

**MINUTES OF THE CSURMA
EXECUTIVE COMMITTEE MEETING
MARCH 21 & 22, 2013
NEWPORT BEACH, CALIFORNIA**

MEMBERS PRESENT

George V. Ashkar, CSU Office of the Chancellor, Treasurer
Kurt Borsting, Associated Students, CSU Fullerton
Dwayne Brummett, California Polytechnic State University
Lori Gentles, San Francisco State University
Linda Hawk, CSU San Marcos (Arrived 03.22.13 8:00 a.m.)
Cynthia Matson, CSU Fresno, Chair
Mary Ann Rodriguez, CSU Dominguez Hills Vice-Chair (Arrived 03.22.13 8:00 a.m.)
Michael Thorpe, CSU Chico

MEMBERS ABSENT

Tom McCarron, CSU Northridge

STAFF, GUESTS & CONSULTANTS

Kelly Cox, CSU Office of the Chancellor
Robert Eaton, CSU Financing and Treasury (Arrived 03.22.13 8:00 a.m.)
Zachary Gifford, CSU Office of the Chancellor
Jacki Graf, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc.
William Hsu, CSU Office of General Counsel (Not present 03.22.13)
Myron Leavell, Alliant Insurance Services, Inc.
Robert Leong, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.
Charlene Minnick, CSU Office of the Chancellor
Robyn Pennington, CSU Office of the Chancellor

A. CALL TO ORDER

The meeting was called to order at 2:36 p.m. by Chair, Cynthia Matson.

A.1. Approval of the Agenda

It was requested that Items C.2.d, C.3, C.4, C.5, C.6 & C.7 be removed from the Consent Calendar for further discussion.

A motion was made to remove Items C.2.d, C.3, C.4, C.5, C.6 & C.7 from the Consent Calendar as further discussion was needed.

APPROVED

Approved by Affirmation

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

B. PUBLIC COMMENTS

None.

C. CONSENT CALENDAR

C.1 Approval of Minutes – December 6 & 7, 2012

C.2.a Receipt and Review of the Draft Financial Statements at February 28, 2013

C.2.b Treasurer's Report – December 31, 2012

C.2.c Reconciliation of Property Funds and Adoption of Resolution 01-13 (EC)

A motion was made to approve the consent calendar as discussed at today's meeting.

Approved by Affirmation

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

C.2.d FY 2012/2013 Midterm Budget Adjustments and Adoption of Resolution No. 02-13 (EC)

APPROVED

Rob Leong reviewed the item with the Executive Committee. Rob stepped through the adjustments and noted the following:

1. Decrease Contributions by \$5,458,879 for IDL/NDL/UI (\$2,716,515 supplemental assessment), AIME (\$41,098 CSUEB new), OCIP (\$8,421,306 project enrollment), Club Sports (\$204,814 new).
2. Increase Contributions for Reinsurance Premiums negative revenue by \$14,756,542 due to non-renewal of Campus WC reinsurance (\$16,771,051) and 2011/12 final premium adjustment (-\$2,014,509).
3. Decrease Claims Payments & Legal Expenses by \$841,172 for projected losses paid per 2012 actuarial reports.
4. Increase Claims Administrators by \$91,909 for Campus Liability consulting, AIME and Club Sports.
5. Decrease Claims MIS by \$337,500 due to fee waiver by Sedgwick for Campus WC.
6. Increase Insurance Premiums by \$408,759 for Campus Liability (APEEL, Non-owned Aviation), Campus XWC final premium adjustment, and Club Sports.
7. Increase Program Legal by \$10,000 for AORMA UIP.
8. Decrease Workshop/Training Expenses by \$50,000 for "Fitting the Pieces Together" conference rescheduled to FY 13/14.
9. Increase Loss Control Expenses by \$18,125 for AORMA programs.
10. Increase Reinsurance Recovery negative expense by \$7,295,442 for Campus Liability and Campus WC per 2012 actuarial report.
11. Increase Dividend Distributions by \$7,504,717 for Campus Liability & Campus WC dividends payments to members.

The effect of the above budget adjustment increases planned expenditures by \$14,109,437 resulting in FY 12/13 Total Revenues of \$87,026,337; Total Expenses of \$83,376,266; and Non-operating Income of \$5,000,000. The Ending Balance at June 30, 2013 is estimated to be \$67,008,604.

A motion was made to the amendments to the FY 2012/2013 budget and to adopt Resolution 02-13 (EC).

MOTION: George Ashkar

SECOND: Michael Thorpe

MOTION CARRIED

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

D.1 Service Provider Performance Evaluations

Zachary Gifford reviewed the item with the Executive Committee. The CSU Office of Risk Management contacted all CSURMA/AORMA members requesting comments on vendor performance. The Service Provider Performance evaluation process provides CSURMA with information to address member service needs for strategic planning. The survey is designed to maintain respondent confidentiality in order to elicit candid comments. The survey was modified this year so that respondents were only asked complete the survey for those service providers that they interact with.

The following vendors were evaluated in the process:

- A-G Administrators – AIME Claims Administrator
- Alliant – CSURMA Program Administrator
- Alliant – CSURMA Insurance Brokerage/Consulting
- Alliant – Workers’ Compensation Consulting
- Alliant – Property/Crime Claims Consulting
- AON e-Solutions – WC/Liability Claims System Software
- Belfor – Property Loss Mitigation & Restoration
- CSU Office of Risk Management – CSURMA Liability Claims Administrator
- CSU Office of Risk Management – Risk Consulting
- CSU Enterprise Accounting – Accounting Services
- Equifax Workforce Solutions – Unemployment Claims Administrator
- Har-Bro – Property Loss Mitigation & Restoration
- Sedgwick CMS – CSURMA Workers’ Compensation Claims Administrator
- Workplace Answers – Campus Web-based Training

The Executive Committee reviewed results with the following standouts being noted: Martha Guiditta, formerly from Police Services, came up to speed as a Claims Administrator, mastering the work quite quickly. It was also noted that the changes in the Accounting department have brought improvements in service. Charlene Minnick, Secretary-Auditor, commended all of the vendors for their quality work product.

D.2 CSURMA FY 2013/2014 Vendor Service Fee

Cindy Matson, Chair; reviewed the item with the Executive Committee. Vendor service fees are included in the draft FY 13/14 budget which is to be approved at the May CSURMA Board of Directors meeting. The following vendors have service agreements with annual review of compensation:

- Alliant Insurance Services
- Carl Warren & Company
- Sedgwick (compensation is being negotiated as part of pending RFP)

The Executive Committee discussed the vendor service fees for the upcoming budget year.

APPROVED

A motion was made to delegate authority to the Chair and Secretary-Auditor to negotiate fees for FY 13/14.

MOTION: Dwayne Brummett **SECOND:** Michael Thorpe **MOTION CARRIED**

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

D.3 Delegation of Authority to Renew Insurance Program

Charlene Minnick reviewed the item with the Executive Committee. CSURMA's insurance and reinsurance programs renew on July 1. The Program Administrator is actively marketing the programs to ensure competitive rates and terms. Underwriting meetings are scheduled for the week of March 25, 2013 with key markets, including presentations to underwriters by the Chancellor and Executive Vice Chancellor Business & Finance/CFO.

The insurance market for CSU's risks is a global one that passes through soft and hard markets. CSU has benefitted from an extended soft market for the past several years, but a firming of the market began in 2012 and appears to be taking hold. Attached to this item was the 2012 Q4 rate survey report showing that rate increases have appeared across all commercial lines.

A motion was made delegate authority to the CSURMA Secretary-Auditor to negotiate and bind insurance renewals as appropriate and within the budgeted amounts of the FY 13/14 Budget to be adopted by the Board of Directors in at their May 10, 2013 meeting.

MOTION: George Ashkar **SECOND:** Kurt Borsting **MOTION CARRIED**

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

APPROVED

D.5 Appointment of Nominations Committee for Executive Committee Elections

The Chair of the Executive Committee discussed the appointment of the three seats up for re-election for the term beginning July 1, 2013. Seats #1 & 2 are up for re-election as this is an odd year, with Seat #4 being vacated by Thomas McCarron. Seat #4 is up for appointment by the Chair for the remainder of the term.

Michael Thorpe and Linda Hawk were appointed to the Nominating Committee by the Chair to fill one Campus Seat #4 and approve two Auxiliary seats. The Auxiliary Organizations elect their two Executive Committee representatives at their December meeting for the term beginning July 1.

The Chair appointed Mary Ann Rodriguez and Thomas McCarron to appoint Seats 1 & 2, presently occupied by Linda Hawk and Michael Thorpe, respectively; which are eligible for re-election.

A motion was made to approve the Nominating Committee as appointed to propose a slate of a candidates for the open seats.

MOTION: George Ashkar

SECOND: Lori Gentles

MOTION CARRIED

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

D.6 CAJPA Accreditation

Charlene Minnick introduced the item to the Executive Committee. This item has become a subjectivity in the recent internal Trustee's Audit performed on CSURMA. As a result, the issue is being discussed today.

CSURMA was accredited by CAJPA in the 1990's. When the workers' compensation crisis damaged California JPA balance sheets at the turn of the century, CAJPA began requiring elevated funding levels to reduce deficits. The CSURMA Executive Committee was advised that CAJPA would withhold accreditation if the CSURMA did not adopt mandatory funding requirements for the University and also establish a mandatory minimum funded reserve. At that time, the Executive Committee and University were not prepared to commit to funding requirements set by an external entity, and CSURMA withdrew from CAJPA accreditation.

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CSURMA is now fully funded in compliance with CAJPA accreditation requirements; however the question remains whether the University would want to be bound by externally imposed funding requirements. CAJPA's funding requirements are established to reduce the risk of funding deficit assessments for JPA members. The CSURMA Campus Risk Pool program is unique among JPA's in that it has only one legal entity member – the CSU, and as a result there is not a risk of the University suffering a default from another member.

Daniel Howell remarked that although CSURMA did not pursue accreditation by CAJPA, it continues to operate as though it is fully accredited.

There was extensive discussion on the CAJPA Accrediation with the following final comments:

1. Cost of the accreditation will be \$10,000 (Full accreditation)/\$5,000 (Shadow accreditation).
2. The funding requirements are excessive.
3. It requires the use of restrictive language in contracts and service agreements.
4. CSURMA has the Shadow Accreditation Audit performed.
5. CSURMA is a unique JPA with only one legal entity member.

A motion was made to not pursue CAJPA Accreditation at this time and to revisit the issue in 2014-15 to determine whether to pursue accreditation, full or shadow, in 2015-16.

MOTION: George Ashkar

SECOND: Lori Gentles

MOTION CARRIED

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

D.7 MOU between CSURMA and Chancellor's Office

Chair Matson introduced the item to the Executive Committee. The CSU University Auditor drafted a finding that CSURMA's documentation for reimbursement of certain Chancellor's Office expenses was not sufficient. While CSURMA has appropriately reimbursed the Chancellor's Office for services, it was recommended that CSURMA establish a Memorandum of Understanding (MOU) that describes the services and cost for the following:

- Services of the Office of Systemwide Risk Management and Public Safety;
- Services of the Office of General Counsel for designated litigators; and,
- Services of the Office of Financial Services.

APPROVED

There was significant discussion on this topic and specifically as to how Memoranda of Understanding would work in this case, as they are not true contracts. As this body performs its functions through actions, motions and resolutions, a question was asked if these MOU's would be legally required.

Daniel Howell commented that an MOU is more appropriate in this case. Contracts have indemnification language to protect both parties; and in this case, as CSURMA is a subsidiary entity of the CSU, this becomes unnecessary. As an aside, it was pointed out the in the CAJPA Accreditation review process, CSURMA was considered a subsidiary of the CSU, as well.

It was further remarked, that the expense for these line items is included in the annual budget that is reviewed by the Executive Committee and then adopted by the full Board of Directors.

This item was tabled to allow the Office of General Counsel to research this issue further and report their findings at the next meeting.

D.8 Specified Subject Matters in Service Agreements

Daniel Howell introduced the item to the Executive Committee. The Trustees' Auditors recently completed a review of CSURMA operations and identified a need for a policy relating to the inclusion, review and/or approval of standard terms and conditions within CSURMA's contracts with third-party service providers. The Auditors noted that certain agreements with CSURMA service providers did not expressly address some subject matters such as the disclosure of conflicts of interest.

Staff reviewed the audit findings and recommendations with the Office of General Counsel, who concluded that it is impractical to draft standard, "one size fits all" wording that would be applicable for all service agreements; instead, staff and General Counsel should be assigned the responsibility to consider each agreement, and where necessary and appropriate to require service agreements to contain provisions and terms addressing specified subject matters.

George Ashkar remarked that there are numerous internal controls in place to prevent conflicts of interest and that these items are reviewed annually by KPMG as part of their financial audit process. Further, that audit is reviewed with the Executive Committee and Board of Directors.

CSURMA's General Counsel drafted Resolution No. 03-13 (EC) for the Executive Committee's consideration regarding a process for staff including the General Counsel to require specified subject matters in its service agreements as appropriate.

General Counsel was provided direction to adjust to the language of the draft document further narrowing its scope.

A motion was made to adopt Resolution 03-13 (EC) with the proposed changes.

MOTION: George Ashkar

SECOND: Michael Thorpe

MOTION CARRIED

APPROVED

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

D.9 Claims Audit Requisitions

Rob Leong reviewed the item with the Executive Committee. The CSURMA is directed by policy & procedure to perform claims audits periodically. At its December 7, 2012 meeting, the Executive Committee delegated authority to the Secretary-Auditor to enter an engagement agreement with independent professional consultants to review and audit the performance and practices of the key third-party claim administrators for CSURMA's Liability, Athletic Injury Medical Expense (AIME), and AORMA Liability at a cost not to exceed \$20,000.

A Task Group was assigned to draft the scope of work, review the proposals and select the auditor(s). The Executive Committee appointed Mary Ann Rodriguez, Michael Thorpe, Kurt Borsting, and Dwayne Brummett to the task group.

Proposals were received from Bickmore Risk Services and Farley Consulting Services to audit the Chancellor's Office Risk Management for the self-administered Campus Liability Program and Carl Warren Co. for the AORMA Liability Program. The target date for completion of the claim audits is April 30, 2013 for Campus Liability and AIME programs, and June 30, 2013 for AORMA Liability.

The Task Group recently met via teleconference and is recommending that Bickmore Risk Services provide the audit services the Chancellor's Office Risk Management for the self-administered Campus Liability Program and Carl Warren Co. for the AORMA Liability Program. The use of one vendor for both would allow for a more even result across the reports for the two programs. Michael Thorpe remarked that the initial scope of work would review 2% of the files, whereas that number is usually closer to 10%.

Additionally, a proposal was received from Strategic Claims Direction to audit A-G Administrators for the AIME Program. Two options were provided: 1) 50 files and 2) 68 files. Option 1 was chosen as option 2 didn't offer that much larger of a sampling for review to affect the outcome of the results. Charlene Minnick commented that within those 50 claims, we specifically select those with some complexity.

Chair Matson thanked the Task Group for their efforts. She also remarked that all of the work was completed via teleconference.

APPROVED

A motion was made directing the Program Administrators to engage the service of Bickmore Risk Services and Strategic Claims Direction to conduct the claims audit services outlined above.

MOTION: Kurt Borsting

SECOND: Michael Thorpe

MOTION CARRIED

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

E.1 AORMA Programs Update

Kurt Borsting presented the AORMA Program update to the Executive Committee. The AORMA Committee reviewed and approved the 2013/14 budget. There was an increase in Alliant Loss Control costs due to a change in the base number of days of services from 50 this year to 62 days next year.

Kurt also reviewed the AORMA elections process. There are 5 seats up for election – 3 incumbent – Gigi Kiama, Guy Dalpe and Brian Nowlin and 2 open seats with Melinda Coil and Haleh Minakari being recommended for appointment. Dwayne Brummett will become Chair with Robert DeWit moving to the Vice-Chair position.

The AORMA Committee also reviewed the Service Provider Evaluations related to their programs.

E.2 Report on the 2013 AOA Annual Conference

Kurt Borsting reported that the 2013 AOA Conference held in Pasadena was a rousing success. He took the opportunity to thank Alliant for their hard work on the breakout presentations.

H.1 CSURMA 2013 Meeting Calendar

The Executive Committee reviewed the 2013 Calendar that was included in the agenda packet. There was discussion on the Fitting the Pieces Together conference dates as these would ultimately affect the CSURMA Executive Committee and Board of Directors meeting schedule.

Additionally, there was discussion on the expense cap for hotel rooms of \$175, exclusive of taxes. There are exceptions to the rule, but there must be an acceptable business reason – need,

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meeting held at a specific hotel, etc. - which will require prior authorization. Lori, Gentles, San Francisco State University, offered their new library facility as a meeting location as there is no facility use charge; the only drawback being that it is not located in downtown San Francisco.

H.2 CSURMA Executive Committee & Staff Contact List

The Executive Committee reviewed the Contact List was advised to inform the Program Administrators of any needed updates or corrections.

ADJOURNMENT on 03.21.13 @ 5:38 p.m.

RECONVENED on 03.22.13 @ 8:01 a.m.

G.1 Investment Task Force

Robert Eaton, Senior Director, Financing and Treasury, introduced the issue. The Executive Committee appointed a task group of its members to prepare an evaluation of CSURMA's investment program, and policies and procedures. The Task Group then directed staff in the development of the attached Investment Task Group Report.

In addition, the Executive Committee asked for a review of CSURMA's Member Loan policy and procedure, and proposed revisions to that document are included in the task group report since member loans are a part of CSURMA's asset portfolio. Kelly Cox remarked that loans are for financial or risk mitigation purposes only. CSURMA attempts to provide the most flexibility to use as a loan source, but should be "port of last resort" for shortest term possible, a maximum 5 year term, with the possibility of a 5-year extension. George Ashkar added that all CSURMA loans are reviewed and approved by Executive Vice Chancellor Quillian.

The report outlines the investment vehicles accessible by CSURMA for the various funds depending on desired liquidity. Guidelines are provided for acceptable types of instruments, credit quality, performance benchmarks and investment authority are also provided in the report. Also included in the report, is a draft of an expanded CSURMA Investment Policy.

It was determined that all loan requests should come through the Executive Committee for review as should any requests for extension or modification of the loan agreement. George Ashkar remarked that although we have these tightly drawn parameters they are very closely monitored for adherence. Additionally, loan fund balances are reported to the Executive Committee and the Board of Directors in the financial statements presented at each regular meeting.

Robert Eaton further reported that CSURMA uses a professional investment manager to manage diversification of the portfolio, which the Investment Policy addresses in broad terms.

APPROVED

Staff was directed to make the requested changes to the Master Investment Policy and Member Loan Policy & Procedure for presentation to the Board of Directors at their May meeting.

A motion was made directing staff to modify the Master Investment Policy and Member Loan Policy & Procedure as discussed including language that specifies that the Executive Committee shall serve as the Investment Committee.

MOTION: Mary Ann Rodriguez **SECOND:** Linda Hawk

MOTION CARRIED

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk	X			
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez	X			
Michael Thorpe	X			

D.4 Recommendation of Approval of the FY 2013/2014 Operating Budget

Rob Leong reviewed the proposed operating budget with the Executive Committee. In light of the recently completed Trustees' Audit, the Executive Committee has requested additional detail on some of the line items. As a result, the Executive Committee will hold a Budget Review Meeting on May 9, 2013 at 4 PM to finalize their discussion and take action as needed.

No action was taken at this time.

G.3 Campus Pooled Program Funding Status

Rob Leong reviewed the item with the Executive Committee. 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, 2013. It was reported that there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures. Additionally, there will be approximately \$15m in fund reserves, with 50% of that available to consider a release of dividends to the members.

G.4 On-Line Training and Learning Management Systems

Zachary Gifford introduced Robin Ennis, System Wide Professional Development and David Kervella, System Wide Professional Development, who offered a presentation on the efficiencies of online training and how the Learning Management System utilizing the SkillSoft platform assists in compliance and consistency of training systemwide. As an example, Defensive Driving Training was rolled to over 70% drivers who drove more than once per month – that equates

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6,640 users who completed 8,681 hours of training at 4 cents per seat, making this a very cost effective solution.

C.7 Selection of Workers' Compensation Program TPA

Zachary Gifford reviewed the item with the Executive Committee. CSURMA engages the services of a third party claims administrator (TPA) to handle workers' compensation claims for the Campus WC Risk Pool and the AORMA WC Program. The Chancellor's Office Department of Procurement assisted staff in conducting a request for proposals (RFP) process for services and five proposals were received and reviewed.

Two firms, Sedgwick and York were selected for oral interviews which were conducted on February 26, 2013. Sedgwick is the highest ranked bidder by the CSURMA WC RFP Task Group. The Task Group included the following: Dwayne Brummett, AORMA Committee Vice Chair; Lori Gentles, CSURMA EC Committee Member; Michael Thorpe, CSURMA EC Committee Member; and Zachary Gifford, Associate Director, Systemwide Risk Management. The Task Group ranked all the proposers using scoring criteria developed with the assistance of the Chancellor's Office Department of Procurement.

A motion was made to delegate authority to the CSURMA Chair and CSURMA Secretary-Auditor to negotiate and execute a service agreement with the highest ranked bidder, Sedgwick, as described in the RFP.

MOTION: Mary Ann Rodriguez **SECOND:** Dwayne Brummett **MOTION CARRIED**

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk	X			
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez	X			
Michael Thorpe	X			

C.3 SAS 70 Policy & Procedure

Daniel Howell reviewed the item with the Executive Committee. The CSU University Auditor has drafted a finding that CSURMA should define when a Statement on Auditing Standards No. 70 Servicing Organizations (SAS 70) report is required from a CSURMA servicing organization and how that report will be handled by CSURMA.

The Program Administrator has prepared the attached policy and procedure that requires a SAS 70 report from all CSURMA's claims administrators expected to handle more than \$5 million of

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claims in a specific year. The Chancellor's Office has been specifically exempted from the requirement to provide a SAS 70 report.

There was discussion on the audit finding, as it would be beyond the skillset of the CSURMA staff to evaluate sufficiency of a provided SAS 70 report and; may require additional reporting from vendors, and in some cases incur additional costs.

This item has been tabled to the May 9-10 Executive Committee meeting.

No action was taken at this time.

C.4 Adoption of CSURMA Travel Policy & Procedure

Chair Matson reviewed the item with the Executive Committee. The CSURMA has had a practice of reimbursing travel expenses of campus and Chancellor Office personnel participating in committee meetings and other program related travel. The attached policy and procedure documents the CSURMA requirements for reimbursement of travel expenses. The AORMA Committee has a separate travel reimbursement policy and procedure before it that takes into account auxiliary organization processes.

A motion was made to adopt the CSURMA Travel Policy & Procedure as presented.

MOTION: George Ashkar

SECOND: Michael Thorpe

MOTION CARRIED

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk	X			
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez	X			
Michael Thorpe	X			

C.5 CSURMA Board of Directors Participation, Executive Committee Nominations, and Elections

Daniel Howell reviewed the item with the Executive Committee. CSURMA is governed by its Board of Directors which has 30 votes held by the University and 10 votes held by the auxiliary organization members. The auxiliary organization members have had a formal policy and procedure for election of the Auxiliary Organization Committee which holds their 10 Board votes. The University Auditor has drafted a finding that CSURMA adopt a written policy and procedure for participation on the Board of Directors and Executive Committee.

APPROVED

Staff has prepared the attached draft policy and procedure for discussion at today's meeting, which memorializes the process.

A motion was made to adopt the Board of Directors Participation, Executive Committee Nominations, and Elections Policy & Procedure.

MOTION: George Ashkar

SECOND: Lori Gentles

MOTION CARRIED

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk	X			
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez	X			
Michael Thorpe	X			

C.6 Campus Risk Pool Claims Settlement Authority Policy & Procedure

Daniel Howell reviewed the item with the Executive Committee. CSURMA operates insured and self-insured coverage programs. For insured programs the insurance company processes claims and pays the covered amount. For self-insured programs, covered claims are paid by CSURMA up to CSURMA's retained limit. The University Auditor has drafted a finding that CSURMA needs better documentation of claims settlement process and authorities for campus pooled programs. The AORMA programs have their own Claims Settle Policy & Procedure.

The Program Administrator has prepared the attached Policy and Procedure to address the finding raised by the University Auditor. This policy & procedure only addresses settlement authority, not settlement agreement.

A motion was made to adopt the Campus Risk Pool Claims Settlement Authority Policy & Procedure with the noted edits.

MOTION: Michael Thorpe

SECOND: Linda Hawk

MOTION CARRIED

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk	X			
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez	X			

Michael Thorpe	X			
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G.2 Review of 2012/2013 Long Range Action Plan

Rob Leong reviewed the 2012/2013 Long Range Action Plan with the Executive Committee.

- LRP – 1 Club Sports launched.
- LRP – 2 Completed
- LRP – 3 Proprietary - CHANGE - Development of Web-Based LMS Content Ongoing
- LRP – 4 Risk Management Innovation Funding
- LRP – 5 Completed
- LRP – 6 Completed
- LRP – 7 Completed
- LRP – 8 HR will do presentation. Need to form committee
- LRP – 9 Deferred per Charlene Minnick due to new Chancellor with desire for Enterprise Risk Management component
- LRP -10 George Ashkar putting together Request for Proposal based on this week’s Trustees’ meeting, Extended KPMG contract for one year; previously \$53k annually, now \$48 k - 10% reduction in cost; FY 13-14 cycle on new contract
- LRP – 11 Presentation this morning
- LRP – 12 Move forward
- LRP – 13 In development Charlene Minnick - Due Diligence
- LRP – 14
- LRP – 15 REMOVED - Tobacco-Free not Smoking

G.5 Development of CSURMA Goals for next 1 to 3 years

Daniel Howell introduced the item to the Executive Committee. Discussion on FY 13/14 Long Range Action Plan goals included:

- Use of Alternative Medicines CO
- Website Enhancements
- Student Property and Liability coverage - Like Renters’ Insurance
- EQ - AORMA kick over to CPDC. This is more of business continuity issue /ERM
- Service Animals - Certified for ADA accommodation. Is the raising of service animals appropriate on campus?
- Wild Animals - Consistency of Policy systemwide
- Pedestrian Paths - Bicycles and Skateboards
- Review of CSURMA P & P’s - Freshen all and review 2-3 each meeting
- Theatre and Arena Safety Program
- Minors on Campus Best Practices Training (Lori Gentles - Involve HRO's)
- International Inbound Student - Adult to Minor ratio
- ARM / RM Training - If we don’t train it becomes a claim.....
- How To Apply for Risk Innovation Grant

APPROVED

I. Adjournment

The meeting adjourned at 11:45 a.m.

A motion was made to adjourn the meeting.