

**MINUTES OF THE CSURMA  
EXECUTIVE COMMITTEE MEETING  
MARCH 20, 2014  
NEWPORT BEACH, CALIFORNIA**

**MEMBERS PRESENT**

Lisa Chavez, CSU Los Angeles (arrived 3:20PM)  
 Robert DeWit, CSU Long Beach  
 Lori Gentles, CSU Fullerton  
 Linda Hawk, CSU San Marcos, Vice-Chair  
 Mike Lee, Sacramento State University  
 Cynthia Teniente-Matson, CSU Fresno, Chair (via teleconference)  
 Michael Thorpe, CSU Chico

**MEMBERS ABSENT**

George V. Ashkar, CSU Office of the Chancellor, Treasurer  
 Dwayne Brummett, California Polytechnic State University

**STAFF, GUESTS & CONSULTANTS**

Kelly Cox, CSU Office of the Chancellor  
 Robert Eaton, CSU Office of the Chancellor, Secretary-Auditor  
 Zachary Gifford, CSU Office of the Chancellor  
 Daniel Howell, Alliant Insurance Services, Inc.  
 William Hsu, CSU Office of General Counsel  
 Myron Leavell, Alliant Insurance Services, Inc.  
 Robert Leong, Alliant Insurance Services, Inc.  
 Mimi Long, Alliant Insurance Services, Inc.

**A. CALL TO ORDER**

The meeting was called to order by Vice-Chair, Linda Hawk at 2:32 p.m.

**A.1. Approval of the Agenda**

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

**MOTION:** Mike Lee                      **SECOND:** Lori Gentles                      **MOTION CARRIED**

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Dwayne Brummett				<b>X</b>
Lisa Chavez				<b>X</b>

**APPROVED**

Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Ming Tung (Mike) Lee	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**B. PUBLIC COMMENTS - None**

**C. CONSENT CALENDAR**

**C.1 Approval of Minutes – January 12, 2014**

**C.2 Receipt and Review of the Draft Financial Statements at December 31, 2013**

**C.3 FY 2013/2014 Midterm Budget Amendments and Adoption of Resolution No. 02-14 (EC)**

A motion was made to approve the items on the consent calendar as discussed at today's meeting with the noted corrections to the meeting minutes of January 12, 2014.

**MOTION:** Michael Thorpe      **SECOND:** Robert De Wit      **MOTION CARRIED**

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
George Ashkar				<b>X</b>
Dwayne Brummett				<b>X</b>
Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Ming Tung (Mike) Lee	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**D. GENERAL ADMINISTRATION**

**D.1 Chancellor's Office Services Budget Proposal for FY 2014/15**

CSURMA engages and reimburses the CSU Chancellor's Office for services provided by Enterprise Accounting, Office of General Counsel, and Systemwide Risk Management in support of CSURMA's programs. Kelly Cox reviewed the Financial Services MOU with the Executive Committee. Robert Eaton explained the reduction in Risk Management, which includes Public Safety as a placeholder while it is being moved under Internal Audit. Willy Hsu provided a written explanation for Office of General Counsel's services. Risk Management is a direct charge to CSURMA while Financial Services and the Office of General Counsel are on a flat rate basis billed quarterly.

The table below summarizes the cost of services provided:

<b>Service Provider</b>	<b>FY 2012/13</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>
Financial Services	\$325,000	\$325,000	\$325,000
Office of General Counsel	327,360	338,000	366,514
Risk Management	769,398	792,480	715,000
Public Safety	213,660	220,070	220,000
<b>TOTAL:</b>	<b>\$1,635,418</b>	<b>\$1,675,550</b>	<b>\$1,626,514</b>

A motion was made to approve the memoranda of understanding and to delegate authority to the Chair to execute the documents.

**MOTION:** Mike Lee                      **SECOND:** Michael Thorpe                      **MOTION CARRIED**

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
George Ashkar				<b>X</b>
Dwayne Brummett				<b>X</b>
Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Ming Tung (Mike) Lee	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**D.2 CSU International Programs FTIP Renewal and Funding**

Daniel Howell reviewed this item with the Executive Committee. In 2012, CSURMA was selected by the Chancellor’s Office International Programs (IP) to provide the Foreign Travel Insurance Program product to students participating in the IP. The change resulted in broader coverage for the travelers and ensured that the IP travelers would be covered under the University’s foreign liability program. IP’s cost for the enhanced insurance was approved to be absorbed in the Campus Risk Pool Liability Fund where the campus FTIP program is funded. Over the past year, the IP FTIP experienced two large medical evacuation claims and an increase in routine medical utilization which resulted in a premium increase for the 2014/15 policy period.

The Program Administrator proposed the following action:

- Direct the CSURMA Accountant to fund the existing program deficit with a transfer from the Campus Risk Pool Liability Fund as originally anticipated – a charge of \$72,440.
- Increase the IP student travel insurance cost to \$225 for FY 2014/15 travel, which will result in an estimated charge of \$82,250 to the Campus Risk Pool Liability Fund for FY 2014/15.

- Increase the IP student travel insurance cost to \$275 for FY 2015/2016 which should be close to break even if claims history returns to historical average and utilization is managed.

A motion was made to approve and implement the above plan to offset the existing liabilities.

**MOTION:** Michael Thorpe      **SECOND:** Robert De Wit      **MOTION CARRIED**

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Dwayne Brummett				<b>X</b>
Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Ming Tung (Mike) Lee	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

### **D.3. Delegation of Authority to Renew Insurance Program**

Daniel Howell reviewed this item with the Executive Committee. The Program Administrator is actively marketing the programs to ensure competitive rates and terms. Underwriting meetings are scheduled for the week of March 31, 2014 with key insurers, including presentations to underwriters by the Chancellor and the Acting Deputy Assistant Vice Chancellor Financing and Treasury/Risk Management.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to negotiate and bind insurance renewals as appropriate within the budgeted amounts planned for FY 14/15, and to be adopted by the Board of Directors at their May 9, 2013 meeting.

**MOTION:** Cynthia Teniente-Matson      **SECOND:** Mike Lee      **MOTION CARRIED**

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Dwayne Brummett				<b>X</b>
Lisa Chavez	<b>X</b>			
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Ming Tung (Mike) Lee	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

### **D.4 Recommendation for Approval of the FY 2014/2015 Operating Budget**

Robert Leong reviewed the item with the Executive Committee. The FY 2014/15 operating budget is to be approved by the Board of Directors at its May 9, 2014 meeting. The Chancellor's Office and the Program Administrators worked together to develop a draft FY 2014/15 budget for the Executive Committee's review.

AORMA separately develops a budget for its coverage programs. The AORMA Committee will meet on May 8, 2014 to finalize its proposed budget for FY 2014/15 and will make a recommendation to the Executive Committee to include its budget in the CSURMA operating budget for adoption by the Board of Directors.

The proposed operating budget would develop Total Contributions of \$94,821,327; Total Operating Expenses of \$78,801,806; and Total Non-Operating Revenues of \$5,000,000; generating excess revenue to expenses of \$20,029,521 in projected additions to reserves. *The preceding does not include projected Dividend Distributions during FY 2014/15, which, if any, will increase expenditures and decrease fund reserves.*

There was discussion on the reduction of the Interest Income line item from \$5 Million to \$2.5 Million for FY 2014/15.

A motion was made to recommend the draft FY 2014/15 Budget to the Board of Directors for adoption at their May 9, 2014 meeting reflecting the change in investment income as described above.

**MOTION:** Mike Lee

**SECOND:** Lisa Chavez

**MOTION CARRIED**

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Dwayne Brummett				<b>X</b>
Lisa Chavez	<b>X</b>			
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Ming Tung (Mike) Lee	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**D.5 FY 2014/15 Premium Deposits**

Rob Leong reviewed the item with the Executive Committee. The Board of Directors adopted preliminary rates and funding for FY 2014/15 Campus Risk Pools on November 6, 2013 subject to costs for certain pools being finalized. Subsequently, the Program Administrators prepared FY 2014/15 draft calculations using the final actuarial reports dated September 18, 2013 for Liability and Workers' Compensation, for AIME on November 4, 2013, projected claim trends for IDL/NDL/UI and Property, and latest indication from ORIM for Auto Liability. The Executive Committee was asked to review the recalculated rates and recommend adoption by the Board of Directors at the Board's meeting on May 9, 2014.

The following table summarizes total program costs:

**Campus Coverage Programs Funding Comparison**

	<b>FY 13/14 Adopted</b>	<b>FY 14/15 Proposed</b>	<b>FY 14/15 Revised</b>	<b>\$ Chg from FY 13/14</b>	<b>% Chg from FY 13/14</b>
Liability	\$13,670,600	\$14,217,698	\$14,384,185	\$713,585	5.2%
Workers' Comp	29,448,933	34,752,679	33,196,159	3,747,226	12.7%
IDL NDI UI	13,500,000	13,500,000	12,500,000	(1,000,000)	-7.4%
Property	9,500,000	9,500,000	9,000,000	(500,000)	-5.3%
AIME	2,932,489	2,932,489	3,577,749	645,260	22.0%
Auto Liability	648,727	648,727	688,468	39,741	6.1%
<b>Total</b>	<b>\$69,700,749</b>	<b>\$75,551,593</b>	<b>\$73,346,561</b>	<b>\$3,645,812</b>	<b>5.2%</b>

Chair Teniente-Matson asked that we send the premium deposit information to CABO for their review as some members will see increases over the original projections.

A motion was made to recommend the FY 2014/15 Program Funding as summarized above to the Board of Directors for adoption at their May 9, 2014 meeting.

**MOTION:** Mike Lee                      **SECOND:** Lisa Chavez                      **MOTION CARRIED**

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Dwayne Brummett				<b>X</b>
Lisa Chavez	<b>X</b>			
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Ming Tung (Mike) Lee	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**D.6 Report of Nominating Committee on Executive Committee Elections**

Michael Thorpe reviewed the item with the Executive Committee. Regular elections of members are conducted pursuant to Policy and Procedure No. 18 – Board of Directors Participation and Executive Committee Nominations and Elections Process. Members of the Executive Committee serve two year terms, with half the seats up for election in odd-numbered years, and half in even-numbered years.

There are four seats are up for election at the May 9, 2014 Board of Directors meeting:

- Chair, incumbent Cynthia Teniente-Matson

- Vice Chair, incumbent Linda Hawk
- Seat 3, incumbent Lori Gentles
- Seat 4, incumbent Mike Lee

At the January meeting, the Chair appointed a nominating committee of George Ashkar, Lisa Chavez and Michael Thorpe.

All those eligible for reelection have agreed to continue to serve.

**D.7 Proposed Revision to Policy & Procedure 5 – Claims Audits**

Robert Leong reviewed the item with the Executive Committee. CSURMA established Policy & Procedure No. 5 outlining the purpose and schedule for the periodic review of the service performance of its claims administrators. The proposed revisions serve to clarify the audit schedules for Campus and AORMA Risk Pools.

Performance audits were completed in Calendar Year 2013 for Campus Liability, Campus Workers’ Compensation, Campus AIME, and AORMA Liability. An audit of AORMA Workers’ Compensation is scheduled for 2014 and is currently in progress.

A motion was made to accept the revisions to Policy & Procedure 5 – Claims Audits.

**MOTION:** Lisa Chavez                      **SECOND:** Lori Gentles                      **MOTION CARRIED**

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
George Ashkar				<b>X</b>
Dwayne Brummett				<b>X</b>
Lisa Chavez	<b>X</b>			
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Ming Tung (Mike) Lee	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**D.8 Status of Form 700 Filings**

Myron Leavell reviewed the item with the Executive Committee. The Fair Political Practices Commission (FPPC) is the state agency responsible for issuing the Statement of Economic Interests, Form 700, and for interpreting the law’s provisions.

Annually, in late January, the Program Administrator begins the process of transmitting Form 700 documents to the membership via email. There is schedule of reminders in place to be sure that all forms are returned to the Program Administrators, who then in turn forwards them to the FPPC for permanent filing. The completed forms are due to the FPPC no later than April 2, 2014.

No action was taken at this time.

**D.9 Minors on Campus Training**

Daniel Howell reviewed the item with the Executive Committee. At the January 2014 meeting, the Executive Committee delegated authority to the Secretary-Auditor to execute the Praesidium, Inc. contract for services with a presentation to CABO for its support. Additionally, staff is reaching out to Human Resource Officers for their support as well.

An update is expected at the May 9 Executive Committee meeting.

No action was taken at this time.

**D.10 Cyber Risk Insurable Exposure Project**

Daniel Howell reviewed this item with the Executive Committee. CSURMA’s insurance program includes \$5 million of coverage for Cyber Risks. Coverage includes protection for loss of personal information, privacy notifications, copyright infringement, data and systems restoration, and claim response services. In meetings with underwriters last Fall, the Chancellor asked staff to initiate a project to evaluate CSU’s exposures and potential for loss so that the coverage program can be tailored to meet CSU’s needs.

The cost of the project is expected to be less than \$15,000 and is included in the FY 13/14 mid-year budget amendments.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to negotiate and execute an engagement agreement for the proposed Cyber Risks Exposure Evaluation Project at a cost not to exceed \$15,000.

**MOTION:** Cynthia Teniente-Matson **SECOND:** Mike Lee **MOTION CARRIED**

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Dwayne Brummett				<b>X</b>
Lisa Chavez	<b>X</b>			
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Ming Tung (Mike) Lee	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS**

**E.1 AORMA Programs Update**

Robert De Wit, AORMA Vice-Chair was in attendance at the meeting and provided the following highlights from the AORMA meeting earlier today:

- Revisions to several Policies and Procedures.
- Adjustment of the Loss Control Services Contract to allow for additional safety days.
- Amendments of the Property and Crime Program Memoranda of Coverage.
- Review of slate of nominees for the AORMA Committee.
- Expansion of Risk Management Innovation Grant criteria.

**E.2 Report on the 2014 AOA Annual Conference**

Robert De Wit, AORMA Vice-Chair was in attendance at the meeting and presented the following highlights from the AOA Annual Conference:

- The highest attendance of any conference to date
- AORMA's breakout sessions were well attended

**F. CLOSED SESSION**

**F.1 The Board of Trustees of the California State University vs. Schools Excess Liability Fund**

**F.2 Pending Litigation pursuant to Government Code section 11126 (e)(2)(B)(i)**

A motion was made to enter Closed Session.

**Motion:** Linda Hawk                      **Second:** Michael Thorpe                      **MOTION CARRIED**

The Executive Committee entered Closed Session at 4:25 p.m.

A motion was made to leave Closed Session.

**Motion:** Michael Thorpe                      **Second:** Mike Lee                      **MOTION CARRIED**

The Executive Committee left Closed Session at 5:33 p.m.

**G. INFORMATION ITEMS**

**G.1 Fitting the Pieces Together Conference 2015**

Zachary Gifford reviewed the item with the Executive Committee. The next Fitting the Pieces Together Conference is slated for late April-early May 2015. Every effort will be made to include the CSURMA Executive Committee and the Board of Directors meetings during the conference to minimize travel and hotel expenses of attendees.

## **G.2 Concussive Injuries**

Zachary Gifford reviewed this item with the Executive Committee. He stepped through the Genesis sports-related concussions white paper that was included in the agenda packet for the Executive Committee's review.

CSURMA is in the process of updating its Sports Club Manual to cover this topic more thoroughly. There was some discussion on whether the guidelines would be included in the Administrative Manual or in an upcoming Executive Order.

## **G.3 CSURMA 2014 Meeting Calendar**

The CSURMA Meeting calendar was included in the agenda for the Executive Committee's review.

## **G.4 CSURMA Executive Committee & Staff Contact List**

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

## **H. ADJOURNMENT**

A motion was made to adjourn the meeting.

The meeting adjourned at 5:18 PM.