014
TELECONFERENCE MEETING
1:00 PM**

MEMBERS PRESENT

Kurt Borsting, Associated Students, Inc. (CSU Fullerton)
Guy Dalpe, Cesar Chavez Student Center (San Francisco State University)
Mark Day, Santos Manuel Student Union (CSU San Bernardino)
Gigi Kiama, University Corporation (CSU Monterey Bay)
Haleh Minakary, The Cal Poly Pomona Foundation, Inc. (Cal Poly Pomona)

STAFF, GUESTS AND CONSULTANTS

Mimi Long, Alliant Insurance Services, Inc.
Tevea Him, Alliant Insurance Services, Inc.

A. CALL TO ORDER

The meeting was called to order by Guy Dalpe at 1:04 PM.

B. PUBLIC COMMENTS

There were no public comments.

C. GENERAL ADMINISTRATION

C1. Approval of the Agenda Order

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

First: Gigi Kiama
Second: Mark Day

NAME	AYE	ABSTAIN	NAY	ABSENT
Kurt Borsting	X			
Guy Dalpe	X			
Gigi Kiama	X			
Haleh Minakary	X			
Mark Day	X			

MOTION CARRIED

C2. Approval of Minutes – April 3, 2014

A motion was made to approve the minutes from the April 3, 2014 meeting as describe below.

First: Mark Day
Second: Gigi Kiama

The committee asked that the following changes be made to the minutes.

“Is there value in consulting with CSU academics as we develop the allocation model. Kurt Borsting—I mentioned the insurance studies institute as CSUF and Mark Day referenced an academic center at ~~a different CSU campus~~ San Jose State University that also may be worth looking into. Mimi stated that the allocation can be reviewed by an outside consultant after the allocation formula is close to being finalized. It’s too early now as it is still in a draft format.”

NAME	AYE	ABSTAIN	NAY	ABSENT
Kurt Borsting	X			
Guy Dalpe	X			
Gigi Kiama	X			
Haleh Minakary	X			
Mark Day	X			

MOTION CARRIED

C3. Discussion and Recommendation for New Programs Committee Chair for the Term of July 1, 2014 to July 1, 2015

A motion was made to recommend that the AORMA Chair appoint Guy Dalpe as the Programs Committee Chair for the term July 1, 2014 to June 30, 2015.

First: Gigi Kiama
Second: Haley Minakary

NAME	AYE	ABSTAIN	NAY	ABSENT
Kurt Borsting	X			
Guy Dalpe		X		
Gigi Kiama	X			
Haleh Minakary	X			
Mark Day	X			

MOTION CARRIED

Because Kurt Borsting will “term out” of the Programs Committee as of June 30, 2014, the committee members were asked to make recommendations for new committee members. The following auxiliary staff members were suggested:

1. David Crandall, General Manager – Associated Students, CSU, Northridge, Inc.
2. David Quesada, Lead Building Services Coordinator – Associated Students, Inc., California State Polytechnic University, Pomona
3. Genevieve Evans Taylor, Executive Director – Associated Students of CSU Channel Islands, Inc.
4. Lynn Cacha, Aztec Student Union Director – Associated Students, San Diego State University

The committee members will make additional suggestions at the next PC meeting on June 5th.

Guy Dalpe pointed out that the Programs Committee is the official liaison to the AOA HR Committee and therefore he would like the Programs Committee to take a more active approach with its communication to the committee.

C4. FY 15/16 Liability Program Member Allocation Formula

Mimi let the committee know that the actuary reviewed the DRAFT FY 15/16 Liability Program Member Allocation Formula and felt the allocation parameters were appropriate. They felt one allocation factor needed to be revised and offered the following comments regarding the remaining allocation factors:

Exposure Information and Pooled Layer Premium - The actuary is confident that reliable rates can be developed, based on loss experience, for the four loss exposures. The actuary also noted that they do not recommend capping the expenditures when calculating the base rate. When determining the final rates to charge each member there can instead be a graduated size provision so the larger members receive a greater discount.

Size Credit – The actuary was in agreement with the concept of a size credit. As the rates for each exposure are finalized, the size credit can be reviewed again for the appropriate size credit percentage.

Loss Rating – The actuary did believe a loss rating component should be included in the allocation, but did not like how the current credibility factor is being calculated. The actuary recommended calculating an experience modification factor for each member.

Excess Premium – The actuary was in agreement with the maximum cap on the allocation of the excess premium.

Admin Costs – The actuary was in agreement with the maximum and minimum caps within the admin cost allocation.

The actuary has proposed the Scope of Service for AORMA's FY 15/16 Liability Program Member Allocation Formula:

1. Project base rate for auto liability, employment practices liability, premises liability and "all other" liability for FY 15/16
2. Calculate experience modification factors for each auxiliary organization to be used in the allocation of losses for FY 15/16

The proposed costs for these two additional actuary reports would be an additional \$9,500 for the first year and an additional \$5,000 for the second and remaining years. Mimi let the committee know that currently AORMA pays \$3,500 for the liability actuarial study. CSU has been a client of Aon's for many years and the pricing for the actuary studies has never increased. When Aon priced this new scope of work, they based the price of current market pricing.

The committee members asked Mimi to negotiate for FY 15/16 actuarial study, total pricing of \$9,500 for all of the services, including the additional scope of services and \$5,000 total for the remaining years. The committee also wondered if the actuary could provide assistance with calculating the collars for the next few years, while the members ease into the new liability allocation.

Mimi also let the committee members know that Phil Lendaris did provide the ISO rating for the five auxiliary members; however, he didn't provide the actual rating basis and class codes so the information wasn't as meaningful because Mimi couldn't confirm that the rating basis for the ISO rating was the same as the rating basis within the revised liability allocation. Mimi will present this information at the next meeting with the entire backup for the rating calculation.

The committee stressed the importance of providing the general AORMA membership with information in advance of any changes to the liability allocation. Mimi confirmed that updates would be provided in advance of the FY 15/16 renewal should a new liability allocation formula be adopted.

D. INFORMATION ITEMS

- D.1 CSURMA AORMA 2014 Meeting Calendar**
- D.2 FY 13/14 AORMA Long Range Action Plan**
- D.3 FY 13/14 AORMA Service Calendar**

The committee reviewed the information items.

E. ADJOURNMENT

The meeting was adjourned at 2:04 PM.