



CSURMA EXECUTIVE COMMITTEE MEETING AGENDA
“This is an Open Public Meeting”

In accordance with the requirements of the Bagley-Keene Open Meeting Act, notice of this meeting must be posted in publicly accessible places, including the Internet, at least ten (10) days in advance of the meeting.

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant at (415) 403-1400 twenty-four hours in advance of the meeting. Entrance to the meeting location requires routine provision of identification to building security. However, CSURMA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

- 1. Teleconference Location - CSU Chancellor’s Office, 401 Golden Shore, Long Beach, CA

Meeting Date: December 5, 2014
Time: 8:30 AM

Primary Location: Alliant Insurance Services
1301 Dove Street, 2nd Floor
Newport Beach, CA

Legend: **A** = Action
I = Information
V = Verbal
S = Separate

A. CALL TO ORDER

- 1. **Approval of the Agenda** A p. 4

B. PUBLIC COMMENTS

C. CONSENT CALENDAR A

The Committee is asked to take action on the consent calendar items as a group, except that a member may request that an item be withdrawn from the Consent Calendar for discussion and action.

- 1. **Approval of Minutes – October 24, 2014** p. 5
The Committee will be asked to approve the minutes from their last meeting.
- 2. **Financial Information**
 - a. Treasurer’s Report @ September 30, 2014 p. 16

D. GENERAL ADMINISTRATION

- 1. **Risk Management Innovation Grant Program** A p. 23
 - a. **Revised Risk Management Innovation Grant Criteria**
The committee will be asked to review and approve the revised grant criteria
 - b. **Approval to Unencumber Non-Used Risk Innovation Grant Funds for Systemwide Endeavors** A
The committee will be asked to approve the use of any remaining grant funds by the Campus Risk Managers and/or Environmental, Health and Safety Staff for Systemwide safety programs

- 2. **Evaluation of Primary Coverage Program for Workers' Compensation** A p. 29
The committee will be asked to discuss the proposal by CSAC EIA for the workers' compensation program and to take action as appropriate
 - 3. **Liability Claims Administration Audit** A p. 112
The committee will be asked to approve the liability claims administration audit engagement letter
 - 4. **Aviation Operations Liability Insurance - Rocketry** A p. 155
The committee is asked to purchase the additional insurance to cover rocketry for Aviation Operations Liability (Rocketry) as proposed.
 - 5. **Evaluation of Campus Climate Reporting** I p. 161
The committee is review the evaluation of Campus Climate Reporting
 - 6. **Underwriter Meetings Report** I p. 162
The committee is asked review the underwriter meeting report and provides direction as needed.
 - 7. **Mental Health Inquiry** I p. 165
The committee is review the mental health inquiry publication
- E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS**
- 1. **AORMA Programs Update** I p. 171
The Committee will receive a verbal report on the AORMA programs.
- F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1) – A**
Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). The matters below may be discussed. The Committee may take action or provide direction to Staff regarding the matters.
- 1. **Luna, et al vs. SJSU**
- G. INFORMATION ITEMS**
- 1. **Review of FY 14/15 Long Range Planning Goals** I p. 172
The Committee will be asked to review and discuss the FY 2013/2014 Long Range planning items.
 - 2. **2015 CSURMA Meeting Calendar** I p. 176
The Committee will review the 2015 CSURMA Meeting Calendar.
 - 3. **CSURMA Administrative Service Calendar** I p. 179
The Committee will review the CSURMA Administrative Service Calendar.



California State University Risk Management Authority

- 4. CSURMA Executive Committee & Staff Contact List** **I** *p. 187*
The committee will review the contact list, making revisions as appropriate

H. ADJOURNMENT **A**

The next CSURMA Executive Committee meeting is scheduled for Sunday, February 8, 2015 at 3:00pm, in Pasadena, CA (during the Annual AOA Conference)

If you have questions regarding the agenda package, please contact Mimi Long at mlong@alliant.com / (415) 403-1423 or Tevea Him at thim@alliant.com / (415) 403-1416

APPROVAL OF THE AGENDA

ISSUE: The Committee will be asked to approve the agenda for today's meeting.

RECOMMENDATION: Staff recommends that the Committee approve the agenda as presented.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MINUTES – OCTOBER 24, 2014

ISSUE: The Committee will be asked to review and approve the draft minutes from its October 24, 2014 meeting.

RECOMMENDATION: It is recommended that the Committee approve the minutes from its October 24, 2014 meeting, including corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: The minutes reflect the actions taken by the Executive Committee at its last meeting.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA Executive Committee Meeting Minutes – October 24, 2014

**MINUTES OF THE
CSURMA EXECUTIVE COMMITTEE MEETING
OCTOBER 24, 2014
CSU CHANCELLOR'S OFFICE, MUNITZ ROOM
401 Golden Shore • Long Beach, CA
9:00 AM**

MEMBERS PRESENT

George V. Ashkar (Treasurer) - CSU Office of the Chancellor
Lisa Chavez - CSU Los Angeles
Robert de Wit (AORMA Chair) - Forty-Niner Shops, Inc., CSULB
Linda Hawk (Vice-Chair) - CSU San Marcos
Mike Lee - CSU Sacramento
Frank Mumford (AORMA Vice-Chair) - CSU Fullerton
Cynthia Teniente-Matson (Chair) - CSU Fresno – *(arrived at 9:10am)*
Michael Thorpe - CSU Chico

MEMBERS ABSENT

Lori Gentles - CSU Fullerton

STAFF, GUESTS & CONSULTANTS

Kelly Cox - CSU Office of the Chancellor
Robert Eaton (Secretary/Auditor) - CSU Office of the Chancellor
William Hsu - CSU Office of General Counsel
Alice Kim - CSU Office of the Chancellor
Steve Relyea - CSU Office of the Chancellor
Rebecca Skidmore - CSU Office of the Chancellor
Zachary Gifford - CSU Office of the Chancellor
Mike Fleming - CSAC EIA
Chris Ray - KPMG
Kirtland Stout - CSU Sacramento
Gordon DesCombes - Alliant Insurance Services, Inc.
Melissa Diaz - Alliant Insurance Services, Inc.
Jacki Graf - Alliant Insurance Services, Inc.
Daniel Howell - Alliant Insurance Services, Inc.
Robert Leong - Alliant Insurance Services, Inc.
Mimi Long - Alliant Insurance Services, Inc.
Lilian Vanvioldt - Alliant Insurance Services, Inc.

A. CALL TO ORDER

The meeting was called to order at 9:02 AM by Linda Hawk.

A1. Approval of the Agenda

Because items D7. Approval of Policy and Procedure No. 22, Claims Handling Guidelines, D8. CSURMA Support of Systemwide Efforts Related to Mitigation of Concussive Injuries, D10. Prevention of Sexual Misconduct and Abuse of Minors, and E1. AORMA Programs Update will be discussed at the Board meeting today, Linda Hawk requested that these items be removed from the Executive Committee’s agenda.

A motion was made to approve the agenda with the removal of Items D7, D8, D10 and E1.

MOTION: George Ashkar

SECOND: Mike Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar	X			
Lisa Chavez	X			
Robert de Wit	X			
Lori Gentles				X
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Cynthia Teniente-Matson	X			
Michael Thorpe	X			

MOTION CARRIED

A. PUBLIC COMMENTS

There were no comments from members of the public.

B. CONSENT CALENDAR

George Ashkar requested that the Treasurer’s Report at September 30, 2014, be pulled from the consent calendar.

C1. Approval of Minutes – September 12, 2014

C2a. Receipt and Review of the Draft Financial Statements at September 30, 2014

C3. CSURMA Conflict of Interest Code

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

MOTION: Frank Mumford

SECOND: George Ashkar

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar	X			
Lisa Chavez	X			
Robert de Wit	X			
Lori Gentles				X
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Cynthia Teniente-Matson	X			
Michael Thorpe	X			

MOTION CARRIED

C2b. Treasurer’s Report @ September 30, 2014.

George Ashkar let the committee know that the Treasurer’s Report at September 30, 2014 is not available. The earnings report is current in process and will come to the executive committee members at the next meeting. Occasionally, the timing of the executive committee doesn’t work and the document will be off cycle. George did report that CSURMA does have enough operating cash for six months.

A motion was made to accept the Treasurer’s Report as presented by George Ashkar.

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar	X			
Lisa Chavez	X			
Robert de Wit	X			
Lori Gentles				X
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Cynthia Teniente-Matson	X			
Michael Thorpe	X			

MOTION CARRIED

D. GENERAL ADMINISTRATION

D1. Report on Independent Auditor’s Financial Audit as of June 30, 2014

George Ashkar let the committee know that the contract with KPMG for the systemwide audit was renewed including the CSURMA standalone audit. George introduced Chris Ray from KPMG who presented the audit findings. There were no financial findings. KPMG gave CSURMA a clean opinion. Chris discussed the required communications, including the significant accounting policies to which CSURMA is in compliance. With regard to the qualitative aspects of accounting practices, CSURMA has no unusual transactions or those for which there is no authoritative literature. The audited financial statement is in a net position. The statement of revenue which shows what happened during the year has a clean opinion. The revenues did change significantly from prior years. Judgements and IBNR's are included in the financials. The audit included one reclassification of an insurance premium to reinsurance.

Chris noted that Footnote 5 indicates that CSURMA establishes liability for both reported and unreported events, which includes estimates of both future payments of loss and loss adjustment expenses. This is specifically required due to the nature of CSURMA. The actuary's data has now been audited by the financial auditor. The committee reviewed schedules 1 – 10 which breakdown the costs for each program. Daniel Howell noted that the workers' compensation claims liability and loss adjustment expenses did increase in 2014 due to fewer years being reinsured.

A motion was made to accept the financial statement for the period ending June 30, 2014.

MOTION: Mike Lee
SECOND: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar	X			
Lisa Chavez	X			
Robert de Wit	X			
Lori Gentles				X
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Cynthia Teniente-Matson	X			
Michael Thorpe	X			

MOTION CARRIED

D2. Delegation of Authority to Extend Owner Controlled Insurance Program (OCIP)

Daniel Howell explained that the OCIP was launched three years ago. The program covers capital projects for an initial three year term expiring December 31, 2014. CSU's OCIP has performed extremely well with very low claims experience to date. James Hoffman from the Chancellor's Office Capital Planning Design and Construction (CPDC) group has worked with the OCIP administrators at Alliant to negotiate extensions to the insurance programs in place.

Due to CSU’s excellent performance, underwriters have agreed to maintain the existing pricing despite increases in California workers’ compensation rates over the past three years.

As an improvement to the program services, the OCIP administrator will now track bid deductions from contractors so that the cost of the CSU OCIP can be compared to the cost of insurance bid by the contractors.

Cindy Teniente-Matson asked Daniel to put together a matrix that substantiates the actual savings to CSU. This should be available to be discussed at the next CABO meeting. Daniel will also review the Bakersfield project and provide backup information to confirm the savings on the project.

A motion was made to delegate authority to the CSU Chancellor’s Office to extend the CSU OCIP for three more years and authorize the CSURMA Chair and Secretary-Auditor to execute agreements necessary to continue the program.

MOTION: Frank Mumford

SECOND: Linda Hawk

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar	X			
Lisa Chavez	X			
Robert de Wit	X			
Lori Gentles				X
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Cynthia Teniente-Matson	X			
Michael Thorpe	X			

MOTION CARRIED

D3. Workers’ Compensation Program Claims Closure Initiative Update

Zachary Gifford let the committee know that as of October 10, 2014, settlement authority has been approved on three files. A second “double play” meeting occurred on October 16, 2015. Sedgwick is reviewing the open SELF inventory to select the second set of files to be reviewed by Corey Ingber. The discussions and recommendations have been well received by defense counsel and settlement negotiations have been initiated on the files with settlement authority. Progress toward resolution continues. Zach confirmed that he and Jacki Graf will continue to give the committee updates as the project continues.

D4. Student Travel Accident Policy Renewal

Daniel Howell let the committee know that current federal law requires that CSU purchase insurance to cover accidental injuries to students while travelling away from campus on school sponsored activities. The current CSU policy has a limit of \$25,000 and expires December 31, 2014. The renewal has been quoted at \$23,330 with the same terms and conditions as the expiring policy. An optional quote with a limit \$35,000 and a premium of \$24,077 was also presented. Both quotes include an annual aggregate of \$500,000.

The committee also discussed the option of modifying the travel accident policy to cover injuries to students within service learning placements. Daniel asked Willy Hsu to design contract language to be included in the service learning contracts that would stipulate that any injuries to the student would be covered under CSU’s medical expense and accident policy rather than under workers’ compensation. This language will be presented at the March meeting.

A motion was made to approve the renewal of the Student Travel Accident Policy with an increased limit of \$35,000 with an annual premium of \$24,077.

MOTION: George Ashkar

SECOND: Mike Thorpe

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar	X			
Lisa Chavez	X			
Robert de Wit	X			
Lori Gentles				X
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Cynthia Teniente-Matson	X			
Michael Thorpe	X			

MOTION CARRIED

D5. Evaluation of Primary Coverage Program for Workers’ Compensation

Daniel Howell mentioned that CSURMA has generally taken the approach of retaining risk when it could do so at a lower cost than risk transfer. From July 1, 2008 to June 30, 2011, the CSURMA Executive Committee authorized the purchase of a primary reinsurance program for the Campus Workers’ Compensation Risk Pool since the risk transfer was less expensive than the cost projected by CSURMA’s actuary. After June 30, 2011, the cost of risk transfer exceeded the CSURMA actuary’s projection of the cost to retain the risk, so the reinsurance program was discontinued.

In March 2014, staff received interest from the CSAC Excess Insurance Authority (EIA) to offer a primary coverage program to both the Campus WC Risk Pool and the AORMA WC Program. Several meetings have taken place to determine the viability of CSURMA participation in the

CSAC EIA program, and operational hurdles have been addressed so that participation would be transparent to the campuses and auxiliary organizations.

Daniel introduced Mike Fleming from CSAC EIA, Gordon DesCombes from Alliant Insurance Services, Inc. and Lilian Vanvioldt from Alliant Insurance Services, Inc. who provided an overview of the workers' compensation proposal. CSAC EIA was formed in 1979 and is one of the oldest JPAs in California. The excess workers' compensation program was the first CSAC EIA program. Originally CSAC EIA was only available to counties; now all JPAs within California can join. CSAC EIA has been accredited with excellence by CAJPA since 1989. It has also been accredited by AGRIP since 2010. CSAC EIA currently has 55 county members and 254 public entity members (some of these members are JPAs.) There are 15 active committees offering member participation. The proposed premium is for an 18 month term beginning January 1, 2015. The financial terms of CSAC EIA's proposal are summarized below. Mike Flemming mentioned that CSAC EIA has not approved the administration charge for FY 14/15, so it's possible that the premium could go up by \$3,000 to \$4,000. Also, the CSAC EIA underwriting committee would need to make the final approval; however, they have reviewed the original CSURMA submission and Mike does not anticipate any issues.

EIA Proposed Coverage Program Compared to CSURMA Actuarial Cost*

18 months	Campus	AORMA	Total
CSURMA Agreed			
Actuarial Funding:	\$ 42,336,525	\$ 4,781,875	\$ 47,118,400
CSAC EIA Primary:	\$ 22,237,435	\$ 2,287,055	\$ 24,524,490
CSAC EIA EWC:	\$ 13,981,931	\$ 1,438,001	\$ 15,419,932
CSAC EIA Total:	\$ 36,219,366	\$ 3,725,056	\$ 39,944,422

*actuarial cost from Aon studies valued at June 30, 2014.

Daniel noted that due to financial considerations, the AORMA WC program can only participate in this risk transfer if the Campus WC Risk Pool also participates. Daniel let the committee know that the AORMA Committee, at its meeting yesterday, delegated authority to the executive committee to make the final decision and execute the participation documents, if appropriate.

The committee asked how CSAC EIA would be different from SELF. Daniel noted that CSAC EIA may assess each member as well; however, the problems with SELF resulted from a number of issues. The excess workers' compensation pool had an extremely low self-insured retention, and the rating did not include member experience modifications factors. Because of this, the members with the low loss ratios left the program and the members with the high loss ratios stayed. This created adverse selection. Also, SELF did not audit the members' claims administrators and had only one claims consultant on staff to oversee the claims administration

of all of the members. CSAC EIA does include an experience modification factor in each member’s premium calculation. CSAC EIA audits each member’s claims administrator to verify that the claims are being reserved appropriately and that claims are being administered effectively every other year. Also, SELF required a six month notice of cancellation which made leaving the program difficult. CSAC EIA requires only 60 days notice of cancellation and the notice of cancellation is rescindable. CSAC EIA also has seven staff members who are devoted to loss control.

The Executive Committee did not feel that they had sufficient time to make a final recommendation at this meeting. Instead, they asked that this same information be presented to CSURMA Board. They will ask the Board to delegate authority to the Executive Committee to make the final decision and to execute the participation documents if appropriate.

D6. Risk Management Innovative Grant Program

Items D6b. Revised Risk Management Innovation Grant Program and D6c. Approval to Unencumber Non-Used Risk Innovation Grant Funds for Systemwide Endeavors were tabled until the December meeting.

D6a. Approval of Risk Management Innovation Grant Program Applications Received from Members.

The committee members reviewed the 18 grant requests received from 12 different campuses.

A motion was made to approve a total grant amount of \$26,566.68 for all 18 grant requests received.

MOTION: Linda Hawk
SECOND: Mike Thorpe

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar	X			
Lisa Chavez	X			
Robert de Wit	X			
Lori Gentles				X
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Cynthia Teniente-Matson	X			
Michael Thorpe	X			

MOTION CARRIED

D7. Approval of the Policy and Procedure No. 22 – Claims Handling Guidelines

This item was removed from the agenda.

D8. CSURMA Support of Systemwide Efforts Related to Mitigation of Concussive Injuries

This item was removed from the agenda.

D9. Adoption of Meeting Dates for Calendar Year 2015

The committee agreed to keep the December 5th meeting on the calendar and will meet in Alliant’s Newport Beach office.

D10. Prevention of Sexual Misconduct and Abuse of Minors

This item was removed from the agenda.

D11. Delegation of Authority to Engage Consultant to Perform CSURMA Operational Review

Daniel Howell noted that at the last meeting the executive committee determined that it would have a consultant perform an operational review along the lines of a California Association of Joint Powers Authorities (CAJPA) accreditation review. It has been three years since the last review and the Executive Committee’s practice has been to perform the review every three years, as if CSURMA were seeking CAJPA accreditation. The Executive Committee determined that the scope of this year’s review will be limited to an operational review of the Program Administration and not include CSURMA accounting services since those services are already audited on an annual basis.

Staff identified Robin Johnson as a qualified consultant who can perform the review a deliver the report at the Executive Committee’s Long Range Planning Meeting in March 2015. Robin Johnson proposed a fee of \$7,500 for the review including delivery of the audit report. Travel expenses to perform the review are included in the review, but the cost to attend the Long Range Planning meeting (from the Sacramento area to the likely meeting location in Southern California) would be in addition to the fee.

A motion was made to delegate authority to the Secretary-Auditor to retain Robin Johnson to perform the operational review of the CSURMA.

MOTION: Frank Mumford

SECOND: George Ashkar

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar	X			
Lisa Chavez	X			
Robert de Wit	X			

Lori Gentles				X
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Cynthia Teniente-Matson	X			
Michael Thorpe	X			

MOTION CARRIED

E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS

E1. AORMA Programs Update

This item was removed from the agenda.

F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1)

There were no items to be discussed in closed session.

G. INFORMATION ITEMS

G1. Review of FY 2014/2015 Long Range Planning Goals

The committee reviewed the 2014/2015 Long Range Planning plan.

G2. Listing of CSURMA Policies and Procedures

The committee reviewed the CSURMA policies and procedures review schedule.

G3. CSURMA Administrative Service Calendar

The committee reviewed the CSURMA Administrative Service Calendar.

G4. CSURMA Executive Committee & Staff Contact List

Cindy asked the committee members to review the committee listing for accuracy and to contact Tevea Him or Mimi Long with any changes.

H. ADJOURNMENT

A motion was made to adjourn the meeting at 10:25 AM.

MOTION: Linda Hawk

SECOND: Mike Lee

FINANCIAL REPORT:
TREASURER'S REPORT AT SEPTEMBER 30, 2014

ISSUE: California Government Code Section 53646(b)(1) requires that the CSURMA Treasurer submit a Quarterly Investment Report stating that all investments are in compliance with the current investment policy and that CSURMA has sufficient funds to meet its expenditure requirements for the next six months. The CSURMA Treasurer will be on hand to address questions.

RECOMMENDATION: It is recommended that the Executive Committee review the Treasurer's Report ending September 30, 2014 as part of the Consent Calendar.

FISCAL IMPACT: None.

BACKGROUND: The objective of ensuring that CSURMA has sufficient funds is to assure that policies and procedures are in effect and followed to protect and preserve the JPA's financial assets.

PUBLICATION: None.

ATTACHMENT(S):

- a. Certification of Funds Letter as of September 30, 2014
- b. CSURMA Investment Report as of September 30, 2014



California State University Risk Management Authority

Officers

Cynthia Teniente-Matson
Chair

Linda Hawk
Vice Chair

George V. Ashkar
Treasurer

Robert Eaton
Secretary-Auditor

To: Executive Committee
CSU Risk Management Authority

From: George V. Ashkar
Treasurer of CSU Risk Management Authority

Re: Quarterly Investment Report
Ending September 30, 2014

Date: November 20, 2014

Government Code Section 53646(b)(1) requires the Authority's Treasurer to submit to the legislative body (Executive Committee), a quarterly investment report. Attached is the quarterly investment report ending September 30, 2014. The report contains a portfolio summary which includes market value, return, yield, weighted average to maturity (WAM), and duration for each of CSURMA investment Portfolios; Fixed Income Portfolio with Morgan Stanley-Smith Barney, and CSU's Consolidated Investment Pool.

It is the belief of the Treasurer that the funds held in investments are sufficient to meet the Authority's cash flow needs for the following six (6) months, and the investments are in accordance with the investment policy of the Authority, as duly authorized by the Executive Committee.

George V. Ashkar, Treasurer

CSURMA

Quarterly Investment Report

July 1, 2014 - September 30, 2014

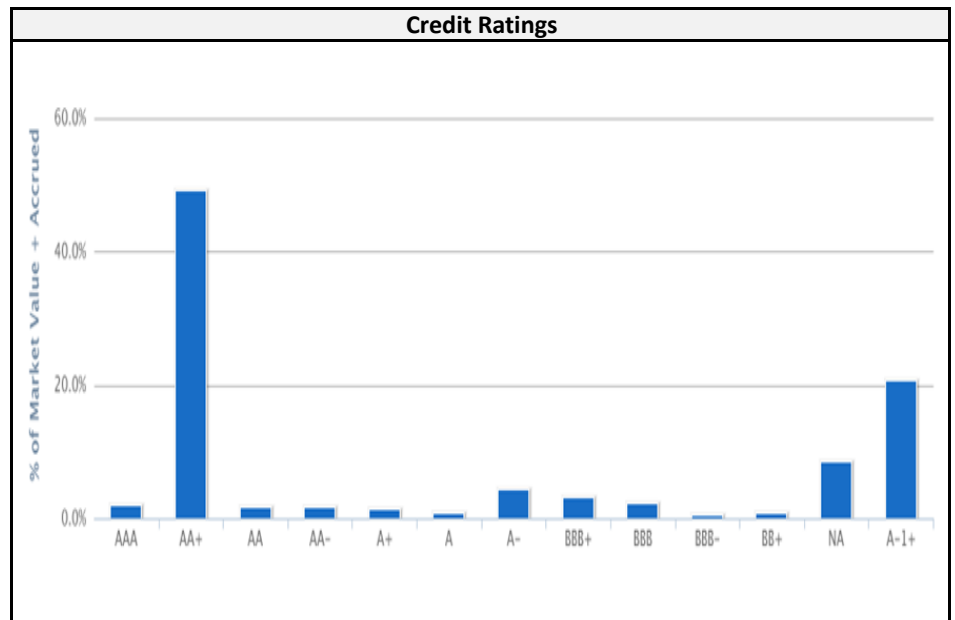
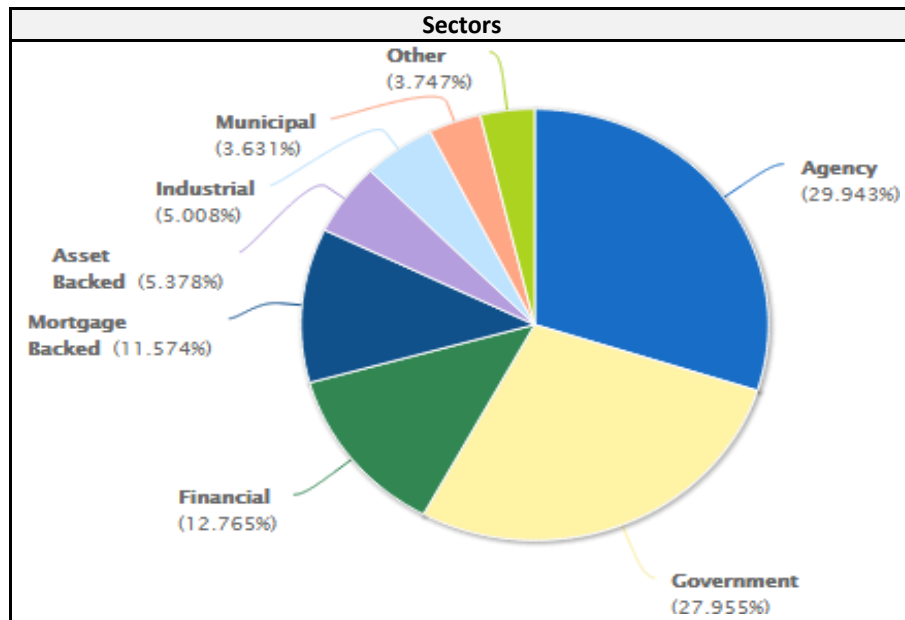
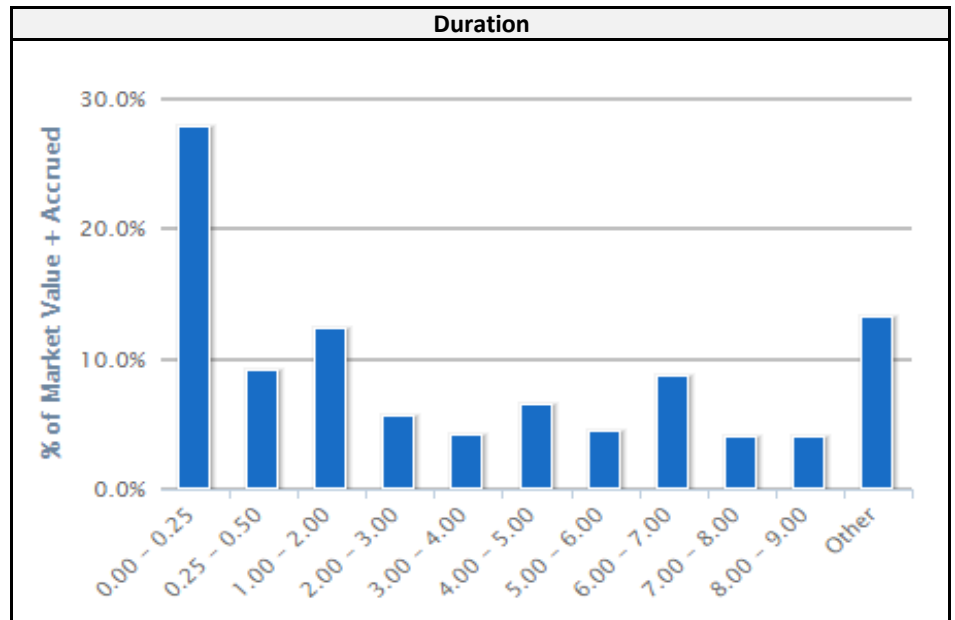
Prepared by Treasury

California State University Risk Management Authority

Fixed Income Portfolio (Auxiliary Investment Platform)

As of 09/30/2014

Portfolio Summary Total	
Total Assets	128,803,772
Duration	2.981
Yield	1.317%
Avg Credit Rating	AA-/Aa3
QE Performance	0.078%



California State University Risk Management Authority

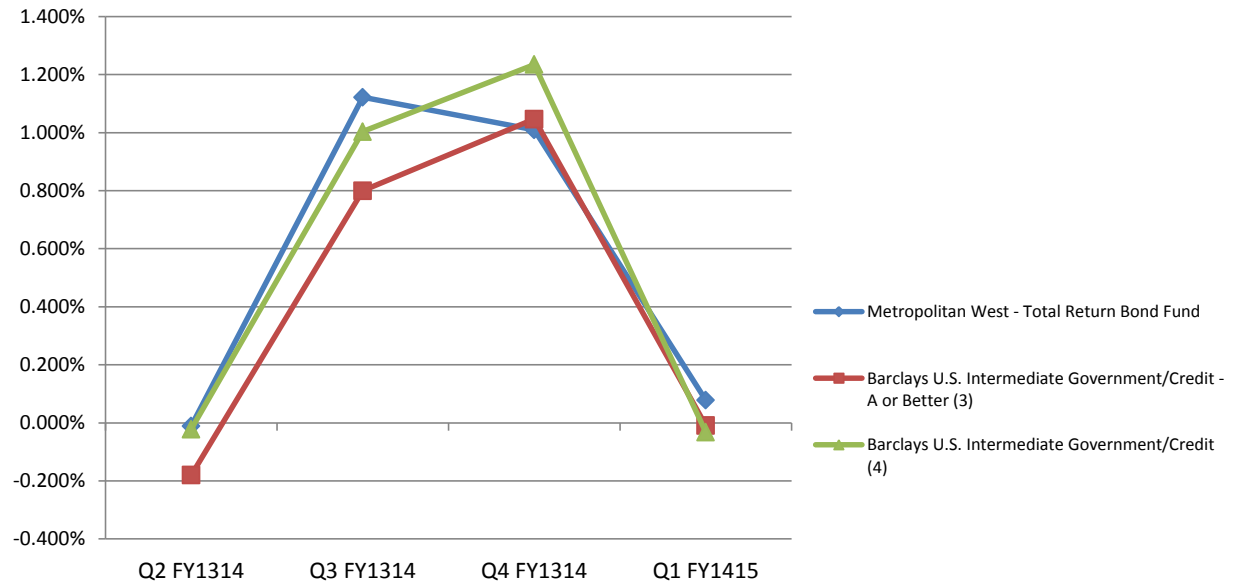
Fixed Income Portfolio (Auxiliary Investment Platform)

Performance Summary

Period Ending 09/30/2014

Account / Index	Market Value	3 Month ⁽¹⁾	Trailing	Trailing	Trailing	Since	Yield	WAM ⁽²⁾	Duration
			12 Month ⁽¹⁾	3 Year ⁽¹⁾	5 Year ⁽¹⁾	Inception ⁽¹⁾			
	09/30/14	07/01/14 - 09/30/14	10/01/13 - 09/30/14	10/01/11 - 09/30/14	10/01/09 - 09/30/14	04/01/08 - 09/30/14			
Metropolitan West - Total Return Bond Fund	128,803,772	0.078%	2.211%	1.794%	3.250%	4.559%	1.317	6.464	2.981
Barclays U.S. Intermediate Government/Credit - A or Better ⁽³⁾		-0.009%	1.660%	1.553%	3.000%	3.310%	1.472	4.000	3.740
Barclays U.S. Intermediate Government/Credit ⁽⁴⁾		-0.032%	2.195%	2.013%	3.418%	3.780%	1.680	4.200	3.880

Account / Index	Q2 FY1314	Q3 FY1314	Q4 FY1314	Q1 FY1415	Trailing
					12 Month ⁽¹⁾
	10/01/13 - 12/31/13	01/01/14 - 03/31/14	04/01/14 - 06/30/14	07/01/14 - 09/30/14	10/01/13 - 09/30/14
Metropolitan West - Total Return Bond Fund	-0.011%	1.122%	1.009%	0.078%	2.211%
Barclays U.S. Intermediate Government/Credit - A or Better ⁽³⁾	-0.180%	0.800%	1.047%	-0.009%	1.660%
Barclays U.S. Intermediate Government/Credit ⁽⁴⁾	-0.022%	1.003%	1.235%	-0.032%	2.195%



(1) Represents Total Return on the portfolio (Income Return plus Price Return)

(2) Weighted Average Maturity

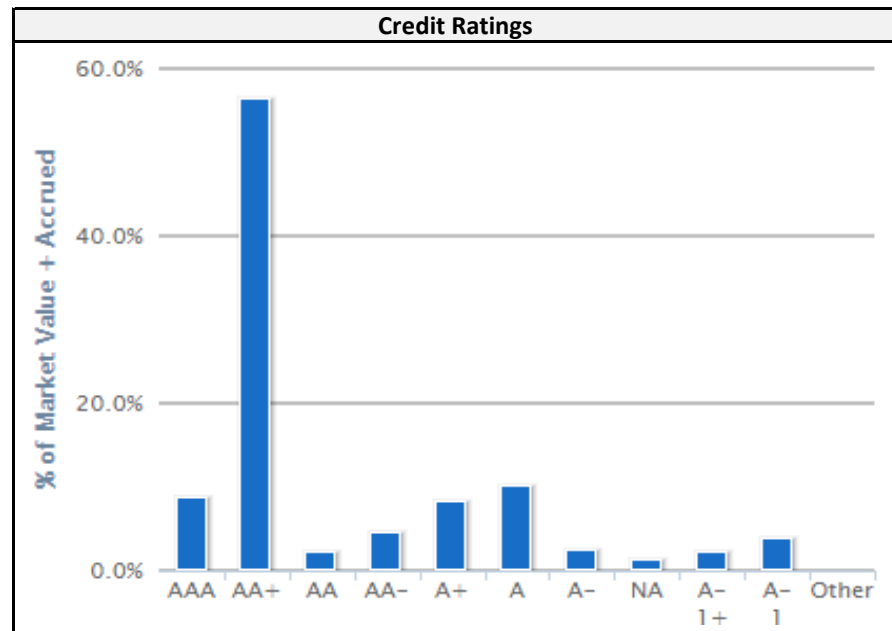
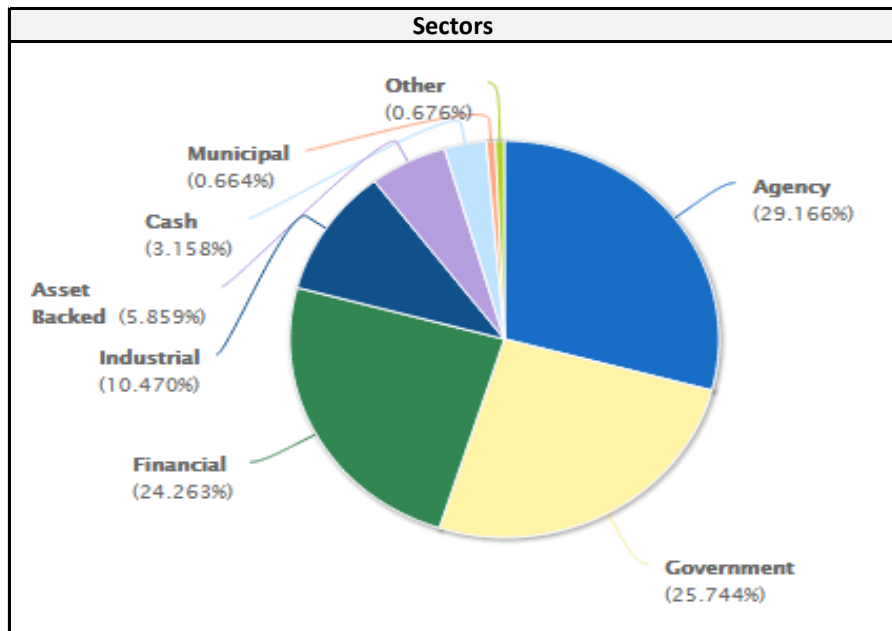
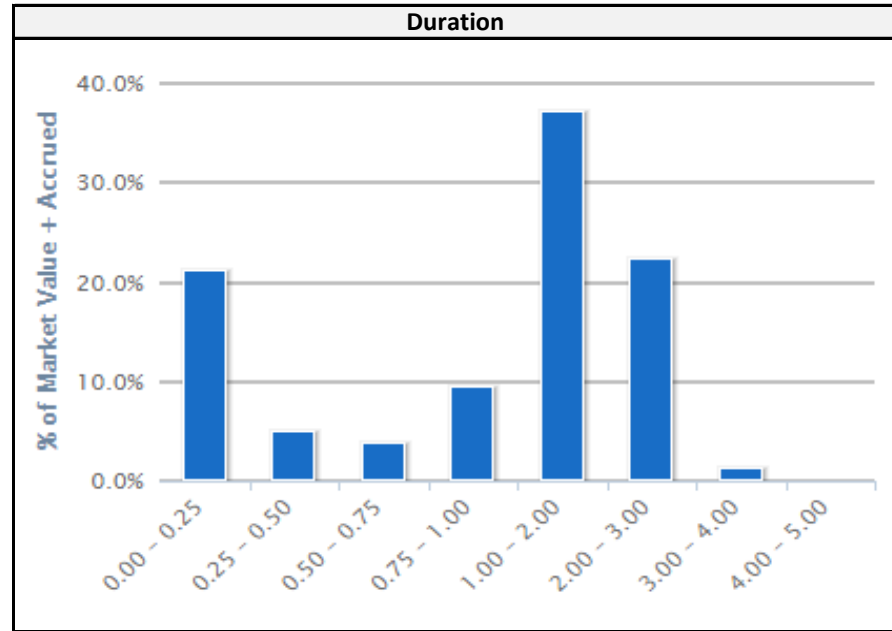
(3) Portfolio Benchmark as of 05/2014.

(4) Portfolio Benchmark prior to 05/2014.

California State University SWIFT Portfolio

As of 09/30/2014

Portfolio Summary Total	
Total Assets	85,469,946
Duration	1.302
Yield	0.551%
Avg Credit Rating	AA-/Aa3
QE Performance	0.050%



California State University Risk Management Authority

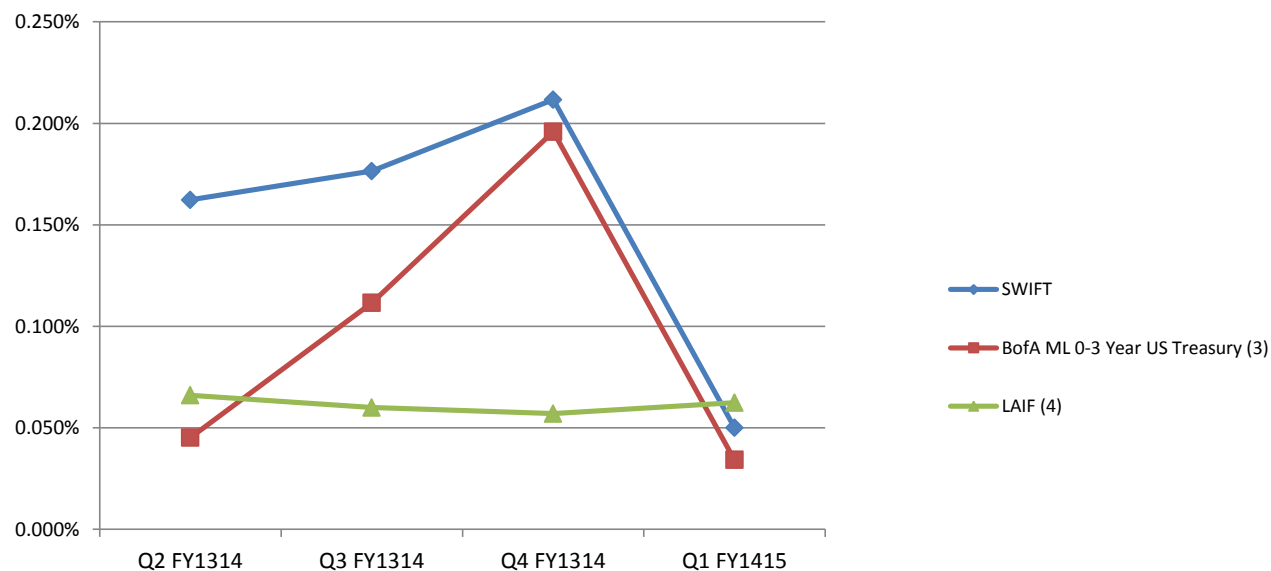
SWIFT Portfolio

Performance Summary

Period Ending 09/30/2014

Account / Index	Market Value 09/30/14	3 Month ⁽¹⁾ 07/01/14 - 09/30/14	Trailing	Trailing	Trailing	Since	Yield	WAM ⁽²⁾	Duration
			12 Month ⁽¹⁾ 10/01/13 - 09/30/14	3 Year ⁽¹⁾ 10/01/11 - 09/30/14	5 Year ⁽¹⁾ 10/01/09 - 09/30/14	Inception ⁽¹⁾ 07/01/07 - 09/30/14			
SWIFT - Systemwide Investment Fund Trust	85,469,946	0.050%	0.602%	0.656%	0.587%	1.427%	0.551	1.589	1.302
BofA ML 0-3 Year US Treasury ⁽³⁾		0.034%	0.387%	0.380%	0.802%	1.956%	0.425	1.490	1.463
LAIF - Local Agency Investment Fund ⁽⁴⁾		0.062%	0.246%	0.302%	0.386%	1.203%	0.003		

Account / Index	Q2 FY1314 10/01/13 - 12/31/13	Q3 FY1314 01/01/14 - 03/31/14	Q4 FY1314 04/01/14 - 06/30/14	Q1 FY1415 07/01/14 - 09/30/14	Trailing
					12 Month ⁽¹⁾ 10/01/13 - 09/30/14
SWIFT	0.162%	0.177%	0.212%	0.050%	0.602%
BofA ML 0-3 Year US Treasury ⁽³⁾	0.045%	0.112%	0.196%	0.034%	0.387%
LAIF ⁽⁴⁾	0.066%	0.060%	0.057%	0.062%	0.246%



(1) Represents Total Return on the portfolio (Income Return plus Price Return)

(2) Weighted Average Maturity

(3) Portfolio Benchmark

(4) LAIF returns calculated by CSUCO Treasury

RISK MANAGEMENT INNOVATION GRANT PROGRAM

ISSUE: At its October 24, 2014 meeting, the Executive Committee approved the Risk Management Grant applications submitted by twelve campuses, and deferred the remaining items to today's meeting, which are to review and possibly refine the criteria for the grants to encourage and increase participation among the campuses, and to determine appropriate use of the grant fund for systemwide risk management endeavors.

RECOMMENDATION: The Executive Committee is asked to: (a) review and approve proposed changes to the grant criteria, and (b) direct staff regarding the disposition of unused funds.

FISCAL IMPACT: \$100,000 (\$50,000 each for Safety & Risk Control and Employee Health & Wellness) was budgeted in FY 2014/15 for the Liability and Workers' Compensation funds respectively. Upon disbursement for the grants that have been approved, the remaining balance would be \$73,433.

BACKGROUND: The Risk Management Innovation Grant Program was established by the Executive Committee on September 13, 2013. The program makes funds available to Campus members in the Liability and Workers' Compensation coverage programs for specialized training, safety equipment, physical improvements, or other safety related items that will lead to mitigation of risk exposures. The purpose of this *matching grant program* is to encourage members to facilitate reduction in claim costs and to enhance existing risk reduction efforts.

Grant applications were submitted by and have been approved for the following campuses: Chico, Dominguez Hills, East Bay, Fresno, Fullerton, Humboldt, Los Angeles, Monterey Bay, Pomona, San Bernardino, San Francisco, and San Marcos.

PUBLICATION: None.

ATTACHMENT(S):

- a. Summary of Applications
- b. Revised Risk Management Grant Program Description and Procedures (Draft)
- c. Revised Safety Program Reimbursement Request (Draft)
- d. Revised Wellness Program Reimbursement Request (Draft)

Campus Risk Management Innovation Grant Program

Campus	Grant Type	Date of Application	Description	Estimated Start Date	Estimated Completion	Estimated Cost	Requested Amount	Grant Amount
Chico	Health & Wellness	5/21/14	Ergonomics Services	12/11/13		\$ 800.00	\$ 800.00	\$ 400.00
	Safety & Risk Control	5/21/14	Automated External Defibrillator	10/25/13		\$ 3,644.25	\$ 2,000.00	\$ 1,822.13
Dominguez Hills	Safety & Risk Control	9/30/14	Pop up safety cones, signs.	tbd	tbd	\$ 3,468.00	\$ 1,734.00	\$ 1,734.00
East Bay	Safety & Risk Control	7/10/14	Satellite phones	6/24/14		\$ 1,336.17	\$ 1,336.17	\$ 668.09
Fresno	Safety & Risk Control	10/8/14	EVM 7 Indoor Air Quality Monitor	11/20/13	11/30/13	\$ 12,627.65	\$ 2,000.00	\$ 2,000.00
Fullerton	Safety & Risk Control	6/27/14	Incident Investigation/Report Training	2/3/14		\$ 3,100.00	\$ 1,550.00	\$ 1,550.00
	Health & Wellness	6/27/14	Managing Change Workshops	5/6/14		\$ 3,125.91	\$ 1,562.00	\$ 1,562.96
Humboldt	Health & Wellness	9/23/14	Ergonomics Awareness Training & Equipment (2 sessions)	9/17/14		\$ 3,369.82	\$ 3,369.82	\$ 1,684.91
Los Angeles	Safety & Risk Control	6/26/14	Emergency Supply Storage Lockers	3/26/14	tbd	\$ 5,338.65	\$ 2,000.00	\$ 2,000.00
	Health & Wellness	6/26/14	Mental Health First Aid Training	3/1/14	tbd	\$ 4,000.00	\$ 2,000.00	\$ 2,000.00
Monterey Bay	Health & Wellness	8/14/13	Self-Defense Protective Suits	6/19/13	tbd	\$ 2,208.00		\$ 1,104.00
	Safety & Risk Control	6/14/13	Supplemental First Aid Equipment	8/6/13	tbd	\$ 2,168.96		\$ 1,084.48
Pomona	Health & Wellness	8/19/14	Police Protective Utility Vest	tbd	Prior to Jan	\$ 5,440.00		\$ 2,000.00
San Bernardino	Health & Wellness	10/7/14	Laptops, video camera, training software	tbd	tbd	tbd	tbd	tbd
	Safety & Risk Control	10/7/14	Building and Floor Marshal Equip Bags	tbd	tbd	\$ 3,830.00	\$ 1,915.00	\$ 1,915.00
San Francisco	Health & Wellness	10/8/14	Q-Trak IAQ Monitor	6/16/14	6/16/14	\$ 4,492.51	\$ 2,000.00	\$ 2,000.00
	Safety & Risk Control	10/8/14	P-TRAK Ultrafine Particle Counter	6/20/14	6/20/14	\$ 6,137.54	\$ 2,000.00	\$ 2,000.00
San Marcos	Safety & Risk Control	3/27/14	Automated External Defibrillator	3/27/14	tbd	\$ 2,082.24	\$ 2,000.00	\$ 1,041.12
TOTAL						\$ 67,169.70		\$ 26,566.68

Campuses: 12

Requests: 18

Fund Balance: \$ 73,433.33

RISK MANAGEMENT INNOVATION GRANT PROGRAM

Effective: July 1, 2013

Adopted: September 13, 2013

PURPOSE:

The Risk Management Innovation Grant Program (Program) makes funds available to Campus members (Members) in the Liability and Workers' Compensation programs. It funds specialized training, safety equipment, physical improvements, or other safety related items that will ~~lead to~~ support the mitigation of risk exposures. The purpose of this *matching grant program* is to encourage Members to facilitate a reduction in claim costs and to enhance existing risk reduction efforts.

POLICY:

1. Annually, the Program Administrator and Systemwide Risk Management will:
 - a. Propose to the Executive Committee a budget for the Program.
 - b. Review the Liability and Workers' Compensation loss information and other resources to identify patterns and claims which may be preventable with the (1) purchase, replacement or upgrade of physical property; (2) development of specialized training; or (3) development of risk management programs.
 - c. Identify the focus of the Program for the upcoming fiscal year.
 - d. Draft the Grant Application and recommend a maximum grant amount per Member.
 - e. Send a memo to all Members describing the Program and invite Members to apply for a grant by completing the Grant Application.
2. To access funds under the Program, and previous to the Member expending funds, Member must complete the Grant Application which is to include:
 - a. A description of the proposed risk reduction project.
 - b. The anticipated timeline for completion of the risk reduction project.
 - c. An estimate of the total cost for the proposed risk reduction project.
 - d. Agreement and approval of Grant Application by the Campus VP of Business & Finance or his/her designee; e.g., Environmental Health & Safety Director, Risk Manager, etc.
3. Members working collaboratively via the Risk Managers and/or Environmental Health & Safety working groups of CSUWERCs, may complete a Grant Application that would be applicable to systemwide risk mitigation endeavors. Other than item 2(d), the requirements remain the same.

4. The Program Administrator will review completed Grant Applications, and if found appropriate and consistent with the purpose of the Program, refer the Grant Application to the Executive Committee for approval.
5. The Member will be expected to complete the proposed risk reduction project within the time period described in the Grant Application. The Executive Committee may rescind the grant if the Member has not started, or made substantive progress towards completion, the risk reduction project within the timeframe proposed.
6. Fifty percent (50%) of the Member's risk reduction project costs (up to the maximum grant amount approved for each Member) may be reimbursed by the Program. The Member will submit to the Program Administrator the final paid receipt(s) to be used to calculate the Program reimbursement amount.
 - a. Submissions completed under section 3, approved projects will be 100% reimbursed by the program.
7. After the grant funds are utilized, the Member or working group will provide a brief report providing information that will assist the Executive Committee in monitoring this Program's effectiveness and the merits of future Program funds.
8. The Program Administrator and Systemwide Risk Management will work with the Grant Recipients to develop benchmarks to evaluate the success of the Program. The Program Administrator and Systemwide Risk Management will also provide guidance to future Grant Recipients based on these historical benchmarks.



FY 2014/15 Campus Safety & Risk Control Reimbursement Program

Please Complete All Fields

Member Campus/Working Group:		Date:
Member/Group Contact:	Phone:	Email:
Reimbursement Requested For <i>(please describe)</i> :		
Planned Date of Purchase <i>(Please attach cost estimate)</i> :	Reimbursement Amount Requested <i>(Up to \$10,000 per fiscal year - please see guidelines at the bottom)</i> :	
This is a <i>(check all that apply)</i> :		
<input type="checkbox"/> Service	<input type="checkbox"/> Software	<input type="checkbox"/> Equipment
<input type="checkbox"/> Training	<input type="checkbox"/> Safety Program Development	<input type="checkbox"/> Safety Program Management
<input type="checkbox"/> Safety Consulting	<input type="checkbox"/> Other <i>(please describe)</i> :	
Please explain how this will improve or enhance your safety and risk control efforts:		
Signature <i>(VP- Business & Admin, or designee)</i> : _____ <i>(Member submission only)</i>		
Date: _____		
Please submit this completed reimbursement request form to Rob Leong at either: (email) rluong@alliant.com or (fax) 415-874-4810		
<ol style="list-style-type: none"> 1. The Campus Safety and Risk Control Reimbursement Program is available to members in the CSURMA Campus Liability Risk Pool Program. 2. Each member can request reimbursement for up to a total of \$10,000 per fiscal year (7/1-6/30). 3. The amount of reimbursement requested cannot exceed the estimated/documentated cost of the item(s) purchased. 4. Requests must include signed Request Form and copies of receipts and estimates identifying which expenses are qualifying for reimbursements. Email submittals are acceptable. 5. Reimbursement requests must be submitted during the same fiscal year that the proposed expense is to be incurred. 6. <i>Equipment, trainings, personal protective equipment, etc. that employers are <u>required</u> by law or regulation to provide are <u>not</u> eligible for reimbursement. This reimbursement program is intended to encourage members to enhance existing risk control efforts. Please feel free to contact the Program Administrator to discuss whether an item or service is eligible for reimbursement prior to submitting a request form.</i> 7. It is the member's responsibility to obtain confirmation from CSURMA that all reimbursement requests submitted were received by CSURMA. 8. Please contact Rob Leong at 415.403.1441 or rluong@alliant.com if you have any questions. 		



FY 2014/15 Campus Employee Health & Wellness Reimbursement Program

Please Complete All Fields

Member Campus/Working Group:		Date:
Member/Group Contact:	Phone:	Email:
Reimbursement Requested For <i>(please describe)</i> :		
Planned Date of Purchase <i>(Please attach cost estimate)</i> :	Reimbursement Amount Requested <i>(Up to \$10,000 per fiscal year - please see guidelines at the bottom)</i> :	
This is a <i>(check all that apply)</i> :		
<input type="checkbox"/> Service	<input type="checkbox"/> Software	<input type="checkbox"/> Equipment
<input type="checkbox"/> Training	<input type="checkbox"/> Safety Program Development	<input type="checkbox"/> Safety Program Management
<input type="checkbox"/> Safety Consulting	<input type="checkbox"/> Other <i>(please describe)</i> :	
Please explain how this will improve or enhance your safety and risk control efforts:		
Signature <i>(VP- Business & Admin, or designee)</i> : _____ <i>(Member submission only)</i>		
Date: _____		
Please submit this completed reimbursement request form to Rob Leong at either: (email) rluong@alliant.com or (fax) 415-874-4810		
<ol style="list-style-type: none"> 1. The Campus Employee Health & Wellness Reimbursement Program is available to members in the CSURMA Campus Workers' Compensation Risk Pool Program. 2. Each member can request reimbursement for up to a total of \$10,000 per fiscal year (7/1-6/30). 3. The amount of reimbursement requested cannot exceed the estimated/documentated cost of the item(s) purchased. 4. Requests must include signed Request Form and copies of receipts and estimates identifying which expenses are qualifying for reimbursements. Email submittals are acceptable. 5. Reimbursement requests must be submitted during the same fiscal year that the proposed expense is to be incurred. 6. <i>Equipment, trainings, personal protective equipment, etc. that employers are <u>required</u> by law or regulation to provide are <u>not</u> eligible for reimbursement. This reimbursement program is intended to encourage members to enhance existing risk control efforts. Please feel free to contact the Program Administrator to discuss whether an item or service is eligible for reimbursement prior to submitting a request form.</i> 7. It is the member's responsibility to obtain confirmation from CSURMA that all reimbursement requests submitted were received by CSURMA. 8. Please contact Rob Leong at 415.403.1441 or rluong@alliant.com if you have any questions. 		

**EVALUATION OF PRIMARY COVERAGE PROGRAM
FOR WORKERS' COMPENSATION**

ISSUE: CSURMA has generally taken the approach of retaining risk when it could do so at a lower cost than risk transfer. From July 1, 2008 to June 30, 2011, the CSURMA Executive Committee authorized the purchase of a primary reinsurance program for the Campus Workers' Compensation Risk Pool since the risk transfer was less expensive than the cost projected by CSURMA's actuary. After June 30, 2011, the cost of risk transfer exceeded the CSURMA actuary's projection of the cost to retain the risk, so the reinsurance program was discontinued.

In March 2014, staff received interest from the CSAC Excess Insurance Authority (EIA) to offer a primary coverage program to both the Campus WC Risk Pool and the AORMA WC Program. Several meetings have taken place to determine the viability of CSURMA participation in the EIA program, and operational hurdles have been addressed so that participation would be transparent to the campuses and auxiliary organizations. The financial terms of EIA's proposal are summarized below:

Table 1
EIA Proposed Coverage Program Compared to CSURMA Actuarial Cost*

18 months	Campus	AORMA	Total
CSURMA Agreed			
Actuarial Funding:	\$ 42,336,525	\$ 4,781,875	\$ 47,118,400
CSAC EIA Primary:	\$ 22,237,435	\$ 2,287,055	\$ 24,524,490
CSAC EIA EWC:	\$ 13,981,931	\$ 1,438,001	\$ 15,419,932
CSAC EIA Total:	\$ 36,219,366	\$ 3,725,056	\$ 39,944,422

*actuarial cost from Aon studies valued at June 30, 2014.

Due to financial considerations, the AORMA WC program can only participate in this risk transfer if the Campus WC Risk Pool also participates. Representatives from EIA will be present at today's meeting to discuss the proposed program. The AORMA Committee evaluated the proposal at their meeting on October 23, 2014 and took action to join in the EIA Primary WC program if the EC decides to enroll the Campus WC Risk Pool as well.

At the October 24 Executive Committee meeting, the EC determined that it would like additional time to consider this program. The EC recommended that the CSURMA Board delegate Authority for the EC to take action in December. At their October 24, 2014 meeting, CSURMA

Board took action to delegate authority to the CSURMA EC to take action to join the EIA Primary and Excess workers' compensation programs. Staff was requested to prepare the additional present value of projected ultimate liabilities as calculated by CSURMA's actuary so that the Executive Committee could see how the actuary's valuation of the liabilities changes over time.

RECOMMENDATION: It is recommended that the Executive Committee consider the attached presentation and proposals and take action on whether to join the EIA programs and delegate authority to the CSURMA Chair and Secretary-Auditor to effect CSURMA's participation in the EIA Primary and Excess Workers' Compensation programs by executing the necessary documents.

FISCAL IMPACT: The cost of a primary reinsurance program would be paid from AORMA and Campus WC Risk Pool deposits that would otherwise be used to self-insure the claims. If claims develop as projected by the CSURMA actuary, the proposed EIA program would result in a lower cost to CSURMA. If CSURMA's claims are substantively greater than the actuary's projection or if EIA has negative experience in their excess workers' compensation program, the cost of the proposed EIA program may be higher than CSURMA's actuarial projection.

BACKGROUND: In general, it is less costly to self-insure first dollar claims with high frequency. These savings are achieved by avoidance of the frictional costs of insurance transactions. In the case of workers' compensation claims, the frictional costs are reduced since claims are adjusted on statutory rules and regulations and the payments are processed with electronic feeds. As a result, large self-insureds can benefit from locking in their claims costs by purchasing primary layer coverage when a reinsurer can offer pricing that is close to or improves on the self-insured cost. Reinsurers may be able to offer better pricing options when their investment income outlook is strong since the claims will be paid over many years.

At the direction of the Executive Committee, Chancellor's Office and CSURMA Staff have met with representatives of the Excess Insurance Authority (EIA). EIA is a statewide joint powers authority (JPA) insurance pool dating from the 1970's and is the largest governmental entity insurance pool in the nation. The documents attached to this item offer more details on EIA's proposal.

PUBLICATION: No publication is expected from consideration of this item at today's meeting.

ATTACHMENT(S):

- a. CSURMA Discounted Expected Value of WC Claims
 1. Campus WC Risk Pool
 2. AORMA WC Program

- b. CSAC EIA Presentation
- c. CSAC EIA Primary WC Proposal
- d. CSAC EIA Excess WC Proposal
- e. CSAC EIA Claims Handling Memorandum
- f. CSAC EIA Joint Exercise of Power Agreement
- g. CSAC EIA EWC Program Participation Agreement



CSU Campus Workers Compensation Risk Pool

Valuation by CSURMA's Actuary (Aon) of Selected Ultimate Claims
 Discounted Expected Value at June 30 Each Year
 All Values in \$ thousands (000)

Valuation Date:	2008	2009	2010	2011	2012	2013	2014	% Change from FY Year End
07-08	\$16.587	\$16.678	\$15.869	\$16.293	\$16.668	\$16.849	\$16.959	102.24%
08-09		17.996	19.008	18.743	19.599	20.261	19.889	110.52%
09-10			17.118	16.520	16.362	16.810	17.598	102.80%
10-11				20.657	21.178	22.752	23.318	112.88%
11-12					19.575	20.697	22.347	114.16%
12-13						21.565	21.193	98.27%
13-14							23.201	N/A

Source: Aon Risk Solutions.

CSU AORMA Workers Compensation Risk Pool

Valuation by CSURMA's Actuary (Aon) of Selected Ultimate Claims
Discounted Expected Value at June 30 Each Year
All values in \$ thousands (000)

Valuation Date:	2008	2009	2010	2011	2012	2013	2014	% Change from FY Year End
07-08	\$1.992	\$2.326	\$2.420	\$2.768	\$2.793	\$2.875	\$3.035	152.36%
08-09		1.427	1.200	1.281	1.440	1.309	1.428	100.07%
09-10			1.364	1.518	1.655	1.784	1.551	113.71%
10-11				2.770	2.771	2.756	3.108	112.20%
11-12					2.728	2.495	2.353	86.25%
12-13						2.388	2.512	105.19%
13-14							2.184	N/A

Source: Aon Risk Solutions.



CSAC Excess Insurance Authority
Leader in Member-Directed Risk Management

CSURMA

Workers' Compensation Program

CSAC EIA EWC Options

October 2014



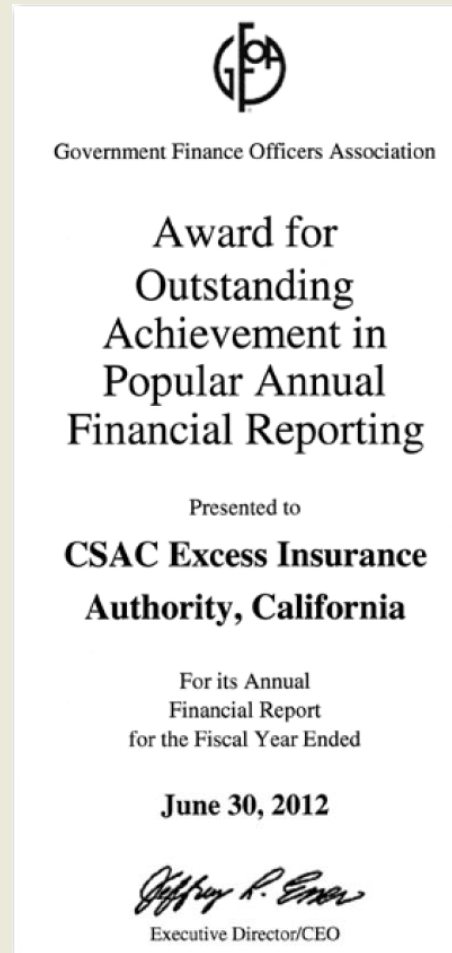
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Who is the CSAC EIA?



2011 - 2013



2004 - 2013



2010 - 2016



**Certificate of
Achievement for
Excellence in
Financial Reporting
1994 - 2013**



1989 - 2016



Status at June 30, 2014

Member Contributions	\$574 million
Total Assets	\$593 million
Net Assets	\$113.3 million

Membership

- County members 54
- Public Entity members 254
 - Covering 1,800 agencies in 1 or more programs



Member Involvement

Board of Directors

- 61 Members
- 57 Alternates

Committees

- 15 Active Committees
- 141 Members
- 25 Alternates





CSURMA & CSAC EIA

- Original discussion in March 2014 regarding CSAC EIA Primary and Excess Comp programs
 - Indication of cost 2-8% above Expected/Discounted cost of CSU Program
 - Concern with joining another Pool
 - Claims Handling?
- Three specific meetings since on EIA and its financial / governance structure and proposed terms
- Specific meeting on claims handling
 - Outline of process presented after the claims meeting



CSURMA Actuarial Data

Updated Actuarial Report received in August 2014, from Aon.
 See Report pages 18 (Campus) and page 8/9 (AORMA).
 Based on current Campus SIR of \$2.5M and AORMA SIR of \$500K.

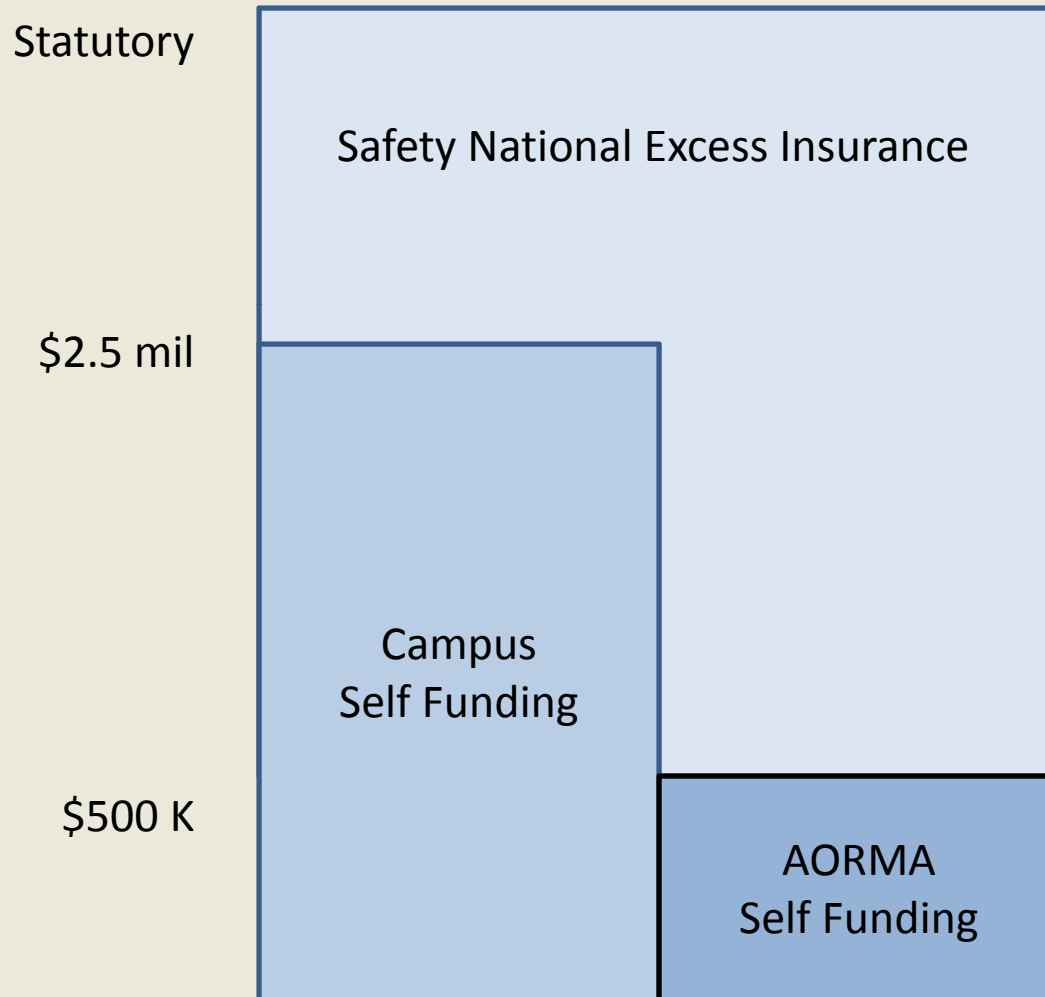
		1/1/15 - 7/1/15	7/1/15 - 7/1/16	18 month
Discounted				
Expected	Campus	\$ 11,876,000	\$ 25,320,000	\$ 37,196,000
	AORMA	\$ 1,258,500	\$ 2,567,000	\$ 3,825,500
	Total:	\$ 13,134,500	\$ 27,887,000	\$ 41,021,500
Discounted				
70%	Campus	\$ 12,469,500	\$ 26,586,000	\$ 39,055,500
80%	AORMA	\$ 1,573,125	\$ 3,208,750	\$ 4,781,875
	Total:	\$ 14,042,625	\$ 29,794,750	\$ 43,837,375
Undiscounted				
70%	Campus	\$ 13,517,175	\$ 28,819,350	\$ 42,336,525
80%	AORMA	\$ 1,700,000	\$ 3,467,500	\$ 5,167,500
	Total:	\$ 15,217,175	\$ 32,286,850	\$ 47,504,025

Highlighted amounts are the agreed funding amounts for each Program.
 Total agreed funding (from last meeting) of \$47,118,400



CSURMA / CSAC EIA

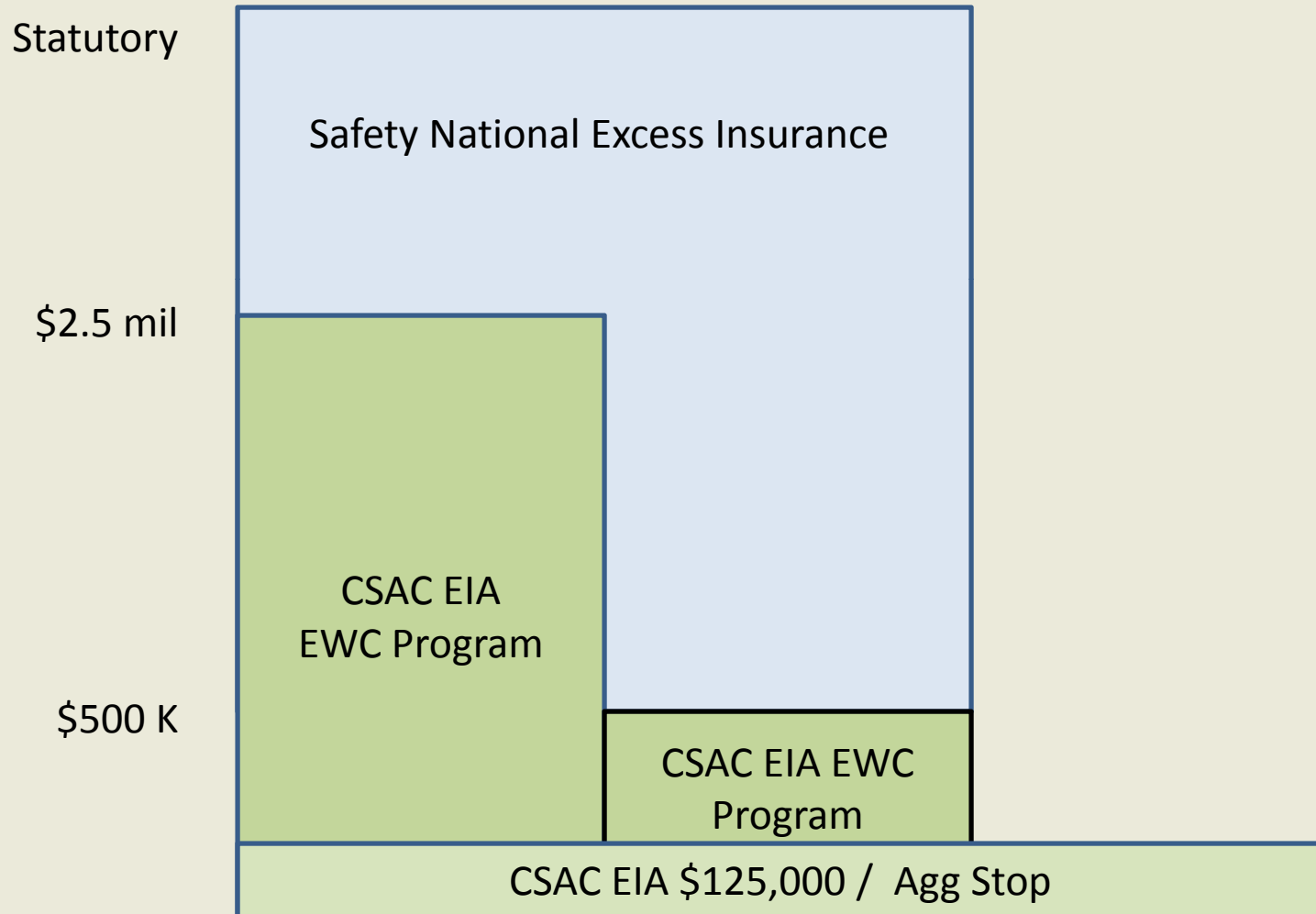
Current Structure





CSURMA / CSAC EIA

Proposed Structure





CSURMA / CSAC EIA

EIA Structure – Two Layers

CSAC EIA EWC Program
\$2,375,000 Excess of \$125,000 per accident
(Corridor Deductible applies before
reinsurance applies)

\$125,000 / Annual Aggregate – Corridor applies before reinsurance



CSURMA / CSAC EIA Cost Comparison

18 months	Campus	AORMA	Total
Agreed Actuarial Funding:	\$ 42,336,525	\$ 4,781,875	\$ 47,118,400
CSAC EIA Primary:	\$ 22,237,435	\$ 2,287,055	\$ 24,524,490
CSAC EIA EWC:	\$ 13,981,931	\$ 1,438,001	\$ 15,419,932
CSAC EIA Total:	\$ 36,219,366	\$ 3,725,056	\$ 39,944,422

- Over \$7.1M savings compared with agreed funding
- Almost \$1.1M savings vs. Discounted Expected Funding Levels for both Programs
- Firm reinsurance terms; Subject to CSAC EIA Underwriting and Executive Committee approvals



CSAC EIA

Rating Methodology

- EIA Excess Workers' Compensation (EWC) Program has base rates promulgated by their independent actuary every year for three categories (County, City/other, and Education)
- For the layer below \$1M, the rating model has an Experience Modification Factor applied to the initial rate based on loss experience
- CSURMA program premium has been specifically negotiated with AmTrust given the size of the program.
- Primary Agg Stop/Corridor layer outside of the EWC Program – negotiated specific for CSURMA with AmTrust.



CSAC EIA

EWC Dividend / Assessment

- CSURMA Corridor amount is approximately 11% of overall CSAC EIA EWC Program (\$3.7M vs. \$34.8M of overall program with CSURMA included).
- Dividends and Assessments are calculated using 10 years of prior EWC Program premiums in the EWC Pool and/or Corridor Deductible Layers:
 - So, as an example, if the CSURMA were to stay in the program for the next 3.5 years, and an assessment or dividend is declared in August of 2018, the CSURMA would receive 4.5% of the dividend or pay 4.5% of the assessment (CSURMA applicable premium for 3.5 years of \$12.95M vs. 10 yr EIA EWC applicable premium of \$284.8M for 10 yrs of 08 – 18). This assumes that all applicable premiums for the next 3.5 years are unchanged.



Dividend / Assessment Calculation

	Retained / Pool Premium	CSU Pool Premium
2008/09	23,406,286	
2009/10	19,333,449	
2010/11	16,851,829	
2011/12	17,812,736	
2012/13	39,502,703	
2013/14	30,520,270	
2014/15	32,958,288	\$ 1,850,000
2015/16	34,800,000	\$ 3,700,000
2016/17	34,800,000	\$ 3,700,000
2017/18	34,800,000	\$ 3,700,000
	\$ 284,785,562	\$ 12,950,000
	Percentage	4.55%



CSU / AORMA & CSAC EIA

- **Other advantages:**
 - Both layers of placement fully reinsured
 - Joining forces with larger program – over \$22 Bil Payroll in EIA EWC Program
 - Maintain control over losses
 - Renewal of current excess layer may include EIA school business; increase size/leverage of placement
 - More risk financing options with larger program
 - Access to CSAC EIA risk management / loss control services



Loss Prevention Resources & Services

Loss Prevention Platform

DMV Electronic Pull
Notice Services
Policy Compliance
Tracking
Reporting & Analytics
Event/Credential
Manager
Community Resource
Center

Resources

Video Resource Library
On Site & Telephonic
Consultation
Specialist Referrals
Policy/Procedure
Development & Review
Subsidy Program
Drug & Alcohol Testing
Consortium
Topic Specific Resource
Pages

Training

On Site Custom
Programs
On-line Training
On-Demand Playback
of Recorded Sessions
Professional Webinars
Hosted Programs
Regional Training
Programs
Participation in Safety
Training Days & Fairs



Next Steps

Steps for CSURMA to Participate at 1/1/15

- CSURMA Board action to delegate authority to execute participation documents. (Oct 24, 2014)
- CSAC EIA Underwriting Committee final approval (Oct 2014) and Executive Committee (Nov 2014)
- CSU Chancellor's Office Review and approval (November 2014)
- Execution of agreements by CSURMA Chair and Secretary-Auditor (December 2014)
- Coverage commences January 1, 2015



CSAC EIA Contact Information

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Brian Kelley, Underwriting Manager

916-850-7300

bkelly@csac-eia.org

**WORKERS' COMPENSATION & EMPLOYERS LIABILITY
PRIMARY CORRIDOR LAYER
PROPOSAL**

COVERED PARTY	California State University Risk Management Authority <ul style="list-style-type: none"> • California State University (CSU) • Auxiliary Organizations Risk Management Alliance (AORMA)
COVERAGE TERM	January 1, 2015 to January 1, 2016 MOC to be canceled at 7/1/15 and replaced with new MOC for the period 7/1/15 to 7/1/16
COMPANIES AFFORDING COVERAGE	CSAC Excess Insurance Authority (CSAC EIA) with reinsurance provided by AmTrust
COVERAGE PROVIDED	Workers' Compensation and Employers' Liability Aggregate Stop Loss. Coverage per the CSAC EIA Excess Workers' Compensation Memorandum of Coverage including: <ul style="list-style-type: none"> • Employers' Liability • Other States • Volunteers and Board Members (subject to Board resolution) • United States Longshore & Harbor Workers' Act • Jones Act
LIMITS OF INDEMNITY	<p><u>CSU</u></p> <p>\$ 125,000 Workers' Compensation each Occurrence</p> <p>\$ 125,000 Employers' Liability each Occurrence</p> <p><u>AORMA</u></p> <p>\$ 125,000 Workers' Compensation each Occurrence</p> <p>\$ 125,000 Employers' Liability each Occurrence</p> <ul style="list-style-type: none"> • Limits excess of \$125,000 to be provided by the CSAC EIA Excess Workers' Compensation Program • Limits eroded by allocated claims expenses
CSU / AORMA Retention:	\$ 0 (nil), after exhaustion of the Corridor Retention <ul style="list-style-type: none"> • Corridor exhausted by allocated claims expenses • Corridor amounts apply prior to any reinsurance protection

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**WORKERS' COMPENSATION & EMPLOYERS LIABILITY
PRIMARY CORRIDOR LAYER
PROPOSAL**

	provided by AmTrust
MAJOR EXCLUSIONS (Including but not limited to)	<p>Per the CSAC EIA Excess Workers' Compensation Memorandum of Coverage, including:</p> <p>Workers' Compensation Exclusions</p> <ul style="list-style-type: none"> • Punitive or exemplary damages, fines or penalties • Labor Code 4850 benefits (optional buy-back available) • Labor Code 4856 benefits • Any payments in excess of the benefits regularly provided by the Workers' Compensation law <p>Employer's Liability Exclusions</p> <ul style="list-style-type: none"> • Contractual liability • Injury/disease to an employee employed in violation of the law with knowledge by the Covered Party • Workers' Compensation and similar laws • Injury/disease intentionally caused or aggravated by the Covered Party • Employment practices (harassment, discrimination, termination, etc.) • Fines or penalties, punitive or exemplary damages • Failure to comply with workers' compensation law • Rejection of workers' compensation law
PREMIUM AUDIT	Premiums are auditable and adjustable at June 30, 2015 and June 30, 2016 based on actual payroll
CONDITIONS	<ul style="list-style-type: none"> • Claims review by AmTrust • Subject to approval from CSAC EIA Underwriting and Executive Committees • Premium/quote contemplates both CSU and AORMA binding • Online "read only" access to CSU claims system by AmTrust • Annual financial claims audit requirement
CLAIMS HANDLING	<ul style="list-style-type: none"> • CSU to have full control of claims & settlements up to \$125K • Bordereaux reimbursements for claims up to \$125K upon exhaustion of Aggregate Stop loss Retention • Excess reporting/monitoring for losses at \$62,500 total incurred <p>SEE CLAIM DOCUMENT FOR FULL DETAILS OF AGREED</p>

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**WORKERS' COMPENSATION & EMPLOYERS LIABILITY
PRIMARY CORRIDOR LAYER
PROPOSAL**

	PROCESS	
ESTIMATED ANNUAL PAYROLL	\$ 3,208,659,700	Estimated annual payroll
ESTIMATED PREMIUM (Annual)	<p>CSU</p> <p>\$ 3,395,300 Deposit Premium 11,169,217 Corridor Premium 90,674 CSAC EIA Administration Fee 169,765 Alliant Broker Fee <u> </u> \$ 14,824,956 Total Estimated Deposit Premium</p> <p>AORMA</p> <p>\$ 349,197 Deposit Premium 1,148,721 Corridor Premium 9,326 CSAC EIA Administration Fee 17,460 Alliant Broker Fee <u> </u> \$ 1,524,704 Total Estimated Deposit Premium</p> <p>\$ 16,349,660 Total Estimated Deposit Premium</p>	
ESTIMATED PREMIUM (18 Month Prorated)	<p>CSU</p> <p>\$ 5,092,950 Deposit Premium 16,753,825 Corridor Premium 136,012 CSAC EIA Administration Fee 254,648 Alliant Broker Fee <u> </u> \$ 22,237,435 Total Estimated Deposit Premium</p> <p>AORMA</p> <p>\$ 523,795 Deposit Premium 1,723,082 Corridor Premium 13,988 CSAC EIA Administration Fee 26,190 Alliant Broker Fee <u> </u> \$ 2,287,055 Total Estimated Deposit Premium</p> <p>\$ 24,524,490 Total Estimated Deposit Premium</p>	<ul style="list-style-type: none"> • Premiums/fees for the period 1/1/15 to 1/1/16 will be due at 2/1/15

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**WORKERS' COMPENSATION & EMPLOYERS LIABILITY
PRIMARY CORRIDOR LAYER
PROPOSAL**

	<ul style="list-style-type: none"> Premium/fees for cancelation/re-write at 7/1/15 will be due at 8/1/15 <p>Premiums and Corridor Amounts auditable based on final payroll</p>
BROKER	<p>ALLIANT INSURANCE SERVICES, INC. Gordon DesCombes, Executive Vice President Nazie Arshi, Senior Vice President Tom E. Corbett, Senior Vice President Lilian A. Vanvieldt, Senior Vice President Rhiannon Cabral, CSAC Program Specialist</p>
INDICATION DATE	November 25, 2014

Provider	California Status	A.M. Best's Guide Rating	Standard & Poor's Rating
CSAC Excess Insurance Authority	Not Applicable	Not Applicable	Not Applicable
With reinsurance provided by AmTrust	Not Applicable (reinsurance)	A (Excellent) Financial Size Category IX (\$250,000,000 to \$500,000,000)	Not Applicable

ALLIANT EMBRACES A POLICY OF TRANSPARENCY WITH RESPECT TO ITS COMPENSATION FROM INSURANCE TRANSACTIONS. DETAILS ON OUR COMPENSATION POLICY, INCLUDING THE TYPES OF INCOME THAT ALLIANT MAY EARN ON A PLACEMENT, ARE AVAILABLE ON OUR WEBSITE AT WWW.ALLIANTINSURANCE.COM. FOR A COPY OF OUR POLICY OR FOR ANY INQUIRIES REGARDING COMPENSATION ISSUES PERTAINING TO YOUR ACCOUNT YOU MAY ALSO CONTACT US AT: ALLIANT INSURANCE SERVICES, ATTENTION: CHIEF OPERATING OFFICER, 1301 DOVE STREET, SUITE 200, NEWPORT BEACH, CA 92660.

ANALYZING INSURERS' OVER-ALL PERFORMANCE AND FINANCIAL STRENGTH IS A TASK THAT REQUIRES SPECIALIZED SKILLS AND IN-DEPTH TECHNICAL UNDERSTANDING OF ALL ASPECTS OF INSURANCE COMPANY FINANCES AND OPERATIONS.

INSURANCE BROKERAGES SUCH AS ALLIANT INSURANCE TYPICALLY RELY UPON RATING AGENCIES FOR THIS TYPE OF MARKET ANALYSIS. BOTH A.M. BEST AND STANDARD AND POOR HAVE BEEN INDUSTRY LEADERS IN THIS AREA FOR MANY DECADES, UTILIZING A COMBINATION OF QUANTITATIVE AND QUALITATIVE ANALYSIS OF THE INFORMATION AVAILABLE IN FORMULATING THEIR RATINGS.

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TO LEARN MORE ABOUT COMPANIES DOING BUSINESS IN CALIFORNIA, VISIT THE CALIFORNIA DEPARTMENT OF

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CSAC EXCESS
INSURANCE AUTHORITY
A Public Agency



**WORKERS' COMPENSATION & EMPLOYERS LIABILITY
PRIMARY CORRIDOR LAYER
PROPOSAL**

INSURANCE WEBSITE AT WWW.INSURANCE.CA.GOV

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Alliant Insurance Services, Inc. • 1301 Dove Street • Suite 200 • Newport Beach, CA 92660
PHONE (949) 756-0271 • www.alliantinsurance.com • License No. 0C36861

Page 5 of 5

EXCESS WORKERS' COMPENSATION PROGRAM PROPOSAL

COVERED PARTY	California State University Risk Management Authority <ul style="list-style-type: none"> • California State University (CSU) • Auxiliary Organizations Risk Management Alliance (AORMA)
COVERAGE TERM	January 1, 2015 to January 1, 2016 MOC to be canceled at 7/1/15 and replaced with new MOC for the period 7/1/15 to 7/1/16
COMPANIES AFFORDING COVERAGE	CSAC Excess Insurance Authority (CSAC EIA) with reinsurance provided by AmTrust
COVERAGE PROVIDED	Per the CSAC EIA Excess Workers' Compensation Memorandum of Coverage including: <ul style="list-style-type: none"> • Employers' Liability • Other States • Volunteers and Board Members (subject to Board resolution) • United States Longshore & Harbor Workers' Act • Jones Act
LIMITS OF INDEMNITY	<p><u>CSU</u> \$ 2,375,000 Workers' Compensation \$ 2,375,000 Employers' Liability</p> <p><u>AORMA</u> \$ 375,000 Workers' Compensation \$ 375,000 Employers' Liability</p> <ul style="list-style-type: none"> • Limits excess of the SIR shown below • Limits eroded by allocated claims expense
SELF-INSURED RETENTION	\$ 125,000 Each occurrence Self-insured retention is eroded by allocated claims expense

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EXCESS WORKERS' COMPENSATION PROGRAM PROPOSAL

<p>MAJOR EXCLUSIONS (Including but not limited to)</p>	<p>Per the CSAC EIA Excess Workers' Compensation Memorandum of Coverage, including:</p> <p>Workers' Compensation Exclusions</p> <ul style="list-style-type: none"> • Punitive or exemplary damages, fines or penalties • Labor Code 4850 benefits (optional buy-back available) • Labor Code 4856 benefits • Any payments in excess of the benefits regularly provided by the Workers' Compensation law <p>Employer's Liability Exclusions</p> <ul style="list-style-type: none"> • Contractual liability • Injury/disease to an employee employed in violation of the law with knowledge by the Covered Party • Workers' Compensation and similar laws • Injury/disease intentionally caused or aggravated by the Covered Party • Employment practices (harassment, discrimination, termination, etc.) • Fines or penalties, punitive or exemplary damages • Failure to comply with workers' compensation law • Rejection of workers' compensation law
<p>PREMIUM AUDIT</p>	<p>Premiums are auditable and adjustable at June 30, 2015 and June 30, 2016 based on actual payroll</p>
<p>CONDITIONS</p>	<ul style="list-style-type: none"> • Same Claim conditions found in Primary apply here • Premium/quote contemplates both CSU and AORMA binding • Subject to approval by CSAC EIA Underwriting and Executive Committees • Premium does not include cost for claim audit requirement • Annual financial claims audit requirement • Membership Conditions: <ul style="list-style-type: none"> • Receipt of the executed Joint Powers Agreement (JPA) prior to binding • Receipt of the executed Excess Workers' Compensation Memorandum of Understanding prior to binding • Receipt of executed of Designated Representative form prior to binding

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EXCESS WORKERS' COMPENSATION PROGRAM PROPOSAL

ESTIMATED ANNUAL PAYROLL	\$ 3,208,659,700 Estimated annual payroll																												
ESTIMATED PREMIUM (Annual)	<p>CSU</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 10%;">\$ 3,361,549</td><td>Corridor Premium</td></tr> <tr><td>5,203,322</td><td>Pool Deposit Premium</td></tr> <tr><td>517,830</td><td>CSAC EIA Administration Fee</td></tr> <tr><td>46,374</td><td>CSAC EIA Public Entity Fee</td></tr> <tr><td>192,002</td><td>Alliant Broker Fee</td></tr> <tr><td>317</td><td>CSAC EIA One-Time Development Fee</td></tr> <tr><td>\$ 9,321,394</td><td>Total Estimated Deposit Premium</td></tr> </table> <p>AORMA</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 10%;">\$ 345,726</td><td>Corridor Premium</td></tr> <tr><td>535,146</td><td>Pool Deposit Premium</td></tr> <tr><td>53,257</td><td>CSAC EIA Administration Fee</td></tr> <tr><td>4,769</td><td>CSAC EIA Public Entity Fee</td></tr> <tr><td>19,747</td><td>Alliant Broker Fee</td></tr> <tr><td>33</td><td>CSAC EIA One-Time Development Fee</td></tr> <tr><td>\$ 958,678</td><td>Total Estimated Deposit Premium</td></tr> </table> <p>\$ 10,280,072 Total Estimated Deposit Premium</p>	\$ 3,361,549	Corridor Premium	5,203,322	Pool Deposit Premium	517,830	CSAC EIA Administration Fee	46,374	CSAC EIA Public Entity Fee	192,002	Alliant Broker Fee	317	CSAC EIA One-Time Development Fee	\$ 9,321,394	Total Estimated Deposit Premium	\$ 345,726	Corridor Premium	535,146	Pool Deposit Premium	53,257	CSAC EIA Administration Fee	4,769	CSAC EIA Public Entity Fee	19,747	Alliant Broker Fee	33	CSAC EIA One-Time Development Fee	\$ 958,678	Total Estimated Deposit Premium
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**EXCESS WORKERS' COMPENSATION PROGRAM
PROPOSAL**

	<p>\$ 1,438,001 Total Estimated Deposit Premium</p> <p>\$ 15,419,932 Total Estimated Deposit Premium</p> <ul style="list-style-type: none"> • Premiums/fees for the period 1/1/15 to 1/1/16 will be due at 2/1/15 • Premium/fees for cancelation/re-write at 7/1/15 will be due at 8/1/15 <p>Premium and Corridor Amounts auditable based on final payroll</p>
BROKER	<p>ALLIANT INSURANCE SERVICES, INC. Gordon DesCombes, Executive Vice President Nazie Arshi, Senior Vice President Tom E. Corbett, Senior Vice President Lilian A. Vanvieldt, Senior Vice President Rhiannon Cabral, CSAC Program Specialist</p>
INDICATION DATE	November 24, 2014

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EXCESS WORKERS' COMPENSATION PROGRAM PROPOSAL

Provider	California Status	A.M. Best's Guide Rating	Standard & Poor's Rating
CSAC Excess Insurance Authority	Not Applicable	Not Applicable	Not Applicable
With reinsurance provided by Wesco Insurance Company (AmTrust)	Not Applicable (reinsurance)	A (Excellent) Financial Size Category IX (\$250,000,000 to \$500,000,000)	Not Applicable

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To: Mike Fleming, CEO, CSAC EIA

From: Jack Blyskal, CCO, CSAC EIA

Re: CSURMA possibly joining the EWC

Mike,

As we discussed yesterday, we are exploring the possibility that CSURMA will join the EWC, possibly as of January 1, 2015. It is expected they will join with an SIR of \$25,000. You asked me to determine the impact of this account on EWC staffing, and any issues we would need to address, and how those might be accommodated.

Our current program structure, and staffing supporting same, considers minimum EWC SIRs of \$125,000. As this account will join the program with a significantly lower SIR, we recommend that full settlement authority be granted to the Member up to \$125,000. As needed their TPA, Sedgewick, could contact our Senior Specialist on complex claim issues within that layer, but would not need to come to staff or CRC for settlement authority. Appropriate handling within this layer could be monitored through loss runs. Additionally, I recommend this account be placed on an annual audit schedule to review appropriate fiscal handling within their authority level along with normal audit elements.

Assuming this authority is granted, we can handle this account like any other account with a \$125,000 SIR. Claims would be "excess reportable" at \$62,500 and staff providing authority, directly or through CRC, above \$125,000. (We will need to have CRC "bless" that staff authority is above \$125,000, not above the SIR of \$25,000. Also, normally with Members reporting claims which are below 80% of their retention, the claims are set up and then closed. As this Member will be fully in the pooled layer at the time of reporting I recommend these claims all remain open.) Based on the 10-year history, the Member would average 90 claims per year in the \$25,000-\$62,500 range which would not have direct staff oversight.

Based on the 10-year experience provided by Max, there would be approximately 64 new claims which would be excess reportable annually. (For the January 1-June 30 period, this would total approximately 32 claims.) That volume should be able to be subsumed with the existing staff through June 30, 2015. However, with expected program growth, potential other new members, and account growth for CSU, staffing additions of at least one should be considered for July, 2015.

EIA staff will need to be educated that the Reinsurer attachment for this account is \$2,500,000, and appropriate reporting standards will be needed (half the attachment?). Also, training will be needed on the difference between AROMA and CSU, as AROMA attaches to Safety National at \$500,000 (reportable at \$250,000?). Hopefully these account differences can be identified in the system for appropriate tracking.

For claims between \$25,000 and \$125,000, for which the entity will have settlement authority, we propose a bordereau reporting, probably quarterly, from which the EWC will reimburse the Member for claims paid. (Payments above \$125,000 will be handled per normal excess claim reimbursement protocol and practice.) We will provide a template for the bordereau report, in Excel format, to meet our needs for reimbursement, as well as to use this data for CSR completion. Also, there should be some language in the MOU or other contract in which the Member agrees to reimburse the EIA for any payments found to be covered inappropriately, such as penalties or extended benefits (Ed Code or 4850, others?).

Cc: Kathy McLean
Jen Hamelin



Adopted: October 5, 1979
Amended: May 12, 1980
Amended: January 23, 1987
Amended: October 7, 1988
Amended: March 1993
Amended: November 18, 1996
Amended: October 4, 2005
Amended: February 28, 2006

**JOINT POWERS AGREEMENT
CREATING THE CSAC EXCESS INSURANCE AUTHORITY**

This Agreement is executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California which are parties signatory to this Agreement. The CSAC Excess Insurance Authority was formed under the sponsorship of CSAC. All such counties, hereinafter called member counties, and public entities, hereinafter called member public entities, [collectively "members"] shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

RECITALS

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, pursuant to California Government Code Section 990.6, the cost of insurance provided by a local public entity is a proper charge against the local public entity; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

WHEREAS, the counties and public entities executing this Agreement desire to join together for the purpose of jointly funding and/or establishing excess and other insurance programs as determined;

NOW THEREFORE, the parties agree as follows:

ARTICLE 1
DEFINITIONS

"CSAC" shall mean the County Supervisors Association of California, dba California State Association of Counties.

"Authority" shall mean the CSAC Excess Insurance Authority created by this Agreement.

"Board of Directors" or **"Board"** shall mean the governing body of the Authority.

"Claim" shall mean a claim made against a member arising out of an occurrence which is covered by an excess or primary insurance program of the Authority in which the member is a participant.

"Executive Committee" shall mean the Executive Committee of the Board of Directors of the Authority.

"Fiscal year" shall mean that period of twelve months which is established by the Board of Directors as the fiscal year of the Authority.

"Government Code" shall mean the California Government Code.

"Insurance program" or **"program"** shall mean a program of the Authority under which participating members are protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or any other combination as determined by the Board. The Board of Directors or the Executive Committee may determine applicable criteria for determining eligibility in any insurance program, as well as establishing program policies and procedures.

"Joint powers law" shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

"Loss" shall mean a liability or potential liability of a member, including litigation expenses, attorneys' fees and other costs, which is covered by an insurance program of the Authority in which the member is a participant.

"Member county" shall mean any county which, through the membership of its supervisors in CSAC, has executed this Agreement and become a member of the Authority. "Member county" shall also include those entities or other bodies set forth in Article 3 (c).

"Member Public Entity" shall mean any California public entity which does not maintain a membership in CSAC, has executed this Agreement and become a member of the Authority, "Member Public Entity" shall also include those entities or other bodies set forth in Article 3(c).

"Occurrence" shall mean an event which is more fully defined in the memorandums of coverage and/or policies of an insurance program in which the participating county or participating public entity is a member.

"Participating county" shall mean any member county which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Participating public entity" shall mean any member public entity which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Self-insured retention" shall mean that portion of a loss resulting from an occurrence experienced by a member which is retained as a liability or potential liability of the member and is not subject to payment by the Authority.

"Reinsurance" shall mean insurance purchased by the Authority as part of an insurance program to cover that portion of any loss which exceeds the joint funding capacity of that program.

ARTICLE 2 PURPOSES

This Agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

ARTICLE 3 PARTIES TO AGREEMENT

(a) There shall be two classes of membership of the parties pursuant to this Agreement consisting of one class designated as Member Counties and another class designated as Member Public Entities.

(b) Each member county and member public entity, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 19 as to all programs of which it is a participating member. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 20 or 21, shall not affect this Agreement or the member's obligations hereunder.

(c) A member for purposes of providing insurance coverage under any program of the Authority, may contract on behalf of, and shall be deemed to include:

Any public entity as defined in Government Code § 811.2 which the member requests to be added and from the time that such request is approved by the Executive Committee of the Authority.

Any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code §§ 5111, 5120 and, 5065, which the member requests to be added and from the time that such request is approved by the Executive Committee.

(d) Any public entity or nonprofit so added shall be subject to and included under the member's SIR or deductible, and when so added, may be subject to such other terms and conditions as determined by the Executive Committee.

(e) Such public entity or nonprofit shall not be considered a separate party to this Agreement. Any public entity or nonprofit so added, shall not affect the member's representation on the Board of Directors and shall be considered part of and represented by the member for all purposes under this Agreement.

(f) The Executive Committee shall establish guidelines for approval of any public entity or nonprofit so added in accordance with Article 3(c) and (d).

(g) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Coverage or other document evidencing coverage, such Memorandum of Coverage or other document evidencing coverage shall prevail.

**ARTICLE 4
TERM**

This Agreement shall continue in effect until terminated as provided herein.

**ARTICLE 5
CREATION OF THE AUTHORITY**

Pursuant to the joint powers law, there is hereby created a public entity separate and apart from the parties hereto, to be known as the CSAC Excess Insurance Authority, with such powers as are hereinafter set forth.

**ARTICLE 6
POWERS OF THE AUTHORITY**

The Authority shall have all of the powers common to General Law counties in California, such as Alpine County and all additional powers set forth in the joint powers law, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

- (a) To make and enter into contracts.

- (b) To incur debts, liabilities, and obligations.
- (c) To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- (d) To sue and be sued in its own name, and to settle any claim against it.
- (e) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment, or property.
- (f) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (g) To carry out all provisions of this Agreement.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE 7 BOARD OF DIRECTORS

The Authority shall be governed by the Board of Directors, which shall be composed as follows:

a) One director from each member county, appointed by the member county board of supervisors and serving at the pleasure of that body. Each member county board of supervisors shall also appoint an alternate director who shall have the authority to attend, participate in and vote at any meeting of the Board when the director is absent. A director or alternate director shall be a county supervisor, other county official, or staff person of the member county, and upon termination of office or employment with the county, shall automatically terminate membership or alternate membership on the Board.

b) Ten directors consisting of seven directors and three alternate directors chosen in the manner specified in the Bylaws from those participating as public entity members. A director or alternate public entity director shall be an official, or staff person of the public entity member, and upon termination of office or employment with the public entity, shall automatically terminate membership or alternate membership on the Board.

c) Member county directors shall consist of a minimum of 80% of the eligible voting members on the Board. The public entity member directors shall be reduced accordingly to ensure at least 80% of the Board consists of county director members (By way of example, if the number of county members is reduced from the current 54 by member withdrawals to a level of 28, then county members would be at the 80% level, 28/35. If the county members go to 27, then the public entity members would lose one seat and would only have 6 votes).

Any vacancy in a county director or alternate director position shall be filled by the appointing county's board of supervisors, subject to the Provisions of this Article. Any vacancy in a public entity director position shall be filled by vote of the public entity members.

A majority of the membership of the Board shall constitute a quorum for the transaction of business. Each member of the Board shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the members, all actions of the Board shall require the affirmative vote of a majority of the members; provided, that any action which is restricted in effect to one of the Authority's insurance programs, shall require the affirmative vote of a majority of those Board members who represent counties and public entities participating in that program. For purposes of an insurance program vote, to the extent there are public entity members participating in a program, the public entity Board members as a whole shall have a minimum of one vote. The public entity Board members may in no event cast more votes than would constitute 20% of the number of total county members in that program (subject to the one vote minimum). Should the number of public entity Board votes authorized herein be less than the number of public entity Board members at a duly noticed meeting, the public entity Board members shall decide among themselves which Board member shall vote. Should they be unable to decide, the President of the Authority shall determine which director(s) shall vote.

ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the following powers and functions:

(a) The Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the members or by law.

(b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.

(c) The Board shall form an Executive Committee, as provided in Article 11. The Board may delegate to the Executive Committee and the Executive Committee may discharge any powers or duties of the Board except adoption of the Authority's annual budget. The powers and duties so delegated shall be specified in resolutions adopted by the Board.

(d) The Board may form, as provided in Article 12, such other committees as it deems appropriate to conduct the business of the Authority. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board; provided that the Board may delegate its powers and duties only to a committee of the Board composed of a majority of Board members and/or alternate members. Any committee which is not composed of a majority of Board members and/or alternate members may function only in an advisory capacity.

(e) The Board shall elect the officers of the Authority and shall appoint or employ necessary staff in accordance with Article 13.

(f) The Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated.

(g) The Board shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each insurance program of the Authority, including all provisions for reinsurance and administrative services necessary to carry out such program.

(h) The Board, directly or through the Executive Committee, shall provide for necessary services to the Authority and to members, by contract or otherwise, which may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.

(i) The Board shall provide general supervision and policy direction to the Chief Executive Officer.

(j) The Board shall receive and act upon reports of the committees and the Chief Executive Officer.

(k) The Board shall act upon each claim involving liability of the Authority, directly or by delegation of authority to the Executive Committee or other committee, body or person, provided, that the Board shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board for approval.

(l) The Board may require that the Authority review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of the Authority. The Board may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.

(m) The Board shall receive, review and act upon periodic reports and audits of the funds of the Authority, as required under Articles 15 and 16 of this Agreement.

(n) The Board may, upon consultation with a casualty actuary, declare that any funds established for any program has a surplus of funds and determine a formula to return such surplus to the participating counties and participating public entities which have contributed to such fund.

(o) The Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

ARTICLE 9 MEETINGS OF THE BOARD OF DIRECTORS

(a) The Board shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.

(b) The Chief Executive Officer of the Authority shall provide for the keeping of minutes of regular and special meetings of the Board, and shall provide a copy of the minutes to each member of the Board at the next scheduled meeting.

(c) All meetings of the Board, the Executive Committee and such committees as established by the Board pursuant to Article 12 herein, shall be called, noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

**ARTICLE 10
OFFICERS**

The Board of Directors shall elect from its membership a President and Vice President of the Board, to serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

**ARTICLE 11
EXECUTIVE COMMITTEE**

The Board of Directors shall establish an Executive Committee of the Board which shall consist of eleven members: the President and Vice President of the Board, and nine members elected by the Board from its membership.

The terms of office of the nine non-officer members shall be as provided in the Bylaws of the Authority.

The Executive Committee shall conduct the business of the Authority between meetings of the Board, exercising all those powers as provided for in Article 8, or as otherwise delegated to it by the Board.

**ARTICLE 12
COMMITTEES**

The Board of Directors may establish committees, as it deems appropriate to conduct the business of the Authority. Members of the committees shall be appointed by the Board, to serve two year terms, subject to reappointment by the Board. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Executive Committee and the Board as directed by the Board.

ARTICLE 13
STAFF

(a) **Principal Staff.** The following staff members shall be appointed by and serve at the pleasure of the Board of Directors:

(1) **Chief Executive Officer.** The Chief Executive Officer shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as are assigned by the Board and Executive Committee.

(2) **Treasurer.** The duties of the Treasurer are set forth in Article 16 of this Agreement. Pursuant to Government Code Section 6505.5, the Treasurer shall be the county treasurer of a member county of the Authority, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Treasurer, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(3) **Auditor.** The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. Pursuant to Government Code Section 6505.5, the Auditor shall be the Auditor of the county from which the Treasurer is appointed by the Board under (2) above, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Auditor, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(b) **Charges for Treasurer and Auditor Services.** Pursuant to Government Code Section 6505, the charges to the Authority for the services of Treasurer and Auditor shall be determined by the board of supervisors of the member county from which such staff members are appointed.

(c) **Other Staff.** The Board, Executive Committee or Chief Executive Officer shall provide for the appointment of such other staff as may be necessary for the administration of the Authority.

ARTICLE 14
DEVELOPMENT, FUNDING AND IMPLEMENTATION
OF INSURANCE PROGRAMS

(a) **Program Coverage.** Insurance programs of the Authority may provide coverage, including excess insurance coverage for:

- (1) Workers' compensation;
- (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;
- (3) Comprehensive automobile liability;
- (4) Hospital malpractice liability;
- (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors. The Board shall determine, for each such program, a minimum number of participants required for program implementation and may develop specific program coverages requiring detailed agreements for implementation of the above programs.

(b) **Program and Authority Funding.** The members developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting the Authority, hereinafter called Authority general expenses, shall be equitably allocated among the various programs by the Board, and shall be funded by the members developing or participating in such programs in accordance with such allocations, as hereinafter provided. In addition, the Board may, in its discretion, allocate a share of such Authority general expense to those members which are not developing or participating in any program, and require those counties and public entities to fund such share through a prescribed charge.

(1) **Development Charge.** Development costs of an insurance program shall be funded by a development charge, as established by the Board of Directors. The development charge shall be paid by each participant in the program following the program's adoption by the Board. Development costs are those costs actually incurred by the Authority in developing a program for review and adoption by the Board of Directors, including but not limited to: research, feasibility studies, information and liaison work among participants, preparation and review of documents, and actuarial and risk management consulting services. The development charge may also include a share of Authority general expenses, as allocated to the program development function.

The development charge shall be billed by the Authority to all participants in the program upon establishment of the program and shall be payable in accordance with the Authority's invoice and payment policy.

Upon the conclusion of program development: any deficiency in development funds shall be billed to all participants which have paid the development charge, on a pro-rata or other equitable basis, as determined by the Board; any surplus in such funds shall be transferred into the Authority's general expense funds.

(2) **Annual Premium.** Except as provided in (3) below, all post-development costs of an insurance program shall be funded by annual premiums charged to the members participating in the program each policy year, and by interest earnings on the funds so accumulated. Such premiums shall be determined by the Board of Directors upon the basis of a cost allocation plan and rating formula developed by the Authority with the assistance of a casualty actuary, risk management consultant, or other qualified person. The premium for each participating member shall include that participant's share of expected program losses including a margin for contingencies as determined by the Board, program reinsurance costs, and program administrative costs for the year, plus that participant's share of Authority general expense allocated to the program by the Board.

(3) **Premium Surcharge**

(i) If the Authority experiences an unusually large number of losses under a program during a policy year, such that notwithstanding reinsurance coverage for large individual losses,

the joint insurance funds for the program may be exhausted before the next annual premiums are due, the Board of Directors may, upon consultation with a casualty actuary, impose premium surcharges on all participating members; or

(ii) If it is determined by the Board of Directors, upon consultation with a casualty actuary, that the joint insurance funds for a program are insufficient to pay losses, fund known estimated losses, and fund estimated losses which have been incurred but not reported, the Board of Directors may impose a surcharge on all participating members.

(iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount which will assure adequate funds for the program to be actuarially sound; provided that the surcharge to any participating member shall not exceed an amount equal to three (3) times the member's annual premium for that year, unless otherwise determined by the Board of Directors.

Provided, however, that no premium surcharge in excess of three times the member's annual premium for that year may be assessed unless, ninety days prior to the Board of Directors taking action to determine the amount of the surcharge, the Authority notifies the governing body of each participating member in writing of its recommendations regarding its intent to assess a premium surcharge and the amount recommended to be assessed each member. The Authority shall, concurrently with the written notification, provide each participating member with a copy of the actuarial study upon which the recommended premium surcharge is based.

(iv) A member which is no longer a participating member at the time the premium surcharge is assessed, but which was a participating member during the policy year(s) for which the premium surcharge was assessed, shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.

(c) **Program Implementation and Effective Date.** Upon establishment of an insurance program by the Board of Directors, the Authority shall determine the manner of program implementation and shall give written notice to all members of such program, which shall include, but not be limited to: program participation levels, coverages and terms of coverage of the program, estimates of first year premium charges, program development costs, effective date of the program (or estimated effective date) and such other program provisions as deemed appropriate.

(d) **Late Entry Into Program.** A member which does not elect to enter an insurance program upon its implementation, pursuant to (c) above, or a county or public entity which becomes a party to this Agreement following implementation of the program, may petition the Board of Directors for late entry into the program. Such request may be granted upon a majority vote of the Board members, plus a majority vote of those board members who represent participants in the program. Alternatively, a county or public entity may petition the Executive Committee for late entry into the program, or a program committee, when authorized by an MOU governing that specific program, may approve late entry into that program. Such request may be granted upon a majority vote of the Executive Committee or program committee.

As a condition of late entry, the member shall pay the development charge for the program, as adjusted at the conclusion of the development period, but not subject to further adjustment,

and also any costs incurred by the Authority in analyzing the member's loss data and determining its annual premium as of the time of entry.

(e) **Reentry Into A Program.** Any county or public entity that is a member of an insurance program of the Authority who withdraws or is cancelled from an insurance program under Articles 21 and 22, may not reenter such insurance program for a period of three years from the effective date of withdrawal or cancellation.

ARTICLE 15 ACCOUNTS AND RECORDS

(a) **Annual Budget.** The Authority shall annually adopt an operating budget pursuant to Article 8 of this Agreement, which shall include a separate budget for each insurance program under development or adopted and implemented by the Authority.

(b) **Funds and Accounts.** The Auditor of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each insurance program under development or adopted and implemented by the Authority. Books and records of the Authority in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of members.

The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.

(c) **Auditor's Report.** The Auditor, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.

(d) **Annual Audit.** Pursuant to Government Code Section 6505, the Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with each of the members and also with the county auditor of the county where the home office of the Authority is located and shall be sent to any public agency or person in California that submits a written request to the Authority. The report shall be filed within six months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of the Authority.

ARTICLE 16 RESPONSIBILITIES FOR FUNDS AND PROPERTY

(a) The Treasurer shall have the custody of and disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.

(b) Pursuant to Government Code Section 6505.5, the Treasurer shall:

(1) Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer to the credit of the Authority.

(2) Be responsible upon his or her official bond for the safekeeping and disbursements of all Authority funds so held by him or her.

(3) Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Auditor.

(4) Verify and report in writing to the Authority and to members, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

(c) Pursuant to Government Code Section 6505.1, the Chief Executive Officer, the Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of the Authority.

(d) The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of the Authority, and all officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

ARTICLE 17 RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities under this Agreement.

(a) The board of supervisors of each member county shall appoint a representative and one alternate representative to the Board of Directors, pursuant to Article 7.

(b) Each member shall appoint an officer or employee of the member to be responsible for the risk management function for that member and to serve as a liaison between the member and the Authority for all matters relating to risk management.

(c) Each member shall maintain an active safety program, and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe practices.

(d) Each member shall maintain its own claims and loss records in each category of liability covered by an insurance program of the Authority in which the member is a participant, and shall provide copies of such records to the Authority as directed by the Board of Directors or Executive Committee, or to such other committee as directed by the Board or Executive Committee.

(e) Each member shall pay development charges, premiums, and premium surcharges due to the Authority as required under Article 14. Penalties for late payment of such charges, premiums and/or premium surcharges shall be as determined and assessed by the Board of Directors. After withdrawal, cancellation, or termination action under Articles 20, 21, or 23, each member shall pay promptly to the Authority any additional premiums due, as determined and assessed by the Board of

Directors under Articles 22 or 23. Any costs incurred by the Authority associated with the collection of such premiums or other charges, shall be recoverable by the Authority.

(f) Each member shall provide the Authority such other information or assistance as may be necessary for the Authority to develop and implement insurance programs under this Agreement.

(g) Each member shall cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules by the Board of Directors.

(h) Each member county shall maintain membership in CSAC.

(i) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE 18 ADMINISTRATION OF CLAIMS

(a) Subject to subparagraph (e), each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss.

(b) The Authority may develop standards for the administration of claims for each insurance program of the Authority so as to permit oversight of the administration of claims by the members.

(c) Each participating member shall give the Authority timely written notice of claims in accordance with the provisions of the Bylaws.

(d) A member shall not enter into any settlement involving liability of the Authority without the advance written consent of the Authority.

(e) The Authority, at its own election and expense, shall have the right to participate with a member in the settlement, defense, or appeal of any claim, suit or proceeding which, in the judgment of the Authority, may involve liability of the Authority.

ARTICLE 19 NEW MEMBERS

Any California public entity may become a party to this Agreement and participate in any insurance program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the members, or by majority vote of the Executive Committee.

**ARTICLE 20
WITHDRAWAL**

(a) A member may withdraw as a party to this Agreement upon thirty (30) days advance written notice to the Authority if it has never become a participant in any insurance program pursuant to Article 14, or if it has previously withdrawn from all insurance programs in which it was a participant.

(b) After becoming a participant in an insurance program, a member may withdraw from that program only at the end of a policy year for the program, and only if it gives the Authority at least sixty (60) days advance written notice of such action.

**ARTICLE 21
CANCELLATION**

(a) Notwithstanding the provisions of Article 20, the Board of Directors may:

(1) Cancel any member from this Agreement and membership in the Authority, on a majority vote of the Board members. Such action shall have the effect of canceling the member's participation in all insurance programs of the Authority as of the date that all membership is canceled.

(2) Cancel any member's participation in an insurance program of the Authority, without canceling the member's membership in the Authority or participation in other programs, on a vote of two-thirds of the Board members present and voting who represent participants in the program.

The Board shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the insurance program, as the case may be.

(b) A member that does not enter one or more of the insurance programs developed and implemented by the Authority within the member's first year as a member of the Authority shall be considered to have withdrawn as a party to this Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(c) A member which withdraws from all insurance programs of the Authority in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to the Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(d) A member county that terminates its membership in CSAC shall be considered to have thereby withdrawn as a party to this Agreement, and its membership in the Authority and participation in any insurance program of the Authority shall be automatically canceled as of that time, without the action of the Board of Directors.

ARTICLE 22
EFFECT OF WITHDRAWAL OR CANCELLATION

(a) If a member's participation in an insurance program of the Authority is canceled under Article 21, with or without cancellation of membership in the Authority, and such cancellation is effective before the end of the policy year for that program, the Authority shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.

(b) Except as provided in (a) above, a member which withdraws or is canceled from this Agreement and membership in the Authority, or from any program of the Authority, shall not be entitled to the return of any premium or other payment to the Authority, or of any property contributed to the Authority. However, in the event of termination of this Agreement, such member may share in the distribution of assets of the Authority to the extent provided in Article 23 provided; however, that any withdrawn or canceled member which has been assessed a premium surcharge pursuant to Article 14 (b) (3) (ii) shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.

(c) Except as provided in (d) below, a member shall pay any premium charges which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, as determined by audit under Article 14 (b) (2); any premium surcharge assessed to the member under Article 14 (b) (3); and any additional amount of premium which the Board determines to be due from the member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with the Authority's invoice and payment policy.

(d) Those members which who have withdrawn or been canceled pursuant to Articles 20 and 21 from any program of the Authority during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the county's participation in any program.

ARTICLE 23
TERMINATION AND DISTRIBUTION OF ASSETS

(a) A three-fourths vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from the member public entities, is required to terminate this Agreement; provided, however, that this Agreement and the

Authority shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority in each insurance program shall be distributed among those members which participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.

(c) Following termination of this Agreement, any member which was a participant in an insurance program of the Authority shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be necessary to enable final disposition of all claims arising from losses under that program during the entire coverage year in which the member was a participant regardless of the date of entry into such program.

ARTICLE 24 LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS AND LEGAL ADVISORS

The members of the Board of Directors, Officers, committee members and legal advisors to any Board or committees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage as is hereinabove set forth.

**ARTICLE 25
BYLAWS**

The Board may adopt Bylaws consistent with this Agreement which shall provide for the administration and management of the Authority.

**ARTICLE 26
NOTICES**

The Authority shall address notices, billings and other communications to a member as directed by the member. Each member shall provide the Authority with the address to which communications are to be sent. Members shall address notices and other communications to the Authority to the Chief Executive Officer of the Authority, at the office address of the Authority as set forth in the Bylaws.

**ARTICLE 27
AMENDMENT**

A two-thirds vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from member public entities, is required to amend this Agreement.

**ARTICLE 28
PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of the Authority.

**ARTICLE 29
AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.

ARTICLE 30
EFFECTIVE DATE OF AMENDMENTS

Any amendment of this Agreement shall become effective upon the date specified by the Board and upon approval of any Amended Agreement as required in Article 27. Approval of any amendment by the voting boards of supervisors and public entity board member's must take place no later than 30 days from the effective date specified by the Board.

ARTICLE 31
DISPUTE RESOLUTION

When a dispute arises between the Authority and a member, the following procedures are to be followed:

(a) Request for Reconsideration. The member will make a written request to the Authority for the appropriate Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that applies. The member can also, request a personal presentation to that Committee, if it so desires.

(b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider the Authority's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.

(c) Executive Committee Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Executive Committee for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Executive Committee, that Executive Committee member shall be deemed to have a conflict and shall be excluded from any vote.

(d) Arbitration. If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration, whether binding or non-binding, is to be mutually agreed upon by the parties. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. If Binding Arbitration is selected, then of course the decision of the arbitrator is final. Both sides agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and the Authority.

(e) Litigation. If, after following the dispute resolution procedure paragraphs a-d, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

ARTICLE 32
FILING WITH SECRETARY OF STATE

The Chief Executive Officer of the Authority shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: _____

MEMBER: _____

(Print Name of Member)

BY: _____

(Authorized signature of Member)

Seal:

APPENDIX A
JOINT POWERS AGREEMENT
CSAC EXCESS INSURANCE AUTHORITY

MEMBERS (AS OF FEBRUARY 01, 2010)

ALAMEDA COUNTY
AMADOR COUNTY
BUTTE COUNTY
CALAVERAS COUNTY
COLUSA COUNTY
CONTRA COASTA COUNTY
DEL NORTE COUNTY
EL DORADO COUNTY
FRESNO COUNTY
GLENN COUNTY
HUMBOLDT COUNTY
IMPERIAL COUNTY
INYO COUNTY
KERN COUNTY
KINGS COUNTY
LAKE COUNTY
LASSEN COUNTY
MADERA COUNTY
MARIN COUNTY
MARIPOSA COUNTY
MENDOCINO COUNTY
MERCED COUNTY
MODOC COUNTY
MONO COUNTY
MONTERERY COUNTY
NAPA COUNTY
NEVADA COUNTY
ORANGE COUNTY
PLACER COUNTY
PLUMAS COUNTY
RIVERSIDE COUNTY
SACRAMENTO COUNTY
SAN BENITO COUNTY
SAN DIEGO COUNTY
SAN JOAQUIN COUNTY
SAN LUIS OBISPO COUNTY
SANTA BARBARA COUNTY
SANTA CLARA COUNTY
SANTA CRUZ COUNTY
SHASTA COUNTY
SIERRA COUNTY
SISKIYOU COUNTY
SOLANO COUNTY
SONOMA COUNTY
STANISLAUS COUNTY
SUTTER COUNTY
TEHAMA COUNTY
TRINITY COUNTY
TULARA COUNTY
TUOLUMNE COUNTY
VENTURA COUNTY
YOLO COUNTY
YUBA COUNTY

ALAMEDA COUNTY MEDICAL CENTER
AMADOR REGIONAL TRANSIT SYSTEM
ANAHEIM UNION HIGH SCHOOL DISTRICT
ANTELOPE VALLEY HEALTHCARE DISTRICT
AUTHORITY FOR CALIF. CITIES EXCESS LIABILITY
BAY AREA HOUSING AUTHORITY RMA
BERKELEY UNIFIED SCHOOL DISTRICT
BIG INDEPENDENT CITIES EXCESS POOL
BURBANK REDEVELOPMENT AGENCY
CALAVERAS COUNTY SUPERIOR COURT
CALIF. ASSOC. FOR PARK & RECREATION INS.
CALIFORNIA FAIR SERVICES AUTHORITY
CAMPBELL UNION HIGH SCHOOL DISTRICT
CAMPBELL UNION SCHOOL DISTRICT
CAPITOL AREA DEVELOPMENT AUTHORITY
CASITAS MUNICIPAL WATER DISTRICT
CENTRAL SIERRA CHILD SUPPORT AGENCY
CITY OF ALAMEDA
CITY OF ATSCADERO
CITY OF BAKERSFIELD
CITY OF BELL
CITY OF BELMONT
CITY OF BURBANK
CITY OF BURLINGAME
CITY OF CALABASAS
CITY OF CARMEL BY THE SEA
CITY OF CHULA VISTA
CITY OF CLAREMONT
CITY OF CONCORD
CITY OF CORONA
CITY OF COVINA
CITY OF CUPERTINO
CITY OF DALY CITY
CITY OF DEL MAR
CITY OF DOWNEY
CITY OF EL CAJON
CITY OF EL CENTRO
CITY OF EL MONTE
CITY OF ELK GROVE
CITY OF ESCONDIDO
CITY OF FAIRFIELD
CITY OF FONTANA
CITY OF FREMONT
CITY OF FRESNO
CITY OF GARDEN GROVE
CITY OF GOLETA
CITY OF HAWTHORNE
CITY OF HEMET
CITY OF IMPERIAL BEACH
CITY OF IRVINE
CITY OF LAGUNA HILLS
CITY OF LANCASTER
CITY OF LEMON GROVE

CITY OF LOMPOC
CITY OF LONG BEACH
CITY OF MAYWOOD
CITY OF MERCED
CITY OF MILLBRAE
CITY OF MISSION VIEJO
CITY OF MONTEBELLO
CITY OF MORENO VALLEY
CITY OF NAPA
CITY OF NATIONAL CITY
CITY OF NEEDLES
CITY OF OAKLAND
CITY OF OCEANSIDE
CITY OF POMONA
CITY OF RANCHO CORDOVA
CITY OF REDDING
CITY OF REDWOOD CITY
CITY OF RIALTO
CITY OF RICHMOND
CITY OF RIDGECREST
CITY OF SACRAMENTO
CITY OF SAN BUENAVENTURA
CITY OF SAN CLEMENTE
CITY OF SAN DIEGO
CITY OF SANTA CLARA
CITY OF SANTA ROSA
CITY OF SIMI VALLEY
CITY OF SOLANO BEACH
CITY OF SOUTH SAN FRANCISCO
CITY OF STOCKTON
CITY OF SUNNYVALE
CITY OF TORRANCE
CITY OF VISALIA
CITY OF WALNUT CREEK
CITY OF WHITTIER
CITY OF YUBA CITY
COLUSA COUNTY SUPERIOR COURT
COMM. DEVELOPMENT COMM. OF LA COUNTY
CONTRA COSTA CO. IHSS PUBLIC AUTHORITY
CORONA NORCO UNIFIED SCHOOL DISTRICT
COUNCIL OF SAN BENITO CO. GOVERNMENTS
DEL NORTE COUNTY SUPERIOR COURT
DEL NORTE IHSS PUBLIC AUTHORITY
EAST BAY REGIONAL PARK DISTRICT
EAST SAN GABRIEL VALLEY ROP
EL DORADO COUNTY SUPERIOR COURT
ELK GROVE UNIFIED SCHOOL DISTRICT
EVERGREEN ELEMENTARY SCHOOL DISTRICT
EXCLUSIVE RISK MGMT. AUTHORITY OF CALIF.
FIRST 5 CONTRA COSTA CHLD & FAMILIES COMM
FIRST FIVE SACRAMENTO COMMISSION
GOLD COAST TRANSIT
GOLDEN EMPIRE TRANSIT DISTRICT
GOLDEN STATE RISK MANAGEMENT AUTHORITY
GSRMA JPA ADMINISTRATION
HOUSING AUTHORITY OF THE CO. OF RIVERSIDE
HUMBOLDT IHSS PUBLIC AUTHORITY
HUNTINGTON BEACH UNION HIGH SCHOOL DIST
IHSS PUBLIC AUTHORITY OF MARIN
IMPERIAL COUNTY IHSS PUBLIC AUTHORITY
IRVINE RANCH WATER DISTRICT
KERN HEALTH SYSTEMS
KERN IHSS PA
KINGS COUNTY AREA PUBLIC TRANSIT AGENCY
KINGS WASTE & RECYCLING AUTHORITY
LAKE COUNTY SUPERIOR COURT
LAKE ELSINORE UNIFIED SCHOOL DISTRICT
LASSEN COUNTY SUPERIOR COURT
LOCAL AGENCY WC EXCESS JPA
MADERA IHSS PUBLIC AUTHORITY
MARIN COUNTY TRANSIT DISTRICT
MERCED IHSS PUBLIC AUTHORITY
MILITARY DEPT OF THE STATE OF CALIFORNIA
MONTEREY SALINAS TRANSIT AUTHORITY
MORONGO BASIN TRANSIT AUTHORITY
MOUNTAIN COMMUNITIES HEALTHCARE DIST
MT. DIABLO UNIFIED SCHOOL DISTRICT
MUNICIPAL POOLING AUTHORITY
NORTHERN CALIF CITIES SELF INSURANCE FUND
NORTHERN CALIF SPECIAL DISTRICTS INS. AUTH
OMNITRANS
ORANGE COUNTY FIRE AUTHORITY
ORANGE COUNTY SANITATION DISTRICT
ORANGE COUNTY SUPERIOR COURT
PASIS - SAN BERNARDINO
PASIS - SAN DIEGO
PUBLIC AGENCY RISK SHARING AUTH OF CALIF
PUBLIC ENTITY RISK MANAGEMENT AUTHORITY
REGIONAL COUNCIL OF RURAL COUNTIES
RIVERSIDE IHSS PUBLIC AUTHORITY
RIVERSIDE TRANSIT AGENCY
SACRAMENTO AREA FLOOD CONTROL AGENCY
SACRAMENTO COUNTY CONTRACTS
SACRAMENTO COUNTY IHSS PUBLIC AUTHORITY
SACRAMENTO METROPOLITAN CABLE
TELEVISION COMMISSION
SAN BENITO COUNTY SUPERIOR COURT
SAN BENITO IHSS PUBLIC AUTHORITY
SAN BERNARDINO CO. SPECIFIED DEPTS
SAN BERNARDINO IHSS PUBLIC AUTHORITY
SAN DIEGO COUNTY IHSS PUBLIC AUTHORITY
SAN DIEGO HOUSING COMMISSION
SAN DIEGO METRO TRANSIT SYSTEM
SAN DIEGO UNIFIED SCHOOL DISTRICT
SAN JOAQUIN IHSS PUBLIC AUTHORITY
SAN JOSE UNIFIED SCHOOL DISTRICT
SAN LUIS OBISPO COUNTY SUPERIOR COURT
SAN LUIS OBISPO REGIONAL TRANSIT AUTH.
SAN MATEO CO. SCHOOLS INSURANCE GROUP
SANTA BARBARA METRO TRANSIT DISTRICT
SANTA CLARA CO. VECTOR CONTROL DISTRICT
SANTA CRUZ CO. FIRE AGENCIES INS. GROUP
SANTA CRUZ COUNTY SUPERIOR COURT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

SCHOOLS INS. RISK MANAGEMENT AUTHORITY
SHASTA IHSS PUBLIC AUTHORITY
SONOMA COUNTY AS RESPECTS THE FAIR
SONOMA CO. EMPLOYEES' RETIREMENT ASSOC.
SOUTH COUNTY AREA TRANSIT
SOUTHERN CALIF SCHOOLS RISK MANAGEMENT
SPECIAL DISTRICT RISK MANAGEMENT AUTH.
STANISLAUS COUNTY SUPERIOR COURT
SUTTER BUTTE FLOOD CONTROL AGENCY JPA
SUTTER IHSS PUBLIC AUTHORITY
SPORTS & OPEN SPACE AUTH OF SANTA CLARA
TORRANCE UNIFIED SCHOOL DISTRICT
TOWN OF COLMA
TRANSPORTATION CORRIDOR AGENCIES
TRINDEL INSURANCE FUND
TULARE IHSS PUBLIC AUTHORITY
TUOLUMNE COUNTY SUPERIOR COURT
TURLOCK IRRIGATION DISTRICT
UC HASTINGS COLLEGE OF LAW
VAN HORN REGIONAL TREATMENT FACILITY
WEST SAN GABRIEL LIABILITY & PROPERTY JPA
WEST SAN GABRIEL WC JPA
YOLO PUBLIC AGENCY RISK MGMT INS AUTH



Adopted: March 5, 1993
Amended: October 4, 1996
Amended: October 6, 2006
Amended: March 6, 2009

MEMORANDUM OF UNDERSTANDING EXCESS WORKERS' COMPENSATION PROGRAM

This Memorandum of Understanding is entered into by and between the CSAC Excess Insurance Authority (hereinafter referred to as the "Authority") and the participating members who are signatories to this Memorandum.

- 1. Joint Powers Agreement.** Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereinafter referred to as "Agreement"), and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.
- 2. Annual Premium.** The participating members, in accordance with the provisions of Article 14(b)(2) of the Agreement, shall be assessed an annual premium for the purpose of funding the Excess Workers' Compensation Program (hereinafter referred to as the "Program"). Annual premiums shall include expected losses for the policy period, including incurred but not reported losses (IBNR), as well as a margin for contingencies based upon a confidence level as determined by the Board of Directors of the Authority (hereinafter Board), and adjustments, if any, for a surplus or deficit from all program policy periods. In addition, the premium shall include program reinsurance costs and program administrative costs, plus the Authority's general expense allocated to the Program by the Board for the next policy period.
- 3. Cost Allocation.** Each participating member's share of annual premium shall be determined pursuant to a cost allocation plan as described in Article 14(b)(2) of the Agreement. The Board approved cost allocation plan is attached hereto as Exhibit A and may be amended from time to time by an affirmative vote of the majority of the Board representing the members participating in the Program.
- 4. Dividends and Assessments.** The Program shall be funded in accordance with paragraph 2 above. In general, the annual premium, as determined by the Board, will be established at a level which will provide adequate overall funding without the need for adjustments to past policy period(s) in the form of dividends and assessments. However, should the Program for any reason not be adequately funded, except as otherwise provided herein, pro-rata assessments to the participating members may be utilized to ensure the approved funding level for those policy periods individually or for a block of policy periods, in accordance with the provisions of Article 14(b)(3) of the Agreement. Pro-

rata dividends will be declared as provided herein. Dividends may also be declared as deemed appropriate by the Board.

5. Closure of Policy Periods. Notwithstanding any other provision of this Memorandum, the following provisions are applicable:

- (a) Upon reaching ten (10) years of maturity after the end of a program period, that period shall be "closed" and there shall be no further dividends declared or assessments made with respect to those program periods except as set forth in paragraph 6(a), below;
- (b) Notwithstanding sub-paragraph (a) above, the Board may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last ten (10) policy periods shall always remain "open" unless the Board takes specific action to declare any of the last ten (10) policy periods closed.
- (c) Dividends and assessments (other than as outlined in paragraph 6(a), below) shall be administered to the participating members based upon the proportion of premiums paid to the Program in "open" periods only. For purposes of administering dividends and assessments pursuant to this sub-paragraph, all "open" policy periods shall be considered as one block. New members to the Program shall become eligible for dividends and assessments upon participating in the Program for three consecutive policy periods (not less than 24 months). Participating members who withdraw from the Program prior to the three year policy period restriction are still eligible for any assessments that arose out of the policy years they participated in the Program.

6. Declaration of Dividends. Dividends shall be payable from the Program to a participating member in accordance with its proportionate funding to the Program during all "open" policy periods except as follows:

- (a) A dividend shall be declared at the time a program period is closed on all amounts which represent premium surcharge amounts assessed pursuant to Article 14(b)(3) of the Agreement where the funding exceeds the 80% confidence level. This dividend shall be distributed based upon each member's proportionate share of assessment paid and accrued to the policy period being closed.

7. **Memorandum of Coverage.** A Memorandum of Coverage will be issued by the Authority evidencing membership in the Program and setting forth terms and conditions of coverage.
8. **Claims Administration.** Each participating member is required to comply with the Authority's Underwriting and Claims Administration Standards (including Addendum A - W.C. Claims Administration Guidelines) as amended from time to time, and which are attached hereto as Exhibit B and incorporated herein.
9. **Late Payments.** Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.
10. **Disputes.** Any question or dispute with respect to the rights and obligations of the parties to this Memorandum regarding coverage shall be determined in accordance with the Joint Powers Agreement Article 31, Dispute Resolution.
11. **Amendment.** This Memorandum may be amended by two-thirds of the CSAC Excess Insurance Authority's Board of Directors and signature on the Memorandum by the member's designated representative who shall have authority to execute this Memorandum. Should a member of the Program fail to execute any amendment to this Memorandum within the time provided by the Board, the member will be deemed to have withdrawn as of the end of the policy period.
12. **Complete Agreement.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.
13. **Severability.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
14. **Effective Date.** This Memorandum shall become effective on the effective date of coverage for the member and upon approval by the Board of any amendment, whichever is later.
15. **Execution in Counterparts.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the date set forth below.

Dated: 3/6/2009



CSAC Excess Insurance Authority

Dated: _____

Member Entity: _____



EXHIBIT A

EXCESS WORKERS' COMPENSATION PROGRAM COST ALLOCATION PLAN

As delegated by the Board of Directors, the Executive Committee will determine the specific allocation of all costs among the members subject to the following parameters:

Actuarial Analysis

An annual actuarial analysis will be performed using loss data and payroll collected from the members. The analysis will determine the necessary funding rates at various confidence levels and using various discount assumptions. Different rates may be developed for different groups or classes of business as is deemed necessary or appropriate by the Executive Committee. At the March Board meeting, the Board of Directors will select the funding level rates and discount factors to be used based upon the actuarial analysis and recommendations from the actuary, the Underwriting Committee and the Executive Committee.

Pool Contributions

The total needed deposit pool contribution will be determined by multiplying the rates described above by the payroll for all of the members participating in the pool. Estimated payroll for the year being funded will be used. The Executive Committee may break the pool into different layers for allocation purposes, and may apply a different loss experience modification for each layer as is deemed appropriate based on loss frequency. In general, the lower layers will be subject to greater experience modification and the higher layers will be subject to lower experience modification or no experience modification. Within the layers, the larger members will be subject to greater experience modification than the smaller members. After the experience modification has been applied for each layer, there will be a pro-rata adjustment back to the total needed deposit pool contribution. This amount will be collected from the members at the beginning of the policy period. The actual payroll for the period will be determined after the completion of the policy period and an adjustment to each member's pool contribution will be made to account for the difference between the estimated and actual payroll. Additional contributions will be collected or return contributions will be refunded as appropriate.

Reinsurance Premiums

The reinsurance premium will be determined through negotiations with the reinsurer(s) and approved by the Board upon recommendation of the

Underwriting and Executive Committees. This premium will then be allocated among the members based upon their estimated payroll. Adjustments will be made based on the actual payroll upon completion of the policy period in the same manner as described in the Pool Contribution section above.

EIA Administration Fees

The total EIA Administration Fees will be determined through the annual budgeting process with an appropriate amount allocated to the Excess Workers' Compensation Program. These fees will be allocated among the members as determined by the Executive Committee. In general, the basis for this allocation will be each member's percentage of the total pool contributions and reinsurance premium.

Deviation From the Standard

The Executive Committee may establish policies to deviate from the standard allocation methodology selected for each year on a case-by-case basis, if necessary. They may also elect to further delegate some or all of the decision-making authority described herein to the Underwriting Committee.



Exhibit B

Adopted: December 6, 1985
Amended: January 23, 1987
Amended: October 6, 1995
Amended: October 1, 1999
Amended: October 3, 2003
Amended: October 1, 2004
Amended: March 6, 2009

CSAC EXCESS INSURANCE AUTHORITY UNDERWRITING AND CLAIMS ADMINISTRATION STANDARDS

I. GENERAL

- A. Each Member shall appoint an official or employee of the Member to be responsible for the risk management function and to serve as a liaison between the Member and the Authority for all matters relating to risk management.
- B. Each Member shall maintain a loss prevention program and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe conditions.

II. EXCESS WORKERS' COMPENSATION PROGRAM

- A. Members of the Excess Workers' Compensation Program, except those members of the Primary Workers' Compensation Program whose responsibilities are outlined in Section IV below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
 - 1. The Member shall use only qualified personnel to administer its workers' compensation claims. At least one person in the claims office (whether in-house or outside administrator) shall be certified by the State of California as a qualified administrator of self-insured workers' compensation plans.
 - 2. Qualified defense counsel experienced in workers' compensation law and practice shall handle litigated claims. Members are encouraged to utilize attorneys who have the designation "Certified Workers' Compensation Specialist, the State Bar of California, Board of Legal Specialization".
 - 3. The Member shall use the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) and shall advise its claims administrator that these guidelines are utilized in the Authority's workers' compensation claims audits.
- B. The Member shall provide the Authority written notice of any potential excess workers' compensation claims in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Workers'

Compensation Claims Administration Guidelines (Addendum A) or as requested by the Authority and/or the Authority's excess carrier.

- C. A claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) shall be performed once every two (2) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claim experience or number of large claims, or
 2. There is a change of workers' compensation claims administration firms, or
 3. The Member is a new member of the Excess Workers' Compensation Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

- D. Each Member shall maintain records of claims in each category of coverage (i.e. indemnity, medical, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors, Claims Review Committee, Underwriting Committee, or Executive Committee. Such records shall include both open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
- E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

III. GENERAL LIABILITY PROGRAMS

- A. Members of the General Liability I or General Liability II Programs, except those members of the Primary General Liability Program whose responsibilities are outlined in Section V below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
1. The Member shall use only qualified personnel to administer its liability claims.

2. Qualified defense counsel experienced in tort liability law shall handle litigated claims. Members are encouraged to utilize defense counsel experienced in the subject at issue in the litigation.
 3. The Member shall use the Liability Claims Administration Guidelines (Addendum B) and shall advise its claims administrator that these guidelines are utilized in the Authority's liability claims audits.
- B. The Member shall provide the Authority written notice of any potential excess liability claim in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Liability Claims Administration Guidelines (Addendum B) or as requested by the Authority and/or the Authority's excess carrier.
- C. A claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
 2. There is a change of liability claims administration firms, or
 3. The Member is a new member of the General Liability I or General Liability II Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

- D. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
- E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

IV. PRIMARY WORKERS' COMPENSATION PROGRAM

- A. Members of the Primary Workers' Compensation Program shall provide the third party administrator written notice of any claim in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary Workers' Compensation Program and that claims are administered in accordance with the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

V. PRIMARY GENERAL LIABILITY PROGRAM

- A. Members of the Primary General Liability Program shall provide the third party administrator written notice of any claim or incident in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary General Liability Program and that claims are administered in accordance with the Authority's Liability Claims Administration Guidelines (Addendum B).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

VI. PROPERTY PROGRAM

- A. Members of the Property Program shall maintain appropriate records including a complete list of insured locations and schedule of values pertaining to all real property. Such records shall be provided to the Authority or its brokers as requested by the Executive or Property Committees.

- B. Each Member shall perform a real property replacement valuation for all locations over \$250,000. Valuations shall be equivalent to the Marshall Swift system and shall be performed at least once every five (5) years. New members shall have an appraisal or valuation performed within one year from entry into the Program.

VII. MEDICAL MALPRACTICE PROGRAM

A. Program I

1. Members of Medical Malpractice Program I (hereinafter Program I) shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
 - a. Members of Program I shall use only qualified personnel to administer its health facility claims.
 - b. Qualified defense counsel experienced in health facility law shall handle litigated claims.
 - c. Members of Program I shall use the "Claims Reporting and Handling Guidelines" in the CSAC Excess Insurance Authority Medical Malpractice Program Operating and Guidelines Manual (hereinafter Operating and Guidelines Manual), and shall advise its claims administrator that these claims handling guidelines are utilized in the Authority's medical malpractice claims audits.
2. Members of Program I shall provide the Authority written notice of any potential excess claim or "major incident" in accordance with the requirements of the Authority and of the excess carrier as stated in the Operating and Guidelines Manual. Updates on such claims or major incidents shall be provided as requested by the Authority.
3. A claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
 - a. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
 - b. There is a change of health facility claims administration firms, or
 - c. The Member is a new member of the Medical Malpractice Program, or

- d. The Medical Malpractice Committee requests an audit. The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.
4. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
5. Members of Program I shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

B. Program II

1. For Medical Malpractice Program II (hereinafter Program II) Members, the Authority shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member. The Authority may contract with a third party administrator for handling of such claims.
2. The Authority shall be responsible for ensuring the third party administrator uses qualified personnel to administer Program II claims.
3. The Authority shall be responsible for ensuring qualified defense counsel experienced in health facility law shall handle litigated claims.
4. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every two (2) years.

The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be

addressed by the third party administrator and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

5. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

VIII. SANCTIONS

- A. The Authority shall provide the Member written notification of the Member's failure to meet any of the above-mentioned standards or of other concerns, which affect or could affect the Authority.
- B. The Member shall provide a written response outlining a program for corrective action within sixty (60) days of receipt of the Authority's notification.
- C. After approval by the Executive or applicable Program Committee of the Member's corrective program, the Member shall implement the approved program within ninety (90) days. The Member may request an additional sixty (60) days from the Executive or applicable Program Committee. Further requests for extensions shall be referred to the Board of Directors.
- D. Failure to comply with subsections B or C may result in cancellation of the Member from the affected Authority Program in accordance with the provisions in the Joint Powers Agreement.
- E. Notwithstanding any other provision herein, any Member may be canceled pursuant to the provision of the Joint Powers Agreement.

ADDENDUM TO EXHIBIT B



Adopted: December 6, 1985
Amended: March 4, 1988
Amended: October 7, 1988
Amended: October 6, 1995
Amended: October 1, 1999
Amended: June 6, 2003
Amended: March 2, 2007
Amended: July 1, 2009

ADDENDUM A WORKERS' COMPENSATION CLAIMS ADMINISTRATION GUIDELINES

The following Guidelines have been adopted by the CSAC Excess Insurance Authority (hereinafter The Authority or the EIA) in accordance with Article 18(b) of the CSAC Excess Insurance Authority Joint Powers Agreement. It is the intent of these Guidelines to comply with all applicable Labor Code and California Code of Regulations Sections. In the event that there exists a conflict between the Guidelines, the Labor Code or the Code of Regulations, the most stringent requirement shall apply.

I. CLAIM HANDLING - ADMINISTRATIVE

A. Case Load

1. On or after July 1, 2007, the claims examiner assigned to the Member shall handle a targeted caseload of 150 but not to exceed 175 indemnity claims. This caseload shall include future medical cases with every 2 future medical cases counted as 1 indemnity case.
2. Supervisory personnel should not handle a caseload, although they may handle specific issues.

B. Case Review and Documentation

1. Documentation should reflect any significant developments in the file and include a plan of action. The examiner should review the file at intervals not to exceed 45 calendar days. Future medical files should be reviewed at intervals not to exceed 90 calendar days. The supervisor shall monitor activity on indemnity files at intervals not to exceed 120 calendar days. Future medical files shall be reviewed by the supervisor at intervals not to exceed 180 calendar days. An accomplishment level of 95% shall be considered acceptable.

2. File contents shall comply with Code of Regulations Sections 10101, 10101.1 and 15400, and be kept in a neat and orderly fashion. An accomplishment level of 95% shall be considered acceptable.
3. All medical-only cases shall be reviewed for potential closure or transfer to an indemnity examiner within 90 calendar days following claim file creation. An accomplishment level of 95% shall be considered acceptable.

C. Communication

1. Telephone Inquiries

Return calls shall be made within 1 working day of the original telephone inquiry. All documentation shall reflect these efforts. An accomplishment level of 95% shall be considered acceptable.

2. Incoming Correspondence

All correspondence received shall be clearly stamped with the date of receipt. An accomplishment level of 95% shall be considered acceptable.

3. Return Correspondence

All correspondence requiring a written response shall have such response completed and transmitted within 5 working days of receipt. An accomplishment level of 95% shall be considered acceptable.

D. Fiscal Handling

1. Fiscal handling for indemnity benefits on active cases shall be balanced with appropriate file documentation on a semi-annual basis to verify that statutory benefits are paid appropriately. Balancing is defined as, "an accounting of the periods and amounts due in comparison with what was actually paid". An accomplishment level of 95% shall be considered acceptable.
2. In cases of multiple losses with the same person, payments shall be made on the appropriate claim file.

II. CLAIM CREATION

A. Three Point Contact

Three point contact shall be conducted with the injured worker, employer representative and treating physician within 3 working days of receipt of the claim by the third party administrator or self administered entity. If a nurse case manager is assigned to the claim, initial physician contact may be conducted by either the claims examiner or the nurse case manager. In the event a party is non-responsive, there should be evidence of at least three documented attempts to reach the individual. Medical-only claims shall have this three point contact requirement as well. An accomplishment level of 95% shall be considered acceptable.

B. Compensability

1. The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reasons for such a determination shall be made and documented in the file within 14 calendar days of the filing of the claim with the employer. In the event the claim is not received by the third party administrator or self administered entity within 14 calendar days of the filing of the claim with the employer, the third party administrator or self administered entity shall make the initial compensability determination within 7 calendar days of receipt of the claim. An accomplishment level of 100% shall be considered acceptable.
2. Delay of benefit letters shall be mailed in compliance with the Division of Workers' Compensation (DWC) guidelines. In the event the employer does not provide notice of lost time to the third party administrator or self administered entity timely to comply with DWC guidelines, the third party administrator or self administered entity shall mail the benefit letters within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
3. The final compensability determination shall be made by the claims examiner or supervisor within 90 calendar days of employer receipt of the claim form. An accomplishment level of 100% shall be considered acceptable.

C. Reserves

1. Using the information available at claim file set up, an initial reserve shall be established at the most probable case value. An accomplishment level of 95% shall be considered acceptable.
2. The initial reserve shall be electronically posted to the claim within 14 calendar days of receipt of the claim. An accomplishment level of 95% shall be considered acceptable.

III. CLAIM HANDLING – TECHNICAL

A. Payments

1. Initial Temporary and Permanent Disability Indemnity Payment

- a. The initial indemnity payment shall be issued to the injured worker within 14 calendar days of knowledge of the injury and disability. In the event the third party administrator or self administered entity is not notified of the injury and disability within 14 calendar days of the employer's knowledge, the third party administrator or self administered entity shall make payment within 7 calendar days of notification. Initial permanent disability payments shall be issued within 14 calendar days after the date of last payment of temporary disability. This shall not apply with salary continuation. An accomplishment level of 100% shall be considered acceptable.
- b. The properly completed DWC Benefit Notice shall be mailed to the employee within 14 calendar days of the first day of disability. In the event the third party administrator or self administered entity is not notified of the first day of disability until after 14 calendar days, the DWC Benefit Notice shall be mailed within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
- c. Self imposed penalty shall be paid on late payments in accordance with Section III. A. 7 of this document. An accomplishment level of 100% shall be considered acceptable.
- d. Overpayments shall be identified and reimbursed timely where appropriate. The third party administrator or self administered entity shall request reimbursement of overpaid

funds from the party that received the funds. If necessary, a credit shall be sought as part of any resolution of the claim. An accomplishment level of 95% shall be considered acceptable.

2. Subsequent Temporary and Permanent Disability Payments
 - a. Eligibility for indemnity payments subsequent to the first payment shall be verified, except for established long-term disability. An accomplishment level of 100% shall be considered acceptable.
 - b. Self imposed penalty shall be paid on late payments in accordance with Section III.A.7 of this document. An accomplishment level of 100% shall be considered acceptable.
3. Final Temporary and Permanent Disability Payments
 - a. All final indemnity payments shall be issued timely and the appropriate DWC benefit notices sent. An accomplishment level of 100% shall be considered acceptable.
 - b. Self imposed penalty shall be paid on late payments in accordance with Section III.A.7 of this document. An accomplishment level of 100% shall be considered acceptable.
4. Award Payments
 - a. Payments on undisputed Awards, Commutations, or Compromise and Releases shall be issued within 10 calendar days following receipt of the appropriate document. An accomplishment level of 95% shall be considered acceptable.
 - b. For all excess reportable claims, copies of all Awards shall be provided to the Authority at time of payment. An accomplishment level of 95% shall be considered acceptable.
5. Medical Payments
 - a. Medical treatment billings (physician, pharmacy, hospital, physiotherapist, etc.) shall be reviewed for correctness,

approved for payment and paid within 60 working days of receipt. An accomplishment level of 100% shall be considered acceptable.

- b. The medical provider must be notified in writing within 30 working days of receipt of an itemized bill if a medical bill is contested, denied or incomplete. An accomplishment level of 100% shall be considered acceptable.
- c. A bill review process should be utilized whenever possible. There should be participation in a PPO and/or MPN whenever possible.

6. Injured Worker Reimbursement Expense

- a. Reimbursements to injured workers shall be issued within 15 working days of the receipt of the claim for reimbursement. An accomplishment level of 95% shall be considered acceptable.
- b. Advance travel expense payments shall be issued to the injured worker 10 working days prior to the anticipated date of travel. An accomplishment level of 95% shall be considered acceptable.

7. Penalties

- a. Penalties shall be coded so as to be identified as a penalty payment. An accomplishment level of 100% shall be considered acceptable
- b. If the Member utilizes a third party administrator, the Member shall be advised of the assessment of any penalty for delayed payment and the reason thereof, and the administrator's plans for payment of such penalty, on a monthly basis. An accomplishment level of 95% shall be considered acceptable.
- c. If the Member utilizes a third party administrator, the Member, in their contract with the administrator, shall specify who is responsible for specific penalties.

B. Medical Treatment

1. Each Member shall have in place a Utilization Review process. An accomplishment level of 100% shall be considered acceptable.
2. Disputes regarding spine surgery shall be resolved using the process set forth in Labor Code Section 4062(b). An accomplishment level of 100% shall be considered acceptable.
3. Nurse case managers shall be utilized where appropriate. An accomplishment level of 95% shall be considered acceptable.
4. If enrolled in a Medical Provider Network, the network shall be utilized whenever appropriate.

C. Apportionment

1. Investigation into the existence of apportionment shall be documented. An accomplishment level of 100% shall be considered acceptable.
2. If potential apportionment is identified, all efforts to reduce exposure shall be pursued. An accomplishment level of 100% shall be considered acceptable.

D. Disability Management

1. The third party administrator or self administered entity shall work proactively to obtain work restrictions and/or a release to full duty on all cases. The TPA or self-administered entity shall notify a designated Member representative immediately upon receipt of temporary work restrictions or a release to full duty, and work closely with the Member to establish a return to work as soon as possible. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall notify a designated Member representative immediately upon receipt of an employee's permanent work restrictions so that the Member can determine the availability of alternative, modified or regular work. An accomplishment level of 100% shall be considered acceptable.
3. If there is no response within 20 calendar days, the third party administrator or self administered entity shall follow up with the

designated Member representative. An accomplishment level of 100% shall be considered acceptable.

4. Members shall have in place a process for complying with laws preventing disability discrimination, including Government Code Section 12926.1 which requires an interactive process with the injured worker when addressing a return to work with permanent work restrictions.
5. Third party administrators or self administered claims professional shall cooperate with members to the fullest extent, in providing medical and other information the member deems necessary for the member to meet its obligations under federal and state disability laws.

E. Vocational Rehabilitation/Supplemental Job Displacement Benefits

1. Vocational Rehabilitation – Dates of injury prior to 1/1/04: Benefits pursuant to Labor Code Section 139.5 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.
2. Supplemental Job Displacement Benefits – Dates of injury 1/1/04 and after: Benefits pursuant to Labor Code Section 4658.5 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.
3. The third party administrator or self administered entity shall secure the prompt conclusion of vocational rehabilitation/SJDB and settle where appropriate. An accomplishment level of 95% shall be considered acceptable.

F. Reserving

1. Reserves shall be reviewed at regular diary and at time of any significant event, e.g., surgery, P&S/MMI, return to work, etc., and adjusted accordingly. This review shall be documented in the file regardless of whether a reserve change was made. An accomplishment level of 95% shall be considered acceptable.
2. Indemnity reserves shall reflect actual temporary disability indemnity exposure with 4850 differential listed separately. An accomplishment level of 100% shall be considered acceptable.

3. Permanent disability indemnity exposure shall include life pension reserve if appropriate. An accomplishment level of 100% shall be considered acceptable.
4. Future medical claims shall be reserved in compliance with SIP regulation 15300 allowing adjustment for reductions in the approved medical fee schedule, undisputed utilization review, medically documented non-recurring treatment costs and medically documented reductions in life expectancy. An accomplishment level of 100% shall be considered acceptable.

G. Resolution of Claim

1. Within 10 working days of receiving medical information indicating that a claim can be finalized, the claims examiner shall take appropriate action to finalize the claim. An accomplishment level of 95% shall be considered acceptable.
2. Settlement value shall be documented appropriately utilizing all relevant information. An accomplishment level of 95% shall be considered acceptable.

H. Settlement Authority

1. No agreement shall be authorized involving liability, or potential liability, of the Authority without the advance written consent of the Authority. An accomplishment level of 100% shall be considered acceptable.
2. The third party administrator shall obtain the Member's authorization on all settlements or stipulations in excess of the settlement authority provided in any provision of the individual contract between the Member and the claims administrator. An accomplishment level of 100% shall be considered acceptable.

IV. LITIGATED CASES

The third party administrator or self administered entity shall establish written guidelines for the handling of litigated cases. The guidelines should, at a minimum, include the points below, which may be adopted and incorporated by reference as "the guidelines".

A. Defense of Litigated Claims

1. The third party administrator or self administered entity shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for in-house investigation, or the need for a contract investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of investigations. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall, in consultation with the Member, assign defense counsel from a list approved by the Member. (Note: If a Member is a County, to comply with Government Code Section 25203, the Member's list should be approved by a two-thirds vote of the governing board.) An accomplishment level of 95% shall be considered acceptable.
3. Settlement proposals directed to the Member shall be forwarded by the third party administrator, self administered entity or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement proposals shall be presented to the Member as directed so as to insure receipt in sufficient time to process the proposal. An accomplishment level of 95% shall be considered acceptable.
4. Knowledgeable Member personnel shall be involved in the preparation for medical examinations and trial, when appropriate or deemed necessary by the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense. An accomplishment level of 95% shall be considered acceptable.
5. The third party administrator or self administered entity shall comply with any reporting requirement of the Member. An accomplishment level of 95% shall be considered acceptable.

B. Subrogation

1. In all cases where a third party (other than a Member employee or agent) is responsible for the injury to the employee, attempts to obtain information regarding the identity of the responsible party shall be made within 14 calendar days of recognition of subrogation potential. Once identified, the third party shall be contacted within 14 calendar days with notification of the Member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board

(or State Board of Control as to State entities) within 6 months of the injury or notice of the injury. An accomplishment level of 95% shall be considered acceptable.

2. Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the Member shall be entitled. An accomplishment level of 95% shall be considered acceptable.
3. The file shall be monitored to determine the need to file a complaint in civil court in order to preserve the statute of limitations. An accomplishment level of 95% shall be considered acceptable.
4. If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the Member about the value of the subrogation claim and other considerations. Upon Member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action. An accomplishment level of 95% shall be considered acceptable.
5. Whenever practical, the claims administrator shall aggressively pursue recovery in any subrogation claim. They should attempt to maximize the recovery for benefits paid, and assert a credit against the injured worker's net recovery for future benefit payments. An accomplishment level of 95% shall be considered acceptable.

V. EXCESS COVERAGE

- A. Claims meeting the definition of reportable excess workers' compensation claims as defined by the Memorandum of Coverage Conditions Section shall be reported to the Authority within 5 working days of the day on which it is known the criterion is met. Utilize the Excess Workers' Compensation First Report Form available through the EIA website. An accomplishment level of 100% shall be considered acceptable.
- B. Subsequent reports shall be transmitted to the Authority on a quarterly basis on indemnity claims and on a semi-annual basis on future medical claims sooner if claim activity warrants, or at such other intervals as requested by the Authority, in accordance with Underwriting and Claims Administration Standards. Utilize the Excess Workers' Compensation Status Report Form available through the EIA website, or a comparable form to be approved by the Authority. An accomplishment level of 95% shall be considered acceptable.

- C. Reimbursement requests should be submitted in accordance with the Authority's reporting and reimbursement procedures on a quarterly or semi-annual basis depending on claims payment activity. Utilize the Excess Workers' Compensation Claim Reporting and Reimbursement Procedures available through the EIA website. An accomplishment level of 95% shall be considered acceptable.

- D. A closing report with a copy of any settlement documents not previously sent shall be sent to the Authority. An accomplishment level of 95% shall be considered acceptable.

LIABILITY CLAIMS ADMINISTRATION AUDIT

ISSUE: It is the policy of CSURMA that its third-party claims administrators (TPAs) be audited biennially. The audits for Campus Liability, Campus Worker’s Compensation, AIME, and AORMA Liability are to occur in odd-numbered calendar years; and AORMA Workers’ Compensation is to occur in even-numbered calendar years. Staff solicited proposals from Bickmore Risk Services to perform claims audits during 2015 for Campus Liability and AORMA Liability. Campus Workers’ Compensation will be performed by Alliant per the Program Administration Agreement. As respects AIME, the Executive Committee may choose to defer its audit pending resolution of the service agreement between the AIME Committee and its claims administrator.

RECOMMENDATION: Bickmore Risk Services (BRS) performed the last claim audits for Campus Liability and AORMA Liability in 2013. To ensure consistency of review, staff recommends that the Executive Committee authorize the Secretary-Auditor to engage BRS as claims auditor for Campus Liability and AORMA Liability during 2015 as proposed. Staff also recommends that the AIME claims audit be deferred pending resolution of its TPA agreement.

FISCAL IMPACT: The costs for each of the claim audits are within the Executive Committee’s authority to approve the expenditures in FY 2014/15. The proposed audit fees are: \$5,000 for Campus Liability, and \$5,000 for AORMA Liability.

BACKGROUND: In accordance with Policy & Procedure No. 5, it is the policy of CSURMA that its third-party claims administrators (TPAs) be audited on a periodic basis to ensure that the Authority is receiving high quality services. Further, it is CSURMA’s procedure that the audits are performed biennially such that Campus Liability, Campus Worker’s Compensation, AIME, and AORMA Liability occur in odd-numbered calendar years; and AORMA Workers’ Compensation occurs in even-numbered calendar years.

PUBLICATION: None.

ATTACHMENT(S):

- a. Policy & Procedure No. 5 – Claims Audits
- b. Bickmore Risk Services: Claims Auditing Proposal for Campus Liability
- c. Bickmore Risk Services: Claims Auditing Proposal for AORMA Liability



CSURMA

POLICY AND PROCEDURE NO. 5

EFFECTIVE: JULY 1, 1999; Revised March 20, 2014

SUBJECT: CLAIMS AUDITS

POLICY:

It is the policy of the California State University Risk Management Authority (CSURMA) that Third-Party Claims Administrators shall be audited on a periodic basis to ensure that CSURMA is receiving high-quality services.

PROCEDURE:

The CSURMA Program Administrator shall take steps to engage the services of an independent, professional claims auditor to audit the CSURMA's risk pooling programs at the following period intervals:

- **Campus Liability Risk Pool** - The Campus Pooled Liability Program shall be audited in odd-numbered calendar years;
- **Campus Workers' Compensation Risk Pool** - The Campus Pooled Workers' Compensation Program shall be audited in odd-numbered calendar years;
- **AIME Risk Pool** - The Campus Pooled AIME Program shall be audited in odd-numbered calendar years;
- **AORMA Liability Risk Pool** - The AORMA Pooled Liability Program shall be audited in odd-numbered calendar years;
- **AORMA Workers' Compensation Risk Pool** - The AORMA Pooled Workers' Compensation Program shall be audited in even-numbered calendar years; and
- **Other Risk Pooling Programs** - Other risk pooling programs of the CSURMA shall be audited on a periodic basis determined by the CSURMA Executive Committee.

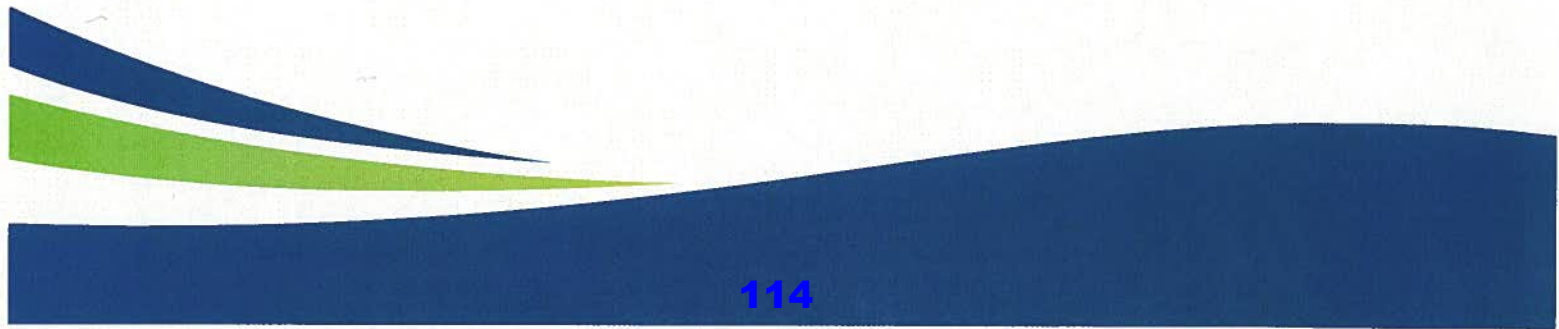


Proposal to Alliant Insurance Services, Inc.

**For CSU's Risk Management Authority
Proposal for General and Errors & Omissions
Liability Claims Audit and Process Review**



November 20, 2014



Bickmore

November 20, 2014

Mr. Robert Leong
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Via Email: rleong@alliant.com

**RE: California State University Risk Management Authority
Proposal for General and Errors & Omissions Liability Claims Audit and Process Review**

Dear Mr. Leong,

Thank you for inviting Bickmore to present our approach to provide the California State University Risk Management Authority (CSURMA) with auditing services to ensure general liability and errors & omissions claims handling is in compliance with industry best practices, state law and CSURMA's procedures.

Enclosed is a description of our approach and methodology to complete this project and provide a draft report prior to March 20, 2015.

Dennis Mitchell is the contact person for all matters related to this proposal. He will direct the project, if we are selected. His contact information is:

Mr. Dennis Mitchell, CPCU, SCLA, ARM
Senior Claims Consultant
714.426.8507
demitchell@bickmore.net
1100 Town & Country Road, Suite 1550
Orange, CA 92868

This proposal will remain valid for 180 days from November 20, 2014.

Thank you for the opportunity to be considered to work with you, CSURMA, and the Chancellor's Office on this important project.

Respectfully submitted,



John Alltop
President, Consulting and Risk Finance

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Appendices

- A. Resumes
- B. Data Request



Bickmore Snapshot

- Established in 1984
- Headquartered in Sacramento, California
- Largest independent risk management consulting firm in Western U. S.

106 employees with over 60% holding advanced degrees and professional designations such as:

- Associate in Risk Management
- Juris Doctor
- Master of Business Administration
- Certified Public Accountant
- Fellow, Casualty Actuarial Society
- Certified Safety Professional
- Workers' Compensation Claims Specialist
- Chartered Property Casualty Underwriter

I. Qualifications and Related Experience

A. Background Information

Bickmore is a leading independent risk management, insurance, and actuarial consulting firm with clients in 37 states.

Formed in 1984, Bickmore is headquartered in California and has over 100 employees. Over 60% of our staff holds advanced degrees and professional designations in risk management, law, workers' compensation, accounting, actuarial, and loss and risk control.

Our professionals work together to provide clients with traditional risk management services such as coverage reviews, self-insured retention analysis, and claims consulting; and non-traditional services such as data collection, self-insured group administration, program structure evaluation, and underwriting.

Commitment to Service

Bickmore performs more than 150 consulting assignments annually. Our greatest mark of client satisfaction is repeat business, with 95% of clients engaging us for additional projects after completion of initial assignments.

Independence

Bickmore does not sell insurance, nor are we affiliated with any such organization. This independence allows us to perform consulting activities free from actual or perceived conflicts of interest. Although Bickmore was purchased by the York Risk Services Group, Inc. in May 2014, we are an independently operated division, yet disclose this parent-child corporate relationship.

Risk Consulting Solutions

Claims Auditing and Consulting
Enterprise Risk Management
Risk Cost Management
Risk Finance Program Design
Expert Witness
Risk Management Information Systems

Actuarial and Risk Finance

Owner Controlled Insurance Programs
Safety and Risk Control
Employment Practices Risk Management
Insurance Coverage Adequacy
Broker Selection
Insurance Renewal Assistance

Risk Retention Capacity Study
Self-Insurance Reserve Setting
Risk Finance Alternatives Comparison
Risk Cost Allocation System Design
GASB 45 Studies

B. Experience and Qualifications

Individuals who will work on this project are located in our Orange office and will receive peer review and support from personnel in our Sacramento office. Detailed resumes can be found in Appendix A. Our project team includes:

Ms. Jo Ann Wood, CPCU, AIC, RPLU, ARM. Jo Ann is Manager of Claims Consulting and will oversee the audit and provide peer review. She has been with Bickmore for four years, and has over 30 years of experience in claims with an emphasis on multiple jurisdictions. As a former claims manager and home office specialist, Jo Ann has skills in auditing, analyzing results of claims management techniques, and formulating recommendations to improve claims handling and reduce costs.

Mr. Dennis Mitchell, CPCU, SCLA, ARM. Dennis is a Senior Claims Consultant and will lead the claims audit activities. He has been with Bickmore for four years, and has over 30 years of experience in handling multi-line claims in multiple jurisdictions, including California educational institutions. Dennis has held multiple claims management positions where he developed the skills required to audit claims, analyze results, and provide recommendations for improvement.

Ms. Sandra Spiess, ARM. Sandra is a Project Coordinator at Bickmore. She will track audit progress to ensure timely service delivery. Sandra has served as project coordinator for many projects involving our California clientele. Sandra has been with Bickmore for ten years.

Resumes for project team members are included in Appendix A.

C. Clients and References

Bickmore has a wealth of experience working with California Joint Powers Authorities (JPA's) and serves as administrator for the pools listed below. A part of the services we provide under our administrative contract include performing claims oversight services, and in many instances, performing the claims audit or facilitating a request for proposal (RFP) for claims audits on behalf of our clients. These clients include:

- Bay Area Schools Insurance Cooperative (BASIC) since 2007
- Bay Cities Joint Powers Insurance Authority (BCJPIA) since 2003
- California Affiliated Risk Management Authorities (CARMA) since 2002
- California Housing Workers' Compensation Agency (CHWCA) since 2003
- California Transit Insurance Pool (CaTIP) since 2008
- Central San Joaquin Valley Risk Management Authority (CSJVRMA) since 2002
- Employment Risk Management Authority (ERMA) since 2005
- Fire Association Self-Insurance System (FASIS) since 2005
- Independent Cities Risk Management Authority (ICRMA) since 1999
- Local Agency Workers' Compensation Excess JPA (LAWCX) since 2005
- Marin Schools Insurance Authority (MSIA) since 2005
- Vector Control Joint Powers Agency (VCJPA) since 2001

Bickmore provides claims auditing services to numerous clients across the country. Table I-1 on page 4 lists information for references we encourage CSURMA to contact regarding the quality of our team's claims consulting work.

**Table I-1
References**

Client Name and Address	Contact Information	Project Description
Alliance of Schools for Cooperative Insurance Programs (ASCIP) 16550 Bloomfield Avenue Cerritos, CA 90703	Jonathan Lackey Director of Liability and Property Programs 562.677.2004 lackey@ascip.org	Liability and workers' compensation claims audits in 2011 and 2014
County of Los Angeles Risk Management 3333 Wilshire Blvd, Suite 1000 Los Angeles, CA	Karen Givens Manager of Risk Management 213.351.5477 kgivens@ceo.lacounty.gov	Liability, property, and workers' compensation claims audit services 2008 – 2012.
City and County Insurance Services 1212 Court St., NE Salem, OR 97301	Scott Moss Property and Casualty Trust Manager 503.763.3840 smoss@cisoregon.org	Liability, property, and workers' compensation claims audit services 2008 - continuing
Southern California Schools Risk Management JPA 1950 South Sunwest Lane, Suite 100 San Bernardino, CA 92408	Ms. Kharla Ray, Chief Administrative Officer Mr. Javier Gonzalez, Chief Financial Officer 909.763.4900 909.763.4910 krhay@scsjpa.org jgonzales@scsjpa.org	Liability and Property claims audits 2006 through 2012
State of Utah 5120 State Office Building Salt Lake City, UT 84114	Tani Pack Downing Director of Risk Management 801.538.9598 tdowning@utah.gov	Liability claims audit services 2005 - 2014
Texas Association of School Boards, Inc. P.O. Box 400 Austin, TX 78767	Dubravka Romano Associate Executive Director 800.482.7276 Dubravka.Romano@tasb.org	Liability and workers' compensation claims audits 2007 - 2011

Additional references can be provided upon request.

II. Work Plan and Technical Approach

The California State University Risk Management Authority (CSURMA) is a Joint Powers Authority established in 1997 to perform pooled group insurance and risk management-related activities for the California State University (the University) system and its 23 campuses. Claims and risk management functions are centralized in the Chancellor's Office in Long Beach, California.

CSURMA currently provides \$5 million coverage with each campus responsible for a deductible of \$35,000 to \$900,000. Campus risk managers handle claims within the campus deductible subject to oversight by the Chancellor's Office. A member of the Office of General Counsel (OGC) is assigned to each campus to assist with determination of liability and evaluation of damages.

The Chancellor's Office provides support to the campuses and handles claims exceeding the deductible.

CSURMA seeks an audit to:

- Ensure that its claim services are being performed effectively.
- Ensure that sound and accurate procedures are in place.
- Verify compliance with applicable industry best practices, tort laws, and internal policies and procedures.

A. Data Request

To accomplish CSURMA's objectives, we request the data outlined in Appendix B.

B. Work Plan

To meet CSURMA's goals, we propose the following scope of work and activities.

1. Review current policies and procedures established by CSURMA for its administration of claims:

- Interviewing the Chancellor Staff and selected University campus staff to gain an understanding of workflows and procedures guiding the reporting, setup and administration of claims.
- Interviewing selected OGC staff to determine the level of interaction between OGC and Risk Management.
- Reviewing existing claims procedure manuals.

2. We will examine claims data and select a sample for review:

To meet CSURMA’s objectives, we recommend the selection of claims shown in Table II-1. The sample will include a random selection with total incurred greater than \$10,000 for 75% of the selection, and ensure diverse campus representation. Litigated claims will represent 50% of the sample. This will allow us to:

- Evaluate the application of the workflows and procedures we identify during the interview process; and
- Identify any systemic claims handling issues and propose recommendations for consideration.

**Table II-1
Claim Sample Size**

Status	Claim Type				Total
	BI	PI	PD	Other	
Open	12	11	2	5	30
Closed	7	6	1	1	15
Total	19	17	3	6	45

3. We will evaluate claims handling practices and workflows.

For each claim selected, we will review the following components by reviewing the paper and electronic claims file:

a. Intake Process

- Claim reporting
- Claim setup

b. Investigation

- Contacts with parties
- Obtaining and preserving evidence
- Developing mitigating factors

c. Plan of Action and Documentation

- Timeliness of initial plan of action
- Frequency of updates to plan
- Quality of documentation

d. Reserve Management

- Procedures for establishing, maintaining and recording reserves
- Procedures for evaluating reserves
- Accuracy of current reserves

e. Statutory Compliance

- Administration of the California Government Code
- MMSEA compliance

f. Communication

- Communication between campus Risk Management and Chancellor's Office
- Communication between OGC and Risk Management on litigated claims

g. Claim Information System

- Adequacy of system to record data
- Promptness and accuracy of updating data
- Availability and usefulness of reports to analyze loss experience

h. Claim Disposition

- Claim evaluation process
- Settlement procedures and authority levels
- Payment procedures

i. Litigation and Recovery Management

- Assignment procedures
- Analysis and strategy
- Budgeting procedures

To assess whether claims are handled in a timely and efficient manner we will determine an **overall claims administration grade** by averaging the grades for the components listed above and illustrated in Exhibit II-1.

Our sample claims review will compare claims handling practices to requirements of industry best practices, tort law, and CSURMA's Claim Procedure Manual. Our analysis will assign a grade to each claim component, for each claim, and determine grades for each component. The grading system will assign:

- **Yes**, when performance requirements are met.
- **No**, where deficiencies may contribute to increased claim costs.
- **Not Applicable**, where performance requirements are not applicable for claim circumstances presented.

C. Deliverables

We will complete a claims review form for each claim to provide the grading rationale.

We will make claims review details available to the claims administration staff for response to criticisms, if any. We realize the importance of validating findings and making sure recommendations are a good fit for CSURMA. Therefore, we will:

- Provide daily feedback to the Chancellor’s office on findings during the on-site audit;
- Provide a summary of findings verbally at the end of the on-site visit; and
- Work closely with CSURMA personnel to review and amend the draft report prior to finalization.

A summary of findings will be included in our report in a format similar to Exhibit II-1 along with narrative discussion. A listing of claims reviewed will be appended to the report.

Summary of findings will be included in our report in tabular and narrative format. A listing of claims audited will be an addendum to the report. We will include recommended reserve changes in an exhibit, as shown in Table II-2.

**Table II-2
Reserve Analysis**

Claimant	Injury Date	Claim No.	Current Outstanding Reserve	Recommended Outstanding Reserve	Comments
Totals:					
Total Recommended Reserve Change:					+ Or (-)

Our reports include an executive summary to provide key findings and recommendations. Detailed findings and recommendations for each component are provided in a separate chapter.

Our reports are practical working documents. Our clients use them over a period of several years to implement changes and to monitor progress. They are written to be readily understood by those without an insurance background but contain all supporting data. We will present the report in person at the CSURMA’s option.

D. Proposed Timing

While our work steps will depend on the final scope of work selected by CSURMA and availability of staff, we anticipate the activities and timing shown in Table II-3 will ensure successful completion of this project based on CSURMA's desire to have a written draft report prior to **March 20, 2015**. We are flexible and can adjust timing to meet the requirements of the CSURMA.

**Table II-3
Activities Timetable**

Activity	Timing
1. Discuss this proposal with CSURMA and complete proposal revisions, as needed for award of contract.	January 6, 2015
2. Conduct an initial telephone discussion with CSURMA to review data requirements (see Appendix B, Data Request), meeting schedules, individuals to be interviewed, and related topics.	January 6, 2015
3. Receive and analyze information listed in Appendix B, "Data Request" of this proposal.	January 23, 2015
4. Select a sample of files to be reviewed. Listing of claims sample selected will be submitted to CSURMA contact for review and concurrence.	January 30, 2015
5. Interview appropriate parties as identified by CSURMA contact to determine effectiveness of procedures in place, workflow, caseloads, reserving practices, and present issues.	January 30 – February 6
6. Examine the sample of CSURMA claim files. We anticipate the claims file examination will require two to three auditing days onsite.	February 25 – 27, 2015
7. Conduct a detailed analysis of all information received to date. We will identify any missing data and develop a plan to obtain it.	March 6, 2015
8. Organize, tabulate, and analyze all information received and develop conclusions and recommendations.	March 6, 2015
9. Prepare a draft report presenting our findings and conclusions.	March 16, 2015
10. Discuss draft report with CSURMA and conduct any necessary follow-up activities to complete final report.	March 19, 2015
11. Provide CSURMA with a final report based on information obtained in the preceding step and any additional research.	March 27, 2015
12. Present findings at a regularly scheduled CSURMA meeting.	To Be Determined

Exhibit II-1
Claims Service Grading Summary

Claims Components and Criteria*	# Claims Graded	Findings			Actual (Yes)	Possible (Yes + No)	Percentile (Actual/Possible)
		Yes	No	N/A			
A. Intake Process							
B. Investigation							
C. Plan of Action/Documentation							
D. Reserve Management							
E. Statutory Compliance							
F. Communication							
G. Claim Information System							
H. Claim Disposition							
I. Litigation/Recovery Management							
Overall Claims Administration							

III. Cost Proposal

Bickmore proposes to perform the scope of service for fixed fees 'not to be exceeded' of \$5,000. Fifty percent of the fee payment will be invoiced at submission of the claims audit list, with the balance invoiced upon delivery of our draft report. Invoice payments are due within 15 days.

Our proposed fee for the audit includes all travel expense and presentation of the report.

Appendix A

Resumes

Jo Ann Wood, CPCU, AIC, RPLU, ARM
Manager, Claims Consulting Solutions

Jo Ann Wood is a consultant to various public agencies and corporations on claims management subjects. She specializes in the areas of claims intake and investigation, coverage review, injury and damages evaluation for reserve adequacy, and disposition strategies with emphasis on claims solutions.

EXPERIENCE

Jo Ann has over 32 years of claims industry experience, including eight years as a consultant to private entities, public entities, and risk pools nationwide. Prior to joining the firm, Jo Ann was the Claims Consulting Practice Leader for ARM Tech / Aon Global Risk Consulting, and served clients by performing claim audits, preparing procedure manuals, assisting with claim administration selections, and evaluating claim processes, staffing, and organization. Her focus is to ensure compliance with tort or workers' compensation laws, claims administration and peripheral service contract terms, and industry best practices. Her expertise encompasses auto liability, general liability, workers' compensation, professional liability, and property claims handling in multiple jurisdictions.

Jo Ann's career began with field claims handling and examining positions for major insurance carriers, progressing to Home Office Specialist with management responsibilities for multi-line claims in multiple jurisdictions. She later served as the Claims Manager for insured and self-insured clients of a multi-line third party administrator in Arizona and California. This responsibility included managing claims for safety employees.

Jo Ann teaches the Advanced Workers' Compensation course for the Workers' Compensation Claims Professional Designation, the Workers' Compensation and Medical Aspects of Claims course for the Associate in Claims Designation, and coursework for the Registered Professional Liability Underwriter designation on behalf of the Insurance Educational Association.

EDUCATION

Bachelor of Science, Business – Arizona State University
American Institute for Chartered Property Casualty Underwriters
Chartered Property Casualty Underwriter (CPCU) Designation and Continuing Professional Development Certificate
Associate in Claims (AIC) Designation – Insurance Institute of America
Registered Professional Liability Underwriter (RPLU) Designation – Professional Liability Underwriting Society
Associate in Risk Management (ARM) Designation – Insurance Institute of America

PROFESSIONAL AFFILIATIONS

Society of Chartered Property Casualty Underwriters – Member
Professional Liability Underwriting Society – Member
California Self Insurance Plans Certification
Multi-Line Adjustor License – Wyoming and Arizona
Workers' Compensation Adjustor License – Texas

Dennis Mitchell, CPCU, SCLA, ARM
Senior Claims Consultant

Dennis Mitchell provides claim auditing and consulting services to public and private sector clients. He provides multi-state clients with a thorough analysis of their claims administration program. Dennis audits claims, analyzes results, and makes recommendations to help clients improve quality, provide better service, and realize savings.

EXPERIENCE

Dennis Mitchell has over 35 years of experience in the claims industry, primarily managing full-service, multi-line claim operations for national insurance carriers. His service expertise encompasses claim audits; procedure and workflow analysis; litigation management; and auto, general liability, workers' compensation, and property claims handling. In addition to providing a thorough analysis of client claim administration programs, Dennis evaluates compliance with state laws, claim administration contracts, and industry best practices.

Prior to joining Bickmore, Dennis was a Senior Claims Consultant at ARM Tech/Aon Global Risk Consulting. He was responsible for leading and assisting with claim audits for a variety of public and private sector clients, working with them and their claim administrators to improve the quality of claim outcomes.

Dennis began his career at The Hartford, advancing to increasingly responsible positions. Ultimately, he managed workers' compensation, commercial liability, and property claims for the company's Southern California Division until his retirement in 2000. Following the Hartford, he served for three years managing multi-line claims for a small, commercial national carrier.

EDUCATION

Bachelor of Arts, History – Saint Francis College, New York

Associate in Risk Management (ARM) Designation – Insurance Institute of America

Self-Insured Administrator Certification – California Department of Industrial Relations, Office of Self Insurance Plans

Senior Claim Law Associate (SCLA) Designation - American Educational Institute

PROFESSIONAL AFFILIATIONS

Society of Chartered Property and Casualty Underwriters (CPCU)

Insurance Educational Association – Instructor; Advanced Workers' Compensation Classes

Sandra Spiess, MBA, ARM

Project Coordinator

Sandra Spiess is a Project Coordinator in the Risk Management Consulting and Regulatory and Alternative Risk Consulting practices. She is responsible for coordinating all aspects of communication and project management from project inception to quality control and timely delivery of project deliverables.

EXPERIENCE

In her career at Bickmore, Sandra served as Analyst/Project Coordinator for the Auto Dealers Compensation of California, Inc. (AD-COMP), a private self-insurance group consisting of over 270 automobile dealers across the state. She provided oversight of day-to-day activities, including member management, state reporting, and new member underwriting, and served as liaison between the State Office of Self-Insurance Plans and the Group. Sandra also supported workers' compensation and risk control activities.

Sandra has also served as Analyst/Project Coordinator for the California Affiliated Risk Management Authorities (CARMA) Joint Powers Authority, and the California Private Schools Self-Insurance Group (CAP-SIG). In that role, she provided oversight of day-to-day activities, including member management and state reporting.

Sandra's experience as Project Coordinator includes a multitude of projects, including large assignments for the State of New York Workers' Compensation Board, the State of Colorado Office of the State Auditor, the State of Rhode Island Department of Labor and Training, the Arizona Department of Transportation, the State of Montana, the California Department of Corrections and Rehabilitation, the University of California, the California Self-Insurers' Security Fund, the California Department of Industrial Relations, Office of Self-Insurance Plans, the Los Angeles County Metropolitan Transportation Authority, the Oregon University System, and the California State Association of Counties Excess insurance Authority.

EDUCATION

Master of Business Administration – Golden Gate University

Bachelor of Science, Business Administration and Marketing – California State University, Sacramento

PROFESSIONAL CERTIFICATIONS

Associate in Risk Management (ARM) – Insurance Institute of America

Appendix B

Data Request

Claims Data Requirements

To complete this project, we should receive:

1. Liability claims administration procedures manuals – operations and procedures.
2. CSURMA claims reporting requirements for members.
3. Contracts and/or agreements between CSURMA and vendors regarding services contracted for claims administration.
4. Personnel listing, curriculum vitae, and job descriptions and organization chart for the in-house claims administration.

Update of claims data previously provided by Alliant Insurance Services, Inc. to reflect current financial data. Please update “claimant” field to display only the first 3 letters of last name.

5. We request access to iVOS be provided to the auditor. For claims selected for audit, we require only a printed single page claims summary. This is usually available as the “iVOS Face Sheet.” Printout can be delayed until the start of the audit.

We prefer to receive all data electronically, if possible. Additional data may be requested during the course of this project. We will keep all such requests to a minimum, consistent with the need to conduct a thorough analysis.



Proposal to Alliant Insurance Services, Inc.

For CSU's Auxiliary Organizations Risk
Management Alliance General Liability and
Errors & Omissions Claims Audit Review



November 20, 2014

Bickmore

November 20, 2014

Mr. Robert Leong
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Via Email: rleong@alliant.com

**RE: California State University's Auxiliary Organizations Risk Management Alliance
Proposal for General Liability and Errors & Omissions Claims Audit and Process Review**

Dear Mr. Leong,

Thank you for inviting Bickmore to present our approach to provide the California State University's Auxiliary Organizations Risk Management Alliance (AORMA) with auditing services to ensure general liability and errors & omissions claims handling is in compliance with industry best practices, state law and AORMA's procedures.

Enclosed is a description of our approach and methodology to complete this project, and provide a draft report prior to March 20, 2015.

Bickmore's contact for this project is:

Mr. Dennis Mitchell, CPCU, SCLA, ARM
Senior Claims Consultant
714.426.8507
demitchell@bickmore.net
1100 Town & Country Road, Suite 1550
Orange, CA 92868

This proposal will remain valid for 180 days from November 20, 2014.

Thank you for the opportunity to be considered to work with you, AORMA, and the Chancellor's Office on this important project.

Respectfully submitted,



John Alltop
President, Consulting and Risk Finance

Table of Contents

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B. Experience and Qualifications	2
C. Clients and References	3
II. Work Plan and Technical Approach	5
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Appendices

- A. Resumes
- B. Data Request



Bickmore Snapshot

- Established in 1984
- Headquartered in Sacramento, California
- Largest independent risk management consulting firm in Western U. S.

106 employees with over 60% holding advanced degrees and professional designations such as:

- Associate in Risk Management
- Juris Doctor
- Master of Business Administration
- Certified Public Accountant
- Fellow, Casualty Actuarial Society
- Certified Safety Professional
- Workers' Compensation Claims Specialist
- Chartered Property Casualty Underwriter

I. Qualifications and Related Experience

A. Background Information

Bickmore is a leading independent risk management, insurance, and actuarial consulting firm with clients in 37 states.

Our professionals work together to provide clients with traditional risk management services such as coverage reviews, self-insured retention analysis, and claims consulting; and non-traditional services such as data collection, self-insured group administration, program structure evaluation, and underwriting.

Commitment to Service

Bickmore performs more than 150 consulting assignments annually. Our greatest mark of client satisfaction is repeat business, with 95% of clients engaging us for additional projects after completion of initial assignments.

Independence

Bickmore does not sell insurance, nor are we affiliated with any such organization. This independence allows us to perform consulting activities free from actual or perceived conflicts of interest. In May of 2014, Bickmore was purchased by the York Risk Services Group, Inc. We are an independent division, operating in the same manner as before the acquisition by York.

Risk Consulting Solutions

Claims Auditing and Consulting
Enterprise Risk Management
Risk Cost Management
Risk Finance Program Design
Expert Witness
Risk Management Information Systems

Actuarial and Risk Finance

Owner Controlled Insurance Programs
Safety and Risk Control
Employment Practices Risk Management
Insurance Coverage Adequacy
Broker Selection
Insurance Renewal Assistance

Risk Retention Capacity Study
Self-Insurance Reserve Setting
Risk Finance Alternatives Comparison
Risk Cost Allocation System Design
GASB 45 Studies

B. Experience and Qualifications

Formed in 1984, Bickmore is headquartered in California. Over 60% of our staff holds advanced degrees and professional designations in risk management, law, workers' compensation, accounting, and loss and risk control. Resumes for project team members are included in Appendix A.

Individuals who will work on this project are located in our Orange office and will receive peer review and support from personnel in our Sacramento office. Our project team includes:

Ms. Jo Ann Wood, CPCU, AIC, RPLU, ARM. Jo Ann is Manager of Claims Consulting and will oversee the audit and provide peer review. She has been with Bickmore for four years, and has over 30 years of experience in claims with an emphasis on multiple jurisdictions. As a former claims manager and home office specialist, Jo Ann has skills in auditing, analyzing results of claims management techniques, and formulating recommendations to improve claims handling and reduce costs.

Mr. Dennis Mitchell, CPCU, SCLA, ARM. Dennis is a Senior Claims Consultant and will lead the claims audit activities. He has been with Bickmore for four years, and has over 30 years of experience in handling multi-line claims in multiple jurisdictions, including California educational institutions. Dennis has held multiple claims management positions where he developed the skills required to audit claims, analyze results, and provide recommendations for improvement. Dennis provided AORMA with auditing services in 2013.

Ms. Sandra Spiess, ARM. Sandra is a Project Coordinator at Bickmore. She will track audit progress to ensure timely service delivery. Sandra has served as project coordinator for many projects involving our California clientele. Sandra has been with Bickmore for ten years.

C. Clients and References

Bickmore has a wealth of experience working with California Joint Powers Authorities (JPA's) and serves as administrator for the pools listed below. A part of the services we provide under our administrative contract include performing claims oversight services, and in many instances, performing the claims audit or facilitating a request for proposal (RFP) for claims audits on behalf of our clients. These clients include:

- Bay Area Schools Insurance Cooperative (BASIC) since 2007
- Bay Cities Joint Powers Insurance Authority (BCJPIA) since 2003
- California Affiliated Risk Management Authorities (CARMA) since 2002
- California Housing Workers' Compensation Agency (CHWCA) since 2003
- California Transit Insurance Pool (CaTIP) since 2008
- Central San Joaquin Valley Risk Management Authority (CSJVRMA) since 2002
- Employment Risk Management Authority (ERMA) since 2005
- Fire Association Self-Insurance System (FASIS) since 2005
- Independent Cities Risk Management Authority (ICRMA) since 1999
- Local Agency Workers' Compensation Excess JPA (LAWCX) since 2005
- Marin Schools Insurance Authority (MSIA) since 2005
- Vector Control Joint Powers Agency (VCJPA) since 2001

Bickmore provides claims auditing services to numerous clients across the country. Table I-1 on page 4 lists information for references we encourage AORMA to contact regarding the quality of our team's claims consulting work.

**Table I-1
 References**

Client Name and Address	Contact Information	Project Description
Alliance of Schools for Cooperative Insurance Programs (ASCIP) 16550 Bloomfield Avenue Cerritos, CA 90703	Jonathan Lackey Director of Liability and Property Programs 562.677.2004 lackey@ascip.org	Liability and workers' compensation claims audits in 2011 and 2014
County of Los Angeles Risk Management 3333 Wilshire Blvd, Suite 1000 Los Angeles, CA 90010	Karen Givens Manager of Risk Management 213.351.5477 kgivens@ceo.lacounty.gov	Liability claims audit services 2008 - continuing
Southern California Schools Risk Management JPA 1950 South Sunwest Lane, Suite 100 San Bernardino, CA 92408	Ms. Kharla Ray, Chief Administrative Officer Mr. Javier Gonzalez, Chief Financial Officer 909.763.4900 909.763.4910 krhay@scsipa.org jgonzales@scsipa.org	Liability and Property claims audits 2006 through 2012
State of Utah 5120 State Office Building Salt Lake City, UT 84114	Ms. Tani Pack Downing Director of Risk Management 801.538.9598 tdowning@utah.gov	Liability claims audit services 2005 - 2014
Texas Association of School Boards, Inc. P.O. Box 400 Austin, TX 78767	Ms. Dubravka Romano Director of Risk Management 800.482.7276 Dubravka.Romano@tasb.org	Liability and workers' compensation claims audits 2007 - 2011

Additional references can be provided upon request.

II. Work Plan and Technical Approach

The California State University Auxiliary Organizations Risk Management Alliance (AORMA) represents a group of programs under the California State University Risk Management Authority (CSURMA). CSURMA is a Joint Powers Authority established in 1997 to perform pooled group insurance and risk management-related activities for the California State University (the University) system and its 23 campuses.

AORMA is comprised on 90 independent non-profit organizations serving the needs of the University. These separate legal entities include student unions, research foundations, student housing, bookstores, etc.

CSURMA provides \$350,000 liability coverage to AORMA with member deductibles of \$25,000 to \$100,000 applying only to employment practices liability. Reinsurance above the \$350,000 primary layer is provided by General Re up to \$5,000,000, above which excess insurance is provided.

AORMA's liability claims are administered by Carl Warren and Company (CW), a third party administrator (TPA), located in Ventura, California.

AORMA seeks an audit to:

- Ensure CW is providing effective and efficient claim services that comply with applicable industry best practices, tort laws, AORMA and University policies and procedures.
- Evaluate adjuster experience, competence and staffing levels.
- Ensure CW is in compliance with the claims administration contract.
- Identify areas for improvement.

A. Data Request

To accomplish AORMA's objectives, we request the data outlined in Appendix B.

B. Work Plan

To meet AORMA's goals, we propose the following scope of work and activities.

1. **We will identify any changes to AORMA's program since 2013 by:**
 - Interviewing AORMA committee members and CW staff to identify changes to workflows and procedures guiding the reporting, setup and administration of claims.
 - Reviewing the claims administration contract.
 - Reviewing existing claims procedure manuals.

2. We will examine claims data and select a sample for review:

To meet AORMA’s objectives, we recommend the selection of claims shown in Table II-1. The sample will include a random selection with focus on incurred levels exceeding \$5,000 and ensure diverse campus representation. Litigated claims and employment claims will represent 30% of the sample. This will allow us to:

- Evaluate the application of the workflows and procedures we identify during the interview process; and
- Identify any systemic claims handling issues and propose recommendations for consideration.

**Table II-1
 Claim Sample Size**

Status	Claim Type			Total
	BI	PI	PD	
Open	17	15	7	39
Closed	2	2	2	6
Total	19	17	9	45

3. We will evaluate claims handling practices and workflows.

We will examine the sample of claims at CW’s Ventura office. For each claim selected, we will review the following components:

a. Intake Process

- Claim reporting
- Claim setup

b. Investigation

- Contacts with parties
- Obtaining and preserving evidence
- Developing mitigating factors

c. Plan of Action and Documentation

- Timeliness of initial plan of action
- Frequency of updates to plan
- Quality of documentation

d. Reserve Management

- Procedures for establishing, maintaining and recording reserves
- Procedures for evaluating reserves
- Accuracy of current reserves

e. Statutory Compliance

- Compliance with applicable California regulations
- MMSEA compliance

f. Communication

- Communication between TPA and AORMA Committee
- Communication between TPA and other parties to the claim process

g. Claim Information System

- Adequacy of system to record data
- Promptness and accuracy of updating data
- Availability and usefulness of reports to analyze loss experience

h. Claim Disposition

- Claim evaluation process
- Settlement procedures and authority levels
- Payment procedures

i. Litigation and Recovery Management

- Assignment procedures
- Analysis and strategy
- Adherence to litigation guidelines
- Budgeting procedures

To assess whether claims are handled in a timely and efficient manner we will determine an **overall claims administration grade** by averaging the grades for the components listed above and illustrated in Exhibit I-1 on page 10.

Our sample claims review will compare claims handling practices to requirements of industry best practices, tort law, AORMA's Claim Procedure Manual and adopted policies and procedures. Our analysis will assign a grade to each claim component, for each claim, and determine grades for each component. The grading system will assign:

- **Yes**, when performance requirements are met.
- **No**, where deficiencies may contribute to increased claim costs.
- **Not Applicable**, where performance requirements are not applicable for claim circumstances presented.

C. Deliverables

We will complete a claims review form for each claim to provide the grading rationale.

We will make claims review details available to CW staff for response to criticisms, if any. We realize the importance of validating findings and making sure recommendations are a good fit for AORMA. Therefore, we will:

- Provide a summary of findings verbally at the end of the on-site visit.
- Work closely with AORMA and Alliant to review and amend the draft report prior to finalization.

A summary of findings will be included in our report in a format similar to Exhibit I-1 along with narrative discussion. A listing of claims reviewed will be appended to the report.

A summary of findings will be included in our report in tabular and narrative format. A listing of claims audited will be an addendum to the report. We will include recommended reserve changes in an exhibit, as shown in Table II-2.

**Table II-2
 Reserve Analysis**

Claimant	Injury Date	Claim No.	Current Outstanding Reserve	Recommended Outstanding Reserve	Comments
Totals:					
Total Recommended Reserve Change:					+ Or (-)

Our reports include an executive summary to provide key findings and recommendations. Detailed findings and recommendations for each component are provided in a separate chapter.

Our reports are practical working documents. Our clients use them over a period of several years to implement changes and to monitor progress. They are written to be readily understood by those without an insurance background but contain all supporting data. We will present the report in person at the AORMA’s option.

D. Proposed Timing

While our work steps will depend on the final scope of work selected by AORMA, we anticipate the activities and timing shown in Table II-3 will ensure successful completion of this project based on AORMA's desire to have a draft report by March 20, 2015. We are flexible and can adjust timing to meet the requirements of the AORMA.

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 Activities Timetable**

Activity	Timing
1. Discuss this proposal with AORMA and complete proposal revisions, as needed for award of contract.	January 6, 2015
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3. Receive and analyze information listed in Appendix B, "Data Request" of this proposal.	January 12, 2015
4. Select a sample of files to be reviewed. Listing of claims sample selected will be submitted to AORMA contact for review and concurrence.	January 16, 2015
5. Interview appropriate parties as identified by AORMA contact to determine effectiveness of procedures in place, workflow, caseloads, reserving practices, and present issues.	January 26 – 29, 2015
6. Examine the sample of AORMA claim files. We anticipate the claims file examination will require three auditing days onsite.	January 27 – 29, 2015
7. Conduct a detailed analysis of all information received to date. We will identify any missing data and develop a plan to obtaining it.	February 13, 2015
8. Organize, tabulate, and analyze all information received and develop conclusions and recommendations.	February 20, 2015
9. Prepare a draft report presenting our findings and conclusions.	February 27, 2015
10. Discuss draft report with AORMA and conduct any necessary follow-up activities to complete final report.	March 6, 2015
11. Provide AORMA with a final report based on information obtained in the preceding step and any additional research.	March 27, 2015
12. Present findings at a regularly scheduled AORMA meeting.	To be determined

Exhibit I-1
Claims Service Grading Summary

Claims Components and Criteria*	# Claims Graded	Findings			Actual (Yes)	Possible (Yes + No)	Percentile (Actual/Possible)
		Yes	No	N/A			
A. Intake Process							
B. Investigation							
C. Plan of Action/Documentation							
D. Reserve Management							
E. Statutory Compliance							
F. Communication							
G. Claim Information System							
H. Claim Disposition							
I. Litigation/Recovery Management							
Overall Claims Administration							

III. Cost Proposal

Bickmore proposes to perform the scope of service for fixed fees 'not to be exceeded' of \$5,000. Fifty percent of the fee payment will be invoiced at submission of the claims audit list, with the balance invoiced upon delivery of our draft report. Invoice payments are due within 15 days.

Our proposed fee for the audit includes all travel expense and presentation of the report.

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Resumes

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Manager, Claims Consulting Solutions

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EXPERIENCE

Jo Ann has over 32 years of claims industry experience, including eight years as a consultant to private entities, public entities, and risk pools nationwide. Prior to joining the firm, Jo Ann was the Claims Consulting Practice Leader for ARM Tech / Aon Global Risk Consulting, and served clients by performing claim audits, preparing procedure manuals, assisting with claim administration selections, and evaluating claim processes, staffing, and organization. Her focus is to ensure compliance with tort or workers' compensation laws, claims administration and peripheral service contract terms, and industry best practices. Her expertise encompasses auto liability, general liability, workers' compensation, professional liability, and property claims handling in multiple jurisdictions.

Jo Ann's career began with field claims handling and examining positions for major insurance carriers, progressing to Home Office Specialist with management responsibilities for multi-line claims in multiple jurisdictions. She later served as the Claims Manager for insured and self-insured clients of a multi-line third party administrator in Arizona and California. This responsibility included managing claims for safety employees.

Jo Ann teaches the Advanced Workers' Compensation course for the Workers' Compensation Claims Professional Designation, the Workers' Compensation and Medical Aspects of Claims course for the Associate in Claims Designation, and coursework for the Registered Professional Liability Underwriter designation on behalf of the Insurance Educational Association.

EDUCATION

Bachelor of Science, Business – Arizona State University
American Institute for Chartered Property Casualty Underwriters
Chartered Property Casualty Underwriter (CPCU) Designation and Continuing Professional Development Certificate
Associate in Claims (AIC) Designation – Insurance Institute of America
Registered Professional Liability Underwriter (RPLU) Designation – Professional Liability Underwriting Society
Associate in Risk Management (ARM) Designation – Insurance Institute of America

PROFESSIONAL AFFILIATIONS

Society of Chartered Property Casualty Underwriters – Member
Professional Liability Underwriting Society – Member
California Self Insurance Plans Certification
Multi-Line Adjustor License – Wyoming and Arizona
Workers' Compensation Adjustor License – Texas

Dennis Mitchell, CPCU, SCLA, ARM

Senior Claims Consultant

Dennis Mitchell provides claim auditing and consulting services to public and private sector clients. He provides multi-state clients with a thorough analysis of their claims administration program. Dennis audits claims, analyzes results, and makes recommendations to help clients improve quality, provide better service, and realize savings.

EXPERIENCE

Dennis Mitchell has over 35 years of experience in the claims industry, primarily managing full-service, multi-line claim operations for national insurance carriers. His service expertise encompasses claim audits; procedure and workflow analysis; litigation management; and auto, general liability, workers' compensation, and property claims handling. In addition to providing a thorough analysis of client claim administration programs, Dennis evaluates compliance with state laws, claim administration contracts, and industry best practices.

Prior to joining Bickmore, Dennis was a Senior Claims Consultant at ARM Tech/Aon Global Risk Consulting. He was responsible for leading and assisting with claim audits for a variety of public and private sector clients, working with them and their claim administrators to improve the quality of claim outcomes.

Dennis began his career at The Hartford, advancing to increasingly responsible positions. Ultimately, he managed workers' compensation, commercial liability, and property claims for the company's Southern California Division until his retirement in 2000. Following the Hartford, he served for three years managing multi-line claims for a small, commercial national carrier.

EDUCATION

Bachelor of Arts, History – Saint Francis College, New York

Associate in Risk Management (ARM) Designation – Insurance Institute of America

Self-Insured Administrator Certification – California Department of Industrial Relations, Office of Self Insurance Plans

Senior Claim Law Associate (SCLA) Designation - American Educational Institute

PROFESSIONAL AFFILIATIONS

Society of Chartered Property and Casualty Underwriters (CPCU)

Insurance Educational Association – Instructor; Advanced Workers' Compensation Classes

Sandra Spiess, MBA, ARM

Project Coordinator

Sandra Spiess is a Project Coordinator in the Risk Management Consulting and Regulatory and Alternative Risk Consulting practices. She is responsible for coordinating all aspects of communication and project management from project inception to quality control and timely delivery of project deliverables.

EXPERIENCE

In her career at Bickmore, Sandra served as Analyst/Project Coordinator for the Auto Dealers Compensation of California, Inc. (AD-COMP), a private self-insurance group consisting of over 270 automobile dealers across the state. She provided oversight of day-to-day activities, including member management, state reporting, and new member underwriting, and served as liaison between the State Office of Self-Insurance Plans and the Group. Sandra also supported workers' compensation and risk control activities.

Sandra has also served as Analyst/Project Coordinator for the California Affiliated Risk Management Authorities (CARMA) Joint Powers Authority, and the California Private Schools Self-Insurance Group (CAP-SIG). In that role, she provided oversight of day-to-day activities, including member management and state reporting.

Sandra's experience as Project Coordinator includes a multitude of projects, including large assignments for the State of New York Workers' Compensation Board, the State of Colorado Office of the State Auditor, the State of Rhode Island Department of Labor and Training, the Arizona Department of Transportation, the State of Montana, the California Department of Corrections and Rehabilitation, the University of California, the California Self-Insurers' Security Fund, the California Department of Industrial Relations, Office of Self-Insurance Plans, the Los Angeles County Metropolitan Transportation Authority, the Oregon University System, and the California State Association of Counties Excess insurance Authority.

EDUCATION

Master of Business Administration – Golden Gate University

Bachelor of Science, Business Administration and Marketing – California State University, Sacramento

PROFESSIONAL CERTIFICATIONS

Associate in Risk Management (ARM) – Insurance Institute of America

Appendix B

Data Request

Claims Data Requirements

To complete this project, we should receive:

1. Copy of the current claims administration contract with CW.
2. Written procedures pertaining to handling of claims and settlement authority provided to CW.
3. CW claims procedure manual or written procedures applicable to administering AORMA claims.
4. AORMA claims reporting requirements for members.
5. AORMA Policies and Procedures relating to the administration of claims, member coverage, and litigation management.
6. Personnel listing, curriculum vitae, and job descriptions and organization chart for CW staff involved in the administration of AORMA claims.
7. Roster of AORMA Committee members.
8. Liability claims data by line of coverage from AORMA or CW via e-mail or on disk. This data is preferred in an Excel format. An update to the report previously provided by Alliant is acceptable. These reports should include:
 - **All open claims**
 - **All closed claims with report date subsequent to January 1, 2010**
 - **All claims closed in the prior 12 months, regardless of report date**
 - Claimant name (limit to first three letters of last name)
 - Claim number
 - Claimant's year of birth
 - Claimant's gender
 - Assigned examiner
 - Member name
 - Date of loss
 - Date of report
 - Date of knowledge
 - Date of claim set up
 - Loss description
 - Injury/damage description
 - Date of denial, if any
 - Date of delay, if any

- Litigation status
- Subrogation status
- Settlement status
- Incurred reserves to date, separately for indemnity, legal expense, and other allocated expense, clearly indicating current outstanding reserve, amounts paid to date, and recoveries
- For sample selection only, printout of:
 - Diary and claim notes
 - Reserve calculations and history
 - Payment records.

We prefer to receive all data electronically, if possible. Additional data may be requested during the course of this project. We will keep all such requests to a minimum, consistent with the need to conduct a thorough analysis.

Should CW provide system access, it will not be necessary to provide printouts for the sample selection, other than a single page claim financial summary.

AVIATION OPERATIONS LIABILITY INSURANCE - ROCKETRY

ISSUE: Some CSU campuses offer Rocketry as an academic component in Science, Technology, Engineering and Mathematics, or similar. As a part of the curriculum, students may construct and launch rockets under the supervision of experienced faculty. CSURMA's Liability Coverage Program does not contemplate this risk exposure. Staff conferred with CSU's Aviation Liability underwriter and solicited a proposal to cover Aviation Operations Liability arising from rocketry from ACE Aviation and Aerospace Group.

ACE offered to provide \$5,000,000 limit of Aviation Operations Liability to cover premises general liability arising from rocketry for \$3,881.25 "per launching location"- terrorism (TRIA) and war risk included. Coverage can be extended at CSURMA's option to July 1, 2016 for an additional prorata premium.

Four (4) campuses reported to have rocketry exposure: Long Beach, Los Angeles, Pomona, and San Diego. A total of seven (7) launching locations have been identified. We are awaiting other campuses to confirm rocketry exposure. The annual premium is \$27,168.75 for the identified sites.

RECOMMENDATION: It is recommended that the Executive Committee authorize purchase of the insurance to cover rocketry for Aviation Operations Liability (Rocketry) as proposed.

FISCAL IMPACT: This insurance will necessitate a midterm budget adjustment to the Campus Liability program fund amounting to \$27,168.75 annual premium. Additional funding will be required to extend the policy period and/or for additional launching locations.

BACKGROUND: Staff issued a survey to all campuses regarding academic work involving rocketry. Upon Executive Committee's action, Staff will issue a bulletin to all campuses advising coverage for rocketry, and follow up with other campuses to report if they may involve rocketry in its academic curricula.

PUBLICATION: None.

ATTACHMENT(S):

- a. Alliant Proposal Summary dated November 7, 2014
- b. ACE Aviation Operations Liability Quotation dated November 7, 2014
- c. CSU Rocketry Summary as of November 24, 2014

AVIATION OPERATIONS LIABILITY INSURANCE – ROCKETRY

Proposal Summary

November 7, 2014

<i>Named Insured:</i>	California State University Risk Management Authority
<i>Covered Entities:</i>	The California State University and its Auxiliary Organizations
<i>Insurer:</i>	Westchester Fire Insurance Co. (ACE USA)
<i>Ratings:</i>	S&P: AA- ; A.M. Best: A++ XV
<i>Policy Period:</i>	TBD – Annual, option to July 1, 2016 for additional prorata premium
<i>Coverage Limits:</i>	\$5,000,000 each Occurrence / Offense \$5,000,000 Annual Aggregate - Personal Injury & Advertising Injury \$100,000 Fire Damage Legal Liability any one fire \$5,000 Medical Expense any one person
<i>Deductible:</i>	\$0 Nil
<i>Coverage Territory:</i>	Any premises within the Mojave Desert necessary to the Named Insured's aviation operations that have been approved for the launching of rockets by the State and Federal government. Each launching location must be disclosed to ACE and scheduled on policy prior to launch.
<i>Covered Parties:</i>	Named Insured, Covered Entities Executive Officers, Directors Employees, Volunteers
<i>Coverage:</i>	Bodily Injury, Personal & Advertising Injury, Property Damage Medical Payments
<i>Special Terms:</i>	“Aviation Operations” means your operations: a. involving aircraft or any parts or equipment relating to aircraft; or b. at any airport, airfield or heliport
<i>Annual Premium:</i>	\$3,450.00 each “Launching Location” + \$431.25 each - option for TRIA/War Risk \$3,881.25 each - Annual Total

While we believe this Proposal Summary fairly represents the terms, conditions and exclusions found in the insurance policy, in the event of any differences between the policy and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any insurance policy.



ace group

TO: - Robert Leong
Alliant Insurance Services, Inc., San Francisco, CA

DATE: November 7, 2014

FAX: - 415-874-4810

FROM: Michael A. Colson
RISK ID: 13141

AVIATION OPERATIONS LIABILITY QUOTATION
With
ACE PROPERTY AND CASUALTY INSURANCE COMPANY
(AA- S&P, A++ XV Best)

In accordance with your request, we are pleased to provide the following quotation:

Please read this quotation carefully, as the limits, coverage and other terms and conditions may vary significantly from those requested in your submission and/or from the expiring policy. Terms and conditions that are not specifically mentioned in this quotation are not included. The terms and conditions of this quotation supersede the submitted insurance specifications and all prior quotations and binders. Actual coverage will be provided by and in accordance with the policy as issued.

The insurer is not bound by any statements made in the submission purporting to bind the insurer unless such statement is reflected in the policy or in an agreement signed by someone authorized to bind the insurer.

This quotation has been constructed in reliance on the data provided in the submission. A material change or misrepresentation of that data voids this quotation.

This quotation is not a binder of insurance. In no event will this quotation remain open beyond 30 days from the quote issuance date shown above or the coverage effective date, whichever comes first.

This quotation is subject to the Insured's producer being duly licensed in his/her resident state; in addition, the producer must hold a non-resident license in the state in which the Insured is domiciled if different from the producer's resident state.

The U.S. Foreign Account Tax Compliance Act, commonly known as "FATCA", became the law in the U.S. in March of 2010 and becomes effective July 1, 2014. Pursuant to FATCA, brokers, producers, agents and/or clients may need to obtain withholding certificates, such as Forms W-8 or W-9, from insurance companies.

For information on how to obtain the applicable withholding certificate from ACE U.S. insurance companies, please go to <http://www.acegroup.com/us-en/assets/www.acegroup.com-w-9.pdf>.

NAMED
INSURED: California State University Risk Management Authority

NAMED Office of Chancellor
INSURED'S 401 Golden Shore, 5th Floor
ADDRESS: Long Beach, California 90802

PERIOD: From: December 1, 2014 To: December 1, 2015
 both days at 12.01a.m. Local Time at the address of the Named Insured.

INTEREST: The Insured's legal liability, to which the policy applies, arising out of the Insured's Aviation Operations at the following airport location(s):

State	Name
CA	Any premises within the Mojave Desert necessary to the Named Insured's aviation operations that have been approved for the launching of rockets by the State and Federal government.

Each Launching Location must be disclosed to Ace Underwriting and scheduled on policy prior to a launch.

SUM INSURED: \$5,000,000 each occurrence/offense in respect of Bodily Injury, Personal and Advertising Injury and Property Damage combined, subject to the following limitations:

Products-Completed Operations Annual Aggregate Limit	Not Insured
Personal Injury and Advertising Injury Annual Aggregate limit	\$5,000,000
Malpractice Annual Aggregate Limit	Not Insured
Fire Damage Limit Any One Fire	\$100,000
Medical Expense Limit Any One Person	\$5,000
Hangarkeepers not "in flight" Limit Any One occurrence	Not Insured
Hangarkeepers not "in flight" Limit Any One Aircraft	Not Insured
Non-Owned Aircraft Liability.	Not Insured

DEDUCTIBLE COVERAGES A, B, C, and E
 Nil Each Occurrence or Offense, but not applicable to 'property damage'

COVERAGES A
 Nil Each and Every Loss but applicable to 'property damage', other than 'Property' damage to aircraft

Nil Each and Every Loss but applicable to 'property damage' to aircraft only

COVERAGES D
 Not Insured

CONDITIONS: The Airport Owners and Operators General Liability Policy contains, inter alia, the following exclusion clauses:

War, Hi-Jacking and Other Perils Exclusion Clause
 Noise, Pollution and Other Perils Exclusion Clause

The policy is also subject to the following:

30 days notice of cancellation, non-renewal or reduction in coverage by Insurer, but
 10 days notice for non-payment of premium. This provision does not override the Automatic Termination review or cancellation provisions of endorsements AAP 203 or AAP 237.

The policy may be cancelled or nonrenewed subject to the terms of the following endorsement
 AAP CA (03/00) California Changes - Cancellation and Nonrenewal

Schedule of Policy Forms applicable to airports and locations in: CALIFORNIA

Form Reference and Edition	Title
AAP 200 (07-10)	Airport Owners and Operators General Liability Policy - Jacket
AAP 201 (11-99)	Airport Owners and Operators General Liability Policy - Declarations
AAP 201S (11-99)	Airport Owners and Operators General Liability Policy - - Schedule of Endorsements
AAP 202 (11-99)	Airport Owners and Operators General Liability Policy - Policy Provisions
AAP 237 (11/99)	Nuclear Risks Exclusion Clause
AAP 242 (11/99)	Personal Injury Limitation Endorsement
AAP 243 (11/99)	Airport Operations Change Endorsement
AAP 248 (11/99)	Volunteers Endorsement
AAP 256 (11/99)	Date Recognition Exclusion Endorsement
AAP 255 (03-08)	Date Recognition Limited Coverage Endorsement
AAP 273 (11-03)	Pollution Endorsement
AAP 275 (02-08)	Limited Terrorism Coverage Endorsement
AAP 277 (01-06)	Silica And Silica-Related Dust Exclusion
AAP 278 (3-14)	Conditional Exclusion of Terrorism Endorsement
TR-41321 (10/13)	Disclosure Notice of Terrorism Insurance Coverage Pursuant To TRIPR Act of 2007
TR-43186 (03/14)	Notice To Policyholders Restrictions Of Terrorism Coverage When The Policy Includes The Conditional Exclusion Of Terrorism
ALL-21101 (11-06)	Trade or Economic Sanctions Endorsement
AAP 306 (03-08)	Infringement of Copyright, Patent, Trademark or Trade Secret Endorsement
AAP 307 (03-08)	Amendment to Supplementary Payments (Court Cost) Endorsement

ANNUAL
GL PREMIUM: **\$3,450 Each Launching Location**

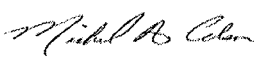
ANNUAL TRIA
PREMIUM: **10%**

ANNUAL WAR
PREMIUM: **10%** Reducing to **2.5%** if TRIA coverage also purchased

The War and TRIA coverages and premiums are quoted on an "if required" basis and may be rejected by the Insured

Please note that you do not have authority to bind the above insurance. Please contact us if you wish to bind this Insurance. We look forward to receiving your instructions and thank you for your inquiry

On behalf of ACE Property and Casualty Insurance Company

By 
Michael A. Colson
Authorized Representative

CSU - Rocketry Summary (November 24, 2014)						
Campus	Rocketry	# Launch Sites	Launching Locations	Location	GPS	Notes
Bakersfield						
Channel Islands						
Chico						
Dominguez Hills	?		see Notes			launches are water-propelled from land
East Bay						
Fresno						
Fullerton	No					
Humboldt	No					
Long Beach	YES	1	Friends of Amateur Rocketry (FAR)	Mojave Desert (BLM lands, near Cantil CA)	35.3463435, -117.8085307	
Los Angeles	YES	3	Friends of Amateur Rocketry (FAR)	Mohave Desert (BLM lands, NE of Mohave CA)		
			Rocketry Organization of California (ROC)	Mohave Desert, Lucerne CA (BLM lands, Lucerne Dry Creek Bed off Hwy 247)		
			Green River Utah	BLM lands, approx 20 miles SW of Green River UT)		
Maritime Academy						
Monterey Bay						
Northridge						
Pomona	YES	2	Rocketry Organization of California (ROC)	1. Lucerne Dry Lake, north of the town of Lucerne Valley and east of Victorville, at an altitude of 2848 feet (870m) above sea level, in the middle of the Mojave Desert. (http://rocstock.org/site/)	116° 58' W; 34° 31' N	
			Friends of Amateur Rocketry (FAR)	2. The FAR (Friends of Amateur Rocketry) Site near Cantil, CA (http://friendsofamateurocketry.org/Home.html). The nearest weather station has coordinates 35.347 -117.808. see: (http://www.wunderground.com/personal-weather-station/dashboard?ID=KCACANTI2). ON google maps: http://www.rocketreviews.com/friends-of-amateur-rocketry-test-site.html . There are a number of maps at http://rocketfest.org/ .	nearest weather station: 35.347 -117.808	
Sacramento						
San Bernardino	No					
San Diego	YES	1	Friends of Amateur Rocketry (FAR)	Mojave Desert (BLM lands, near Koehn Dry Lake in Kern County)	35.347171, -117808915	
San Francisco						
San Jose	No					
San Luis Obispo	No					
San Marcos	?		see Notes			on campus; commercial hobby rockerts only;
Sonoma						
Stanislaus						
23	11	7				

EVALUATION OF CAMPUS CLIMATE REPORTING

ISSUE: The CSU has a goal of offering opportunities to communicate concerns regarding campus climate. This will have the risk mitigation benefit of avoiding or limiting potentially troublesome situations that can lead to a culture that result in financial liability. The CSURMA chair directed staff to evaluate options including the University of California’s reporting portal. In October, staff interviewed UC Office of the President Staff regarding the UC’s facility.

RECOMMENDATION: It is recommended that the Executive Committee consider the information provided and provide further direction to staff.

FISCAL IMPACT: No fiscal action is expected from action at today’s meeting.

BACKGROUND: In consideration of the risk management benefits of creating opportunities for the campus community to report concerns, universities have established various reporting mechanisms to receive feedback. From CSURMA staff’s understanding, the University of California conducted a “Campus Climate” project that resulted in creating a web portal for reporting incidents or conditions on campus that were cause for investigation.

The UC’s web reporting portal was derived from a whistleblower platform (Ethics Point) and adopted to allow reports of other climate concerns. At the UC, it appears, each campus has an appointed administrator for responding to campus climate reports. Usage appears to increase in proportion to promotion of the opportunity to report campus climate concerns.

In discussions with UC, staff learned that there is a pending procurement (for service effective July 1, 2015) to decide the future of UC’s vendor support. CSU could initiate a co-procurement as desired.

Following discussion with UCOP representatives, Academic Affairs advised CSURMA staff the Campus Climate survey was already on the Council of Presidents agenda for October.

PUBLICATION: No publication is expected from consideration of this item at today’s meeting.

ATTACHMENT(S): None.

UNDERWRITER MEETINGS REPORT

ISSUE: CSU representatives meet with CSURMA's program underwriters in London on November 24-25. CSU will be represented by CSU Chancellor White, CSU Executive Vice Chancellor & CFO Steven Relyea, CSURMA Secretary-Auditor Robert Eaton and CSURMA Program Director Howell. The main goals of the meetings are:

- Demonstration of CSU leadership's commitment to risk management and introduction of Steven Relyea to the underwriters;
- Evaluation of the state of the insurance market and how changes may impact CSURMA's placements;
- Discussion of pending claims matters; and,
- Discussion on technical points of insurance placements and renewal expectations

Attached to this item is an itinerary for the meetings. Over the two day period it is expected there will be over 10 meetings with over 20 London market participants.

Meetings with domestic underwriters based in New York are scheduled for January 21-22 when CSURMA's Secretary-Auditor will already be on the east coast for other CSU related financial meetings.

The Secretary-Auditor will report on the London underwriter meetings and provide additional information as necessary.

RECOMMENDATION: The Executive Committee may take action or provide direction to staff based on the report of the meetings.

FISCAL IMPACT: No direct fiscal impact is expected from action on this item at today's meeting.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. November 2014 Underwriter Meeting Itinerary

Internal Team Kickoff

Sunday, 23 November, 2014

18:00 Meet at the hotel lobby for dinner at Fish!
Add: Bedale St, London SE1 9AL
Tel: 020 7407 3803

Meetings

Monday, 24 November, 2014

Miller Offices, Dawson House, 5 Jewry St.

- 9:30 Internal Meeting
Nick Fearon – Miller
- 10:30 SPLIP & SAFECLIP Underwriter Meeting
Chris Brooking – Barbican; Keith Bryceland – ACE
- 11:30 Fidelity Underwriter meeting
Andrew Banks – Ace; Joachim Toller - Brit
- 13:00 Lunch Meeting – Fidelity
Terry Kerrison – Catlin
- 14:30 Kidnap & Extortion Underwriter meeting
Charlie Hanbury – Hiscox
- 15:30 Trustees E&O Underwriter Meeting
Hans Sherman – CV Starr offices
- 16:30 Lloyd's Tour
(Optional)
- 19:00 Dinner Meeting (Meeting in Lobby at 18:30)
Dan Curran – Catlin
Ametsa with Arzak Instruction
Add: The Halkin, 5 Halkin Street, SW1X 7DJ
Tel: 020 7333 1234

Tuesday, 25 November, 2014

RKH, One Whittington Ave., Room 7

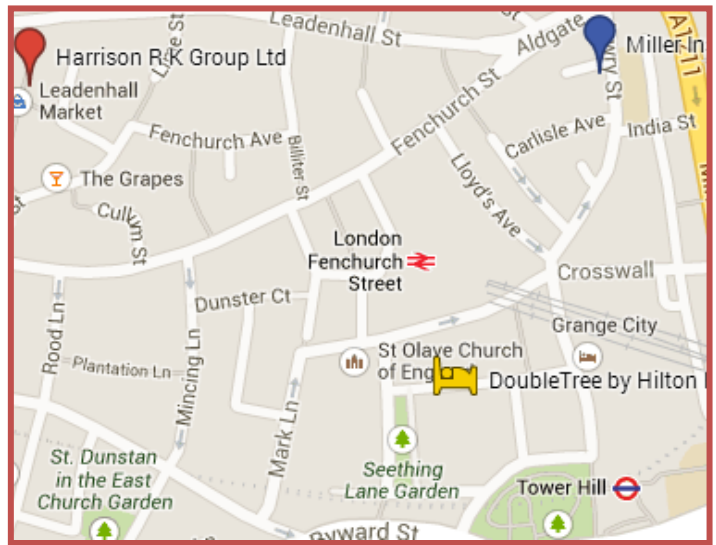
- 10:00 Internal Meeting
Gareth Tennant – RKH
- 11:00 Property Underwriter Meeting
Josh Brett – Kiln Syndicates
- 11:45 Property Underwriter Meeting
Paul Witzendorf – ACE
- 12:30 Property Underwriter Meeting
Jonathan Marshall – Axis
- 13:00 Lunch Meeting – Terrorism
Matthew Eve – Ascot
- 14:30 Cyber Underwriter Meeting
Paul Bantick – RKH
- 15:30 Pandemic+XS Liability Underwriter Meeting
Justin Whitehead – RKH
- 18:45 Dinner Meeting (Meet in Lobby at 18:30)
Theo Butt – Ascot
Venue – Sea Containers
Add: 20 Upper Ground, London SE1 9PD
Tel: 020 3747 1000

Attendees

Dr. Timothy P. White, Chancellor
Steve Relyea, Executive Vice Chancellor and CFO
Robert Eaton, Acting Deputy Assistant Vice
Chancellor, Financing, Treasury, and Risk Mgmt.
Dan Howell, Sr. EVP and Managing Director, Alliant

Double Tree by Hilton Hotel London Tower of London

7 Pepys Street
London EC3N 4AF, United Kingdom
+44 (0)20 7709 1000



Miller Insurance Services

5 Jewry Street
London EC3N 2PJ; +44 (0)20 7488 2345



RKH Insurance Brokers

One Whittington Avenue
London EC3V 1LE
+44 (0)20 7456 9300



CSU The California State University

WORKING FOR CALIFORNIA



CSU Underwriting Meetings
23-25, November 2014
LONDON

MENTAL HEALTH INQUIRY

ISSUE: The attached Publication – Diverse Issues in Higher Education – is included for the committee’s information. It discusses a range of health and safety issues facing college athletes.

RECOMMENDATION: No action is recommended; this item is for information only.

FISCAL IMPACT: None.

BACKGROUND: None. Staff will be available at the meeting to discuss this publication.

PUBLICATION: None.

ATTACHMENT(S):

- a. Publication – Diverse Issues in Higher Education

Publication: Diverse Issues in Higher Education

Author: Cooper, Kenneth J

Date published: October 23, 2014

Last year, the NCAA created a Sport Science Institute, led by a medical specialist, to address the range of health and safety issues facing college athletes. Concussions topped the list, given public concern about that injury at all levels of sports, particularly in football.

"No matter what else we focus on, if we don't take a really well-demonstrated leadership role on concussion, I think everything else will fall on deaf ears," says Dr. Brian Hainline, the NCAA's chief medical officer, who oversees the Sport Science Institute. "So concussion[s] did become a big priority. That was in my head 24/7 and really still is."

The institute has taken a scientific approach to finding a solution, partnering with the U.S. Department of Defense (DOD) on a \$30 million study to conduct brain imaging exams on all college athletes at 14 schools before and after sustaining a concussion. Also underway is a systematic search for effective ways to educate coaches and athletes on how to prevent head injuries.

Less predictably, the Sport Science Institute has tackled another problem: mental health. College athletes suffer from the same mental issues as many other college students, including anxiety, depression, eating disorders and substance abuse.

"Our vision is [that treatment for] mental health will be accessible to student-athletes, [just] as for an injured ACL or a back sprain," says Hainline, who is also a neurologist with a background in sports medicine.

Directors of counseling and sports medicine services on campuses hailed the NCAA's decision to take on mental health issues, for which college students in general appear to be seeking help more often.

"I think it's definitely significant," says Dr. Gregory Eells, associate director of Gannett Health Services and director of counseling and psychological services at Cornell

University. "I think the burden of being an athlete and a student, together, creates some unique challenges and some unique stressors, for sure."

Dr. Jessica Higgs, director of health services at Bradley University, agrees.

"I think it's a good decision on their part. It's an issue that has been sort of avoided or ignored, and a lot of times people like to think student-athletes aren't like other students on campus," Higgs says. "But they have all the exact same issues."

Those issues extend to scholar-athletes at Division III schools, which do not offer athletic scholarships.

"Given stress contributes] to mental health problems, given the impact of physical health on mental health and academic functioning, it makes a lot of sense for the NCAA to focus on mental health in athletes," says Dr. Belinda McIntosh, an assistant professor and staff psychiatrist in the Department of Psychiatry and Behavioral Sciences at Emory University.

Concussions impact health

A concussion is a physical injury, but it too can have an impact on mental health.

"You definitely see changes in mood," says Eells, chair of the mental health section of the American College Health Association. "You have to be aware of things like depression, anxiety and other disorders that can be associated with concussions."

Hainline, whose arrival at the NCAA coincided with the institutes creation in January 2013, says the three-year study that began this fall is designed to establish baseline information about how a concussion progresses.

At the 14 participating schools, including three military service academies, 37,000 athletes will have their brains scanned with MRIs. The more than 700 who are expected to suffer concussions will have periodic follow-up exams for six months.

In addition, athletes in five contact sports will wear medical sensors - football, mens and women's soccer, men's and women's lacrosse, and men's and women's ice hockey.

"It's by far and away the largest prospective clinical study ever conducted in the history of concussion," Hainline says.

The NCAA's partnering with the DOD on the study may sound like an odd pairing, but Hainline says there are good reasons for doing so.

"The [DOD] has funded more concussion and traumatic brain injury research than anyone else," Hainline says. "The population of our military men and women is similar to the college population of studentathletes - the age, athleticism, risk-taking behavior, intelligence - and [the] DOD has been struggling to come to terms with concussion."

Many schools already educate coaches and athletes about the risks of concussions and how to prevent them. The institute has challenged member colleges to come up with best approaches to delivering that information.

"Right now, there's no evidence that educating kids or coaches or others about concussion is moving the dial," Hainline says. "It's not making a difference."

Improving treatment

The Sport Science Institute aims to make a difference on the issue of mental health with a new 200-page e-publication titled "Mind Body and Sport - Understanding and Supporting Student-Athlete Mental Wellness." The comprehensive book is slated to appear on the institute's section of the NCAA website.

"Our long-term goal is [that] this becomes a model for addressing mental health from youth sport through college and beyond," Hainline says.

Because of media and campus wellness campaigns, Higgs says, the stigma of seeking mental health treatment "has lessened, though it isn't gone."

Higgs says at Bradley there has been a 40 percent increase in the number of students receiving mental health services over the last five years. Though she does not have data, Higgs believes that pattern of an increasing need for counseling applies to athletes at the Division I school and, more broadly, to college students around the country, based on what she has heard from her campus counterparts.

'Anxiety is probably the No. 1 diagnosis that I have with student-athletes,' Higgs says.

Eells, who has also worked at the University of Southern Mississippi, agrees: "Anxiety around performance is frequently an issue that comes up."

Eating disorders can develop in participants in weight-sensitive sports, such as wrestling, gymnastics and swimming, Hainline and Eells relate.

Beyond the lingering stigma around mental health treatment, college athletes in particular face other barriers to taking care of that aspect of their well-being.

"They're so ingrained in the team, and there are such high expectations, that a lot of times the student-athletes don't like to admit that they're struggling with something," Higgs says. "They're afraid that they might lose playing time."

But Higgs advises athletes that their mental health troubles, if unaddressed, could lead to the very outcome they are trying to avoid.

"It's going to reflect on their performance and cause them to lose playing time anyway, so if they seek treatment for it, they could not lose playing time," Higgs explains.

In some ways, being part of a team helps protect athletes from mental and behavioral health problems, Hainline says, "because you're so goal-driven, you're part of a family, you know how to fall down and pick yourself up."

Similar factors limit alcohol abuse. "For student-athletes, the data are pretty strong. Their drinking tends to happen more in the offseason," Hainline says.

Higgs says college athletes have "a bit more surveillance and a bit more of a parental or nurturing environment because of the coaching - it depends on the school. But substance abuse issues aren't necessarily worse or better in student-athletes."

Changes in the public climate have enabled the NCAA to take on mental health.

"I don't know if this position had been created 10 years ago all of this would have been possible," Hainline says. "But now it's more palpable that there [are] some issues that need to be addressed and, in many ways, concussion helped bring that to light."

Read more:

<http://www.readperiodicals.com/201410/3472056781.html#ixzz3J3gTWRyk>

AORMA PROGRAMS UPDATE

ISSUE: The Auxiliary Organizations Risk Management Alliance (AORMA) continues to address the insurance and risk management needs of its members. All 87+ Auxiliary Organizations in Good Standing purchase insurance coverage through the AORMA.

Robert de Wit, AORMA Chair, will report on the activities of the AORMA Committee.

RECOMMENDATION: No action is required on this item at today's meeting.

FISCAL IMPACT: None.

BACKGROUND: The AORMA was first marketed to CSU Auxiliary Organizations in 1998. Since that time, the program has grown from 12 members to 87+ members, and represents 100% participation.

PUBLICATION: None.

ATTACHMENT(S): None.

REVIEW OF FY 2014/2015 LONG RANGE PLANNING GOALS

ISSUE: Each year the Executive Committee conducts a Long Range Action Plan meeting to gauge progress and to re-evaluate where efforts should be focused. The Committee will review and discuss the FY 2014/2015 Long Range Planning Goals.

RECOMMENDATION: None.

FISCAL IMPACT: No fiscal impact is expected from today's meeting.

BACKGROUND: The CSURMA Executive Committee adopts the FY 2014/2015 Long Range Planning goals to be accomplished. The Committee will receive a report from Staff on the assigned responsibilities and deadlines of the FY 2014/2015 Long Range Planning goals.

PUBLICATION: None.

ATTACHMENT(S):

- a. FY 2014/2015 CSURMA Long Range Action Plan Timeline

FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1 CSURMA 101				
Develop ppt presentation on "An Introduction to CSURMA" for new CSU staff with objectives to (1) increase awareness of CSURMA, (2) explain Purpose, (3) describe Organizational Structure, and (4) affirm Value.	1. Draft outline of presentation.	PA	08/01/14	Completed
	2. Develop PowerPoint presentation.	PA	09/01/14	Completed
	3. Review/edit PowerPoint presentation	PA, SRM	09/15/14	Completed
	4. Finalize PowerPoint presentation	PA	10/01/14	Completed
	5. Upload to CSURMA website.	PA	10/22/14	Completed
LRP-2 UNEMPLOYMENT INSURANCE				
Evaluate CSU's Unemployment Insurance claim trends and establish methods to improve results.	1. Regular cost analysis trend reports – SRM – Completed – October 2014	PA, SRM, Equifax	09/01/14	Completed
	2. Research additional reports and data that might be available	PA, SRM, Equifax	Nov - Dec 2014	In Progress
	3. Identify what additional data might be necessary to drill down to actual employee trends	PA, SRM, Equifax	Jan, 2015	
	4. Submit a report to the LRP Committee in March – Current trend reports and potential reports	PA, SRM	March, 2015	
	5. LRP/EC Committee decides if data warrants additional action	PA, SRM	March, 2015	
	6. As appropriate – work on obtaining services, data, or other information to continue mitigation efforts	PA, SRM, EC	Jun - Dec, 2015	
LRP-3 WORKERS' COMPENSATION CLAIMS CLOSURE INITIATIVE				
Develop and implement plan to reduce WC claims liability, with specific goal to improve claims settlement and closure of very old claims.	1. Review proposed conceptual plan with Executive Committee	PA, SRM	03/21/14	Completed
	2. Executive Committee Action to begin project	EC	05/09/14	Completed
	3. Identify claims for action, adopt strategy	PA, SRM, Sedgwick, Consultant	06/01/14	Completed
	4. Meeting with campus to obtain support for strategy and action plan	PA, SRM, Sedgwick, Consultant	06/01/14	Completed
	5. Implement Strategy	PA, SRM, Sedgwick, Consultant	Jul - Nov 2014	In Progress
	6. Status report to CSURMA EC	PA, SRM, Sedgwick, Consultant	12/05/14	In Progress
	7. Project Completion Review with EC to determine next steps	PA, SRM	03/01/15	
LRP-4 WORKERS' COMPENSATION REINSURANCE				

FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
Re-evaluate Primary Workers' Compensation Reinsurance as a vehicle to mitigate CSU's cost of WC claims funding.	1. Review WC funding requirements and actuary's recommendations.	PA, SRM	08/01/14	Completed
	2. Develop coverage specification and proposed rating structure.	PA	09/01/14	Completed
	3. Market plan to underwriters.	PA	Oct - Nov 2014	Completed
	4. Obtain and evaluate carrier quotes.	PA	01/19/15	Completed
	5. Meetings with potential Underwriters	PA, SRM, EC	May 2014 - Feb 2015	
	6. Obtain necessary approvals from SRM, EC.	PA, SRM, EC	Mar 2015	
	7. Effective date of reinsurance, if taken.	Reinsurer	07/01/15	
LRP-5 OCIP RENEWAL				
Develop process and establish timeline to renew the Owner-controlled Insurance Program covering CSU's capital construction	1. Presentations on status of OCIP to CSURMA BOD, CSU CABO	PA, CPDC	May - Aug 2014	Completed
	2. Develop coverage specification and proposed rating structure.	PA, CPDC	07/01/14	Completed
	3. Develop target rating structure.	PA	08/01/14	Completed
	4. Market plan to underwriters.	PA	Aug - Sept 2014	Completed
	5. Obtain and evaluate carrier quotes.	PA, CPDC	10/01/14	Completed
	6. Draft coverage plan summary and rates.	PA	10/01/14	Completed
	7. Obtain necessary approvals from CPDC, SRM, EC.	PA, CPDC, SRM, EC	10/01/14	Completed
	8. Roll out renewal to CABO, Facilities Conference, Campuses	PA, CPDC	Nov - Dec 2014	Completed
LRP-6 UNMANNED AERIAL VEHICLES (UAVs, Drones)				
Develop and implement coverage plan to cover CSU's liability arising from ownership and operation of UAVs (drones) used for research activities.	1. Research ownership, operation and usage of UAVs within CSU.	PA	Mar - Apr 2014	Completed
	2. Research liability issues of the ownership and operation of UAVs.	PA	April, 2014	Completed
	3. Research insurance availability to cover owned and non-owned aviation risks in the ownership and operation of UAVs.	PA	April, 2014	Completed
	4. Draft proposed modification to the Liability MOC to include coverage for UAVs.	PA	April, 2014	Completed
	5. Determine cost to insure or self-insure liability of UAVs	PA	May, 2014	Completed
	6. Present recommendations to EC.	PA, EC	05/09/14	Completed
	7. Present recommendations to BOD.	PA, EC, BOD	05/09/14	Completed
	8. Roll out to campuses and incept coverage.	PA	07/01/14	Completed
LRP-7 STUDENT PLACEMENT AGREEMENTS				
Implement more master insurance and indemnity agreements with key hosting	1. Research existing placement agreements for student internships, particularly in Teaching, Nursing/Allied Health, and Service Learning programs to identify key hosting partners	PA, SRM	08/01/14	Completed
	2. Draft proposed master insurance and indemnity language for student placement agreements and contact key hosting partners	PA, SRM, OGC	Jul - Aug 2014	Completed

FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
partners	3. Negotiate and execute master insurance and indemnity agreements for student placements with key hosting partners	SRM, OGC, PA, Key Hosts	Sep 2014 - Feb 2015	Ongoing
	4. Report to EC on Progress of Master Insurance and Indemnity Agreements	SRM	03/01/15	

BOD: CSURMA Board of Directors

CABO: CSU Chief Administrators and Business Officers

CO: Chancellor's Office

CPDC: CO Capital Planning Design & Construction

EC: CSURMA Executive Committee

OGC: CSU Office of General Counsel

PA: CSURMA Program Administrator

SRM: CSU Systemwide Risk Management

2015 CSURMA MEETING CALENDAR

ISSUE: The Program Administrator includes a current copy of the CSURMA meeting calendar in every agenda

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA – 2015 Meeting Calendar

2015 CSURMA • AORMA MEETING CALENDAR

JANUARY, 2015		FEBRUARY, 2015		MARCH, 2015	
26	AIME: Northridge: 10:30 a.m.	8	EC: Pasadena: 3:00 p.m.	19	AORMA: Newport Beach: 10:00 a.m.
		8	MSLCTC: Pasadena: 4:30 p.m.	19	EC: Newport Beach: 2:30 p.m.
		8-11	AOA Conference: Pasadena	20	EC LRP: Newport Beach: 8:00 a.m.
		26	PC: Teleconference: 1:00 p.m.		
APRIL, 2015		MAY, 2015		JUNE, 2015	
20	MSLCTC: Teleconference: 10:00 a.m.	7	AORMA: Long Beach; 10:00 a.m	25	PC: Teleconference: 1:00 p.m.
23	BOD Orientation: Teleconference: 2:00 p.m.	8	EC: Long Beach: 8:00 a.m	29	MSLCTC: Teleconference: 10:00 a.m.
27	BOD: San Diego: 4:00 p.m.	18	AIME: TBD – 10:30 a.m.		
28-29	Fitting the Pieces Conference: San Diego				

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AOUIT = Auxiliary Organizations Unemployment Insurance Trust	AORMA LRP = AORMA Long Range Planning Meeting	EC LRP = EC Long Range Planning Meeting
MSLCTC = AORMA Member Services, Loss Control & Training Committee	AOA = CSU Auxiliary Organizations Association	BOD = CSURMA Board of Directors

2015 CSURMA • AORMA MEETING CALENDAR

JULY, 2015	AUGUST, 2015	SEPTEMBER, 2015
14-15 AORMA Officers Retreat, TBD		9 AORMA New Member Orientation: 9 AORMA LRP: Newport Beach: 10:00 a.m. 10 AORMA: Newport Beach: 9:00 a.m. 10 EC Orientation: Newport Beach: 4:00 pm 11 EC: Newport Beach: 8:30 a.m.
OCTOBER, 2015	NOVEMBER, 2015	DECEMBER, 2015
1 PC: Teleconference: 1:00 p.m. 5 MSLCTC: Teleconference: 10:00 a.m. 22 AORMA: Long Beach: 10:00 a.m. 22 BOD Orientation: Teleconference: 2:00 p.m. 23 EC: Long Beach: 9:00 a.m. 23 BOD: Long Beach: 10:30 a.m. <i>AIME: TBD – 10:30 a.m.</i>		3 AORMA: Long Beach: 10:00 a.m. 4 EC: Long Beach: 8:30 a.m. 10 PC: Teleconference: 1:00 p.m.

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AOUIT = Auxiliary Organizations Unemployment Insurance Trust	AORMA LRP = AORMA Long Range Planning Meeting	EC LRP = EC Long Range Planning Meeting
MSLCTC = AORMA Member Services, Loss Control & Training Committee	AOA = CSU Auxiliary Organizations Association	BOD = CSURMA Board of Directors

CSURMA ADMINISTRATIVE SERVICE CALENDAR

ISSUE: This item is provided as an information item to advise the Executive Committee of the various recurring administrative activities and when they take place over the course of the year. It includes items noting when they appear before the Executive Committee and Board of Directors. It is to be provided for information with each agenda packet.

RECOMMENDATION: It is recommended that the Executive Committee review the CSURMA Administrative Service Calendar and provide direction to staff as appropriate.

FISCAL IMPACT: No direct fiscal impact is expected from action at today's meeting.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA Administrative Service Calendar

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
JANUARY 2014				
01/01/14	Preview on-line training platform and provide recommendation to the MSLCTC for future utilization.	AORMA Members	Mimi Long	On-Going
01/01/14	Review loss runs and recommend three to five risk reduction grant project for FY 14/15	Staff	Mimi Long	Completed
01/01/14	Review all workers' compensation policies and procedures and recommend revisions as necessary.	Staff (Alliant)	Mimi Long	Completed
01/02/14	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed
01/06/14	Statement of Facts – Roster of Public Agencies - file with State & County	Alliant Staff	Myron Leavell	Completed
01/07/14	Announce the new AORMA Committee Vice Chair as well as open seats on the AORMA Committee	Nominations Committee	Mimi Long	Completed
01/10/14	Form 700 - mail to BOD and Committee members – return deadline 03/21/14	Alliant Staff	Tevea Him	Completed
01/12/14	CSURMA AOA CONFERENCE			Completed
01/12/14	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
01/15/14	FORM 700 - JPA ADMIN sends Form 700 to CSURMA FILERS, including EC, BOD, AORMA, Standing Committees, and designated consultants, including identified Alliant personnel	Alliant Staff	Tevea Him	Completed
01/31/14	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed
01/31/14	Notify AO's of their new premium allocation	Staff (Alliant)	Mimi Long	Completed
FEBRUARY 2014				
02/01/14	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff		Completed
02/02/14	PC: Review all workers' compensation policies and procedures and recommend approval to the AORMA Committee, with revisions as appropriate.	PC	Mimi Long	Completed
02/03/14	AORMA MSLCTC Meeting	Alliant Staff	Mimi Long	Completed
02/03/14	MSLCTC: Announce the formation of the Shoes for Crews program and distribute information to the AORMA members	Staff	Mimi Long	Completed
02/03/14	MSLCTC: Review grant project ideas for FY 14/15. Approve grant for FY 14/15	MSLCTC	Mimi Long	Project Revised
02/06/14	AORMA PC Meeting			Completed
02/06/14	PC: Review alternative Liability member allocation formula (first review)	PC	Mimi Long	Completed
02/06/14	PC: Review revisions to the FY 14/15 MOC for the Property and Crime Programs	PC	Mimi Long	Completed
02/14/14	Send out watch list for the liability claims review on February 18, 2014	Liability TPA		Completed
02/15/14	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff		Completed
02/17/14	Reminder - Form 700s to Board and Alternate Members	Alliant Staff	Tevea	Completed
02/18/14	AORMA liability claims review	Liability TPA		Completed
02/28/14	Schedule the AORMA liability claims audit (every odd year)	Alliant Staff	Mimi Long	N/A
02/28/14	Schedule the AORMA workers' compensation claims audit (every even year)	Alliant Staff	Mimi Long	Completed
02/28/14	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 12/31	Alliant Staff	Tevea Him	Completed
MARCH 2014				
03/01/14	Alliant begins contact with various contractors regarding renewal terms	Alliant Staff		Completed
03/01/14	AORMA Excess Workers' Compensation Renewal Specs	Alliant Staff	Hsan	Completed
03/01/14	AORMA ID Fraud Renewal Specs	Alliant Staff	Van	Completed
03/01/14	AORMA Re-Insurance Renewal Specs	Alliant Staff	Mimi	Completed
03/01/14	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea	Completed
03/11/14	Prepare AORMA summary for AOA Executive Committee meeting on March 21, 2014	AORMA Chair/Alliant Staff		Completed
03/14/14	Completion of the claims audit of the Liability program (every odd-numbered year)	Liability Claims Auditor		N/A
03/15/14	FORM 700 - Follow up No. 4 - JPA ADMIN follows up with FILER, prepares status report for CSURMA EC review at Long Range Planning meeting	Alliant Staff	Tevea	Completed
03/20/14	AORMA Committee Meeting			Completed
03/20/14	CSURMA EC Meeting			Completed

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
03/20/14	Forward slate of nominees to fill the open seats on the AORMA Committee to the AOA Executive Committee for review and comment	Alliant Staff		Completed
03/21/14	CSURMA EC LRP Meeting			Completed
03/21/14	Form 700's - receive from Board Members and Alternates	Alliant Staff	Tevea	Completed
03/31/14	Begin the claims audit of the Workers' Compensation program (every even-numbered year)	WC Claims Consultant	Mimi	Completed
03/31/14	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea	Completed
APRIL 2014				
04/01/14	Campus Risk Pool Administrator verifies Campus Primary and Alternate representative remain in place by contacting campus representatives (i.e. ensure no leave of absence, retirement, change in duties, etc.)	Alliant Staff	Mimi/Tevea	Completed
04/01/14	FORM 700 - JPA ADMIN sends all forms received to FPPC for processing	Alliant Staff	Tevea	Completed
04/01/14	Form 700's - file with FPPC	Alliant Staff	Tevea	Completed
04/01/14	Send out ballot for AORMA Committee term beginning on July 1, 2014	Alliant Staff	Tevea	Completed
04/04/14	Send out watch list for the liability claims review on April 8, 2014	Liability TPA	Tevea	Completed
04/07/14	AORMA MSLCTC Meeting	Alliant Staff	Mimi Long	Completed
04/08/14	AORMA liability claims review (Every Odd Year)	Liability TPA	Mimi	Completed
04/10/14	AORMA PC Meeting	Alliant Staff	Mimi Long	Completed
04/10/14	PC: Review alternative Liability member allocation formula (second review)	PC	Mimi Long	Completed
04/15/14	Send annual renewal certificate spreadsheet to members - due 1 month	Alliant Staff	Van	
04/30/14	Receive back all AORMA Committee ballots for the term beginning on July 1, 2014	Alliant Staff	Tevea	Completed
MAY 2014				
05/01/14	Campus Risk Pool Administrator confirms replacement appointees with campus president, reports changes to JPA ADMIN, JPA ADMIN sends entering and leaving office notices to FILER, Campus Risk Pool Administrator conducts BOD orientation	Alliant Staff	Mimi/Tevea	On-Going
05/08/14	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
05/08/14	CSURMA BOD NMO Meeting	Alliant Staff	Mimi Long	Completed
05/09/14	CSURMA BOD Meeting	Alliant Staff	Mimi Long	Completed
05/09/14	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
05/15/14	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea	Completed
05/15/14	Send Member Vehicle Schedule/APD Proposal for review	Alliant Staff	Hsan	
05/27/14	AORMA MSLCTC Teleconference	Alliant Staff	Mimi Long	Canceled
05/30/14	Send out appointment letters to the newly appointed AORMA Standing Committee Chairs for the term beginning on July 1, 2014	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/14	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2014	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/14	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 3/31/14	Alliant Staff	Tevea Him	Completed
05/30/14	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2014	Alliant Staff	Tevea Him	Completed
05/30/14	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2014	Alliant Staff	Mimi Long	Completed
JUNE 2014				
06/01/14	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi	Completed
06/01/14	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea	Pending
06/05/14	AORMA PC Meeting	Alliant Staff	Mimi Long	Completed
06/20/14	AOA EC Meeting - Long Beach	AORMA Chair	AORMA Chair	Completed
06/30/14	PC: Code all losses on the workers' compensation loss run @12/31/13 using the new WCIRB class code and AORMA class code.	Staff (Alliant)	Mimi Long	Completed

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
JULY 2014				
07/01/14	Financial audit prep with KPMG	Alliant Staff / RM	Van	Completed
07/01/14	FORM 700 - JPA ADMIN sends entering and leaving office notices to AORMA FILERS who will be taking office on AORMA and Standing Committees	Alliant Staff	Tevea	Completed
07/01/14	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	Completed
07/02/14	AORMA PC Meeting	Alliant Staff	Mimi Long	Completed
07/04/14	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff		Completed
07/05/14	Request a review of the claims activity within the UIP – claims activity variations of more than 10% above or below pricing levels used will resulting in a pricing adjustment	Alliant Staff	Mimi Long	Completed
07/05/14	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	Completed
07/07/14	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	Completed
07/14/14	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/15/14	AORMA Officers Retreat – Sonoma	AORMA Officers	Mimi Long	Completed
07/15/14	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Rob	Completed
07/15/14	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	Completed
07/21/14	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/21/14	Upon receipt of loss data begin semi-annual loss charts for RM meeting in October and to be sent to members	Alliant Staff	Rob	Completed
07/28/14	AORMA MSLCTC Meeting	Alliant Staff	Mimi Long	Completed
07/28/14	FORM 700 - FORMS DUE TO FPPC ON THIS DATE [ASSUMING/LEAVING	Alliant Staff	Tevea	Completed
07/31/14	Actuarial Study - receive draft and forward to RM	Alliant Staff	Rob	Completed
07/31/14	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	Completed
07/31/14	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Hsan Htein	Completed
07/31/14	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate	Liability TPA	Mimi Long	Completed
AUGUST 2014				
08/01/14	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary		Completed
08/01/14	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	Completed
08/15/14	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	Completed
08/31/14	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff		Completed
08/31/14	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff		Completed
08/31/14	Complete CSURMA's portion of the Public Self-Insurer's Annual Report for CSURMA – then forward to Sedgwick for TPA completion	Alliant Staff		Completed
08/31/14	Complete Target Surplus Funding Report	Alliant Staff		Completed
08/31/14	Completion of Financial Audit	CSU Accounting		Completed
08/31/14	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff		Completed
SEPTEMBER 2014				
09/01/14	Annual Report of Financial Transactions - start process	Alliant Staff / Accounting	Van	Completed
09/01/14	Stewardship Report	Alliant Staff	Rob	Completed
09/10/14	AORMA Long Range Plan meeting	Alliant Staff	Mimi Long	Completed
09/10/14	AORMA New Committee Member Orientation meeting	Alliant Staff	Mimi Long	Completed
09/10/14	Completion of the AORMA UIP Financial Statement	Alliant Staff		Completed
09/11/14	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
09/12/14	Begin preparation of CAJPA Standards review (2014 and every 3 years thereafter)	Alliant Staff	Mimi	Pending
09/15/14	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting		Completed

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
09/23/14	Completion of the Public Self-Insurer's Annual Report for CSURMA (must be filed with the state by Oct 1st.)	Sedgwick		Completed
09/30/14	Completion of the AORMA Committee (September Letter) updating all AORMA members on the funding and dividends approved for the upcoming fiscal year	Alliant Staff/AORMA Chair		Completed
09/30/14	Completion of workers' compensation claims audit (every even year)	Alliant Staff	Mimi Long	Completed
09/30/14	Completion of Workers' Compensation payroll desk audits	Alliant Staff		Completed
09/30/14	Send out invoices or checks for the Workers' Compensation payroll audit	Alliant Staff		Completed
09/11-13/14	CAJPA Fall Conference and Training Seminar			Completed
N/A this year	Completion of Liability claims audit (every odd year)	Alliant Staff	Mimi Long	Completed
OCTOBER 2014				
10/01/14	Annual Report of Financial Transactions - File	Alliant Staff / Accounting	Van	Completed
10/01/14	Request completion of the Liability application	Alliant Staff		Completed
10/01/14	Request estimated Workers' Compensation payroll	Alliant Staff		Completed
10/15/14	Poll eligible AORMA Committee members to determine which members are willing to be nominated for the Vice Chair position	Nominations Committee		Completed
10/23/14	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
10/23/14	CSURMA BOD NMO Meeting	Alliant Staff	Mimi Long	Completed
10/24/14	CSURMA BOD Meeting	Alliant Staff	Mimi Long	Completed
10/24/14	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
NOVEMBER 2014				
11/01/14	AOA EC Meeting: Send out AORMA Summary	Alliant Staff		Completed
11/01/14	FORM 700 - Campus Risk Pool Administrator sends request to campus president to confirm appointments of primary and alternate representative to BOD (Note: AORMA Representatives are maintained through their election process)	Alliant Staff		Completed
11/01/14	MSLCTC: Provide recommendation to the AORMA Committee regarding renewal of the current TargetSolutions contract or utilization of SkillsSoft / LawRoom effective July 1, 2015.	MSLCTC	Mimi Long	Project Revised
11/01/14	Prepare AORMA summary for AOA Executive Committee meeting on November 15, 2014	AORMA Chair/Alliant Staff		Completed
11/17/14	AORMA MSLCTC Meeting	Alliant Staff	Mimi Long	Completed
11/21/14	AOA EC Meeting - Pasadena	Alliant Staff		Completed
11/28/14	Campus Risk Pool Deductible - Confirm (every 3 years - 2014, 2017, 2020)	Alliant Staff	Rob	
11/28/14	Confirm BOD Member and Alternate on file	Alliant Staff	Tevea Him	Completed
11/28/14	Confirm holdres of Campus Claims Settlement Authorities	Alliant Staff	Tevea Him	Completed
11/28/14	Email program manual to members	Alliant Staff	Van	
11/28/14	Send campus risk pool renewal budget	Alliant Staff	Rob	
11/30/14	Completion of the Crime program member allocation for FY 15/16	Alliant Staff	Mimi Long	Completed
11/30/14	Completion of the Liability and Workers' Compensation dividend allocation for distribution in July, 2015	Alliant Staff	Mimi Long	Completed
11/30/14	Completion of the Liability program member allocation for FY 15/16	Alliant Staff	Mimi Long	Completed
11/30/14	Completion of the Property program member allocation for FY 15/16	Alliant Staff	Mimi Long	Completed
11/30/14	Completion of the Unemployment Insurance Program member allocation for FY 15/16	Alliant Staff	Mimi Long	
11/30/14	Completion of the Workers' Compensation program member allocation for FY 15/16	Alliant Staff	Mimi Long	Completed
11/30/14	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	
11/30/14	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30/13	Alliant Staff	Tevea Him	Completed
DECEMBER 2014				
12/01/14	Send out member survey	Risk Management	Zachary	
12/04/14	AORMA Committee Meeting	Alliant Staff	Mimi Long	

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
12/05/14	CSURMA EC Meeting	Alliant Staff	Mimi Long	
12/11/14	AORMA PC Meeting	Alliant Staff	Mimi Long	
12/15/14	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff		
12/15/14	Property Schedules to Members for review - deadline 30 days	Alliant Staff	Van	
12/27/14	Prepare AORMA summary for AOA Executive Committee meeting on January 11, 2014	AORMA Chair/Alliant Staff		
12/30/14	Financial Audit - mail to Secretary of State and County of Official Address	Alliant Staff/Accounting	Myron	

CSURMA Committee Meeting Check-List		
Committee:	CSURMA EC Meeting	
Date:	12/05/14	
Time:	8:30 AM	
Meeting Location:	Alliant Office, Newport Beach	
Hotel:	Fairmont Hotel, \$120 room rate	
Agenda Meeting Date:	11/25/14	
Dinner, if applicable:		
1st Night	N/A	
2nd Night		
3rd Night		
Lunch:		
1st Day		
2nd Day		
3rd Day		
Agenda Preparation		
Item	Due Date	Actual Date
Schedule Agenda Prep Meeting <i>(due date – 4 weeks prior to agenda mailing)</i>	10/28/14	11/11/14
Finalize TOC and Assign items <i>(due date – 4 weeks prior to agenda mailing)</i>	10/28/14	11/11/14
Send TOC to Systemwide RM <i>(due date – 3 weeks prior to agenda mailing)</i>	11/04/14	11/12/14
Confirm Quorum and Teleconference Locations – List Members <i>(3 weeks prior to agenda mailing)</i>	11/04/14	10/27/14
Item	Due Date	Actual Date
Request Quarterly Financials from CO <i>(due date – 4 weeks prior to agenda mailing)</i>	10/28/14	N/A
Request Treasurer's Report from CO <i>(due date – 4 weeks prior to agenda mailing)</i>	10/28/14	10/29/14
Update Long Range Plan (LRP) <i>(due date – 10 days prior to agenda mailing)</i>	11/15/14	11/10/14
Update Service Calendar <i>(due date – 10 days prior to agenda mailing)</i>	11/15/14	11/24/14
Receive Closed Session Claims List <i>(due date – 1 week prior to agenda mailing)</i>	11/18/14	11/18/14

Item	Due Date	Actual Date
Forward Closed Session Claims List to CSURMA Legal Counsel <i>(due date – 1 week prior to agenda mailing)</i>	11/18/14	11/24/14
Receive Closed Session Memo From CSURMA Legal Counsel <i>(due date – 3 days prior to agenda mailing date)</i>	11/22/14	11/25/14
Create list of items to be signed at meeting <i>(due date – 9 days prior to meeting)</i>	11/26/14	11/21/14
CSAC EIA JEP A		11/24/14
XS WC MOU		11/24/14
Forward extra agendas and handouts to the meeting location <i>(due date – 3 days prior to meeting)</i>	12/02/14	
Print items to be signed at meeting <i>(due date – 3 days prior to meeting)</i>	12/02/14	
Prepare Meeting Minutes <i>(due date – 1 weeks after meeting)</i>	12/12/14	
Send Draft Meeting Minutes to Chair and Systemwide Risk Mgmt <i>(due date – 2 weeks after meeting)</i>	12/19/14	
TOC Check-List		
Verify meeting date, time and location	X	
Verify that all teleconference locations are listed	X	
Verify if the TOC correctly states A, I or V	X	
Spell check the TOC	X	
Verify that “next” meeting date, time and location is correct	X	
Double check that all closed session items are listed	X	
TOC Comparison to Item Check-List		
Check the committee name and meeting date on each agenda item – make sure they are all accurate	X	
Check item number on the TOC against each agenda item	X	
Check item title on the TOC against each agenda	X	
Verify that each item includes Issue, Recommendation, Fiscal Impact, Background, Publication and Attachment(s)	X	
Verify that all attachments are included in the correct order	X	
Proof read and spell check each agenda item	X	
Verify that page numbers on the TOC match the page numbers on the agenda items. (Page 1 should appear on the TOC; this is so that the pdf number on the iPad will match the hard copy numbering.)	X	

CSURMA EXECUTIVE COMMITTEE AND STAFF CONTACT LIST

ISSUE: Attached is a list of CSURMA Executive Committee member and the Program Administrators.

RECOMMENDATION: It is recommended that members review the list at each meeting for accuracy and make any changes or additions. If there are any changes, please contact Tevea Him at thim@alliant.com.

FISCAL IMPACT: None.

BACKGROUND: An accurate and current list facilitates better communication among Committee Members and Staff.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA Executive Committee and Staff Contact List

CSURMA EXECUTIVE COMMITTEE MEMBERS
Effective at July 1, 2014

Seat	Member	Position	Campus	Organization	E-Mail	Telephone Number
Chair	Cynthia Teniente-Matson	Vice President for Administration	Fresno	California State University Fresno	cmatson@csufresno.edu	559-278-2083
Vice Chair	Linda Hawk	Vice President, Finance & Administrative Services	San Marcos	California State University San Marcos	lhawk@csusm.edu	760-750-4950
Secretary Auditor	Robert Eaton	Acting Deputy Assistant Vice Chancellor	Chancellor's Office	California State University, Office of the Chancellor	reaton@calstate.edu	562-951-4572
Treasurer	George V. Ashkar	Assistant Vice Chancellor, Financial Services	Chancellor's Office	California State University, Office of the Chancellor	gashkar@calstate.edu	562-951-4671
At Large	Frank Mumford	CSU Fullerton Auxiliary Services Corporation	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
At Large	Lisa Chavez	Vice-President, Administration and Chief Financial Officer	Los Angeles	California State University Los Angeles	lisa.chavez@calstatela.edu	323-343-3500
At Large	Lori Gentles	Vice President, Human Resources	Fullerton	California State University Fullerton	lgentles@fullerton.edu	657-278-2560
At Large	Michael Thorpe	Risk Manager	Chico	California State University Chico	methorpe@csuchico.edu	530-898-6588
At Large	Ming Tung (Mike) Lee	Vice President, Administration and Chief Financial Officer	Sacramento	California State University Sacramento	mikelee@csus.edu	916-278-6312
At Large	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc. California State University Long Beach	Robert.Dewit@csulb.edu	562-985-5549



CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
JPA Program Administrator – Alliant Insurance Services, Inc.				
Certificate of Insurance Requests	Hsan Htein Van Rin	hhhtein@alliant.com vrin@alliant.com	415-403-1452 415-403-1408	415-874-4810 415-874-4810
General CSURMA Coverage Questions	Robert Leong Van Rin Hsan Htein Daniel Howell	rleong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
General AORMA Coverage Questions	Mimi Long Van Rin Hsan Htein Daniel Howell Melissa Diaz	mlong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com mdiaz@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426 415-403-1444	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
Inland Marine	Van Rin Hsan Htein Mimi Long	vrin@alliant.com hhhtein@alliant.com mlong@alliant.com	415-403-1408 415-403-1452 415-403-1423	415-874-4810 415-874-4810 415-874-4810
Participant Accident Insurance (PAI)	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Special Events Insurance	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Foreign Travel Program	Stacey Weeks Van Rin	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
General Risk Management Questions	Mimi Long Van Rin Hsan Htein Daniel Howell	mlong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
Workers' Compensation Claims Consultant	Jacki Graf	jgraf@alliant.com	415-403-1438	415-874-4810
Alliant Claims Consulting	Robert Frey Diana Walizada Michelle Maffei Martin Fox-Foster Elaine Kim	rfrey@alliant.com dwalizada@alliant.com mmaffei@alliant.com martin.fox-foster@alliant.com ekim@alliant.com	415-403-1445 415-403-1453 415-403-1418 415-403-1417 415-403-1458	415-403-1466 415-403-1466 415-403-1466 415-403-1466 415-403-1466
Form 700	Tevea Him	thim@alliant.com	415-403-1416	415-402-0773
Website and Technology Questions	Melissa Diaz Myron Leavell	mdiaz@alliant.com mleavell@alliant.com	415-403-1444 415-403-1404	415-874-4810 415-874-4810



California State University Risk Management Authority

CSU Chancellor's Office				
CSU Chancellor's Office	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Rebecca Skidmore	rskidmore@calstate.edu	562-951-4574	562-951-4859
	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Alice Kim	akim@calstate.edu	562-951-4627	562-951-4865
	Kelly Cox	kcox@calstate.edu	562-951-4611	562-951-4865
	Mandy Wong	mwong@calstate.edu	562-951-4578	562-951-4865
	Rima Tanuwidjaja	rtanuwidjaja@calstate.edu	562-951-4621	562-951-4856
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	William Hsu	whsu@calstate.edu	562-951-4500	562-951-4956

A Public Entity Joint Powers Authority

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