

**MINUTES OF THE
CSURMA EXECUTIVE COMMITTEE MEETING**

NOVEMBER 2, 2016

HOLIDAY INN CAPITOL PLAZA

300 J Street • Sacramento, CA

1:30 PM

MEMBERS PRESENT

Scott Apel, California State University Long Beach
Lisa Chavez, California State University Los Angeles
Guy Dalpe (AORMA Vice-Chair), Associated Students, Inc., San Francisco State University
Mike Lee (CSURMA Vice-Chair), California State University, Sacramento
Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation
Kevin Saunders, California State University, Monterey Bay
Jody Van Leuven, California State University, San Bernardino

MEMBERS ABSENT

Robert Eaton (CSURMA Treasurer), California State University, Office of the Chancellor
Linda Hawk (CSURMA Chair), California State University, San Marcos

STAFF, GUESTS & CONSULTANTS

Dena Florez - Associated Students, California State University, Los Angeles, Inc.
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor
Tevea Him - Alliant Insurance Services, Inc.
Daniel Howell - Alliant Insurance Services, Inc.
William Hsu – CSU, Office of General Counsel
Rob Leong - Alliant Insurance Services, Inc.
Amy Lightner - Alliant Insurance Services, Inc.
Mimi Long - Alliant Insurance Services, Inc.
Rebecca Skidmore – CSU, Office of the Chancellor
Intef Weser - Associated Students, California State University, Los Angeles, Inc. (*arrived at 3:00pm*)

A. CALL TO ORDER

The meeting was called to order by the Vice-Chair, Mike Lee at 1:30 PM.

The Committee was introduced to Amy Lightner who recently joined the CSURMA team at Alliant Insurance Services, Inc. All Committee members and guests introduced themselves as well.

A1. Approval of the Agenda

Items D1, D2 and D3 were moved to the end of the agenda in case Robert Eaton could join the meeting.

A motion was made to approve the new order of the agenda with changes as noted above.

MOTION: Lisa Chavez
 SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton				X
Linda Hawk				X
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

B. PUBLIC COMMENTS

There were no comments from members of the public.

C. CONSENT CALENDAR

- C1. Approval of Minutes – September 23, 2016**
- C1a. CSURMA Quarterly Investment Reschedule**
- C1b. Treasurer’s Report**
- C3. Cancellation of the December 2, 2016 CSURMA Executive Committee Meeting**

A motion was made to approve or accept all of the items on the consent calendar.

MOTION: Frank Mumford
 SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton				X
Linda Hawk				X
Mike Lee	X			

Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D. GENERAL ADMINISTRATION

D4. Updated Liability Program Memoranda of Coverage

Daniel Howell and Rob Leong discussed the progress of the updated Liability Program Memorandum of Coverage (MOC). The AORMA Liability Program MOC has been approved by both reinsurers (Markel and Great American). Staff will finalize the Campus MOC using the approved AORMA MOC as a starting point and customizing it specifically for the Campus program.

Staff has submitted to underwriters the MOC for the \$5MM excess of \$5MM which covers both Campuses and AORMA members. Underwriters (Ironshore and AWAC) are reviewing the coverage form now.

Staff expects to have a final version of the Campus MOC available for the Committee’s review and ratification at the January 8, 2017 meeting.

No action was taken.

D5. Ventiv Technologies Insurance Policy Database and RiskConsole Proposal

At the last meeting, the Executive Committee requested that staff conduct a webinar with Campus Risk Managers so that the Committee could receive feedback from likely Campus users of the Ventiv Technologies RiskConsole. Zachary Gifford let the Committee know that two separate webinars were conducted. The majority of the Campus Risk Managers attended one of the two webinars. Gifford received feedback from 12 Campus Risk Managers; all of the feedback was positive. Gifford recommends that the CSURMA go forward with the purchase of the Policy Database Module and the RiskConsole.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to negotiate and execute agreements with Ventiv Technologies, subject to review by CSURMA General counsel, of both the Policy Database Module and the RiskConsole at a cost of not to exceed \$174,000.

MOTION: Jody Van Leuven

SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			

Guy Dalpe	X			
Robert Eaton				X
Linda Hawk				X
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D6. Risk Program Benchmarking and Trend Analysis Project Update

Zachary Gifford updated the Committee on the progress of the benchmarking project. CSURMA joined the California Workers’ Compensation Institute (CWCI), which addresses workers’ compensation benchmarking and now with the approval to purchase the RiskConsole services through Ventiv Technologies, the other coverage programs will be addressed as well.

D7. Master Out-of-State On-Line Education Surety Bond

Rob Leong summarized the progress on securing a master surety bond for CSU’s out-of-state online educational activities. Staff has reached out to Cal State Online who has agreed to coordinate efforts to assess systemwide needs. The state has drafted legislation to create reciprocal agreements with other states, however, this has stalled. A survey has been sent out to ascertain which campuses offer online education with limited results. Next Staff will develop a list of the requirements for each state so that the bond addresses each state’s bond requirements.

D8. Risk Management Innovation Grant Program

Rob Leong reviewed the Innovation Grant Applications submitted by San Jose State University and the EHS Affinity Group. SJSU reapplied for a grant that had been previously denied for lack of detail. The revised application provides greater detail regarding a data encryption software system for laptops. The EHS Affinity Group submitted another application to utilize \$30,000 of unencumbered funds for emergency responders/safety officers training. Each request was discussed separately.

A motion was made to approve the grant application submitted by the EHS Affinity Group.

MOTION: Lisa Chavez
 SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton				X

Linda Hawk				X
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

The Committee discussed the SJSU application for a data encryption software system for laptops.

A motion was made to approve the SJSU grant application.

MOTION: Jody Van Leuven

SECOND: Frank Mumford

The Committee discussed the motion. It was felt that the data encryption software should be a Systemwide IT directive rather than a CSURMA issue. Rather than purchasing software for one Campus it may make sense to look at this software for the entire CSU system. Gifford agreed to collaborate with William Perry and Ed Hudson from Systemwide IT.

A substitute motion was made to table this item until the January meeting.

MOTION: Lisa Chavez

SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton				X
Linda Hawk				X
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

E. OTHER PROGRAMS

E1. AORMA Programs Update

Frank Mumford, the AORMA Committee Chair, reported that the AORMA Committee had not met since the last report given to the Executive Committee on September 23, 2016.

E2. AIME Programs Update

Jody Van Leuven provided an update as to the recent activities of the AIME Committee. The Committee finalized the Plan of Benefits for the AIME program. The third party claims administration agreement with HSR was renewed for an additional two-years using the current rating structure.

The information items G1 through G4 were discussed next.

G. INFORMATION ITEMS

G1. Review of FY 2016/2017 Long Range Planning Goals

The Committee agreed to table this discussion item until the Board of Directors meeting.

G2. CSURMA Administrative Service Calendar

G3. 2016 CSURMA Meeting Calendar

G4. CSURMA Executive Committee & Staff Contact List

The Committee reviewed the remaining information items. There was no discussion.

F. CLOSED SESSION

F1. CSU v. SELF

A motion was made to enter closed session at 2:24 PM.

MOTION: Frank Mumford

SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton				X
Linda Hawk				X
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

The Committee was in closed session from 2:24 PM to 2:57 PM. The Vice Chair reported that action was taken during closed session.

D1. Evaluation of Captive Insurance Vehicle

Zachary Gifford noted that Robert Eaton and Steve Relyea had met with CSU Trustee Peter J. Taylor, who is a proponent of CSU evaluating a captive insurer, to discuss the initial evaluation of the utilization of a captive for CSU/CSURMA.

The Committee reviewed the benefits of forming a captive - ability to invest in a broader array of instruments including equity positions with the goal of earning a higher return than is earned on investments allowed for public agencies, and ability to offer insurance products to third parties such as CSU employees and alumnae, offering the opportunity to retain profits otherwise earned by commercial insurers. Based on the report prepared by Pinnacle Actuarial Resources, the initial captive set up fee for the protected cell within Fiat Lux is \$250,000, plus additional fixed expenses of around \$250,000. The return on investment difference is estimated to be slightly higher than 2%. The Committee wanted to hear from the Treasurer, Robert Eaton, before taking action on this item.

A motion was made to table this item to the January 2017 meeting.

MOTION: Guy Dalpe
 SECOND: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton				X
Linda Hawk				X
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D2. CSURMA Member Loan Policy and Allocation of Investable Assets

The Committee recommended tabling this item pending the decision of whether CSURMA would develop a captive insurer which would potentially reduce the amount of assets available for investment in member loans. The Committee wanted to hear from the Treasurer, Robert Eaton, before taking action on this item.

A motion was made to table this item until the January 2017 meeting.

MOTION: Lisa Chavez
 SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton				X
Linda Hawk				X
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D3. Member Loan Requests

The Committee members briefly discussed the loan applications for CSU, Sacramento and CSU, Fresno. San Francisco State University had also indicated a potential need for a loan.

A motion was made to table this item until the January 2017 meeting.

MOTION: Lisa Chavez
SECOND: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton				X
Linda Hawk				X
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

H. ADJOURNMENT

A motion was made to adjourn the meeting at 3:05 PM.

MOTION: Guy Dalpe
SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton				X
Linda Hawk				X
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED