

**MINUTES OF THE  
CSURMA EXECUTIVE COMMITTEE MEETING  
MAY 6, 2016  
CSU CHANCELLOR'S OFFICE, MUNITZ ROOM  
401 GOLDEN SHORE • LONG BEACH, CA  
8:00 AM**

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**MEMBERS PRESENT**

Scott Apel, California State University Long Beach  
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  
Linda Hawk (Chair), California State University, San Marcos  
Ming Tung (Mike) Lee, California State University, Sacramento  
Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation  
Kevin Saunders, California State University, Monterey Bay  
Jody Van Leuven, California State University, San Bernardino

**MEMBERS ABSENT**

None

**STAFF, GUESTS & CONSULTANTS**

Frank Castro-Wehr - Witt O'Brien  
Kelly Cox – CSU, Office of the Chancellor  
Mary Ek – CSU Office of the Chancellor, Financial Services  
Charlie Fisher - Witt O'Brien  
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor  
Jacki Graf - Alliant Insurance Services, Inc.  
Tevea Him – Alliant Insurance Services, Inc.  
Daniel Howell - Alliant Insurance Services, Inc.  
William Hsu – CSU, Office of General Counsel  
Alice Kim – CSU Office of the Chancellor  
Rob Leong - Alliant Insurance Services, Inc.  
Jessica Liu – CSU Office of the Chancellor, Financial Services  
Jing Liu – Pinnacle Actuarial Resources, Inc.  
Mimi Long - Alliant Insurance Services, Inc.  
Robert Lowe – Alliant Insurance Services  
Aaron Lundberg – Praesidium  
Bill Maulsby - GoGround  
Rebecca Skidmore – CSU, Office of the Chancellor  
Kirtland Stout – California State University, Sacramento

**A. CALL TO ORDER**

The meeting was called to order by the Chair, Linda Hawk at 8:01 AM.

**A1. Approval of the Agenda**

Linda Hawk removed item 7, Insurance Policy Database, from the agenda.

A motion was made to approve the agenda with the one amendment.

MOTION: Frank Mumford

SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	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 the public.

**C. CONSENT CALENDAR**

- C1. Approval of Minutes – March 10 and 11, 2016**
- C2a. Financial Report: Receipt and Review of the Draft Financial Statements at March 31, 2016**
- C2b. Financial Report: Treasurer’s Quarterly Investment Report**
- C3. Annual Review of the CSURMA’s Data Security Policies**
- C4. Proposed Cost of Risk Study**
- C5. FY 2016/17 Budget Amendments**
- C6. Chancellor’s Office Services FY 2016/17 Memorandums of Understanding**

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

MOTION: Frank Mumford

SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

**D. GENERAL ADMINISTRATION**

**D1. FY 16/17 Long Range Action Plan**

Based on the discussions during the long range planning session, Staff drafted the FY 16/17 Long Range Action Plan which includes the items to be accomplished within the next fiscal. Daniel Howell reviewed each item.

A motion was made to approve the draft FY 16/17 Long Range Action Plan as presented.

MOTION: Mike Lee  
 SECOND: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

**D2. Insurance Renewals Update and Underwriter Meetings Report**

Daniel Howell noted that most of CSURMA’s insurance and reinsurance programs renew July 1, 2016. In April 2016, CSURMA’s Treasurer, Robert Eaton and Secretary-Auditor, Zachary

Gifford, completed meetings with insurance underwriters in preparation for final renewal negotiations. The markets are fairly stable; however, the AORMA primary liability program will experience a substantial increase due to loss experience. Robert Eaton mentioned that meetings were held with the fine arts team in order to negotiate the terms of the expansion of coverage effective July 1, 2016. Negotiations continue on the maximum value per unscheduled item.

**D3. Revised Liability Memorandum of Coverage effective July 1, 2016**

As summarized by Daniel Howell, the Memorandum of Coverage (MOC) is a contract between the members and the JPA. It is not an insurance policy. Insurance companies regularly review their policy forms and make revisions to reflect industry trend and claims experience. Similarly, it is prudent for CSURMA to review its coverage form and make amendments as necessary to maintain coverage quality for its members, and as may be needed for effective placement of reinsurance and excess insurance to manage claim liabilities. Robert Lowe, from Alliant Insurance Services, summarized the revisions to the MOCs. Two MOCs have been prepared; one for the AORMA Liability Program and the other for this Campus Liability Risk Pool. A third MOC will be completed for the coverage layer excess of \$5,000,000 and follow the basic language within the AORMA and Campus forms. The revised MOCs will be more in line with the standard public educators form. Howell noted that the AORMA Committee had delegated authority to the Secretary-Auditor to finalize its liability program MOC.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to finalize the Campus Liability Risk Pool memorandum of coverage to be used effective July 1, 2016, subject to ratification by the Executive Committee at its September meeting.

MOTION: Frank Mumford  
 SECOND: Guy Dalpe

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

**D4. Praesidium Proposal**

Zachary Gifford summarized the importance of preventing abuse of minors and the uninsurable consequences of risk. Aaron Lundberg, from Praesidium, provided an overview of the services

available through Praesidium. The proposed contract includes an expanded list of products and services available to each campus. Staff is proposing that CSURMA fund \$12,000 for the Regional Workshops as well as \$2,000 per campus to be used on any Praesidium product or service. The additional services and products available will be funded directly through the campus.

Staff was directed to work with Systemwide Risk Management to create a letter, to be sent under the CSURMA Chair’s signature, which includes a strong recommend for attendance at the Praesidium leadership training.

A motion was made to approve the proposed renewal contract and to delegate authority to the CSURMA Secretary-Auditor to finalize the contract terms.

MOTION: Frank Mumford  
 SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

**D5. Systemwide Campus Public Safety Risk Mitigation**

As explained by Zachary Gifford, CSURMA has funded at Systemwide, public safety training and equipment initiatives over the years. For FY 15/16, CSURMA funded \$100,000 towards training needs. Michael Redmond, Assistant Vice Chancellor, Strategic Initiatives & Support Services, has requested that the CSURMA Executive Committee review a report on Recommended Training for Police Officers of the CSU and consider increasing the training budget for FY 2016/17. Daniel Howell noted that \$100,000 is already in the FY 16/17 budget.

A motion was made to add an additional \$150,000 to the FY 16/17 budget for strategic initiative and support services.

MOTION: Frank Mumford  
 SECOND: Mike Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			

Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

Motion carried.

The next item was discussed out of order.

**D8. Witt O’Brien’s Consulting Services Contract Extension**

Frank Castro-Wehr and Charlie Fisher from Witt O’Brien summarized the past, present and future emergency management projects for the CSU. Castro-Wehr discussed some of the proposed tasks for FY 16/17 which include Chancellor’s Office emergency planning and training, Council of Presidents emergency management training seminars, CSU system affinity group support, as well as conducting the Campus behavioral threat assessment program review.

Zachary Gifford agreed to send the Campus Emergency Operations Plans (EOPs) to the Campus Vice Presidents.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to finalize the two-year contract with Witt O’Brien with a cost of not to exceed \$300,000 annually.

MOTION: Lisa Chavez

SECOND: Mike Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

Motion carried.

**D6. Evaluation of Captive Insurance Vehicle**

Jing Liu, from Pinnacle Actuarial Resources, Inc., summarized the findings regarding CSURMA’s formation of a captive insurance company. Pinnacle reviewed three options for CSURMA – (1) status quo, (2) rent a segregated cell within Fiat Lux, the UC’s captive, or (3) build a new captive specifically for CSURMA.

Liu notes that most Fortune 1000 companies have their own captive insurance company. The formation of a captive would allow CSURMA to have more flexibility in structuring its insurance programs and investment policies. Due to the regulations governing JPAs, a captive would allow a wider array of coverages to be offered, specifically to third parties, e.g., alumni. Because captives operate outside the regulatory restrictions of a JPA, more investment options are favorable. Also, a captive may allow CSURMA to retain the risk on some guaranteed cost programs that generate a significant underwriting profit for the current insurance carriers.

There are key benefits for CSURMA that are specifically related to utilizing a protected cell within Fiat Lux. The application and approval process of a segregated cell is much faster than the set up process for a stand-alone captive. The formation of a cell within Fiat Lux can result in dramatically lower formation costs. CSURMA may receive a reduction on premium tax due to the maximum tax limits and sliding scale tax rates. The rental fee is generally 1% to 2%. The CSURMA cell would not commingle risk, premiums or capital with other Fiat Lux cells. Each cell chooses its own investments. The captive cell allows CSURMA to spinoff and form its own stand-alone captive.

The Executive Committee directed the Treasurer and Secretary-Auditor to work with Pinnacle Actuarial Resources, Inc., on a more detailed discussion of assumptions and results in an updated draft of the report.

This item was tabled to the September, 2016 meeting so that additional analysis could be completed.

**D9. Master Enabling Agreement for Transportation**

Zachard Gifford introduced Bill Maulsby from GoGround who highlighted the services available. All GoGround transportation carriers are TSX safety certified and carry insurance limits of between \$5MM and \$20MM. GoGround carries \$11MM in excess insurance. Because of the standardization of service, GoGround is able to provide cost savings.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to collaborate with the Campus Risk Managers and to finalize a master enabling agreement for transportation.

MOTION: Frank Mumford  
 SECOND: Mike Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			

Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

Motion carried.

**F. CLOSED SESSION**

1. SFSU Science Building Loss Update
2. Lor vs. California State University, Chico

**D10. UC Consortium and Web Based Training**

Zachary Gifford noted that funds from the FY 14/15 CSURMA Risk Reduction Innovation Grant program were used to purchase a one-year membership for the entire CSU system to the UC Safety Training Consortium which provides online training resources and tools for laboratory safety and other relevant EH&S related topics. This web-based training has been extremely well received. The EH&S affinity group is requesting funding for an on-going membership to the UC Safety Training Consortium.

A motion was made to provide annual funding of \$50,000 for membership to the UC Safety Training Consortium.

MOTION: Kevin Saunders  
 SECOND: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

Motion carried.

**D11. 2016 CSURMA Meeting Calendar**

Mimi Long noted that a CABO meeting was scheduled for Friday, September 9, 2016, which conflicts with the CSURMA Executive Committee meeting scheduled for the same day. The Committee discussed alternative meeting dates.

A motion was made to move the September 9, 2016 meeting to Friday, September 23, 2016, location to be determined by Staff.

MOTION: Frank Mumford  
 SECOND: Guy Dalpe

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

Motion carried.

Staff will secure a meeting location and will inform the Committee members.

**D12. Risk Management Innovation Grant Program**

Eighteen grant requests were submitted for approval by the Executive Committee. Eight grants requests were for proposals that were approved previously for other campuses.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to award grants for those eight proposals that were previously approved for other campuses and to approve or deny the remaining ten grant proposals and report its determinations to the Executive Committee at its next meeting.

MOTION: Guy Dalpe  
 SECOND: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			

Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

Motion carried.

Staff was directed to inform the grant submitters of the CSURMA Secretary-Auditor’s decision.

**D13. New Cal OSHA Regulations for Healthcare Facilities**

The Division of Occupational Safety and Health within the State of California’s Department of Industrial Safety (aka Cal OSHA) sets and enforces workplace health and safety regulations. It has come to the attention of CSURMA General Counsel, William Hsu, that there is pending Cal OSHA regulations which would potentially extend the workplace violence prevention and response regulations applicable to healthcare facilities to a number of activities. These activities might include counseling centers, audiology labs and a wide variety of clinical activities that would not have been thought of as “healthcare facilities” in the past. If the regulations are effected, the facilities would have to have an enhanced Injury Illness and Prevention Plan (IIPP) suitable for a healthcare facility. It is recommended that the CSURMA Executive Committee evaluate authorizing a consulting project to develop a master IIPP suitable for tailoring to each campus’ needs and delegate authority to the CSURMA Secretary-Auditor to engage a consultant to perform the work.

A motion was made to approve funding not to exceed \$25,000 for the master IIPP project.

MOTION: Scott Apel  
 SECOND: Mike Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Lisa Chavez	X			
Guy Dalpe	X			
Robert Eaton	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

**E. OTHER INSURANCE PROGRAMS REPORTS**

**E1. AIME Programs Update**

**E2. AORMA Programs Update**

The AIME and AORMA program reports were tabled to the Board of Directors meeting.

**G. INFORMATION ITEMS**

The information items were tabled to the Board of Directors meeting.

**G1. Alliant Service Team Update**

**G2. Concussive Mitigation LMS Training Program Status**

**G3. CSURMA Administrative Service Calendar**

**G4. 2016 CSURMA Meeting Calendar**

**G5. CSURMA Executive Committee and Staff Contact List**

**G6. CSU IIPP Work Group**

**H. ADJOURNMENT**

A motion was made to adjourn the meeting at 10:59 AM.