

**MINUTES OF THE CSURMA EXECUTIVE COMMITTEE
LONG RANGE ACTION PLANNING MEETING**

MARCH 11, 2016

**ALLIANT INSURANCE SERVICES
100 Pine Street, 11th Floor • San Francisco, CA**

8:03 AM

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
Linda Hawk (Chair), California State University, San Marcos
Ming Tung (Mike) Lee, California State University, Sacramento
Kevin Saunders, California State University, Monterey Bay

MEMBERS ABSENT

Robert Eaton (Treasurer), California State University, Office of the Chancellor
Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation
Jody Van Leuven, California State University, San Bernardino

STAFF, GUESTS & CONSULTANTS

Kelly Cox – CSU, Office of the Chancellor
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor
Jacki Graf - Alliant Insurance Services, Inc.
Daniel Howell - Alliant Insurance Services, Inc.
William Hsu – CSU, Office of General Counsel (*via Teleconference*)
Rob Leong - Alliant Insurance Services, Inc.
Mimi Long - Alliant Insurance Services, Inc.
Rebecca Skidmore – CSU, Office of the Chancellor

CALL TO ORDER

The meeting was called to order by the Chair, Linda Hawk at 8:03 AM.

1. Review of CSURMA 2015/2016 Long Range Action Plan

Daniel Howell reviewed the items on the FY 15/16 Long Range Action Plan.

- ✓ Item 1 – *Form 700 Electronic Filing* – The item has been completed.
- ✓ Item 2 – *Workers' Compensation Claims Closure Initiative* – All future costs will be billed to the claim file. This item has been completed.

- ✓ Item 3 – *Agility Recovery* – The service is in place and the Committee will review at today’s meeting a utilization report and will decide if the service should be continued. This item has been completed.
- ✓ Item 4 – *Additional Coverage Party Policy and Procedure* – The CSURMA Board of Directors adopted an Additional Covered Party Policy and Procedure. This item has been completed.
- ✓ Item 5 – *On-line Education Multi-State Surety Initiative* – This item is still in process and will be added to the FY 16/17 Long Range Action Plan.
- ✓ Item 6 – *Student Placement Agreement* – This item has been transitioned to an ongoing operation.
- ✓ Item 7 – *CSU / UC Workers’ Compensation Summit* – This item is still open and Zachary Gifford will continue to work with the UC to schedule a summit, but is not recommending that it remain on the FY 16/17 LRP.
- ✓ Item 8 – *Campus and AORMA Risk Program Benchmarking and Trend Analysis* – Staff recommends keeping this item on the FY 16/17 LRP.
- ✓ Item 9 – *Special Events Risk Management Manual* – Staff recommends keeping this item on the FY 16/17 until the special events manual is completed in 2017.
- ✓ Item 10 – *Insurance Policy Database* – Staff recommends keeping this item on the FY 16/17 LRP.

A motion was made to accept Staff’s report on the FY 15/16 Long Range Action Plan.

MOTION: Mike Lee
 SECOND: Guy Dalpe

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

2. Campus Risk Pools Funding Status

Rob Leong explained that 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 meeting, reviews the pooled programs funding position and determines if there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected

expenditures, if an assessment is necessary, or if there is ample surplus to consider a release of dividends to the members which would be discussed at the September meeting based on the independent actuary’s updated study valued at June 30. The Committed reviewed the Estimated Funding Charts as well as the Target Surplus Funding Analysis. Leong noted that these exhibits were updated based on the December 31, 2015, financial statements, including the budget amendments, and the actuary’s recommendations for outstanding liabilities. Leong explained that the Estimated Outstanding Liabilities (as shown in red) fluctuate primarily due to the actuary’s calculation of the risk pool’s outstanding liabilities. The outstanding liabilities do include a risk margin. If the outstanding liability decrease, generally, the assets will decrease as well due claims closures. Assets will also be reduced by the release of dividends. Also, CSURMA did receive a large SELF recovery which decreased the outstanding liabilities. The number in the exhibits are estimates only; the Committee will review a revised report at the September meeting.

A motion was made to accept the reports and to include one correction to the AIME Target Surplus Funding Analysis Three Year Funding Plan exhibit.

MOTION: Mike Lee
 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

3. Review of the CSURMA’s Conflict of Interest Code

Mimi Long noted that the FPPC requires that CSURMA review its Conflict of Interest Code every even numbered year. Staff has reviewed the Conflict of Interest Code and it not recommending any changes.

A motion was made to adopt and promulgate the CSURMA Conflict of Interest Code.

MOTION: Guy Dalpe
 SECOND: Lisa Chavez

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

Direction was given to Staff to forward to the FPPC. Also, Staff was directed to review the list of reporting consultants with the Chair as described in the Code.

4. Annual Review of the CSURMA’s Data Security Policies

As explained by Daniel Howell, the Executive Committee resolved to annually review CSURMA’s data security policies. The Executive Committee is being asked to review the iVOS User Policy. CSURMA uses many electronic data systems, but the iVOS Liability System is the electronic data system maintained by CSURMA and for which CSURMA is responsible for the security of the electronic data. The vendors for the other electronic data systems, such as Sedwigick and Carl Warren & Co. are responsible for their systems’ security. Zachary Gifford noted that he reviewed the iVOS data security policy and is not recommending any changes.

Kelly Cox mentioned that Financial Services Accounting uses Blackbaud solely for CSURMA and recommends that the Executive Committee review its data security policies as well.

The Committee tabled this item until the May 6, 2016, meeting so that the Blackbaud data security policy could be reviewed as well.

5. Annual Review of the Applicable Integrated CSU Administrative Manual Policies

Kelly Cox noted that Financial Services Accounting reviewed the Integrated CSU Administrative Manual (ICSUAM) and is recommending that the Executive Committee adopt Section 6000, Financing, Treasury, and Risk Management and Sections 13175, Auxiliary Organizations External Auditor Firms Qualifications, and Section 13680, Placement and Control of Receipts for Campus Activities and Programs. Section 6000 was moved from Section 3000, General Accounting, and therefore has already been adopted by CSURMA.

William Hsu suggested that the Committee review Section 1401, Administration of Student Organization Funds as well. The Committee considered adopting Section 1401, but because CSURMA does not hold funds for student groups, the Committee did not feel its adoption was

appropriate. The Committee contemplated if funds within CSURMA could be construed to be funds held for a student group. The Agreement and Bylaws stipulate the CSURMA owns all of the money in the JPA until a dividend is distributed.

A motion was made to adopt Resolution No. 03-16 (EC) – Resolution Adopting Administrative Policies and Procedures.

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

6. Analysis of the Required Information Management Discussion and Analysis (MD&A) for CSURMA

Kelly Cox explained that during the meeting on October, 2015, the Executive Committee directed CSU Accounting to complete of an analysis of the recommended MD&A items of discussion compared to the comparative statement as well as the footnotes which are included in CSURMA financial audit. According to GASB Statement No. 34, Paragraph 11, at a minimum an MD&A should include eight items. Accounting staff reviewed in detail whether or not CSURMA currently includes these items in its financial statements in one way or another. This could either be on the face of the financial statements or in a footnote disclosure. Cox notes that three items are not applicable and two items are not address within the financial statement. It does not address Items 3 or Item 8.

The Committee discussed the absence of the MD&A and felt that it would be helpful in giving members a better understanding of CSURMA and without the MD&A a complete understanding is difficult.

A motion was made to develop a draft MD&A for the Executive Committee’s review at their September 9, 2016 meeting.

MOTION: Mike Lee
 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

7. CSURMA Master Investment Policy and Related Investment Policies and adoption of Resolution No. 02-16 (EC)

Daniel Howell stated that the Treasurer of CSURMA is directed to adopt the CSURMA Investment Policy and related policies, as the Master Investment Policy of the CSURMA. As noted within Resolution 02-14 (BOD), the Executive Committee will annually review the Master Investment Policy and approve amendments as necessary. The Committee reviewed the Master Investment policy and noted that one minor change had been made. A capitalized “A” was changed to a lowercase “a”.

A motion was made to adopt Resolution No.02-16 (EC) – CSURMA Master Investment Policy and Related Investment Policies.

MOTION: Scott Apel
SECOND: Guy Dalpe

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

8. Evaluation of Captive Insurance Vehicle

Zachary Gifford stated that at its January 10, 2016 meeting the CSURMA Executive Committee directed Staff to engage Pinnacle Actuarial Resources to prepare an initial evaluation for CSU/CSURMA captive utilization options. Robert Walling had planned on attending today’s meeting; however, due to a family emergency, the report has not been completed and he was unable to present his findings at the meeting.

The item was tabled until the May 6, 2016 meeting.

9. Alternative Allocation of Investable Assets

Daniel Howell noted that there has been some discussion about whether CSURMA in its existing structure can achieve more effective and impactful investments by segregating its short and long term capital needs and allocating additional assets for member loans. The Committee discussed CSURMA’s current member loan policy. Currently, 15% of CSURMA’s assets can be loaned to Members as a last resort funding source. The Committee discussed options for expanding the member loan policy for capital needs within the system, or for differed maintenance.

A motion was made to add Alternative Allocation of Investable Assets for the FY 16/17 Long Range Action Plan.

MOTION: Kevin Saunders
 SECOND: Guy Dalpe

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

10. Risk Program Benchmarking and Trend Analysis

Jacki Graf demonstrated the benchmarking capabilities of the CWCI dashboard. Zachary Gifford noted that the UC has joined CWCI as well as a data contributor. Staff was directed to develop a campus level presentation which shows the workers’ compensation benchmarking, the actuary’s Total Cost of Risk report for that campus, as well as other pertinent information resulting for the Rating Plan Task Group meetings.

A motion was made to direct Staff to develop the campus level presentation (discussed above) and start with the campuses with the highest workers’ compensation experience modifications.

MOTION: Mike Lee
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

11. CAJPA Accreditation Standards as of July 1, 2015

Daniel Howell described that the California Association of Joint Powers Authorities (CAJPA) Accreditation Program was developed to establish standards by which risk sharing California joint powers authorities (JPA) can measure their ability to provide efficient services to their member agencies. The CAJPA accreditation standards have been recently updated to include a requirement that all JPAs have a clear process for developing and monitoring its underwriting policies and processes. CSURMA already has underwriting processes and standards in place; therefore, Staff developed Policy and Procedure No. 25 Underwriting Procedures in order to memorialize CSURMA’s practices in compliance with this new CAJPA accreditation standard. The Committee reviewed the proposed Policy and Procedure No. 25.

A motion was made to recommend approval of Policy and Procedure No. 25 – Underwriting Procedures – to the Board of Directors.

MOTION: Mike Lee
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

12. Agility Recovery

The Committee discussed the current Agility Recovery contract as well as their utilization report. Staff was directed to (1) reach out to IT, the Facilities Director at each campus as well as CPDC to make sure everyone is aware of these services, (2) add Agility Recovery information to each campus’ EOC manual, (3) and to present this information at the Fitting the Pieces Together Conference.

A motion was made to renew the Agility Recovery contract for one more year.

MOTION: Mike Lee
 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 directed staff to add a communication plan to the FY 16/17 LRP. It should include communication regarding Agility Recovery, Praesidium, Fine Arts as well as the Campus Portfolio.

The Committee also directed staff to present a CSURMA overview at CABO.

13. Praesidium Proposal

The Committee reviewed the Praesidium utilization report as well as the contract renewal proposal. Zachary Gifford and Mimi Long explained the current services available as well as the proposed services. The Committee asked to see a “per campus” optional proposal.

The Committee recommended a Praesidium presentation at the Fitting the Pieces Together conference. The presentation could include a mock trail, case studies, and can ask the questions, “what happens next?”, or “are you prepared?”

This item was tabled until the May 6, 2016 meeting.

14. Development of New Programs, Services and Projects

The Committee discussed the items to be added to the Long Range Action Plan for FY 16/17. Zachary Gifford recommended a Master Transportation Enabling Agreement be explored by CSURMA. CSURMA’s Excess Insurance Underwriters are asking about the contractors used by the campuses and auxiliary organizations for transportation. GoGround vets all transportation carriers and requires minimum safety standards as well as minimum insurance levels. GoGround also carries excess insurance on top of the primary insurance held by the transportation carriers. GoGround has better rates due to volume. The Committee directed staff to add consideration of a Master Transportation Enabling Agreement to the FY 16/17 LRP.

15. Development of CSURMA Goals for next one to three years

The Committee reviewed the items discussed during the meeting and compiled the following list of Long Range Action Plan items:

1. On-Line Education Multi-State Surety Initiative
2. Special Events Risk Management Manual
3. Campus and AORMA Risk Program Benchmarking and Trend Analysis
4. Insurance Policy Database
5. Analysis and Evaluation of Captive
6. Evaluation of Member Loan Policy and Investment Strategy
7. Campus Vice President Visit with State of Campus vs. CSURMA
8. Overall Communication Plan and Strategy
9. Master Transportation Enabling Agreement

A motion was made to adopt the nine Long Range Action Plan items noted above and to develop steps for completion.

MOTION: Kevin Saunders
 SECOND: Mike Lee

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

A motion was made to adjourn the meeting at 11:43 AM.

MOTION: Mike Lee
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