



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: October 27, 2017
Time: 9:00 AM

Primary Location: CSU Chancellor’s Office
401 Golden Shore, Anacapa Room
Long Beach, CA 90802

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

A. CALL TO ORDER

- 1. Approval of the Agenda **A** p. 3

B. PUBLIC COMMENTS

C. CONSENT CALENDAR

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will be asked to take action on the consent calendar items as a group; however, a member may request that an item be withdrawn from the Consent Calendar for discussion and action.

- 1. Approval of Minutes – September 8, 2017 **A** p. 7
The Committee will be asked to approve the minutes from its last meetings.
- 2. Financial Report – Treasurer’s Report
 - a. Treasurer’s Report **A** p. 22
 - b. Draft Financial Statement at September 30, 2017 **A** p. 29
- 3. Cancellation of the December 8, 2017 CSURMA Executive Committee Meeting **A** p. 40
The Committee will be asked to take action the cancel the December 8, 2017 meeting.

D. GENERAL ADMINISTRATION

- 1. Report on Independent Auditor’s Financial Audit as of June 30, 2017 **A** p. 42
The Committee will receive a report on the fiscal year 2016/2017 Financial Audit, taking action as appropriate

- 2. **Development of CSURMA Earthquake Coverage Program** A p. 91
The Committee will be asked to ratify the action to bind coverage and consider the compensation request from Alliant.
- 3. **Policy and Procedure No. 10 – Member Loan Policy** A p. 127
The Committee will be asked to approve revisions to Policy and Procedure No. 10

E. OTHER PROGRAMS

- 1. **AORMA Programs Update** I p. 130
The Committee will receive a verbal report on the AORMA programs
- 2. **AIME Program Update** I p. 131
The Committee will receive a verbal report on the AIME

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. Sargent v. CSU (Sonoma State)
 - 2. Benjamin v. CSU (Sonoma State)
 - 3. SF State Science Building Coverage Claim
 - 4. HSU Appeal re: CalPERS
 - 5. Apodaca v. ASI and CSU (San Marcos)
 - 6. Garcia v. ASC

G. INFORMATION ITEMS

- 1. **Review of FY 2017/2018 Long Range Planning Goals** I p. 132
- 2. **CSURMA Administrative Service Calendar** I p. 137
- 3. **2017 CSURMA Meeting Calendar** I p. 144
- 4. **CSURMA Executive Committee & Staff Contact List** I p. 146

H. ADJOURNMENT

**The next CSURMA Executive Committee meeting is scheduled for January 7, 2018
during the AOA Conference in Sacramento, CA**

*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 – SEPTEMBER 8, 2017

ISSUE: The Executive Committee will be asked to review and approve the draft minutes of its September 8, 2017 meeting.

RECOMMENDATION: It is recommended that the Executive Committee approve the minutes from its September 8, 2017 meeting, including revisions as necessary.

FISCAL IMPACT: None.

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

PUBLICATION: All CSURMA Executive Committee meeting minutes are posted on the CSURMA website once they are approved.

ATTACHMENT(S):

- a. CSURMA EC Meeting Minutes - September 8, 2017

**MINUTES OF THE
CSURMA EXECUTIVE COMMITTEE MEETING**

SEPTEMBER 8, 2017

ALLIANT INSURANCE SERVICES

2180 HARVARD STREET, SUITE 460 • SACRAMENTO, CA

8:30 AM

MEMBERS PRESENT

Scott Apel, California State University Long Beach
Dwayne Brummett (AORMA Vice-Chair), Associated Students, Inc. at San Luis Obispo
Lisa Chavez (Vice-Chair), California State University Los Angeles
Thom Davis, California State University, Bakersfield
Robert Eaton (Treasurer), California State University, Office of the Chancellor (*via Teleconference*)
Mike Lee (Chair), California State University, Sacramento
Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation
Kevin Saunders, California State University, Monterey Bay
Jody Van Leuven, California State University, San Bernardino

MEMBERS ABSENT

None

STAFF, GUESTS & CONSULTANTS

Patricia Daniels, Sedgwick CMS
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor
Daniel Howell - Alliant Insurance Services, Inc.
William Hsu, CSURMA General Counsel, CSU Office of the Chancellor (*via Teleconference*)
Sedong John, CSU Office of the Chancellor, CSURMA Accounting (*via Teleconference*)
Alice Kim, CSU Office of the Chancellor, CSURMA Accounting (*via Teleconference*)
Rob Leong - Alliant Insurance Services, Inc.
Mimi Long - Alliant Insurance Services, Inc.
Jessica Liu, CSU Office of the Chancellor, CSURMA Accounting (*via Teleconference*)

A. CALL TO ORDER

The meeting was called to order by the Chair, Mike Lee at 8:32 AM. Robert Eaton states his desire to abstain from voting on all items, unless specifically stated otherwise.

A1. Approval of the Agenda

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

Motion: Kevin Saunders / Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

A2. Introduction of Nada Moeiny, Co-General Counsel for CSURMA

William Hsu noted that Nada Moeiny could not join the meeting. Hsu advised that Moeiny has been appointed Co-General Counsel for CSURMA to work with Hsu.

B. PUBLIC COMMENTS

There were no comments from members of the public.

C. CONSENT CALENDAR

C1. Approval of Minutes – May 7, 2017

C2. Adoption of CSURMA Executive Committee and Board of Directors 2018 Meeting Calendar

A motion was made to approve all of the items on the consent calendar.

Motion: Jody VanLeuven / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

Daniel Howell noted that the December 8, 2017 meeting may be cancelled as the Executive Committee usually has a meeting in January during the AOA Annual Conference.

D. GENERAL ADMINISTRATION

D1a. Financial Report: Receipt and Review of the Draft Financial Statements at June 30, 2017

The Committee reviewed the Draft Financial Statements at June 30, 2017. The \$1.8 in accounts receivable was questioned. Alice Kim noted that this reflects the payments due in the first quarter of FY 17/18. All accounts payable are current. Kim notes that the financial audit is expected to be completed on September 18th.

A motion was made to accept the Draft Financial Statement at June 30, 2017.

Motion: Frank Mumford / Second: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D1b. Financial Report: Treasurer’s Report at June 30, 2017

The Committee reviewed the Quarterly Investment Report for April 1, 2017 to June 30, 2017. Robert Eaton points out that during this period, the excess insurers had been paid but payments from the members had not been posted yet, so the investable assets were lower but still within an acceptable threshold.

A motion was made to accept the Treasurer’s Report at June 30, 2017.

Motion: Frank Mumford / Second: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
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Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D2. Insurance Renewals Report

The Committee reviewed the insurance renewal summary report prepared by Rob Leong. Daniel Howell provided a summary of the FY 17/18 insurance renewals.

D3. Actuarial Reports for Liability, Workers’ Compensation, and Athletic Injury Medical Expense Programs

Rob Leong provided a summary of the actuarial reports. The workers’ compensation loss rate is leveling out for FY 18/19 at \$.83 which is up from \$.81. The loss frequency is down; however, the loss severity is up. This is most likely due to increases in medical costs. The estimated liability loss rate per FTE student is up slightly, from \$30.91 to \$31.53. In contrast to the workers’ compensation program, the Liability Program severity is down and frequency is up. The AIME projected loss rate has climbed slightly from \$453 to \$466 per athlete driven by medical expenses.

A motion was made to accept actuarial reports.

Motion: Lisa Chavez / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D4. FY 2018/19 Rates and Gross Funding Campus Coverage Programs

Rob Leong summarized the FY 18/19 proposed gross funding as show in the table below.

**Campus Coverage Programs
FY 2018/19 Proposed Gross Funding**

	FY 2017/18 Actual	FY 18/19 Proposed	\$ Chg	% Chg
Liability	\$ 15,707,457	\$ 16,173,148	\$ 465,691	3.0%
Workers Compensation	36,337,621	38,837,384	2,499,763	6.9%
IDL, NDI, UI	15,000,000	15,500,000	500,000	3.3%
Property	8,250,000	8,450,000	200,000	2.4%
AIME	4,506,330	4,660,547	154,217	3.4%
Auto Liability	829,510	772,833	(56,677)	-6.8%
Total	\$ 80,630,918	\$ 84,393,912	\$ 3,762,994	4.7%

Liability: Undiscounted basis for FY 17/18 and FY 18/19.

Workers' Compensation: Discounted basis for FY 17/18 and FY 18/19.

Calculations of the recommended funding for the Campus Coverage programs are in accordance with the policies and procedures and rating plans adopted and approved by the Board of Directors. CSURMA employs an independent actuary, Aon Risk Consultants, to project claim costs for its General / Errors & Omissions Liability, Workers' Compensation and Athletic Injury Medical Expense coverage programs. The actuary's reports dated August 9, 2017 were used to calculate funding proposals for FY 2018/19.

A motion was made to recommend acceptance of the proposed gross funding for FY 2018/19 as presented in the table above to the Board of Directors.

Motion: Frank Mumford / Second: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D5. Campus Risk Pools Funding Status at June 30, 2017 and Evaluation of Potential Campus Risk Pool Dividends and Assessments

Rob Leong provided an overview of the funding status of the liability, workers’ compensation and AIME programs. The Committee noted that outstanding liabilities within the AIME program exceed its assets. Leong noted that according to CSURMA Policy and Procedure No. 14, the Executive Committee evaluates and approves dividends and assessments for the Campus Risk Pools. The practice has been to declare a dividend of up to fifty percent (50%) of unencumbered program funds where available and an assessment to cover existing and anticipated funding shortfalls for funds that have a negative fund balance.

Because the AIME program has a deficit, the Committee discussed assessing the program \$500,000 which should make up the funding shortfall over the next two years. The assessment will follow the AIME deposit allocation formula. The liability and workers’ compensation dividends and assessments can be shown on the same invoice/check and can be handled internally by CSURMA as a transfer of funds from one program to another. The Committee notes that Staff should review the AIME rates and recommend an increase. Also, Staff should provide direction to HSR that all student athletes are to file claims first with their own primary care insurers and that AIME will respond after that coverage is exhausted. Currently, the athletes are not required to show proof that they have sought benefits through their own primary care providers.

A motion was made to approve an AIME program assessment of \$500,000 to be treated internally as a transfer of funds from the Liability Risk Pool.

Motion: Kevin Saunders / Second: Thom Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

A motion was made to approve a dividend of \$7,027,608 of which \$3,722,665 is to be distributed from the Campus Workers’ Compensation fund, and \$3,304,943 from the Campus Liability fund.

Motion: Thom Davis / Second: Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

Item D6 was moved to later in the day as it is a time certain presentation.

D7. Campus Liability Risk Pool - Memorandum of Coverage

As summarized by Mimi Long, the Campus Liability Coverage Risk Pool Memorandum of Coverage (MOC) has been revised as follows:

1. The Unmanned Aerial Vehicle coverage has been deleted. Separate stand-alone coverage for the CSU’s (including Auxiliary Organizations) owned, leased and borrowed drones has been purchased. Coverage has a \$50,000,000 per occurrence limit and no deductible.
2. The definition of Media Wrongful Act was expanded to be as broad as what is currently available in the standard market.

This change will slightly broaden coverage provided within Media Wrongful Acts which may result in additional costs.

The elimination of the drone coverage would eliminate claim costs within the pooled layer. The total cost of the stand-alone drone policy is \$150,000. 68% or \$102,000 has been allocated to the Campus members as part of the Liability Risk Pool Program costs.

Staff completed a coverage comparison of Media Wrongful Act coverage from AIG, AXIS Pro and Federal Insurance (CHUBB). Based on that comparison, Staff recommends the revisions shown on the MOC in order to expand coverage to be as broad as coverage available in the commercial marketplace.

A motion was made to approve the revisions to the Memorandum of Coverage, with additional amendments.

Motion: Frank Mumford / Second: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D8. Office of General Counsel E-Billing Platform in E-Counsel

As explained by Zachary Gifford, OGC has requested funding from CSURMA for the implementation of the eBilling platform which is a component of eCounsel. OGC estimates that the eBilling service will save up to 15% of legal fees annually and as such CSURMA benefits directly from the service. The implementation cost would be \$53,005 if eBillings is able integrate with CSURMA’s accounts payable. The annual license fee is \$17,500.

OGC is requesting CSURMA to fund the implementation costs of a maximum of \$53,005 and OGC would cover the annual license fee of \$17,500.

Gifford agreed to provide a savings report at a future meeting.

A motion was made to approve the eBillings service and approve the total cost of up to \$53,005 to be funded by CSURMA.

Motion: Kevin Saunders / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D9. Liability Claims Administration Audit Results

Zachary Gifford summarized the audit report. The Executive Committee engaged Dennis Mitchell of Bickmore Risk Servicers (BRS) to conduct a performance review of its claims administrators for Campus Liability Program (Chancellor’s Office) and AORMA Liability Program (Carl Warren and Company). The review was performed in June and the Auditor has submitted draft reports of its findings and recommendations for review at today’s meeting.

BRS performed the last claim audits for Campus Liability and AORMA Liability in 2015. To ensure consistency of review, the Executive Committee authorized the Secretary-Auditor to engage BRS as claims auditor for 2017. The claims audit for AIME has been deferred to 2018, due to the change of its TPA service provider.

In accordance with Policy and Procedure No. 5, it is the policy of CSURMA that its third-party claims administrators (TPAs) are to 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.

A motion was made to accept the Campus and AORMA Liability Claims Administration Audit Reports and defer the AIME audit to 2018.

Motion: Frank Mumford / Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D10. Workers’ Compensation Claims Administration Service Performance Audit

Zachary summarized the audit report. CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers’ Compensation Risk Pool claims. Pursuant to CSURMA Policy and Procedure No. 5, a regular performance audit is performed to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements outlined in the

Service Agreement between CSURMA and Sedgwick CMS. A service performance audit for 2017 was completed by Jacki Graf, CSURMA’s Senior Workers’ Compensation Claims Consultant in June and July of 2017. The Committee reviewed the draft report which indicates Sedgwick continues to perform at a high level.

CSU is permissibly uninsured for Workers’ Compensation. An agreement between CSURMA and Sedgwick CMS for Workers’ Compensation claims administration contains performance standards required by CSURMA and associated compliance measurement for each party. This report represents the sixth biennial audit conducted of Sedgwick CMS since the inception of the agreement.

A motion was made to accept the Campus Workers’ Compensation Claims Administration Audit Reports.

Motion: Frank Mumford / Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D11. State of California Restricted Travel

Daniel Howell reminded the Committee that CSURMA adopted a travel policy that says that CSURMA travelers follow the travel requirements of their organization. The State of California has eliminated travel to certain states and CSURMA follows this restriction.

D12. CSURMA Loan Request from California Polytechnic State University, San Luis Obispo

Robert Eaton summarized the member loan request from Cal Poly, San Luis Obispo. Cal Poly has requested a loan to provide cash flow for the Fremont hillside remediation and stability effort. The loan amount proposed is not to exceed \$5,000,000. The proposed loan would include a five-year payback term and the interest would be calculated in arrears, based on CSURMA’s foregone interest. Eaton supports this loan request as it has a risk mitigation aspect. The total loss is currently valued at between \$10 and \$12 Million.

The proposed loan would change CSURMA non-current assets from invested funds to member loans. Member loans include an interest rate intended to maintain CSURMA’s return on investment rate. The Committee reviewed the current outstanding loans.

A motion was made to approve the proposed Cal Poly, San Luis Obispo loan request of \$5,000,000 for a five-year term.

Motion: Frank Mumford / Second: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D13. Owner Controlled Insurance Program (OCIP) Renewal

Daniel Howell noted that the Owner Controlled Insurance Program (OCIP) was launched in 2012 in collaboration with the Chancellor’s Office Capital Planning Design and Construction (CPDC). The initial program had a five-year term. The Committee reviewed the presentation which was presented to the CABO group. Howell noted that the OCIP has created savings which can be documented. Generally construction defects manifest in six to eight years after construction and it is expected the OCIP will show more value in that period.

Campuses raised concerns about the OCIP and CPDC has worked with Alliant to develop an improvement plan. In particular, the initial OCIP costs have created cash flow problems for projects. A solution has been discussed and CSURMA may be able to fund the premium and then seek reimbursement when the project receives funding. The Committee reiterated the importance of addressing the other issues as well, which are noted below:

1. Administrative burden on campus project teams
2. CPDC not fully equipped to administer the OCIP program
3. Initial project costs for premiums create a cash flow problem for projects
4. Concerns around whether financial benefits exceeds administrative burden
5. OCIP loss rate is hovering near rate charged to campuses
6. Difficulty in coordinating between OCIP, Builders Risk and Property policy claims
7. Confusion over drug testing program
8. Negative overall impression of OCIP program at the campus level

A motion was made to delegate authority to Vi San Juan, Assistant Vice Chancellor of CPDC, and Robert Eaton, CSURMA Treasurer, to renew the current OCIP for an additional five years upon receipt of an acceptable renewal proposal.

Motion: Frank Mumford / Second: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D14. Campus Workers' Compensation Program Aggregate Stop Loss Coverage Status (PARCEL)

Rob Leong explained that CSURMA purchased an Aggregate Stop Loss insurance policy known as the Pool Aggregate Retention Casualty Excess Loss (PARCEL) from Safety National Casualty Company in FY 09/10. It caps the Campus Workers' Compensation risk pool's claims liabilities to a maximum of \$101,000,000 for the term July 1, 2002 to June 30, 2008. PARCEL is triggered after paid losses reach \$101,000,000. The payout from PARCEL is a maximum of \$16,000,000. At June 30, 2017, the total paid for the PARCEL time period is \$95,520,096 and the total incurred is \$101,977,757. If the payouts continue to trend at a 2% to 3% increase each year, Staff anticipates PARCEL will be triggered in two years.

D15. CSURMA Support for CSU Campus Implementation of UC Risk and Safety Solutions Software Modules

Zachary Gifford discussed the University of California Risk and Safety Solutions (RSS) a software and service provider that has developed products tailored to higher education and healthcare providers. Historically, RSS was only available to the UC; however, now these products and services are available outside of the UC. Systemwide Risk Management and Campus EH&S Leadership have identified the RSS services to be a valuable offerings and have been working to develop a master services agreement by which campuses could obtain discounted access to the various safety training and monitoring modules. The following has been negotiated for the CSU:

- Campuses would elect to participate in this non-mandatory Software as a Service Licensing under a CSURMA master enabling agreement.

- CSURMA would support implementation at up to seven campuses per year at a one-time cost to CSURMA of \$20,000 per campus for implementation.
- Campuses will have a free one-year trial of one module, additional modules and renewals will be available at 60% of UC RSS’s list price.
- CSURMA would serve as the single point of billing contact for RSS and then bill the campuses.

A few CSU campuses are already in the process of implementing UC RSS products and services and RSS has agreed to honor the discounted pricing offered to CSU retroactive to current year implementations and licensing.

CSURMA has a budget item for the campus grant program and staff proposes that this budget item be increased to allow for the RSS master enabling agreement at a cost not to exceed \$140,000 for FY 17/18. This would allow seven campuses to implement annually.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to execute the proposed agreements and memoranda of understanding subject to CSURMA General Counsel final approval and take action to establish a budget not to exceed \$140,000 for FY 17/18 for implementation at up to seven campuses.

Motion: Lisa Chavez / Second: Thom Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D16. Development of CSURMA Earthquake Coverage Program

Daniel Howell provided an overview of the Parametric Earthquake Coverage proposal. Staff has been working with Swiss Re on a proposal that uses a shake intensity trigger rather than per structure percentage of damage deductible.

The benefits of the Parametric EQ coverage is that it provides a quick payout, usually within two to three weeks after the earthquake. It’s a simple claims process; coverage is triggered based on the amount of shaking rather than the physical loss sustained. It also provides coverage for losses not covered by FEMA, such as loss of business revenue and increased expenses following the

earthquake. It also supports the CSU’s effort to satisfy FEMA’s requirement that earthquake insurance be purchased after receiving FEMA allocations.

After receiving a payout under this coverage, the CSU would allocate the funds based on each Campus’s and Auxiliary’s total insurable values in the area of the earthquake. The policy limit is \$25,000,000 for three years and the estimated premium is \$1,625,000.

The Committee members reviewed the provision within the proposal that states, at a subsequent point in time, CSU must attest that the losses and expenses are greater than the payout received from the policy.

A motion was made to delegate authority to the CSURMA Treasurer and Secretary-Auditor to bind coverage upon review and approval of the CSU Senior Executive Vice Chancellor, Stephen Relyea with a report to the Board of Directors at their October 27, 2017 meeting.

Motion: Jody Van Leuven / Second: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D17. Workers’ Compensation Benchmarking Initiative

The Committee reviewed the CWCI charts and Zachary Gifford provided detailed information. No action was taken; this item was for information only.

D6. Presentation of Workers’ Compensation Stewardship Report ** Time Certain 11:00 AM **

Patricia Daniels from Sedgwick, CSU’s workers’ compensation claims administrator, provided an overview of their workers’ compensation stewardship report. Based on the information provided, Zachary Gifford will put together a high level CABO presentation discussing the benefits of pursuing workers’ compensation claims settlements. The total open claims has decreased every year since FY 13/14. Daniels discussed the increase in cash flow for FY 17/18 due to a significant increase in C&R settlements.

D18. Auxiliary Organizations Employee Benefits Program

Daniel Howell stated that the Auxiliary Organizations Association (AOA) has a joint marketing employee benefits program, referred to as the “AOA Benefits User Group” (AOA BUG) consisting of representatives from participating organizations. The AOA BUG conducted an insurance brokerage services RFP in Spring 2017 and selected Alliant Insurance Services as the program’s insurance broker. One of the strategies the program may take is to join the CSAC Excess Insurance Authority’s benefits program via CSURMA. And, the AOA BUG has indicated it may seek to become a standing committee of the AORMA program.

The cost of an employee benefits insurance program would be allocated to the participating members as a part of the AORMA program budget.

A motion was made to accept that recommendation that the Executive Committee consider the report of the AORMA representatives and take action to recommendation to the CSURMA Board of Directors at their October 27, 2017 meeting that the AORMA Committee be authorized to form a new employee benefits program and a program oversight standing committee.

Motion: Kevin Saunders / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D19. Development of Student Health Insurance Program and UC SHIP

As explained by Daniel Howell, the CSU has a history of offering student health insurance directed to incoming international students. Because the CSU does not have a “hard waiver” directing domestic students to buy coverage, there have only been a handful of domestic students buying coverage. With this year’s renewals, the insurance markets refused to offer coverage to domestic students due to adverse selection resulting in high claims levels. The resulting cancellation created concerns about how CSU can best serve the student population’s need for student health insurance. For FY 17/18, the majority of campuses are referring domestic students to Covered California.

In the past, CSU’s Systemwide Risk Management office has had discussions with the University of California about the potential for CSU to participate in the UC’s Student Health Insurance

Program (SHIP) for the incoming international student population. UC’s administrators of the SHIP expressed interest provided CSU’s campuses came in as a group. Participation would require delivery to UC SHIP of census and claim information maintained by the current insurers via the current retail brokers, which has been problematic to obtain.

The Committee agreed that this item needs to be elevated to the CABO members as well as Steve Relyea for future action.

D20. Campus Workers’ Compensation Experience Modification Task Group

Rob Leong explained that the Campus WC X-Mod Task Group met on July 19, 2017 to review the Experience Rating methodology currently in use for the Campus Workers’ Compensation program, and to recommend refinements to the formula as it deems appropriate and fair for all campus members. Staff developed several alternative methods to address the concern of some members that large settlements adversely impact their X-Mods. Following that meeting, Staff drafted and the task group approved the written report which recommends no change to the current X-Mod calculation factors.

A motion was made to accept the task group’s recommendation regarding the Campus WC X-Mod calculation method, and to take no further action.

Motion: Frank Mumford / Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

E. OTHER PROGRAMS

E1. AORMA Programs Update

Frank Mumford, the AORMA Committee Chair, reported on the recent activities of the AORMA Committee.

E2. AIME Programs Update

Jody Van Leuven reported that the AIME Committee had not met since the last EC meeting and therefore no program update was provided.

F. CLOSED SESSION

- F1. Sargent v. Sonoma State University**
- F2. Benjamin v. Sonoma State University**
- F3. San Francisco State University Science Building Coverage Claim**
- F4. Humboldt State University CalPERS Appeal**
- F5. Apodaca v. California State University, San Marcos**
- F6. Hoffman v. San Francisco State University**
- F7. Mandel v. San Francisco State University**

A motion was made to enter closed session at 11:40 AM.

Motion: Kevin Saunders / Second: Frank Mumford

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton		X		
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

The Committee came out of closed session 12:14 PM. The Chair reported that action was taken on Sargent v. Sonoma State University and Hoffman v. San Francisco State University.

G. INFORMATION ITEMS

- G1. Review of FY 2017/2018 Long Range Planning Goals**
- G2. CSURMA Administrative Service Calendar**
- G3. 2017 CSURMA Meeting Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

H. ADJOURNMENT

The meeting was adjourned at 12:17 PM.

FINANCIAL REPORT
TREASURER'S CERTIFICATION

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 and accept the Treasurer's quarterly report letter dated October 16, 2017 as part of the Consent Calendar.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Treasurer's Certification Letter dated October 16, 2017
- b. CSURMA Investment Report - July 1, 2017 to September 30, 2017



California State University Risk Management Authority

Officers

Ming Tung (Mike) Lee
Chair - 916-278-6312

Lisa Chavez
Vice Chair - 323-343-3500

Robert Eaton
Treasurer - 562-951-4572

Zachary Gifford
Secretary-Auditor - 562-951-4568

To: Executive Committee
CSU Risk Management Authority

From: Robert Eaton 
Treasurer of CSU Risk Management Authority

Re: Treasurer's Certification

Date: October 16, 2017

As of October 16, 2017, the Authority 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.

Robert Eaton
Treasurer
CSU Risk Management Authority

CSURMA

Quarterly Investment Report

July 1, 2017 - September 30, 2017

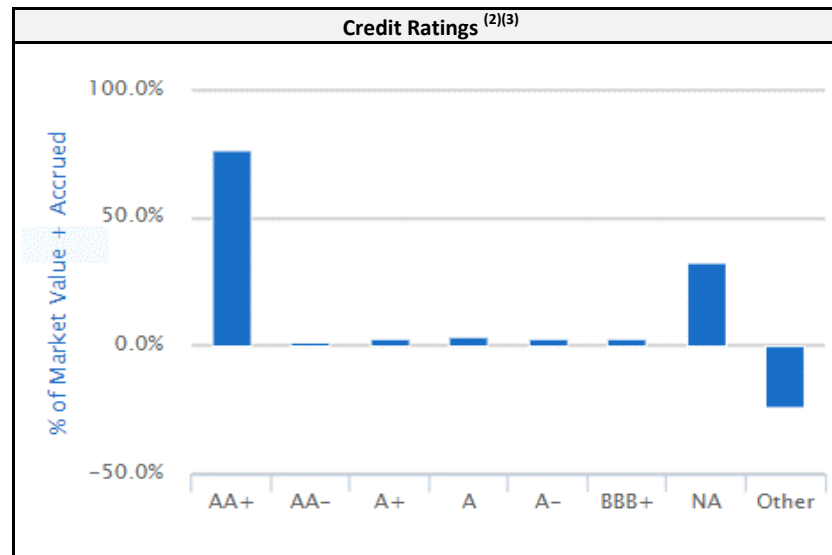
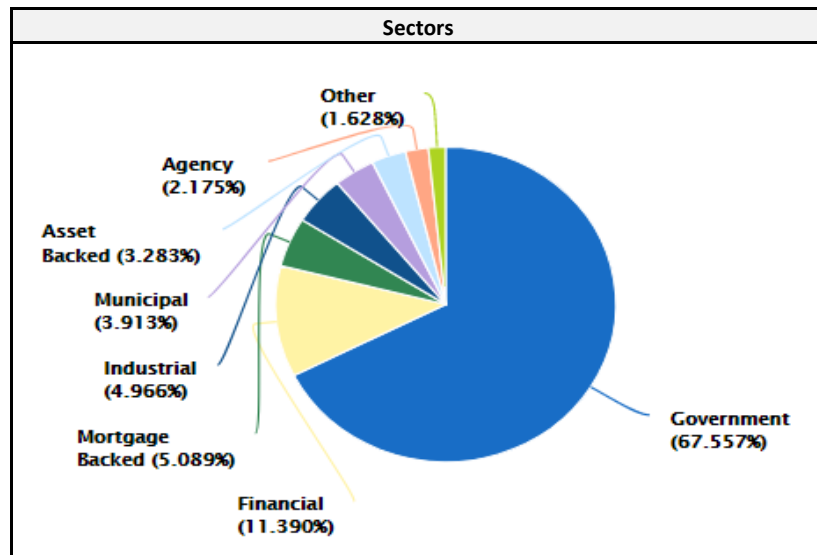
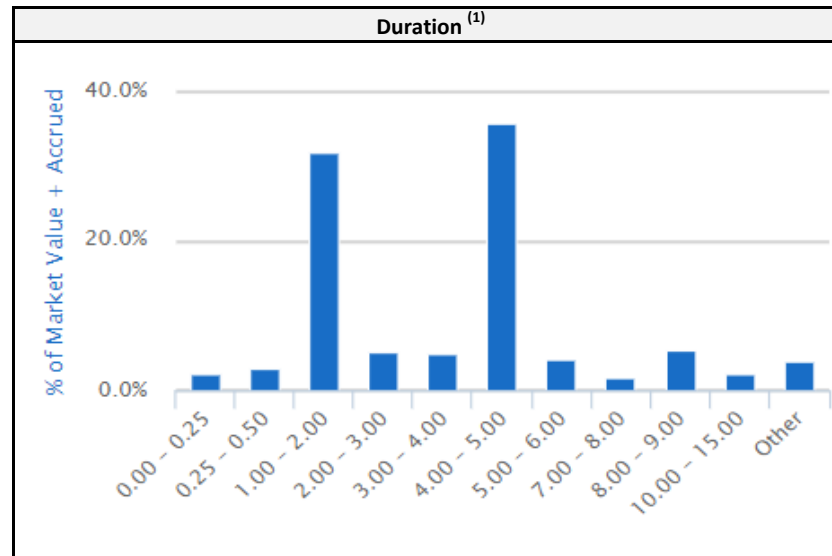
Prepared by Treasury

California State University Risk Management Authority

Fixed Income Portfolio (Auxiliary Investment Platform)

As of 09/30/2017

Portfolio Summary Total	
Total Assets	133,250,382
Duration	3.782
Yield	2.19
Avg Credit Rating	AA-/Aa3
QE Performance	0.364%



(1) The Other category combines duration ranges and in aggregate equals 3.960% of the portfolio.

(2) The Other category contains assets that do not fall within the seven specific charted credit ratings. These assets make -23.586% of the portfolio and include the following ratings: AAA, AA, BBB, and BBB-. The Other category is negative and unusually high due to a payable balance of \$43.0 million for unsettled trades that are classified in the AAA credit rating.

(3) The NA category contains assets that do not have credit ratings available. These assets make up 32.965% of the portfolio. The NA balance is unusually high due to a balance in the amount of \$ 38.2 million held in a Government Money Market fund to cover the unsettled trades shown as a payable balance in the "Other" category in footnote (2). The net between the payable balance and money market fund balance is approximately \$4.8 million or 3.60% of market value.

California State University Risk Management Authority

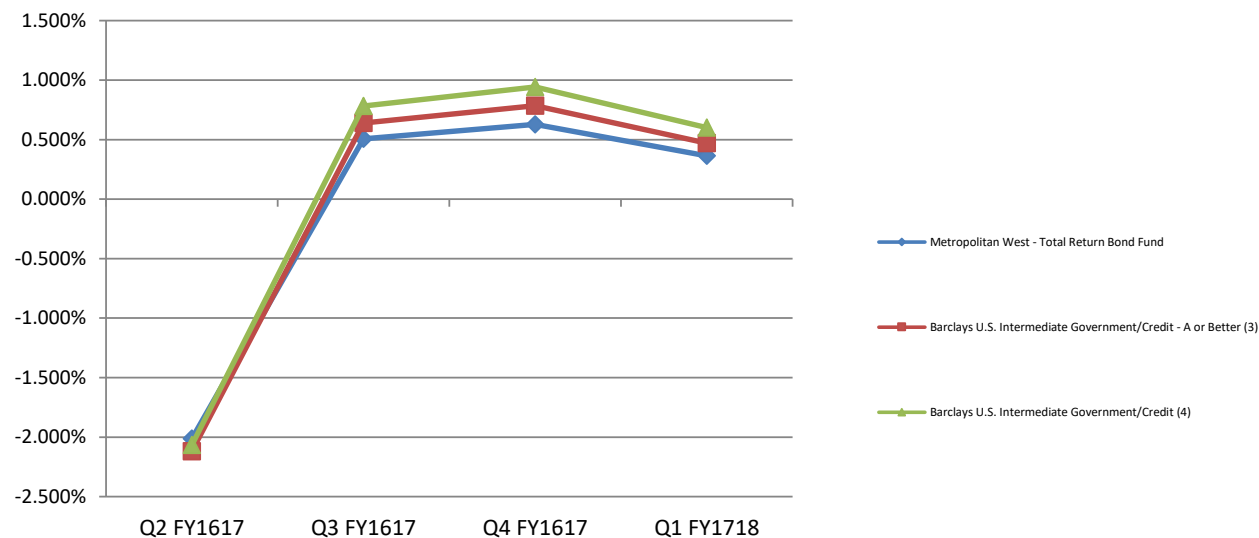
Fixed Income Portfolio (Auxiliary Investment Platform)

Performance Summary

Period Ending 09/30/2017

Account / Index	Market Value	3 Month ⁽¹⁾	Trailing 12 Month ⁽¹⁾	Trailing 3 Year ⁽¹⁾	Trailing 5 Year ⁽¹⁾	Since Inception ⁽¹⁾	Yield	WAM ⁽²⁾	Duration
	09/30/2017	07/01/17 - 09/30/17	10/01/16 - 09/30/17	10/01/14 - 09/30/17	10/01/12 - 09/30/17	07/01/07 - 09/30/17			
Metropolitan West - Total Return Bond Fund	133,250,382	0.364%	-0.540%	1.185%	0.990%	3.482%	2.190	5.512	3.782
Barclays U.S. Intermediate Government/Credit - A or Better ⁽³⁾		0.470%	-0.253%	1.876%	1.330%	2.853%	1.923	4.196	3.910
Barclays U.S. Intermediate Government/Credit ⁽⁴⁾		0.601%	0.228%	2.129%	1.612%	3.252%	2.101	4.370	4.046

Account / Index	Q2 FY1617	Q3 FY1617	Q4 FY1617	Q1 FY1718	Trailing 12 Month ⁽¹⁾
	10/01/16 - 12/31/16	01/01/17 - 03/31/17	04/01/17 - 06/30/17	07/01/17 - 09/30/17	10/01/16 - 09/30/17
Metropolitan West - Total Return Bond Fund	-2.013%	0.505%	0.628%	0.364%	-0.540%
Barclays U.S. Intermediate Government/Credit - A or Better ⁽³⁾	-2.119%	0.640%	0.785%	0.470%	-0.253%
Barclays U.S. Intermediate Government/Credit ⁽⁴⁾	-2.067%	0.781%	0.942%	0.601%	0.228%



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

(2) Weighted Average Maturity

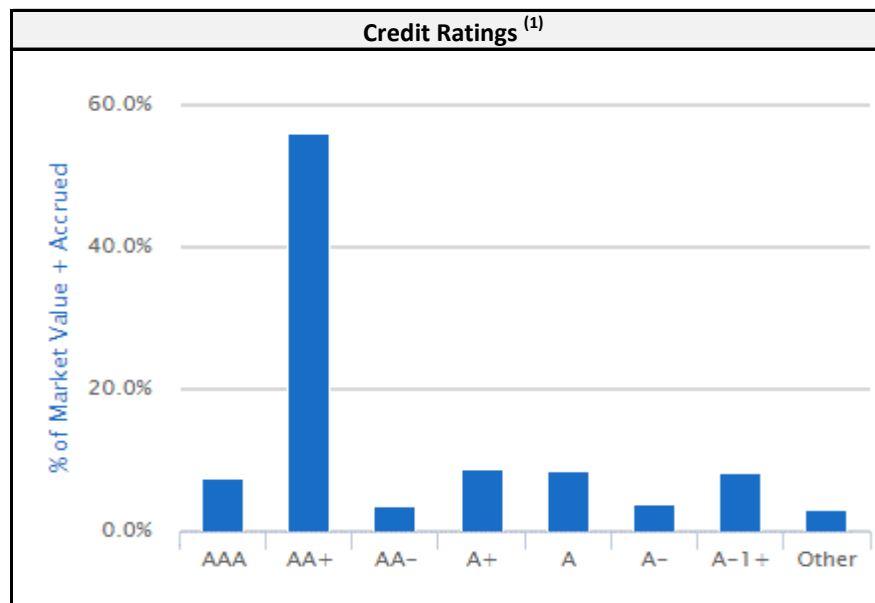
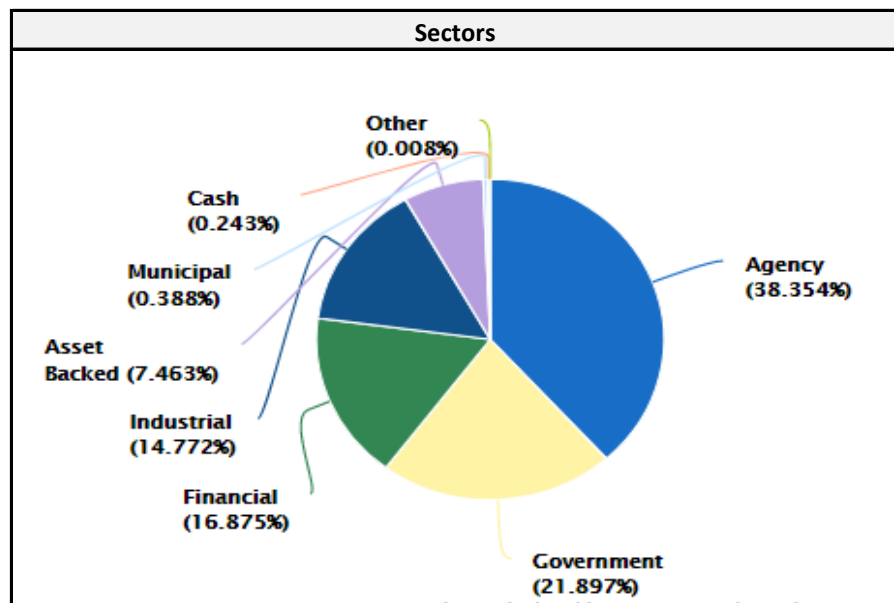
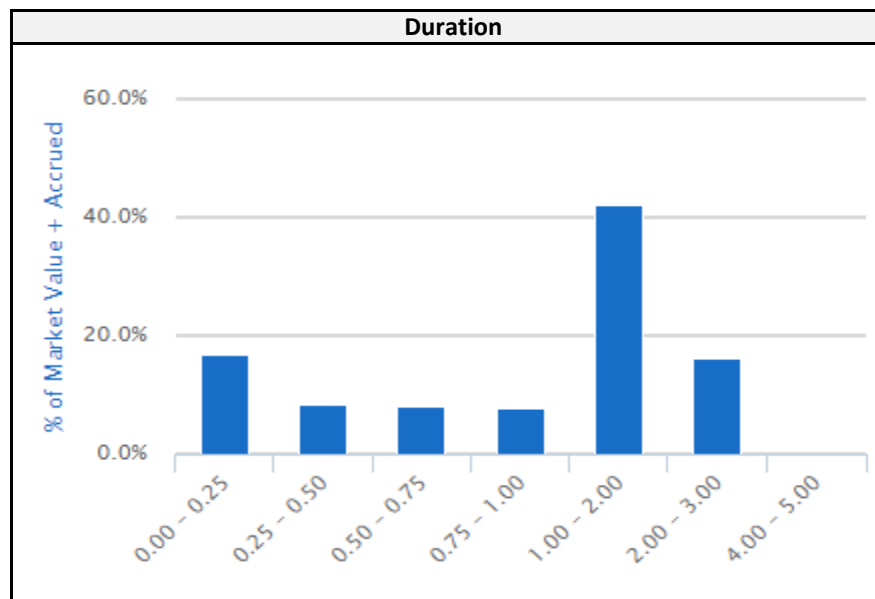
(3) Portfolio Benchmark as of 05/2014.

(4) Portfolio Benchmark prior to 05/2014.

California State University SWIFT Portfolio

As of 09/30/2017

Portfolio Summary Total	
Total Assets	40,910,687
Duration	1.204
Yield	1.439
Avg Credit Rating	AA-/Aa3
QE Performance	0.316%



⁽¹⁾ The other bucket contains assets that do not fall within the top seven credit ratings.

California State University Risk Management Authority

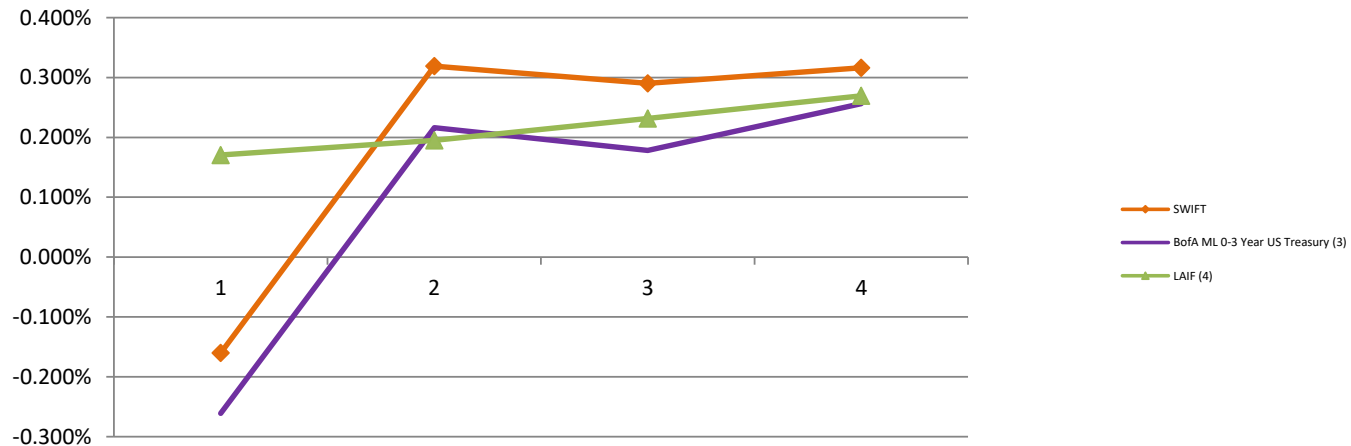
SWIFT Portfolio

Performance Summary

Period Ending 09/30/2017

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⁾			
	09/30/17	07/01/17 - 09/30/17	10/01/16 - 09/30/17	10/01/14 - 09/30/17	10/01/12 - 09/30/17	07/01/07 - 09/30/17			
SWIFT - CSU Systemwide Investment Fund Trust	40,910,687	0.316%	0.767%	0.901%	0.743%	1.273%	1.439	1.427	1.204
BofA ML 0-3 Year US Treasury ⁽³⁾		0.256%	0.389%	0.659%	0.536%	1.574%	1.402	1.481	1.442
LAIF - Local Agency Investment Fund ⁽⁴⁾		0.269%	0.870%	0.554%	0.438%	1.013%	1.082		

Account / Index	Q2 FY1617	Q3 FY1617	Q4 FY1617	Q1 FY1718	Trailing
					12 Month ⁽¹⁾
	10/01/16 - 12/31/16	01/1/17 - 3/31/17	04/01/17 - 06/30/17	07/01/17 - 09/30/17	10/01/16 - 09/30/17
SWIFT	-0.160%	0.319%	0.290%	0.316%	0.767%
BofA ML 0-3 Year US Treasury ⁽³⁾	-0.261%	0.216%	0.178%	0.256%	0.389%
LAIF ⁽⁴⁾	0.171%	0.195%	0.231%	0.269%	0.870%



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

(2) Weighted Average Maturity

(3) SWIFT Portfolio Benchmark

(4) LAIF returns calculated by CSUCO Treasury

FINANCIAL REPORT
DRAFT FINANCIAL STATEMENT AT SEPTEMBER 30, 2017

ISSUE: The Chancellor's Office Financial Services Accounting prepares Financial Statements for CSURMA. The Executive Committee is asked to review the Draft Financial Statement as a part of the Consent Calendar. The Chancellor's Office, Systemwide Accounting and Reporting Staff will be available at the meeting to answer questions.

RECOMMENDATION: It is recommended that the Executive Committee review and accept the Draft Financial Statement at September 30, 2017 as a part of the Consent Calendar.

FISCAL IMPACT: None.

BACKGROUND: Financial Statements provide a status of CSURMA's financial position and are relied upon for decision making by the Executive Committee.

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft Financial Statement at September 30, 2017

California State University Risk Management Authority
Member Aged Accounts Receivable
As of 10/10/2017

	Client Name	Current	31-60	61-90	Balance
a	Associated Students Inc, CSU Dominguez Hills	\$0.00	\$1,867.00	\$0.00	\$1,867.00
a	Associated Students Inc, CSU East Bay	\$0.00	\$3,856.00	\$0.00	\$3,856.00
a	Associated Students Inc, CSU Northridge	\$0.00	\$16,615.00	\$0.00	\$16,615.00
	Associated Students of CSU, Chico	\$46,793.00	\$0.00	\$0.00	\$46,793.00
	Associated Students, San Diego State University	\$82,177.00	\$0.00	\$0.00	\$82,177.00
	Cal Poly Corporation	\$20,585.00	\$0.00	\$0.00	\$20,585.00
a	Cal Poly Foundation	\$0.00	\$9,123.00	\$0.00	\$9,123.00
a	Cal State LA University Auxiliary Services Inc	\$19,319.00	\$98,036.00	\$0.00	\$117,355.00
a	California Maritime Academy Associated Students	\$0.00	\$4,321.00	\$0.00	\$4,321.00
a	California Maritime Academy Foundation	\$0.00	\$4,716.00	\$0.00	\$4,716.00
a	California State University San Marcos Corporation	\$38,155.00	\$71,037.00	\$0.00	\$109,192.00
a	Capital Public Radio, Inc.	\$0.00	\$1,032.98	\$0.00	\$1,032.98
a	Channel Islands University Auxiliary Services, Inc.	\$0.00	\$41,809.00	\$0.00	\$41,809.00
a	CSU Bakersfield Foundation	\$1,067.00	\$11,968.00	\$0.00	\$13,035.00
a	CSU Bakersfield, Auxiliary for Sponsored Programs Admin	\$0.00	\$10,707.00	\$0.00	\$10,707.00
	CSU Channel Islands Site Authority	\$30,352.00	\$0.00	\$0.00	\$30,352.00
	CSU Chico Research Foundation	\$148,602.00	\$0.00	\$0.00	\$148,602.00
a	CSU Dominguez Hills Foundation	\$0.00	\$48,758.00	\$0.00	\$48,758.00
a	CSU Dominguez Hills Philanthropic Foundation	\$0.00	\$4,546.00	\$0.00	\$4,546.00
a	CSU Fresno Athletic Corporation	\$0.00	\$21,102.00	\$0.00	\$21,102.00
	CSU Fullerton Univ Auxiliary Services Corporation	\$3,832.00	\$0.00	\$0.00	\$3,832.00
a	CSU Long Beach Research Foundation	\$0.00	\$7,040.00	\$0.00	\$7,040.00
a	CSU San Marcos Foundation	\$0.00	\$4,987.00	\$0.00	\$4,987.00
a	Donald P. & Katherine B. Loker University Student Union, Inc.	\$0.00	\$21,863.00	\$0.00	\$21,863.00
a	San Jose State University Research Foundation	\$0.00	\$20,938.00	\$0.00	\$20,938.00
a	Santos Manuel Student Union, CSU San Bernardino	\$0.00	\$50,291.00	\$0.00	\$50,291.00
	SDSU Research Foundation	\$7,986.00	\$0.00	\$0.00	\$7,986.00
	Student Union of CSU Bakersfield	\$10,076.00	\$0.00	\$0.00	\$10,076.00
	The University Corporation, CSU Northridge	\$10,722.00	\$0.00	\$0.00	\$10,722.00
a	The University Corporation, San Francisco State	\$0.00	\$32,491.00	\$610.00	\$33,101.00
a	The University Foundation, CSU Chico	\$17,119.00	\$0.00	\$0.00	\$17,119.00
	University Corporation at Monterey Bay	\$262.00	\$0.00	\$0.00	\$262.00
	University Enterprises Inc. CSU Sacramento	\$15,994.00	\$0.00	\$0.00	\$15,994.00
a	University Student Union Board, CSU Los Angeles	\$0.00	\$43,914.00	\$0.00	\$43,914.00
	University Student Union, CSU Stanislaus	\$3,375.00	\$0.00	\$0.00	\$3,375.00
	Totals:	\$456,416.00	\$531,017.98	\$610.00	\$988,043.98

a Member has indicated that payment will be processed this month.

**California State University Risk Management Authority
Outstanding Member Loan Status
As of 9/30/2017**

Loan Pool: 15% of the overall average cash and investment for the preceding 12 months (Oct 2016 - Sep 2017)

\$ 25,288,000.00

Member Name	Maturity Date	Original Issue Date	Original Issue Amount	Outstanding Loan Balance 9/30/2017	Outstanding Loan Balance 6/30/2017
CSU Sacramento	Jun 2019	May 2014	\$ 4,000,000.00	\$ 1,072,540.00	\$ 1,225,760.00
Humboldt State University	Oct 2022	Jun 2017	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,800,000.00 *
Total Loans			\$ 8,335,000.00	\$ 2,872,540.00	\$ 3,025,760.00

Remaining Amount Available for Member Loans

(The remaining amount reflects CSU Sacramento Line of credit balance of \$2,927,460.00)

\$ 19,488,000.00

Per CSURMA P&P No. 10:

A single Member loan and its associated Member's Auxiliary Organizations shall not exceed 5% of the overall average cash and investments for the preceding 12 months

\$ 8,429,333.33

* HSU Advancement Foundation transferred their loan to HSU campus in June 2017

**California State University Risk Management Authority
Travel Expenses Report**

Processed from July 1, 2017 to September 30, 2017

Travel Dates	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
7/13/2017	Zachary Gifford	Woodland Hills	CNA vs CSUF Auxiliary Services Deposition Preparation at Tobin Lucks Office	\$ -	\$ -	\$ 48.26	\$ 48.26
7/13-7/17/2017	Joseph Shepler	Tucson	CSHEMA Conference	\$ 639.00	\$ 133.44	\$ 922.77	\$ 1,695.21
7/17-7/18/2017	Zachary Gifford	San Diego	CSURMA AORMA Officers Retreat at Alliant	\$ 156.88	\$ 7.00	\$ 189.91	\$ 353.79
7/21/2017	Zachary Gifford	San Francisco/Monterey Bay	CSURMA Risk Console Implementation Project Kick-Off meeting at Alliant; AOA HR Committee Meeting Presentation with Daniel Howell at CSU Monterey Bay	\$ 212.93	\$ 12.04	\$ 332.60	\$ 557.57
7/28-8/1/2017	Zachary Gifford	Los Angeles/Cal Maritime	CNA Ins vs. CSU Deposition at Jeffrey Adleson's office; Cal Maritime campus meeting with Franz Lozano, Marianne Spotorno-Risk Manager, Amy Lightner	\$ -	\$ -	\$ 184.25	\$ 184.25
8/9-8/10/2017	Zachary Gifford	San Francisco/Oakland	Glazier Mediation at JAMS office; WC Stewardship meetings at Sedgwick office	\$ 290.59	\$ 47.54	\$ 225.71	\$ 563.84
9/6-9/8/2017	Zachary Gifford	Sacramento	AORMA LEP, AORMA Committee, and EC meetings at Alliant Office	\$ 241.10	\$ 49.07	\$ 333.61	\$ 623.78
9/28-9/29/2017	Zachary Gifford	Oakland	Alliant, Sedgwick Genex, CWCI (California WC Institute) meetings	\$ 206.78	\$ 50.23	\$ 102.89	\$ 359.90
Total Travel Expenses Processed from 07/01/2017 to 09/30/2017				\$ 1,747.28	\$ 299.32	\$ 2,340.00	\$ 4,386.60

California State University Risk Management Authority

Balance Sheet - Campus Programs as of 9/30/2017

(Unaudited)

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>IDL/NDI/UI</u>	<u>Property</u>	<u>AIME</u>	<u>Auto Liability</u>	<u>Total Campus Programs as of 9/30/2017</u>
Assets:							
Cash and Investments	10,447,167	17,037,571	3,294,375	1,769,463	1,453,840	688,469	34,690,885
Other long-term investments	35,109,131	56,853,951	10,986,787	5,917,802	4,851,964	0	113,719,636
Accounts receivable	1,536,905	940,712	0	286,631	0	0	2,764,248
Loan receivable	0	0	0	0	0	0	0
Reinsurance receivable	0	121,256	0	0	0	0	121,256
Prepaid insurance	1,919,125	22,740,232	1,735	1,067,903	13,191	0	25,742,186
Prepaid expense	341,612	2,003,032	12,254	407,603	692,205	0	3,456,706
Total assets	<u>49,353,941</u>	<u>99,696,754</u>	<u>14,295,151</u>	<u>9,449,402</u>	<u>7,011,200</u>	<u>688,469</u>	<u>180,494,917</u>
Liabilities:							
Accounts payable	50,849	3,752,952	6,164,301	7,875	254,726	0	10,230,704
Unearned revenue	10,399,099	27,253,216	11,250,000	2,727,481	3,379,748	622,133	55,631,675
SELF assessment liability	0	6,818,219	0	0	0	0	6,818,219
Reported claims	12,475,774	26,647,833	0	0	110,893	0	39,234,500
Claims incurred but not reported	10,985,689	13,056,845	0	0	2,217,851	0	26,260,385
Total liabilities	<u>33,911,411</u>	<u>77,529,065</u>	<u>17,414,301</u>	<u>2,735,356</u>	<u>5,963,217</u>	<u>622,133</u>	<u>138,175,483</u>
Fund balance	15,442,529	22,167,689	(3,119,150)	6,714,046	1,047,983	66,336	42,319,434
Total liabilities and fund balance	<u>49,353,941</u>	<u>99,696,754</u>	<u>14,295,151</u>	<u>9,449,402</u>	<u>7,011,200</u>	<u>688,469</u>	<u>180,494,917</u>

California State University Risk Management Authority

Balance Sheet - AORMA Programs as of 9/30/2017

(Unaudited)

	<u>AORMA Liability</u>	<u>AORMA Workers' Comp</u>	<u>AORMA Property</u>	<u>AORMA Crime</u>	<u>AORMA UIP</u>	<u>Total AORMA Programs as of 9/30/2017</u>
Assets:						
Cash and Investments	2,049,642	1,506,074	565,567	103,359	1,465,394	5,690,037
Other long-term investments	7,604,241	5,316,826	1,890,847	344,851	4,916,256	20,073,020
Accounts receivable	452,325	188,144	75,437	49,410	6,082	771,399
Loan receivable	0	0	0	0	0	0
Reinsurance receivable	0	0	0	0	0	0
Prepaid insurance	157,870	3,227,116	71,352	133,745	224	3,590,307
Prepaid expense	237,123	232,614	154,849	13,044	16,021	653,650
Total assets	<u>10,501,201</u>	<u>10,470,774</u>	<u>2,758,051</u>	<u>644,410</u>	<u>6,403,977</u>	<u>30,778,413</u>
Liabilities:						
Accounts payable	1,160,512	609,300	1,978	264	284,835	2,056,890
Unearned revenue	2,102,724	384,893	742,286	208,323	47,472	3,485,698
SELF assessment liability	0	0	0	0	0	0
Reported claims	617,924	2,166,536	0	0	0	2,784,460
Claims incurred but not reported	829,780	1,709,404	0	0	0	2,539,184
Total liabilities	<u>4,710,941</u>	<u>4,870,132</u>	<u>744,264</u>	<u>208,587</u>	<u>332,307</u>	<u>10,866,232</u>
Fund balance	5,790,260	5,600,642	2,013,787	435,823	6,071,669	19,912,181
Total liabilities and fund balance	<u>10,501,201</u>	<u>10,470,774</u>	<u>2,758,051</u>	<u>644,410</u>	<u>6,403,977</u>	<u>30,778,413</u>

California State University Risk Management Authority

Balance Sheet - Miscellaneous Programs as of 9/30/2017

(Unaudited)

	<u>Misc Purchased</u>	<u>OCIP</u>	<u>Club Sports</u>	<u>Loans</u>	<u>Total Misc Programs as of 9/30/2017</u>	<u>Grand Total All Programs as of 9/30/2017</u>
Assets:						
Cash and Investments	(48,481)	815,413	37,955	(678,083)	126,805	40,507,727
Other long-term investments	(162,585)	2,693,721	126,396	(2,194,457)	463,076	134,255,732
Accounts receivable	17,695	0	0	0	17,695	3,553,341
Loan receivable	0	0	0	2,872,540	2,872,540	2,872,540
Reinsurance receivable	0	0	0	0	0	121,256
Prepaid insurance	0	2,881,345	136,738	0	3,018,083	32,350,576
Prepaid expense	0	46,314	60,641	0	106,955	4,217,311
Total assets	<u>(193,371)</u>	<u>6,436,794</u>	<u>361,731</u>	<u>0</u>	<u>6,605,154</u>	<u>217,878,484</u>
Liabilities:						
Accounts payable	0	391,330	343	0	391,673	12,679,267
Unearned revenue	0	0	0	0	0	59,117,373
SELF assessment liability	0	0	0	0	0	6,818,219
Reported claims	0	0	0	0	0	42,018,960
Claims incurred but not reported	0	0	0	0	0	28,799,569
Total liabilities	<u>0</u>	<u>391,330</u>	<u>343</u>	<u>0</u>	<u>391,673</u>	<u>149,433,388</u>
Fund balance	(193,371)	6,045,464	361,388	0	6,213,480	68,445,095
Total liabilities and fund balance	<u>(193,371)</u>	<u>6,436,794</u>	<u>361,731</u>	<u>0</u>	<u>6,605,154</u>	<u>217,878,484</u>

California State University Risk Management Authority
Income Statement - Campus Programs as of 9/30/2017
(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs
OPERATING REVENUES:							
Contributions	3,933,632	9,084,405	3,750,000	2,229,556	1,126,583	207,377	20,331,553
Reinsurance premiums	(462,754)	0	0	(1,320,396)	0	0	(1,783,150)
Total operating revenues:	3,470,878	9,084,405	3,750,000	909,160	1,126,583	207,377	18,548,404
OPERATING EXPENSES:							
DIRECT PROGRAM EXPENSES:							
Claims payment & legal expenses	2,860,128	3,565,499	6,134,079	1,419,301	558,150	0	14,537,156
Deductible recoveries	(1,538,280)	0	0	0	0	0	(1,538,280)
Claims administrators	0	916,468	19,033	0	50,000	0	985,501
Claims management information system	19,581	29,027	6,431	3,513	1,919	0	60,470
Program administrator	67,269	177,373	43,241	216,507	2,648	0	507,038
Brokerage commissions	88,971	52	21	131,820	612	0	221,476
Insurance premiums	1,062,307	7,578,674	0	341,266	4,820	0	8,987,067
Actuarial services	148	373	141	83	43	0	788
Miscellaneous program services	11	0	0	0	0	0	11
Workshops/training	9,613	18,413	5,319	3,250	0	0	36,595
Loss control	60,196	10,861	0	15,794	0	0	86,851
Reinsurance/excess recovery	0	(2,717,994)	0	0	0	0	(2,717,994)
Program committee	0	0	0	0	1,629	0	1,629
Dividend distributions	0	0	0	0	0	0	0
Total direct program expenses:	2,629,943	9,578,746	6,208,265	2,131,534	619,819	0	21,168,308
GENERAL & ADMINISTRATIVE EXPENSES:							
JPA insurance	604	1,414	582	321	175	0	3,096
Memberships, associations & dues	723	26,715	685	419	211	0	28,753
Chancellor's office accounting services	14,449	33,725	13,921	7,657	4,178	0	73,929
Risk management expenses	53,982	125,979	52,005	28,601	15,623	0	276,189
Miscellaneous indirect services	842	2,163	803	472	245	0	4,524
Total general & administrative expenses:	70,600	189,996	67,996	37,469	20,432	0	386,491
Total operating expenses:	2,700,543	9,768,742	6,276,260	2,169,003	640,251	0	21,554,799
NON-OPERATING REVENUES:							
Investment income	420,829	682,440	130,800	71,071	57,921	0	1,363,061
Total non-operating revenues:	420,829	682,440	130,800	71,071	57,921	0	1,363,061
BEGINNING RETAINED EARNINGS	14,251,365	22,169,586	(723,690)	7,902,818	503,731	(141,041)	43,962,769
NET SURPLUS/(DEFICIT)	1,191,164	(1,897)	(2,395,460)	(1,188,772)	544,252	207,377	(1,643,335)
ENDING RETAINED EARNINGS	15,442,529	22,167,689	(3,119,150)	6,714,046	1,047,983	66,336	42,319,434

California State University Risk Management Authority
Income Statement - AORMA Programs as of 9/30/2017
(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs
OPERATING REVENUES:						
Contributions	1,022,937	1,151,882	590,143	69,441	323,467	3,157,869
Reinsurance premiums	(334,069)	0	(335,698)	0	0	(669,766)
Total operating revenues:	688,868	1,151,882	254,445	69,441	323,467	2,488,102
OPERATING EXPENSES:						
DIRECT PROGRAM EXPENSES:						
Claims payment & legal expenses	131,466	538,470	97,261	0	283,000	1,050,198
Deductible recoveries	(12,500)	0	0	0	0	(12,500)
Claims administrators	3,750	56,040	0	0	7,511	67,301
Claims management information system	1,760	1,928	876	131	826	5,522
Program administrator	609,206	0	187,485	0	0	796,691
Brokerage commissions	18,086	6	48,156	3,931	3	70,183
Insurance premiums	52,465	1,075,532	23,704	44,571	0	1,196,272
Actuarial services	40	45	23	3	23	134
Miscellaneous program services	0	0	0	0	0	0
Workshops/training	2,221	1,782	933	122	969	6,028
Loss control	19,876	21,731	6,394	323	2,245	50,569
Reinsurance/excess recovery	0	(225,812)	0	0	0	(225,812)
Program committee	450	492	228	30	211	1,410
Dividend distributions	1,118,480	531,918	0	0	0	1,650,398
Total direct program expenses:	1,945,300	2,002,133	365,059	49,113	294,789	4,656,394
GENERAL & ADMINISTRATIVE EXPENSES:						
JPA insurance	159	174	81	11	75	501
Memberships, associations & dues	18	2,776	11	1	12	2,818
Chancellor's office accounting services	3,805	4,159	1,926	257	1,786	11,933
Risk management expenses	14,209	15,534	7,194	961	6,672	44,571
Miscellaneous indirect services	226	258	129	17	117	748
Total general & administrative expenses:	18,417	22,901	9,341	1,248	8,663	60,570
Total operating expenses:	1,963,717	2,025,034	374,400	50,360	303,452	4,716,964
NON-OPERATING REVENUES:						
Investment income	91,209	64,187	22,673	4,137	59,011	241,218
Total non-operating revenues:	91,209	64,187	22,673	4,137	59,011	241,218
BEGINNING RETAINED EARNINGS	6,973,901	6,409,607	2,111,069	412,604	5,992,643	21,899,825
NET SURPLUS/(DEFICIT)	(1,183,640)	(808,965)	(97,283)	23,218	79,026	(1,987,644)
ENDING RETAINED EARNINGS	5,790,260	5,600,642	2,013,787	435,823	6,071,669	19,912,181

California State University Risk Management Authority
Income Statement - Miscellaneous Programs as of 9/30/2017
(Unaudited)

	Misc Purchased	OCIP	Club Sports	Total Misc Programs	Grand Total All Programs
OPERATING REVENUES:					
Contributions	203,008	0	29,750	232,758	23,722,180
Reinsurance premiums	0	0	0	0	(2,452,916)
Total operating revenues:	203,008	0	29,750	232,758	21,269,264
OPERATING EXPENSES:					
DIRECT PROGRAM EXPENSES:					
Claims payment & legal expenses	0	0	3,521	3,521	15,590,876
Deductible recoveries	0	0	0	0	(1,550,780)
Claims administrators	0	0	2,667	2,667	1,055,469
Claims management information system	0	2,615	150	2,764	68,757
Program administrator	0	0	0	0	1,303,729
Brokerage commissions	66,713	5,570	5,278	77,561	369,221
Insurance premiums	385,320	995,209	42,344	1,422,872	11,606,211
Actuarial services	0	61	4	65	986
Miscellaneous program services	0	0	0	0	11
Workshops/training	0	0	0	0	42,623
Loss control	0	0	0	0	137,420
Reinsurance/excess recovery	0	0	0	0	(2,943,806)
Program committee	0	0	0	0	3,039
Dividend distributions	0	0	0	0	1,650,398
Total direct program expenses:	452,033	1,003,455	53,963	1,509,451	27,334,153
GENERAL & ADMINISTRATIVE EXPENSES:					
JPA insurance	0	238	14	252	3,848
Memberships, associations & dues	0	28	2	30	31,600
Chancellor's office accounting services	0	5,679	334	6,013	91,875
Risk management expenses	0	21,211	1,249	22,460	343,220
Miscellaneous indirect services	0	350	15	365	5,637
Total general & administrative expenses:	0	27,506	1,614	29,120	476,181
Total operating expenses:	452,033	1,030,961	55,577	1,538,571	27,810,334
NON-OPERATING REVENUES:					
Investment income	0	0	1,534	1,534	1,605,813
Total non-operating revenues:	0	0	1,534	1,534	1,605,813
BEGINNING RETAINED EARNINGS	55,653	7,076,425	385,682	7,517,760	73,380,353
NET SURPLUS/(DEFICIT)	(249,025)	(1,030,961)	(24,294)	(1,304,279)	(4,935,258)
ENDING RETAINED EARNINGS	(193,371)	6,045,464	361,388	6,213,480	68,445,095

California State University Risk Management Authority

Income Statement as of 9/30/2017

(Unaudited)

	Budget vs. Actual			Percent of Budget
	FY 2017/18 Budget	Year-to-Date Ended 09/30/2017	Variance	
OPERATING REVENUES:				
Contributions	100,263,631	23,722,180	76,541,451	23.66 %
Reinsurance premiums	(9,984,559)	(2,452,916)	(7,531,643)	24.57 %
Total operating revenues:	90,279,072	21,269,264	69,009,808	23.56 %
OPERATING EXPENSES:				
DIRECT PROGRAM EXPENSES:				
Claims payment & legal expenses	62,538,116	15,590,876	46,947,240	24.93 %
Deductible recoveries	(6,050,000)	(1,550,780)	(4,499,220)	25.63 %
Claims administrators	4,206,920	1,055,469	3,151,451	25.09 %
Claims management information system	84,999	68,757	16,242	80.89 %
Program administrator	2,738,950	1,303,729	1,435,221	47.60 %
Brokerage commissions	1,588,892	369,221	1,219,671	23.24 %
Insurance premiums	48,022,571	11,606,211	36,416,360	24.17 %
Taxes, assessments & fees	265,500	0	265,500	0.00 %
Actuarial services	386,000	986	385,014	0.26 %
Claims audit	22,000	0	22,000	0.00 %
Coverage counsel	16,000	0	16,000	0.00 %
Program legal	24,500	0	24,500	0.00 %
Miscellaneous program services	10,000	11	9,989	0.11 %
Workshops/training	229,000	42,623	186,377	18.61 %
Loss control	964,426	137,420	827,006	14.25 %
Reinsurance/excess recovery	(17,927,963)	(2,943,806)	(14,984,157)	16.42 %
Program committee	0	3,039	(3,039)	0.00 %
Dividend distributions	1,712,755	1,650,398	62,357	96.36 %
Total direct program expenses:	98,832,666	27,334,153	71,498,513	27.66 %
GENERAL & ADMINISTRATIVE EXPENSES:				
Financial audit	35,000	0	35,000	0.00 %
Executive committee & board expenses	34,036	0	34,036	0.00 %
JPA insurance	16,000	3,848	12,152	24.05 %
Memberships, associations & dues	35,000	31,600	3,400	90.29 %
Chancellor's office accounting services	367,500	91,875	275,625	25.00 %
Risk management expenses	1,034,500	343,220	691,280	33.18 %
JPA legal	108,150	0	108,150	0.00 %
Miscellaneous indirect services	15,000	5,637	9,363	37.58 %
Total general & administrative expenses:	1,645,186	476,181	1,169,005	28.94 %
Total operating expenses:	100,477,852	27,810,334	72,667,518	27.68 %
NON-OPERATING REVENUES:				
Investment income	2,500,000	1,605,813	894,187	64.23 %
Total non-operating revenues:	2,500,000	1,605,813	894,187	64.23 %
NET SURPLUS/(DEFICIT)	(7,698,780)	(4,935,258)	(2,763,522)	64.10 %

**CANCELLATION OF THE DECEMBER 8, 2017
CSURMA EXECUTIVE COMMITTEE MEETING**

ISSUE: The CSURMA meeting calendar includes a CSURMA Executive Committee meeting scheduled for December 8, 2017. After reviewing the pending items and in consideration of the proximity to the January 7, 2018, CSURMA Executive Committee meeting, the Program Administrator recommends that the December meeting be cancelled and items deferred to the January, 2018 meeting.

RECOMMENDATION: It is recommended that the CSURMA Executive Committee take action to cancel the scheduled December 8, 2017 meeting.

FISCAL IMPACT: Cancellation of the meeting will result in a small cost savings by eliminating meeting expenses.

BACKGROUND: The CSURMA Executive Committee has recently adopted a practice of meeting in January in conjunction with the CSU Auxiliary Organizations Association annual conference which is held each January. As a result, the December meeting has become somewhat unnecessary following the November meeting.

PUBLICATION: Any change to the meeting calendar will be published on the CSURMA website.

ATTACHMENT(S):

- a. CSURMA 2017 Meeting Calendar



California State University Risk Management Authority

2017 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
8	3:00 PM	EC (AOA Conference)	San Diego	23	9:00 AM	PC	San Francisco	9	10:00 AM	AORMA	San Diego
8 - 11		AOA Annual Conference	San Diego					9	2:30 PM	EC	San Diego
11	10:30 AM	AIME	San Diego					10	8:30 AM	EC LRP	San Diego
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
				1	10:30 AM	AIME	San Francisco	TBD		AOA EC	TBD
				3	2:00 PM	BOD Orientation	Teleconference	22	1:00 PM	PC	Teleconference
				4	10:00 AM	AORMA	Long Beach				
				5	8:30 AM	EC	Long Beach				
				5	10:30 AM	BOD	Long Beach				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
17-18	11:00 AM	AORMA Officers Retreat	San Diego	TBD		AOA EC	TBD	6	9:00 AM	AORMA New Member	Sacramento
								6	10:00 AM	AORMA LRP	Sacramento
								7	9:00 AM	AORMA	Sacramento
								7	4:00 PM	EC Orientation	Sacramento
								8	8:30 AM	EC	Sacramento
								28	1:00 PM	PC	Teleconference
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
16	10:30 AM	AIME	San Francisco	TBD		AOA EC	TBD	7	10:00 AM	AORMA	TBD
	2:00 PM	BOD Orientation	Teleconference	30	8:00 AM	PC	San Francisco	8	8:30 AM	EC	TBD
26	3:00 PM	AORMA	Long Beach					7	8:00 AM	PC	San Francisco
27	9:00 AM	EC	Long Beach								
27	10:30 AM	BOD	Long Beach								

AORMA = Auxiliary Organizations Risk Management Alliance Committee

AIME = Athletic Injury Medical Expense Committee

AORMA LRP = AORMA Long Range Planning Meeting

PC = AORMA Programs Committee

AOA = CSU Auxiliary Organizations Association

BOD = CSURMA Board of Directors

EC = CSURMA Executive Committee

EC LRP = EC Long Range Planning Meeting

Note: The AOA EC meets the third Friday in the months of March, June, August and November and the Saturday afternoon before the January AOA Conference.

**REPORT ON INDEPENDENT AUDITOR'S FINANCIAL AUDIT
AT JUNE 30, 2017**

ISSUE: Pursuant to Section 16(d) of the CSURMA Joint Exercise of Powers Agreement, CSURMA contracted the independent audit firm KPMG to conduct an annual fiscal year audit (as of June 30, 2017) of the financial position of CSURMA. Christopher Ray and Liezl Sangalang from KPMG will present an overview of the report at today's meeting.

RECOMMENDATION: It is recommended that the Executive Committee review and discuss the audited financial report, taking action as necessary.

FISCAL IMPACT: None.

BACKGROUND: Section 16(d) of the California State University Risk Management Authority Joint Exercise of Power Agreement requires that an annual audit be completed for all accounts and financial statements of CSURMA.

PUBLICATION: The Financial Audit will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. The Independent Auditor's Financial Audit Report as of June 30, 2017



**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

A Discretely Presented Component Unit of the California State University

Financial Statements and Supplementary Schedules

June 30, 2017 and 2016

(With Independent Auditors' Report Thereon)

CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY
A Discretely Presented Component Unit of the California State University

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KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' Report

The Board of Directors
California State University Risk Management Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the California State University Risk Management Authority (the Authority), a component unit of the California State University, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California State University Risk Management Authority as of June 30, 2017 and 2016, and the changes in its net position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis on pages 3 through 7 and the claims development information on schedule 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information included in schedules 1 through 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Schedules 1 through 14 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 1 through 14 are fairly stated in all material respects in relation to the basic financial statements as a whole.

KPMG LLP

Irvine, California
September 22, 2017

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**
A Discretely Presented Component Unit of the California State University
Management's Discussion and Analysis
June 30, 2017 and 2016
(Unaudited)

The following discussion and analysis provides an overview of the financial position and performance of the California State University Risk Management Authority (the Authority) as of and for the years ended June 30, 2017 and 2016. It is designed to assist the readers in focusing on financial overview and analysis of the financial activities of the Authority. The discussion has been prepared by management and should be read in conjunction with the basic financial statements and accompanying notes, which follow this section.

Overview of the Financial Statements

The financial statements of the Authority as of and for the years ended June 30, 2017 and 2016 have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. For reporting purposes, the Authority is considered a special-purpose government engaged in business-type activities.

The Authority's financial statements consist of the independent auditors' report, the basic audited financial statements, notes to the financial statements, supplementary information, and required supplementary information. The Authority's basic financial statements are the Statements of Net Position, the Statements of Revenue, Expenses, and Changes in Net Position, and the Statements of Cash Flows.

Statement of Net Position – The Statement of Net Position presents the financial position of the Authority at the end of the fiscal year and includes all assets and liabilities of the Authority. The difference between total assets and total liabilities, net position, is one indicator of the current financial condition of the Authority, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

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A summary of the Authority's assets, liabilities, and net position at June 30, 2017 and 2016 is as follows:

Condensed Schedules of Net Position

June 30, 2017, 2016, and 2015

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assets:			
Current assets	\$ 26,777,000	43,574,000	40,301,000
Noncurrent assets	135,179,000	137,713,000	134,340,000
Total assets	<u>\$ 161,956,000</u>	<u>181,287,000</u>	<u>174,641,000</u>
Liabilities:			
Current liabilities	\$ 31,314,000	29,769,000	33,115,000
Noncurrent liabilities	57,262,000	64,063,000	75,465,000
Total liabilities	<u>\$ 88,576,000</u>	<u>93,832,000</u>	<u>108,580,000</u>
Net position:			
Unrestricted	<u>\$ 73,380,000</u>	<u>87,455,000</u>	<u>66,061,000</u>
Total net position	<u>\$ 73,380,000</u>	<u>87,455,000</u>	<u>66,061,000</u>

Assets

The Authority's assets totaled \$161,956,000 on June 30, 2017, a decrease of \$19,331,000, or 11%, as compared to the previous year. The decrease is mainly attributed to the decrease in investments (note 3) of \$23,946,000 due to increased insurance payments, increased dividend distributions, and investment loss. Prepaid expenses increased by \$1,720,000 due to the timing and coverage period of various insurance premiums. The Authority's assets totaled \$181,287,000 on June 30, 2016, an increase of \$6,646,000, or 4%, as compared to the previous year. The increase is mainly attributed to the increase in investments and other long-term investments of \$28,675,000 and \$4,036,000, respectively, due to the timing of the prepayment to California State Association of Counties Excess Insurance Authority (CSAC EIA or the EIA). Prepaid expenses decreased by \$26,552,000 due to the timing of payment as previously noted. The Authority's investments represent 90% and 94% of total assets as of June 30, 2017 and 2016, respectively, and consist of the Authority's share of the CSU Consolidated Investment Pool and investments held in Morgan Stanley Smith Barney.

Liabilities

The Authority's liabilities totaled \$88,576,000 on June 30, 2017, a decrease of \$5,256,000, or 6%, as compared to the previous year. The Authority's liabilities totaled \$93,832,000 on June 30, 2016, a decrease of \$14,748,000, or 14%, as compared to the previous year. These decreases are primarily due to the enrollment in the EIA, effective January 1, 2015, resulting in a decrease in claims liability, current and noncurrent, in the

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amount of \$8,108,000 and \$13,708,000 as of June 30, 2017 and 2016, respectively. The EIA is responsible for all covered losses within the amount of the self-insurance layer for the campus and Auxiliary Organizations Risk Management Alliance (AORMA) workers' compensation program (note 7); thus, the Authority is not liable for the layers covered by the EIA. Claims liability, current and noncurrent, represents 80% and 84% of the total liabilities as of June 30, 2017 and 2016, respectively.

Net Position

Net position may serve over time as a useful indicator of the Authority's financial position. Net position represents the residual measure of assets net of liabilities. Net position fluctuates annually due to the Authority's operating results for a given fiscal year, as well as investment income. The Authority's net position is all classified as unrestricted. Unrestricted net position may be designated for use by the Authority.

The Authority's net position totaled \$73,380,000 on June 30, 2017, a decrease of \$14,075,000, or 16%, as compared to the previous year. This is primarily due to increases in insurance premiums and dividends paid, and investment loss. The Authority's net position totaled \$87,455,000 on June 30, 2016, an increase of \$21,394,000, or 32%, compared to the previous year. This is primarily due to a decrease in claim losses and loss adjustment expenses and a decrease in claims liabilities, current and noncurrent, as discussed above.

Statement of Revenue, Expenses, and Changes in Net Position – The Statement of Revenue, Expenses, and Changes in Net Position is the Authority's income statement. Revenue earned and expenses incurred during the year on an accrual basis are classified as either operating or nonoperating. It presents the results of the Authority's operations and changes in its net position over the course of the fiscal year.

A summary of the Authority's statement of revenues, expenses, and changes in net position is as follows:

Condensed Schedules of Revenues, Expenses and Changes in Net Position

June 30, 2017, 2016, and 2015

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating revenues	\$ 94,006,000	93,477,000	88,376,000
Operating expenses	<u>106,980,000</u>	<u>76,716,000</u>	<u>84,800,000</u>
Operating (loss) income	(12,974,000)	16,761,000	3,576,000
Nonoperating (expenses) revenues, net	<u>(1,101,000)</u>	4,633,000	1,749,000
Change in net position	(14,075,000)	21,394,000	5,325,000
Net position, beginning of year	<u>87,455,000</u>	<u>66,061,000</u>	<u>60,736,000</u>
Net position, end of year	<u>\$ 73,380,000</u>	<u>87,455,000</u>	<u>66,061,000</u>

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Operating Revenues and Expenses

During fiscal year 2017, the operating revenues totaled \$94,006,000, an increase of \$529,000, or 1%, which is primarily due to an increase in member contributions and reinsurance premiums (notes 6 and 7 (b)). The increase in contributions is mainly due to recommended funding for the campus-covered programs and is calculated by an independent actuarial firm employed by the Authority (note 2(g)). During fiscal year 2016, the operating revenues totaled \$93,477,000, an increase of \$5,101,000, or 6%, which is primarily due to an increase in member contributions and a decrease in reinsurance premiums. Member contributions increased during 2016 consistent to the increase during 2017, as previously noted.

During fiscal year 2017, operating expenses totaled \$106,980,000, an increase of \$30,264,000, or 39%, as compared to the previous year. The increase is primarily due to increases in claim losses and loss adjustment expenses in the amount of \$9,496,000, insurance premiums of \$13,879,000, and dividends paid of \$5,729,000. The increase in insurance premiums is primarily due to excess insurance premiums paid to the EIA and other insurance carriers. During fiscal year 2016, operating expenses totaled \$76,716,000, a decrease of \$8,084,000, or 10%, as compared to the previous year. The decrease is primarily due to a decrease in claim losses and loss adjustment expenses in the amount of \$22,747,000, which was offset by an increase in insurance premiums of \$14,799,000. The increase in insurance premiums was primarily due to excess insurance premiums paid to the EIA.

Operating expenses consist of claim losses and loss adjustment expenses of \$26,671,000 and \$17,175,000, claims administration of \$9,324,000 and \$8,717,000, insurance premiums of \$52,555,000 and \$38,676,000, dividend distributions of \$15,401,000 and \$9,672,000, general and administrative of \$1,508,000 and \$1,415,000, and miscellaneous services of \$1,521,000 and \$1,061,000 for the years ended June 30, 2017 and 2016, respectively. Claim losses and loss adjustment expenses include actual claim payments made, as well as adjustments for reserves on claims. Claim case reserves are adjusted as claims develop and mature and more information about potential loss amounts is known. Reserves for claims incurred but not reported, as determined by independent actuaries, are also included in this expense category. Claims administration includes expenses incurred by the Authority for claims administrator's fees and program administrator's fees, and brokerage commissions. Dividend distributions represent the return of contributions to CSU campuses and Auxiliary Organization members. In providing insurance coverage and risk management services to its members, the Authority incurs general and administrative and miscellaneous services expenses that are budgeted and approved by the Board of Directors annually.

Nonoperating Revenues (Expenses), net

During fiscal year 2017, the nonoperating revenues totaled \$(1,101,000), a decrease of \$5,734,000, or 124%, which is primarily due to the decrease in investment income from the investment portfolio where the Authority's investments are held (note 3). During fiscal year 2016, the nonoperating revenues totaled \$4,633,000, an increase of \$2,884,000, or 165%, which is primarily due to the increase in investment income from the investment portfolio where the Authority's investments are held.

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Factors Impacting Future Periods

With respect to current facts, conditions, or decisions that may impact the financial position of the Authority, there are no known issues either internal to the Authority nor the external environment that are expected to materially impact the organization. However, there are trends that may influence the membership and developments in the commercial insurance market that warrant notice.

The Authority has a limited pool of membership consisting of the California State University (the CSU or the University) and its not-for-profit Auxiliary Organizations. The University and Auxiliary Organizations are subject to economic trends which impact funding, operations, and grants and contracts. To the extent the CSU experiences a negative fiscal environment, this can impact the funding of certain Auxiliary Organizations. In addition, a negative fiscal environment does not necessarily reduce the cost of the Authority's programs and may actually result in higher claims, such as unemployment insurance claims. The Authority has adopted conservative funding practices to protect the organization from a negative fiscal environment.

The California workers' compensation operating environment continues to be challenging due primarily to increases in the cost of medical care and prescription drugs combined with an aging workforce. To combat increasing costs to settle workers' compensation claims, the Authority has implemented a Workers' Compensation Claims Management and Return to Work Program, as well as an ongoing claims closure initiative.

Generally, the commercial insurance and reinsurance market is stable with a favorable outlook due in large part to catastrophic property claims being well below the average for the past ten years. However, weather extremes, catastrophic loss, and investment losses are areas of concern for commercial insurance carriers.

The market for excess liability for California public entities has begun to firm following several years of softening. This is largely due to a significant rise in the cost of claims, especially those involving employment practices and injuries to minors. The Authority has managed this risk by developing long-term underwriting relationships and attracting other insurers to the program.

Funds are invested by the Authority to pay expected claims in the pooled programs. The valuation of claims liabilities is discounted based on assumed investment earning rates. A divergence in the rate assumed for discounting claims liabilities and investment earnings can affect the ultimate claims liability recorded in the financial statements. To guard against possible divergence, the dividend calculations utilized to return excess funds to the membership use a more conservative calculation of equity.

The rates charged by the Authority for member contributions for the future year are generally not expected to change significantly. In the May 2017 Board of Director's meeting, the fiscal year 2018 budget was approved for operating revenues of \$90,279,000 and operating expenses of \$100,478,000.

The CSU has asked CSURMA to evaluate utilization of a captive insurer in the near future. If a captive insurer is effected, CSURMA would likely transfer commensurate assets and liabilities to the captive. Use of a captive would likely reduce CSURMA's assets but have a positive overall impact on CSURMA's financial position as the captive would be implemented if it could create overall efficiencies and reduce the CSU's total cost of risk.

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Statements of Net Position

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	2017	2016
Assets:		
Current assets:		
Cash and cash equivalents	\$ —	88,000
Investments (note 3)	13,011,000	35,579,000
Accounts receivable	7,109,000	2,505,000
Loans receivable from affiliates, current portion (note 4)	613,000	1,048,000
Interest receivable	—	5,000
Prepaid expenses	5,872,000	4,152,000
Reinsurance recoverable – workers' compensation	172,000	197,000
Total current assets	26,777,000	43,574,000
Noncurrent assets:		
Loans receivable from affiliates, net of current portion (note 4)	2,413,000	3,569,000
Other long-term investments (note 3)	132,766,000	134,144,000
Total noncurrent assets	135,179,000	137,713,000
Total assets	161,956,000	181,287,000
Liabilities:		
Current liabilities:		
Accounts payable	9,532,000	5,319,000
Unearned revenues	43,000	40,000
SELF assessment liability, current portion (note 9)	1,364,000	1,364,000
Claims liability for losses and loss adjustment expenses – current portion (note 5):		
Reported claims	12,089,000	13,672,000
Claims incurred but not reported	8,286,000	9,374,000
Total current liabilities	31,314,000	29,769,000
Noncurrent liabilities:		
SELF assessment liability, net of current portion (note 9)	6,818,000	8,182,000
Claims liability for losses and loss adjustment expenses – noncurrent portion (note 5):		
Reported claims	29,930,000	33,152,000
Claims incurred but not reported	20,514,000	22,729,000
Total noncurrent liabilities	57,262,000	64,063,000
Total liabilities	88,576,000	93,832,000
Net position:		
Unrestricted	73,380,000	87,455,000
Total net position	\$ 73,380,000	87,455,000

See accompanying notes to financial statements.

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Statements of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Member contributions (note 6)	\$ 103,447,000	100,363,000
Reinsurance premiums (note 7)	<u>(9,441,000)</u>	<u>(6,886,000)</u>
Total operating revenues	<u>94,006,000</u>	<u>93,477,000</u>
Operating expenses:		
Claim losses and loss adjustment expenses (note 5)	26,671,000	17,175,000
Claims administration	9,324,000	8,717,000
Insurance premiums	52,555,000	38,676,000
Dividend distributions (note 6)	15,401,000	9,672,000
General and administrative	1,508,000	1,415,000
Miscellaneous services	<u>1,521,000</u>	<u>1,061,000</u>
Total operating expenses	<u>106,980,000</u>	<u>76,716,000</u>
Operating (loss) income	<u>(12,974,000)</u>	<u>16,761,000</u>
Nonoperating revenues (expenses):		
Investment (loss) income, net	(1,149,000)	4,570,000
Interest income from loans	<u>48,000</u>	<u>63,000</u>
Total nonoperating (expenses) revenue, net	<u>(1,101,000)</u>	<u>4,633,000</u>
Change in net position	(14,075,000)	21,394,000
Net position, beginning of year	<u>87,455,000</u>	<u>66,061,000</u>
Net position, end of year	<u>\$ 73,380,000</u>	<u>87,455,000</u>

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Statements of Cash Flows

Years ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Receipts of member contributions	\$ 99,256,000	99,076,000
Payments to providers	(73,762,000)	(31,147,000)
Payments of claims	(35,163,000)	(30,743,000)
Dividend distribution to pool participants	(14,860,000)	(9,770,000)
Net cash (used in) provided by operating activities	(24,529,000)	27,416,000
Cash flows from noncapital and related financing activities:		
Loans disbursed to related entities	—	(1,000,000)
Payments received on loans to related entities	1,591,000	1,751,000
Loan interest income received	53,000	63,000
Net cash provided by noncapital and related financing activities	1,644,000	814,000
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	789,229,000	651,608,000
Purchases of investments	(767,398,000)	(683,418,000)
Investment (loss) income, net	966,000	3,668,000
Net cash provided by (used in) investing activities	22,797,000	(28,142,000)
Net change in cash and cash equivalents	(88,000)	88,000
Cash and cash equivalents at beginning of year	88,000	—
Cash and cash equivalents at end of year	\$ —	88,000
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:		
Operating (loss) income	\$ (12,974,000)	16,761,000
Adjustments to reconcile net operating (loss) income to net cash (used in) provided by operating activities:		
Changes in assets and liabilities:		
Decrease (increase) in prepaid expenses	(1,720,000)	26,552,000
Increase in accounts receivable	(4,604,000)	(1,705,000)
Decrease in reinsurance recoverable – workers' compensation	25,000	556,000
Increase in accounts payable	4,213,000	320,000
Increase in unearned revenues	3,000	3,000
Decrease in SELF assessment liability	(1,364,000)	(1,363,000)
Decrease in claims liability for losses and loss adjustment expenses	(8,108,000)	(13,708,000)
Net cash (used in) provided by operating activities	\$ (24,529,000)	27,416,000

See accompanying notes to financial statements.

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(1) Organization

On January 1, 1997, the University and certain Auxiliary Organizations of the University established the California State University Risk Management Authority pursuant to the provisions of Section 6500 et seq. of the California Government Code (the Code). The Code authorizes the CSU and Auxiliary Organizations to establish and operate pooled coverage programs and to provide related services. The Authority provides entity risk pooling programs for workers' compensation, general liability, industrial and nonindustrial disability, unemployment insurance coverage, property, construction, and other risk-related programs for its member organizations (the Members). Members participating in the Authority's coverage programs at June 30, 2017 and 2016 are as follows:

<u>Campus location</u>	<u>Members</u>
Bakersfield	California State University, Bakersfield
Bakersfield	Associated Students, California State University, Bakersfield, Inc.
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs Administration
Bakersfield	California State University, Bakersfield Foundation
Bakersfield	California State University, Bakersfield Student Union, Inc.
Chancellor's Office	Office of the Chancellor
Chancellor's Office	California State University Foundation
Chancellor's Office	California State University Institute
Channel Islands	California State University, Channel Islands
Channel Islands	Associated Students of California State University, Channel Islands, Inc.
Channel Islands	California State University Channel Islands Foundation
Channel Islands	University Glen Corporation
Chico	California State University, Chico
Chico	Associated Students of California State University, Chico
Chico	Auxiliary Organization Associations
Chico	The CSU, Chico Research Foundation
Chico	The University Foundation, California State University, Chico
Dominguez Hills	California State University, Dominguez Hills
Dominguez Hills	Associated Students, California State University, Dominguez Hills
Dominguez Hills	California State University, Dominguez Hills Foundation
Dominguez Hills	CSU Dominguez Hills Philanthropic Foundation*
Dominguez Hills	Loker University Student Union, Incorporated
East Bay	California State University, East Bay
East Bay	Associated Students, California State University, East Bay
East Bay	Cal State East Bay Educational Foundation
East Bay	California State University, East Bay Foundation, Inc.

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<u>Campus location</u>	<u>Members</u>
Fresno	California State University, Fresno
Fresno	Associated Students, Inc. of California State University, Fresno
Fresno	California State University, Fresno Association, Inc.
Fresno	California State University, Fresno Foundation
Fresno	Fresno State Programs for Children, Inc.
Fresno	The Agricultural Foundation of California State University, Fresno
Fresno	The California State University, Fresno Athletic Corporation
Fullerton	California State University, Fullerton
Fullerton	Associated Students, California State University, Fullerton, Inc.
Fullerton	Cal State Fullerton Philanthropic Foundation
Fullerton	CSU Fullerton Auxiliary Services Corporation
Humboldt	Humboldt State University
Humboldt	Associated Students, Humboldt State University
Humboldt	Humboldt State University Advancement Foundation
Humboldt	Humboldt State University Center Board of Directors
Humboldt	Humboldt State University Sponsored Programs Foundation
Long Beach	California State University, Long Beach
Long Beach	Associated Students, California State University, Long Beach
Long Beach	California State University, Long Beach Research Foundation
Long Beach	CSULB 49er Foundation
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach
Los Angeles	California State University, Los Angeles
Los Angeles	Associated Students, California State University, Los Angeles, Inc.
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
Los Angeles	California State University, Los Angeles Foundation
Los Angeles	University-Student Union Board, California State University, Los Angeles
Maritime Academy	California Maritime Academy
Maritime Academy	California Maritime Academy Foundation, Inc.
Maritime Academy	The Associated Students of the California Maritime Academy
Monterey Bay	California State University, Monterey Bay
Monterey Bay	Foundation of California State University, Monterey Bay
Monterey Bay	The University Corporation at Monterey Bay
Northridge	California State University, Northridge
Northridge	Associated Students, California State University, Northridge, Inc.
Northridge	California State University, Northridge Foundation
Northridge	North Campus University Park Development Corporation
Northridge	The University Corporation, CSU Northridge
Northridge	University Student Union of California State University, Northridge

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<u>Campus location</u>	<u>Members</u>
Pomona	California State Polytechnic University, Pomona
Pomona	Associated Students Inc., California State Polytechnic University, Pomona
Pomona	The Cal Poly Pomona Foundation, Inc.
Sacramento	California State University, Sacramento
Sacramento	Associated Students of California State University, Sacramento
Sacramento	Capital Public Radio, Inc., CSU Sacramento
Sacramento	The University Foundation at Sacramento State
Sacramento	University Enterprises, Inc., CSU Sacramento
Sacramento	University Union Operation of CSUS, Inc.
San Bernardino	California State University, San Bernardino
San Bernardino	Associated Students Inc., California State University, San Bernardino
San Bernardino	CSUSB Philanthropic Foundation
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino
San Bernardino	University Enterprises Corporation at CSUSB
San Diego	San Diego State University
San Diego	Associated Students, San Diego State University
San Diego	Aztec Shops, Ltd., San Diego State University
San Diego	San Diego State University Research Foundation
San Diego	The Campanile Foundation
San Francisco	San Francisco State University
San Francisco	Associated Students, Inc., San Francisco State University
San Francisco	San Francisco State University Foundation
San Francisco	The University Corporation, San Francisco State
San Jose	San Jose State University
San Jose	Associated Student, San Jose State University
San Jose	San Jose State University Research Foundation
San Jose	Spartan Shops, Inc., San Jose State University
San Jose	The Student Union of San Jose State University
San Jose	The Tower Foundation, San Jose State University
San Luis Obispo	California Polytechnic State University, San Luis Obispo
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo

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<u>Campus location</u>	<u>Members</u>
San Luis Obispo	Cal Poly Corporation
San Luis Obispo	California Polytechnic State University Foundation
San Marcos	California State University, San Marcos
San Marcos	California State University San Marcos Foundation
San Marcos	San Marcos University Corporation
San Marcos	The Associated Students of California State University, San Marcos
San Marcos	University Auxiliary and Research Services Corporation
Sonoma	Sonoma State University
Sonoma	Associated Students of Sonoma State University
Sonoma	Sonoma State Enterprises, Inc.
Sonoma	Sonoma State University Academic Foundation, Inc.
Stanislaus	California State University, Stanislaus
Stanislaus	Associated Students, Inc., California State University, Stanislaus
Stanislaus	California State University, Stanislaus Auxiliary and Business Services
Stanislaus	California State University, Stanislaus Foundation
Stanislaus	University Student Union of California State University, Stanislaus
Stanislaus	California State University, Stanislaus
Stanislaus	Associated Students, Inc., California State University, Stanislaus
Stanislaus	California State University, Stanislaus Auxiliary and Business Services
Stanislaus	California State University, Stanislaus Foundation
Stanislaus	University Student Union of California State University, Stanislaus

The accompanying financial statements are also included in the CSU financial statements.

The Authority is managed by a board of directors, which is composed of 30 directors appointed by the CSU Executive Vice Chancellor, Business and Finance, and 10 directors elected by the Auxiliary Organizations, which are members of the Authority. The Executive Vice Chancellor may also appoint alternate representatives who shall serve in the absence of the primary representatives. Directors elected by the Auxiliary Organizations serve subject to terms and conditions adopted by the Auxiliary Organizations for election and replacement of the same. Each director of the Authority must be an officer, director, or employee of the University or an Auxiliary Organization.

The Authority assumed the losses of the University's risk pool on January 1, 1997 (inception date) in exchange for a commitment from the University to fund incurred losses. In addition, the University has made the commitment to provide sufficient cash flows to the Authority to meet its operating needs.

All post-development costs of the Authority's programs are funded by annual premiums charged to members participating in the program each policy year and by interest earnings on the accumulated funds. Premiums are based on a cost allocation plan and rating formula developed by the Authority with the assistance of an actuary, risk management consultant, and other qualified persons. The premium for each member participating in the shared risk programs includes the member's share of expected program

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losses, program reinsurance costs, and program administrative costs for the year. If the Authority experiences unusually large losses in one of the aforementioned programs during a policy year, those pooled funds for the program may be exhausted or depleted before the next annual premiums are due. The board of directors may, upon consultation with an actuary, impose assessments on all participating members in the respective program, which, in total amount, will assure adequate funds to the Authority for the payment of all incurred losses.

The Authority coordinates the claims process in conjunction with various agencies processing the claims. These agencies include the State of California Attorney General's Office (AG), Sedgwick Claims Management Services, Inc. (Sedgwick), Carl Warren & Company, CSU's Office of General Counsel, Systemwide Risk Management, Alliant Insurance Services (Alliant), the CSU Office of the Chancellor, and the 23 CSU campuses. Sedgwick is the third-party administrator (TPA) for all workers' compensation claims involving campuses and Auxiliary Organizations. Carl Warren & Company is the TPA for Auxiliary Organization liability claims. Health Special Risk, Inc and AG Administrator are the TPAs for Athletic Injury Medical Expense (AIME) and Club Sports Insurance Program (CSIP) claims. Alliant administers all entity risk pooling programs provided by the Authority.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements for the Authority have been prepared under the standards promulgated by the Governmental Accounting Standards Board (GASB) using the accrual basis of accounting and economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The financial statements include the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. The Authority is considered a special-purpose government. The Authority records revenues primarily from fees collected from the campuses and Auxiliary Organizations and, accordingly, has chosen to present its financial statements using the reporting model for special-purpose governments engaged only in business-type activities. This model allows all financial information for the Authority to be reported in a single column in each of the financial statements.

(b) Classification of Current and Noncurrent Assets (Other than Investments) and Liabilities

The Authority considers assets to be current when they can be reasonably expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the Statements of Net Position date. Liabilities that can be reasonably expected, as part of normal Authority business operations, to be liquidated within 12 months of the Statements of Net Position date are considered to be current. All other assets and liabilities are considered to be noncurrent. For classification of current and noncurrent investments, refer to note 2(d).

(c) Cash and Cash Equivalents and Statements of Cash Flows

The Authority considers all highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents. The Authority considers amounts included in the Morgan Stanley

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Smith Barney and the CSU Consolidated Investment Pool to be investments. Certain transactions recorded as revenues or expenses in the accompanying Statements of Revenues, Expenses and Changes in Net Position include transactions between entities that are also participants in the Investment Pool. The Authority considers changes in the respective participants' equity in the Investment Pool resulting from these transactions to represent cash flows of the Authority in the accompanying Statements of Cash Flows.

(d) Investments

Investments are reflected at fair value using quoted market prices. Realized and unrealized gains and losses are included in the accompanying Statements of Revenues, Expenses, and Changes in Net Position as a component of investment income, net.

Investments that are used for current operations are classified as short-term investments. Investments that are restricted for withdrawal or use for other than current operations, designated or restricted for the acquisition or construction of noncurrent assets, designated or restricted for the liquidation of the noncurrent portion of long-term debt, or restricted as to the liquidity of the investments are classified as other long-term investments.

(e) Accounts Receivable

Accounts receivable represents amounts due from the Members as of June 30, 2017 and 2016.

(f) Reinsurance Recoverable

Reinsurance recoverable represents estimated amounts due from reinsurers, who reinsured the CSU's workers' compensation claims liability for claims incurred during the fiscal year. The reported amounts represent recoverable estimates related to paid claims and claim adjustment expenses as of June 30, 2017 and 2016. The estimated amounts recoverable from the reinsurers that are related to the liabilities for unpaid claims and claim adjustment expenses are deducted from those claims liabilities for losses and loss adjustment expenses; refer to note 2(h).

(g) Member Contributions

The Authority reports contributions in the Statements of Revenues, Expenses, and Changes in Net Position for those revenues received from its members. The contribution calculation for the campuses is based on program funding policies and procedures, and a rating plan to meet their pro rata share of the anticipated claims liabilities for losses and loss adjustment expenses. The contribution calculation for Auxiliary Organizations is based on various rating plans, such as the actuary's projections and loss rates. Contributions are recorded as revenue for the policy year in which coverage is provided.

(h) Claims Liability for Losses and Loss Adjustment Expenses

The claims liability for losses and loss adjustment expenses included in the accompanying financial statements reflect the estimated ultimate cost of settling claims relating to events that have occurred on or before June 30, 2017 and 2016. The liability includes the estimated amount that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not been reported. The liability is also reduced by estimated amounts recoverable from the

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reinsurer that are related to the liability for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. The liability is not discounted.

Claims liability is recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made.

In estimating unpaid losses and loss adjustment expenses, the Authority has employed methods and assumptions considered reasonable and appropriate given the information currently available. Given the inherent uncertainty in the nature of such estimates, future losses may deviate from those estimates.

(i) Dividend Distributions

The Authority reports dividends in the Statements of Revenues, Expenses, and Changes in Net Position for the return of contributions to the Members. Dividends to CSU campuses are based on the review of the funding status report by the Executive Committee and are distributed to each member by their pro rata contributions over the past five completed fiscal years. Dividends to any participating Auxiliary Organization are calculated and distributed in accordance with the Dividends and Assessment Policy. Dividend distributions are accrued as dividend expense once they are approved and declared by the Executive Committee and the Auxiliary Organizations Risk Management Alliance (AORMA) Committee.

(j) Net Position

The Authority's net position is classified as unrestricted. Unrestricted net position may be designated for use by the Authority. The Authority has adopted a policy of utilizing restricted funds, when available, prior to unrestricted funds.

(k) Classification of Revenues and Expenses

The Authority considers operating revenues and expenses in the Statements of Revenues, Expenses, and Changes in Net Position to be those revenues and expenses that result from exchange transactions or other activities that are connected directly to the Authority's primary functions. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB requirements. These nonoperating activities include the Authority's investment income, net, and interest income from loans.

(l) Income Taxes

The Authority was formed pursuant to the Code Section 6500 et seq. and, as a governmental entity, is not subject to federal or state income taxes under §115 of the Internal Revenue Code of 1986.

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(m) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

(3) Cash and Cash Equivalents, Investments, and Investment Income, Net

The Authority's cash, cash equivalents, and investments as of June 30, 2017 and 2016 are classified in the accompanying Statements of Net Position as follows:

	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ —	88,000
Short-term investments	13,011,000	35,579,000
Other long-term investments	<u>132,766,000</u>	<u>134,144,000</u>
Total investments	<u>\$ 145,777,000</u>	<u>169,811,000</u>

(a) Cash and Cash Equivalents

The Authority maintains centralized management for substantially all of its cash and cash equivalents. Cash in demand deposit accounts is minimized by sweeping available cash balances into the CSU Consolidated Investment Pool on a daily basis.

At June 30, 2017 and 2016, the Authority's cash and cash equivalents consist of demand deposits held at a financial institution. The carrying amount of the cash in demand deposit accounts were \$110,000 and \$188,000 at June 30, 2017 and 2016, respectively. The primary difference between the book and bank balance is due to outstanding checks and cash awaiting investment in the CSU Consolidated Investment Pool.

(b) Investments

At June 30, 2017 and 2016, the Authority's investment portfolio consists of investments held in Morgan Stanley Smith Barney and the CSU Consolidated Investment Pool. Separate accounting is maintained as to the amounts allocable to the various funds and programs.

(i) Investment Policy

State law and regulations require that surplus monies of the Authority must be invested. The primary objective of the Authority's investment policy is to safeguard the principal. The secondary objective is to meet the liquidity needs of the Authority. The third objective is to return an acceptable yield.

The Authority's investment policy authorizes funds held in local trust accounts under Education Code Sections 89721 and 89724 to be invested in any of the securities authorized by Government

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Code Sections 16430 and 53601, and Education Code Section 89724, subject to certain limitations. In general, the Authority's investment policy permits investments in obligations of the Federal and California state governments, certificates of deposit, high-quality domestic corporate and fixed-income securities, and certain other investment instruments.

(ii) Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian the investments or deposits may not be returned to the Authority. Substantially all of the Authority's securities are registered in the Authority's name by the custodial bank as an agent for the Authority. The Authority's deposits are maintained at financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured. As a result, custodial credit risk for such investments and deposits is remote.

(iii) Interest Rate Risk

Interest rate risk is the risk that fluctuations in interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to fluctuations in market interest rates. The Authority's investment guidelines measure interest rate risk by limiting an eligible investment to a maximum effective maturity and by limiting the average duration of the portfolio. The effective maturity date reflects a bond with embedded options, such as a call, put, or reset date, and prepayment speed resulting in the maturity of a bond being less than its final maturity date. Duration is a measure of the sensitivity of the price of an investment relative to fluctuations in market interest rates.

Durations of the Authority's investment portfolio for each investment type as of June 30, 2017 are presented in the table below.

<u>Investment type</u>	<u>Fair value</u>	<u>Duration (in years)</u>
Asset-backed securities	\$ 4,662,000	3.45666
Certificates of deposit	552,000	0.28861
Corporate bonds	25,016,000	2.90613
International bonds	1,242,000	5.30739
Money market funds	1,252,000	—
Mortgage-backed securities	6,880,000	3.62214
Municipal bonds	5,418,000	6.29680
Repurchase agreements	37,000	0.00813
U.S. agency securities	8,772,000	2.70064
U.S. Treasury securities	91,946,000	3.66613
Total investments	<u>\$ 145,777,000</u>	

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Durations of the Authority's investment portfolio for each investment type as of June 30, 2016 are presented in the table below.

<u>Investment type</u>	<u>Fair value</u>	<u>Duration (In years)</u>
Asset-backed securities	\$ 9,161,000	3.00753
Certificates of deposit	2,710,000	0.22407
Commercial paper	101,000	0.32250
Corporate bonds	32,995,000	2.70329
International bonds	1,291,000	6.05772
Money market funds	294,000	—
Mortgage-backed securities	10,853,000	3.59848
Municipal bonds	1,795,000	1.55822
Repurchase agreements	205,000	0.00272
U.S. agency securities	18,407,000	2.27217
U.S. Treasury securities	91,911,000	3.65904
Total investments	<u>\$ 169,723,000</u>	

Another way the Authority manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity evenly over time as necessary to provide cash flow and liquidity needed for operations.

(iv) *Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization.

By law, the Authority invests in low credit risk securities, such as U.S. government securities, securities of federally sponsored agencies, highly rated domestic corporate bonds, prime-rated commercial paper, repurchase and reverse repurchase agreements, banker's acceptances, and negotiable certificates of deposit. Therefore, occurrence of credit risk is remote.

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Ratings of the Authority's investment portfolio for each investment type as of June 30, 2017 are presented in the table below.

Investment type	Fair value	Rating as of year-end				
		AAA	AA	A	BBB	Not rated
Asset-backed securities	\$ 4,662,000	3,832,000	194,000	636,000	—	—
Certificates of deposit	552,000	233,000	69,000	250,000	—	—
Corporate bonds	25,016,000	677,000	1,674,000	12,611,000	6,309,000	3,745,000
International bonds	1,242,000	—	1,242,000	—	—	—
Money market funds	1,252,000	—	—	20,000	—	1,232,000
Mortgage-backed securities	6,880,000	—	5,587,000	—	—	1,293,000
Municipal bonds	5,418,000	—	5,418,000	—	—	—
Repurchase agreements	37,000	—	—	9,000	—	28,000
U.S. agency securities	8,772,000	72,000	6,656,000	—	—	2,044,000
U.S. Treasury securities	91,946,000	—	91,946,000	—	—	—
Total investments	\$ 145,777,000	4,814,000	112,786,000	13,526,000	6,309,000	8,342,000

Ratings of the Authority's investment portfolio for each investment type as of June 30, 2016 are presented in the table below.

Investment type	Fair value	Rating as of year-end				
		AAA	AA	A	BBB	Not rated
Asset-backed securities	\$ 9,161,000	8,948,000	213,000	—	—	—
Certificates of deposit	2,710,000	—	353,000	2,357,000	—	—
Commercial paper	101,000	—	—	101,000	—	—
Corporate bonds	32,995,000	2,724,000	3,378,000	15,150,000	9,338,000	2,405,000
International bonds	1,291,000	—	1,291,000	—	—	—
Money market funds	294,000	—	—	30,000	—	264,000
Mortgage-backed securities	10,853,000	—	10,853,000	—	—	—
Municipal bonds	1,795,000	—	1,795,000	—	—	—
Repurchase agreements	205,000	—	—	49,000	—	156,000
U.S. agency securities	18,407,000	—	16,022,000	338,000	—	2,047,000
U.S. Treasury securities	91,911,000	—	84,085,000	—	—	7,826,000
Total investments	\$ 169,723,000	11,672,000	117,990,000	18,025,000	9,338,000	12,698,000

(v) *Concentration Risk*

Concentration risk rises as investments become concentrated relative to a portfolio characteristic such as issuance, issuer, market sector, counter party, or sovereign nation and is best mitigated by diversification. The Authority's investment policy has concentration limits that provide sufficient diversification. As a result, the occurrence of concentration risk is remote.

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As of June 30, 2017 and 2016, there were no investments of the CSU Consolidated Investment Pool and CSU Risk Management Authority of SB FAM Program (other than U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of the Authority's total investment portfolio.

(vi) *Fair Value Measurements*

The Authority uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine the fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for the Authority's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The Authority groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability. This valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation.

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The following table presents investments that are measured at fair value on a recurring basis at June 30, 2017:

<u>Investment type</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Net Asset Value</u>
Asset-backed securities	\$ 4,662,000	1,113,000	3,549,000	—
Certificates of deposit	552,000	—	552,000	—
Corporate bonds	25,016,000	479,000	24,537,000	—
International bonds	1,242,000	—	1,242,000	—
Money market funds	1,252,000	—	—	1,252,000
Mortgage-backed securities	6,880,000	—	6,880,000	—
Municipal bonds	5,418,000	—	5,418,000	—
Repurchase agreement	37,000	—	37,000	—
U.S. agency securities	8,772,000	2,372,000	6,400,000	—
U.S. Treasury securities	91,946,000	—	91,946,000	—
Total investments	<u>\$ 145,777,000</u>	<u>3,964,000</u>	<u>140,561,000</u>	<u>1,252,000</u>

The following table presents investments that are measured at fair value on a recurring basis at June 30, 2016:

<u>Investment type</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>
Asset-backed securities	\$ 9,161,000	—	9,161,000
Certificates of deposit	2,710,000	—	2,710,000
Commercial paper	101,000	—	101,000
Corporate bonds	32,995,000	—	32,995,000
International bonds	1,291,000	—	1,291,000
Money market funds	294,000	294,000	—
Mortgage-backed securities	10,853,000	1,862,000	8,991,000
Municipal bonds	1,795,000	—	1,795,000
Repurchase agreement	205,000	—	205,000
U.S. agency securities	18,407,000	—	18,407,000
U.S. Treasury securities	91,911,000	91,911,000	—
Total investments	<u>\$ 169,723,000</u>	<u>94,067,000</u>	<u>75,656,000</u>

The following discussion describes the valuation methodologies used for financial assets and liabilities measured at fair value. The techniques utilized in estimating the fair value are affected by the assumptions used.

Investments are classified in Level 1 as fair value are obtained at the last sale price on the last business day of the current fiscal year, as quoted on a recognized exchange or an industry

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standard pricing service, when available. Investments for which no sale was reported as of the close of the last business day of the current fiscal year are valued at the quoted bid price provided by the Authority's external investment managers or their custodians.

Investments are classified in Level 2 as fair value are calculated using valuations that include observable market quoted prices for similar assets or liabilities. Observable inputs other than quoted prices such as price services or indices, estimates, appraisals, assumptions, and other methods that are reviewed by management. Changes in market conditions and economic environments may impact the net asset value of the funds and consequently the fair value of the Authority's interests in the funds.

There were no assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during 2017 or 2016.

Money Market Funds are not categorized under the fair value hierarchy and are shown at Net Asset Value. These investments are measured at amortized cost when calculating NAV per share (or its equivalent) of the investment.

(c) Investment Income, Net

Investment income, net, included within the Statements of Revenues, Expenses, and Changes in Net Position comprises unrealized losses and gains of \$(2,115,000) and \$902,000, realized losses and gains of \$(1,465,000) and \$1,427,000, and interest and dividend income of \$2,431,000 and \$2,241,000 for the years ended June 30, 2017 and 2016, respectively.

(4) Loans Receivable from Affiliates

In November 2008, the Authority entered into a loan agreement with California State University, Fresno, in the amount of \$4,500,000. The loan term is for a 5-year period that amortizes based on a 20-year amortization schedule, with principal and interest due and payable quarterly, payable 30 days following the end of each calendar quarter. The interest rate is equal to the stated CSU Consolidated Investment Pool rate of return earned by the Authority (0.106% at June 30, 2017). The initial maturity date of the loan was October 31, 2013. On September 12, 2013, Executive Members approved California State University, Fresno's loan extension request in the amount of \$2,542,000 for an additional 5 years, extending the maturity date to September 30, 2018. The loan was paid off on November 3, 2016.

In August 2008, the Authority entered into a loan agreement with Humboldt State University Advancement Foundation in the amount of \$2,535,000. The loan is nonamortizing, with interest due and payable quarterly, payable 30 days following the end of each calendar quarter. The interest rate is equal to the stated CSU Consolidated Investment Pool rate of return earned by the Authority (0.106% at June 30, 2017). The initial maturity date of the loan was October 31, 2013. On December 6, 2012, Executive Members approved Humboldt State University Advancement Foundation's loan extension request for an additional 5 years in the amount of \$2,000,000, maturing on October 31, 2017. On May 5, 2017, Executive Members approved the transfer of the loan to Humboldt State University, conditional on a payment of \$200,000 toward the loan, which was paid on June 20, 2017. The amounts outstanding on the loan were \$0 and \$2,000,000 as of June 30, 2017 and 2016, respectively.

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In June 2017, the Authority entered into a loan agreement with Humboldt State University in the amount of \$1,800,000. The loan is nonamortizing, with interest due and payable quarterly, payable 30 days following the end of each calendar quarter. The interest rate is equal to the stated CSU Consolidated Investment Pool rate of return earned by the Authority (0.106% at June 30, 2017). The maturity date of the loan is October 31, 2022. The amounts outstanding on the loan were \$1,800,000 and \$0 as of June 30, 2017 and 2016, respectively.

In May 2014, the Authority entered into a line-of-credit agreement with California State University, Sacramento in the amount of \$4,000,000, and \$1,226,000 of which was drawn against the line as of June 30, 2017. The line-of-credit will be available for a 5-year period with principal and interest due and payable quarterly, payable 30 days following the end of each calendar quarter. The interest rate is equal to the stated CSU Consolidated Investment Pool rate of return earned by the Authority (0.106% at June 30, 2017). The maturity date of the line-of-credit is June 1, 2019. The amounts outstanding on the loan were \$1,226,000 and \$2,353,000 as of June 30, 2017 and 2016, respectively.

The following table summarizes the Authority's loans receivable from affiliates as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
California State University, Fresno	\$ —	264,000
Humboldt State University Advancement Foundation	—	2,000,000
Humboldt State University	1,800,000	—
California State University, Sacramento	<u>1,226,000</u>	<u>2,353,000</u>
Total loans receivable from affiliates	3,026,000	4,617,000
Less current portion	<u>(613,000)</u>	<u>(1,048,000)</u>
Loans receivable from affiliates, net of current portion	<u>\$ 2,413,000</u>	<u>3,569,000</u>

(5) Claims Liability for Losses and Loss Adjustment Expenses

The Authority establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related loss adjustment expenses. Although considerable variability is inherent in such estimates, management believes that the liability is reasonable at June 30, 2017 and 2016.

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Changes in the Authority's claims liability for the years ended June 30, 2017 and 2016 are as follows:

Claims liability for losses and loss adjustment expenses, June 30, 2015	\$ 92,635,000
Incurred claims for losses and loss adjustment expenses:	
Provision for insured events of the current fiscal year	56,800,000
Decrease in provision for reinsured events of the current fiscal year	(24,959,000)
Decrease in provision for insured events of prior fiscal years	<u>(14,666,000)</u>
Total incurred claims for losses and loss adjustment expenses	<u>17,175,000</u>
Payments:	
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	(18,993,000)
Claims and claim adjustment expenses attributable to recoveries from reinsured events of the current fiscal year	9,335,000
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(21,225,000)</u>
Total payments	<u>(30,883,000)</u>

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Claims liability for losses and loss adjustment expenses, June 30, 2016	\$ 78,927,000
Less current portion	<u>(23,046,000)</u>
Claims liability for losses and loss adjustment expenses, June 30, 2016, net of current portion	<u>55,881,000</u>
Incurred claims for losses and loss adjustment expenses:	
Provision for insured events of the current fiscal year	60,246,000
Decrease in provision for reinsured events of the current fiscal year	(26,653,000)
Decrease in provision for insured events of prior fiscal years	<u>(6,922,000)</u>
Total incurred claims for losses and loss adjustment expenses	<u>26,671,000</u>
Payments:	
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	(20,858,000)
Claims and claim adjustment expenses attributable to recoveries from reinsured events of the current fiscal year	13,800,000
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(27,721,000)</u>
Total payments	<u>(34,779,000)</u>
Claims liability for losses and loss adjustment expenses, June 30, 2017	70,819,000
Less current portion	<u>(20,375,000)</u>
Claims liability for losses and loss adjustment expenses, June 30, 2017, net of current portion	<u>\$ 50,444,000</u>

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(6) Related-Party Transactions

The following represents a summary of the accounts receivable, contributions (premiums), dividend distribution for the years ended June 30, 2017 and 2016, and general liability insurance deductibles for the policy period detailed by campus:

<u>Members</u>	<u>June 30, 2017</u>			
	<u>Accounts receivable</u>	<u>Contributions for the fiscal year</u>	<u>Dividend distribution</u>	<u>General liability insurance deductibles per occurrence</u>
Bakersfield	\$ —	1,642,000	(305,000)	35,000
California Maritime Academy	—	629,000	(105,000)	35,000
Chancellor's Office	5,492,000	12,501,000	(244,000)	100,000
Channel Islands	—	1,606,000	(279,000)	35,000
Chico	—	2,739,000	(525,000)	250,000
Dominguez Hills	—	2,531,000	(573,000)	100,000
East Bay	—	3,513,000	(531,000)	500,000
Fresno	—	3,279,000	(1,002,000)	250,000
Fullerton	—	4,337,000	(685,000)	250,000
Humboldt	—	2,227,000	(426,000)	50,000
Long Beach	—	6,283,000	(1,091,000)	250,000
Los Angeles	—	4,208,000	(697,000)	250,000
Monterey Bay	—	1,588,000	(290,000)	35,000
Northridge	—	5,678,000	(843,000)	750,000
Pomona	—	4,386,000	(753,000)	250,000
Sacramento	—	3,716,000	(625,000)	900,000
San Bernardino	—	3,090,000	(547,000)	50,000
San Diego	—	5,801,000	(843,000)	900,000
San Francisco	—	4,847,000	(939,000)	500,000
San Jose	—	5,013,000	(747,000)	750,000
San Luis Obispo	—	4,719,000	(651,000)	250,000
San Marcos	—	1,781,000	(320,000)	50,000
Sonoma	—	2,168,000	(397,000)	100,000
Stanislaus	—	1,694,000	(269,000)	35,000
Auxiliary Organizations	482,000	13,471,000	(1,714,000)	Various
	<u>\$ 5,974,000</u>	<u>103,447,000</u>	<u>(15,401,000)</u>	

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**
A Discretely Presented Component Unit of the California State University

Notes to Financial Statements

June 30, 2017 and 2016

June 30, 2016				
Members	Accounts receivable	Contributions for the fiscal year	Dividend distribution	General liability insurance deductibles per occurrence
Bakersfield	\$ —	1,582,000	(207,000)	35,000
California Maritime Academy	—	554,000	(72,000)	35,000
Chancellor's Office	1,385,000	10,662,000	(156,000)	100,000
Channel Islands	—	1,576,000	(173,000)	35,000
Chico	—	2,638,000	(325,000)	250,000
Dominguez Hills	—	2,560,000	(388,000)	100,000
East Bay	—	3,468,000	(296,000)	500,000
Fresno	—	3,308,000	(739,000)	250,000
Fullerton	—	4,021,000	(405,000)	250,000
Humboldt	—	2,334,000	(287,000)	50,000
Long Beach	—	6,389,000	(672,000)	250,000
Los Angeles	—	4,083,000	(389,000)	250,000
Monterey Bay	—	1,481,000	(196,000)	35,000
Northridge	—	5,429,000	(484,000)	750,000
Pomona	—	3,974,000	(441,000)	250,000
Sacramento	—	3,671,000	(386,000)	900,000
San Bernardino	—	2,851,000	(361,000)	50,000
San Diego	—	5,773,000	(481,000)	900,000
San Francisco	—	4,934,000	(554,000)	500,000
San Jose	—	4,928,000	(464,000)	750,000
San Luis Obispo	—	4,659,000	(364,000)	250,000
San Marcos	—	1,637,000	(230,000)	50,000
Sonoma	—	2,005,000	(264,000)	100,000
Stanislaus	—	1,818,000	(167,000)	35,000
Auxiliary Organizations	394,000	14,028,000	(1,171,000)	Various
	\$ 1,779,000	100,363,000	(9,672,000)	

(7) Excess Insurance and Reinsurance

(a) Excess Insurance

For the years ended June 30, 2017 and 2016, the Authority purchased excess insurance to protect the members from catastrophic losses. The Authority maintained excess public entity liability insurance coverage provided by School Excess Liability Fund (SELF), a Joint Powers Authority, with coverage for individual claims above \$5,000,000 and up to \$45,000,000 per occurrence until December 2009.

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June 30, 2017 and 2016

The Authority maintained excess general liability insurance coverage provided by Ironshore Specialty Insurance Company and various other insurers with coverage for individual claims above \$5,000,000 up to \$200,000,000 per occurrence. The Authority purchased excess workers' compensation insurance provided by Safety National to statutory limits in excess of the \$2,500,000 self-insured retention for the years ended June 30, 2017 and 2016. For the AORMA workers' compensation program, the Authority purchased excess workers' compensation insurance provided by Safety National for the years ended June 30, 2017 and 2016 to statutory limits in excess of the \$500,000 self-insured retention. There have been no settlements in the most recent three fiscal years that have exceeded insurance limits.

Effective January 1, 2015, the Authority joined the CSAC Excess Insurance Authority Excess Workers' Compensation Program, covered pursuant to the memorandum of coverage issued by the EIA. The EIA is responsible for all covered losses within the amount of the self-insured retention layer of \$2,500,000 for the campus workers' compensation program and \$500,000 for the AORMA workers' compensation program. The estimated amounts that are recoverable from the EIA and that reduce the liabilities as of June 30, 2017 and 2016 were \$42,125,000 and \$27,717,000 for the campus workers' compensation program and \$4,430,000 and \$2,943,000 for the AORMA workers' compensation program, respectively.

(b) Reinsurance

For the years ended June 30, 2017 and 2016, the Authority did not enter into the CSU's workers' compensation reinsurance contract. From the years ended June 30, 2008 through June 30, 2012, the Authority entered into a reinsurance contract with the Insurance Company of the State of Pennsylvania (the Reinsurer). This transaction reinsured the CSU's workers' compensation claims liability for claims incurred within the \$2,500,000 self-insured retention up to aggregate limits. The estimated amounts that are recoverable from the reinsurer and that reduce the liabilities as of June 30, 2017 and 2016 were \$15,210,000 and \$21,967,000, respectively. While such losses are reinsured, the Authority will not be relieved of its primary obligations to the policyholder in these reinsurance transactions.

For the years ended June 30, 2017 and 2016, the Authority purchased reinsurance for the campus and AORMA liability programs provided by Evanston, Great American, Ironshore, AWAC, and the General Reinsurance Corporation. This transaction reinsured the AORMA claims liability for individual claims incurred in excess of \$500,000 and up to \$5,000,000 per occurrence. The reinsurance premiums for the years ended June 30, 2017 and 2016 were \$3,066,000 and \$1,070,000, respectively. There have been no settlements in the most recent three fiscal years that have exceeded insurance limits.

For the years ended June 30, 2017 and 2016, the Authority purchased reinsurance for the campus and AORMA property programs provided by the Public Entity Property Insurance Program (the PEPPI). This transaction reinsured the campus and AORMA property programs for individual claims in excess of \$100,000 for the AORMA program and \$1,000,000 for the Campus program and up to \$1,000,000,000 per occurrence. The reinsurance premiums for the years ended June 30, 2017 and 2016 were \$6,375,000 and \$5,816,000, respectively. The coverage terms and conditions are the same as provided by the PEPPI in prior years.

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(8) SELF Assessment Liability

Prior to July 1, 2004, the Authority maintained excess workers' compensation insurance coverage provided by SELF, a public entity risk pool. The Authority remains liable for assessments from SELF in settlement of claims incurred prior to July 1, 2004. The assessment liabilities as of June 30, 2017 and 2016 were \$8,182,000 and \$9,546,000, respectively.

(9) Subsequent Events

Subsequent events have been evaluated through September 22, 2017, which corresponds to the date when the financial statements were issued. There are no subsequent events that require disclosure.

**CALIFORNIA STATE UNIVERSITY
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Supplementary Information

Reconciliation of Workers' Compensation Claims Liabilities

The schedule below presents the changes in claims liabilities for the Authority's workers' compensation contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 48,494,000	61,000,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	25,687,000	24,837,000
Decrease in provision for reinsured events of current fiscal year	(23,797,000)	(22,528,000)
Decrease in provision for insured events of prior fiscal years	<u>(4,526,000)</u>	<u>(6,424,000)</u>
Total incurred claims and claim adjustment expenses	<u>(2,636,000)</u>	<u>(4,115,000)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	—	—
Claims and claim adjustment expenses attributable to recoveries from reinsured events of current fiscal year	12,779,000	8,887,000
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(18,934,000)</u>	<u>(17,278,000)</u>
Total payments	<u>(6,155,000)</u>	<u>(8,391,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>39,703,000</u>	<u>48,494,000</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
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Supplementary Information

Reconciliation of General Liability Claims Liabilities

The schedule below presents the changes in claims liabilities for the Authority's general liability contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 20,782,000	18,429,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	7,699,000	7,384,000
Decrease in provision for insured events of prior fiscal years	<u>(727,000)</u>	<u>(3,060,000)</u>
Total incurred claims and claim adjustment expenses	<u>6,972,000</u>	<u>4,324,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(4,291,000)</u>	<u>(1,971,000)</u>
Total payments	<u>(4,291,000)</u>	<u>(1,971,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	<u>\$ 23,463,000</u>	<u>20,782,000</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
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Supplementary Information

**Reconciliation of Industrial Disability, Nonindustrial Disability, and
Unemployment Insurance (IDL/NDL/UI) Claims Liabilities**

The schedule below presents the changes in claims liabilities for the Authority's IDL/NDL/UI contracts for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>14,366,000</u>	<u>14,341,000</u>
Total incurred claims and claim adjustment expenses	<u>14,366,000</u>	<u>14,341,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(14,366,000)</u>	<u>(14,341,000)</u>
Total payments	<u>(14,366,000)</u>	<u>(14,341,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>—</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
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Supplementary Information

Reconciliation of Property Claims Liabilities

The schedule below presents the changes in claims liabilities for the Authority's property contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>3,131,000</u>	<u>1,590,000</u>
Total incurred claims and claim adjustment expenses	<u>3,131,000</u>	<u>1,590,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(3,131,000)</u>	<u>(1,590,000)</u>
Total payments	<u>(3,131,000)</u>	<u>(1,590,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>—</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
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Supplementary Information

Reconciliation of Athletic Injury Medical Expense (AIME) Claims Liabilities

The schedule below presents the changes in claims liabilities for the Authority's AIME contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 2,214,000	1,966,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	3,792,000	3,584,000
Decrease (increase) in provision for insured events of prior fiscal years	<u>(6,000)</u>	<u>496,000</u>
Total incurred claims and claim adjustment expenses	<u>3,786,000</u>	<u>4,080,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	(1,839,000)	(1,759,000)
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(1,833,000)</u>	<u>(2,073,000)</u>
Total payments	<u>(3,672,000)</u>	<u>(3,832,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	<u>\$ 2,328,000</u>	<u>2,214,000</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
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Supplementary Information

Reconciliation of Club Sports Claims Liabilities

The schedule below presents the changes in claims liabilities for the Authority's club sports contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>42,000</u>	<u>14,000</u>
Total incurred claims and claim adjustment expenses	<u>42,000</u>	<u>14,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(42,000)</u>	<u>(14,000)</u>
Total payments	<u>(42,000)</u>	<u>(14,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	<u>\$ —</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
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Supplementary Information

Reconciliation of AORMA Workers' Compensation Claims Liabilities

The schedule below presents the changes in claims liabilities for the AORMA workers' compensation contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 5,944,000	8,995,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	3,041,000	2,714,000
Decrease in provision for reinsured events of current fiscal year	(2,856,000)	(2,431,000)
Decrease in provision for insured events of prior fiscal years	<u>(703,000)</u>	<u>(1,553,000)</u>
Total incurred claims and claim adjustment expenses	<u>(518,000)</u>	<u>(1,270,000)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	—	—
Claims and claim adjustment expenses attributable to recoveries from reinsured events of current fiscal year	1,021,000	448,000
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(2,570,000)</u>	<u>(2,229,000)</u>
Total payments	<u>(1,549,000)</u>	<u>(1,781,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u><u>3,877,000</u></u>	<u><u>5,944,000</u></u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
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Supplementary Information

Reconciliation of AORMA General Liability Claims Liabilities

The schedule below presents the changes in claims liabilities for the AORMA general liability contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 1,493,000	2,245,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	1,085,000	1,181,000
Decrease in provision for insured events of prior fiscal years	<u>(960,000)</u>	<u>(4,125,000)</u>
Total incurred claims and claim adjustment expenses	<u>125,000</u>	<u>(2,944,000)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	(77,000)	(134,000)
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(93,000)</u>	<u>2,326,000</u>
Total excess (payments) recoveries	<u>(170,000)</u>	<u>2,192,000</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>1,448,000</u>	<u>1,493,000</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
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Supplementary Information

Reconciliation of AORMA Property Claims Liabilities

The schedule below presents the changes in claims liabilities for the AORMA property contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>248,000</u>	<u>238,000</u>
Total incurred claims and claim adjustment expenses	<u>248,000</u>	<u>238,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(248,000)</u>	<u>(238,000)</u>
Total payments	<u>(248,000)</u>	<u>(238,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	<u><u>\$ —</u></u>	<u><u>—</u></u>

See accompanying independent auditors' report.

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Supplementary Information

Reconciliation of AORMA Crime Claims Liabilities

The schedule below presents the changes in claims liabilities for the AORMA property contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>24,000</u>	<u>—</u>
Total incurred claims and claim adjustment expenses	<u>24,000</u>	<u>—</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(24,000)</u>	<u>—</u>
Total payments	<u>(24,000)</u>	<u>—</u>
Claims liability for losses and loss adjustment expenses, end of year	<u>\$ —</u>	<u>—</u>

See accompanying independent auditors' report.

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Supplementary Information

Reconciliation of AORMA Unemployment Insurance Program (UIP) Claims Liabilities

The schedule below presents the changes in claims liabilities for the AORMA UIP contract for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>1,131,000</u>	<u>917,000</u>
Total incurred claims and claim adjustment expenses	<u>1,131,000</u>	<u>917,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(1,131,000)</u>	<u>(917,000)</u>
Total payments	<u>(1,131,000)</u>	<u>(917,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	<u>\$ —</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

Schedule of Net Position

June 30, 2017

(For inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ —
Short-term investments	13,011,029
Accounts receivable, net	7,281,372
Notes receivable, current portion	612,880
Prepaid expenses and other assets	<u>5,871,995</u>
Total current assets	<u>26,777,276</u>
Noncurrent assets:	
Notes receivable, net of current portion	2,412,880
Other long-term investments	<u>132,765,827</u>
Total noncurrent assets	<u>135,178,707</u>
Total assets	<u>161,955,983</u>
Liabilities:	
Current liabilities:	
Accounts payable	10,895,598
Unearned revenue	43,285
Claims liability for losses and LAE – current portion	<u>20,374,668</u>
Total current liabilities	<u>31,313,551</u>
Noncurrent liabilities:	
Claims liability for losses and LAE, net of current portion	50,443,861
Other liabilities	<u>6,818,218</u>
Total noncurrent liabilities	<u>57,262,079</u>
Total liabilities	<u>88,575,630</u>
Net position:	
Unrestricted	<u>73,380,353</u>
Total net position	\$ <u><u>73,380,353</u></u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2017

(For inclusion in the California State University)

Revenues:		
Operating revenues:		
Other operating revenues		\$ 94,006,175
Total operating revenues		<u>94,006,175</u>
Expenses:		
Operating expenses:		
Instruction	10,097,299	
Research	121,401	
Public service	110,998	
Academic support	2,257,807	
Student services	2,273,533	
Institutional support	74,893,649	
Operation and maintenance of plant	1,398,004	
Auxiliary enterprise expenses	425,898	
Total operating expenses		<u>91,578,589</u>
Operating income		<u>2,427,586</u>
Nonoperating revenues (expenses):		
Investment income, net	(1,101,141)	
Other nonoperating expenses	(15,401,150)	
Net nonoperating expenses		<u>(16,502,291)</u>
Increase in net position		(14,074,705)
Net position:		
Net position, beginning of year		<u>87,455,058</u>
Net position, end of year		<u>\$ 73,380,353</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
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Other Information

June 30, 2017

(For inclusion in the California State University)

	<u>Current unrestricted</u>	<u>Total current</u>	<u>Noncurrent unrestricted</u>	<u>Total noncurrent</u>	<u>Total</u>
Asset-backed securities	\$ 1,113,060	1,113,060	3,548,747	3,548,747	4,661,807
Certificates of deposit	551,918	551,918	—	—	551,918
Commercial paper	—	—	—	—	—
Corporate bonds	3,586,656	3,586,656	21,429,370	21,429,370	25,016,026
International bonds	—	—	1,242,197	1,242,197	1,242,197
Money market funds	55,904	55,904	1,196,429	1,196,429	1,252,333
Mortgage-backed securities	1,288	1,288	6,878,829	6,878,829	6,880,117
Municipal bonds	58,956	58,956	5,359,011	5,359,011	5,417,967
Repurchase agreements	36,625	36,625	—	—	36,625
U.S. agency securities	4,697,331	4,697,331	4,074,180	4,074,180	8,771,511
U.S. Treasury securities	2,909,291	2,909,291	89,037,065	89,037,065	91,946,356
Total investments	\$ 13,011,029	13,011,029	132,765,828	132,765,828	145,776,857

Fair value hierarchy in investments at June 30, 2017:

	<u>Fair value measurements using</u>				<u>Net asset value (NAV)</u>
	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>		
	<u>Total</u>				
Asset-backed securities	\$ 4,661,807	1,113,060	3,548,747	—	—
Certificates of deposit	551,918	—	551,918	—	—
Commercial paper	—	—	—	—	—
Corporate bonds	25,016,027	478,906	24,537,121	—	—
International bonds	1,242,197	—	1,242,197	—	—
Money market funds	1,252,333	17	—	—	1,252,316
Mortgage-backed securities	6,880,117	—	6,880,117	—	—
Municipal bonds	5,417,967	—	5,417,967	—	—
Repurchase agreements	36,625	—	36,625	—	—
U.S. agency securities	8,771,510	2,371,693	6,399,817	—	—
U.S. Treasury securities	91,946,356	—	91,946,356	—	—
Total investments	\$ 145,776,857	3,963,676	140,560,865	—	1,252,316

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

Claims Development Information

(In thousands)
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net earned required contribution and investment revenues:										
Earned	\$ 92,065	85,769	90,247	96,364	104,726	91,560	93,935	96,997	104,997	102,346
Ceded	—	18,469	19,024	18,879	16,149	3,005	11,626	6,872	6,886	9,441
Net earned	\$ 92,065	67,300	71,223	77,485	88,577	88,555	82,309	90,125	98,111	92,905
Unallocated expenses	\$ 49,872	43,306	52,578	39,257	48,776	41,755	30,116	44,878	60,194	80,309
Estimated incurred claims and expenses, end of policy year:										
Incurred	\$ 41,474	28,604	57,959	63,416	57,994	59,095	59,313	60,386	56,800	60,246
Ceded	—	17,996	17,118	19,834	19,575	—	—	14,527	24,959	26,653
Ceded	\$ 41,474	10,608	40,841	43,582	38,419	59,095	59,313	45,859	31,841	33,593
Paid (cumulative) as of:										
End of policy year	\$ 12,301	12,022	19,615	18,972	20,541	11,400	13,019	14,300	9,658	7,058
One year later	19,767	14,801	22,697	20,457	22,295	28,965	27,549	24,260	21,005	—
Two years later	25,324	20,511	23,082	23,664	23,853	35,942	32,559	26,281	—	—
Three years later	28,175	19,458	24,863	28,733	25,063	38,432	41,718	—	—	—
Four years later	26,667	20,063	25,543	29,004	25,282	40,302	—	—	—	—
Five years later	28,062	20,385	29,061	29,461	25,330	—	—	—	—	—
Six years later	29,240	20,624	29,370	29,617	—	—	—	—	—	—
Seven years later	30,032	20,762	29,545	—	—	—	—	—	—	—
Eight years later	31,033	20,804	—	—	—	—	—	—	—	—
Nine years later	31,932	—	—	—	—	—	—	—	—	—
Reestimated ceded claims and expenses	\$ —	18,767	17,996	22,643	21,685	—	—	14,527	24,959	26,653
Reestimated incurred claims and expenses:										
End of policy year	\$ 41,474	10,608	40,841	43,582	38,419	59,095	59,313	45,859	31,841	33,593
One year later	38,704	23,692	34,160	30,986	27,064	50,697	48,463	36,014	31,206	—
Two years later	38,858	24,655	29,484	28,962	27,864	50,636	49,235	33,781	—	—
Three years later	38,264	20,456	28,725	30,268	26,082	31,868	53,080	—	—	—
Four years later	33,533	20,742	28,024	30,168	25,906	37,005	—	—	—	—
Five years later	33,778	20,858	32,595	30,201	25,588	—	—	—	—	—
Six years later	34,125	21,110	32,360	30,079	—	—	—	—	—	—
Seven years later	35,327	21,154	32,491	—	—	—	—	—	—	—
Eight years later	42,337	21,141	—	—	—	—	—	—	—	—
Nine years later	34,074	—	—	—	—	—	—	—	—	—
Increase (decrease) in estimated incurred claims and expenses from end of policy year	\$ (7,400)	10,533	(8,350)	(13,503)	(12,831)	(22,090)	(6,233)	(12,076)	(632)	—

See accompanying independent auditors' report.

DEVELOPMENT OF CSURMA EARTHQUAKE COVERAGE PROGRAM

ISSUE: CSURMA's long range plan included directing staff to evaluate potential for CSURMA to launch an earthquake insurance program using non-traditional approaches. At the September CSURMA Executive Committee meeting the EC took action to delegate authority to the CSURMA Treasurer and Secretary-Auditor to bind coverage with SwissRe provided the CSU Senior Executive Vice Chancellor of Business and Finance concurred with the action. Coverage has been bound effective October 1, 2017 at a premium of \$1,550,000, which is a reduction from the indicated pricing of \$1,625,000 to \$1,700,000. The insurer has paid Alliant a commission of 7.5% on the placement, which is the same amount Alliant has been paid for similar placements.

Alliant's Brokerage Services Agreement effective January 1, 2016 provides that CSURMA and Alliant will agree on equitable compensation for new coverages and programs. Alliant requests that the Executive Committee approve the insurer's payment of the commission on this new placement.

RECOMMENDATION: It is recommended that the Executive Committee ratify the action to bind coverage and consider the compensation request from Alliant.

FISCAL IMPACT: The cost of earthquake coverage will be allocated to the campus and AORMA property funds and premiums for the upcoming FY 18/19 will include a charge for coverage. The carrier has paid Alliant a commission of 7.5% from within the premium of \$1,550,000.

BACKGROUND: Please refer to the attached Swiss Re Earthquake Presentation.

PUBLICATION: Members will be notified of the new coverage.

ATTACHMENT(S):

- a. Swiss Re Earthquake Presentation

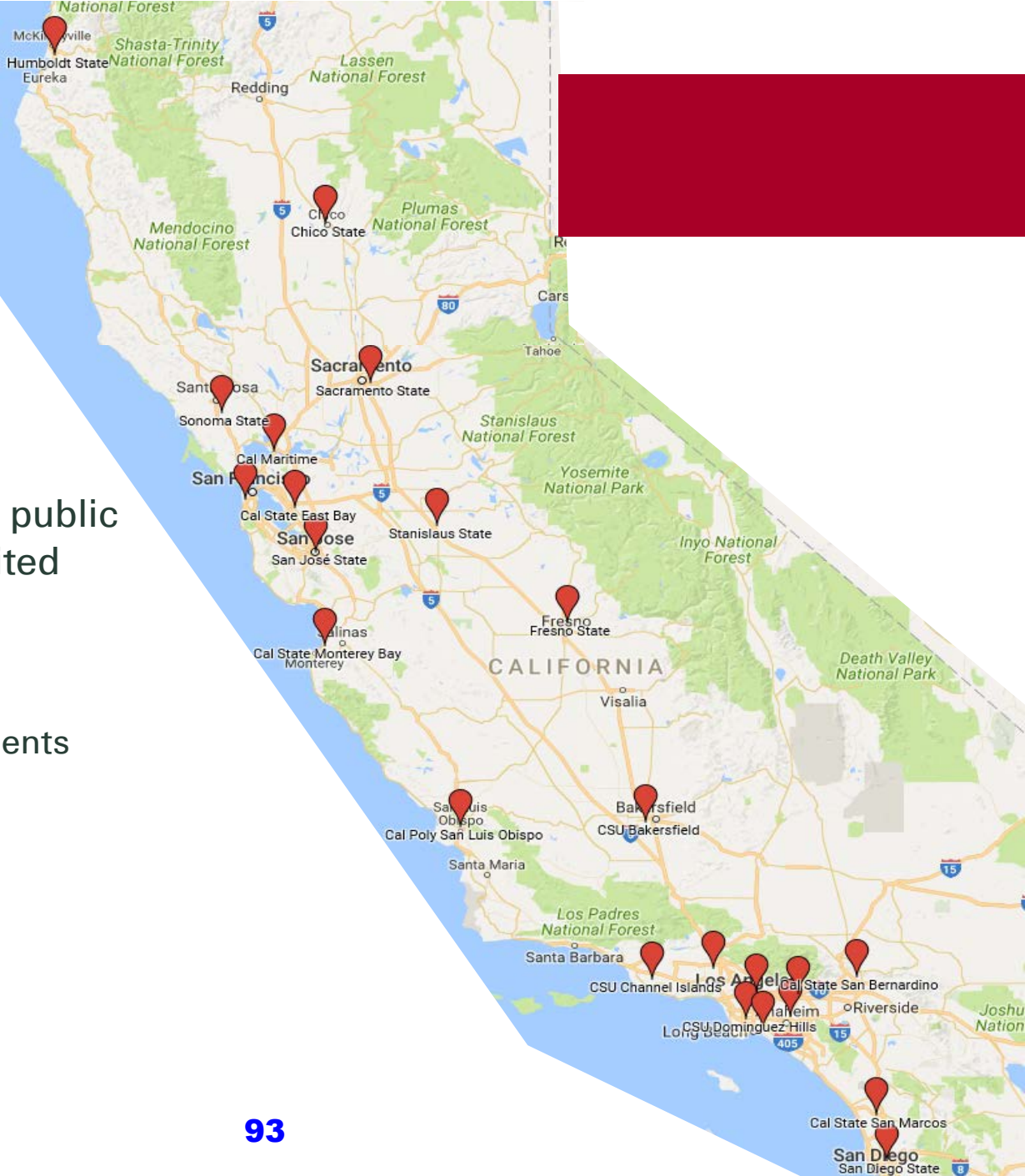
California State University

Parametric Earthquake Insurance



CSU detail

- CSU is the largest four-year public university system in the United States
 - Twenty three campuses
 - Enrolling over 478,000 students
 - 24,405 faculty
 - 23,012 staff



The Challenge and Need?

It is said that the **first ninety days following a disaster** are the most critical in determining the path of our recovery. Having the ability to secure the **necessary financial resources** in the immediate aftermath is paramount to this success. The ability to act quickly and with certainty can make all the difference.

When an earthquake strikes, there is a direct correlation between the ground shake intensity and the losses suffered on the ground. However, **Higher Education entities face liquidity challenges** as there can be a substantial delay from various reimbursement sources. In some circumstances, **expenses may not be covered by either the federal government or traditional insurance coverage.** Access to pre-agreed funds can provide budgetary clarity and stability during challenging times.

Swiss Re has developed parametric index insurance solutions designed to provide a **rapid disbursement of funds** to assist with the **expenses** that Higher Education entities incur immediately after an earthquake.



Direct vs. Indirect Costs



Direct

- Lost lives
- Capital/Asset losses
 - Property Damage
 - Infrastructure repair



Indirect

- Extra Expenses
- Fiscal impact ratings → interest rates
- Lost revenues
- Growth potential
- Spending reduction (ripple effect)

Non-reimbursed Disaster Expenses: Samples of what FEMA Doesn't Cover

Increased expenses, "clawbacks" and
loss of business revenue

Communication and
IT infrastructure
interruption

Compliance audits by
FEMA and others can
result in return of
received funds

Employee and
student relocation,
unavailability of
transportation &
facilities

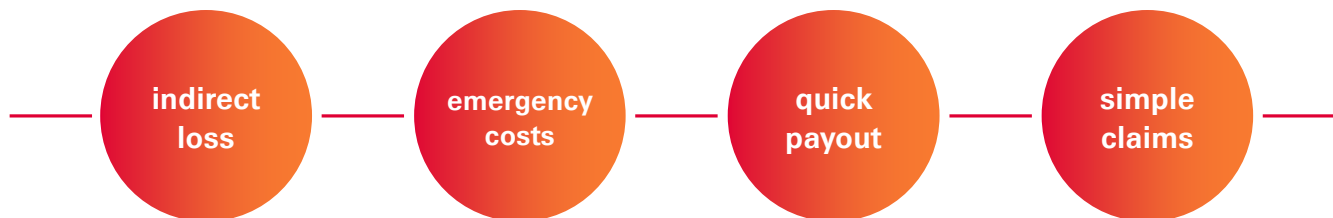
Lost revenue from
scheduled Events
including sports
activities

Parametric Insurance

Drivers For Parametric Insurance

- **Key drivers for buyers**

- Protect against indirect economic loss
- Supplement traditional insurance
- Cover underinsured or uninsurable risk
- Quick payout, improves liquidity
- Simple and transparent claims process
- Assist with post-event emergency costs



What Is A Parametric Insurance Product?*

- Pre-defined **event triggers** and a table of payout factors are established
- A final **policy is agreed** to containing the details of the transaction and the requirements of the two parties (including trigger and payouts)*
- If an event occurs that meets or exceeds the pre-defined event trigger, then the product pays according to the **payout table**
- At a subsequent point in time (generally within 12 months of the event), insured **attests** that actual covered losses and expenses are greater than or equal to payout received.



**Note: This slide is a very simplistic explanation of the product, the full policy will have all stipulations and details of the contract.*

Earthquake: Magnitude vs. Intensity Trigger

- **Magnitude:** Earthquake magnitude is a quantitative measure of the amount of energy released by the earthquake at its source. Various magnitude scales exist; the most common are the **Moment Magnitude Scale** (reported by the United States Geological Survey; USGS) and **Richter Magnitude Scale**.
- **Intensity:** The effect of an earthquake on the Earth's surface is called the intensity. The severity of earthquake shaking is assessed using a descriptive scale – the **Modified Mercalli Intensity Scale (MMI)**. MMI communicates the perceived effects of an earthquake on the Earth's surface, humans, objects of nature, and man-made structures on a scale from I (not felt) to XII (total destruction).



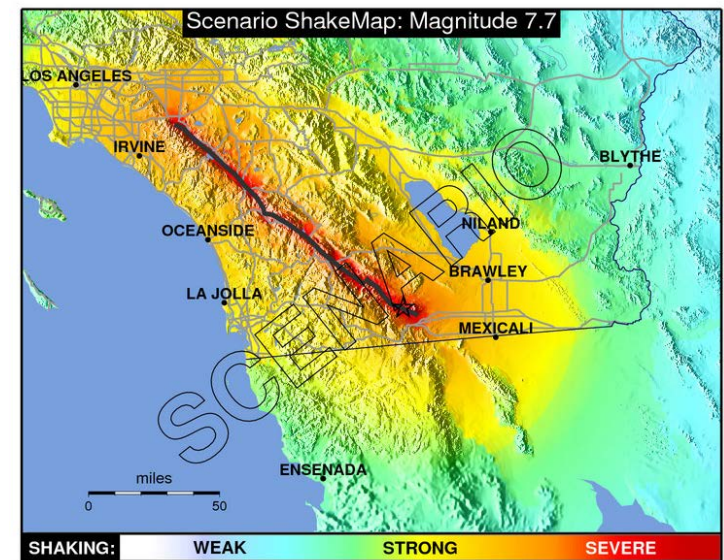
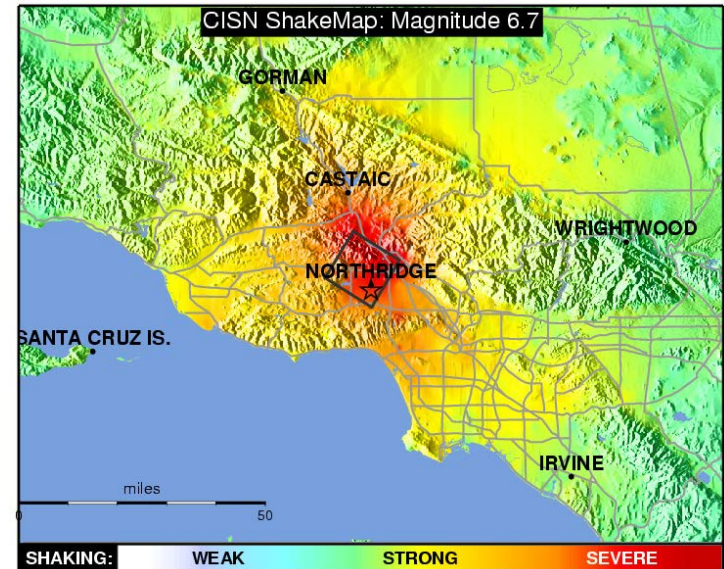
A certain **Magnitude** measured at the Epicenter on an Earthquake unfolds into different **Intensities (MMI)** in affected areas.

Why an intensity trigger?

It's easy, transparent and tailored to your needs

- A simple earthquake magnitude trigger does not necessarily capture localized impacts.
- A moderate magnitude earthquake directly beneath a campus can cause as much damage as a significant earthquake tens of miles away
- Swiss Re's intensity parametric earthquake products use independent, 3rd party sources, to determine ground shaking intensity at your location.
- Intensity metrics are calculated and reported based on seismic networks, peer-reviewed and published calculation methodologies.
- Payout based on the severity of ground shaking at your locations.

Image: Two ShakeMaps for Southern California. The top map is the ShakeMap for the 1994 Mw 6.7 Northridge earthquake, and the bottom is a hypothetical and physically possible Mw 7.7 earthquake near the California/Mexico border. Both cause strong shaking in the Los Angeles area, despite their different locations and intensities.



Source: USGS

How the Swiss Re QUAKE Parametric Policy Would Respond in an Eligible Event

- Earthquake occurs
- USGS publishes the ShakeMap showing MMI for the affected region
- Using that map we determine what Intensity was experienced at the client's zip codes (centers).
- For each zip code, if MMI measurement is equal to or higher than pre-determined trigger we would pay the Insured using the relevant payout factor associated with the event/zip code combination table, subject to all other terms and conditions of the policy
- Once payout is determined, payment occurs within weeks

Note: the full policy will have all stipulations and details of the contract.

Limit Summary

Limit Summary by Campus

- Parametric limit assigned to Twenty Three CSU campuses (plus Chancellor's Office).
- Limit by campus proportional to each campus TiV
- Two largest earthquake areas (Bay Area and LA Metro) each have \$25m total limit across area campuses

	TiV	Parametric Limit
Bay Area		25,000,000
CALIFORNIA MARITIME ACADEMY	106,855,494	700,000
CSU EAST BAY	586,759,488	3,700,000
SAN FRANCISCO STATE UNIVERSITY	1,304,702,585	8,300,000
SAN JOSE STATE UNIVERSITY	1,946,807,114	12,300,000
Central Coast		10,000,000
CALIFORNIA POLYTECHNIC STATE UNIVERSITY	1,041,981,978	5,700,000
CSU MONTEREY BAY	793,265,521	4,300,000
LA Metro		25,000,000
CALIFORNIA STATE POLYTECHNIC UNIVERSITY	952,650,519	3,300,000
CSU CHANCELLOR'S OFFICE	65,646,251	200,000
CSU CHANNEL ISLANDS	341,675,315	1,200,000
CSU DOMINGUEZ HILLS	363,248,879	1,200,000
CSU FULLERTON	1,287,337,547	4,400,000
CSU LONG BEACH	1,367,623,912	4,700,000
CSU LOS ANGELES	990,456,510	3,400,000
CSU NORTHRIDGE	1,333,199,633	4,500,000
CSU SAN BERNARDINO	625,409,128	2,100,000
Sacramento Valley		10,000,000
CSU CHICO	809,030,327	2,700,000
CSU SACRAMENTO	1,065,241,002	3,500,000
HUMBOLDT STATE UNIVERSITY	536,162,549	1,800,000
SONOMA STATE UNIVERSITY	608,327,709	2,000,000
San Diego area		15,000,000
CSU SAN MARCOS	417,903,164	2,800,000
SAN DIEGO STATE UNIVERSITY	1,806,044,067	12,200,000
San Joaquin Valley		10,000,000
CSU BAKERSFIELD	294,090,930	1,700,000
CSU FRESNO	1,068,968,331	6,400,000
CSU STANISLAUS	326,711,836	1,900,000

Illustration of Structure

(sample: greater Los Angeles Metro area)

Detailed Limits and Payouts

by zip code: (LA Metro Area)

LA Metro	Sum of Limit
CA STATE POLYTECHNIC UNIVERSITY	3,300,000
90039	5,000
91767	10,000
91768	3,265,000
92211	5,000
92860	10,000
93060	5,000
CSU CHANCELLOR'S OFFICE	200,000
90802	180,000
90803	10,000
95819	10,000
CSU CHANNEL ISLANDS	1,200,000
93012	1,200,000
CSU DOMINGUEZ HILLS	1,200,000
90747	1,200,000
CSU FULLERTON	4,400,000
90621	50,000
92309	5,000
92618	120,000
92701	5,000
92831	70,000
92832	5,000
92834	4,140,000
92837	5,000

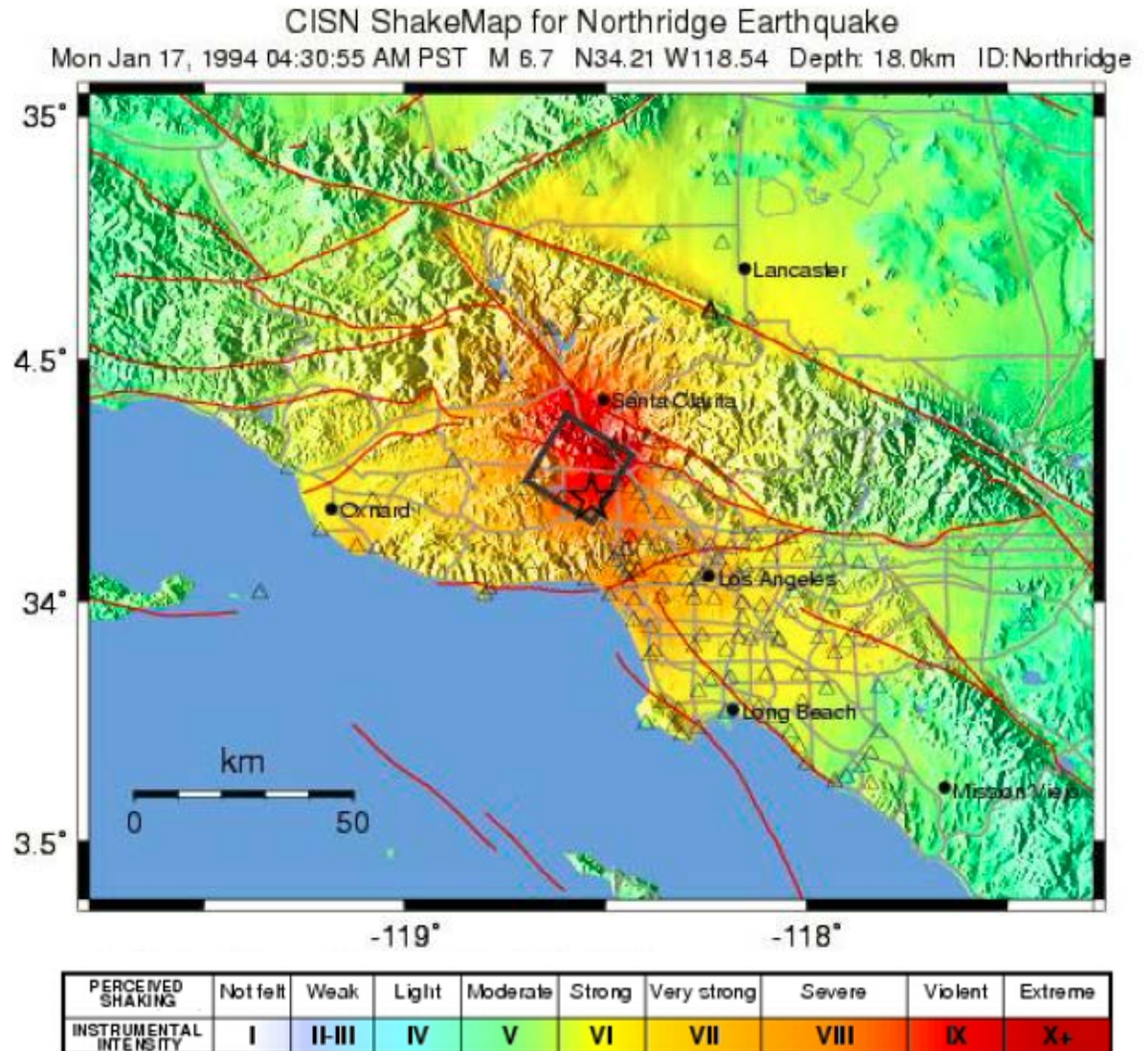
LA Metro	Sum of Limit
CSU LONG BEACH	4,700,000
90803	5,000
90804	90,000
90813	5,000
90815	240,000
90840	4,355,000
91768	5,000
CSU LOS ANGELES	3,400,000
90017	10,000
90032	3,390,000
CSU NORTHRIDGE	4,500,000
91321	5,000
91324	50,000
91325	10,000
91330	4,430,000
91411	5,000
CSU SAN BERNARDINO	2,100,000
92211	120,000
92260	5,000
92394	5,000
92407	1,960,000
92408	5,000
92553	5,000

MMI Payouts by zip Code

- 6.50 – 7.49: 25% of the limit
- 7.50 – 8.49: 50% of the limit
- 8.5+: 100% of the limit

Sample ShakeMap

- Northridge: 1994
- Magnitude: Mw 6.7
- MMI: Varies by geographic location (see map illustrating MMI at locations across the region)



Earthquake Hazards Program

<http://usgs.github.io/shakemap/>

Sample Payout

1994 Northridge Earthquake

(Mw 6.7)

Confidential

Event Payout: \$5,646,250

LA Metro	Sum of Limit	MMI	Payouts			LA Metro	Sum of Limit	MMI	Payouts		
			MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+				MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CA STATE POLYTECHNIC	3,300,000					CSU LONG BEACH	4,700,000				
90039	5,000	7.16	1,250	2,500	5,000	90803	5,000	6.02	1,250	2,500	5,000
91767	10,000	5.55	2,500	5,000	10,000	90804	90,000	5.74	22,500	45,000	90,000
91768	3,265,000	5.73	816,250	1,632,500	3,265,000	90813	5,000	5.49	1,250	2,500	5,000
92211	5,000	<5	1,250	2,500	5,000	90815	240,000	6.09	60,000	120,000	240,000
92860	10,000	5.3	2,500	5,000	10,000	90840	4,355,000	6.09	1,088,750	2,177,500	4,355,000
93060	5,000	6.13	1,250	2,500	5,000	91768	5,000	5.73	1,250	2,500	5,000
CSU CHANCELLOR'S OFFICE	200,000					CSU LOS ANGELES	3,400,000				
90802	180,000	5.71	45,000	90,000	180,000	90017	10,000	6.43	2,500	5,000	10,000
90803	10,000	6.02	2,500	5,000	10,000	90032	3,390,000	6.75	847,500	1,695,000	3,390,000
95819	10,000	<5	2,500	5,000	10,000	CSU NORTHRIDGE	4,500,000				
CSU CHANNEL ISLANDS	1,200,000					91321	5,000	8.97	1,250	2,500	5,000
93012	1,200,000	6.6	300,000	600,000	1,200,000	91324	50,000	8.95	12,500	25,000	50,000
CSU DOMINGUEZ HILLS	1,200,000					91325	10,000	8.93	2,500	5,000	10,000
90747	1,200,000	5.96	300,000	600,000	1,200,000	91330	4,430,000	9.06	1,107,500	2,215,000	4,430,000
CSU FULLERTON	4,400,000					91411	5,000	8.21	1,250	2,500	5,000
90621	50,000	6.02	12,500	25,000	50,000	CSU SAN BERNARDINO	2,100,000				
92309	5,000	<5	1,250	2,500	5,000	92211	120,000	<5	30,000	60,000	120,000
92618	120,000	5.39	30,000	60,000	120,000	92260	5,000	<5	1,250	2,500	5,000
92701	5,000	5.38	1,250	2,500	5,000	92394	5,000	5.14	1,250	2,500	5,000
92831	70,000	6.14	17,500	35,000	70,000	92407	1,960,000	<5	490,000	980,000	1,960,000
92832	5,000	6.2	1,250	2,500	5,000	92408	5,000	5.35	1,250	2,500	5,000
92834	4,140,000	6.2	1,035,000	2,070,000	4,140,000	92553	5,000	5.15	1,250	2,500	5,000
92837	5,000	6.2	1,250	2,500	5,000						

Full Limit and Payout Details

(by zip code: all campuses)

Detailed Limits and Payouts by zip code

LA Metro Area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CA STATE POLYTECHNIC UNIV.	3,300,000			
90039	5,000	1,250	2,500	5,000
91767	10,000	2,500	5,000	10,000
91768	3,265,000	816,250	1,632,500	3,265,000
92211	5,000	1,250	2,500	5,000
92860	10,000	2,500	5,000	10,000
93060	5,000	1,250	2,500	5,000
CSU CHANCELLOR'S OFFICE	200,000			
90802	180,000	45,000	90,000	180,000
90803	10,000	2,500	5,000	10,000
95819	10,000	2,500	5,000	10,000
CSU CHANNEL ISLANDS	1,200,000			
93012	1,200,000	300,000	600,000	1,200,000
CSU DOMINGUEZ HILLS	1,200,000			
90747	1,200,000	300,000	600,000	1,200,000
CSU FULLERTON	4,400,000			
90621	50,000	12,500	25,000	50,000
92309	5,000	1,250	2,500	5,000
92618	120,000	30,000	60,000	120,000
92701	5,000	1,250	2,500	5,000
92831	70,000	17,500	35,000	70,000
92832	5,000	1,250	2,500	5,000
92834	4,140,000	1,035,000	2,070,000	4,140,000
92837	5,000	1,250	2,500	5,000

LA Metro Area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CSU LONG BEACH	4,700,000			
90803	5,000	1,250	2,500	5,000
90804	90,000	22,500	45,000	90,000
90813	5,000	1,250	2,500	5,000
90815	240,000	60,000	120,000	240,000
90840	4,355,000	1,088,750	2,177,500	4,355,000
91768	5,000	1,250	2,500	5,000
CSU LOS ANGELES	3,400,000			
90017	10,000	2,500	5,000	10,000
90032	3,390,000	847,500	1,695,000	3,390,000
CSU NORTHRIDGE	4,500,000			
91321	5,000	1,250	2,500	5,000
91324	50,000	12,500	25,000	50,000
91325	10,000	2,500	5,000	10,000
91330	4,430,000	1,107,500	2,215,000	4,430,000
91411	5,000	1,250	2,500	5,000
CSU SAN BERNARDINO	2,100,000			
92211	120,000	30,000	60,000	120,000
92260	5,000	1,250	2,500	5,000
92394	5,000	1,250	2,500	5,000
92407	1,960,000	490,000	980,000	1,960,000
92408	5,000	1,250	2,500	5,000
92553	5,000	1,250	2,500	5,000

Detailed Limits and Payouts by zip code

Bay Area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CA MARITIME ACADEMY	700,000			
94590	700,000	175,000	350,000	700,000
CSU EAST BAY	3,700,000			
94521	140,000	35,000	70,000	140,000
94542	3,410,000	852,500	1,705,000	3,410,000
94545	150,000	37,500	75,000	150,000
SAN FRANCISCO STATE UNIV.	8,300,000			
94103	100,000	25,000	50,000	100,000
94131	20,000	5,000	10,000	20,000
94132	8,065,000	2,016,250	4,032,500	8,065,000
94601	10,000	2,500	5,000	10,000
94920	100,000	25,000	50,000	100,000
96124	5,000	1,250	2,500	5,000
SAN JOSE STATE UNIV.	12,300,000			
94608	5,000	1,250	2,500	5,000
95039	200,000	50,000	100,000	200,000
95112	240,000	60,000	120,000	240,000
95113	10,000	2,500	5,000	10,000
95172	30,000	7,500	15,000	30,000
95192	11,815,000	2,953,750	5,907,500	11,815,000

Sacramento Valley Area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CSU CHICO	2,700,000			
95926	20,000	5,000	10,000	20,000
95928	80,000	20,000	40,000	80,000
95929	2,600,000	650,000	1,300,000	2,600,000
CSU SACRAMENTO	3,500,000			
95211	5,000	1,250	2,500	5,000
95383	5,000	1,250	2,500	5,000
95616	5,000	1,250	2,500	5,000
95626	5,000	1,250	2,500	5,000
95670	10,000	2,500	5,000	10,000
95690	5,000	1,250	2,500	5,000
95814	20,000	5,000	10,000	20,000
95816	5,000	1,250	2,500	5,000
95819	3,405,000	851,250	1,702,500	3,405,000
95826	30,000	7,500	15,000	30,000
95971	5,000	1,250	2,500	5,000
HUMBOLDT STATE UNIV.	1,800,000			
95501	20,000	5,000	10,000	20,000
95521	1,765,000	441,250	882,500	1,765,000
95555	5,000	1,250	2,500	5,000
95570	10,000	2,500	5,000	10,000
SONOMA STATE UNIV.	2,000,000			
94542	210,000	52,500	105,000	210,000
94928	1,790,000	447,500	895,000	1,790,000

Detailed Limits and Payouts by zip code

San Diego Area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
SAN DIEGO STATE UNIV.	12,200,000			
91910	5,000	1,250	2,500	5,000
91948	5,000	1,250	2,500	5,000
91977	5,000	1,250	2,500	5,000
92019	5,000	1,250	2,500	5,000
92025	5,000	1,250	2,500	5,000
92026	5,000	1,250	2,500	5,000
92028	10,000	2,500	5,000	10,000
92037	5,000	1,250	2,500	5,000
92069	5,000	1,250	2,500	5,000
92075	5,000	1,250	2,500	5,000
92082	5,000	1,250	2,500	5,000
92084	5,000	1,250	2,500	5,000
92101	90,000	22,500	45,000	90,000
92102	5,000	1,250	2,500	5,000
92105	110,000	27,500	55,000	110,000
92109	30,000	7,500	15,000	30,000
92110	20,000	5,000	10,000	20,000
92113	5,000	1,250	2,500	5,000
92115	670,000	167,500	335,000	670,000
92117	5,000	1,250	2,500	5,000
92118	5,000	1,250	2,500	5,000
92120	40,000	10,000	20,000	40,000
92123	80,000	20,000	40,000	80,000

San Diego Area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
92126	5,000	1,250	2,500	5,000
92182	10,910,000	2,727,500	5,455,000	10,910,000
92192	10,000	2,500	5,000	10,000
92227	10,000	2,500	5,000	10,000
92231	100,000	25,000	50,000	100,000
92243	5,000	1,250	2,500	5,000
92501	5,000	1,250	2,500	5,000
92590	5,000	1,250	2,500	5,000
94501	20,000	5,000	10,000	20,000
95249	5,000	1,250	2,500	5,000
CSU SAN MARCOS	2,800,000			
92078	180,000	45,000	90,000	180,000
92096	1,280,000	320,000	640,000	1,280,000
93012	140,000	35,000	70,000	140,000
93407	1,020,000	255,000	510,000	1,020,000
95202	180,000	45,000	90,000	180,000

Detailed Limits and Payouts by zip code

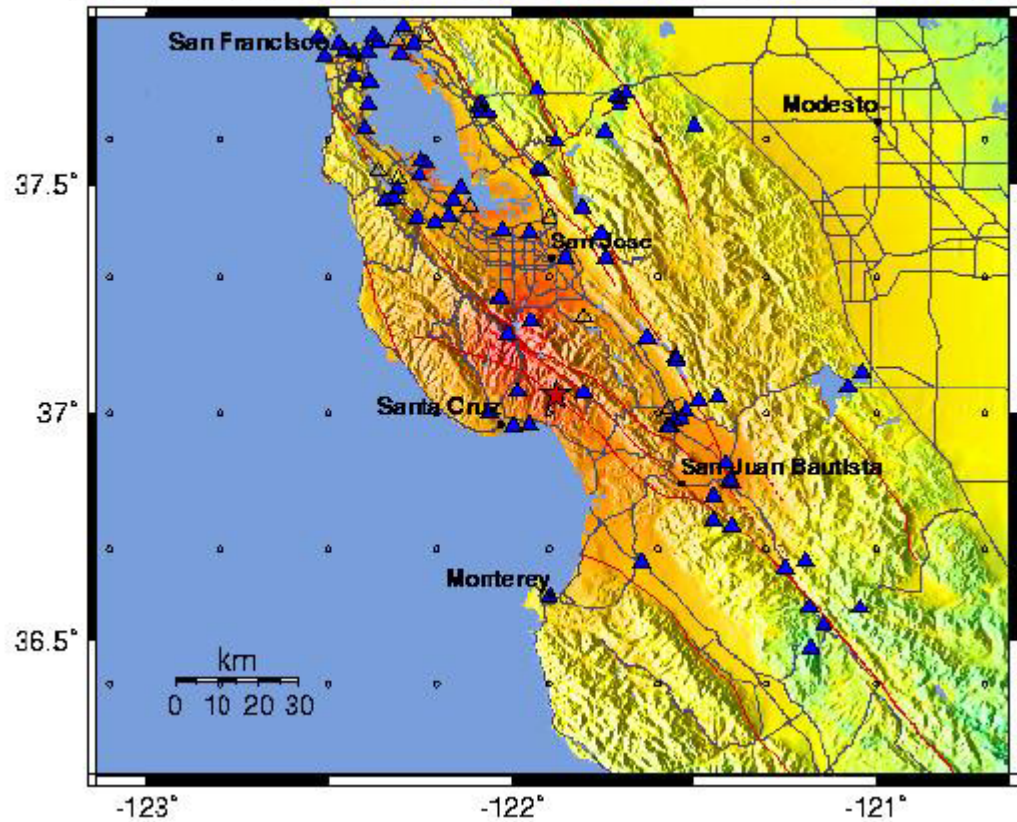
Central Coast Area		Payouts			San Joaquin Valley Area		Payouts		
	Sum of Limit	MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+		Sum of Limit	MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CALIFORNIA POLYTECHNIC STA	5,700,000				CSU BAKERSFIELD	1,700,000			
93401	30,000	7,500	15,000	30,000	93311	1,680,000	420,000	840,000	1,680,000
93405	20,000	5,000	10,000	20,000	93536	20,000	5,000	10,000	20,000
93407	5,465,000	1,366,250	2,732,500	5,465,000	CSU FRESNO	6,400,000			
93422	5,000	1,250	2,500	5,000	93710	900,000	225,000	450,000	900,000
93445	170,000	42,500	85,000	170,000	93726	40,000	10,000	20,000	40,000
95017	10,000	2,500	5,000	10,000	93740	5,460,000	1,365,000	2,730,000	5,460,000
CSU MONTEREY BAY	4,300,000				CSU STANISLAUS	1,900,000			
93901	20,000	5,000	10,000	20,000	93727	5,000	1,250	2,500	5,000
93930	5,000	1,250	2,500	5,000	95380	70,000	17,500	35,000	70,000
93933	120,000	30,000	60,000	120,000	95382	1,825,000	456,250	912,500	1,825,000
93940	30,000	7,500	15,000	30,000					
93955	4,125,000	1,031,250	2,062,500	4,125,000					

Additional Payout Examples

Sample ShakeMap

- Loma Prieta: 1989
 - Magnitude: Mw 6.9
 - MMI: Varies by geographic location (see map illustrating MMI at locations across the region)
- Event Payout: \$3,212,500

CISN Rapid Instrumental Intensity Map for LomaPrieta Earthquake
 Tue Oct 17, 1989 05:04:00 PM PDT M 6.9 N37.04 W121.88 Depth: 18.0km ID:LomaPrieta



PERCEIVED SHAKING	Not felt	Weak	Light	Moderate	Strong	Very strong	Severe	Violent	Extreme
INSTRUMENTAL INTENSITY	I	II-III	IV	V	VI	VII	VIII	IX	X+



Earthquake Hazards Program

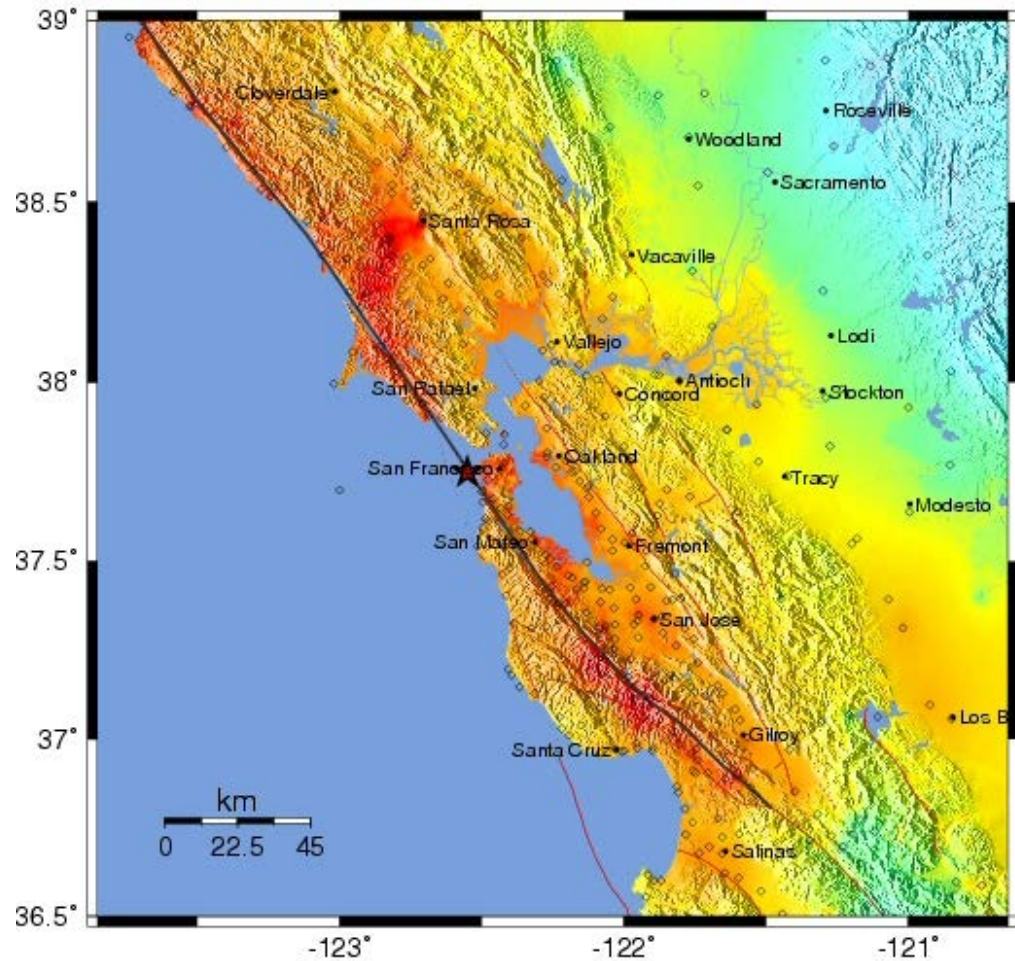
<http://usgs.github.io/shakemap/>

Sample ShakeMap

1906 Earthquake, M7.8, Depth 10 km, Epicenter N37.75 W122.55

- San Francisco: 1906
- Magnitude: Mw 7.8
- MMI: Varies by geographic location (see map illustrating MMI at locations across the region)

Event Payout: \$17,497,500



PERCEIVED SHAKING	Not felt	Weak	Light	Moderate	Strong	Very strong	Severe	Violent	Extreme
INSTRUMENTAL INTENSITY	I	II-III	IV	V	VI	VII	VIII	IX	X+



Earthquake Hazards Program

<http://usgs.github.io/shakemap/>

Summary of Terms

Summary of Proposed Structure For California State University

- Parametric Earthquake Property Insurance Policy
- **Form:** Insurance
- **Effective Date:** 10/1/2017
- **Term:** 3-years
- **Swiss Re Share:** 100%
- **Limit:** \$25,000,000 per occurrence and term aggregate
- **Payout:**
 - Applicable by zip code.
 - Payout amounts vary by zip code in relation to TIV and MMI measured at each zip code (center)
 - See Tables on previous slides
- **Gross Premium:**
 - Annual Premium: \$1,550,000
 - Inclusive of 7.5% brokerage, net of Taxes and Fees

Key Features of Proposed Solution

- **Broad Scope:** Limits available to all CA locations, large and small
- **Independent Data Provider:** MMI from post-event ShakeMap provided by sound, independent 3rd party source (USGS)
- **Timing:** Fast payout to assist with immediate financial needs
- **Insurance Form:** Coverage provided on insurance form. Insured permitted 12 months post event to determine full extent of financial loss and to sign letter attesting actual financial burden at least as great as payment received.
- **Broad Coverage:** Payments can be used for immediate emergency needs, business expenses not covered elsewhere, building damage, etc.
- **Deductible:** None

Appendix

Comparison of Traditional Insurance to Parametric Insurance Product

	Traditional Insurance	Parametric / Index based Cover
Trigger	Loss or damage to physical asset	Event occurrence exceeding pre-defined threshold or trigger
Recovery	Reimbursement of actual loss sustained	Pre-agreed payment structure based on event parameters
Basis Risk*	Policy conditions, deductibles and exclusions	Correlation of chosen trigger structure with actual exposure
Loss Assessment and Payment	Months to several years – depending on complexity of loss	Very transparent and settlement usually within 30 days
Term	Usually annual, multi-year difficult	Single or multi-year (up to three years)
Structure	Standard products and contract wordings	Customized product with high structuring flexibility (single trigger, multi-trigger)
Form	Insurance Contract	Insurance Contract

*Risk that Client's collected payout is not equal to your actual loss.

Modified Mercalli Intensity Scale

Intensity	Shaking	Description/Damage
I	Not felt	Not felt except by a very few under especially favorable conditions.
II	Weak	Felt only by a few persons at rest, especially on upper floors of buildings.
III	Weak	Felt quite noticeably by persons indoors, especially on upper floors of buildings. Many people do not recognize it as an earthquake. Standing motor cars may rock slightly. Vibrations similar to the passing of a truck. Duration estimated.
IV	Light	Felt indoors by many, outdoors by few during the day. At night, some awakened. Dishes, windows, doors disturbed; walls make cracking sound. Sensation like heavy truck striking building. Standing motor cars rocked noticeably.
V	Moderate	Felt by nearly everyone; many awakened. Some dishes, windows broken. Unstable objects overturned. Pendulum clocks may stop.
VI	Strong	Felt by all, many frightened. Some heavy furniture moved; a few instances of fallen plaster. Damage slight.
VII	Very strong	Damage negligible in buildings of good design and construction; slight to moderate in well-built ordinary structures; considerable damage in poorly built or badly designed structures; some chimneys broken.
VIII	Severe	Damage slight in specially designed structures; considerable damage in ordinary substantial buildings with partial collapse. Damage great in poorly built structures. Fall of chimneys, factory stacks, columns, monuments, walls. Heavy furniture overturned.
IX	Violent	Damage considerable in specially designed structures; well-designed frame structures thrown out of plumb. Damage great in substantial buildings, with partial collapse. Buildings shifted off foundations.
X	Extreme	Some well-built wooden structures destroyed; most masonry and frame structures destroyed with foundations. Rails bent.

PERCEIVED SHAKING	Not felt	Weak	Light	Moderate	Strong	Very strong	Severe	Violent	Extreme
POTENTIAL DAMAGE	none	none	none	Very light	Light	Moderate	Moderate/Heavy	Heavy	Very Heavy
PEAK ACC. (%g)	<0.17	.17-1.4	1.4-3.9	3.9-9.2	9.2-18	18-34	34-65	65-124	>124
PEAK VEL. (cm/s)	<0.1	0.1-1.1	1.1-3.4	3.4-8.1	8.1-16	16-31	31-60	60-116	>116
INSTRUMENTAL INTENSITY	I	II-III	IV	V	VI	VII	VIII	IX	X+

USGS ShakeMaps

- ShakeMap is a product of the U.S. Geological Survey Earthquake Hazards Program in conjunction with regional seismic network operators.
- ShakeMap sites provide near-real-time maps of ground motion and shaking intensity following significant earthquakes.
- These maps are used by federal, state, and local organizations, both public and private, for post-earthquake response and recovery, public and scientific information, as well as for preparedness exercises and disaster planning.
- In order to develop the seismic intensity the USGS relies on reporting stations (of which there are many in the State of California) as well as other tools it has found useful to more accurately assess the shake intensity at a given site. See full detail in the link included below.
- **USGS ShakeMap Website:** <http://usgs.github.io/shakemap/introduction.html>



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POLICY AND PROCEDURE NO. 10 – MEMBER LOANS POLICY

ISSUE: In response to direction provided by the Executive Committee in previous meetings, Staff has revised Policy and Procedure No. 10 – Member Loans, to provide clarity to those Members wishing to seek a loan from CSURMA. The revisions aim to provide a clear description of the types of risk management projects that may be approved.

RECOMMENDATION: Staff recommends that the Executive Committee recommend approval of the revisions to Policy and Procedure No. 10, with additional revisions as appropriate.

FISCAL IMPACT: None is expected from action at today’s meeting; however, changes to Policy and Procedure No. 10 will narrow loan distribution to only those projects which include a risk mitigation element.

BACKGROUND: Staff will be on hand at the meeting for questions and discussion.

PUBLICATION: The revised Policy and Procedure will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. Policy and Procedure No. 10 – Member Loans



CSURMA

POLICY AND PROCEDURE NO. 10

ADOPTED: MAY 13, 2011
~~, January~~ **JANUARY 10, 2016 (AMENDED)**
SEPTEMBER 27, 2017

EFFECTIVE: JULY 1, 2011

SUBJECT: MEMBER LOANS

Should there be any discrepancy between this document and either the JOINT POWERS AGREEMENT or BYLAWS, the JOINT POWERS AGREEMENT and BYLAWS will govern.

POLICY:

It is the policy of CSURMA that, upon recommendation of the Treasurer, the Executive Committee may approve a loan to a Member pursuant to the procedures described herein. No new Member Loan shall be granted without a finding by the Executive Committee that CSURMA has sufficient funds such that the proposed member loan would not impair CSURMA's ongoing operations. Member Loans shall only be granted upon a finding by the Treasurer that the Member has exhausted alternative sources of funding and that a Member Loan is in the best interests of the University.

PROCEDURE:

The following procedures shall be followed in administration of the CSURMA Member Loan program:

- 1. Amount Available for Member Loans** – The amount available for Member Loans shall not exceed 15% of the overall average fund balance for the preceding 12 months and no new Member Loan shall be initiated by the Treasurer without determining that the proposed Member Loan will fall within the 15% limit and that CSURMA will maintain adequate funds to cover its cash needs following the loan. In the interest of fairness, Member Loans to a single Member Campus (and its associated Member Auxiliary Organizations) shall not exceed 5% of the overall average fund balance for the preceding 12 months.
- 2. Member Loan Request** – A member seeking a CSURMA Member Loan shall submit to the Treasurer a written request describing the amount, purpose, proposed terms, and repayment for the requested Member Loan. The request shall describe what steps the Member has taken to secure the requested funds through alternate sources and why the Member is seeking the proposed loan from CSURMA. The Member shall describe the collateral and source of repayment funds for the proposed Member Loan. If a general obligation pledge is proposed by an Auxiliary Organization Member, then that Member must also show adequate cash flow from a specific funding source or adequate reserves to make the debt service payments during the term of the loan. Proposed Member Loans for the acquisition of real estate by an auxiliary organization may not pledge the real estate as collateral for the loan.

3. Purpose of Loan – The loan program is to provide low cost funding to a campus in order to implement a risk mitigation program (compliance or regulatory requirement, i.e. consent decree) that could not otherwise be implemented without CSURMA funding or to respond to a current risk / condition that if not addressed could demonstrate an enhanced potential risk to people and/or property.

3.4. Treasurer’s Review and Recommendation - The Treasurer shall review the Member Loan request and seek additional information as necessary to make a determination. If a favorable determination is made, the Treasurer shall recommend to the Executive Committee the proposed Member Loan including the Treasurer’s recommended terms and conditions. Recommended terms shall require that the frequency of interest payments shall be at least quarterly in arrears and at an interest rate at least equivalent to the investment income rate that CSURMA would have earned if the funds had instead been invested during the same calculation period.

4.5. Executive Committee Action – At duly noticed meeting, the Executive Committee shall take action on the Treasurer’s recommendation. If the proposed Member Loan is to be approved, such approval shall be memorialized by resolution directing the Treasurer to prepared the loan note for review and approval by CSURMA’s General Counsel.

5.6. Administration of Member Loans – The Treasurer shall direct the CSURMA Accountant to transfer funds, calculate interest, collect repayment proceeds and prepare reports on the status of outstanding loans. Any failure to make timely payments or proposed change in terms or conditions shall be reported by the Treasurer to the Executive Committee for review and action.

AORMA PROGRAMS UPDATE

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

The 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 86 members, and represents 100% participation.

PUBLICATION: None.

ATTACHMENT(S): None.

AIME PROGRAMS UPDATE

ISSUE: The Athletic Injury Medical Expense (AIME) program continues to address the insurance and risk management needs of its members.

The Executive Committee Liaison for AIME, will report on the activities of the AIME Committee.

RECOMMENDATION: This item is for information only; no action is required on this item at today's meeting.

FISCAL IMPACT: None.

BACKGROUND: AIME is designed to cover medical expenses arising from injuries to student athletes while practicing or competing in inter-collegiate sports programs of the university.

PUBLICATION: None.

ATTACHMENT(S): None.

FY 2017/2018 LONG RANGE PLANNING GOALS

ISSUE: Each year the Executive Committee conducts a Long Range Action Planning meeting to gauge progress and to re-evaluate where efforts should be focused.

RECOMMENDATION: This item is for information only; no action is requested.

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

BACKGROUND: The CSURMA Executive Committee adopts the FY 2017/2018 Long Range Planning goals to be accomplished. The Committee will receive a report from Staff on the assigned responsibilities and deadlines of the FY 2017/2018 Long Range Planning goals.

PUBLICATION: None.

ATTACHMENT(S):

- a. FY 2017/2018 CSURMA Long Range Action Plan

FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-1 SPECIAL EVENTS RESOURCE GUIDE					
Create a Special Events Resource Guide. Implement risk management training for special events.	1	Identify and engage consultant to create Special Events Risk Management Manual and training modules.	SRM	Aug-15	Completed
	2	Consultant presents Special Event Management Project at Fitting the Pieces Together Conference	SRM	Nov-16	Completed
	3	Develop subject content for special events risk management manual.	SRM	Apr-17	Completed
	4	Oversee design and development of special events risk management manual.	SRM	Apr-17	In Process
	5	Consultant develops training module(s) for CSU LMS	SRM	Jan-18	
	6	Roll out manual to all campus and auxiliary organization staff	SRM	Jan-18	
	7	Post manual on the CSURMA website.	PA	Jan-18	
	8	Roll out special events training on the CSU LMS.	SRM	May-18	
LRP-2 RMIS REPORTING					
Implement a Risk Management Information System and Provide Regular Reporting	1	Populate Ventiv database with hierarchy structure.	PA	17-Oct	In Process
	2	Populate Ventiv database with Phase 1 policy data.	PA	17-Dec	
	3	Present Phase 1 project results and recommendations for Phase 2.	SRM, PA	17-Dec	
	4	Implement initial benchmarking project.	SRM, PA	18-Jan	
	5	Approve Phase 2 and ongoing database maintenance plan.	EC	18-Mar	
	6	Initial report to EC and BOD.	SRM, PA	18-Apr	
	7	Presentation of sustainable long term benchmarking program.	SRM, PA	18-Oct	
	8	Approval of long term benchmarking project scope and costs.	EC	19-Jan	
LRP-3 CAPTIVE INSURER					
Complete cost / benefits analysis for a captive insurance company to operate within CSURMA.	1	Identify and engage consultant to evaluate CSURMA's captive utilization options.	EC, SRM, PA	Jan-16	Completed
	2	Review the Pinnacle Actuarial Resources initial evaluation of CSURMA's captive utilization options.	EC	May-16	Completed
	3	Present further evaluation to EC for direction	EC	Sep-16	Completed
	4	Report on project to EC and BOD	BOD	Nov-16	Completed
	5	Approval of the use of a captive for the legacy workers' compensation claims	EC	Mar-17	Completed
	6	Report on project to the BOD	PA	May-17	In Process
	7	Oversee development of a captive cell	SRM, PA	Jan-18	
LRP-4 CAMPUS VISITS					
Visit Campus VPs to provide updates on	1	Schedule meetings with all Campus VPs	PA	Aug-16	Completed
	2	RPTG will meet to review risk pool rating plans	SRM, RPTG, PA	Oct-16	Completed

FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
CSURMA	4	Completion of Campus VP presentation	PA	Nov-16	Completed
	5	Completion Campus visits	SRM , PA	Mar-17	In Process
LRP-5 ACCESSING AND COMMUNICATING EIA RESOURCES					
Provide information to the membership regarding the risk management and loss control services available through CSAC-EIA	1	Report on CSAC-EIA resources to the BOD	PA	May-17	Completed
	2	Prepare informational bulletin to be distributed to the members	PA, SRM	Sep-17	In Process
	3	Forward informational bulletins to the members on a quarterly basis	PA	Sep-17	In Process
LRP-6 MEMBER LOAN POLICY					
Revise member loan policy to apply to risk management projects	1	Report of Project to the BOD	PA, CO	May-17	Completed
	2	Review parameters of current loan policy	PA	Oct-17	Completed
	3	Revise Policy and Procedure No. 10 to provide a clear description of the types of risk management projects that may be approved	PA, CO	Oct-17	Completed
	4	Approve revisions to Policy and Procedure No. 10	EC	Oct-17	In Process
	5	Report on the changes to the member loan policy and the changes to Policy and Procedure No. 10 to the BOD	PA	Oct-17	In Process
LRP-7 ALLOCATION OF INVESTMENTS					
Explore and evaluate alternate investment strategies.	1	Discuss alternate investment strategies.	EC	Mar-17	Completed
	2	Review CSU's new investment flexibility with legal counsel as it pertains to CSURMA.	SRM	Mar-18	In Process
	3	Report on project to EC and BOD.	CO	Mar-18	
	4	Approval of alternate investment options.	EC	Mar-18	
	5	Report on final project to BOD	PA	Apr-18	
LRP-8 EARTHQUAKE COVERAGE					
Review and consider the purchase of Systemwide earthquake coverage with a parametric trigger	1	Report on project to the BOD	PA	May-17	Completed
	2	Prepare marketing specifications for earthquake coverage with a parametric trigger	Pa	Jul-17	Completed
	3	Set-up and organize a presentation by the insurer(s) at the CO	PA	Aug-17	Completed
	4	Solicit quotations	PA	Aug-17	Completed
	5	Present coverage and premium quotation to the EC for approval (if moving forward)	PA	Sep-17	Completed
LRP-9 RISK MANAGEMENT GRANT PROGRAM					

FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
Revise the Risk Management Innovation Grant Program to apply only to projects proposed by the affinity groups	1	Update the Risk Management Innovation Grant Program application and Policy and Procedure No. 21 to apply only to projects proposed by the affinity groups	PA, SRM	Apr-17	Completed
	2	Present changes to the EC for approval	PA, SRM	May-17	Completed
	3	Report on project to BOD	PA, SRM	May-17	Completed
	4	Send out a bulletin to the membership explaining the change to the risk management grant program	PA, SRM	May-17	Completed
LRP-10 WORKERS' COMPENSATION PROJECTS BASED ON CWCI DATA					
Create risk management / loss control workers' compensation projects based on the CWCI data	1	Report on project to BOD	PA, SRM	May-17	Completed
	2	Review CWCI benchmarking results and reports for the CSURMA dashboard	PA, SRM	Jul-17	Completed
	3	Identify campus / auxiliary organization outliers and suggest action to be taken	PA, SRM	Oct-17	In Process
LRP-11 MARINE PROGRAM					
Create a marine program to cover watercraft owned by campus and auxiliary organization members	1	Review and update watercraft schedule, as appropriate	PA	Nov-16	Completed
	2	Create marine program coverage specifications	PA	Nov-16	Completed
	3	Report on project to the BOD	PA	May-17	Completed
	4	Obtain coverage options, and pricing, for program and present to the EC	PA	Jun-17	Completed
	5	Present final program design	PA	Jul-17	Completed
	6	Disseminate the Marine Program information to CSURMA members	PA	Jul-17	Completed
LRP-12 AUXILIARY ORGANIZATIONS EMPLOYEE BENEFITS					
Provide assistance and oversight to the AOA	1	Report on project to the BOD Pending Completion of the AOA Benefits User Group RFP	PA	May-17	In Process
LRP-13 STUDENT HEALTH AND UC SHIP					
Formation of a student health program	1	Report on project to the BOD	PA	May-17	In Process
LRP-14 WORKERS' COMPENSATION EXPERIENCE MODIFICATION FACTOR					
Review and modification if	1	Appoint a task group to review the current workers' compensation experience modification	EC	Mar-17	Completed

FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
appropriate the Workers' Compensation Experience Modification calculation	2	Review current calculation to address the disincentive for members to negotiate claim	SRM, PA	Mar-17	Completed
	3	Report on project to BOD.	BOD	May-17	Completed
	4	Meet with the task group to finalize recommendations for change.	Task Group	Jun-17	Completed
	5	Report and recommendation for change to EC	EC	Sep-17	Completed
	6	Final report on project to BOD	BOD	Oct-17	Completed

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

CSURMA ADMINISTRATIVE SERVICE CALENDAR

ISSUE: This item is provided as information 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.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA Administrative Service Calendar

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
JANUARY 2017				
01/01/17	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
01/01/17	FTIP: Order FTIP loss run and IP loss run valued at 12/31	Alliant Staff	Stacey Weeks/ Robert Leong	Completed
01/02/17	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed
01/06/17	Statement of Facts – Roster of Public Agencies - file with Secretary of State	Alliant Staff	Tevea Him	Pending
01/07/17	Announce the new AORMA Committee Vice Chair as well as open seats on the AORMA Committee	Nominations Committee	Mimi Long	Completed
<i>01/08/17</i>	<i>CSURMA AOA CONFERENCE</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
<i>01/08/17</i>	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
<i>01/11/17</i>	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>	<i>Completed</i>
01/15/17	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
01/31/17	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed
01/31/17	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
FEBRUARY 2017				
02/01/17	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
02/01/17	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 12/31	Alliant Staff	Tevea Him	Completed
02/01/17	UIP - Send EDD Claims Information to Individual Members	Alliant Staff	Tevea Him	Completed
02/01/17	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	Completed
02/01/17	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Jacki Graf	Completed
02/01/17	AORMA Workers' Compensation program claims administration audit (every even year)	Alliant Staff	Jacki Graf	N/A
02/01/17	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	N/A
02/01/17	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long	Completed
02/01/17	FTIP: Prepare loss summaries, review with SRM to determine renewal strategy (market or not, etc)	Alliant Staff	Stacey Weeks/ Robert Leong	Completed
02/15/17	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
<i>02/23/17</i>	<i>AORMA Program Committee Meeting (Teleconference)</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
MARCH 2017				
03/01/17	Annual Review of (1) Data Security Policies and (2) the Integrated CSU Administration Manual	Alliant Staff	Mimi Long	Completed
03/01/17	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	Completed
03/01/17	Chancellor's Office Services Budget Proposals	Alliant Staff	Mimi Long	Completed
03/01/17	CSURMA Budget (EC and AORMA Approval)	Alliant Staff	Robert Leong	Completed
03/01/17	Review of the CSURMA Master Investment Policy	Alliant Staff	Mimi Long	Completed
03/01/17	CSURMA Mid-Term Budget Amendments	Alliant Staff	Robert Leong	Completed
03/01/17	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
03/01/17	Review the Auxiliary Service Provider Report	Alliant Staff	Mimi Long	Completed
03/01/17	Appointment of the Campus Programs RPTG - Spring 2017 (FY 2018/2019)	Alliant Staff	Robert Leong	
03/01/17	FTIP: Obtain initial feedback from underwriters on renewal pricing, prepare item for EC and obtain renewal for overall renewal pricing	Alliant Staff	Stacey Weeks/ Robert Leong	Completed

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
03/09/17	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
03/09/17	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
03/10/17	CSURMA EC LRP Meeting	Alliant Staff	Mimi Long	Completed
03/15/17	FORM 700 - Follow up - JPA ADMIN follows up with FILER, prepares status report for CSURMA EC review at Long Range Planning meeting	Alliant Staff	Tevea Him	Completed
03/15/17	Quarterly Risk Management Report	Alliant Staff	Mimi Long	Completed
03/19/17	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
03/20/17	Forward slate of nominees to fill the open seats on the AORMA Committee	Alliant Staff	Mimi Long	Completed
03/31/17	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him	Completed
03/31/17	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	Completed
APRIL 2017				
04/01/17	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	Tevea Him	Completed
04/01/17	FORM 700 - JPA ADMIN sends all forms received to FPPC for processing	Alliant Staff	Tevea Him	Completed
04/01/17	Send out ballot for AORMA Committee term beginning on July 1, 2017	Alliant Staff	Tevea Him	Completed
04/01/17	FTIP: Announce upcoming FY rates to campuses, continue renewal marketing/negotiations	Alliant Staff	Stacey Weeks/ Robert Leong	Completed
04/30/17	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
MAY 2017				
05/01/17	FTIP: Include renewal rates/coverage summary to board of directors, finish underwriter negotiations, bind program with underwriters	Alliant Staff	Stacey Weeks/ Robert Leong	Completed
05/01/17	AIME Committee Meeting	Alliant Staff	Stacey Weeks	Completed
05/01/17	Approval by EC Resolution allowing Treasurer to invest or reinvest funds (annual approval required - see Res 01-15 BOD)	BOD and Alliant Staff	Tevea Him	Completed
05/01/17	Approval of Conflict of Interest Code by BOD every even-number year - File with FPPC as required.	BOD and Alliant Staff	Tevea Him	Completed
05/04/17	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
05/04/17	CSURMA BOD NMO Meeting via Teleconference	Alliant Staff	Mimi Long	Completed
05/04/17	Receive back all AORMA Committee ballots for the term beginning on July 1, 2017	Alliant Staff	Tevea Him	Completed
05/05/17	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
05/05/17	CSURMA BOD Meeting	Alliant Staff	Mimi Long	Completed
05/11/17	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
05/15/17	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
05/30/17	Send out appointment letters to the newly appointed AORMA Standing Committee Chairs for the term beginning on July 1, 2017	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/17	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2017	AORMA Chair/Alliant Staff	Tevea Him	Completed

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
05/30/17	Send out appointment letters to the newly elected Executive Committee members for the term beginning on July 1, 2017	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/17	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 3/31/17	Alliant Staff	Tevea Him	Completed
05/30/17	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2017	Alliant Staff	Tevea Him	Completed
05/30/17	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2017	Alliant Staff	Mimi Long	Completed
JUNE 2017				
06/01/17	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	Completed
06/01/17	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
06/23/17	AORMA Program Committee Meeting (Teleconference)	Alliant Staff	Mimi Long	Completed
06/30/17	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	Completed
06/30/17	<i>Expiring Contract: Carl Warren & Company - July 1, 2016 to June 30, 2019, plus two options to June 30, 2020 and June 30, 2021</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: CO Enterprise Accounting / Financial Services - July 1, 2016 to June 30, 2017</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: UC Office of Risk Services Performing Arts Center of Excellence - November 1, 2013 to June 30, 2017</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: A-G Administrator (AIME) - July 1, 2009 to June 30, 2017</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Alliant Loss Control Services - July 1, 2017 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: CO OGC / Legal - July 1, 2017 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: CO Risk Management - July 1, 2017 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Praesidium - July 1, 2017 to June 30, 2020</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Target Safety dba Target Solutions - June 30, 2017</i>	Alliant Staff	Mimi Long	N/A
06/30/17	<i>Expiring Contract: Employers Group - July 1, 2017 to June 30, 2020</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Employers Risk - July 1, 2013 to June 30, 2018</i>	Alliant Staff	Mimi Long	N/A
06/30/17	<i>Expiring Contract: HSR - July 1, 2015 to June 30, 2019</i>	Alliant Staff	Mimi Long	N/A
06/30/17	<i>Expiring Contract: Agility - July 1, 2017 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Sedgwick - July 1, 2013 to June 30, 2018</i>	Alliant Staff	Mimi Long	N/A
06/30/17	Request COI from all vendor's contract	Alliant Staff	Andrew Gaspari	in process
JULY 2017				
07/01/17	OCIP Renewal (5 year program)	Alliant Staff	Daniel Howell/ Mimi Long	Completed
07/01/17	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin	Completed
07/01/17	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	Completed
07/04/17	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin	Completed
07/05/17	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
07/05/17	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	Completed

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
07/07/17	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	Completed
07/14/17	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/15/17	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong	Completed
07/15/17	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	Completed
07/17-18/2017	AORMA Officers Retreat – San Diego, CA	AORMA Officers	Mimi Long	Completed
07/21/17	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/28/17	FORM 700 - FORMS DUE TO FPPC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him	Completed
07/31/17	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong	Completed
07/31/17	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report - Present to EC in Sept	Alliant Staff	Robert Leong	Completed
07/31/17	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	Completed
07/31/17	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Tevea Him	Completed
07/31/17	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate (every three years)	Liability TPA	Mimi Long	Completed
07/31/17	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
07/31/17	Appointment of the Campus Programs RPTG - 2019 (FY 2021/2022)	Alliant Staff	Robert Leong	N/A
AUGUST				
08/01/17	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 Him	Completed
08/01/17	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him	Completed
08/01/17	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him	Completed
08/01/17	Send out letter to regarding Foreign Travel Authority Confirmation	Alliant Staff	Tevea Him/ Stacey Weeks	Completed
08/01/17	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long	Completed
08/01/17	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	Completed
08/11/17	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
08/15/17	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	Completed
08/31/17	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff	Mimi Long	Completed
08/31/17	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long	Completed
08/31/17	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long	Completed
08/31/17	Completion of Financial Audit	CSU Accounting	Mimi Long	Completed
08/31/17	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff	Tevea Him	Completed
Begin Task	Completion of the Public Self-Insurer's Annual Report for CSURMA (must be filed with the state by Oct 1st.)	Alliant Staff	Mimi Long	Completed
Begin Task	AORMA Workers' Compensation Desk Audit	Alliant Staff	Mimi Long	In Process

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
SEPTEMBER				
09/01/17	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long	Completed
09/01/17	Stewardship Report	Alliant Staff	Mimi Long	Completed
09/01/17	10/01 - EQ Renewal Anniversary	Alliant Staff	Daniel Howell	
09/06/17	AORMA Long Range Plan meeting	Alliant Staff	Mimi Long	Completed
09/06/17	AORMA New Committee Member Orientation meeting	Alliant Staff	Mimi Long	Completed
09/07/17	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
09/07/17	CSURMA EC Orientation Meeting	Alliant Staff	Mimi Long	Completed
09/08/17	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
09/12/17	CAJPA Fall Conference and Training Seminar -South Lake Tahoe	Alliant Staff	Mimi Long	Completed
09/14/17	CAJPA Standards review (2017 and every 3 years thereafter)	Alliant Staff	Mimi Long	In Process
09/15/17	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Van Rin	Completed
09/15/17	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	In Process
09/28/17	AORMA Program Committee Meeting (Teleconference)	Alliant Staff	Mimi Long	Completed
09/30/17	CSURMA Quarterly EPL Deductible Recoverys ending September 30 (Begin Task)	Alliant Staff	Van Rin	Completed
09/30/17	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	Mimi Long	Completed
OCTOBER				
10/01/17	Request completion of the Liability application	Alliant Staff	Mimi Long	In Process
10/01/17	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long	In Process
10/15/17	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
10/16/17	AIME Committee Meeting	Alliant Staff	Stacey Weeks	Completed
10/26/17	AORMA Committee Meeting	Alliant Staff	Mimi Long	
10/26/17	CSURMA BOD NMO Meeting via Teleconference	Alliant Staff	Mimi Long	
10/27/17	CSURMA BOD Meeting	Alliant Staff	Mimi Long	
10/27/17	CSURMA EC Meeting	Alliant Staff	Mimi Long	
10/31/17	Government Compensation Report (request from CSU Accounting)	Accounting	Tevea Him	In Process
10/31/17	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
NOVEMBER				
11/01/17	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	Tevea Him	Completed
11/28/17	Send campus risk pool renewal budget (Budget)	Alliant Staff	Robert Leong	
11/28/17	Send campus risk pool renewal budget (Early Bird Renewal Letter)	Alliant Staff	Robert Leong	
11/28/17	Campus Risk Pool Deductible - Confirm (every 3 years - 2017, 2020)	Alliant Staff	Robert Leong	Completed
11/30/17	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	Completed
11/30/17	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30	Alliant Staff	Tevea Him	Completed
11/30/17	AORMA Program Committee Meeting	Alliant Staff	Mimi Long	

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD
DECEMBER			
12/01/17	2018 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Risk Management
12/01/17	Appointment of the Club Sport Insurance Programs RPTG - Spring 2018 (FY 2018/2019)	Alliant Staff	Robert Leong
12/01/17	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long
12/07/17	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
12/08/17	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
12/15/17	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff	Tevea Him
12/15/17	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell
12/30/17	Financial Audit - mail to Secretary of State and County Auditor	Alliant Staff/Accounting	Tevea Him
12/31/17	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin
12/31/17	<i>Expiring Contract: Enterprises Rent A Car - January 1, 2016 - December 31, 2016</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>

2017 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 – 2017 Meeting Calendar



California State University Risk Management Authority

2017 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
8	3:00 PM	EC (AOA Conference)	San Diego	23	9:00 AM	PC	San Francisco	9	10:00 AM	AORMA	San Diego
8 - 11		AOA Annual Conference	San Diego					9	2:30 PM	EC	San Diego
11	10:30 AM	AIME	San Diego					10	8:30 AM	EC LRP	San Diego
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
				1	10:30 AM	AIME	San Francisco	TBD		AOA EC	TBD
				3	2:00 PM	BOD Orientation	Teleconference	22	1:00 PM	PC	Teleconference
				4	10:00 AM	AORMA	Long Beach				
				5	8:30 AM	EC	Long Beach				
				5	10:30 AM	BOD	Long Beach				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
17-18	11:00 AM	AORMA Officers Retreat	San Diego	TBD		AOA EC	TBD	6	9:00 AM	AORMA New Member	Sacramento
								6	10:00 AM	AORMA LRP	Sacramento
								7	9:00 AM	AORMA	Sacramento
								7	4:00 PM	EC Orientation	Sacramento
								8	8:30 AM	EC	Sacramento
								28	1:00 PM	PC	Teleconference
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
16	10:30 AM	AIME	San Francisco	TBD		AOA EC	TBD	7	10:00 AM	AORMA	TBD
	2:00 PM	BOD Orientation	Teleconference	30	8:00 AM	PC	San Francisco	8	8:30 AM	EC	TBD
26	3:00 PM	AORMA	Long Beach					7	8:00 AM	PC	San Francisco
27	9:00 AM	EC	Long Beach								
27	10:30 AM	BOD	Long Beach								

AORMA = Auxiliary Organizations Risk Management Alliance Committee

AIME = Athletic Injury Medical Expense Committee

AORMA LRP = AORMA Long Range Planning Meeting

PC = AORMA Programs Committee

AOA = CSU Auxiliary Organizations Association

BOD = CSURMA Board of Directors

EC = CSURMA Executive Committee

EC LRP = EC Long Range Planning Meeting

Note: The AOA EC meets the third Friday in the months of March, June, August and November and the Saturday afternoon before the January AOA Conference.

CSURMA EXECUTIVE COMMITTEE AND STAFF CONTACT LIST

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

RECOMMENDATION: It is recommended that members review the list at each meeting for accuracy, making revisions as appropriate. If there are any changes, please contact Tevea Him at thim@alliant.com.

FISCAL IMPACT: None.

BACKGROUND: An accurate and current contact 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, 2017

Seat	Member	Position	Campus	Organization	E-Mail	Telephone Number
Chair	Ming Tung (Mike) Lee	Vice President, Administration and Chief Financial Officer	Sacramento	California State University Sacramento	mikelee@csus.edu	916-278-6312
Vice Chair	Lisa Chavez	Vice-President, Administration and Chief Financial Officer	Los Angeles	California State University Los Angeles	lisa.chavez@calstatela.edu	323-343-3500
CSU Seat #1	Thom Davis	Vice President for Business and Administrative Services	Bakersfield	California State University, Bakersfield	tdavis31@sub.edu	661-654-2287
CSU Seat #2	Jody Van Leuven	Executive Director	San Bernardino	California State University San Bernardino	jody.vanleuven@csusb.edu	909-537-3939
CSU Seat #3	Scott Apel	Associate Vice President	Long Beach	California State University Long Beach	scott.apel@csulb.edu	562-985-8716
CSU Seat #4	Kevin Saunders	VP Administration & Finance	Monterey Bay	California State University Monterey Bay	kesaunders@csumb.edu	831-582-3397
AORMA Seat #5 - Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA Seat #6 - V Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
Treasurer	Robert Eaton	Assistant Vice Chancellor, Financing, Treasury, and Risk Management	Chancellor's Office	California State University, Office of the Chancellor	reaton@calstate.edu	562-951-4572
Secretary Auditor	Zachary Gifford	Director of Systemwide Risk Management and Public Safety	Chancellor's Office	California State University, Office of the Chancellor	zgifford@calstate.edu	562-951-4580



California State University Risk Management Authority

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
JPA Program Administrator – Alliant Insurance Services, Inc.				
Certificate of Insurance Requests	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
General CSURMA Coverage Questions	Robert Leong Van Rin Amy Lightner Daniel Howell	rleong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
General AORMA Coverage Questions	Mimi Long Van Rin Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
Inland Marine	Van Rin Mimi Long	vrin@alliant.com mlong@alliant.com	415-403-1408 415-403-1423	415-874-4810 415-874-4810
Participant Accident Insurance (PAI)	Van Rin Tevea Him	vrin@alliant.com thim@alliant.com	415-403-1408 415-403-1416	415-874-4810 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 Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 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 Elaine (Kim) Tizon Sheila McClenaghan	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com sheila.mcclenaghan@alliant.com	415-403-1445 415-403-1453 415-403-1458 415-403-1492	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	Yung Lam Tevea Him Myron Leavell	ylam@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1461 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

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California State University Risk Management Authority

CONTACT LIST				
Coverage	Contact	E-Mail Address	Office	Fax
CSU Chancellor's Office				
CSU Chancellor's Office	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	William Hsu	whsu@calstate.edu	562-951-4500	562-951-4956
	Sedong John	sjohn@calstate.edu	562-951-4577	562-951-4865
	Alice Kim	akim@calstate.edu	562-951-4627	562-951-4865
	Cindi Le	cle@calstate.edu	562-951-4651	
	Jessica Liu	jliu@calstate.edu	562-951-4621	
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	Steve Relyea	srelyea@calstate.edu	562-951-4600	562-951-4971