

**MINUTES OF THE  
CSURMA EXECUTIVE COMMITTEE MEETING**

**SEPTEMBER 8, 2017**

**ALLIANT INSURANCE SERVICES**

**2180 HARVARD STREET, SUITE 460 • SACRAMENTO, CA**

**8:30 AM**

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**MEMBERS PRESENT**

Scott Apel, California State University Long Beach  
Dwayne Brummett (AORMA Vice-Chair), Associated Students, Inc. at San Luis Obispo  
Lisa Chavez (Vice-Chair), California State University Los Angeles  
Thom Davis, California State University, Bakersfield  
Robert Eaton (Treasurer), California State University, Office of the Chancellor (*via Teleconference*)  
Mike Lee (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**

None

**STAFF, GUESTS & CONSULTANTS**

Patricia Daniels, Sedgwick CMS  
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor  
Daniel Howell - Alliant Insurance Services, Inc.  
William Hsu, CSURMA General Counsel, CSU Office of the Chancellor (*via Teleconference*)  
Sedong John, CSU Office of the Chancellor, CSURMA Accounting (*via Teleconference*)  
Alice Kim, CSU Office of the Chancellor, CSURMA Accounting (*via Teleconference*)  
Rob Leong - Alliant Insurance Services, Inc.  
Mimi Long - Alliant Insurance Services, Inc.  
Jessica Liu, CSU Office of the Chancellor, CSURMA Accounting (*via Teleconference*)

**A. CALL TO ORDER**

The meeting was called to order by the Chair, Mike Lee at 8:32 AM. Robert Eaton states his desire to abstain from voting on all items, unless specifically stated otherwise.

**A1. Approval of the Agenda**

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

Motion: Kevin Saunders / Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**A2. Introduction of Nada Moeiny, Co-General Counsel for CSURMA**

William Hsu noted that Nada Moeiny could not join the meeting. Hsu advised that Moeiny has been appointed Co-General Counsel for CSURMA to work with Hsu.

**B. PUBLIC COMMENTS**

There were no comments from members of the public.

**C. CONSENT CALENDAR**

**C1. Approval of Minutes – May 7, 2017**

**C2. Adoption of CSURMA Executive Committee and Board of Directors 2018 Meeting Calendar**

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

Motion: Jody VanLeuven / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

Daniel Howell noted that the December 8, 2017 meeting may be cancelled as the Executive Committee usually has a meeting in January during the AOA Annual Conference.

**D. GENERAL ADMINISTRATION**

**D1a. Financial Report: Receipt and Review of the Draft Financial Statements at June 30, 2017**

The Committee reviewed the Draft Financial Statements at June 30, 2017. The \$1.8 in accounts receivable was questioned. Alice Kim noted that this reflects the payments due in the first quarter of FY 17/18. All accounts payable are current. Kim notes that the financial audit is expected to be completed on September 18<sup>th</sup>.

A motion was made to accept the Draft Financial Statement at June 30, 2017.

Motion: Frank Mumford / Second: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D1b. Financial Report: Treasurer’s Report at June 30, 2017**

The Committee reviewed the Quarterly Investment Report for April 1, 2017 to June 30, 2017. Robert Eaton points out that during this period, the excess insurers had been paid but payments from the members had not been posted yet, so the investable assets were lower but still within an acceptable threshold.

A motion was made to accept the Treasurer’s Report at June 30, 2017.

Motion: Frank Mumford / Second: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
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Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D2. Insurance Renewals Report**

The Committee reviewed the insurance renewal summary report prepared by Rob Leong. Daniel Howell provided a summary of the FY 17/18 insurance renewals.

**D3. Actuarial Reports for Liability, Workers’ Compensation, and Athletic Injury Medical Expense Programs**

Rob Leong provided a summary of the actuarial reports. The workers’ compensation loss rate is leveling out for FY 18/19 at \$.83 which is up from \$.81. The loss frequency is down; however, the loss severity is up. This is most likely due to increases in medical costs. The estimated liability loss rate per FTE student is up slightly, from \$30.91 to \$31.53. In contrast to the workers’ compensation program, the Liability Program severity is down and frequency is up. The AIME projected loss rate has climbed slightly from \$453 to \$466 per athlete driven by medical expenses.

A motion was made to accept actuarial reports.

Motion: Lisa Chavez / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D4. FY 2018/19 Rates and Gross Funding Campus Coverage Programs**

Rob Leong summarized the FY 18/19 proposed gross funding as show in the table below.

**Campus Coverage Programs  
FY 2018/19 Proposed Gross Funding**

	FY 2017/18 Actual	FY 18/19 Proposed	\$ Chg	% Chg
Liability	\$ 15,707,457	\$ 16,173,148	\$ 465,691	3.0%
Workers Compensation	36,337,621	38,837,384	2,499,763	6.9%
IDL, NDI, UI	15,000,000	15,500,000	500,000	3.3%
Property	8,250,000	8,450,000	200,000	2.4%
AIME	4,506,330	4,660,547	154,217	3.4%
Auto Liability	829,510	772,833	(56,677)	-6.8%
<b>Total</b>	<b>\$ 80,630,918</b>	<b>\$ 84,393,912</b>	<b>\$ 3,762,994</b>	<b>4.7%</b>

Liability: Undiscounted basis for FY 17/18 and FY 18/19.

Workers' Compensation: Discounted basis for FY 17/18 and FY 18/19.

Calculations of the recommended funding for the Campus Coverage programs are in accordance with the policies and procedures and rating plans adopted and approved by the Board of Directors. CSURMA employs an independent actuary, Aon Risk Consultants, to project claim costs for its General / Errors & Omissions Liability, Workers' Compensation and Athletic Injury Medical Expense coverage programs. The actuary's reports dated August 9, 2017 were used to calculate funding proposals for FY 2018/19.

A motion was made to recommend acceptance of the proposed gross funding for FY 2018/19 as presented in the table above to the Board of Directors.

Motion: Frank Mumford / Second: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D5. Campus Risk Pools Funding Status at June 30, 2017 and Evaluation of Potential Campus Risk Pool Dividends and Assessments**

Rob Leong provided an overview of the funding status of the liability, workers’ compensation and AIME programs. The Committee noted that outstanding liabilities within the AIME program exceed its assets. Leong noted that according to CSURMA Policy and Procedure No. 14, the Executive Committee evaluates and approves dividends and assessments for the Campus Risk Pools. The practice has been to declare a dividend of up to fifty percent (50%) of unencumbered program funds where available and an assessment to cover existing and anticipated funding shortfalls for funds that have a negative fund balance.

Because the AIME program has a deficit, the Committee discussed assessing the program \$500,000 which should make up the funding shortfall over the next two years. The assessment will follow the AIME deposit allocation formula. The liability and workers’ compensation dividends and assessments can be shown on the same invoice/check and can be handled internally by CSURMA as a transfer of funds from one program to another. The Committee notes that Staff should review the AIME rates and recommend an increase. Also, Staff should provide direction to HSR that all student athletes are to file claims first with their own primary care insurers and that AIME will respond after that coverage is exhausted. Currently, the athletes are not required to show proof that they have sought benefits through their own primary care providers.

A motion was made to approve an AIME program assessment of \$500,000 to be treated internally as a transfer of funds from the Liability Risk Pool.

Motion: Kevin Saunders / Second: Thom Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

A motion was made to approve a dividend of \$7,027,608 of which \$3,722,665 is to be distributed from the Campus Workers’ Compensation fund, and \$3,304,943 from the Campus Liability fund.

Motion: Thom Davis / Second: Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

Item D6 was moved to later in the day as it is a time certain presentation.

**D7. Campus Liability Risk Pool - Memorandum of Coverage**

As summarized by Mimi Long, the Campus Liability Coverage Risk Pool Memorandum of Coverage (MOC) has been revised as follows:

1. The Unmanned Aerial Vehicle coverage has been deleted. Separate stand-alone coverage for the CSU’s (including Auxiliary Organizations) owned, leased and borrowed drones has been purchased. Coverage has a \$50,000,000 per occurrence limit and no deductible.
2. The definition of Media Wrongful Act was expanded to be as broad as what is currently available in the standard market.

This change will slightly broaden coverage provided within Media Wrongful Acts which may result in additional costs.

The elimination of the drone coverage would eliminate claim costs within the pooled layer. The total cost of the stand-alone drone policy is \$150,000. 68% or \$102,000 has been allocated to the Campus members as part of the Liability Risk Pool Program costs.

Staff completed a coverage comparison of Media Wrongful Act coverage from AIG, AXIS Pro and Federal Insurance (CHUBB). Based on that comparison, Staff recommends the revisions shown on the MOC in order to expand coverage to be as broad as coverage available in the commercial marketplace.

A motion was made to approve the revisions to the Memorandum of Coverage, with additional amendments.

Motion: Frank Mumford / Second: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D8. Office of General Counsel E-Billing Platform in E-Counsel**

As explained by Zachary Gifford, OGC has requested funding from CSURMA for the implementation of the eBilling platform which is a component of eCounsel. OGC estimates that the eBilling service will save up to 15% of legal fees annually and as such CSURMA benefits directly from the service. The implementation cost would be \$53,005 if eBillings is able integrate with CSURMA’s accounts payable. The annual license fee is \$17,500.

OGC is requesting CSURMA to fund the implementation costs of a maximum of \$53,005 and OGC would cover the annual license fee of \$17,500.

Gifford agreed to provide a savings report at a future meeting.

A motion was made to approve the eBillings service and approve the total cost of up to \$53,005 to be funded by CSURMA.

Motion: Kevin Saunders / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D9. Liability Claims Administration Audit Results**

Zachary Gifford summarized the audit report. The Executive Committee engaged Dennis Mitchell of Bickmore Risk Servicers (BRS) to conduct a performance review of its claims administrators for Campus Liability Program (Chancellor’s Office) and AORMA Liability Program (Carl Warren and Company). The review was performed in June and the Auditor has submitted draft reports of its findings and recommendations for review at today’s meeting.

BRS performed the last claim audits for Campus Liability and AORMA Liability in 2015. To ensure consistency of review, the Executive Committee authorized the Secretary-Auditor to engage BRS as claims auditor for 2017. The claims audit for AIME has been deferred to 2018, due to the change of its TPA service provider.

In accordance with Policy and Procedure No. 5, it is the policy of CSURMA that its third-party claims administrators (TPAs) are to be audited on a periodic basis to ensure that the Authority is receiving high quality services. Further, it is CSURMA’s procedure that the audits are performed biennially such that Campus Liability, Campus Worker’s Compensation, AIME, and AORMA Liability occur in odd-numbered calendar years; and AORMA Workers’ Compensation occurs in even-numbered calendar years.

A motion was made to accept the Campus and AORMA Liability Claims Administration Audit Reports and defer the AIME audit to 2018.

Motion: Frank Mumford / Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D10. Workers’ Compensation Claims Administration Service Performance Audit**

Zachary summarized the audit report. CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers’ Compensation Risk Pool claims. Pursuant to CSURMA Policy and Procedure No. 5, a regular performance audit is performed to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements outlined in the

Service Agreement between CSURMA and Sedgwick CMS. A service performance audit for 2017 was completed by Jacki Graf, CSURMA’s Senior Workers’ Compensation Claims Consultant in June and July of 2017. The Committee reviewed the draft report which indicates Sedgwick continues to perform at a high level.

CSU is permissibly uninsured for Workers’ Compensation. An agreement between CSURMA and Sedgwick CMS for Workers’ Compensation claims administration contains performance standards required by CSURMA and associated compliance measurement for each party. This report represents the sixth biennial audit conducted of Sedgwick CMS since the inception of the agreement.

A motion was made to accept the Campus Workers’ Compensation Claims Administration Audit Reports.

Motion: Frank Mumford / Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D11. State of California Restricted Travel**

Daniel Howell reminded the Committee that CSURMA adopted a travel policy that says that CSURMA travelers follow the travel requirements of their organization. The State of California has eliminated travel to certain states and CSURMA follows this restriction.

**D12. CSURMA Loan Request from California Polytechnic State University, San Luis Obispo**

Robert Eaton summarized the member loan request from Cal Poly, San Luis Obispo. Cal Poly has requested a loan to provide cash flow for the Fremont hillside remediation and stability effort. The loan amount proposed is not to exceed \$5,000,000. The proposed loan would include a five-year payback term and the interest would be calculated in arrears, based on CSURMA’s foregone interest. Eaton supports this loan request as it has a risk mitigation aspect. The total loss is currently valued at between \$10 and \$12 Million.

The proposed loan would change CSURMA non-current assets from invested funds to member loans. Member loans include an interest rate intended to maintain CSURMA’s return on investment rate. The Committee reviewed the current outstanding loans.

A motion was made to approve the proposed Cal Poly, San Luis Obispo loan request of \$5,000,000 for a five-year term.

Motion: Frank Mumford / Second: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D13. Owner Controlled Insurance Program (OCIP) Renewal**

Daniel Howell noted that the Owner Controlled Insurance Program (OCIP) was launched in 2012 in collaboration with the Chancellor’s Office Capital Planning Design and Construction (CPDC). The initial program had a five-year term. The Committee reviewed the presentation which was presented to the CABO group. Howell noted that the OCIP has created savings which can be documented. Generally construction defects manifest in six to eight years after construction and it is expected the OCIP will show more value in that period.

Campuses raised concerns about the OCIP and CPDC has worked with Alliant to develop an improvement plan. In particular, the initial OCIP costs have created cash flow problems for projects. A solution has been discussed and CSURMA may be able to fund the premium and then seek reimbursement when the project receives funding. The Committee reiterated the importance of addressing the other issues as well, which are noted below:

1. Administrative burden on campus project teams
2. CPDC not fully equipped to administer the OCIP program
3. Initial project costs for premiums create a cash flow problem for projects
4. Concerns around whether financial benefits exceeds administrative burden
5. OCIP loss rate is hovering near rate charged to campuses
6. Difficulty in coordinating between OCIP, Builders Risk and Property policy claims
7. Confusion over drug testing program
8. Negative overall impression of OCIP program at the campus level

A motion was made to delegate authority to Vi San Juan, Assistant Vice Chancellor of CPDC, and Robert Eaton, CSURMA Treasurer, to renew the current OCIP for an additional five years upon receipt of an acceptable renewal proposal.

Motion: Frank Mumford / Second: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D14. Campus Workers' Compensation Program Aggregate Stop Loss Coverage Status (PARCEL)**

Rob Leong explained that CSURMA purchased an Aggregate Stop Loss insurance policy known as the Pool Aggregate Retention Casualty Excess Loss (PARCEL) from Safety National Casualty Company in FY 09/10. It caps the Campus Workers' Compensation risk pool's claims liabilities to a maximum of \$101,000,000 for the term July 1, 2002 to June 30, 2008. PARCEL is triggered after paid losses reach \$101,000,000. The payout from PARCEL is a maximum of \$16,000,000. At June 30, 2017, the total paid for the PARCEL time period is \$95,520,096 and the total incurred is \$101,977,757. If the payouts continue to trend at a 2% to 3% increase each year, Staff anticipates PARCEL will be triggered in two years.

**D15. CSURMA Support for CSU Campus Implementation of UC Risk and Safety Solutions Software Modules**

Zachary Gifford discussed the University of California Risk and Safety Solutions (RSS) a software and service provider that has developed products tailored to higher education and healthcare providers. Historically, RSS was only available to the UC; however, now these products and services are available outside of the UC. Systemwide Risk Management and Campus EH&S Leadership have identified the RSS services to be a valuable offerings and have been working to develop a master services agreement by which campuses could obtain discounted access to the various safety training and monitoring modules. The following has been negotiated for the CSU:

- Campuses would elect to participate in this non-mandatory Software as a Service Licensing under a CSURMA master enabling agreement.

- CSURMA would support implementation at up to seven campuses per year at a one-time cost to CSURMA of \$20,000 per campus for implementation.
- Campuses will have a free one-year trial of one module, additional modules and renewals will be available at 60% of UC RSS’s list price.
- CSURMA would serve as the single point of billing contact for RSS and then bill the campuses.

A few CSU campuses are already in the process of implementing UC RSS products and services and RSS has agreed to honor the discounted pricing offered to CSU retroactive to current year implementations and licensing.

CSURMA has a budget item for the campus grant program and staff proposes that this budget item be increased to allow for the RSS master enabling agreement at a cost not to exceed \$140,000 for FY 17/18. This would allow seven campuses to implement annually.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to execute the proposed agreements and memoranda of understanding subject to CSURMA General Counsel final approval and take action to establish a budget not to exceed \$140,000 for FY 17/18 for implementation at up to seven campuses.

Motion: Lisa Chavez / Second: Thom Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D16. Development of CSURMA Earthquake Coverage Program**

Daniel Howell provided an overview of the Parametric Earthquake Coverage proposal. Staff has been working with Swiss Re on a proposal that uses a shake intensity trigger rather than per structure percentage of damage deductible.

The benefits of the Parametric EQ coverage is that it provides a quick payout, usually within two to three weeks after the earthquake. It’s a simple claims process; coverage is triggered based on the amount of shaking rather than the physical loss sustained. It also provides coverage for losses not covered by FEMA, such as loss of business revenue and increased expenses following the

earthquake. It also supports the CSU’s effort to satisfy FEMA’s requirement that earthquake insurance be purchased after receiving FEMA allocations.

After receiving a payout under this coverage, the CSU would allocate the funds based on each Campus’s and Auxiliary’s total insurable values in the area of the earthquake. The policy limit is \$25,000,000 for three years and the estimated premium is \$1,625,000.

The Committee members reviewed the provision within the proposal that states, at a subsequent point in time, CSU must attest that the losses and expenses are greater than the payout received from the policy.

A motion was made to delegate authority to the CSURMA Treasurer and Secretary-Auditor to bind coverage upon review and approval of the CSU Senior Executive Vice Chancellor, Stephen Relyea with a report to the Board of Directors at their October 27, 2017 meeting.

Motion: Jody Van Leuven / Second: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D17. Workers’ Compensation Benchmarking Initiative**

The Committee reviewed the CWCI charts and Zachary Gifford provided detailed information. No action was taken; this item was for information only.

**D6. Presentation of Workers’ Compensation Stewardship Report \*\* Time Certain 11:00 AM \*\***

Patricia Daniels from Sedgwick, CSU’s workers’ compensation claims administrator, provided an overview of their workers’ compensation stewardship report. Based on the information provided, Zachary Gifford will put together a high level CABO presentation discussing the benefits of pursuing workers’ compensation claims settlements. The total open claims has decreased every year since FY 13/14. Daniels discussed the increase in cash flow for FY 17/18 due to a significant increase in C&R settlements.

**D18. Auxiliary Organizations Employee Benefits Program**

Daniel Howell stated that the Auxiliary Organizations Association (AOA) has a joint marketing employee benefits program, referred to as the “AOA Benefits User Group” (AOA BUG) consisting of representatives from participating organizations. The AOA BUG conducted an insurance brokerage services RFP in Spring 2017 and selected Alliant Insurance Services as the program’s insurance broker. One of the strategies the program may take is to join the CSAC Excess Insurance Authority’s benefits program via CSURMA. And, the AOA BUG has indicated it may seek to become a standing committee of the AORMA program.

The cost of an employee benefits insurance program would be allocated to the participating members as a part of the AORMA program budget.

A motion was made to accept that recommendation that the Executive Committee consider the report of the AORMA representatives and take action to recommendation to the CSURMA Board of Directors at their October 27, 2017 meeting that the AORMA Committee be authorized to form a new employee benefits program and a program oversight standing committee.

Motion: Kevin Saunders / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D19. Development of Student Health Insurance Program and UC SHIP**

As explained by Daniel Howell, the CSU has a history of offering student health insurance directed to incoming international students. Because the CSU does not have a “hard waiver” directing domestic students to buy coverage, there have only been a handful of domestic students buying coverage. With this year’s renewals, the insurance markets refused to offer coverage to domestic students due to adverse selection resulting in high claims levels. The resulting cancellation created concerns about how CSU can best serve the student population’s need for student health insurance. For FY 17/18, the majority of campuses are referring domestic students to Covered California.

In the past, CSU’s Systemwide Risk Management office has had discussions with the University of California about the potential for CSU to participate in the UC’s Student Health Insurance

Program (SHIP) for the incoming international student population. UC’s administrators of the SHIP expressed interest provided CSU’s campuses came in as a group. Participation would require delivery to UC SHIP of census and claim information maintained by the current insurers via the current retail brokers, which has been problematic to obtain.

The Committee agreed that this item needs to be elevated to the CABO members as well as Steve Relyea for future action.

**D20. Campus Workers’ Compensation Experience Modification Task Group**

Rob Leong explained that the Campus WC X-Mod Task Group met on July 19, 2017 to review the Experience Rating methodology currently in use for the Campus Workers’ Compensation program, and to recommend refinements to the formula as it deems appropriate and fair for all campus members. Staff developed several alternative methods to address the concern of some members that large settlements adversely impact their X-Mods. Following that meeting, Staff drafted and the task group approved the written report which recommends no change to the current X-Mod calculation factors.

A motion was made to accept the task group’s recommendation regarding the Campus WC X-Mod calculation method, and to take no further action.

Motion: Frank Mumford / Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		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 on the recent activities of the AORMA Committee.

**E2. AIME Programs Update**

Jody Van Leuven reported that the AIME Committee had not met since the last EC meeting and therefore no program update was provided.

**F. CLOSED SESSION**

- F1. Sargent v. Sonoma State University**
- F2. Benjamin v. Sonoma State University**
- F3. San Francisco State University Science Building Coverage Claim**
- F4. Humboldt State University CalPERS Appeal**
- F5. Apodaca v. California State University, San Marcos**
- F6. Hoffman v. San Francisco State University**
- F7. Mandel v. San Francisco State University**

A motion was made to enter closed session at 11:40 AM.

Motion: Kevin Saunders / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

The Committee came out of closed session 12:14 PM. The Chair reported that action was taken on Sargent v. Sonoma State University and Hoffman v. San Francisco State University.

**G. INFORMATION ITEMS**

- G1. Review of FY 2017/2018 Long Range Planning Goals**
- G2. CSURMA Administrative Service Calendar**
- G3. 2017 CSURMA Meeting Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

**H. ADJOURNMENT**

The meeting was adjourned at 12:17 PM.