



**APPROVED**

**MINUTES OF THE CSURMA AORMA  
PROGRAMS COMMITTEE MEETING  
SEPTEMBER 25, 2014  
TELECONFERENCE MEETING  
1:00 PM**

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**MEMBERS PRESENT**

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)  
Jun Reina, Capital Public Radio, Inc. (CSU Sacramento)

**STAFF, GUESTS AND CONSULTANTS**

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

**A. CALL TO ORDER**

The meeting was called to order by Guy Dalpe at 1:01 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 the agenda as presented.

**First:** Haleh Minakary

**Second:** Gigi Kiama

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
Guy Dalpe	<b>X</b>			
Gigi Kiama	<b>X</b>			
Haleh Minakary	<b>X</b>			
Mark Day	<b>X</b>			
Jun Reina	<b>X</b>			

**MOTION CARRIED**

**C2. Approval of Minutes – July 2, 2014**

A motion was made to approve the minutes of the July 2, 2014 meeting.

**First:** Gigi Kiama  
**Second:** Haleh Minakary

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Mark Day	X			
Gigi Kiama	X			
Haleh Minakary	X			
Jun Reina	X			

**MOTION CARRIED**

**C3. New Programs Committee Member – Jun Reina**

Guy Dalpe introduced Jun Reina from Capital Public Radio as the newest member of the AORMA Programs Committee.

**C4. Liability Program Member Allocation Formula**

Mimi explained that the supplemental actuarial report had been received and reviewed by staff. It includes the recommended funding/rates for the four new rating categories – auto liability, premises liability, employment practices liability, and all other liability – within the pooled layer, and the member experience modification factors. The actuary’s report demonstrates that the current rating allocation formula is not keeping up with AORMA’s employment practices liability (EPL) exposures. This is not surprising as EPL losses have dramatically increased over the past several years and also AORMA’s auto and premises liability loss experience has been exceptional, which makes the percentage of EPL claims higher. The committee was interested in how AORMA’s EPL rate compares with the Campus EPL rate. Mimi mentioned that the Campus program doesn’t breakout the different exposure types, but she will inquire if a rate estimate for the EPL on the Campus program is available.

Mimi explained that the auto liability rate is “per vehicle”, the premises liability rate is “per 1,000 in square feet”, the other liability rate is “per 1,000,000 in expenditures” and the EPL rate is “per 1,000,000 in payroll”.

Exposure		FY 15/16 Actuary's Recommended Rating		FY 14/15 ISO Rating		FY 15/16 Collared Rating	
		Rate	Premium	Rate	Premium	Rate	Premium
Auto Liability	438	150 <sup>(1)</sup>	65,731	346 <sup>(1)</sup>	151,673	333 <sup>(1)</sup>	145,854
Premises Liability	14,682,014	37 <sup>(2)</sup>	544,556	99 <sup>(2)</sup>	1,448,065	50 <sup>(2)</sup>	734,101
Other Liability	1,419,490,726	132 <sup>(3)</sup>	187,799	<sup>(3)</sup>	Included	333 <sup>(3)</sup>	472,690
EPL	420,828,583	2,566 <sup>(4)</sup>	1,079,850	661 <sup>(4)</sup>	278,198	1,248 <sup>(4)</sup>	525,194
<b>Total</b>			<b>1,877,936</b>		<b>1,877,936</b>		<b>1,877,839</b>

The committee directed staff to move forward in concept with the new rating plan which is actuarially based rather than ISO rating based. The committee asked staff to add in % collars as well as a minimum and maximum dollar amount collars. At the next meeting, Staff will provide a loss ratio comparison showing new premium and old premium. (It will assume that the member had been charged the new premium for five years. How would their loss ratio look?)

**C5. Revision to AORMA’s Liability Program Memorandum of Coverage**

Mimi stated that HSU, Sponsored Programs Foundation, occasionally rents off-road vehicles for sponsored programs. Similar to RV’s and limousines, the auto rental agency does not allow the renter to purchase the physical damage coverage when renting the vehicle.

Staff recommended revising the Domestic Hired Automobile Physical Damage endorsement to delete, “CSURMA AORMA will not cover loss due to off-road operation of the rented auto.” Therefore, if a vehicle is driven legally off-road, this endorsement would not exclude coverage. The following exclusion would remain on the endorsement, “CSURMA AORMA will not pay for loss arising out of any violation of the rental car agreement.”

A motion was made to recommend to the AORMA Committee that Exclusion N remain on the policy, but that the following wording be added,

“CSURMA AORMA will not cover loss due to off-road operation of the rented auto, **except when the off-road operation is authorized by a Covered Party and is used for an appropriate business operation.**”

- First:** Mark Day
- Second:** Jun Reina

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Mark Day	X			
Gigi Kiama	X			
Haleh Minakary	X			
Jun Reina	X			

**MOTION CARRIED**

**D. INFORMATION ITEMS**

**D1. CSURMA AORMA 2014 Meeting Calendar**

An additional Programs Committee meeting was added on November 4, 2015 at 1:00 PM so that the committee could review the FY 15/16 Liability Program Member Allocation one more time before the final allocation is approved in December, 2015.

**D2. 2014 CSURMA Service Calendar and Long Range Action Plan**

**D3. FY 14/15 AORMA Committee and Standing Committee Roster**

There was no additional discussion regarding the remaining information items.

**E. ADJOURNMENT**

A motion was made to adjourn the meeting at 2:05 PM

**First:** Gigi Kiama  
**Second:** Haleh Minakary

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
Guy Dalpe	<b>X</b>			
Mark Day	<b>X</b>			
Gigi Kiama	<b>X</b>			
Haleh Minakary	<b>X</b>			
Jun Reina	<b>X</b>			

**MOTION CARRIED**