



MINUTES OF THE
CSURMA BOARD OF DIRECTORS MEETING

APRIL 25, 2018

SHERATON SAN DIEGO HOTEL & MARINA, FAIRBANK A
1590 HARBOR ISLAND DRIVE, SAN DIEGO, CA 92101

10:30 AM

A. CALL TO ORDER

The meeting was called to order at 10:30 AM by Mike Lee. The Board members attending the meeting via teleconference expressed their desire to abstain from voting on all action items, unless specifically noted.

A1. Approval of the Agenda

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

MOTION:

SECOND:

AYES:	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
NOES:	
ABSTAIN:	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
ABSENT:	

MOTION CARRIED

B. PUBLIC COMMENTS

There were no public comments.

C. CONSENT CALENDAR

- C1. Approval of Minutes – October 27, 2017**
- C2. CSURMA Treasurer’s Report**
- C3. CSURMA’s Conflict of Interest Code**

A motion was made to approve the items on the Consent Calendar.



California State University Risk Management Authority

APPROVED

MOTION: Mike Thorpe
SECOND: Jessica Rentto

Table with 2 columns: Category (AYES, NOES, ABSTAIN, ABSENT) and List of names.

MOTION CARRIED

D. GENERAL ADMINISTRATION

D1. Adoption of the FY 2018/19 CSURMA Operating Budget

Rob Leong summarized the FY 2018/19 CSURMA Operating Budget's features. Systemwide Risk Management, Enterprise Accounting and the Program Administrators worked together to develop the proposed budget for FY 2018/19.

Major features of the proposed Campus Programs budget include:

- Increase in Total Operating Revenues from \$74,428,243 to \$76,311,035.
➤ Decrease in Total Operating Expenses from \$93,457,016 to \$82,466,974.
➤ Decrease in Non-Operating Revenue \$2,085,528 to \$2,048,291.
➤ Reduce Net Operating Deficit from \$15,943,245 to \$4,107,648.
➤ Retained Earnings is estimated to be reduced from \$27,834,647 to \$23,727,000 at June 30, 2019.

The preceding does not include dividends distributed during FY 2018/19, which, if any, will increase expenditures and decrease fund reserves.

Major features of the AORMA Programs budget include:

- Decrease in Total Operating Revenues from \$10,600,106 to \$10,315,972.
➤ Decrease in Total Operating Expenses from \$12,789,319 to \$11,995,664.
➤ Decrease in Non-Operating Revenue \$410,040 to \$402,719.
➤ Reduce Net Operating Deficit from \$1,779,173 to \$1,276,973.
➤ Retained Earnings is estimated to be reduced from \$20,305,528 to \$19,028,555 at June 30, 2019.

The proposed operating budget would develop Total Operating Revenues of \$91,075,908 (net of reinsurance premiums), Total Operating Expenses of \$98,379,629 and Total Non-Operating



Revenues of \$2,500,000, generating Net Operating Deficit of \$4,803,721. Retained Earnings is estimated decrease from \$60,379,690 to \$55,575,969 at June 30, 2019.

A motion was made to approved the approve Resolution No. 01-18 (BOD) which adopts the FY 2018/19 operating budget as presented, and authorized the Treasurer to invest or reinvest funds of CSURMA, or to sell or exchange securities so purchased and may also delegate responsibilities, as appropriate, to the Assistant Vice Chancellor of Financing, Treasury and Risk Management of the CSU (Assistance Vice Chancellor) in his/her capacity as staff to CSURMA.

MOTION: Lisa Chavez
SECOND: Douglas Freer

AYES:	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
NOES:	
ABSTAIN:	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
ABSENT:	

MOTION CARRIED

D2. Campus Risk Pools Program Funding Status

Rob Leong summarized the risk pool exhibits which are prepared annually in accordance with the CSURMA’s adopted funding policy for its self-funded pooling programs. The exhibits provide an analysis of the pooled program’s funding position relative to the actuary’s projection for CSURMA’s minimum funding requirements and expected cash expenditures for program administration through June 30, 2018. The green section on the exhibit represents the amount of funds in excess of the outstanding losses at a 70% confidence level.

In accordance with CSURMA’s Policy & Procedure No. 7, 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 as of December 31, 2017 projected to June 30, 2018. At its meeting on March 8, 2018, the Executive Committee reviewed the pooled programs funding position and determined there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures. The pooled programs funding position will be reviewed again by the Executive Committee after conclusion of the fiscal year and in light of the audited financial statements for the year. The Executive Committee is to determine at that time the disposition of surplus funds, including the distribution of dividends as it deems appropriate.

D3. Nominating Committee Report and Executive Committee Elections

As summarized by Mike Lee, the Nominating Committee, recommends the following nominations to the Executive Committee for the two-year term from July 1, 2018 to June 30, 2020:

- **Chair – Lisa Chavez.** This seat is currently held by Mike Lee. Lee will be stepping down from the Executive Committee after today’s meeting; therefore, the Lisa Chavez was nominated to finish out Lee’s current term as well as the new term of July 1, 2018 to June 30, 2020.
- **Vice Chair – Kevin Saunders.** This seat is currently held by Lisa Chavez. Because Chavez was nominated to fill the Chair seat, Kevin Saunders was nominated to finish out Chavez’s current term as well as the new term of July 1, 2018 to June 30, 2020.
- **Seat #3 – Scott Apel.** This seat is current held by Scott Apel. Apel has been nominated to serve a second two year term of July 1, 2018 to June 30, 2020.
- **Seat #4 – Amy Thomas.** This seat is currently held by Kevin Saunders. Because Saunders has been nominated to fill the Vice Chair seat, Amy Thomas has been nominated to finish out Saunders’ current term as well as the new term of July 1, 2018 to June 30, 2020.

Lee asked for nominations from the floor. Hearing none, Lee asked for a motion to close the nominations.

A motion was made to close nominations.

MOTION: Douglas Freer
SECOND: Mike Thorpe

AYES:	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
NOES:	
ABSTAIN:	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
ABSENT:	

MOTION CARRIED

The Board of Directors elected by acclamation the proposed slate of candidates.

- Chair – Lisa Chavez
- Vice Chair – Kevin Saunders
- Seat #3 – Scott Apel
- Seat #4 – Amy Thomas

Lee also noted that Jody Van Leuven left the Executive Committee in order to join Systemwide Risk Management and therefore he appointed Lisa Kao to complete Jody’s current term of July 1, 2017 to June 30, 2019.

D4. Club Liability Insurance Program (CLIP)

Daniel Howell explained the formation of a new CSURMA Club Liability Insurance Program (CLIP). CLIP provides general and professional liability coverage for officially recognized clubs of the California State University. Coverage is provided for both on and off campus activities. Limits include \$1MM per occurrence and \$5MM aggregate. Injuries arising from fraternal organizations (men and women), hazing and injuries to participants while participating in athletic activities are excluded. Liquor liability is included, however, it must be poured by a licensed provider.

\$150,000 will be charged to the liability fund and allocated to campuses within the FY 19/20 rates. Campuses will then have the option to recover the costs from their clubs, similar to SPLIP and SAFECLIP. For the FY 18/19 program, the premium will be allocated based on campus payroll but the allocation will be thoroughly reviewed during the next Rating Plan Task Group meeting.

A motion was made to recommend approval of the Club Liability Insurance Program and to delegate authority to the Secretary-Auditor to bind the coverage and to finalize the terms of the new program.

MOTION: Kevin Saunders

SECOND: Starr Lee

AYES:	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
NOES:	
ABSTAIN:	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
ABSENT:	

MOTION CARRIED

D5. Excess Insurance Renewals Update and Underwriter Meeting Report

D6. FY 2018/19 Long Range Planning Goals

Daniel Howell explained that the Executive Committee held its long range planning session on March 8, 2018. The planning session consisted of a review of the FY 17/18 Long Range Action Plan, a report on its status, an evaluation on where efforts should be focused for the next one to three years, and the development of new long range goals for FY 18/19 and beyond. Based on the discussions during the long range planning session, Staff drafted the FY 18/19 Long Range Action

Plan and was approved by the Executive Committee as its meeting today. Howell reviewed the FY 18/19 Long Range Action Plan goals:

- LRP-1 Special Events Resources Guide
- LRP-2 RMIS Reporting
- LRP-3 Captive Insurer
- LRP-4 Campus Visits
- LRP-5 Systemwide EH&S
- LRP-6 Student Club Activities
- LRP-7 IRIC and SERG Manual Training
- LRP-8 Budgeting Practices Related to CSURMA Dividends
- LRP-9 Financial Reporting
- LRP-10 Quarterly CSURMA Reports for CABO Utilizing RMIS Dashboard and Graphics
- LRP-11 OCIP Dividend Policy and Procedure

D7. CSURMA Operational Review Report

Daniel Howell explained that the CSURMA Operational Review, completed on March 2, 2018, resulted in an overall compliance score of 96%. The reviewer, Robin Johnson, made eight recommendations to better the operations of CSURMA. The recommendations and Staff's response to each is below to this item for the Board's review.

CSURMA Operational Review Report – March, 2018		
Recommendations		
	Recommendation	Response
1.	CSURMA should file amendments to the JPA agreement as soon as practical after adoption of such amendments.	The JPA Agreement was filed with the State of California on March 12, 2018.
2.	The minutes for the Board of Director's meetings should reflect the vote or abstention of each of the Board members.	Staff will comply with this recommendation going forward.
3.	Provision No. 11 of the Witt O'Brien contract, which states the consultant will not be liable for damages arising out of the contract, should be deleted.	The agreement was amended via addendum.
4.	Staff should check certificates of insurance against the coverages required under the contracts to make sure all required coverages are in place. Although most of the coverages required by the contracts were shown on certificates, the	Staff requested and received the missing certificates of insurance.

	professional liability coverage certificates request by the Alliant and the Sedgwick contracts were not available at the time of the site visit.	
5.	CSURMA should consider providing greater details in the allocation of contributions from the campuses, similarly to what is done for the Auxiliaries.	No action taken. The CSURMA rating plan task group (RPTG) meets every three years to review in detail all Campus rating plans to confirm that the allocation formulas are still fair and equitable to all members. The RPTG publishes a report and shares it with the EC and BOD.
6.	CSURMA may consider placing the coverage documents for the campuses on the website for member references. Because the property program has many documents, perhaps, posting the first layer insurance policies would be sufficient.	The Coverage Documents have been uploaded to the CSURMA website.
7.	CSURMA should consider providing the members with CSAC-EIA's workers' compensation coverage document rather than CSURMA's own documents to reduce the possibility of gaps in coverage between the documents and confusion regarding who provides and controls the coverage.	No action taken. Because the CSAC-EIA coverage program is secured as reinsurance to the CSURMA Campus and AORMA workers' compensation programs and because workers' compensation coverage is based on statutory limits, CSURMA has chosen not to adopt the EIA coverage form.
8.	CSURMA may consider providing the Board of Directors with a summary of the financial strength of the insurance providers to the programs.	Staff will provide this report to the EC and BOD annually going forward.

A motion was made to accept the report.

MOTION: Dwayne Brummett
 SECOND: Kevin Saunders

AYES:	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
NOES:	
ABSTAIN:	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
ABSENT:	

MOTION CARRIED

D8. Owner Controlled Insurance Program (OCIP) Renewal

Daniel Howell provided updates to the board on the renewal of CSU's Owner Controlled Insurance Program. The renewal program will include the following changes:

- Projects will NOT be assessed a charge for OCIP coverages (workers compensation, general liability, excess liability)
- CSUMA will front the premiums to the underwriters
- Contractors will include insurance costs in bids which will be removed by deductive change order
- CPDC will manage the program and will bill the Campuses for the amount of the deductive change orders and deposit in CPDC / CSURMA account
- Program savings will be shared with Campuses on a pro-rata basis after program performance has been established

A Task Group comprised of Lisa Chavez (chair), Thom Davis, and Scott Apel has been appointed to review the program savings allocation.

D9. ** Presentation ** Risk Management Information System (Ventiv) Update

Darrel Vaughn from Ventiv was present to provide a demonstration of the new Risk Management Information System through Ventiv. The Ventiv database has been populated with CSURMA's hierarchy structure, policy data and claims data.

E. OTHER INSURANCE PROGRAMS

E1. AORMA Programs Update

Dwayne Brummett provided a brief report of the activities of the AORMA Committee.

E2. AIME Programs Update

Lisa Kao provided a brief report of the activities of the AIME Committee.

F. CLOSED SESSION

There were no items scheduled for closed session.

G. INFORMATION ITEMS

G1. Review of the Service Provider Performance Survey Report

The Board reviewed the Service Provider Performance Survey Report. CSURMA strives to provide consistency and reliability over time. One key component to accomplishing this goal is



evaluating those organizations that provide services to CSURMA. On an annual basis CSU Systemwide Risk Management contacts CSURMA members who regularly use vendor services and asks them to complete an on-line vendor survey. The complete 2017 Vendor Survey Report will be posted on the CSURMA website.

G2. CSAC EIA Member Services and Resources

As a member of CSAC EIA, the CSURMA, and its members, are eligible to participant in the many loss prevention, and claims and risk management services offered through CSAC EIA. The Board reviewed the CSAC EIA brochure which lists the services provided.

G3. Financial Ratings of the CSURMA Insurers and Reinsurers

Daniel Howell explained that one of the recommendations that came out of the CSURMA Operational Review was the suggestion that Staff should consider providing to the Board of Directors a summary of the financial strength of all insurance and reinsurance providers on the CSURMA programs. Staff prepared the report based on the current placements for FY 17/18 and will update the report in October for the FY 18/19 placements.

G4. CSURMA Administrative Service Calendar

The Board reviewed the CSURMA Administrative Services Calendar.

G5. CSURMA Board of Directors and Staff Contact List

The Board was asked to review the attached Board of Directors contact information and provide Staff with revisions.

H. ADJOURNMENT

A motion was made to adjourn the meeting at 11:58 A.M.

MOTION: Lisa Chavez

SECOND:

AYES:	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
NOES:	
ABSTAIN:	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
ABSENT:	

MOTION CARRIED



APPROVED

**CSURMA BOARD OF DIRECTORS MEETING
ATTENDANCE**

APRIL 25, 2018

**SHERATON SAN DIEGO HOTEL & MARINA, FAIRBANK A
1590 HARBOR ISLAND DRIVE, SAN DIEGO, CA 92101**

10:30 AM

Board of Directors:

Campus Name	Representative	Present ✓	Alternate	Present ✓
CSU Bakersfield	Thom Davis	<i>✓ In Person</i>	Tim Ridley	<i>✓ In Person (non-voting)</i>
CSU Office of the Chancellor	Robert Eaton	<i>Teleconference</i>	Vacant	
CSU Channel Islands	Katharine Hullinger	<i>Teleconference</i>	Elaine Crandall	
CSU Chico	Michael Thorpe	<i>✓ In Person</i>	Robbi Stivers	
CSU Dominguez Hills	Naomi Goodwin	<i>Teleconference (non-voting)</i>	Stephen J. Mastro	
CSU East Bay	Nyassa Love Johnson	<i>✓ In Person</i>	Debbie Chaw	☐
CSU Fresno	Debbie Adishian-Astone		Lisa Kao	<i>✓ In Person</i>
CSU Fullerton	Michael Coughlin	<i>✓ In Person</i>	John Beisner	
Humboldt State University	Kimberly Comet	<i>✓ In Person</i>	Doug Dawes	
CSU Long Beach	Scott Apel	<i>✓ In Person</i>	Felissa Waynick	<i>Teleconference (non-voting)</i>
CSU Los Angeles	Lisa Chavez	<i>✓ In Person</i>	Vacant	
California Maritime Academy	Marianne Spotorno	<i>Teleconference</i>	Franz Lozano	
CSU Monterey Bay	Kevin Saunders	<i>✓ In Person</i>	Lenore Reed	<i>Teleconference (non-voting)</i>
CSU Northridge	Edith Winterhalter	<i>✓ In Person</i>	Lisa Telles	<i>✓ In Person (non-voting)</i>
Cal Poly Pomona	Whitney Fields		Valerie Eberle	<i>Teleconference</i>
CSU Sacramento	Mike Lee	<i>✓ In Person</i>	Gary Rosenblum	
CSU San Bernardino	Vacant		Douglas R. Freer	<i>✓ In Person</i>
San Diego State University	Thomas McCarron		Jessica Rentto	<i>✓ In Person</i>
San Francisco State University	Ann Sherman	<i>✓ In Person</i>	Michael Beatty	<i>✓ In Person (non-voting)</i>

Campus Name	Representative	Present ✓	Alternate	Present ✓
San Jose State University	Marla Perez-Guerra	✓ <i>In Person</i>	Charlie Faas	
Cal Poly (San Luis Obispo)	Dru Zachmeyer	<i>Teleconference</i>	Cindy Vizcaino Villa	
CSU San Marcos	Neal Hoss	✓ <i>In Person</i>	Erin Fullerton	✓ <i>In Person (non-voting)</i>
Sonoma State University	Tyson Hill	✓ <i>In Person</i>	Joyce Lopes	
CSU Stanislaus	Amy Thomas	✓ <i>In Person</i>	Darrell Haydon	

Campus Name	Representative	Present ✓
Chico, Research Foundation	Russell Wittmeier	<i>Teleconference</i>
Dominguez Hills, Loker Student Union	Cecilia Ortiz	✓ <i>In Person</i>
Fullerton, Auxiliary Services Corporation	Chuck Kissel	<i>Teleconference</i>
Humboldt State University Center	Dave Nakamura	✓ <i>In Person</i>
Monterey Bay, University Corporation	Starr Lee	✓ <i>In Person</i>
Sacramento, University Union Operation	Bill Olmsted	<i>Teleconference</i>
Sacramento, University Enterprises, Inc.	Trina Knight	<i>Teleconference</i>
San Diego, Research Foundation	Leslie Levinson	<i>Teleconference</i>
San Luis Obispo, Associated Students, Inc.	Dwayne Brummett	✓ <i>In Person</i>
San Marcos, Corporation	Bella Newberg	✓ <i>In Person</i>

Staff, Guests and/or Consultants Present:

Andrew Gaspari, Alliant Insurance Services, Inc.
 Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor
 Tevea Him, Alliant Insurance Services, Inc.
 Daniel Howell, Alliant Insurance Services, Inc.
 Theresa Jackson, California State University, San Marcos
 Solinna Kim, San Francisco State University
 Rob Leong, Alliant Insurance Services, Inc.
 Amy Lightner, Alliant Insurance Services, Inc.
 Jessica Liu Tanaka, CSU Office of the Chancellor, CSURMA Accounting (*via Teleconference*)
 Mimi Long, Alliant Insurance Services, Inc.
 Nada Moeiny, CSU Office of the Chancellor, OGC
 Malinda Simao, California State University, Stanislaus
 Melissa Swanson, Cal Poly San Luis Obispo
 Darren Vaughn, Ventiv