

**MINUTES OF THE  
CSURMA EXECUTIVE COMMITTEE MEETING**

**SEPTEMBER 11, 2015**

**ALLIANT INSURANCE SERVICES  
2180 Harvard Street, Suite 460 • Sacramento, CA**

**8:30 AM**

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**MEMBERS PRESENT**

Lisa Chavez, California State University Los Angeles  
 Guy Dalpe (AORMA Vice-Chair), Associated Students, Inc., San Francisco State University  
 Robert Eaton (Treasurer), California State University, Office of the Chancellor *(via Teleconference)*  
 Ming Tung (Mike) Lee, California State University Sacramento  
 Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corp. *(arrived at 9:09 AM)*  
 Kevin Saunders, California State University Monterey Bay  
 Jody Van Leuven, California State University San Bernardino

**MEMBERS ABSENT**

Lori Gentles, California State University Fullerton  
 Linda Hawk (Chair), California State University San Marcos

**STAFF, GUESTS & CONSULTANTS**

Zachary Gifford (Secretary/Auditor), California State University, Office of the Chancellor  
 Daniel Howell, Alliant Insurance Services, Inc.  
 William Hsu, California State University, Office of General Counsel  
 Rob Leong, Alliant Insurance Services, Inc.  
 Mimi Long, Alliant Insurance Services, Inc.

**A. CALL TO ORDER**

The meeting was called to order by the Vice-Chair, Mike Lee at 8:32 AM. To facilitate speed of the meeting due to roll call requirements, Robert Eaton, attending by phone, elected to abstain on votes until such time as he wished to vote on an item.

**A1. Approval of the Agenda**

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

MOTION: Kevin Saunders  
 SECOND: Lisa Chavez

| NAME        | AYE | ABSTAIN | NAY | ABSENT |
|-------------|-----|---------|-----|--------|
| Lisa Chavez | X   |         |     |        |
| Guy Dalpe   | X   |         |     |        |

|                 |   |   |  |   |
|-----------------|---|---|--|---|
| Robert Eaton    |   | X |  |   |
| Lori Gentles    |   |   |  | X |
| Linda Hawk      |   |   |  | X |
| Mike Lee        | X |   |  |   |
| Frank Mumford   |   |   |  | X |
| Kevin Saunders  | X |   |  |   |
| Jody Van Leuven | X |   |  |   |

MOTION CARRIED

**B. PUBLIC COMMENTS**

There were no comments from members of the public.

**C. CONSENT CALENDAR**

- C1. Approval of Minutes – May 8, 2015**
- C2a. Receipt and Review of the Draft Financial Statements at June 30, 2015**
- C2b. Treasurer’s Report at June 30, 2015**
- C3. AIME Claims Administration Service Agreement**
- C4. Adoption of CSURMA Executive Committee and Board of Directors 2016 Meeting Calendar**
- C5. Appointment of CSURMA Secretary-Auditor**

MOTION: Guy Dalpe  
 SECOND: Jody Van Leuven

| NAME            | AYE | ABSTAIN | NAY | ABSENT |
|-----------------|-----|---------|-----|--------|
| Lisa Chavez     | X   |         |     |        |
| Guy Dalpe       | X   |         |     |        |
| Robert Eaton    |     | X       |     |        |
| Lori Gentles    |     |         |     | X      |
| Linda Hawk      |     |         |     | X      |
| Mike Lee        | X   |         |     |        |
| Frank Mumford   |     |         |     | X      |
| Kevin Saunders  | X   |         |     |        |
| Jody Van Leuven | X   |         |     |        |

MOTION CARRIED

**D. GENERAL ADMINISTRATION**

- D1. Insurance and Reinsurance Renewal Report**

Daniel Howell provided a recap of CSURMA's insurance and reinsurance programs that renewed on July 1<sup>st</sup>. At its May 19, 2015 meeting the CSURMA Executive Committee delegated authority to renew the insurance and reinsurance programs as appropriate and within the budgeted amounts of the FY 15/16 Budget adopted by the CSURMA Board of Directors in at their April 27, 2015 meeting.

The liability renewal faced two significant complications, the withdrawal of CV Starr from the California marketplace which removed \$20 million of capacity from CSURMA's program and the requirement of some underwriters for an exclusion of concussive injuries. In the end, CV Starr's capacity was replaced on favorable terms on the \$10 million xs \$35 million layer by Alteris. For the \$50 million xs \$50 million layer, CSU leadership chose Lexington (AIG) who did not include a concussive injury exclusion but included an aggregate limit of \$100 million for all claims in this catastrophic layer. The medical malpractice coverage for student health centers (\$5 million xs \$5 million layer) was renewed as expiring.

CSU and the auxiliary organizations have had excellent property loss results in recent years, but a recent major loss will impact future renewals. The property market remains soft. Despite pending losses, the renewal was achieved at rates close to expiring.

For workers' compensation, The Executive Committee took action in December to bind an 18 month reinsurance program via the CSAC Excess Insurance Authority that will guarantee most of the program costs at the July 1 renewal. EIA obtained terms as expiring terms from Safety National Casualty Corp., our incumbent excess insurer, which solidifies the 18 month program for the term.

Beazley continues as the Cyber Liability lead provider. We negotiated an increase in sublimits to \$2.5 million for legal and forensic costs and also removed the exclusion of claims where a mobile device (phone, tablet or laptop) was not encrypted. CSU leadership selected a renewal option that increases total limits to \$10 million by adding a \$5 million xs \$5 million layer, and also adds an additional \$2.5 million xs of \$2.5 million limit for coverage of legal and forensic costs. CSU and the auxiliary organizations continue to share a notification limit of 2 million affected individuals.

The SPLIP and SAFECLIP programs continue to have excellent results and we achieved a rate reduction on the SPLIP renewal. For SAFECLIP, CSU leadership selected an option that increased the limits from \$2 million per claim with a \$10 million annual aggregate to \$5 million per claim with a \$20 million annual aggregate. This change was accomplished for a small increase (to just less than our original program rate of \$6), and it will satisfy major host partners who have been asking for an increase in limits.

The campus program has a fidelity loss reported, but we obtained a flat rate renewal overall for the programs.

The systemwide FTIP policy had a significant loss during FY 13/14 and a large rate increase last year. The CSU International Programs also had increased loss activity. The Executive Committee approved a rate increase plan for IP last year that will resolve funding differences. We replaced the claims intake provider to reduce claim costs this year. Rates increased at renewal and we will

be implementing a new rating plan for January 1, 2016 to allocate the costs. Also, the Executive Committee will need to consider a new plan relative to the cost of the CSU IP travelers as the current plan is not meeting expectations due to increased rates.

**D2a. Campus Risk Pools Actuarial Reports**

Rob Leong provided an overview of the actuarial reports. The information provided by the actuary is used to establish fiscal year-end financial reports, and serves as the starting point to develop rates and funding for FY 16/17 as well as evaluating potential dividends or assessments. The Projected Ultimate Limited Losses within the liability program decreased 0.5% for FY 16/17. Loss Funding at 70% actuarial confidence decreased from \$14,117,400 (FY 15/16) to \$14,045,000 (FY 16/17). The Projected Ultimate Limited Losses within the workers’ compensation program increased by 9.7% for FY 16/17. Loss Funding at 70% actuarial confidence increased from \$28,819,350 (FY 15/16) to \$31,607,000 (FY 16/17). The Projected Ultimate Limited Losses within AIME increased by 7.0% for FY 16/17. Loss Funding at 70% actuarial confidence increased from \$3,300,000 (FY 15/16) to \$3,529,000 (FY 16/17).

Leong noted that the loss rates within the liability program are based on FTE. These rates are now flattening out. There was an increase between FY 14/15 to FY 15/16. The claim frequency between FY 13/14 and FY 14/15 was flat; however, the claim severity increased slightly. Within the workers’ compensation program, the recommended loss rate of \$0.94 is a slight increase from FY 15/16; however, this rate is substantially lower than the WCIRB rate for the same class code. The TPA has been aggressive in settling claims through Compromise and Release or Stipulation which might result in a claim cost spike. The TPA settled 317 claims in FY 14/15. The claim frequency between FY 13/14 and FY 14/15 is down significantly; however, the claim severity increased.

Leong explained that the CSURMA Executive Committee has delegated authority to the AIME Committee to accept its actuarial report.

A motion was made to accept the liability and workers’ compensation campus risk pool actuarial reports.

MOTION: Kevin Saunders

SECOND: Guy Dalpe

| NAME           | AYE | ABSTAIN | NAY | ABSENT |
|----------------|-----|---------|-----|--------|
| Lisa Chavez    | X   |         |     |        |
| Guy Dalpe      | X   |         |     |        |
| Robert Eaton   |     | X       |     |        |
| Lori Gentles   |     |         |     | X      |
| Linda Hawk     |     |         |     | X      |
| Mike Lee       | X   |         |     |        |
| Frank Mumford  | X   |         |     |        |
| Kevin Saunders | X   |         |     |        |

|                 |   |  |  |  |
|-----------------|---|--|--|--|
| Jody Van Leuven | X |  |  |  |
|-----------------|---|--|--|--|

**MOTION CARRIED**

**D2b. FY 2016/17 Rates and Gross Funding Campus Coverage Programs**

Rob Leong explained that upon recommendation of the Executive Committee, the Board of Directors adopts rates and funding for the upcoming fiscal year at its October meeting. The Program Administrator has prepared the FY 16/17 draft calculations using the draft actuarial reports dated July 31, 2015.

Leong summarized the estimated program costs shown below. The General Liability program costs include premium deposits for Student Professional Liability Insurance Program and Student Academic Field Experience for Credit Liability Insurance Program. Campus Property Program costs include Blanket Employee Fidelity coverage and Cyber Risk insurance. Auto Liability is covered by the State Vehicle Liability Self-Insurance Program; its cost is determined by the Office of Risk and Insurance Management and issued in March 2016. The costs for the purchased insurance programs are estimated at this time since actual rates will not be known until negotiations are finalized in June 2016.

Rob Leong summarized the proposed funding recommendations as shown below.

| <b>Program</b> | <b>FY 15/16<br/><i>Actual</i></b> | <b>FY 16/17<br/><i>Proposed</i></b> | <b>\$ Change</b>   | <b>% Change</b> |
|----------------|-----------------------------------|-------------------------------------|--------------------|-----------------|
| Liability      | \$13,514,960                      | \$14,240,860                        | \$725,900          | 5.4%            |
| Workers' Comp  | 37,744,986                        | 37,823,215                          | 78,229             | 0.2%            |
| IDL NDI UI     | 13,500,000                        | 13,500,000                          | 0                  | 0.0%            |
| Property       | 8,000,000                         | 8,250,000                           | 250,000            | 3.1%            |
| Auto Liability | 688,468                           | 845,823                             | 157,355            | 22.9%           |
| AIME           | 3,897,503                         | 3,897,503                           | 0                  | 0.0%            |
| <b>Total</b>   | <b>\$77,345,917</b>               | <b>\$78,557,401</b>                 | <b>\$1,211,484</b> | <b>1.6%</b>     |

The recommended Campus Liability Risk Pool funding for FY 16/17 includes a 5.4% increase. This is due to a rise in payroll. The Campus Property Program recommended funding for FY 16/17 includes additional costs for the proposed fine arts program. ORIM will issue the final costs for the auto liability for FY 16/17 in March 2016. Leong noted that the AIME Committee will be asked to review and recommend approval of its rates and funding at its next meeting.

A motion was made to recommend to the Board of Directors adoption of the rates and funding for FY 16/17 as shown above.

MOTION: Guy Dalpe

SECOND: Lisa Chavez

| NAME            | AYE | ABSTAIN | NAY | ABSENT |
|-----------------|-----|---------|-----|--------|
| Lisa Chavez     | X   |         |     |        |
| Guy Dalpe       | X   |         |     |        |
| Robert Eaton    |     | X       |     |        |
| Lori Gentles    |     |         |     | X      |
| Linda Hawk      |     |         |     | X      |
| Mike Lee        | X   |         |     |        |
| Frank Mumford   | X   |         |     |        |
| Kevin Saunders  | X   |         |     |        |
| Jody Van Leuven | X   |         |     |        |

MOTION CARRIED

**D3a. Campus Risk Pools Funding Status at June 30, 2015**

Rob Leong reviewed the Campus Risk Pools’ Funding Status reports. The unencumbered funds within the Campus Liability Risk Pool decreased about \$8,000,000. This amount corresponds with the dividend that was paid in FY 14/15. The unencumbered funds within the Campus Workers’ Compensation Risk Pool increased due to the reinsurance program with CSAC EIA which essentially locked in losses below the campus deposit.

**D3b. Evaluation of Potential Campus Risk Pool Dividends and Assessments**

Rob 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 the unencumbered program funds where available and an assessment to cover existing and anticipated funding shortfalls for funds that have a negative fund balance.

The Committee reviewed the recommended dividends at shown below:

| Program               | FY 14/15 Dividend (Assessment) | FY 15/16 Dividend (Assessment) |
|-----------------------|--------------------------------|--------------------------------|
| Liability             | \$8,677,518                    | \$5,038,862                    |
| Workers’ Compensation | 0                              | \$3,461,497                    |
| IDL/NDI/UI            | 0                              | 0                              |
| <b>Total</b>          | <b>\$8,677,518</b>             | <b>\$8,500,359</b>             |

Leong explained that CSURMA adopted three ratios which are used to guide decisions on the dividend available to be released. The Premium to Surplus ratio is a measure of how surplus is leveraged against possible pricing inaccuracies. The Surplus to Retention ratio is a measure of the maximum amount that surplus could decline due to a single loss. The Outstanding Reserves to

Surplus ratio is a measure of how surplus is leveraged against possible reserve inaccuracies. Based on these ratios, the IDL/NDL/UI program does not have enough surplus to recommend a dividend. Within the liability and workers’ compensation programs, there is an opportunity to release a dividend.

A motion was made to recommend to the CSURMA Board of Directors a liability dividend in the amount of \$5,038,862 and a workers’ compensation dividend in the amount of \$3,461,497.

MOTION: Kevin Saunders  
 SECOND: Jody Van Leuven

| NAME            | AYE | ABSTAIN | NAY | ABSENT |
|-----------------|-----|---------|-----|--------|
| Lisa Chavez     | X   |         |     |        |
| Guy Dalpe       |     | X       |     |        |
| Robert Eaton    |     | X       |     |        |
| Lori Gentles    |     |         |     | X      |
| Linda Hawk      |     |         |     | X      |
| Mike Lee        | X   |         |     |        |
| Frank Mumford   | X   |         |     |        |
| Kevin Saunders  | X   |         |     |        |
| Jody Van Leuven | X   |         |     |        |

MOTION CARRIED

**D4. Risk Management Innovation Grant Program**

The Committee reviewed and discussed the five Innovation Grant Applications submitted by four different campuses as shown below:

1. CSU Channel Islands – Web-based ergonomics training and assessment
2. CSU Long Beach – Preventive office ergonomics / workstations assessment and guidance
3. CSU Long Beach – Chemistry lab alcohol thermometers
4. SJSU – Ergonomic stretch back software
5. SJSU – Workstation and laptop encryption

The Committee felt the three ergonomics related applications fit within the criteria of the grant program, but that the chemistry lab thermometers and the encryption software represented items that are standard for the operations of the campus and therefore are not considered innovative in nature. Zachary Gifford noted that he has been encouraging prospective ergonomic evaluations rather than post injury assessments. Clerical repetitive motion losses are a high exposure for the CSU.

As three different ergonomics software solutions will be purchased, Gifford confirmed that he would solicit feedback from the three campuses within six to nine months and provide a report to the Executive Committee.

A motion was made to approve the three grant applications for ergonomics software, training and assessments.

MOTION: Lisa Chavez  
 SECOND: Guy Dalpe

| NAME            | AYE | ABSTAIN | NAY | ABSENT |
|-----------------|-----|---------|-----|--------|
| Lisa Chavez     | X   |         |     |        |
| Guy Dalpe       | X   |         |     |        |
| Robert Eaton    |     | X       |     |        |
| Lori Gentles    |     |         |     | X      |
| Linda Hawk      |     |         |     | X      |
| Mike Lee        | X   |         |     |        |
| Frank Mumford   | X   |         |     |        |
| Kevin Saunders  | X   |         |     |        |
| Jody Van Leuven | X   |         |     |        |

MOTION CARRIED

**D5. Prevention of the Sexual Abuse of Minors Consulting Services**

As explained by Zachary Gifford, at the last meeting, the Executive Committee extended the existing contract with Praesidium to November 1, 2015. It was recommended that the CSU CABO group should discuss the services provided and provide a recommendation as to whether the program services should be expanded or continued. CABO wasn't able to include Praesidium's presentation on the September agenda, but has agreed to add Praesidium to the November meeting agenda. Gifford mentioned that a survey was sent out to all campuses asking for input as to the effectiveness of the services provided by Praesidium. Positive input was received.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to extend the existing contract with Praesidium until June 30, 2016.

MOTION: Frank Mumford  
 SECOND: Lisa Chavez

| NAME          | AYE | ABSTAIN | NAY | ABSENT |
|---------------|-----|---------|-----|--------|
| Lisa Chavez   | X   |         |     |        |
| Guy Dalpe     | X   |         |     |        |
| Robert Eaton  |     | X       |     |        |
| Lori Gentles  |     |         |     | X      |
| Linda Hawk    |     |         |     | X      |
| Mike Lee      | X   |         |     |        |
| Frank Mumford | X   |         |     |        |

|                 |   |  |  |  |
|-----------------|---|--|--|--|
| Kevin Saunders  | X |  |  |  |
| Jody Van Leuven | X |  |  |  |

MOTION CARRIED

**D6. Form 700 Electronic Filing**

Mimi Long noted that proposals were received from two companies who provide a paperless filing solution for the Statement of Economic Interests Form 700 – NetFile and SouthTech Systems. The initial pricing obtained from the companies is noted below:

1. SouthTech Systems (Rental of Software) – Monthly software subscription - \$211 monthly / \$2,531 annually
2. SouthTech Systems – (Purchase of Software) – One time purchase fee - \$6,158.78, plus hosting fee and software support and maintenance - \$1,402 annually
3. NetFile (Rental of Software) – Quarterly software subscription - \$750 quarterly / \$3,000 annually

Long contacted CSAC EIA who has been using SouthTech Systems software for the past two years. They report that they are extremely happy with the product. The Committee felt that renting the software from SouthTech Systems was the best option.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to negotiate an agreement with SouthTech Systems for the monthly software subscription.

MOTION: Lisa Chavez  
 SECOND: Kevin Saunders

| NAME            | AYE | ABSTAIN | NAY | ABSENT |
|-----------------|-----|---------|-----|--------|
| Lisa Chavez     | X   |         |     |        |
| Guy Dalpe       | X   |         |     |        |
| Robert Eaton    |     | X       |     |        |
| Lori Gentles    |     |         |     | X      |
| Linda Hawk      |     |         |     | X      |
| Mike Lee        | X   |         |     |        |
| Frank Mumford   | X   |         |     |        |
| Kevin Saunders  | X   |         |     |        |
| Jody Van Leuven | X   |         |     |        |

MOTION CARRIED

**D7. Draft Policy and Procedure No. 23 - Additional Covered Party Endorsement**

Daniel Howell noted that the procedures outlined in Policy and Procedure No. 23 are the steps that are already being followed when issuing an additional insured endorsement. The draft policy and

procedure does not change the current procedures; it just confirms the current practice. The new policy and procedure is intended to address those situations where the CSURMA Program Administrators or Systemwide Risk Management is not comfortable with the request for additional insured coverage. It outlines the review, denial and appeal process.

A motion was made to recommend adoption by the CSURMA Board of Directors of Policy and Procedure No. 23 Additional Covered Party Endorsements.

MOTION: Frank Mumford  
 SECOND: Guy Dalpe

| NAME            | AYE | ABSTAIN | NAY | ABSENT |
|-----------------|-----|---------|-----|--------|
| Lisa Chavez     | X   |         |     |        |
| Guy Dalpe       | X   |         |     |        |
| Robert Eaton    |     | X       |     |        |
| Lori Gentles    |     |         |     | X      |
| Linda Hawk      |     |         |     | X      |
| Mike Lee        | X   |         |     |        |
| Frank Mumford   | X   |         |     |        |
| Kevin Saunders  | X   |         |     |        |
| Jody Van Leuven | X   |         |     |        |

MOTION CARRIED

**D8. Student Placement Agreement**

Daniel Howell noted that he and Zachary Gifford have been meeting with the leadership of three Northern California Joint Powers Authorities to develop student teaching placement agreement templates that are acceptable for all parties involved. These K-12 and community college JPAs cover over 50 different districts. Draft agreements have been exchanged and negotiations are in ongoing. At the next meeting in October, Howell anticipates having approved master insurance and indemnity language available, as well as a summary of which entities are using the master agreement. Staff will announce the existence of this master agreement to Contracts & Procurement, Campus Risk Managers and Provosts once the master agreement is approved.

**D9. Insurance Policy Database**

Daniel Howell explained that at its March 2015 long range planning meeting, the CSURMA Executive Committee determined that CSURMA should evaluate establishing a database of insurance policy records for the California State University and participating auxiliary organizations. Staff continues to investigate products specifically designed for insurance policy management. Howell anticipates having a recommendation as to proposed software procurement and implementation at the next meeting in October.

**D10. Campus Risk Pool Rating Plan for Bond Funded Facilities**

As explained by Daniel Howell, currently certain bond funded facilities are separated from the Campus Liability and Property Risk Pools for premium rating purposes. CSURMA's rating plan applies a premium for these bond funded facilities to be paid by "Systemwide". New capital financing legislation eliminated the annual adjustments for debt service or cost for State Public Works Board (SPWB) bond funded facilities. Therefore "Systemwide" will be allocated a fixed amount going forward, and the difference becomes an added burden for CSU.

Staff has developed suggested modifications to the rating plan as follows:

- To the extent premium costs are payable from a central sinking fund (i.e., "Systemwide") –

For designated bond funded facilities (PWB, SRB, Def Maint) where there has been set up a central sinking fund to pay for the insurance, these structures will be rated separately from the campus' other structures and funded by the "Systemwide" account. They will have a \$100K deductible and will have contents covered if it was included in the "E" money of the bond.

Remaining costs that are in excess of the premium payable by Systemwide shall be charged to the campus in proportion Total Insured Value (TIV) for designated bond funded facilities for that campus bears to the total TIV for designated bond funded facilities for all campuses.

- If costs are not payable from a central sinking fund –

For bonds such as newer SRB, etc., where there is not a central sinking fund to pay for the insurance, the structures will be listed on the campus' schedule and premiums charged to the campus. Contents will be scheduled if there was "E" money in the bond funding.

#### **D11a. Development of Optional Coverage for the University's Business Personal Property (Campus 86)**

Rob Leong discussed the development of Campus 86, an optional plan that allows Members to insure its higher-valued Business Personal Property with a lower deductible. Since inception of the Campus Property Program, the University has chosen to insure its buildings only for property coverage, and to self-insure its building contents. Currently, the Campus Property Program is offered at a minimum \$100,000 deductible. (A few campuses have chosen to schedule portions of its personal property, but the \$100,000 deductible does apply.) Campus 86 is the proposed program to cover loss to the University's business personal property at lower deductibles. Campus 99 was created to cover loss to State-owned buildings occupied by auxiliary organizations at lower deductibles.

Leong discussed the idea of providing blanket coverage for Business Personal Property for losses between \$100,000 and \$1,000,000. For coverage excess of \$1,000,000, the property would need to be scheduled. The losses within this layer will need to be reviewed in order to determine an appropriate cost.

At the next meeting, Staff will bring back for the Committee’s review estimated cost for provide the blanket coverage. If the change is added mid-term, it was suggested that the Property Program surplus could be used to off-set those additional losses being paid through the Property Risk Pool.

**D11b. Development of Fine Arts, Archives and Artifacts Program**

Daniel Howell provided an overview of the proposed Fine Arts, Archives and Artifacts Program (FAAAP). CSU has historically self-insured its personal property and as necessary has purchased separate “fine arts” coverage. The fall 2015 launch of the New University Museum at San Francisco State University has highlighted the need for CSU to evaluate how to protect its fine arts. With the support of the CSU Systemwide Office of Risk Management, SFSU worked with the Program Administrator to create FAAAP. The program provides broad coverage, including earthquake and water damage, very low deductibles (\$10,000 or lower) and automatic coverage for incoming and outgoing exhibitions. For the initial mid-year launch, FAAAP would not be blanket coverage for all campuses. A campus would need to be added to the program schedule.

For the FY 16/17 launch, the FAAAP would be classified as a subprogram of the Property Insurance Program, similar to the treatment of the Fidelity Insurance Program.

A motion was made to approve the launch of the Fine Arts, Archives and Artifacts Program on a scheduled basis in order to allow San Francisco State University to join the Program.

MOTION: Guy Dalpe  
 SECOND: Frank Mumford

| NAME            | AYE | ABSTAIN | NAY | ABSENT |
|-----------------|-----|---------|-----|--------|
| Lisa Chavez     | X   |         |     |        |
| Guy Dalpe       | X   |         |     |        |
| Robert Eaton    |     | X       |     |        |
| Lori Gentles    |     |         |     | X      |
| Linda Hawk      |     |         |     | X      |
| Mike Lee        | X   |         |     |        |
| Frank Mumford   | X   |         |     |        |
| Kevin Saunders  | X   |         |     |        |
| Jody Van Leuven | X   |         |     |        |

MOTION CARRIED

**D12. CSURMA Operational Review Report**

Daniel Howell reviewed the Operational Review Matrix and noted that, with one exception, all recommended action had been taken and all items had been closed out. One of the recommendations, within the Finance and Accounting section, was that the independent financial auditor’s report, include separate statements for the major self-insured funds. Mr. Johnson, the

Operational Review Auditor, acknowledges that the separate statements are not required for compliance, but indicated that the additional information might be helpful to the CSURMA members. The Program Administrator reviewed this recommendation with CSURMA Accounting and concluded that the additional statements are not necessary. CSURMA regularly provides information to the members of this nature. In today’s agenda packet, for example, the Executive Committee received separate statements for each fund, in the June 30, 2015 financial reports, and also a separate program funding status report. The CSURMA Board and AORMA Committee also receive this information. For consistency, the Program Administrator believes that following this recommendation would add at least five additional sub-statements to the independent financial audit.

A motion was made to accept Operational Review Response Status matrix as completion of all the recommended items.

MOTION: Frank Mumford  
 SECOND: Kevin Saunders

| NAME            | AYE | ABSTAIN | NAY | ABSENT |
|-----------------|-----|---------|-----|--------|
| Lisa Chavez     | X   |         |     |        |
| Guy Dalpe       | X   |         |     |        |
| Robert Eaton    |     | X       |     |        |
| Lori Gentles    |     |         |     | X      |
| Linda Hawk      |     |         |     | X      |
| Mike Lee        | X   |         |     |        |
| Frank Mumford   | X   |         |     |        |
| Kevin Saunders  | X   |         |     |        |
| Jody Van Leuven | X   |         |     |        |

MOTION CARRIED

**E. OTHER PROGRAMS**

**E1. AIME Programs Update**

Rob Leong provided an update as to the recent activities of the AIME Committee. The AIME Rating Task Force met in May, 2015 to review the AIME rating plan. Changes will be made to stabilize loss costs and to reward those campuses with good loss experience by expanding the rating collars from 85% - 150% to 50% - 200%. The AIME Committee elected four new committee members to service two-year terms beginning July 1, 2015 - Kellie Eberlein – CSU Fresno, Ruem Malasarn – Cal Poly Pomona, Cindy Masner – CSU Long Beach, and Kristal Slover – San Luis Obispo. The AIME Committee conducted a RFP in April-June, 2015 for a claims administrator. Six firms submitted proposals. The three finalists were interviewed by the AIME Committee. Health Special Risk, Inc. (HSR) was selected to commence services on July 1, 2015. To assist in the transition, AG Administrators agreed to service the claims that were submitted to AG prior to July 1, 2015.

**E2. AORMA Programs Update**

Frank Mumford, the AORMA Committee Chair, reported on the recent activities of the AORMA Committee. Three new members joined the AORMA Committee effective July 1, 2015 – Jim Reinhart, University Enterprises, Inc. CSU Sacramento, Cheree Aguilar – SJSU Research Foundation, and Dave Nakamura – HSU Center. Two risk management sessions were chosen for the 2016 AOA Conference – AORMA Big Picture and What Generates AORMA’s Claim Costs. AORMA will also provide a session for the Research Administration Committee. 100% of the Auxiliary Organizations have been visited in 2015. The actuarial reports were reviewed and accepted. A workers’ compensation dividend of \$300,000 was approved; the decision regarding the liability dividend has been tabled to the next meeting in October. The workers’ compensation scorecard was presented by Sedgwick and AORMA has approved nine items to be added to its long range action plan for FY 15/16.

**F. CLOSED SESSION**

A motion was made to enter closed session at 11:47 AM.

MOTION: Frank Mumford

SECOND: Guy Dalpe

| NAME            | AYE | ABSTAIN | NAY | ABSENT |
|-----------------|-----|---------|-----|--------|
| Lisa Chavez     | X   |         |     |        |
| Guy Dalpe       | X   |         |     |        |
| Robert Eaton    |     | X       |     |        |
| Lori Gentles    |     |         |     | X      |
| Linda Hawk      |     |         |     | X      |
| Mike Lee        | X   |         |     |        |
| Frank Mumford   | X   |         |     |        |
| Kevin Saunders  | X   |         |     |        |
| Jody Van Leuven | X   |         |     |        |

MOTION CARRIED

The committee returned from Closed Session at 12:04 PM.

The Chair reported that no action had been taken during closed session.

**G. INFORMATION ITEMS**

**G1. Workers’ Compensation Program Claims Closure Initiative Update – Status Update**

Zachary Gifford updated the Committee on the progress of the claims closure initiative.

**G2. CSURMA Support of Systemwide Efforts Related to Mitigation of Concussive Injuries – Progress Report**

Zachary Gifford let the Committee know that the systemwide training regarding mitigation of concussive injuries is extremely close to rolling out.

**G3. CSU / UC Workers' Compensation Summit**

As explained by Zachary Gifford, the Workers' Compensation Examiners from both CSU and UC meet on August 27, 2015, to share ideas, practices and trends. Gifford and Kevin Confetti, from UC Office of Risk Management continue to plan the one and one-half day symposium to be held in February or March, 2016. Gifford expects there to be 75 to 100 participants.

**G4. On-Line Education Multi-State Surety Initiative**

Dan Howell noted that this project is ongoing and expects to report additional information at the next meeting in October.

The Committee reviewed the remaining items, but there was no discussion.

- G5. Review of FY 2015/2016 Long Range Planning Goals**
- G6. CSURMA Administrative Service Calendar**
- G7. CSURMA Executive Committee & Staff Contact List**

**H. ADJOURNMENT**

The meeting was adjourned at 12:15 PM.