

**MINUTES OF THE  
CSURMA EXECUTIVE COMMITTEE MEETING**

**JANUARY 13, 2019**

**THE HYATT REGENCY INDIAN WELLS RESORT & SPA  
44600 INDIAN WELLS LANE  
INDIAN WELLS, CA 92210**

**3:30 PM**

---

**MEMBERS PRESENT**

Scott Apel, California State University, Long Beach  
Dwayne Brummett (AORMA Chair), Associated Students, Inc. at San Luis Obispo  
Lisa Chavez (Chair), California State University, Los Angeles  
Thom Davis, California State University, Bakersfield  
Robert Eaton (Treasurer), California State University, Office of the Chancellor  
Lisa Kao, California State University, Fresno (*via Teleconference*)  
Dave Nakamura (AORMA First Vice Chair), Humboldt State University Center (*arrived at 3:32pm*)  
Kevin Saunders (Vice-Chair), California State University, Monterey Bay (*arrived at 3:32pm*)  
Amy Thomas, California State University, Stanislaus (*via Teleconference*)

**MEMBERS ABSENT**

None

**STAFF, GUESTS & CONSULTANTS**

Andrew Gaspari, Alliant Insurance Services, Inc.  
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor  
Tevea Him, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
Rob Leong, Alliant Insurance Services, Inc.  
Amy Lightner, Alliant Insurance Services, Inc.  
Mimi Long, Alliant Insurance Services, Inc.  
Vi San Juan, Assistant Vice Chancellor of CPDC (*via Teleconference*)  
Jody Van Leuven, CSU Office of the Chancellor

**A. CALL TO ORDER**

The meeting was called to order by the CSURMA Chair, Lisa Chavez at 3:30 PM. Lisa Kao and Amy Thomas expressed their desire to abstain from voting on all action items.

**A1. Approval of the Agenda**

A motion was made to approve the agenda as presented.

**MOTION:** Robert Eaton  
**SECOND:** Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura				X
Dwayne Brummett	X			
Kevin Saunders				X
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

There were no comments from the public.

**C. CONSENT CALENDAR**

- C1. Approval of Minutes – October 26, 2018**
- C2. Financial Report – Treasurer’s Quarterly Investment Report**

A motion was made to approve the items within the consent calendar.

**MOTION:** Scott Apel  
**SECOND:** Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura				X
Dwayne Brummett	X			
Kevin Saunders				X
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

## **D. GENERAL ADMINISTRATION**

Kevin Saunders and Dave Nakamura entered the room at 3:32pm.

### **D1. Executive Committee Nominations / Elections**

Daniel Howell noted that the following seats are up for re-election for a two-year term (July 1, 2019 to June 30, 2021):

- CSU Seat #1: Currently held by Thom Davis
- CSU Seat #2: Currently held by Lisa Kao
- CSU Seat #4: Currently held by Amy Thomas

Lisa Chavez appointed Kevin Saunders and Scott Apel to serve on the Nominating Committee to seek nominations for the election to be held at the May 3, 2019 Board of Directors meeting. Saunders will serve as the Chair.

### **D2. Underwriter Meetings Report**

Daniel Howell provided a status of the upcoming program renewals. The excess liability program has seen loss development in the first excess layers for both the AORMA and Campus programs. Staff anticipates rate increases in the lower layers and possible rate increases in the excess layers due to catastrophic losses impacting the entire marketplace. The property losses to both the AORMA and Campus programs have increased over the past three years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years will likely be again partially eroded by increases this coming renewal. CSURMA has an existing two-year rate agreement with CSAC-EIA for workers' compensation. Staff is in conversations with EIA about their ability to lock in rates for FY 20/21. The builders risk program is stable. The fine arts program was launched in 2016 and Staff anticipates underwriters will require a rate increase this year due to the high loss ratio. The SPLIP and SAFECLIP programs are performing exceptionally well with no losses. Rates will likely be stable and possibly drop. The losses within the foreign travel insurance program have stabilized at a level acceptable to underwriters. Staff expects a flat rate renewal. There have been no losses within the aviation program. Staff expects a flat renewal. The medical malpractice program is at a minimum premium. Staff expects a flat renewal. Fidelity claims remain low and therefore staff expects a premium decrease on renewal unless new claims materialize prior to renewal.

### **D3. CSURMA Cash Flow Projection**

The Committee reviewed the draft cash flow worksheet. This item was tabled to the March meeting.

### **D4. Revisions to Policy and Procedure No. 20 – Owner Controlled Insurance Program (OCIP)**

Robert Leong explained this item was tabled from the October 26, 2018 Executive Committee meeting, pending review by Capital Planning Design and Construction (CPDC). The Committee discussed the need to revisit how prefunding of OCIP costs impact CSURMA’s cash flow and loss of investment income. The Committee suggested that CSURMA should be made whole by recovering for loss of investment income. Also, although only ten campuses currently have construction projects enrolled in OCIP 2, all campuses incur a loss of investment income because it is allocated to the entire program. In fairness for all members, the Executive Committee instructed staff to include an interest charge on enrolled projects. The interest charge is to be equal to CSURMA’s imputed rate of return on investments. The Executive Committee also desired to review the Memorandum of Understanding (MOU) that is being drafted by CPDC.

The proposed amendments will have a significant impact on CSURMA’s operating budget in regards to cash flow, but should not impact CSURMA’s actual operating costs since direct costs for premium payments including premium adjustments are reimbursed by campus projects, including interest. The proposed timeline for reimbursements is at the project’s midpoint during construction and at final project completion.

The Committee directed Staff to table this item to its March, 2019 meeting.

**D5. Policies and Procedures (Odd Numbered)**

Rob Leong explained that the Executive Committee adopted Resolution No. 04-13 (EC) directing review of the Authority’s Policies & Procedures (P&P) on a regular basis to ensure administrative processes of the Authority and its documentation remain relevant and effective, and to educate new Executive Committee members on CSURMA administrative practices. Resolution No. 04-13 defines the process for the Executive Committee to review even-numbered Policies & Procedures in even-numbered calendar years, and odd-numbered Policies & Procedures in odd-numbered calendar years.

All odd-numbered Policies & Procedures were reviewed by Staff and appear to reflect the current administrative practices of the CSURMA, and therefore Staff does not recommend any revisions.

A motion was made to defer the audit of AIME’s third-party claims administrator until 2021 because CSURMA conducted an audit of HSR in 2018.

**MOTION:** Scott Apel  
**SECOND:** Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			

Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

**D6. Appointment of 2019 Rating Plan Task Group**

Daniel Howell explained it is the practice of the Executive Committee to appoint a Rating Plans Task Group (RPTG) every three years to review and evaluate CSURMA’s funding policies and rating plans for the campus coverage programs. The RPTG’s findings and recommendations will be presented to the Executive Committee at its meeting on September 6, 2019 and to the Board of Directors for adoption on November 8, 2019. The RPTG’s findings and recommendations may also be presented to CSU’s Chief Administrators & Business Officers (CABO).

The RPTG will evaluate the rating plans for the following coverage programs:

1. Workers’ Compensation
2. General Liability, Errors & Omissions Liability, Employment Practices Liability
3. Property, Boiler & Machinery
4. Industrial Disability Leave, Non-Industrial Disability Insurance, Unemployment Insurance (IDL/NDI/UI)
5. Automobile Liability
6. Foreign Travel Insurance Program (FTIP)

A motion was made to appoint Kevin Saunders (Chair), Thom Davis, Scott Apel, Lisa Kao and Jody Van Leuven to the 2019 Rating Plans Task Group.

**MOTION:** Robert Eaton

**SECOND:** Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

**D7. CSURMA Support for Association Memberships and Professional Development**

CSURMA’s Executive Committee has previously agreed to support campus professional development of Executive Committee, AORMA Committee, campus and auxiliary organization leadership and risk management personnel. Currently CSURMA supports membership in the University Risk Management Association (URMIA), Auxiliary Organization Association (AOA), Public Agency Risk Management Association (PARMA), Public Risk and Insurance Management Association (PRIMA and CalPRIMA), and California Association of Joint Powers Authorities (CAJPA). Staff is recommending CSURMA support the following additional professional development opportunities:

- **Association of Governmental Risk Pools (AGRiP).** AGRIP is a national relative to CAJPA and expands horizons from the California risk pooling perspective. AGRiP discounts membership for members of CAJPA. *Annual Membership Cost: \$3,845.*
- **California Coalition for Workers’ Compensation (CCWC).** CCWC is a statewide professional development and advocacy organization for employers. They have expanded their offerings for public entity employers and discounted membership substantially for public entity members starting in 2019. University of California is an active participant and CCWC has agreed that CSU can join with a Chancellor’s Office lead representative and allow the campuses to affiliate in at no additional cost. *Annual Membership Cost: \$2,000.*

A motion was made to join the California Coalition for Workers’ Compensation.

**MOTION:** Robert Eaton  
**SECOND:** Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

**E. OTHER PROGRAMS**

**E1. AORMA Programs Update**

Dwayne Brummett reported on the recent activities of the AORMA Committee.

**E2. AIME Programs Update**

Lisa Kao reported on the recent activities of the AIME Committee.

**F. CLOSED SESSION**

- 1. Hudson v. CSU (LA)**
- 2. Benjamin v. CSU (Sonoma)**
- 3. Apodaca v. CSU (San Marcos)**

A motion was made to enter closed session at 4:40 PM.

**MOTION:** Dave Nakamura

**SECOND:** Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

The Committee came out of closed session 4:45 PM. The Chair reported that no action was taken during the closed session.

**MOTION:** Dwayne Brummett

**SECOND:** Scott Apel

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			

Thom Davis	X			
------------	---	--	--	--

**MOTION CARRIED**

**G. INFORMATION ITEMS**

Jody Van Leuven informed members and staff that there is a new hire at the Chancellor’s Office, Scott Bourdon, the new Senior Manager of Risk and EH&S.

- G1. Review of FY 2018/19 Long Range Planning Goals**
- G2. CSURMA Administrative Service Calendar**
- G3. 2019 CSURMA Meeting Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

**H. ADJOURNMENT**

The meeting was adjourned at 4:46 PM.