

**MINUTES OF THE CSURMA AORMA
COMMITTEE LONG RANGE PLANNING MEETING**

SEPTEMBER 11, 2013

**CSU OFFICE OF THE CHANCELLOR
Munitz Room, 401 Golden Shore, Long Beach, CA**

10:00 AM

MEMBERS PRESENT

Dwayne Brummett, Associated Students, Cal Poly San Luis Obispo
Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach
Patricia Worley, Associated Students Inc., Sacramento State University
Frank Mumford, CSU Fullerton Auxiliary Services Corporation, CSU Fullerton
Gigi Kiama, University Corporation, CSU Monterey Bay
Guy Dalpe, Cesar Chaves Student Center, San Francisco State University
Leslie Davis, University Union Operation of CSUS, Inc., Sacramento State University
Keith Kompsi, Fresno Association, Inc., CSU Fresno
Brian Nowlin, CSULB Foundation, CSU Long Beach
Melinda Coil, San Diego State University Research Foundation
Haleh Minakary, The Cal Poly Pomona Foundation, Inc., CSU Pomona

MEMBER ABSENT

Kurt Borsting, Associated Students, Inc., CSU Fullerton

STAFF, GUESTS AND CONSULTANTS

Daniel Howell, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.
Tevea Him, Alliant Insurance Services, Inc.
Kevin Bibler, Alliant Insurance Services, Inc. (10:06 AM to 10:40 AM via teleconference)

A. CALL TO ORDER

The meeting was called to order by the Chair, Dwayne Brummett at 10:06 AM.

B. PUBLIC COMMENTS

There were no public comments.

C. GENERAL ADMINISTRATION

C1. Introduction of New Committee Members

Committee members and staff introduced themselves. Dwayne Brummett introduced and welcomed Haleh Minakary, General Business Manager of The Cal Poly Pomona Foundation, Inc. and Melinda Coil, Chief Financial Officer of San Diego State University Research Foundation to the AORMA Committee.

The Chair requested that the committee allow him to change the order of the agenda to accommodate Kevin Bibler's schedule.

C6. Target Surplus Funding and Dividend Calculation

Kevin Bibler presented the pool layer funding and dividend calculation report. AORMA has adopted the following three surplus ratio standards:

1. Gross Premium to Surplus Ratio – at least 1.5 to 1: (Surplus should be at least 66% of the premium for the upcoming FY 13/14.) Should there be any inaccuracies in the pricing, it is desirable to have adequate surplus to borrow against.
2. Surplus to Pool Retention Ratio > 5-10 to 1: Should AORMA have multiple significant losses in the same year, it is desirable to have between five and ten times the retention.
3. Outstanding Reserves to Surplus Ratio - at least 1.5 to 1: (Surplus should be at least 66% of the reserve amounts for all open claims.) Should there be any inaccuracies in the reserve amounts for open claims, it is desirable to have adequate surplus to borrow against.

Kevin compared the **liability** program surplus against the three surplus ratios above. The highest minimum surplus ratio is the Premium Surplus Ratio of \$2,224,460. According AORMA's policy and procedure, at least \$2,224,460 should remain in the liability program as surplus. At June 30, 2013, the liability program has surplus of \$5,189,145; therefore, the maximum dividend available would be \$2,964,685.

Kevin also compared the **workers' compensation** program surplus against the three surplus ratios above. The highest minimum surplus ratio is the Premium Surplus Ratio of \$2,557,835. According AORMA's policy and procedure, at least \$2,557,835 should remain in the workers' compensation program as surplus. At June 30, 2013, the workers' compensation program has surplus of \$5,119,614; therefore, the maximum dividend available would be \$2,561,779.

Daniel Howell explained that a confidence level is the statistical estimate that an actuary believes funding will be sufficient. For example, an 80% confidence level means the actuary believes funding will be sufficient in eight years out of ten. Confidence levels are determined based on mathematical models. Coverages that are low frequency and high severity (such as excess liability) are subject to greater risk margin than coverages that are high frequency and low severity. Therefore, a pool with volatile losses needs a greater risk margin to attain a given confidence level. As shown on the target surplus funding analysis, the 80% confidence level risk margin for the liability program is 1.350, whereas the workers' compensation is 1.250. This demonstrates that the liability losses are not as stable as the workers' compensation losses.

The target surplus funding analysis report also predicts how the pool's surplus would grow should the committee choose to return 100%, 50% and 33% of the maximum dividend available. Kevin recommended returning 33% of the maximum dividend for both programs.

Daniel Howell noted that it is important to decide what members value more, a lower premium at inception of the coverage term or avoidance of an assessment with the possibility of a larger dividend being returned at the close of the coverage term.

Kevin Bibler stated that the committee should view the dividend as unrelated to the funding. Once a dividend is declared, the committee should decide if the program's surplus needs to be increased or if too much surplus is being retained. Keith Kompsi feels it's important to discuss the current liability and workers' compensation surplus. He felt AORMA is retaining too much surplus and that the goal of the higher confidence level funding should not be to accumulate additional surplus to be returned in the form of a dividend, but to instead collect additional surplus as required to keep the program financially solvent. He believes the members would rather have their money now to use as opposed to waiting to receive it back in the form of a dividend.

The action on this item was scheduled for the following day's business meeting.

C7. Estimated Pool Layer Funding Exhibit

The committee reviewed the estimated fund balance exhibits for both the liability and workers' compensation programs. The reports show a comparison of the program assets, outstanding liabilities and estimated fund balance at 6/30/12 and 6/30/13. The committee also reviewed a seven year comparison report showing the estimated fund balance, maximum dividends available and dividends declared within the liability program.

C2. 2014 AOA Conference Sessions

The committee reviewed the list of the AOA sessions that were assigned to CSURMA AORMA.

1. Electronic Signatures, Waivers and Files. When to Waiver and When to Not, including Risk Assessment for Ropes Courses, Rock Walls, Bouncy Houses, Zip Lines, Campus Carnivals, Off-Campus Activities, 15 Passenger Vans, Pre-Trip Orientations, Student Conduct Expectations, etc. (Zach Gifford, Daniel Howell and attorney TBD)
2. Best Practices for Protecting Minors on Campus (Praesidium)
3. Managing the Risk of Serious Injuries in Collegiate Sports (CSU Trainer TBD)
4. AORMA Breakfast Presentation (Dwayne Brummett)

Mimi also mentioned that Dennis Walsh has been asked to give his "Who Wants to be an EPL Millionaire" presentation and Angie Hansen will give a Unemployment Insurance presentation.

Dennis has asked to have his travel expenses paid for by CSURMA AORMA. Mimi will ask for the AORMA Committee's approval of paying expenses at the committee's next meeting.

Alliant is working on finalizing the contract with Praesidium for prevention and management of child sexual abuse in higher education. The draft contract includes one webinar, three regional trainings for campus leadership, a presentation at Fitting the Pieces Together Conference and a presentation at the 2014 AOA Annual Conference. It also includes on-line training for 8,000 users who will have access to three courses each. The committee is more interested in receiving best practices and/or policies and procedures to help them complete their own policy related to minors on campus. Mimi let the committee know that Praesidium has asked for a room at the AOA conference for hour long consulting sessions. Space may not be available. Mimi is waiting to hear back from Fred Neely. Mimi will work with Praesidium to revise the proposed contract to eliminate on-line training and add consulting services.

C3. AORMA Quarterly Liability Claim Reviews

Mimi explained that the AORMA Chair and Vice Chair will be meeting with Carl Warren Staff, CSURMA JPA Program Administration Staff and CSU Chancellors Office Staff on a quarterly basis and will be reviewing all large (incurred amounts in excess of \$25,000) open claims and all Employment Practices claims with the purpose of;

1. Establishing "lessons learned" that can be brought to the entire AORMA membership
2. Establishing a timeline for action
3. Reviewing Carl Warren's strategy, timeline and reserve amounts
4. Reviewing Carl Warren's watch list write up and recommending revisions as appropriate

The lessons learned from the Employment Practices Liability (EPL) claims will be received from defense counsel after final resolution of the claim. Staff will redact all confidential information and format into a Lessons Learned AORMA Bulletin to be sent to all auxiliary organization HR directors. The EPL lessons learned will also be added to the AORMA EPL lessons learned presentation which will be presented as requested.

The lessons learned from "other than EPL" claims will be received from defense counsel when appropriate. Staff will redact all confidential information and format into a Lessons Learned AORMA Bulletin to be sent to all auxiliary organization executive directors.

The AORMA committee felt that the lessons learned from ELP claims should go to both the HR directors and the executive directors, who will then be responsible for distributing the lessons learned information to their own staff as appropriate.

C4. CSU Auxiliary Organization Visit Schedule 2014

Mimi Long, Daniel Howell, and Robert Leong were assigned the Long Range Goal of visiting all of the AORMA members within the FY 12/13 term. Most of the auxiliaries were visited.

During the AORMA Officers Retreat, it was suggested that an auxiliary visit rotation schedule should be set up so that each auxiliary is visited at least every two years. Staff prepared a visit rotation schedule. It is anticipated that this will be used as a suggested visit schedule. Staff will commit to visiting at least half of the campuses in any one year. The campuses visited may change from what is on the visit schedule.

The following auxiliaries still need to be visited and appointments will be arranged for 2013 or early 2014:

1. Bakersfield
2. Humboldt
3. Los Angeles
4. San Bernardino
5. Stanislaus
6. Northridge

Daniel suggested that the AORMA committee members may want to participate in the campus visits. The MSLCTC will be asked to review the idea of including an AORMA committee member in the campus visits.

C5. Employment Practices Liability Deductible for FY 14/15

Daniel Howell explained that Employment Practices Liabilities (EPL) losses continue to be AORMA's number one loss leader. As a way to reduce EPL loss costs, the AORMA committee approved changes to Policy & Procedure L-7, which mandated higher EPL deductibles for those auxiliary organizations with a frequency of EPL claims. Effective July 1, 2013, five auxiliary organizations were subject to the mandated higher EPL deductible.

Staff completed the minimum EPL deductible calculation for FY 14/15. Ten auxiliary organizations are now subject to a higher EPL deductible based on the draft calculation. According to Policy & Procedure L-7, the Programs Committee is responsible for approving the EPL deductible calculation. Before the Programs Committee approves the EPL deductible calculation for FY 14/15, Staff is suggesting that the minimum EPL deductible formula be revised so that the minimum EPL deductible can only increase one level at a time. The EPL deductible levels are \$25,000, \$50,000, \$75,000 and \$100,000. As an example, if the calculation requires that the member increase its EPL deductible from \$25,000 to \$100,000, the member's EPL deductible would increase to \$50,000 the first year; \$75,000 the second year and \$100,000 the third year. By increasing the EPL deductible one step at a time, this allows the member to budget for the increased EPL deductible slowly over time.

If the member has requested to increase its deductible above the minimum deductible, the one step increase does not apply. The rationale for this decision is that the one step approach is to help with budgeting only. If the member has already agreed to increase its deductible above the minimum then it has already budgeted for a larger EPL deductible.

Staff also suggested that this one step change would apply retroactively to the FY 13/14 policy term.

Staff will bring to the next meeting a sample letter regarding the FY 14/15 minimum EPL deductible, a sample letter regarding the retroactive change to the FY 13/14 minimum EPL deductible and recommended revisions to Policy & Procedure L-7 which would limit the minimum EPL increase to one step each year.

A motion was made to direct staff to bring to the next meeting a sample letter regarding the FY 14/15 minimum EPL deductible, a sample letter regarding the retroactive change to the FY 13/14 minimum EPL deductible and proposed revisions to Policy & Procedure L-7 which would limit the minimum EPL increase to one deductible increase each year.

MOTION: Guy Dalpe
SECOND: Brian Nowlin

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford	X			
Gigi Kiama	X			
Guy Dalpe		X		
Keith Kompsi		X		
Leslie Davis	X			
Melinda Coil		X		
Haleh Minakary	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Pat Worley - Alternate				
Kurt Borsting - Alternate				X

C8. September Update Letter

Mimi explained that during the AORMA Officers Retreat in July, 2013, it was suggested that a letter be sent to all of the auxiliary organization executive directors which summarizes the decisions made by the AORMA committee during the September meetings. During the September meetings, the committee will approve the FY 14/15 funding level for all of the AORMA programs with a shared risk layer. The committee will also approve a dividend. This letter will provide the executive directors with insight as to the committee's decisions.

The AORMA committee suggested that the letter include in bold print that the letter is being distributed to the executive director only and that he/she should forward it to auxiliary staff as appropriate.

C9. AORMA Historical Premium Payments, Dividends and Loss Ratios report

The committee reviewed the historical program premiums, dividends and loss ratios report.

C10. AORMA Officers' Retreat Recap

Mimi Long gave a verbal recap of the 2013 AORMA Officer's Retreat Meeting held in Monterey, CA on July 10th and 11th, 2013. Some of the items discussed:

- Minors on campus
- EPL cost containment
- Rolodex updates for electronic communications
- Student health insurance
- Create a few AORMA smartphone apps
- Create six-year (or more) comparison of the 80% target surplus funding. Document dividend approved and funds remaining in the liab pool.
- Send out a letter in September that explains the approved funding for the new fiscal year and explain why certain decisions were made regarding dividend distribution, increased funding, etc.
- Ask Dennis Miller to discuss the idea of a short-term disability program at the AOA HR committee meeting. Ascertain interest and pursue creation of a program if viable.
- Can we create website banners that announce the latest developments within CSURMA AORMA.
- Create a formula for UEI so that the one year spike in UI claims is not included within their five year average annual claim total.
- Contact RF's for staff member within the sponsored programs administration department who may be candidates to join the AORMA Committee or standing committees.
- Color code the EPL Deductible Schedule to document which auxiliaries choose a deductible higher than their minimum and document the three year requirement to maintain that deductible.
- FY 14/15 Property Rating Plan – review a deductible option of 1% of the building's TIV, with a minimum of \$5,000 and a maximum of \$50,000.
- FY 14/15 Crime Rating Plan – review expenditure. Exclude expenses for costs paid to another AO.

It was suggested that Staff include a copy of the AORMA rolodex on the website, so that members will know which auxiliary staff members are receiving AORMA communications.

C11. Review of FY 12/13 AORMA Long Range Action Plan

The Committee reviewed the current FY 12/13 AORMA Long Range Action Plan and noted that the below items are still outstanding. Mimi let the committee know that all of the open items will be discussed in detail at today's meeting.

1. Campus Visits - There are five campus visits outstanding
2. Property & Crime Programs Rating Methodology for 14/15 term – This will be discussed today
3. Risk Reduction Incentive Grant Program for FY 13/14 – This will be discussed today. Daniel Howell suggested keeping this on the FY 14/15 to update the policy and procedure to include a better description of the grant criteria.
4. On-Line Safety Training – This will be discussed today.

C12. Review of Property Program Rating Methodology for FY 14/15

Guy Dalpe explained that the programs committee met on several occasions over an eight month period where the current property allocation formula was reviewed and revised as required. Revising the allocation formula was a challenge due to the difference in auxiliary size. A change in one allocation factor which positively affected one member had an adverse effect on another. After reviewing many different allocation formulas, the programs committee is presenting the final FY 14/15 property program allocation formula for final approval.

Mimi Long explained the individual allocation factors that are included in the revised allocation formula.

Basic Rates - The property allocation uses two rates – one for real property and business interruption / rents and the other for personal property. The personal property rate is 20% higher than the real property rate. These rates will change each year depending on the total program funding requirement.

The programs committee added the split rate because in the standard commercial market, personal property rates are generally higher due to loss frequency. The current FY 13/14 allocation formula utilized one basic rate.

Size Credits – The property allocation includes a maximum size credit of 30%. Each member is assigned a size credit percentage which is based on their basic premium compared to a maximum premium of \$600,000. Only one member receives the total 30% credit. The size credit allows the largest members to receive rate relief. In the standard insurance marketplace, rates are commensurate with total insurable value (TIV) size. The larger your TIV, the lower your rate if your losses are low. Overall, AORMA receives a lower rate due its size; therefore, the smaller members are still benefiting from a pool size credit. The FY 13/14 allocation formula does not include a size credit.

Collared Rates - The rate collars will change every year, until no collars are necessary. The current property allocation uses collars of .90 and 1.25. These same rate collars are included in the current FY 13/14 allocation formula.

Loss Rating – The new allocation utilizes the same loss rating surcharges that are included on the current FY 13/14 allocation formula.

Deductibles – All members will have a \$5,000 deductible for personal property. The real property and business interruption / rents deductible will be 1% of the TIV, with a minimum of \$5,000 and maximum of \$50,000.

Determining the deductibles was the biggest challenge in finalizing the property allocation formula. The deductible credits for the different sized members didn't always make sense. It was agreed by the programs committee that a "one size fits all" deductible credit just wouldn't work. Deductible options also were problematic because a change to one member's premium impacts the premium of the remaining members. The programs committee looked at an allocation formula which would set a minimum deductible based on TIV size. This was again problematic because the programs committee could not find a deductible credit that was substantial enough to off-set the higher mandatory deductible. During the AORMA officers retreat, it was suggested that the allocation formula include a \$5,000 deductible for personal property and a 1% of the TIV for real and business interruption / rents, with a minimum of \$5,000 and maximum of \$50,000. The programs committee agreed that this option was the most equitable for the members. The programs committee wanted to avoid underwriter subjectivity in the allocation formula and wanted to instead rely of an allocation formula that works for all of the members.

Minimum Premium – The minimum premium for FY 14/15 will remain at \$600.

Mimi noted that the following factors within the allocation formula will be reviewed annually by the programs committee and revised as appropriate:

1. Basic rate
2. Size credit maximum premium
3. Size credit percentage
4. Minimum and maximum collars
5. Minimum premium

C13. Review of Crime Program Rating Methodology for FY 14/15

Guy Dalpe explained that the programs committee met on several separate occasions over an eight month period where the current crime allocation formula was reviewed and revised as required. Revising the allocation formula was a challenge due to the fact that some auxiliary organizations have no employees and therefore no payroll. The programs committee needed to

overcome this obstacle by creating an allocation formula that was based on payroll, but also included an allocation factor for those members with no payroll.

Mimi Long explained the individual allocation factors that are included within the revised allocation formula.

Basic Rates – All members are assigned a basic rate which is multiplied by the member’s total estimated payroll to establish the base premium.

Size Credit – A size credit is applied to the base premium which allows the largest members to receive rate relief. Overall, AORMA receives a lower rate due to its size; therefore, the smaller members are still benefiting from an overall AORMA pool size credit. The maximum size credit is 30%. Each member is assigned a size credit percentage which is based on their basic premium compared to the maximum premium of \$10,000.

Collared Rates – Rate collars are included as follows and will change every year, until no collars are necessary:

- Minimum premium collar – 85% of the previous year’s premium
- Maximum premium collar – 145% of the previous year’s premium

The rate collars are significantly higher than on the property program. That is because the total crime premium is considerably lower compared to the property program and the actual dollar increase, if any, is not as substantial.

Loss Rating –The new allocation utilizes the same loss rating surcharges as currently being used on the FY 13/14 crime allocation formula.

Minimum Premiums – The most significant change in this allocation formula is the setting of a minimum premium based on the auxiliary’s total expenditures. In prior years, the premium was based on total expenditures plus total number of employees. This meant that members with employees were being allocated too high a percentage of the total premium.

In prior years, the premium for some members was less than \$10. Last year the minimum premium was increased to \$100. For FY 14/15 the lowest minimum premium will be \$564.

The minimum premiums have been established based on the member’s total expenditures. Because the minimum premiums now include a flat admin fee, the minimum premiums were reduced. As a way to gauge the appropriate minimum premium size for a member without payroll, the members were grouped together based on expenditure size. A median premium was established for each expenditure range and the minimum premium was set accordingly.

The AORMA officers reviewed the draft allocation formula during their retreat and suggested that the expenses for services purchased by one member from another member should be

excluded from the total expenditures. The programs committee discussed the officers' suggested changes, but did not include the suggestions in the allocation formula. Total expenditures is used in the allocation formula as a way to set the minimum premium for those members who have no employees. Because, all of the members with no employees would have similar expenditure exclusion for contract services, the basic exposure would remain the same. Therefore, the programs committee instead reviewed the minimum premiums to determine if the amounts were still viable.

Admin Costs – The JPA program administration cost is now being divided evenly to each member. The committee members' rational for this change was that, unlike the other AORMA insurance programs, the larger members within the crime program do not create a higher administrative burden and therefore should not be charged more than the smaller members.

Deductible – All members will have a \$5,000 deductible. The programs committee decided to delete the higher \$10,000 deductible option because crime losses are infrequent and having a \$10,000 deductible option isn't reducing the overall program losses and therefore, it was felt that a premium reduction for a higher deductible did not benefit the pool.

C14. Risk Reduction Matching Grant Program Awards for FY 13/14

Mimi explained that the MSLCTC met on August 26, 2013, to review the Risk Reduction Matching Grant Incentive Program applications and to award the grants as appropriate. The MSLCTC reviewed all of the grant applications and awarded a grant to those projects which were found to be appropriate and consistent with the program's focus. The focus of the FY 13/14 Program was prevention of workers' compensation losses within class code 1007 – manual labor, with an emphasis on (1) lifting and carrying, and (2) slip, trip and fall.

Bearing in mind the purpose and the focus of the Risk Reduction Matching Grant Incentive Program, the MSLCTC awarded only three grants. The MSLCTC made three decisions during its meeting that affected most of the potential grant awards.

1. All auxiliary organizations are responsible to provide their staff with a certain amount of standard safety training and those costs should be assumed by the auxiliary organization as a part of their standard operating expenses.
2. All facilities required upkeep and maintenance and the grant should not provide assistance for standard facility maintenance or for replacement of old or worn out equipment.
3. The grant would not be awarded if the project was outside the FY 13/14 program focus of prevention of workers' compensation losses within class code 1007 – manual labor, with an emphasis on (1) lifting and carrying, and (2) slip, trip and fall.

Two auxiliaries received \$1,000 grants for the purchase of back belts and one auxiliary received a grant for the purchase of a hydraulic lift and a chair and table dolly. Two other auxiliaries requested grants for replacement of catering tables and chairs. The MSLCTC did not approve

the grant for replacement of the heavy table and chairs but instead will request that the auxiliaries submit revised grant applications for table and/or chair dollies instead.

The MSLCTC was interested in possibly creating Shoes for Crews program where all auxiliary organizations could participate.

Dwayne and Mimi are finalizing the award letter. Daniel suggested that an explanation as to why the grant criteria changed should be included in the letter.

C15. On-Line Safety Training through SkillSoft

Mimi Long explained that AORMA currently has a contract with TargetSolutions for online training. All 23 campuses have now successfully moved over to SkillSoft and LawRoom for their online training. It has been suggested that the auxiliaries may benefit from utilizing the same online training platform as the campuses. SkillSoft and LawRoom have proposed a 50 seats / two month promotional offer for AORMA to review the online training platform. David Kervella, the CSU Senior Director for Systemwide Professional Development, Human Resources will need to design an access hub for those auxiliary employees that do not work within the PeopleSoft network. Once that is complete, the AORMA members can begin previewing the platform.

Daniel Howell noted that the auxiliaries will lose the ability to upload training which is a current feature of the TargetSolution's platform.

C16. Review and Revisions to the Liability Program Rating Methodology for FY 15/16

Mimi Long is suggesting that a review of the liability program allocation formula be added to the FY 13/14 long range action plan. Currently, the formula is based on ISO rating and Alliant employs a liability underwriter (Phil Lendaris) who reviews the liability allocation annually. Phil has retired but continues to work with Alliant on a contract basis. Staff would like to thoroughly review the liability allocation formula to see if a standard formula can be used to allocate the premium rather than using underwriter subjectivity. At the end of the liability allocation formula project, staff may find that a "one size fits all" formula doesn't work on the liability program and may recommend the need to retain a liability underwriter. The committee agreed to add the project to the FY 13/14 long range action plan.

C17. Creation of a Long-Term Safety Technology Plan

The committee discussed the creation of a smartphone application in the next item.

C18. Creation of AORMA Smartphone Applications

Mimi explained that the MSLCTC met on August 26th and suggested a claims reporting application. The committee was especially concerned with AORMA's on-time claims reporting within the workers' compensation program. The committee would like to see a smartphone

application created that includes instructions on what to do when a workers' compensation injury occurs. Many of the AORMA workers' compensation members are small organizations and may experience workers' compensation claims with such an infrequency that they may not know what to do when an employee is hurt on the job. The application could provide information on where the claims are to be reported and where the injured worker should go for first aid or medical treatment. The application could also include fillable workers' compensation claim forms that can be completed directly by the supervisor and the injured employee.

The AORMA committee liked the idea of a claims reporting application and expanded on the idea by including an incident reporting feature, i.e., who do you contact if there is a fire or you are in an auto accident. The app could allow the driver to take a picture of an auto accident and the app would include an address to send the picture and report the accident.

C19. Review of all Workers' Compensation Policies and Procedures

Mimi Long explained that staff put together an AORMA policy and procedure review schedule which will be presented at tomorrow's meeting for approval. The workers' compensation policies and procedures haven't been reviewed recently. Staff suggested that a review of all of the workers' compensation policies and procedures be added to the FY 13/14 long range action plan.

C20. Completion of the AORMA Service Calendar

Mimi Long explained that staff has created the AORMA Service Calendar. This calendar includes all of the AORMA activities that occur on a regular basis as documented in AORMA's policies and procedures, contracts or meeting minutes. This calendar will be kept up-to-date and will be included in each agenda packet. The service calendar will be presented for approval at tomorrow meeting.

C21. CSU Student Health Insurance

Daniel Howell explained that the CSURMA Board of Directors has approved the development of a Student Health Insurance Program (SHIP). CSURMA staff attempted to gather the underwriting information necessary to evaluate options but was stymied by efforts of the incumbent broker. The Chancellor has requested that the Executive Vice Chancellor Business and Finance/CFO evaluate the student health program called MHECare offered by the Western Interstate Compact for Higher Education (WICHE) in association with the Midwest Higher Education Compact (MHEC).

CSU's students are offered healthcare coverage through a variety of plans and providers. Each campus makes its own arrangements and the administration of the plan may be handled by the campus or an auxiliary organization. There is no systemwide insurance brokerage agreement or appointment. Over a decade ago, the Systemwide Office of Risk Management assisted many campuses in obtaining coverage through a firm now owned by Wells Fargo Insurance Services.

With the implementation of the Affordable Care Act, the domestic CSU students have mostly left the program since they could extend coverage under their parent's plans until age 26. Effective January 1, 2014, many students will benefit from subsidized coverage offered under the California Health Benefits Exchange, called "Covered California." Incoming foreign national students will not be eligible for subsidized coverage through Covered California. For academic year 2012-13 there were approximately 1,000 domestic students and 10,000 international students covered under campus/auxiliary organization offered plans.

There are expected benefits to a systemwide approach to marketing student health coverage. Currently, most campus plans are placed with Anthem. MHECare is placed with United Healthcare. Another competitive provider would likely be Aetna. More information will be available in ninety days.

C22. Discussion of AORMA's Continuity Plan

Mimi Long explained that this is the time of year when the committee discusses what type of representation is desired on the AORMA committee. The committee discussed participation goals and possible candidates for the AORMA committee.

The committee directed staff to send a letter to the executive directors soliciting recommendations for committee members.

C23. CSU and UC Mutual Indemnity Agreement

Mimi Long explained that an agreement was made between the California State University (CSU) and the University of California (UC) to utilize standard indemnification and insurance language when entering into an agreement that does not involve high hazard risk activities, such as agreements for use of facilities, student activities, grants and projects. The goal was to eliminate unnecessary negotiations and paperwork associated with such agreements. Agreements that involve high risk activities may require different insurance and indemnification language. CSU and UC did adopt, and currently utilize the standard indemnification and insurance language; however, the CSU auxiliary organizations were never asked to adopt the same language. The 2002 indemnification and insurance language is currently being updated by CSU Systemwide Risk Management. The proposal is for all CSU auxiliary organizations with UC agreement to adopt the recommended indemnification and insurance language. Daniel noted that the CSU / UC agreement is the default agreement and applies unless a different agreement is executed.

Staff was directed to maintain a list on the CSURMA website of those auxiliary organizations who have adopted the CSU / UC mutual indemnity agreement.

A motion was made to direct staff to individualize the agreement for each auxiliary organization that contracts with the UC and to forward it to the auxiliary organization for approval by its board.

MOTION: Frank Mumford

SECOND: Keith Kompsi

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford	X			
Gigi Kiama	X			
Guy Dalpe	X			
Keith Kompsi	X			
Leslie Davis	X			
Melinda Coil	X			
Haleh Minakary	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Pat Worley - Alternate				
Kurt Borsting – Alternate				X

C24. Development of the Long Range Action Plan for FY 13/14

Mimi Long summarized the long range action plan for FY 13/14:

1. Continued review of on-line safety training options
2. Review of the liability program allocation formula
3. Development and implementation of the first AORMA smartphone application
4. Review of all of the workers' compensation policies and procedures
5. Finalize the risk reduction grant qualifications

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

MOTION: Frank Mumford

SECOND: Keith Kompsi

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford	X			
Gigi Kiama	X			



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

APPROVED

Guy Dalpe	X			
Keith Kompsi	X			
Leslie Davis	X			
Melinda Coil	X			
Haleh Minakary	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Pat Worley - Alternate				
Kurt Borsting – Alternate				X