



5. **CSU Auxiliary Organization – Revised Campus Visit Presentation** A pg. 19  
*The Committee will review the campus visit presentation as well as the visit schedule and may provide direction to Staff*
6. **Review of FY 16/17 AORMA Liability and Workers’ Compensation Program Actuarial Reports** I pg. 23  
*The Committee will review the liability and workers’ compensation actuarial reports*
7. **Estimated Pool Layer Funding Exhibit** I pg. 49  
*The Committee will review the estimated fund balance at June 30, 2015 for both the liability and workers’ compensation programs*
8. **Target Surplus Funding and Dividend Calculation** I pg. 56  
*The Committee will review the Target Surplus Funding and Dividend Calculations based on June 30, 2015 financials*
9. **AORMA Historical Premium Payments, Dividends and Loss Ratios Report** A pg. 64  
*The Committee will review the AORMA Historical Premium Payments, Dividends and Loss Ratios exhibit and may provide direction to Staff*
10. **Employment Practices Liability Member Deductibles for FY 16/17** A pg. 70  
*The Committee will review the mandatory minimum EPL deductibles for FY 16/17 per Policy & Procedure L-7 and may provide direction to Staff*
11. **Discussion of AORMA’s Continuity Plan** A pg. 82  
*The Committee will discuss the plan for filling all of the Committee seats for the FY 16/17 term*
12. **Workers’ Compensation AORMA Combined Quarterly Scorecard** A pg. 86  
*The Committee will hear a report by Sedgwick regarding the Workers’ Compensation Timeliness Reporting Scorecard and may provide direction to Staff as appropriate*
13. **Development of the Long Range Action Plan Items for FY 15/16** A pg. 96  
*The Committee will discuss the items to be included on AORMA’s long range plan for FY 15/16*

**D. ADJOURNMENT**

*The next meeting is scheduled for September 10, 2015 at 9:00 a.m. in Sacramento, CA. Please contact Mimi Long [mlong@alliant.com](mailto:mlong@alliant.com) or Tevea Him [thim@alliant.com](mailto:thim@alliant.com) with questions.*

**Agenda Item C1**  
**CSURMA AORMA Committee**  
**Long Range Planning Session**  
**Meeting Date: September 9, 2015**

**INTRODUCTION OF NEW COMMITTEE MEMBERS**

**ISSUE:** Cheree Aguilar, Senior Director Human Resources, San Jose State University Research Foundation and Jim Reinhart, Executive Director, University Enterprises, Inc., CSU Sacramento, were elected as the new AORMA Committee members for the two-year term beginning on July 1, 2015. Dave Nakamura, Executive Director, Humboldt State University Center, was appointed by the AORMA Chair to fill the vacate seat created by Mark Day's departure. Nakamura will complete Day's term – July 1, 2014 to June 30, 2016, and then will be up for election for his first complete term – July 1, 2016 to June 30, 2018 – in April, 2016.

**RECOMMENDATION:** The Committee is being asked to welcome the new AORMA Committee members.

**FISCAL IMPACT:** Travel Expenses for AORMA Committee members are included in the CSURMA AORMA annual budget.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Committee membership roster effective July 1, 2015

## AORMA Committee

**Ten voting members - two alternates - twelve members total**

**Effective at July 1, 2015**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	Location	Size of Campus	Type of Campus	Term	Ist. 2nd or Final Term	Date Appointed
AORMA	Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	South	Large	Urban	7/1/15 - 6/30/16	N/A	7/1/2012
AORMA	Vice Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	North	Large	Urban	7/1/15 - 6/30/16	N/A	7/1/2011
AORMA	Past Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	South	Large	Urban	7/1/15 - 6/30/16	N/A	7/1/2010
AORMA	Ex Officio	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	Central	Medium	Urban	7/1/15 - 6/30/16	N/A	7/1/2009
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Research Foundation	South	Large	Urban	7/1/15 - 6/30/17	Third	3/24/2011
AORMA	At Large	Cheree Aguilar	Senior Director, Human Resources	San Jose	San Jose State University Research Foundation	South	Large	Urban	7/1/15 - 6/30/17	First	7/1/2015
AORMA	At Large	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	North	Large	Rural	7/1/14 - 6/30/16	First	7/1/2015
AORMA	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	The University Corporation at Monterey Bay	North	Small	Rural	7/1/15 - 6/30/17	Third	3/24/2011
AORMA	At Large	Jim Reinhart	Executive Director	Sacramento	University Enterprises, Inc. (UEI)	South	Large	Urban	7/1/15 - 6/30/17	First	7/1/2015
AORMA	At Large	Keith Kompsi	Director, Foundation Financial Services	Fresno	Fresno Association, Inc., CSU Fresno	Central	Medium	Rural	7/1/14 - 6/30/16	Second	7/1/2012
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	North	Large	Urban	7/1/14 - 6/30/16	Second	7/1/2012
AORMA	At Large	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	South	Large	Urban	7/1/15 - 6/30/17	Second	7/1/2013

## Member Services, Loss Control & Training Committee

**Minimum of five members - at least two of whom are AORMA Committee members**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	Location	Size of Campus	Type of Campus	Term	Ist, 2nd or Final Term	Date Appointed
MSLCTC	Chair	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	South	Large	Urban	7/1/15 - 6/30/17	Second	7/1/2013
MSLCTC	At Large	Arnecia Bryant	Associate Director, Operations	Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	South	Medium	Urban	7/1/15 - 6/30/17	Third	5/2/2011
MSLCTC	At Large	Debbie Adishian-Astone	Executive Director	Fresno	CSU Fresno Association, Inc.	Central	Medium	Rural	7/1/15 - 6/30/17	Second	7/1/2013
MSLCTC	At Large	Dennis Miller	Director, Employment Services	Pomona	The Cal Poly Pomona Foundation, Inc.	South	Medium	Urban	7/1/15 - 6/30/17	Third	7/1/2011
MSLCTC	At Large	Kristin Kelly	Associate Director	San Jose	The Student Union of San Jose State University	North	Large	Urban	7/1/14 - 6/30/16	Third	
MSLCTC	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	North	Large	Urban	7/1/14 - 6/30/16	First	7/1/2014
MSLCTC	At Large	Raven Tyson	Contracts & Risk Management Coordinator	San Diego	Associated Students of San Diego State University	South	Large	Urban	7/1/15 - 6/30/17	Second	7/1/2013

## Programs Committee

**Minimum of five members - at least two of whom are AORMA Committee members**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	Location	Size of Campus	Type of Campus	Term	Ist, 2nd or Final Term	Date Appointed
PC	Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	North	Large	Urban	7/1/14 - 6/30/16	Third	
PC	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	University Corporation, CSU Monterey Bay	North	Small	Rural	7/1/13 - 6/30/15	Fourth	
PC	At Large	Jun Reina	Chief Operations Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	North	Large	Urban	7/1/15 - 6/30/17	First	9/15/2014
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	North	Large	Urban	7/1/15 - 6/30/17	First	2/13/2015

*AORMA Committee Chair serves for a period of four years - Vice Chair, to Chair, to Past President, to Ex-Officio.*

*Standing Committee Chair serves a one-year term, is appointed by the AORMA Committee Chair, and must be an AORMA Committee member.*

*AORMA Committee and Standing Committee members may serve a maximum of three consecutive two-year terms (total six years).*

Size of Campus: small - less than 10,000 FTE; medium - between 10,000 and 20,000 FTE; large - more than 20,000 FTE

## **REVIEW OF FY 14/15 AORMA LONG RANGE ACTION PLAN**

**ISSUE:** The AORMA Committee will be asked to review the items on the FY 14/15 Long Range Action Plan and move any open items to the FY 15/16 Long Range Action Plan.

**RECOMMENDATION:** It is recommended that the Committee members review the FY 14/15 Long Range Action Plan, taking action as appropriate.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 14/15 AORMA Long Range Action Plan

## CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>AORMA COMMITTEE</b>				
A-1	<b>WORKERS' COMPENSATION POLICIES AND PROCEDURES</b>			
	Staff (Alliant)	Review all workers' compensation policies and procedures and recommend revisions as necessary.	January, 2014	Completed
	PC	Review all workers' compensation policies and procedures and recommend approval to the AORMA Committee, with revisions as appropriate. All workers' compensation policies and procedures have been reviewed.	February 2, 2014	Completed
	AORMA Committee	Review and approve revisions to the workers' compensation policies and procedures.	March 20, 2014	Completed
A-2	<b>CLOSED SESSION POLICY AND PROCEDURE</b>			
	AORMA Committee	Review and approve the new policy and procedure	October 23, 2014	Completed
A-3	<b>MEMBER ALLOCATION FORMULA – RATING PLAN REVIEW POLICY AND PROCEDURE</b>			
	AORMA Committee	Review and approve the new policy and procedure	October 23, 2014	Completed

## CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>PROGRAMS COMMITTEE</b>				
P-1	<b>LIABILITY PROGRAM MEMBER ALLOCATION FORMULA (for FY 15/16 term)</b>			
	PC	Discuss current liability program member allocation formula and alternative allocation formulas	December 12, 2013	Completed
	PC	Review alternative member allocation formula (first review)	February 6, 2014	Completed
	PC	Review alternative member allocation formula (second review)	April 10, 2014	Completed
	AORMA Officers	Review alternative member allocation formula	July, 2014	Completed
	PC	Receipt of supplemental actuarial reports – based rates and experience modification factors. Review draft alternative member allocation formula with actuarial factors included.	August 28, 2014	Completed
	AORMA Committee	Discuss modifications to the liability program member allocation formula.	September 10, 2014	Completed
	PC	Approval of FY 15/16 liability program member allocation formula	November, 2014	Completed
	AORMA Committee	Approval of FY 15/16 liability program member allocation formula	January, 2015	Completed
P-2	<b>EARTHQUAKE COVERAGE FOR CONDOMINIUM OWNERS (WHEN HOA DOES NOT PURCHASE EARTHQUAKE COVERAGE)</b>			
	Staff	Secure exposure information from the members	November, 2014	This item was closed out by the AORMA Committee.
	Staff	Obtain and review earthquake proposals	February, 2015	
	Programs Committee	Review and recommend revisions, as required	February, 2015	
	AORMA Committee	Review final earthquake proposals	March 19, 2015	

## CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>MEMBER SERVICES, LOSS CONTROL AND TRAINING COMMITTEE</b>				
M-1	<b>RISK REDUCTION INNOVATIVE MATCHING GRANT PROGRAM</b>			
	MSLCT Committee	Review revisions to grant criteria within policy and procedure A-6; recommend approval to the AORMA Committee	November, 2014	Completed
	AORMA Committee	Review and approve revisions to grant criteria within policy and procedure A-6	December, 2014	Completed
M-2	<b>AORMA INSURANCE HANDBOOK – IS THIS COVERED?</b>			
	Staff	Complete the AORMA – Is This Covered Handbook	January, 2015	Completed
	MSLCT Committee	Review handbook and recommend revisions as appropriate	January, 2015	N/A
	Staff	Present the handbook during the AOA Session – AORMA What’s Covered and What’s Not	February 9, 2015	Completed
	Staff	AORMA Coverage Brochures	Continuous	Have been posted on the CSURMA Website
M-3	<b>REAL PROPERTY ACQUISITIONS - CHECKLIST</b>			
	Staff	Complete the AORMA Real Property Acquisitions - Checklist	January, 2015	Completed
	MSLCT Committee	Review checklist and recommend revisions as appropriate	February, 2015	Completed
	AORMA Committee	Review final checklist	March, 2015	Completed
M-4	<b>KEEPING MINORS SAFE WHILE ON CAMPUS – HANDBOOK</b>			
	Staff	<del>Complete the Keeping Minors Safe While on Campus Handbook.</del> The scope of this project was changed by the MSLCTC.	January, 2015	Completed
	MSLCT Committee	<del>Review handbook and recommend revisions as appropriate.</del> The project timeline was changed by the MSLCTC. Each year two or three minor projects will be suggested by the MSLCTC for completion and addition to the handbook. The MSLCTC chose Traveling with Minors and Overnight Wilderness Activities with Minors	February, 2015	Completed



## CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

	AORMA Committee	<del>Review final handbook.</del> Review completed sections of the handbook.	June, 2015	Completed
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## **AORMA OFFICERS' RETREAT RECAP**

**ISSUE:** The AORMA Committee Chair will provide a brief overview of the items discussed during the AORMA Officers' Retreat.

**RECOMMENDATION:** This item is for information only; no action is being requested at this time.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Agenda Table of Contents from the AORMA Officers' Retreat
- b. Draft minutes from the AORMA Officers' Retreat



## CSURMA AORMA OFFICERS RETREAT

### “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 a publicly accessible place, including the internet, at least ten days in advance of the meeting. This meeting agenda shall also be posted at the address of the teleconference location with access for the public via phone/speaker phone.*

*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 may require 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.*

**Tuesday, July 7, 2015**  
11:00 a.m. – 4:00 p.m.

**Wednesday, July 8, 2015**  
8:00 a.m. – 12:00 p.m.

**Alliant Insurance Services, Inc.**  
Golden Gate Conference Room  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111

<b>A.</b>	<b>TOPICS FOR DISCUSSION</b>	<b>Page:</b>
1.	Long Range Action Plan	
	a. AORMA Committee – FY 14/15	<i>p. 4</i>
	b. CSURMA Executive Committee – FY 15/16	<i>p. 7</i>
2.	Review of Rating Plans	
	a. Liability Rating Plan	<i>p. 10</i>
	b. Workers' Compensation Rating Plan	<i>p. 13</i>
	c. Property Rating Plan	<i>p.20</i>
	d. Crime Rating Plan	<i>p. 27</i>
3.	FY 16/17 Liability Funding	<i>p. 34</i>
4.	CSURMA AORMA – Effectiveness of communication to the membership	
	e. CSURMA Website	<i>Verbal</i>
	f. Campus Visits	<i>p. 36</i>
	g. CSURMA Informational Presentation	<i>p. 38</i>
	h. AOA AORMA Breakfast Presentation	<i>Verbal</i>
	i. AORMA Bulletins	<i>Verbal</i>
	j. Quarterly AORMA AOA Executive Committee Update	<i>Verbal</i>
5.	Succession Planning	
	a. AORMA Committee and Standing Committee Roster and Org Chart @ July 1, 2015	<i>p. 88</i>
	b. Committee Member Prospects	<i>p. 91</i>

- c. Policy & Procedure A-1 – AORMA Committee Composition, Elections and Term Limits *p. 94*
  - d. Policy & Procedure A-2 – AORMA Committee and Standing Committee Roles and Responsibilities *p. 97*
- 6. CSURMA AORMA Program Staffing *verbal*
- 7. AOA Conference – Session Topics *Verbal*
  - a. AORMA Breakfast Presentation
- 8. AORMA Workers’ Compensation Program – Prospects *p. 103*
- 9. Ideas for Creation or Modification of CSURMA AORMA Programs and/or Services *Verbal*

**B. APPENDICES**

- 1. Liability Program
  - a. List of member EPL deductibles *p. 104*
  - b. Estimated fund balance @ March 31, 2015 *p. 107*
  - c. Total funding report for FY 15/16 *p. 109*
  - d. Liability loss ratios *p. 110*
  - e. Loss exhibit *p. 113*
  - f. Policy & Procedure L-1 – Claims Reporting
  - g. Policy & Procedure L-2 – Liability Claims Administration and Litigation Management
  - h. Policy & Procedure L-3 – Legal Counsel Selection
  - i. Policy & Procedure L-4 – Employee Driving Standards
  - j. Policy & Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations
  - k. Policy & Procedure L-6 – Requirement to Purchase PAI for all Activities Involving Minors
  - l. Policy & Procedure L-7 – Employment Practices Deductible
- 2. Workers’ Compensation Program
  - a. Estimated fund balance @ March 31, 2015 *p. 117*
  - b. Total funding report for FY 15/16 *p. 119*
  - c. Workers’ compensation loss ratios *p. 120*
  - d. Loss exhibit *p. 121*
  - e. W-1 - Workers' Compensation Deposit Development Plan (current)
  - f. W-1 - Workers’ Compensation Deposit Development Plan (proposed)
  - g. W-2 - Contribution Payments
  - h. W-3 - Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less
  - i. W-4 - Claims Handling Procedures and Guidelines
  - j. W-5 - Workers' Compensation Coverage Claims Settlement Authority
  - k. W-6 - Volunteer Coverage
  - l. W-8 - Workers' Compensation Program Payroll Reporting Responsibilities

3. Property Program
  - a. Total funding report for FY 15/16 *p. 123*
  - b. P-1 – Property Program Member Allocation Formula
  
4. Crime Program
  - a. Total funding report for FY 15/16 *p. 124*
  - b. Loss exhibit *p. 125*
  - c. C-1 – Crime Program Member Allocation Formula
  
5. Unemployment Insurance Program
  - a. UI-1 - Formula for Determining Unemployment Insurance Program Annual Contributions
  
6. Target Surplus Funding Policy / Dividends
  - a. Policy & Procedure A-3 – Target Surplus Funding Policy
  - b. Target surplus funding report
  - c. History of dividends declared
  - d. Policy & Procedure A-4 – Dividends and Assessments
  
7. AORMA Policies and Procedures
  - a. Schedule for review of AORMA’s policies and procedures *p. 126*
  
8. CSURMA Financial Statement @ March 31, 2015 *p. 127*
  
9. CSURMA Financial Audit @ June 30, 2014 *p. 138*
  
10. CSURMA AORMA Policies and Procedures
  - a. Policy & Procedure A-5 – Annual Calendar of Reports, Audits and Filings
  - b. Policy & Procedure A-6 – Risk Reduction Matching Grant Program
  - c. Policy & Procedure A-7 – Travel Reimbursement Policy
  
11. CSURMA Joint Powers Authority Agreement
  
12. CSURMA Bylaws
  
13. AORMA Participation Agreement

**MINUTES OF THE CSURMA AORMA  
OFFICERS RETREAT**

**JULY 7 – 8, 2015**

**ALLIANT INSURANCE SERVICES  
100 Pine Street  
San Francisco, CA 94111**

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**MEMBERS PRESENT**

Dwayne Brummett, Associated Students, Cal Poly San Luis Obispo  
Robert De Wit, Forty-Niner Shops, Inc., CSU Long Beach  
Guy Dalpe, Associated Students, Inc., San Francisco State University  
Frank Mumford, CSU Fullerton Auxiliary Services Corporation

**STAFF, GUESTS AND CONSULTANTS**

Zachary Gifford, CSU Office of the Chancellor  
Daniel Howell, Alliant Insurance Services, Inc.  
Mimi Long, Alliant Insurance Services, Inc.  
Tevea Him, Alliant Insurance Services, Inc.

The AORMA Officers meet on July 7 and 8, 2015, to discuss the long term goals of AORMA. The following action items have been recommended:

The meeting of the AORMA Officers Committee was called to order on July 7, 2015 at 11:04 AM by the Chair Frank Mumford.

**Proposed FY 15/16 Long Range Action Items:**

1. Risk Management Grants – Create an informational bulletin including examples of the types of grant projects that may be approved. Review URMIA for ideas. Consider funding projects that may kick start a safety program, i.e., Shoes for Crews for one year funded by AORMA. Golf cart safety video. A bulletin will be presented in September for the Committee's review.
2. Monthly AORMA Update – Create a monthly update to be distributed to all AORMA members as well as Campus Risk Managers which includes the following regular features
  - a. Safety update
  - b. Featured website item of interest
  - c. Cyber monthly topic – Alex Richardo from Beazley in NY will have items of interest.
  - d. Boiler and Machinery – what's covered – alarm systems, fire alarms, etc.

3. Workers' compensation claims closure initiative. AORMA's workers' compensation claims may be integrated into the initiative when they fit the criteria.
4. Update member presentation with side by side comparisons – traditional insurance vs. AORMA programs
5. CSURMA website;
  - a. Include a intro about AORMA vs. CSURMA vs. Campus
  - b. Revise the nomenclature to be consistent through the website
  - c. Resolve password issues
6. Cyber risk control services
7. Benchmarking initiative
8. Integration of auxiliary organizations into Campus threat assessment. Review the involvement of Witt O'Brien.
9. Research the formation of a watercraft program, or watercraft insurance tracking system

#### **Other Topics for Discussion:**

1. Campus Visit Presentation
  - a. Add side by side comparison slide for some of the coverage programs that compare AORMA coverages, pricing, etc., against the standard commercial market, i.e., specialty coverages, AORMA class codes.
  - b. Cyber – what was covered before; what is covered now.
  - c. Visit those members that may be receiving a significant liability premium increase. Provide background information regarding the increase. Preliminary numbers will be available in October.
  - d. Change line graph to bar graph which shows the comparison of the three allocations – actuary's recommendation, FY 14/15 allocation, actual FY 15/16 allocation.
  - e. Visit auxiliaries on an annual basis.
  - f. Historical graphs showing claims and premium of a five year period. Show loss spikes.
2. AOA Conference
  - a. Create a tri-fold AOA Conference bag stuffer with some basic AORMA information
  - b. Mumford to give a three minute presentation at the AOA Annual Business meeting
  - c. No AORMA breakfast presentation; instead three tables will be labeled "AORMA Information". Members can sit with an AORMA member or Staff member during or after breakfast and discuss issues.

#### AOA Session Topics:

1. Drones – Rob Leong, Zachary Gifford and Jerry New Orleans
2. Insurance Requirements in Contracts – Daniel Howell
3. AORMA Big Picture – Daniel Howell

4. What Drives AORMA's Claims Costs – Liability Defense Attorney (Possibly - Ric Rogers or Nancy Dominium, and Cindy Parker (WC Report Card, C&R's, Double Play)
5. Major Property Losses Pre and Post – Bob Frey, Martin Fox-Foster
6. Foreign Travel Good Practices as well as Rental Car Coverage – Stacey Weeks and Zachary Gifford
7. Cyber Losses – Ed Hudson, William Perry, Phillippe Garcia

**Agenda Item C4**  
**CSURMA AORMA Committee**  
**Long Range Planning Session**  
**Meeting Date: September 9, 2015**

**2016 AOA CONFERENCE RISK MANAGEMENT SESSIONS**

**ISSUE:** The following Risk Management sessions have been proposed for the 2016 AOA Conference:

1. Drones – Rob Leong, Zachary Gifford and Jerry New Orleans
2. Insurance Requirements in Contracts – Daniel Howell
3. AORMA Big Picture – Daniel Howell
4. What Drives AORMA’s Claims Costs – Liability Defense Attorney and Workers’ Compensation Claims Administrator
5. Major Property Losses Pre and Post – Bob Frey, Martin Fox-Foster
6. Foreign Travel Good Practices / Rental Car Coverage – Stacey Weeks and Zachary Gifford
7. Cyber Losses – Ed Hudson, William Perry, Phillip Garcia

AORMA has also agreed to design and present a session for the Research Administration Committee which describes the types of sponsored programs that may require additional insurance due to activities that may not fit within the AORMA liability coverage program.

**RECOMMENDATION:** The Committee be asked to discuss the proposed sessions and provide direction to Staff.

**FISCAL IMPACT:** None at this time.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**CSU AUXILIARY ORGANIZATION – REVISED CAMPUS VISIT  
PRESENTATION**

**ISSUE:** Every year Staff will update the Campus Visit – Member Presentation to include new and updated information. The Committee will view the revised presentation during this meeting.

**RECOMMENDATION:** Staff recommends the Committee view the presentation and provide feedback.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** The basic member presentation will be added to the CSURMA website.

**ATTACHMENT(S):**

- a. AORMA Campus Visit Schedule
- b. AORMA Campus Visit – Member Presentation *(This will be viewed during the meeting)*

## AORMA Campus Visit Schedule

Campus	Auxiliary Organization	2015
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	2015 08 06
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	2015 08 06
Bakersfield	California State University, Bakersfield Foundation	2015 08 06
Bakersfield	California State University, Bakersfield Student Union, Inc.	2015 08 06
Chancellor's Office	California State University Foundation	2015 05 07
Chancellor's Office	California State University Institute	2015 05 07
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	2015 05 19
Channel Islands	California State University Channel Islands Foundation	2015 05 19
Channel Islands	University Glen Corporation	2015 05 19
Chico	Associated Students of California State University, Chico	2015 07 29
Chico	The CSU, Chico Research Foundation	2015 07 29
Chico	The University Foundation, California State University, Chico	2015 07 29
Dominguez Hills	Associated Students, California State University, Dominguez Hills	2015 05 06
Dominguez Hills	California State University, Dominguez Hills Foundation	2015 05 06
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	2015 05 06
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	2015 05 06
East Bay	Associated Students, California State University, East Bay	2015 11 04
East Bay	Cal State East Bay Educational Foundation	2015 11 04
East Bay	California State University, East Bay Foundation, Inc.	2015 11 04
Fresno	Associated Students, Inc. of California State University, Fresno	2015 08 07
Fresno	California State University, Fresno Association, Inc.	2015 08 07
Fresno	California State University, Fresno Foundation	2015 08 07
Fresno	Fresno State Programs for Children, Inc.	2015 08 07
Fresno	The Agricultural Foundation of California State University, Fresno	2015 08 07
Fresno	The California State University, Fresno Athletic Corporation	2015 08 07
Fullerton	Associated Students, California State University, Fullerton, Inc.	2015 03 18
Fullerton	Cal State Fullerton Philanthropic Foundation	2015 03 18
Fullerton	CSU Fullerton Auxiliary Services Corporation	2015 03 18
Humboldt	Associated Students, Humboldt State University	2015 07 28
Humboldt	Humboldt State University Advancement Foundation	2015 07 28
Humboldt	Humboldt State University Center Board of Directors	2015 07 28
Humboldt	Humboldt State University Sponsored Programs Foundation	2015 07 28
Long Beach	Associated Students, California State University, Long Beach	2015 05 21
Long Beach	California State University, Long Beach Research Foundation	2015 05 21
Long Beach	CSULB 49er Foundation	2015 05 21
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	2015 05 21
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	2015 05 20
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	2015 05 20
Los Angeles	California State University, Los Angeles Foundation	2015 05 20
Los Angeles	University-Student Union Board, California State University, Los Angeles	2015 05 20
Maritime Academy	California Maritime Academy Foundation, Inc.	

## AORMA Campus Visit Schedule

Campus	Auxiliary Organization	2015
Maritime Academy	The Associated Students of the California Maritime Academy	
Monterey Bay	Foundation of California State University, Monterey Bay	2015 08 04
Monterey Bay	The University Corporation at Monterey Bay	2015 08 04
Northridge	Associated Students, California State University, Northridge, Inc.	2015 02 26
Northridge	California State University, Northridge Foundation	2015 02 26
Northridge	North Campus University Park Development Corporation	2015 02 26
Northridge	The University Corporation, CSU Northridge	2015 02 26
Northridge	University Student Union of California State University, Northridge	Not available
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	2015 05 22
Pomona	The Cal Poly Pomona Foundation, Inc.	2015 05 22
Sacramento	Associated Students of California State University, Sacramento	2015 02 26
Sacramento	Capital Public Radio, Inc., CSU Sacramento	Not available
Sacramento	The University Foundation at Sacramento State	Not available
Sacramento	University Enterprises, Inc., CSU Sacramento	2015 02 26
Sacramento	University Union Operation of CSUS, Inc.	2015 02 26
San Bernardino	Associated Students Inc., California State University, San Bernardino	2015 01 16
San Bernardino	CSUSB Philanthropic Foundation	Not available
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	2015 01 16
San Bernardino	University Enterprises Corporation at CSUSB	2015 01 16
San Diego	Associated Students, San Diego State University	2015 01 14
San Diego	Aztec Shops, Ltd., San Diego State University	2015 01 14
San Diego	San Diego State University Research Foundation	2015 01 14
San Diego	The Campanile Foundation	2015 01 14
San Francisco	Associated Students, Inc., San Francisco State University	2015 07 15
San Francisco	San Francisco State University Foundation	2015 07 15
San Francisco	The University Corporation, San Francisco State	2015 07 15
San Jose	Associated Student, San Jose State University	2015 08 03
San Jose	San Jose State University Research Foundation	2015 08 03
San Jose	Spartan Shops, Inc., San Jose State University	2015 08 03
San Jose	The Student Union of San Jose State University	2015 08 03
San Jose	The Tower Foundation, San Jose State University	2015 08 03
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	2015 08 05
San Luis Obispo	Cal Poly Corporation	2015 08 05
San Luis Obispo	California Polytechnic State University Foundation	2015 08 05
San Marcos	California State University San Marcos Foundation	2015 01 15
San Marcos	San Marcos University Corporation	2015 01 15
San Marcos	The Associated Students of California State University, San Marcos	2015 01 15
San Marcos	University Auxiliary and Research Services Corporation	2015 01 15
Sonoma	Associated Students of Sonoma State University	2015 03 27
Sonoma	Sonoma State Enterprises, Inc.	2015 03 27
Sonoma	Sonoma State University Academic Foundation, Inc.	2015 03 27

## AORMA Campus Visit Schedule

<b>Campus</b>	<b>Auxiliary Organization</b>	<b>2015</b>
Stanislaus	Associated Students, Inc., California State University, Stanislaus	2015 07 14
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	2015 07 14
Stanislaus	California State University, Stanislaus Foundation	2015 07 14
Stanislaus	University Student Union of California State University, Stanislaus	2015 07 14

**REVIEW OF FY 16/17 AORMA LIABILITY AND WORKERS'  
COMPENSATION PROGRAM ACTUARIAL REPORTS**

**ISSUE:** CSURMA's retains the services of an independent actuary to evaluate the liabilities of its major self-insured programs. The complete draft reports for the AORMA Liability and Workers' Compensation Programs are included separately with the agenda packet. Staff has highlighted here and in attachments to this item key findings and exhibits. The information provided by the actuary is used to establish fiscal year-end financial reports, and as the starting point in consideration of rates and funding for FY 16/17 as well as evaluating potential dividends.

The Actuary's findings and recommendations include:

AORMA Liability

1. Projected Ultimate Limited Losses decreased slightly by 4.17% for FY 16/17.
2. Loss funding at a 70% actuarial confidence (present value - \$350,000 pooled layer) decreased from \$1,627,250 (FY 15/16) to \$1,559,400 (FY 16/17).
3. Loss funding at a 70% actuarial confidence (present value - \$500,000 pooled layer) decreased from \$1,774,778 (FY 15/16) to \$1,700,777 (FY 16/17).
4. Loss funding at an 80% actuarial confidence (present value - \$500,000 pooled layer) decreased from \$2,158,653 (FY 15/16) to \$2,080,362 (FY 16/17).

AORMA Workers' Compensation

1. Projected Ultimate Limited Losses increased by 14% for FY 16/17.
2. Loss funding at an 80% actuarial confidence (present value) increased from \$3,208,750 (FY 15/16) to \$3,658,000 (FY 16/17).
3. Loss funding at a 70% actuarial confidence (present value) increased from \$2,952,050 (FY 15/16) to \$3,236,000 (FY 16/17).

**RECOMMENDATION:** The Committee will be asked to accept the Actuarial Reports at tomorrow's meeting. This item is for information only.

**FISCAL IMPACT:** The action recommended will have the direct effect of establishing liabilities reported in CSURMA's financial statements. Indirectly, information from the accepted actuarial studies will be used in rate setting and funding forecasts.

**BACKGROUND:** The complete actuarial study includes a discussion on the methodology used by the actuary to establish the financial projections for each coverage program. Staff will be present at today's meeting to review and comment on the findings in the reports.

**PUBLICATION:** None

**ATTACHMENT(S):**

- a. Charts and exhibits from the Liability and Workers' Compensation draft actuarial reports valued at June 30, 2015.
- b. Complete copies of the draft studies dated August 3, 2015 are included separately with the agenda packet.



### III. Conclusions

#### 1. Estimate Outstanding Losses

We estimate net outstanding losses (including ALAE) as of June 30, 2015 and June 30, 2016 as shown in Tables III-1A and III-1B.

**Table III-1A  
Estimated Net Outstanding Losses  
June 30, 2015**

<b>Confidence Level (1)</b>	<b>Estimated Outstanding Losses (2)</b>	<b>Present Value of Estimated Outstanding Losses (3)</b>
(A) Expected	\$2,088,759	\$2,033,559
(B) 60%	2,172,309	2,114,901
(C) 70%	2,339,410	2,277,586
(D) 80%	2,715,387	2,643,627

Note: (A) is from Exhibit LI-15.  
(B) to (D) are based on (A) and actuarial judgment.

**Table III-1B  
Estimated Net Outstanding Losses  
June 30, 2016**

<b>Confidence Level (1)</b>	<b>Estimated Outstanding Losses (2)</b>	<b>Present Value of Estimated Outstanding Losses (3)</b>
(A) Expected	\$2,296,376	\$2,233,792
(B) 60%	2,388,231	2,323,144
(C) 70%	2,571,941	2,501,847
(D) 80%	2,985,289	2,903,930

Note: (A) is from Exhibit LI-16.  
(B) to (D) are based on (A) and actuarial judgment.



The amounts in Tables III-1 are limited to the self-insured retentions and net of member deductibles.

The estimated outstanding losses decreased by \$777,197, from \$2,865,956 as of June 30, 2014 to \$2,088,759 as of June 30, 2015. This is mainly due to a decrease in case reserves of about \$720,000 (net of deductible).

The present value of the estimated net outstanding losses is the amount of money, discounted for anticipated investment income, required to meet unpaid claims. It is calculated based on a 2.0% yield on investments, as provided by Alliant Insurance Services.

Outstanding unallocated loss adjustment expenses (ULAE) are primarily composed of future claims administration for open claims. The outstanding ULAE are typically estimated as 5% to 10% of the estimated outstanding losses (based on similar programs).

We estimate outstanding ULAE on June 30, 2015 and June 30, 2016 as shown in Table III-1C.

**Table III-1C  
Estimated Outstanding ULAE**

<b>As of Date (1)</b>	<b>Estimated Outstanding ULAE (2)</b>	<b>Present Value of Estimated Outstanding ULAE (2)</b>
<b>(A) June 30, 2015</b>	\$156,657	\$152,517
<b>(B) June 30, 2016</b>	172,228	167,534

Note: (A) is 7.5% of the corresponding figures at the expected level in Table III-1A.  
(B) is 7.5% of the corresponding figures at the expected level in Table III-1B.

Governmental Accounting Standards Board (GASB) Statement No. 10 details the financial disclosure requirements for self-insured public entities. It necessitates AORMA to disclose estimated outstanding losses (that are calculated based on actuarial methods) in its financial statements.



## 2. Project Ultimate Limited Losses

We project ultimate net limited losses (including ALAE) for 2015/16, 2016/17, and 2017/18 at a \$350,000 retention level for all claims to be as shown in Tables III-2A, III-2B, III-2C and III-2D. We assume the 2015/16 member deductibles apply for 2016/17 and 2017/18.

**Table III-2A**  
**Projected Ultimate Net Limited Losses**  
**Expected**  
**(at \$350,000 SIR)**

Claim Period (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Projected Ultimate Net Limited Losses (4)	Loss Rate per \$100 of Payroll (5)	Projected Ultimate Net Limited Losses (6)
(A) 2015/16	\$423,578	\$0.32	\$1,365,000	\$0.31	\$1,304,000
(B) 2016/17	432,049	0.33	1,421,000	0.31	1,356,000
(C) 2017/18	440,690	0.34	1,478,000	0.32	1,411,000

Note: (A), (B) and (C) are from Exhibit LI-14.



**Table III-2B**  
**Projected Ultimate Net Limited Losses**  
**at a 60% Confidence Level**  
**(at \$350,000 SIR)**

Claim Period (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Projected Ultimate Net Limited Losses (4)	Loss Rate per \$100 of Payroll (5)	Projected Ultimate Net Limited Losses (6)
(A) 2015/16	\$423,578	\$0.34	\$1,419,600	\$0.32	\$1,356,160
(B) 2016/17	432,049	0.34	1,477,840	0.33	1,410,240
(C) 2017/18	440,690	0.35	1,537,120	0.33	1,467,440

Note: (A), (B) and (C) are based on Table III-2A and actuarial judgment.

**Table III-2C**  
**Projected Ultimate Net Limited Losses**  
**at a 70% Confidence Level**  
**(at \$350,000 SIR)**

Claim Period (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Projected Ultimate Net Limited Losses (4)	Loss Rate per \$100 of Payroll (5)	Projected Ultimate Net Limited Losses (6)
(A) 2015/16	\$423,578	\$0.37	\$1,569,750	\$0.35	\$1,499,600
(B) 2016/17	432,049	0.38	1,634,150	0.36	1,559,400
(C) 2017/18	440,690	0.39	1,699,700	0.37	1,622,650

Note: (A), (B) and (C) are based on Table III-2A and actuarial judgment.



**Table III-2D  
Projected Ultimate Net Limited Losses  
at a 80% Confidence Level  
(at \$350,000 SIR)**

Claim Period (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Projected Ultimate Net Limited Losses (4)	Loss Rate per \$100 of Payroll (5)	Projected Ultimate Net Limited Losses (6)
(A) 2015/16	\$423,578	\$0.45	\$1,911,000	\$0.43	\$1,825,600
(B) 2016/17	432,049	0.46	1,989,400	0.44	1,898,400
(C) 2017/18	440,690	0.47	2,069,200	0.45	1,975,400

Note: (A), (B) and (C) are based on Table III-2A and actuarial judgment.

We estimate ULAE for 2015/16 through 2017/18 as shown in Table III-2E.

**Table III-2E  
Estimated ULAE**

Claim Period (1)	Estimated ULAE (2)	Present Value of Estimated ULAE (3)
(A) 2015/16	\$102,375	\$97,800
(B) 2016/17	106,575	101,700
(C) 2017/18	110,850	105,825

Note: (2) and (3) are 7.5% of the corresponding figures at the expected level in Table III-2A.



We project ultimate net limited losses (including ALAE) for 2015/16, 2016/17, and 2017/18 at various retention levels to be as shown in Tables III-2F, III-2G, III-2H, III-2I, III-2J and III-2K.

**Table III-2F**  
**Projected Ultimate Net Limited Losses**  
**Full Value**  
**2015/16**

<b>Self-Insured Retention (1)</b>	<b>Expected (2)</b>	<b>60% Confidence Level (3)</b>	<b>70% Confidence Level (4)</b>	<b>80% Confidence Level (5)</b>
(A) \$350,000	\$1,365,000	\$1,419,600	\$1,569,750	\$1,911,000
(B) \$500,000	1,481,025	1,547,671	1,712,065	2,094,169
(C) \$750,000	1,590,225	1,661,785	1,838,300	2,248,578

Note: See Exhibit LI-19.

**Table III-2G**  
**Projected Ultimate Net Limited Losses**  
**Present Value**  
**2015/16**

<b>Self-Insured Retention (1)</b>	<b>Expected (2)</b>	<b>60% Confidence Level (3)</b>	<b>70% Confidence Level (4)</b>	<b>80% Confidence Level (5)</b>
(A) \$350,000	\$1,304,000	\$1,356,160	\$1,499,600	\$1,825,600
(B) \$500,000	1,414,840	1,478,508	1,635,555	2,000,584
(C) \$750,000	1,519,160	1,587,522	1,756,149	2,148,092

Note: See Exhibit LI-19.



**Table III-2H**  
**Projected Ultimate Net Limited Losses**  
**Full Value**  
**2016/17**

<b>Self-Insured Retention (1)</b>	<b>Expected (2)</b>	<b>60% Confidence Level (3)</b>	<b>70% Confidence Level (4)</b>	<b>80% Confidence Level (5)</b>
(A) \$350,000	\$1,421,000	\$1,477,840	\$1,634,150	\$1,989,400
(B) \$500,000	1,541,785	1,611,165	1,782,303	2,180,084
(C) \$750,000	1,655,465	1,729,961	1,913,718	2,340,828

Note: See Exhibit LI-19.

**Table III-2I**  
**Projected Ultimate Net Limited Losses**  
**Present Value**  
**2016/17**

<b>Self-Insured Retention (1)</b>	<b>Expected (2)</b>	<b>60% Confidence Level (3)</b>	<b>70% Confidence Level (4)</b>	<b>80% Confidence Level (5)</b>
(A) \$350,000	\$1,356,000	\$1,410,240	\$1,559,400	\$1,898,400
(B) \$500,000	1,471,260	1,537,467	1,700,777	2,080,362
(C) \$750,000	1,579,740	1,650,828	1,826,179	2,233,752

Note: See Exhibit LI-19.



**Table III-2J**  
**Projected Ultimate Net Limited Losses**  
**Full Value**  
**2017/18**

<b>Self-Insured Retention (1)</b>	<b>Expected (2)</b>	<b>60% Confidence Level (3)</b>	<b>70% Confidence Level (4)</b>	<b>80% Confidence Level (5)</b>
(A) \$350,000	\$1,478,000	\$1,537,120	\$1,699,700	\$2,069,200
(B) \$500,000	1,603,630	1,675,793	1,853,796	2,267,533
(C) \$750,000	1,721,870	1,799,354	1,990,482	2,434,724

Note: See Exhibit LI-19.

**Table III-2K**  
**Projected Ultimate Net Limited Losses**  
**Present Value**  
**2017/18**

<b>Self-Insured Retention (1)</b>	<b>Expected (2)</b>	<b>60% Confidence Level (3)</b>	<b>70% Confidence Level (4)</b>	<b>80% Confidence Level (5)</b>
(A) \$350,000	\$1,411,000	\$1,467,440	\$1,622,650	\$1,975,400
(B) \$500,000	1,530,935	1,599,827	1,769,761	2,164,742
(C) \$750,000	1,643,815	1,717,787	1,900,250	2,324,354

Note: See Exhibit LI-19.

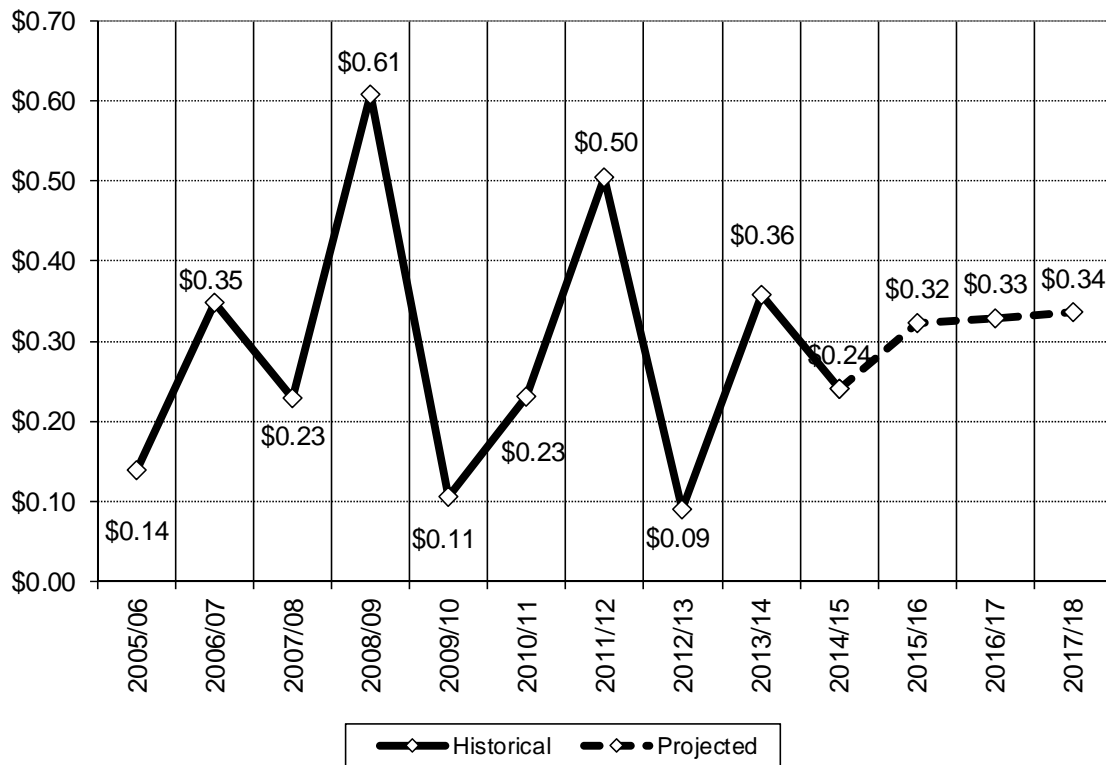
The projected ultimate net limited losses do not include ULAE.

# CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015

## Loss Experience Trends

Graphs III-1 and III-2 show loss experience trends for liability as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

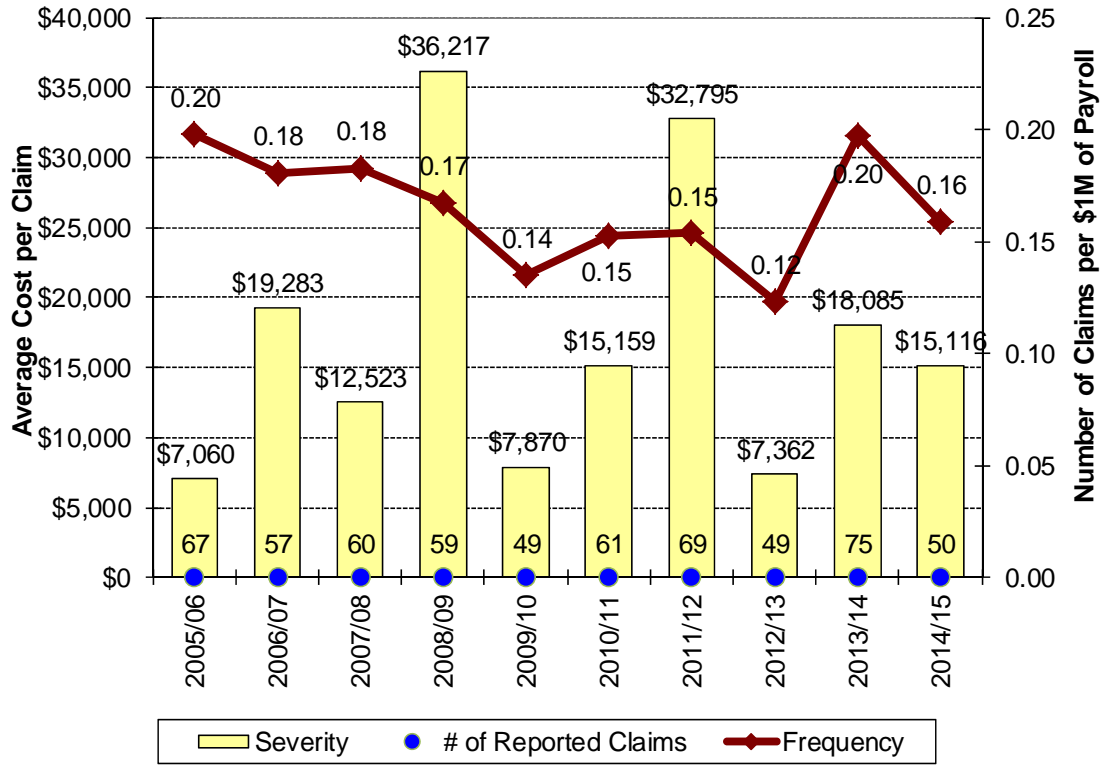
**Graph III-1  
Loss Rate per \$100 of Payroll**



Note: Loss rates are from Exhibit LI-14, columns (4) and (7).

**CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015**

**Graph III-2  
Frequency and Severity**

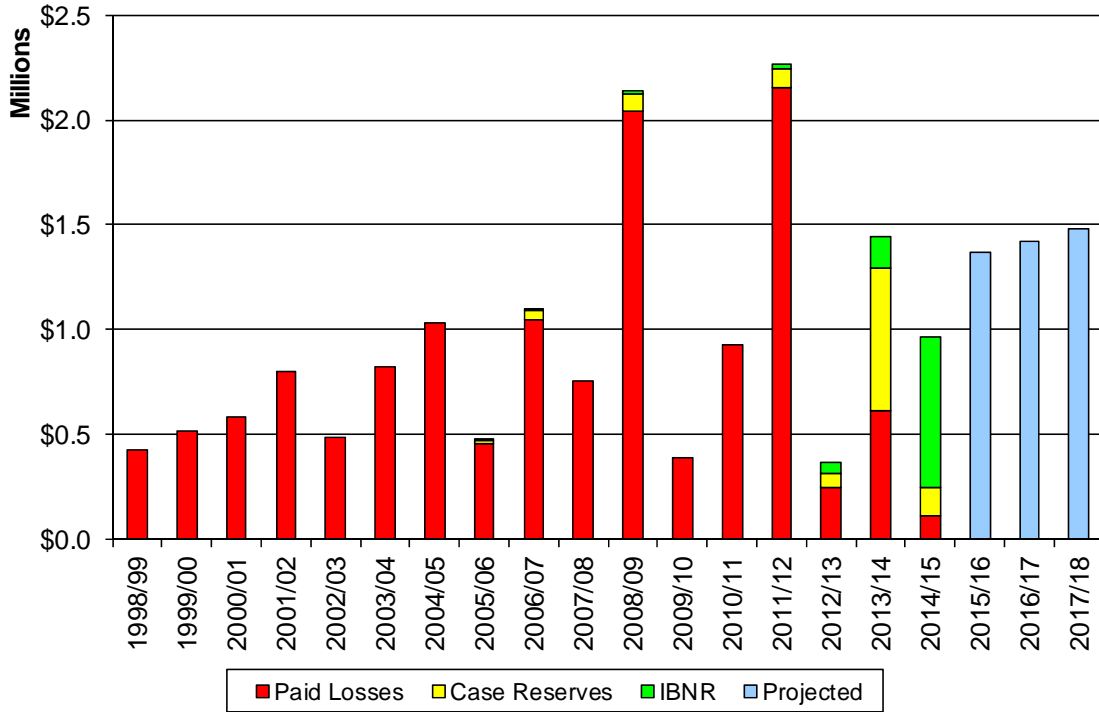


Note: Frequency amounts are from Exhibit LI-8, Section I, column (7).  
Severity amounts are based on the projected claim counts in Exhibit LI-8 and the projected ultimate losses in Exhibit LI-13.

# CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015

Graph III-3 shows the composition of the projected ultimate limited losses for liability.

**Graph III-3  
Composition of Projected Ultimate Limited Losses**



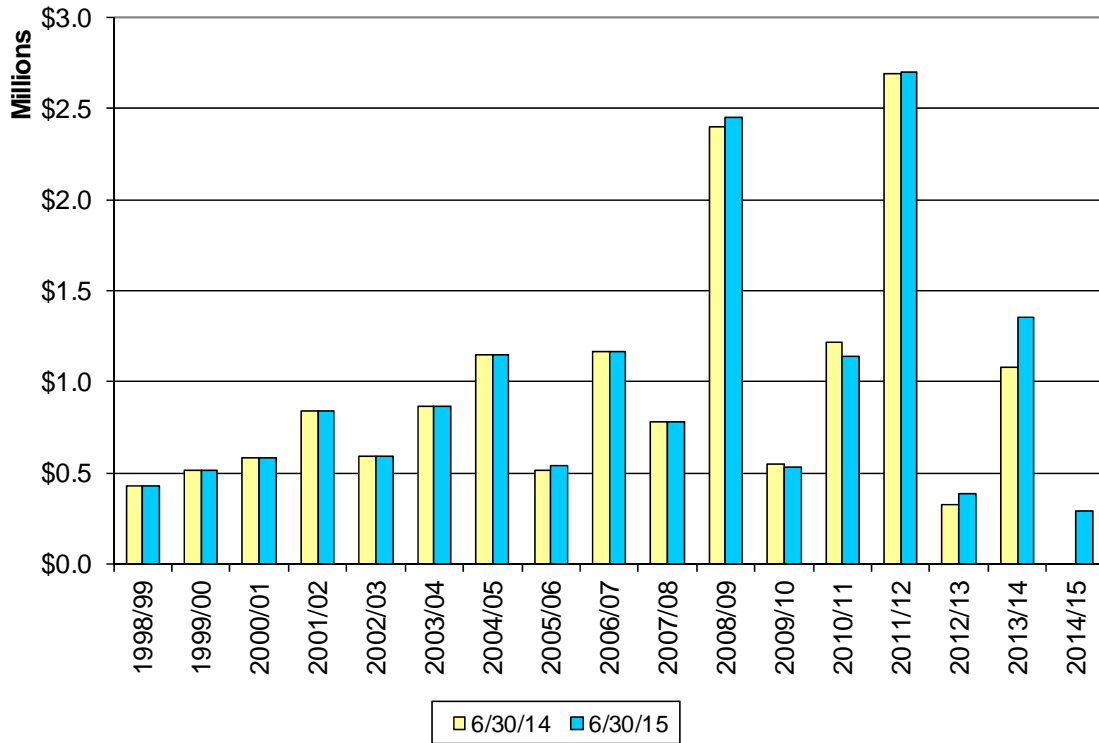
Note: Amounts through 2014/15 are from Exhibit LI-15.  
Amounts for 2015/16 through 2017/18 are from Exhibit LI-14.

# CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015

## Comparison to Previous Actuarial Study

Graphs III-4 and III-5 are graphical comparisons of the limited reported incurred losses and projected ultimate limited losses, respectively, by fiscal year from the previous study (report dated September 15, 2014) to the current study.

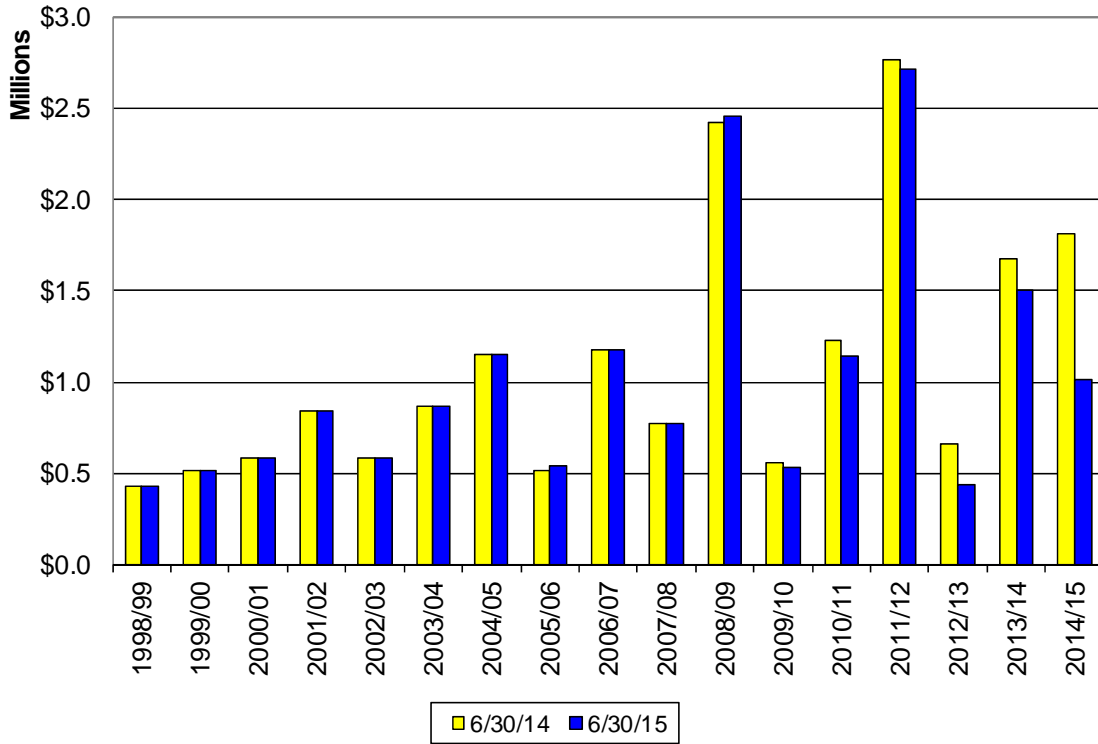
**Graph III-4**  
**Comparison of Limited Reported Incurred Losses**  
**as of June 30, 2014 and June 30, 2015**



Note: Amounts as of June 30, 2014 are from the previous actuarial study.  
Amounts as of June 30, 2015 are from Exhibit LI-12.

# CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015

**Graph III-5**  
**Comparison of Projected Ultimate Limited Losses**  
**as of June 30, 2014 and June 30, 2015**



Note: Amounts as of June 30, 2014 are from the previous actuarial study.  
Amounts as of June 30, 2015 are from Exhibit LI-13.

For all claims through 2013/14, the change in the projected ultimate limited losses from June 30, 2014 to June 30, 2015 was -2.9%.





### III. Conclusions

#### 1. Estimate Outstanding Losses

We estimate outstanding losses (including ALAE) as of June 30, 2015 and June 30, 2016 at various confidence levels to be as shown in Tables III-1A and III-1B.

**Table III-1A  
Estimated Outstanding Losses  
at Various Confidence Levels  
June 30, 2015**

<b>Confidence Level (1)</b>	<b>Estimated Outstanding Losses (2)</b>	<b>Present Value of Estimated Outstanding Losses (3)</b>
(A) Expected	\$8,525,407	\$7,938,212
(B) 70%	9,548,456	8,890,797
(C) 80%	10,230,488	9,525,854
(D) 90%	11,509,299	10,716,586

Note: (A) is from Exhibit WC-11.  
(B) to (D) are based on (A) and actuarial judgment.

**Table III-1B  
Estimated Outstanding Losses  
at Various Confidence Levels  
June 30, 2016**

<b>Confidence Level (1)</b>	<b>Estimated Outstanding Losses (2)</b>	<b>Present Value of Estimated Outstanding Losses (3)</b>
(A) Expected	\$6,592,046	\$6,144,143
(B) 70%	7,383,092	6,881,440
(C) 80%	7,910,455	7,372,972
(D) 90%	8,899,262	8,294,593

Note: (A) is from Exhibit WC-12.  
(B) to (D) are based on (A) and actuarial judgment.



Effective January 1, 2015, CSURMA AORMA COMP enrolled in CSAC-EIA's workers' compensation reinsurance program; it is fully-insured from first-dollar to \$500,000 subsequent to January 1, 2015.

The present value of the estimated outstanding losses is the amount of money, discounted for anticipated investment income, required to meet unpaid claims. It is calculated based on a 2.0% yield on investments, as provided by Alliant Insurance Services.

Governmental Accounting Standards Board (GASB) Statement No. 10 details the financial disclosure requirements for self-insured public entities. It necessitates CSURMA to disclose estimated outstanding losses (that are calculated based on actuarial methods) in its financial statements.

## 2. Estimate Outstanding Unallocated Loss Adjustment Expenses

We estimate outstanding ULAE on June 30, 2015 and June 30, 2016 to be as shown in Table III-2.

**Table III-2**  
**Estimated Outstanding ULAE**  
**June 30, 2015 and June 30, 2016**

<b>As of Date (1)</b>	<b>Estimated Outstanding ULAE (2)</b>	<b>Present Value of Estimated Outstanding ULAE (3)</b>
(A) June 30, 2015	\$468,897	\$436,602
(B) June 30, 2016	362,563	337,928

Note: (A) is 5.5% of the corresponding figures at the expected level in Table III-1A.  
(B) is 5.5% of the corresponding figures at the expected level in Table III-1B.



### 3. Project Ultimate Limited Losses

We project ultimate limited losses (including ALAE) for 2015/16 and 2016/17 at various confidence levels to be as shown in Tables III-3A and III-3C. These tables are for information only since CSURMA AORMA-COMP program is fully-insured for 2015/16 and 2016/17.

**Table III-3A  
Projected Ultimate Limited Losses  
at Various Confidence Levels  
2015/16  
(\$500,000 Retention)**

Confidence Level (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Amount (4)	Loss Rate per \$100 of Payroll (5)	Amount (6)
(A) Expected	\$300,466	\$0.99	\$2,982,000	\$0.92	\$2,759,000
(B) 70%	300,466	1.14	3,429,000	1.06	3,173,000
(C) 80%	300,466	1.29	3,877,000	1.19	3,587,000
(D) 90%	300,466	1.49	4,473,000	1.38	4,139,000

Note: (A) is from Exhibit WC-10.  
(B) to (D) are based on (A) and actuarial judgment.

We estimate ULAE for 2015/16 to be as shown in Table III-3B.

**Table III-3B  
Estimated ULAE  
2015/16**

Period (1)	Estimated Outstanding ULAE (2)	Present Value of Estimated Outstanding ULAE (3)
2015/16	\$164,010	\$151,745

Note: (2) and (3) are 5.5% of the corresponding figures at the expected level in Table III-3A.



**Table III-3C  
Projected Ultimate Limited Losses  
at Various Confidence Levels  
2016/17  
(\$500,000 Retention)**

Confidence Level (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Amount (4)	Loss Rate per \$100 of Payroll (5)	Amount (6)
(A) Expected	\$300,466	\$1.01	\$3,042,000	\$0.94	\$2,814,000
(B) 70%	300,466	1.16	3,498,000	1.08	3,236,000
(C) 80%	300,466	1.32	3,955,000	1.22	3,658,000
(D) 90%	300,466	1.52	4,563,000	1.40	4,221,000

Note: (A) is from Exhibit WC-10.  
(B) to (D) are based on (A) and actuarial judgment.

We estimate ULAE for 2015/16 to be as shown in Table III-3D.

**Table III-3D  
Estimated ULAE  
2016/17**

Period (1)	Estimated Outstanding ULAE (2)	Present Value of Estimated Outstanding ULAE (3)
2016/17	\$167,310	\$154,770

Note: (2) and (3) are 5.5% of the corresponding figures at the expected level in Table III-3C.

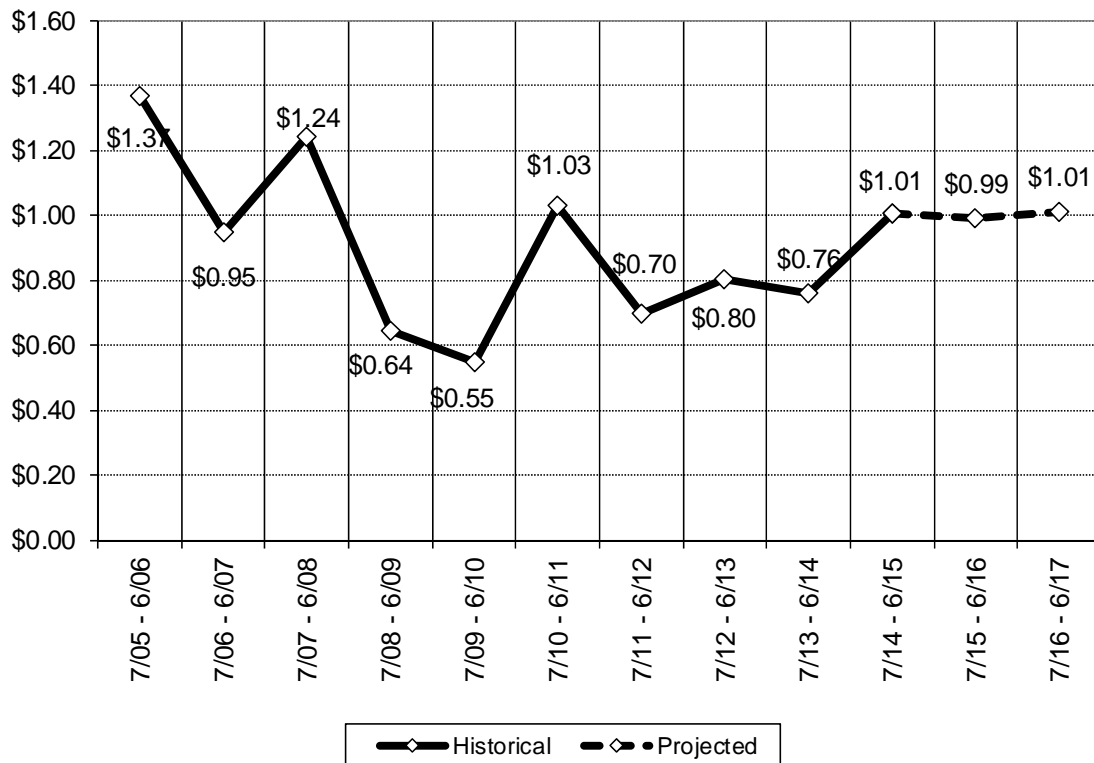
The present value of the projected ultimate limited losses is the amount of money, discounted for investment income, required to meet claims. It is calculated based on a 2.0% yield on investments, as provided by Alliant Insurance Services.

# AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

## Loss Experience Trends

Graphs III-1 and III-2 show loss experience trends for workers compensation as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

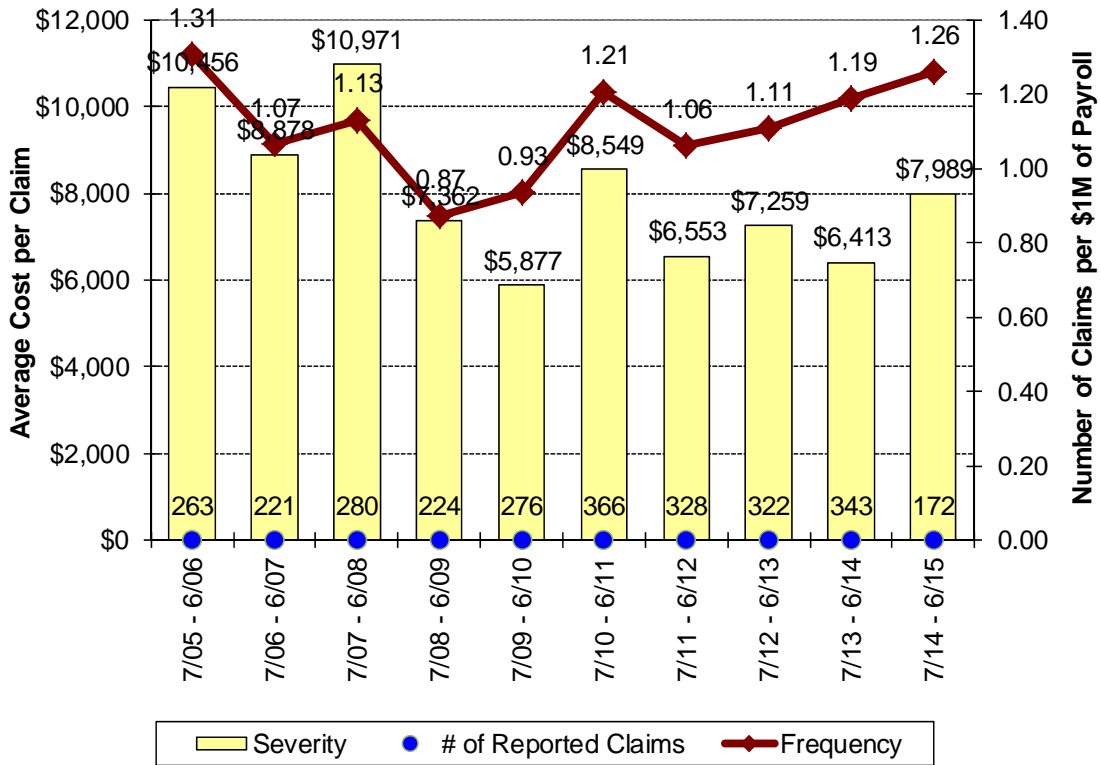
**Graph III-1  
Loss Rate per \$100 of Payroll**



Note: Loss rates are from Exhibit WC-10, columns (4) and (7).

# AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

**Graph III-2  
Frequency and Severity**

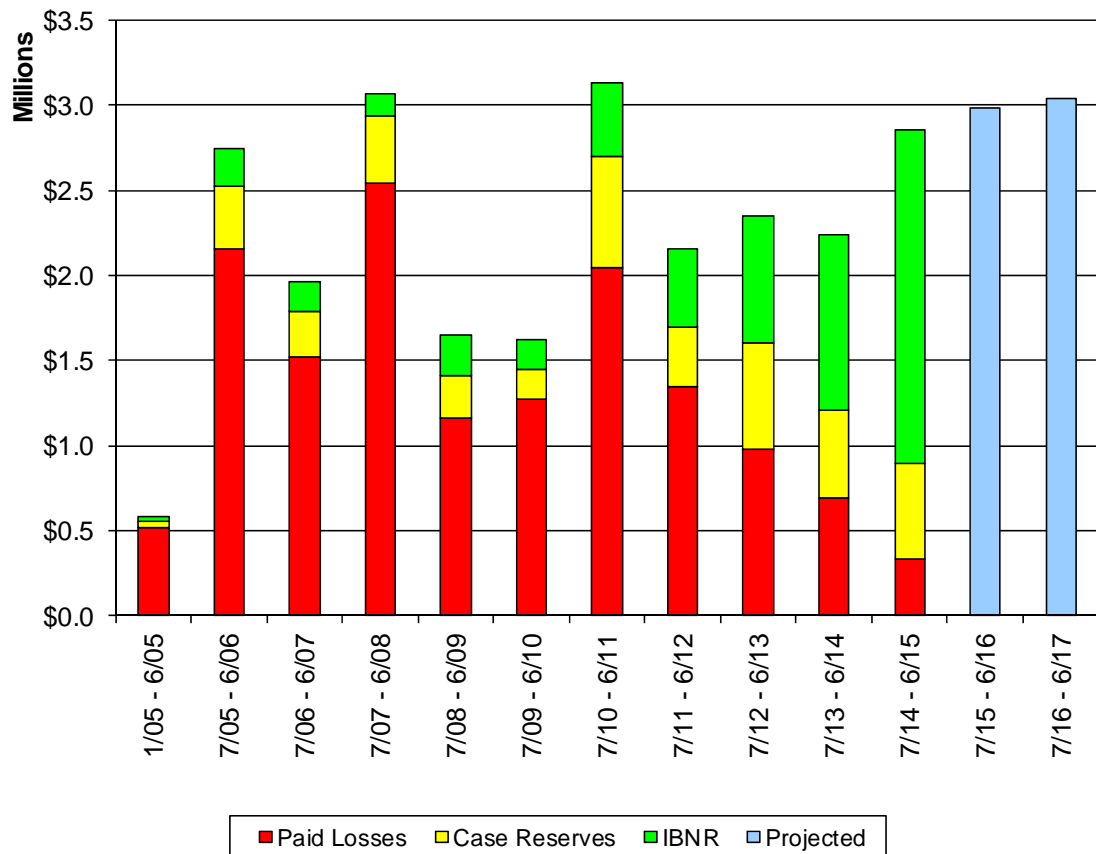


Note: Frequency amounts are from Exhibit WC-8, Section I, column (7).  
Severity amounts are based on the projected claim counts in Exhibit WC-8 and the projected ultimate losses in Exhibit WC-9.

## AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

Graph III-3 shows the composition of the projected ultimate limited losses for workers compensation.

**Graph III-3**  
**Composition of Projected Ultimate Limited Losses**



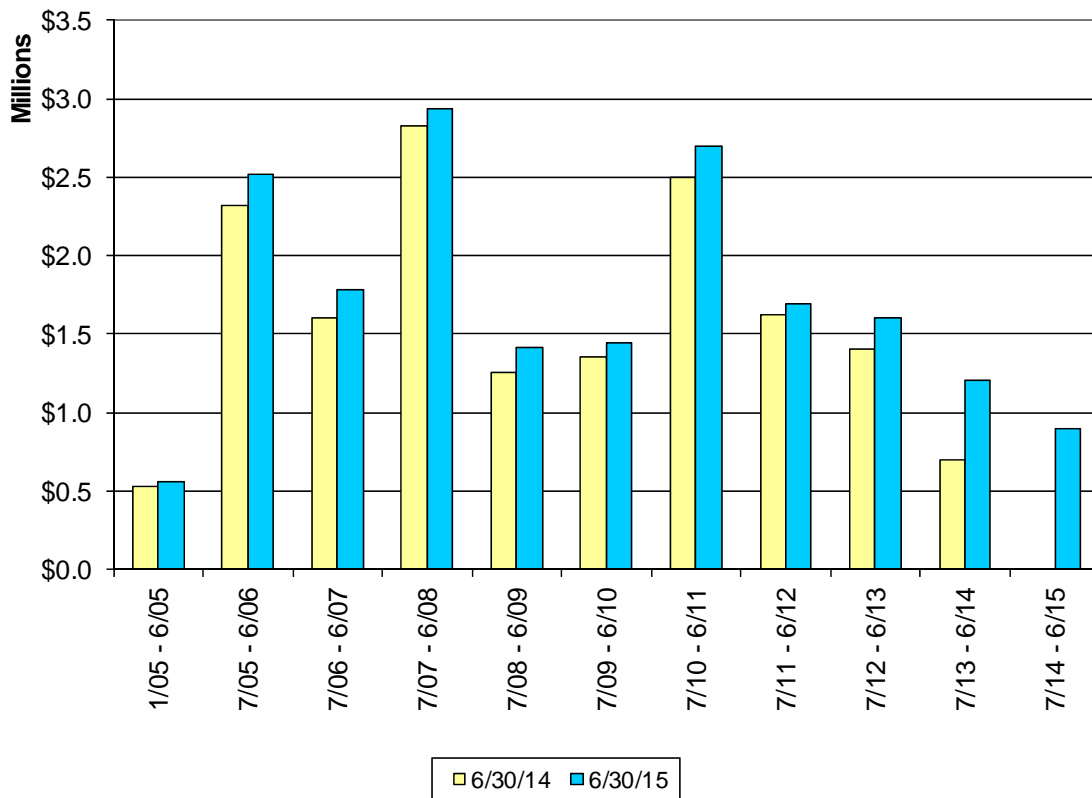
Note: Amounts through 7/14 - 6/15 are from Exhibit WC-11.  
Amounts for 7/15 - 6/16 and 7/16 - 6/17 are from Exhibit WC-10.

## AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

### Comparison to Previous Actuarial Study

Graphs III-4 and III-5 are graphical comparisons of the limited reported incurred losses and projected ultimate limited losses, respectively, by fiscal year of occurrence of the workers compensation program from the previous study (report dated September 15, 2014) to the current study.

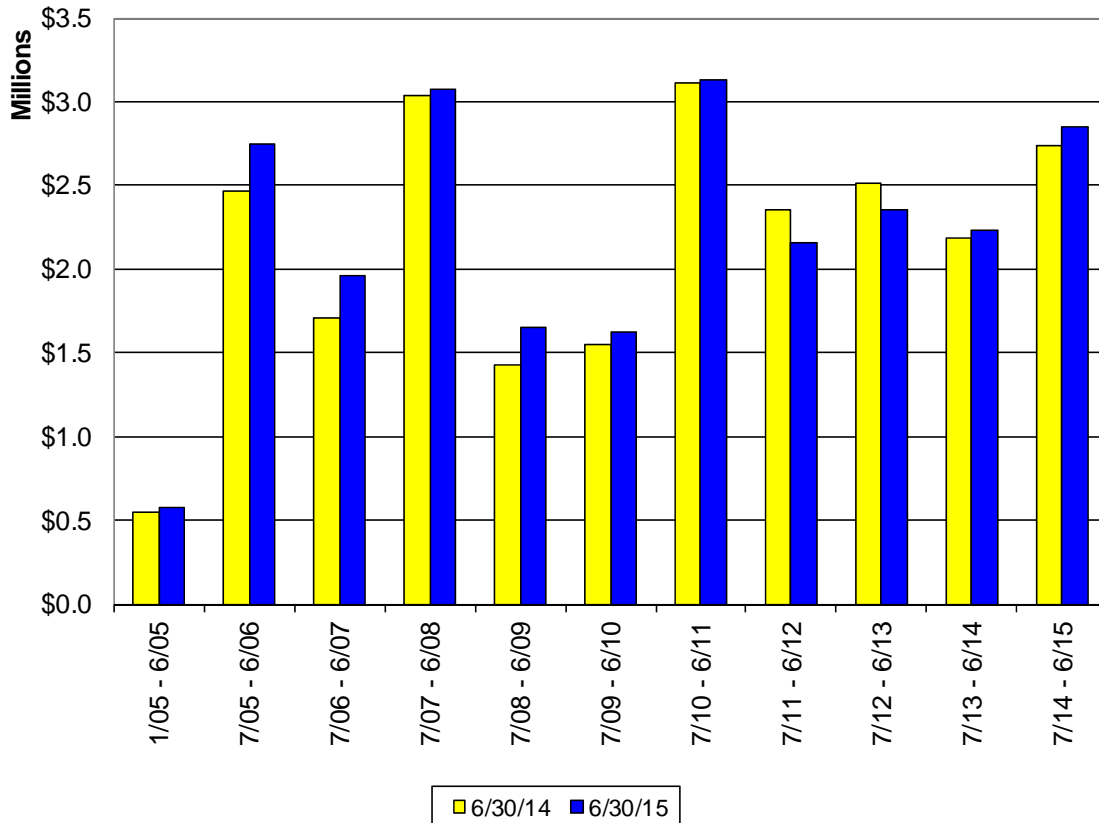
**Graph III-4**  
**Comparison of Limited Reported Incurred Losses**  
**as of June 30, 2014 and June 30, 2015**



Note: Amounts as of June 30, 2014 are from the previous actuarial study.  
Amounts as of June 30, 2015 are from Exhibit WC-1.

## AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

**Graph III-5**  
**Comparison of Projected Ultimate Limited Losses**  
**as of June 30, 2014 and June 30, 2015**



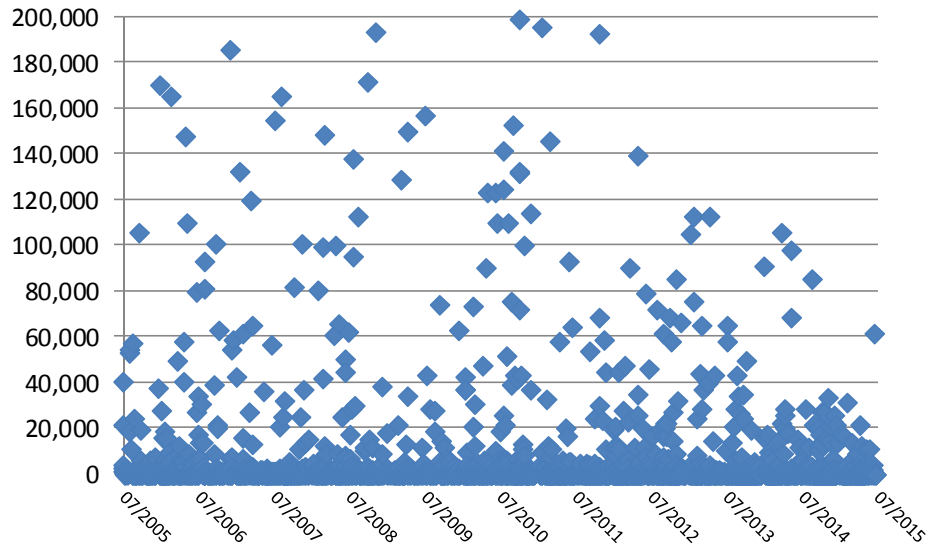
Note: Amounts as of June 30, 2014 are from the previous actuarial study.  
Amounts as of June 30, 2015 are from Exhibit WC-9.

For all claims through 7/13 - 6/14, the change in the projected ultimate limited losses from June 30, 2014 to June 30, 2015 was 2.8%.

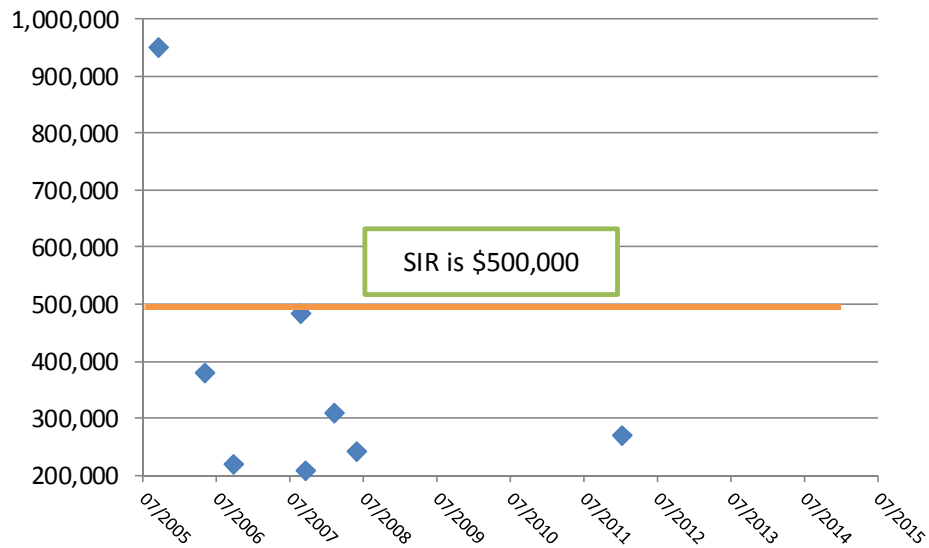
# AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

Graphs III-6A and III-6B are claim size distributions for CSURMA AORMA-COMP.

**Graph III-6A**  
**Claim Size Distribution**  
**Claims with Incurred Amount below \$200,000**



**Graph III-6B**  
**Claim Size Distribution**  
**Claims with Incurred Amount above \$200,000**



## **ESTIMATED POOL LAYER FUNDING EXHIBIT**

**ISSUE:** The Committee will review the estimated fund balance exhibits for both the Liability and Workers' Compensation Programs. These reports show a comparison of the program assets, outstanding liabilities and estimated fund balances at 6/30/15, as well as historical estimated fund balance and dividend information.

**RECOMMENDATION:** None; this item is for information only.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

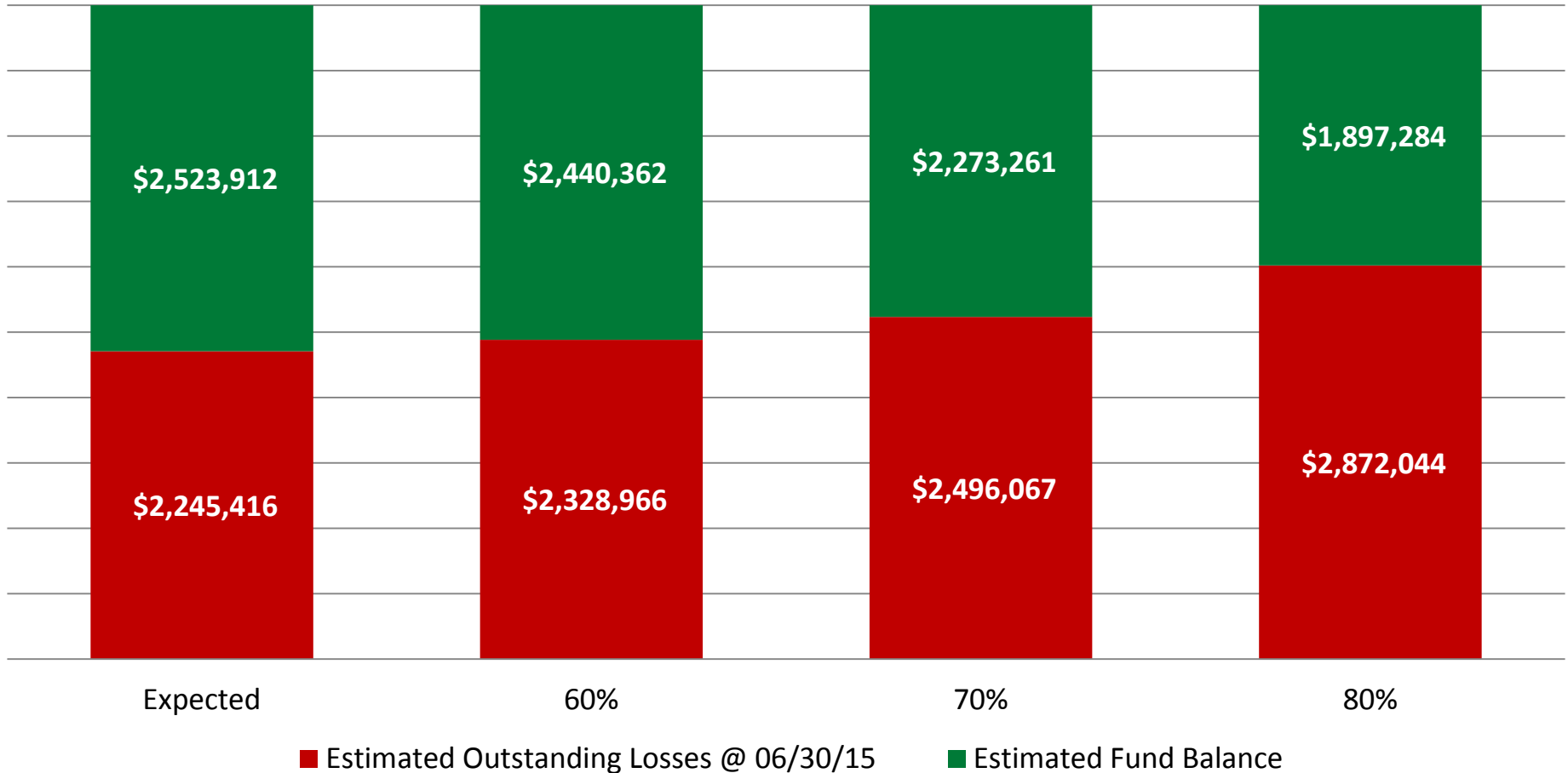
**PUBLICATION:** These reports may be included as attachments to the September Update Letter that will be sent to all of the auxiliary organization executive directors.

**ATTACHMENT(S):**

- a. Estimated Fund Balance @ June 30, 2015 (Liability and Workers' Compensation Programs)
- b. Historical Estimated Fund Balance @ June 30
- c. Historical Maximum Dividend Available vs. Dividend Declared

# Liability Estimated Fund Balance @ 06/30/15

Program Assets @ 06/30/15 - \$4,769,328

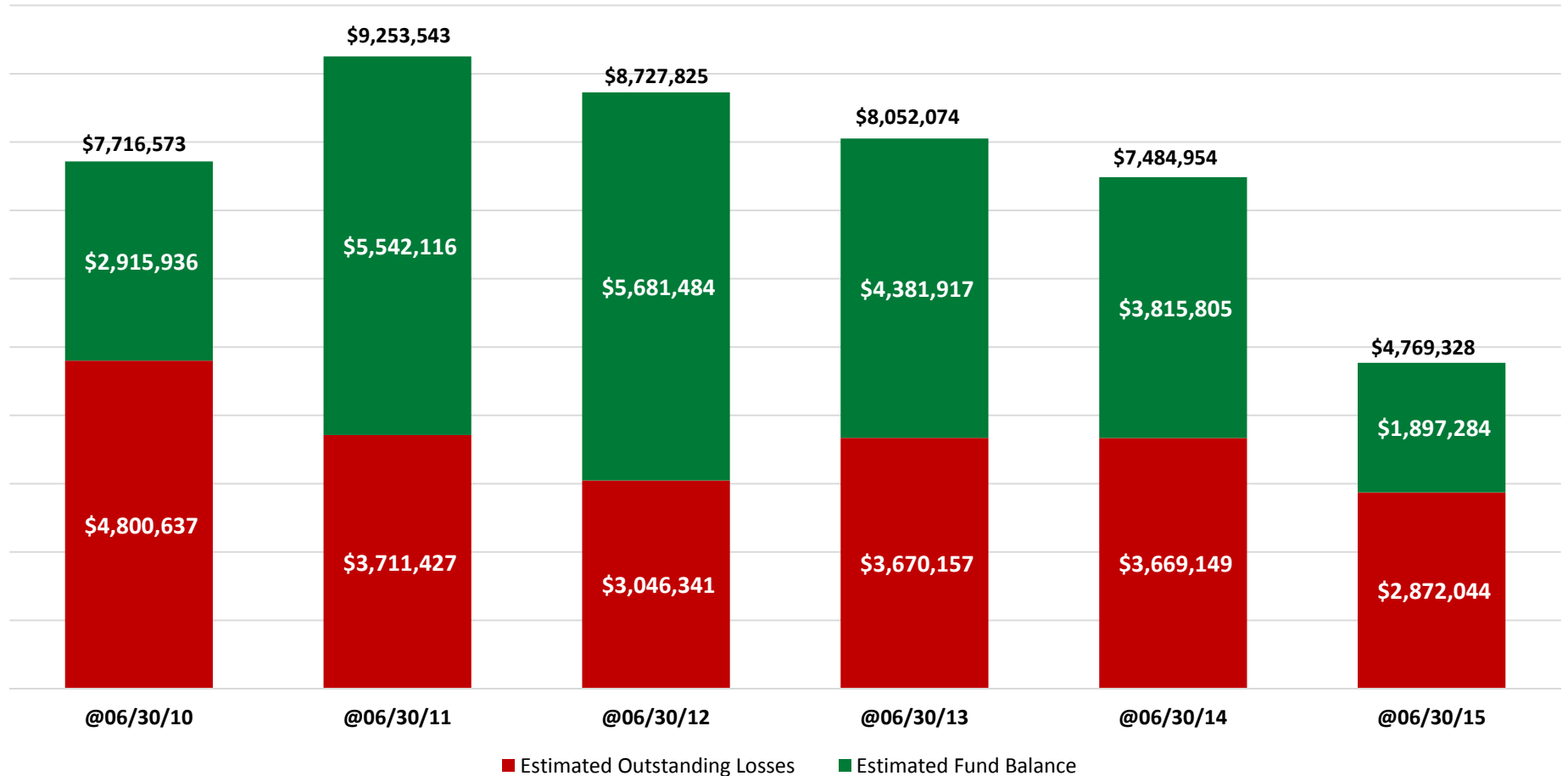


1. The Program Assets have been reduced by the dividend of \$715,802 payable in July 2015, and accounts payable of \$197,914.
2. The Estimated Outstanding Liabilities are undiscounted and include the Unallocated Loss Adjustment Expense.

# Liability Historical Estimated Fund Balance @ June 30



## 80% Confidence Level



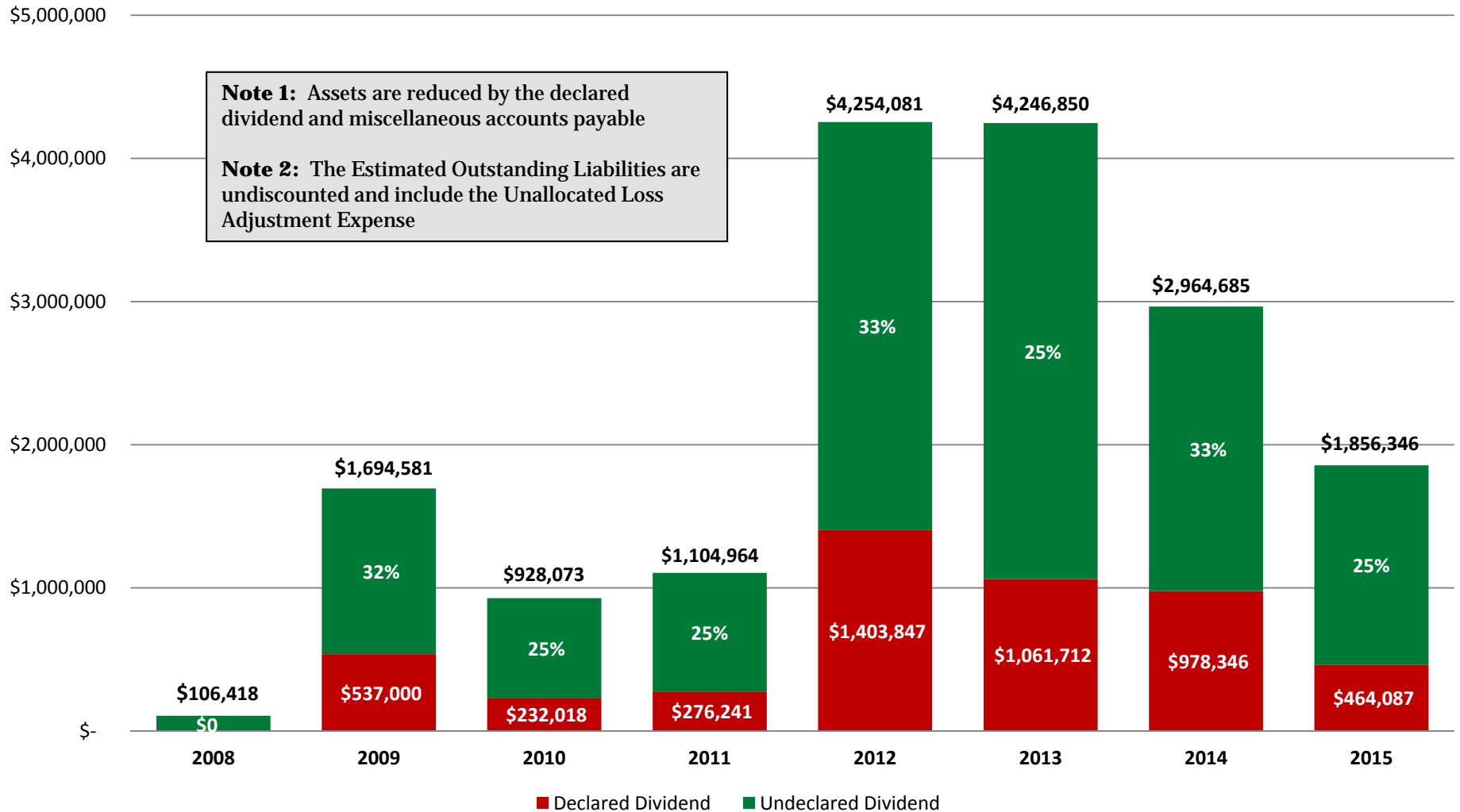
Note 1: Assets are reduced by the declared dividend and miscellaneous accounts payable

Note 2: The Estimated Outstanding Liabilities are undiscounted and include the Unallocated Loss Adjustment Expense

# Liability Historical Dividends Paid in July

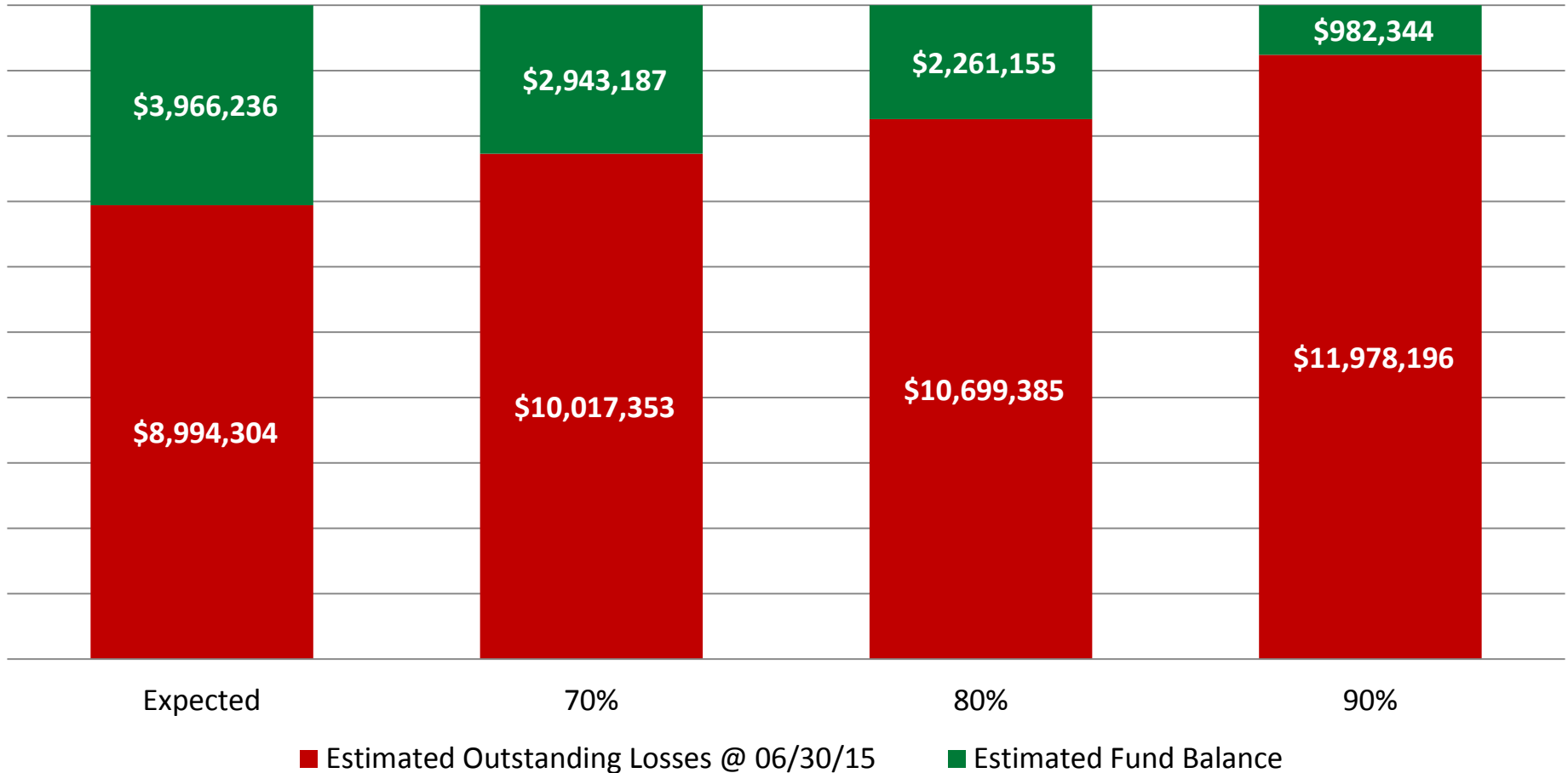


## Maximum Dividend Available vs. Dividend Declared



# Workers' Compensation Estimated Fund Balance @ 06/30/15

Program Assets @ 06/30/15 - \$12,960,540

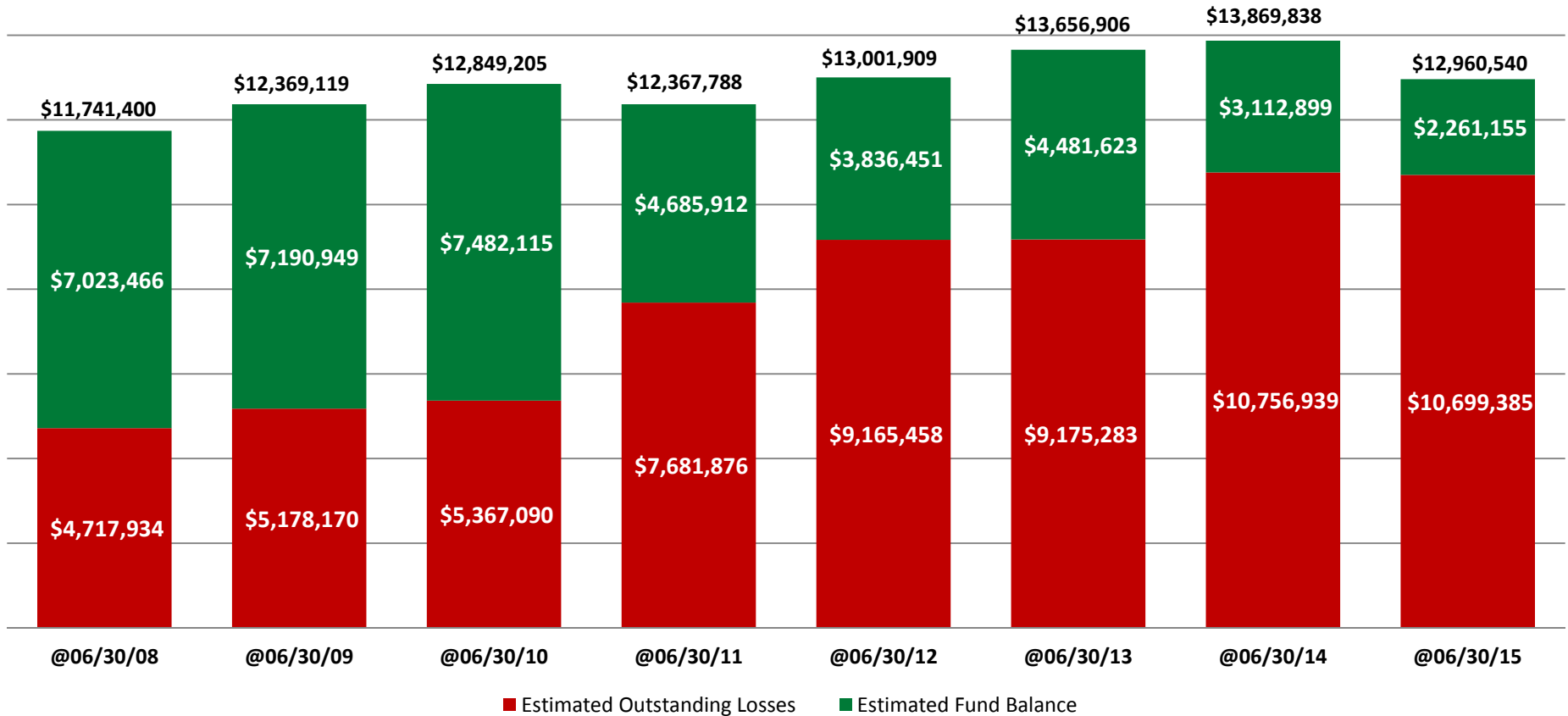


1. The Program Assets have been reduced by the dividend of \$715,802 payable in July 2015, and accounts payable of \$197,914.
2. The Estimated Outstanding Liabilities are undiscounted and include the Unallocated Loss Adjustment Expense.

# Workers' Compensation Historical Estimated Fund Balance @ June 30



80% Confidence Level



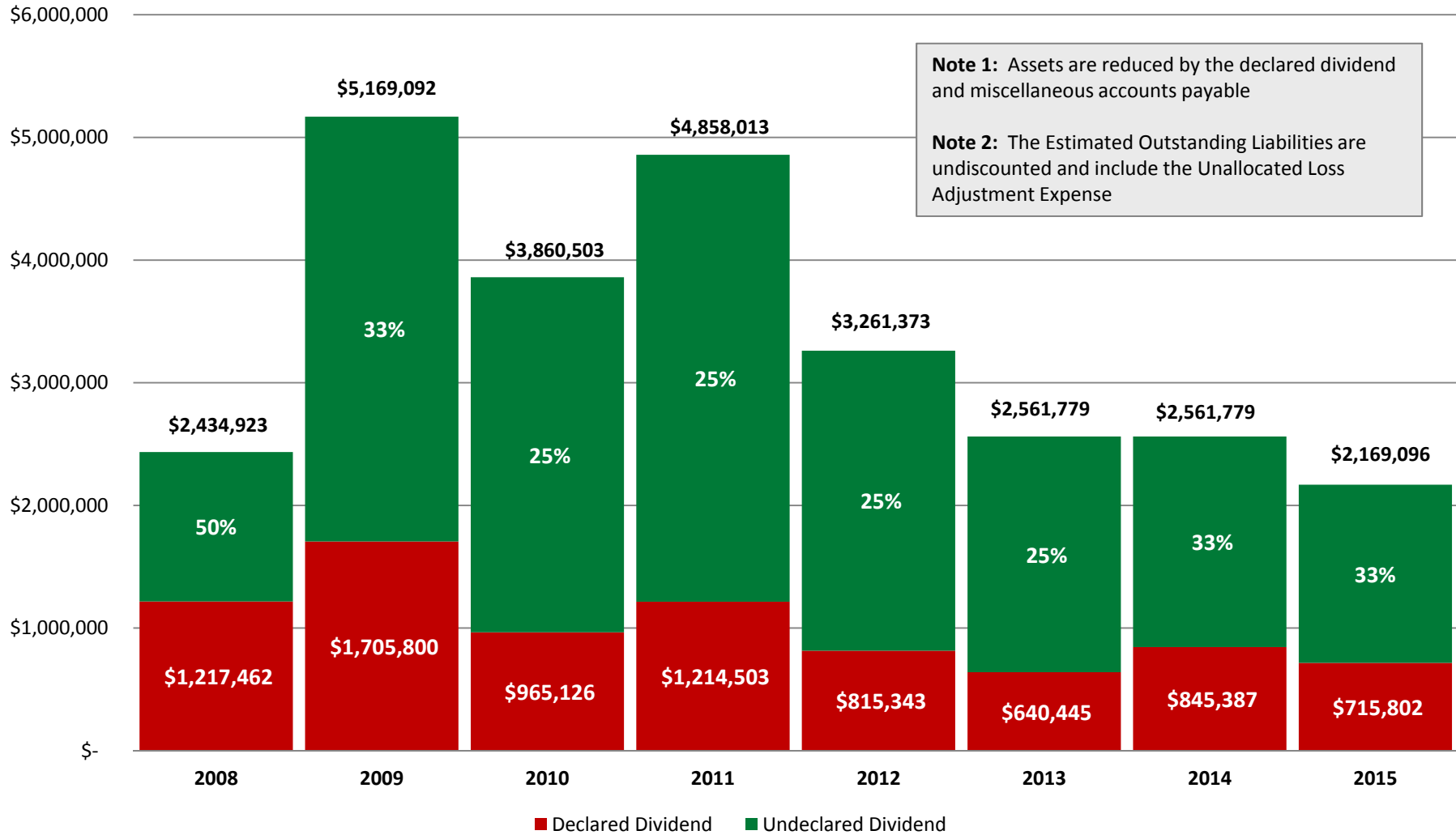
Note 1: Assets are reduced by the declared dividend and miscellaneous accounts payable

Note 2: The Estimated Outstanding Liabilities are undiscounted and include the Unallocated Loss Adjustment Expense

# Workers' Compensation Historical Dividends Paid in July



## Maximum Dividend Available vs. Dividend Declared



## **TARGET SURPLUS FUNDING REPORT AND DIVIDEND CALCULATION**

**ISSUE:** Staff will present an analysis of the financial position of the Liability and Workers' Compensation programs based on the surplus funding and dividend calculation formula set forth in Policy & Procedure A-3 Target Surplus Funding Policy. The analysis will show the current surplus fund amounts (at 6/30/15) as well as the estimated amounts available for dividend distribution.

**RECOMMENDATION:** No action is requested at this meeting. The Committee will be asked to take action at tomorrow's meeting.

**FISCAL IMPACT:** The Committee will recommend the overall funding and dividend distribution amounts for each pooled program.

**BACKGROUND:** CAJPA, an informational and educational network for California JPA's, has established several surplus ratio standards that have been adopted by CSURMA AORMA in order to establish the target surplus amount for the Liability and Workers' Compensation Programs.

- Gross Premium to Surplus Ratio – at least 1.5 to 1: (Surplus should be at least 67% of the premium for the upcoming FY 16/17.) Should there be any inaccuracies in the pricing, it is desirable to have adequate surplus to borrow against.
- Surplus to Pool Retention Ratio > 5-10 to 1: Should AORMA have multiple significant losses in the same year, it is desirable to have between five and ten times the retention.
- Outstanding Reserves to Surplus Ratio - at least 1.5 to 1: (Surplus should be at least 67% of the reserve amounts for all open claims.) Should there be any inaccuracies in the reserve amounts for open claims, it is desirable to have adequate surplus to borrow against.

**PUBLICATION:** All AORMA members will receive an update in September, 2015 which summarizes the decisions made at this meeting regarding surplus funds at June 30, 2015 and approved dividends to be released in July, 2016.

**ATTACHMENT(S):**

- a. Surplus Funding and Dividend Calculation
- b. Policy & Procedure A-3 – Target Surplus Funding Policy

## AORMA Workers' Compensation Program Target Surplus Funding Analysis at \$500,000 SIR

	This Year's Analysis	Change	Last Year
Gross Premium 2016/17 (at 80% CL)	\$3,926,000	Down From	\$3,946,750
Maximum Retention per loss:	\$500,000	Flat	\$500,000
O/S Reserves at 6/30/15:	\$4,169,368	Up From	\$3,803,264
*Surplus at 6/30/15:	\$3,966,235	Down From	\$4,800,263
Funding above 70% Conf Level:	\$3,633,140	Down From	\$4,489,379
Funding above 80% Conf Level:	\$2,998,083	Down From	\$3,861,899

\* Surplus at 6/30/15 reflects the Fund Balance from the 6/30/15 Balance sheet including the \$715,802 payable in July, 2015.

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$2,617,333	0.99
Surplus:Retention	>5:1	\$2,500,000	7.93
O/S Reserve:Surplus	≤1.5:1	\$2,779,579	1.05

<b>Maximum Dividend Available:</b>	<b>\$1,186,656</b>
<b>Dividend 50%:</b>	<b>\$593,328</b>
<b>Dividend 33%:</b>	<b>\$391,597</b>
<b>Recommended Dividend 25%:</b>	<b>\$296,664</b>

Note: The dividend declared in September, 2014 Dividend of \$715,802 was based on 33% of the maximum dividend available

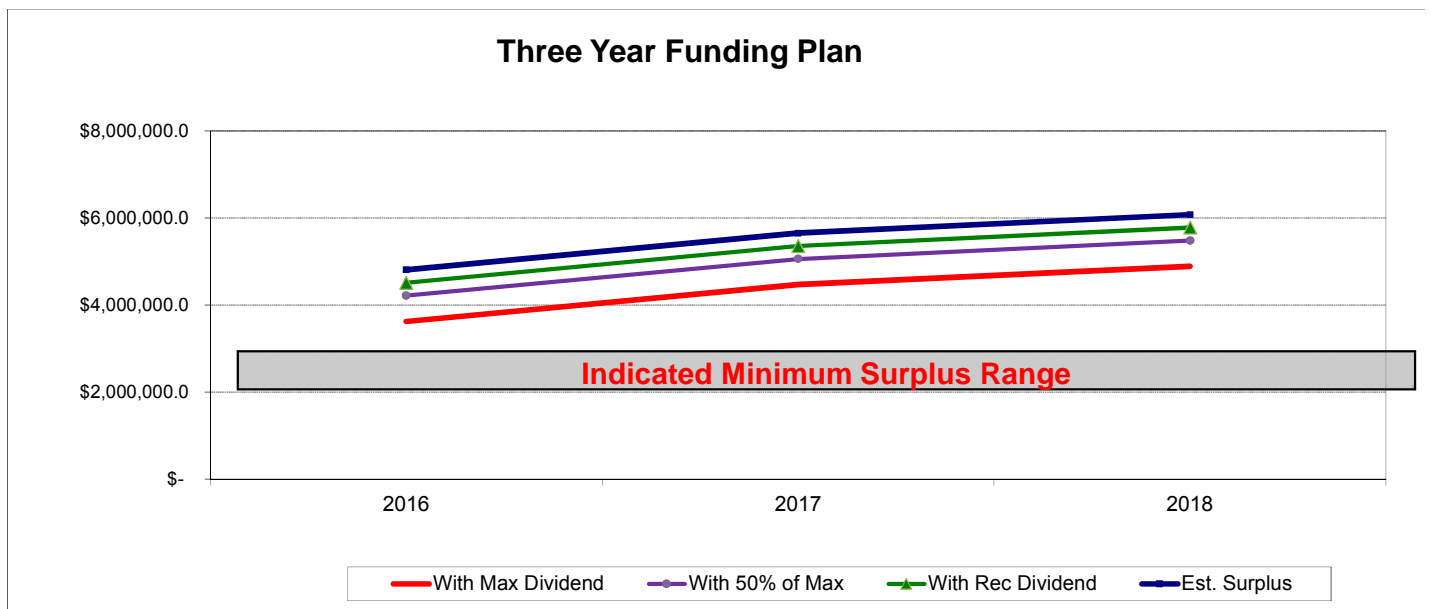
### 2016/17 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	2,814,000	-
70%	1.150	3,236,000	422,000
80%	1.300	3,658,000	844,000
90%	1.500	4,221,000	1,407,000

### Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Max Dividend	With Rec Dividend
Estimated Balance at 7/1/15	N/A	3,966,235	N/A	N/A
2016/17 - Collection @ 80% CL	844,000	4,810,235	3,623,579	4,513,571
2017/18 - Collection @ 80% CL	844,000	5,654,235	4,467,579	5,357,571
2018/19 - Collection @ 70% CL	422,000	6,076,235	4,889,579	5,779,571

### Three Year Funding Plan



## AORMA SIR Liability Fund Program Target Surplus Funding Analysis at \$500,000 SIR

	This Year's Analysis		Last Year
Gross Premium 2016/17 (at 80% CL)	\$3,462,115	Up From	\$3,336,715
Maximum Retention per loss:	\$500,000	Up From	\$350,000
O/S Reserves at 6/30/15:	\$1,871,801	Up From	\$1,745,718
*Surplus at 6/30/15:	\$2,523,912	Down From	\$4,356,346
Funding above 70% Conf Level:	\$2,339,225	Down From	\$4,101,214
Funding above 80% Conf Level:	\$1,712,881	Down From	\$3,733,109

\* Surplus at 6/30/15 reflects the Fund Balance from the 6/30/15 Balance sheet including the \$464,087 14/15 dividend

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$2,308,077	1.37
Surplus:Retention	>5:1	\$2,500,000	5.05
O/S Reserve:Surplus	≤1.5:1	\$1,247,867	0.74

<b>Maximum Dividend Available:</b>	<b>\$23,912</b>	<b>Dividend not recommended</b>
<b>Dividend 50%</b>	<b>\$11,956</b>	
<b>Dividend 33%:</b>	<b>\$7,891</b>	
<b>Dividend 25%</b>	<b>\$5,978</b>	

Note: 2014 Dividend of \$464,087 was based on 25% of the Maximum Dividend Available

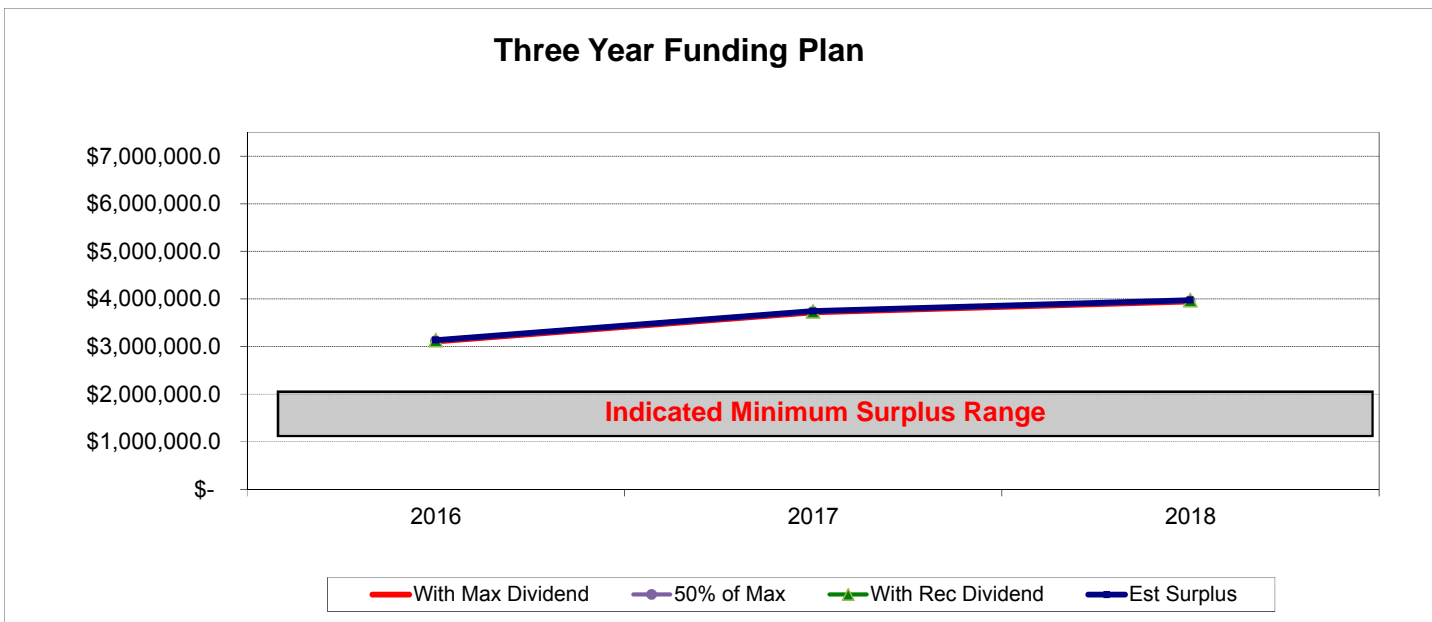
### 2016/17 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	1,471,260	-
60%	1.045	1,537,467	66,207
70%	1.156	1,700,777	229,517
80%	1.414	2,080,362	609,102

### Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Max Dividend	With Rec Dividend
Estimated Balance at 7/1/15	N/A	2,523,912	N/A	N/A
2016/17 - Collection @ 80% CL	609,102	3,133,014	3,109,102	3,133,014
2017/18 - Collection @ 80% CL	609,102	3,742,116	3,718,204	3,742,116
2018/19 - Collection @ 70% CL	229,517	3,971,633	3,947,721	3,971,633

### Three Year Funding Plan





**CSURMA AORMA**

**POLICY AND PROCEDURE NO. A-3**

**SUBJECT: TARGET SURPLUS FUNDING POLICY**

**ADOPTED: JANUARY 10, 2007**

**AMENDED: OCTOBER 29, 2009  
SEPTEMBER 16, 2010  
OCTOBER 23, 2014**

**EFFECTIVE: JANUARY 1, 2007**

**POLICY & PROCEDURE NO.: (FORMERLY) 7-AORMA**

In an effort to assure the long term financial strength of the Workers' Compensation, Liability, Property and Crime Programs (Programs), the AORMA Committee desires to fund the Programs in a responsible manner. Furthermore, in recognition that there is a high degree of uncertainty in actuarial estimates due to the possibility of occasional catastrophic claims and inconsistent or inaccurate case reserving, the AORMA Committee desires to establish a Target Surplus Goal that will guide them in making annual funding decisions for the Programs.

*Should there be any discrepancy between this document and either the MEMORANDUMS OF COVERAGE or PARTICIPATION AGREEMENTS between the AORMA Committee and the MEMBER, the MEMORANDUMS OF COVERAGE and the PARTICIPATION AGREEMENTS will govern.*

**POLICY**

The Target Surplus Goal is hereby established to be, at a minimum, the actuarially determined 70% confidence level, discounted for investment. In evaluating the Programs' funding position relative to the Target Surplus Goal as a part of each year's ratemaking process, the AORMA COMMITTEE shall take into consideration the following ratios: Gross Premium to Surplus Ratio, Surplus to Pool Retention Ratio and Outstanding Reserves to Surplus Ratio.

The AORMA Committee may take action to set higher or lower confidence levels based on AORMA goals to retain more or less risk.

**PROCEDURE**

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA's accredited independent actuary to perform an actuarial analysis of the Workers' Compensation and Liability Programs. This analysis shall include estimates of the outstanding losses (including IBNR) at various confidence levels as well as estimates of ultimate losses for the upcoming year(s). The analysis shall also compare the current program funding against the outstanding liabilities and determine the confidence level to which the program is currently funded. Because the Property and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.

2. **Calculation of Industry Ratios** - The Program Director will also calculate certain insurance industry ratios to help determine the Program's current financial position as follows:

**Gross Premium to Surplus Ratio:** **Target <1.5:1**

This ratio is a measure of how surplus is leveraged against possible pricing inaccuracies. A low ratio is desirable.

**Surplus to Pool Retention Ratio:** **Target >5-10:1**

This ratio is a measure of the maximum amount that surplus could decline due to a single loss. A high ratio is desirable.

**Outstanding Reserves to Surplus Ratio:** **Target  $\leq$  1.5:1**

This ratio is a measure of how surplus is leveraged against possible reserve inaccuracies. A low ratio is desirable.

3. **Application of Target Surplus Criteria** – After an annual review of the Target Surplus Ratios, the AORMA COMMITTEE will determine whether it is desirable to increase, decrease, or stabilize surplus. If the AORMA COMMITTEE desires to decrease surplus, it may approve a funding level below the 70% confidence level. Conversely, a funding decision above the 70% confidence level will indicate a bias toward increasing surplus. A determination to fund at the 70% confidence level will reflect the AORMA COMMITTEE'S desire to keep surplus at the current level.

Because the Property and Crime Programs have annual aggregate retentions, and therefore no actuarial study is performed, the Target Surplus Funding shall be the amount of funds that exceed the maximum liability retained by the program for all program years. The AORMA COMMITTEE will approve the annual funding for each program.

The Program Target Surplus Funding and Dividend Calculation Report will be prepared for each self-funded program and presented to the AORMA COMMITTEE after the end of each fiscal year.

4. **Dividends** – Dividends may be available from the amount of surplus exceeding the Target Surplus amount established by the AORMA COMMITTEE. The allocation of any dividend shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.
5. **Assessments** – Assessments may be required when the AORMA COMMITTEE determines that the amount of surplus is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.



## **CSURMA AORMA**

## **POLICY AND PROCEDURE NO. A-3**

### **MEMBER APPEAL PROCESS**

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If a MEMBER wishes to appeal any decision regarding the application of the Target Surplus Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary-Auditor within 30 days of the disputed decision. The Secretary-Auditor shall place the Member's appeal on the AORMA COMMITTEE's agenda at its next regularly scheduled meeting. The AORMA COMMITTEE will review the appeal and inform the Member of the final decision within 5 business days of the final decision.

If a Member wishes to appeal the AORMA COMMITTEE's decision, the Member will notify the CSURMA Secretary-Auditor in writing within 5 business days of receipt of the AORMA COMMITTEE's decision. The CSURMA Executive Committee will then review the appeal at its next meeting or sooner. The CSURMA Executive Committee's decision will be the final determination.



**DEFINITIONS:**

**AORMA COMMITTEE** - Auxiliary Organizations Risk Management Alliance Committee, a committee of the CSURMA providing management and oversight to the Auxiliary Organizations Risk Management Alliance. The AORMA COMMITTEE is comprised of the Chair, the Vice Chair, eight “At Large” members, and two non-voting members.

**AORMA** - AORMA - The Auxiliary Organizations Risk Management Alliance, a group of programs under the California State University Risk Management Authority.

**CSURMA** - The California State University Risk Management Authority, a California Joint Powers Authority, comprised of the California State University and its Auxiliary Organizations.

**GROSS PREMIUM** - Includes pool premium and reinsurance/excess insurance premium but does not include administrative costs.

**IBNR** – Incurred but Not Reported losses

**OUTSTANDING RESERVES** - The sum total of unpaid case reserves in the pool layer as determined by the various claims examiners.

**POOL RETENTION** - The maximum amount of exposure to a single loss retained by the pool over the most recent 5 years.

**SURPLUS** - The amount of cash equivalent available to pay claims in excess of actuarial expected losses discounted for investment income.

**CONFIDENCE LEVEL:** A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.

**AORMA HISTORICAL PREMIUM PAYMENTS, DIVIDENDS  
AND LOSS RATIOS**

**ISSUE:** The attached report documents each member's historical program premiums, dividends and loss ratios.

**RECOMMENDATION:** This report is for information only. No action is requested at this time; however, the Committee may provide direction to Staff.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None is anticipated at this time.

**ATTACHMENT(S):**

- a. Historical Premium Payments, Dividends Received and Loss Ratios report.

**CSURMA AORMA**

**Liability Insurance Program**

**Member Loss Ratios**

**Loss Valuation Date - June 30, 2015**

Campus	Auxiliary Organization	FY 10/11 - FY 14/15				
		Premium	Dividends	# of Claims	Claims	Loss Ratio
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 34,188	\$ 6,461		\$ -	0%
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 16,758	\$ 1,845		\$ -	0%
Bakersfield	California State University, Bakersfield Foundation	\$ 106,226	\$ 15,505		\$ -	0%
Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 16,214	\$ 7,744		\$ -	0%
Chancellor's Office	California State University Foundation	\$ 7,826	\$ 1,491		\$ -	0%
Chancellor's Office	California State University Institute	\$ 10,700	\$ 2,035		\$ -	0%
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 8,515	\$ 1,591		\$ -	0%
Channel Islands	California State University Channel Islands Foundation	\$ 11,280	\$ 2,149		\$ -	0%
Channel Islands	University Glen Corporation	\$ 121,559	\$ 22,334	2	\$ 158,726	131%
Chico	Associated Students of California State University, Chico	\$ 686,768	\$ 130,672	5	\$ 9,825	1%
Chico	Auxiliary Organization Associations	\$ 7,779	\$ 1,486		\$ -	0%
Chico	The CSU, Chico Research Foundation	\$ 576,119	\$ 107,450	23	\$ 1,444,409	251%
Chico	The University Foundation, California State University, Chico	\$ 46,215	\$ 8,626	1	\$ 1,891	4%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 30,866	\$ 5,796	1	\$ 225	1%
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 143,391	\$ 27,878	3	\$ 19,264	13%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 91,148	\$ 16,955	5	\$ 8,178	9%
East Bay	Associated Students, California State University, East Bay	\$ 138,616	\$ 28,417	1	\$ 1,218	1%
East Bay	Cal State East Bay Educational Foundation	\$ 41,912	\$ -		\$ -	0%
East Bay	California State University, East Bay Foundation, Inc.	\$ 178,888	\$ 57,043	1	\$ 4,697	3%
Fresno	Associated Students, Inc. of California State University, Fresno	\$ 20,522	\$ 3,926		\$ -	0%
Fresno	California State University, Fresno Association, Inc.	\$ 898,765	\$ 188,434	9	\$ 57,435	6%
Fresno	California State University, Fresno Foundation	\$ 225,845	\$ 40,730	2	\$ 143,656	64%
Fresno	Fresno State Programs for Children, Inc.	\$ 46,222	\$ 8,780		\$ -	0%
Fresno	The Agricultural Foundation of California State University, Fresno	\$ 113,008	\$ 21,454		\$ -	0%
Fresno	The California State University, Fresno Athletic Corporation	\$ 1,013,509	\$ 182,290	14	\$ 49,804	5%
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 176,330	\$ 32,767	6	\$ 5,392	3%
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 35,676	\$ 6,751		\$ -	0%
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 282,234	\$ 49,067	7	\$ 156,426	55%
Fullerton	CSU Fullerton Housing Authority	\$ 106,737	\$ 23,104		\$ -	0%
Humboldt	Associated Students, Humboldt State University	\$ 33,358	\$ 6,310		\$ -	0%
Humboldt	Humboldt State University Advancement Foundation	\$ 8,222	\$ 1,616		\$ -	0%
Humboldt	Humboldt State University Center Board of Directors	\$ 296,813	\$ 59,525	2	\$ 9,706	3%
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 151,629	\$ 28,278	4	\$ 30,842	20%
Long Beach	Associated Students, California State University, Long Beach	\$ 408,876	\$ 74,417	6	\$ 384,065	94%
Long Beach	California State University, Long Beach Research Foundation	\$ 787,051	\$ 142,143	7	\$ 480,800	61%
Long Beach	CSULB 49er Foundation	\$ 11,227	\$ 902	1	\$ 2,750	24%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 214,343	\$ 40,093	15	\$ 34,658	16%
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 34,634	\$ 6,288	2	\$ 1,025	3%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 155,291	\$ 27,800		\$ -	0%
Los Angeles	California State University, Los Angeles Foundation	\$ 19,870	\$ 3,773		\$ -	0%

**CSURMA AORMA**

**Liability Insurance Program**

**Member Loss Ratios**

**Loss Valuation Date - June 30, 2015**

Campus	Auxiliary Organization	FY 10/11 - FY 14/15				
		Premium	Dividends	# of Claims	Claims	Loss Ratio
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 140,203	\$ 26,416		\$ -	0%
Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 18,317	\$ 3,486		\$ -	0%
Maritime Academy	The Associated Students of the California Maritime Academy	\$ 17,871	\$ 3,302		\$ -	0%
Monterey Bay	Foundation of California State University, Monterey Bay	\$ 19,987	\$ 2,268		\$ -	0%
Monterey Bay	The University Corporation at Monterey Bay	\$ 311,017	\$ 65,218	1	\$ 2,114	1%
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 78,520	\$ 13,932	14	\$ 39,171	50%
Northridge	California State University, Northridge Foundation	\$ 58,688	\$ 11,060		\$ -	0%
Northridge	North Campus University Park Development Corporation	\$ 28,352	\$ 5,263		\$ -	0%
Northridge	The University Corporation, CSU Northridge	\$ 402,457	\$ 70,088	7	\$ 37,646	9%
Northridge	University Student Union of California State University, Northridge	\$ 410,727	\$ 76,866	6	\$ 332,274	81%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 380,930	\$ 69,557	4	\$ 24,156	6%
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 759,108	\$ 145,867	20	\$ 414,967	55%
Sacramento	Associated Students of California State University, Sacramento	\$ 515,806	\$ 96,328	13	\$ 19,270	4%
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 40,072	\$ 6,811	1	\$ 12,153	30%
Sacramento	The University Foundation at Sacramento State	\$ 29,613	\$ 5,628		\$ -	0%
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 770,871	\$ 141,394	7	\$ 166,575	22%
Sacramento	University Union Operation of CSUS, Inc.	\$ 127,669	\$ 23,173	32	\$ 14,721	12%
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 51,231	\$ 9,712		\$ -	0%
San Bernardino	CSUSB Philanthropic Foundation	\$ 11,227	\$ 902		\$ -	0%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 73,145	\$ 13,538	2	\$ 190,373	260%
San Bernardino	University Enterprises Corporation at CSUSB	\$ 277,415	\$ 51,547	1	\$ 430	0%
San Diego	Associated Students, San Diego State University	\$ 890,082	\$ 159,060	11	\$ 99,755	11%
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 673,555	\$ 124,039	26	\$ 69,577	10%
San Diego	San Diego State University Research Foundation	\$ 825,195	\$ 170,170	40	\$ 1,213,121	147%
San Diego	The Campanile Foundation	\$ -	\$ -		\$ -	0%
San Francisco	Associated Students, Inc., San Francisco State University	\$ 87,094	\$ 13,268	4	\$ 3,619	4%
San Francisco	San Francisco State University Foundation	\$ 18,577	\$ 2,707		\$ -	0%
San Francisco	The University Corporation, San Francisco State	\$ 147,632	\$ 38,507	7	\$ 16,547	11%
San Jose	Associated Student, San Jose State University	\$ 57,671	\$ 10,809	1	\$ 13,166	23%
San Jose	San Jose State University Research Foundation	\$ 155,030	\$ 27,824	7	\$ 397,532	256%
San Jose	Spartan Shops, Inc., San Jose State University	\$ 441,293	\$ 81,592	4	\$ 21,157	5%
San Jose	The Student Union of San Jose State University	\$ 635,211	\$ 119,012	5	\$ 52,780	8%
San Jose	The Tower Foundation, San Jose State University	\$ 11,753	\$ 2,142		\$ -	0%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 475,149	\$ 86,085	2	\$ 57,522	12%
San Luis Obispo	Cal Poly Corporation	\$ 713,835	\$ 169,666	16	\$ 60,382	8%
San Luis Obispo	California Polytechnic State University Foundation	\$ 7,766	\$ 1,398	1	\$ 1,600	21%
San Marcos	California State University San Marcos Foundation	\$ 27,887	\$ 4,619		\$ -	0%
San Marcos	San Marcos University Corporation	\$ 122,919	\$ 35,330	1	\$ 9,003	7%
San Marcos	The Associated Students of California State University, San Marcos	\$ 50,954	\$ 8,089		\$ -	0%
San Marcos	University Auxillary and Research Services Corporation	\$ 135,596	\$ 13,417	1	\$ 70,000	52%

**CSURMA AORMA**

**Liability Insurance Program**

**Member Loss Ratios**

**Loss Valuation Date - June 30, 2015**

<b>Campus</b>	<b>Auxiliary Organization</b>	<b>FY 10/11 - FY 14/15</b>				
		<b>Premium</b>	<b>Dividends</b>	<b># of Claims</b>	<b>Claims</b>	<b>Loss Ratio</b>
Sonoma	Associated Students of Sonoma State University	\$ 82,434	\$ 15,654		\$ -	0%
Sonoma	Sonoma State Enterprises, Inc.	\$ 184,930	\$ 34,816	1	\$ 580	0%
Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 77,987	\$ 14,715		\$ -	0%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 34,012	\$ 6,380	1	\$ 910	3%
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 83,141	\$ 15,813		\$ -	0%
Stanislaus	California State University, Stanislaus Foundation	\$ 124,524	\$ 23,577		\$ -	0%
Stanislaus	University Student Union of California State University, Stanislaus	\$ 19,148	\$ 3,646		\$ -	0%
<b>Total:</b>		<b>\$ 17,921,731</b>	<b>\$ 3,418,610</b>	<b>353</b>	<b>\$ 6,346,091</b>	<b>35%</b>

**CSURMA AORMA**

**Workers' Compensation Insurance Program**

**Member Loss Ratios**

**Loss Valuation Date - June 30, 2015**

Campus	Auxiliary Organization	FY 10/11 - FY 14/15				
		Premium	Dividends	# of Claims	Claims	Loss Ratio
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 65,859	\$ -	1	\$ 1,656	3%
Bakersfield	California State University, Bakersfield Foundation	\$ 124,226	\$ 41,264	5	\$ 60,114	48%
Channel Islands	University Glen Corporation	\$ 201,394	\$ 19,311	16	\$ 112,692	56%
Chico	Associated Students of California State University, Chico	\$ 863,818	\$ 226,351	226	\$ 235,307	27%
Chico	The CSU, Chico Research Foundation	\$ 670,426	\$ 143,056	36	\$ 134,488	20%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 13,121	\$ 3,684	1	\$ 412	3%
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 375,370	\$ 87,826	22	\$ 147,437	39%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 30,102	\$ 6,519	1	\$ 1,423	5%
East Bay	Associated Students, California State University, East Bay ( <i>University Union</i> )	\$ 51,032	\$ 36,674	9	\$ 25,606	50%
East Bay	California State University, East Bay Foundation, Inc.	\$ 142,673	\$ 29,589	12	\$ 1,536	1%
Fresno	California State University, Fresno Association, Inc.	\$ 570,959	\$ 171,023	77	\$ 37,715	7%
Fresno	The California State University, Fresno Athletic Corporation	\$ 401,937	\$ 73,108	11	\$ 4,112	1%
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 362,436	\$ 78,297	36	\$ 72,488	20%
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 897,683	\$ 213,508	69	\$ 226,959	25%
Humboldt	Associated Students, Humboldt State University	\$ 6,590	\$ -	0	\$ -	0%
Humboldt	Humboldt State University Center Board of Directors	\$ 406,308	\$ 93,153	104	\$ 104,570	26%
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 626,946	\$ 92,702	44	\$ 315,840	50%
Long Beach	Associated Students, California State University, Long Beach	\$ 472,264	\$ 103,719	54	\$ 91,432	19%
Long Beach	California State University, Long Beach Research Foundation	\$ 537,126	\$ 171,514	34	\$ 215,296	40%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 661,730	\$ 161,797	106	\$ 556,720	84%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 692,198	\$ 126,851	51	\$ 171,426	25%
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 168,730	\$ 29,640	7	\$ 68,820	41%
Monterey Bay	The University Corporation at Monterey Bay	\$ 496,478	\$ 93,659	27	\$ 249,989	50%
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 243,405	\$ 51,088	18	\$ 58,276	24%
Northridge	The University Corporation, CSU Northridge	\$ 1,496,129	\$ 289,077	117	\$ 945,760	63%
Northridge	University Student Union of California State University, Northridge	\$ 393,926	\$ 75,375	45	\$ 84,210	21%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 253,000	\$ 59,757	34	\$ 37,632	15%
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 1,187,656	\$ 288,984	195	\$ 757,783	64%
Sacramento	Associated Students of California State University, Sacramento	\$ 340,865	\$ 78,399	30	\$ 146,252	43%
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 1,081,428	\$ 87,459	148	\$ 419,599	39%
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 11,502	\$ 2,470	1	\$ -	0%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 148,589	\$ 24,434	25	\$ 39,536	27%
San Bernardino	University Enterprises Corporation at CSUSB / ( <i>Foundation</i> )	\$ 402,501	\$ 73,187	96	\$ 120,382	30%
San Diego	Associated Students, San Diego State University	\$ 821,845	\$ 165,328	129	\$ 455,181	55%
San Francisco	Associated Students, Inc., San Francisco State University	\$ 154,050	\$ 20,928	17	\$ 287,913	187%
San Francisco	Cesar Chavez Student Center, San Francisco State University	\$ 161,071	\$ 54,805	22	\$ 94,774	59%
San Francisco	The University Corporation, San Francisco State	\$ 138,333	\$ 30,478	10	\$ 28,086	20%
San Jose	Associated Student, San Jose State University	\$ 211,256	\$ 47,591	35	\$ 39,684	19%
San Jose	San Jose State University Research Foundation	\$ 1,287,736	\$ 249,046	52	\$ 164,781	13%
San Jose	Spartan Shops, Inc., San Jose State University	\$ 634,233	\$ 167,603	184	\$ 251,646	40%

**CSURMA AORMA**  
**Workers' Compensation Insurance Program**  
**Member Loss Ratios**  
**Loss Valuation Date - June 30, 2015**

		FY 10/11 - FY 14/15				
Campus	Auxiliary Organization	Premium	Dividends	# of Claims	Claims	Loss Ratio
San Jose	The Student Union of San Jose State University	\$ 151,603	\$ 25,349	4	\$ 3,904	3%
San Jose	The Tower Foundation, San Jose State University	\$ 131,366	\$ 10,202	2	\$ 731	1%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 380,193	\$ 97,887	44	\$ 330,459	87%
San Luis Obispo	Cal Poly Corporation	\$ 1,799,454	\$ 510,926	252	\$ 889,397	49%
San Marcos	University Auxiliary and Research Services Corporation	\$ 274,578	\$ 68,445	23	\$ 75,278	27%
Sonoma	Associated Students of Sonoma State University	\$ 37,885	\$ 3,246	1	\$ 30,393	80%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 20,371	\$ 2,053	0	\$ -	0%
Stanislaus	University Student Union of California State University, Stanislaus	\$ 20,902	\$ 1,593	7	\$ 1,495	7%
<b>Total:</b>		<b>\$ 20,623,288</b>	<b>\$ 4,488,955</b>	<b>2,440</b>	<b>\$ 8,099,192</b>	<b>39%</b>

**Agenda Item C10  
 CSURMA AORMA Committee  
 Long Range Planning Session  
 Meeting Date: September 9, 2015**

**EMPLOYMENT PRACTICES LIABILITY MEMBER DEDUCTIBLES  
 FOR FY 16/17**

**ISSUE:** Staff completed the minimum EPL deductible calculation for FY 16/17. Seven auxiliary organizations are subject to a higher EPL deductible. According to Policy & Procedure L-7, the Programs Committee is responsible for approving the EPL deductible calculation; therefore, the calculation is being presented for the Committee’s review only.

**RECOMMENDATION:** Staff recommends that the Committee review the EPL deductible schedule, calculation and Policy & Procedure L-7 and then provide direction, if any, to Staff.

**FISCAL IMPACT:** None at this time.

**BACKGROUND:** Noted below are the proposed FY 16/17 EPL deductibles and the historical EPL deductibles since the change became effective July 1, 2013.

<b>Auxiliary Organization</b>	<b>FY 16/17</b>	<b>FY 15/16</b>	<b>FY 14/15</b>	<b>FY 13/14</b>
<b>CSU, East Bay Foundation, Inc.</b>	<b>\$25,000</b>	\$50,000	\$50,000	\$50,000
California State University, Fresno Foundation	\$75,000	\$75,000	\$50,000	\$25,000
Associated Students, CSU, Long Beach	<b>\$50,000</b>	\$25,000	\$25,000	\$25,000
CSU, Long Beach Research Foundation	\$75,000	\$75,000	\$75,000	\$50,000
<b>Cal State L.A. University Auxiliary Services, Inc.</b>	<b>\$25,000</b>	\$50,000	\$50,000	\$50,000
The Cal Poly Pomona Foundation, Inc.	\$100,000	\$100,000	\$75,000	\$100,000
University Enterprises, Inc., CSU Sacramento	\$50,000	\$50,000	\$50,000	\$25,000
San Diego State University Research Foundation	\$100,000	\$100,000	\$75,000	\$50,000
San Jose State University Research Foundation	<b>\$100,000</b>	\$75,000	\$50,000	\$25,000
<b>Cal Poly Corporation</b>	<b>\$25,000</b>	\$50,000	\$50,000	\$50,000

Employment Practices Liability losses continue to be AORMA’s number one loss leader. As a way to reduce EPL loss costs, the AORMA Committee approved changes to Policy & Procedure L-7 effective July 1, 2013, which mandates higher EPL deductibles for those auxiliary organizations with a frequency of EPL claims.

In December 2013, Policy & Procedure L-7 was retroactively amended to the July 1, 2013 effective date so that the EPL deductible increases would be limited to one EPL deductible level

increase per year, regardless of the minimum EPL deductible calculated based on the schedule within the Policy & Procedure.

**PUBLICATION:** After the calculation is approved by the Programs Committee, the members will be notified of their EPL deductible for FY 16/17.

**ATTACHMENT(S):**

- a. EPL Member Deductible Calculation
- b. EPL Deductible Schedule
- c. Policy & Procedure L-7 – Employment Practices Liability Deductible

**AORMA Liability Program - Employment Practices Liability Loss Information**  
**Employment Practices Liability Loss Information**  
**Paid Losses between July 1, 2010 and June 30, 2015**

<b>Campus</b>	<b>Auxiliaries</b>	<b>Claim #</b>	<b>Total Incurred</b>	<b>Claims Over \$25,000</b>
Channel Islands	CSU CHANNEL ISLANDS UNIVERSITY GLEN CORP	1597956	155,755	155,755
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
Chico	CHICO RESEARCH FOUNDATION	1881293	110,874	110,874
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
Dominguez Hills	CSU DOMINGUEZ HILLS FOUNDATION	1755087	3,083	-
Dominguez Hills	CSU DOMINGUEZ HILLS FOUNDATION	1846619	6,181	-
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Dominguez Hills	CSU DOMINGUEZ HILLS LOKER STUDENT UNION, INC.	1593281	4,547	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
East Bay	CSU EAST BAY FOUNDATION	1492625	1,791	-
East Bay	CSU EAST BAY FOUNDATION	1505817	14,256	-
East Bay	CSU EAST BAY FOUNDATION	1507297	825	-
East Bay	CSU EAST BAY FOUNDATION	1517494	6,602	-
East Bay	CSU EAST BAY FOUNDATION	1517601	1,445	-
East Bay	CSU EAST BAY FOUNDATION	1548055	4,697	-
	<b>Number of Claims</b>	<b>6</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Fresno	CSU FRESNO ASSOCIATION	1888278	2,108	-
Fresno	CSU FRESNO ASSOCIATION (This loss is excluded from the calculation while it is being reviewed)	1603788	40,164	40,164
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
Fresno	CSU FRESNO FOUNDATION	1632425	140,464	140,464
Fresno	CSU FRESNO FOUNDATION	1743848	99,840	99,840
Fresno	CSU FRESNO FOUNDATION	1854811	3,192	-
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
<b>Total for claims in excess of \$25,000:</b>				<b>240,304</b>
<b>Minimum EPL deductible for FY 16/17 (w/o one level limitation):</b>				<b>75,000</b>
<b>Minimum EPL deductible for FY 16/17 (w/ one level limitation):</b>				<b>75,000</b>
<b>Minimum EPL deductible for FY 15/16:</b>				<b>75,000</b>
Fullerton	CSU FULLERTON AUXILIARY SERVICES CORPORATION	1882328	44,399	44,399
		1532101	1,756	-
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
Humboldt	CSU HUMBOLDT SPONSORED PROGRAMS FOUNDATION	1565127	25,219	25,219
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
Long Beach	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758506	383,600	383,600
	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1889986	379	-
	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758388	463	-
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
<b>Total for claims in excess of \$25,000:</b>				<b>383,600</b>
<b>Minimum EPL deductible for FY 16/17 (w/o one level limitation):</b>				<b>100,000</b>
<b>Minimum EPL deductible for FY 16/17 (w/ one level limitation):</b>				<b>50,000</b>
<b>Minimum EPL deductible for FY 15/16:</b>				<b>25,000</b>

**AORMA Liability Program - Employment Practices Liability Loss Information**  
**Employment Practices Liability Loss Information**  
**Paid Losses between July 1, 2010 and June 30, 2015**

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
Long Beach	LONG BEACH RESEARCH FOUNDATION	1515384	64,803	64,803
Long Beach	LONG BEACH RESEARCH FOUNDATION	1581787	123,679	123,679
Long Beach	LONG BEACH RESEARCH FOUNDATION	1598220	376	-
Long Beach	LONG BEACH RESEARCH FOUNDATION	1856078	5,550	-
	<b>Number of Claims</b>	<b>4</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>188,482</b>
	<b>Minimum EPL deductible for FY 16/17 (w/o one level limitation):</b>			<b>75,000</b>
	<b>Minimum EPL deductible for FY 16/17 (w/ one level limitation):</b>			<b>75,000</b>
	<b>Minimum EPL deductible for FY 15/16:</b>			<b>75,000</b>
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1483401	1,784	-
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1499878	10,866	-
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1582137	16,548	-
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Northridge	CSU NORTHRIDGE ASSOCIATED STUDENTS, INC.	1547624	5,552	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1593276	17,924	-
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1600567	4,826	-
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1862493	16,914	-
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Pomona	CPSU POMONA FOUNDATION	1734312	104,877	104,877
Pomona	CPSU POMONA FOUNDATION	1735120	187,962	187,962
Pomona	CPSU POMONA FOUNDATION	293884	400	-
Pomona	CPSU POMONA FOUNDATION	293886	891	-
	<b>Number of Claims</b>	<b>4</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>292,839</b>
	<b>Minimum EPL deductible for FY 16/17 (w/o one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 16/17 (w/ one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 15/16:</b>			<b>100,000</b>
Sacramento	CSU SACRAMENTO CAPITOL PUBLIC RADIO, INC.	1734620	12,153	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1613613	81,069	81,069
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC. (This loss is split 50/50 with the Union)	1634228	23,837	-
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1755960	79,717	79,717
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1879642	788	-
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1904741	13,760	-
	<b>Number of Claims</b>	<b>5</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>160,786</b>
	<b>Minimum EPL deductible for FY 16/17 (w/o one level limitation):</b>			<b>50,000</b>
	<b>Minimum EPL deductible for FY 16/17 (w/ one level limitation):</b>			<b>50,000</b>
	<b>Minimum EPL deductible for FY 15/16:</b>			<b>50,000</b>
Sacramento	UNIVERSITY UNION OPERATION OF CSUS, INC. (This loss is split 50/50 with UEI)	1634228	23,837	-

**AORMA Liability Program - Employment Practices Liability Loss Information**  
**Employment Practices Liability Loss Information**  
**Paid Losses between July 1, 2010 and June 30, 2015**

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
San Bernardino	CSU SAN BERNARDINO UNIVERSITY ENTERPRISES CORP	1898188	430	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
San Diego	CSU SAN DIEGO ASSOCIATED STUDENTS	1812963	65,987	65,987
San Diego	CSU SAN DIEGO ASSOCIATED STUDENTS	1895248	10,816	-
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1492624	109	-
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1524874	514,786	514,786
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1542001	65,908	65,908
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1549214	191,279	191,279
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1598936	26,388	26,388
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1600832	313,777	313,777
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1733219	457,646	457,646
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1763201	7,722	-
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1768697	20,470	-
	<b>Number of Claims</b>	<b>9</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>6</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>1,569,783</b>
	<b>Minimum EPL deductible for FY 16/17 (w/o one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 16/17 (w/ one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 15/16:</b>			<b>100,000</b>
San Francisco	CSU SAN FRANCISCO CESAR CHAVEZ STUDENT CENTER	1506997	54,382	54,382
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
San Francisco	CSU SAN FRANCISCO THE UNIVERSITY CORPORATION	1522876	8,973	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1506767	21,533	-
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1614600	511,357	511,357
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1879863	44,510	44,510
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>511,357</b>
	<b>Minimum EPL deductible for FY 16/17 (w/o one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 16/17 (w/ one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 15/16:</b>			<b>75,000</b>
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1502347	430	-
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1521031	261	-
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1596850	2,981	-
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
San Jose	CSU SAN JOSE STUDENT UNION, INC.	1565299	3,249	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		

**AORMA Liability Program - Employment Practices Liability Loss Information**  
**Employment Practices Liability Loss Information**  
**Paid Losses between July 1, 2010 and June 30, 2015**

<b>Campus</b>	<b>Auxiliaries</b>	<b>Claim #</b>	<b>Total Incurred</b>	<b>Claims Over \$25,000</b>
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1483955	27,359	27,359
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1502492	2,555	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1597354	11,163	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1601806	889	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1622290	10,018	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1537083	8,745	-
	<b>Number of Claims</b>	<b>6</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
			<b>Total for claims in excess of \$25,000:</b>	<b>27,359</b>
			<b>Minimum EPL deductible for FY 16/17 (w/o one level limitation):</b>	<b>25,000</b>
			<b>Minimum EPL deductible for FY 16/17 (w/ one level limitation):</b>	<b>25,000</b>
			<b>Minimum EPL deductible for FY 15/16:</b>	<b>50,000</b>
San Marcos	CSU SAN MARCOS RESEARCH SERVICES CORP.	1892678	51,470	51,470
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
Stanislaus	CSU STANISLAUS ASSOCIATED STUDENTS, INC.	1892553	910	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		

## AORMA Liability Program - EPL Deductible Schedule

Campus	Auxiliary Organization	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bakersfield	California State University, Bakersfield Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chancellor's Office	California State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chancellor's Office	California State University Institute	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Channel Islands	California State University Channel Islands Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Channel Islands	University Glen Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chico	Associated Students of California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chico	Auxiliary Organization Associations	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chico	The CSU, Chico Research Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chico	The University Foundation, California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	\$ 25,000	\$ 25,000					
East Bay	Associated Students, California State University, East Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
East Bay	Cal State East Bay Educational Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
East Bay	California State University, East Bay Foundation, Inc.	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	Associated Students, Inc. of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	California State University, Fresno Association, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	California State University, Fresno Foundation	\$ 75,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	Fresno State Programs for Children, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	The Agricultural Foundation of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	The California State University, Fresno Athletic Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Humboldt	Associated Students, Humboldt State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Humboldt	Humboldt State University Advancement Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Humboldt	Humboldt State University Center Board of Directors	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Long Beach	Associated Students, California State University, Long Beach	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Long Beach	California State University, Long Beach Research Foundation	\$ 75,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
Long Beach	CSULB 49er Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000

## AORMA Liability Program - EPL Deductible Schedule

Campus	Auxiliary Organization	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
Los Angeles	California State University, Los Angeles Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Maritime Academy	The Associated Students of the California Maritime Academy	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Monterey Bay	Foundation of California State University, Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Monterey Bay	The University Corporation at Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	California State University, Northridge Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	North Campus University Park Development Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	The University Corporation, CSU Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	University Student Union of California State University, Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 100,000	\$ 100,000	\$ 75,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 25,000
Sacramento	Associated Students of California State University, Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sacramento	The University Foundation at Sacramento State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sacramento	University Union Operation of CSUS, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Bernardino	CSUSB Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Bernardino	University Enterprises Corporation at CSUSB	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Diego	Associated Students, San Diego State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Diego	San Diego State University Research Foundation	\$ 100,000	\$ 100,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
San Diego	The Campanile Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Francisco	Associated Students, Inc., San Francisco State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Francisco	San Francisco State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Francisco	The University Corporation, San Francisco State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	Associated Student, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	San Jose State University Research Foundation	\$ 100,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	Spartan Shops, Inc., San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	The Student Union of San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	The Tower Foundation, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Luis Obispo	Cal Poly Corporation	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000

## AORMA Liability Program - EPL Deductible Schedule

Campus	Auxiliary Organization	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
San Luis Obispo	California Polytechnic State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Marcos	California State University San Marcos Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Marcos	San Marcos University Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Marcos	The Associated Students of California State University, San Marcos	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Marcos	University Auxiliary and Research Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sonoma	Associated Students of Sonoma State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sonoma	Sonoma State Enterprises, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Stanislaus	California State University, Stanislaus Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Stanislaus	University Student Union of California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

**Black Bold** - represents that the EPL deductible is now back down to the minimum of \$25,000

**Blue** - represents the mandated minimum EPL deductible per Policy & Procedure L-7

**Red** - represents the year the member chose to increase its EPL deductible above the minimum. The member must maintain the higher deductible for three years.



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. L-7**

**SUBJECT: EMPLOYMENT PRACTICES LIABILITY  
DEDUCTIBLE (EPL) OPTIONS**

**ADOPTED: MAY 12, 2011**

**AMENDED: JULY 1, 2011  
DECEMBER 6, 2012  
DECEMBER 5, 2013  
MARCH 19, 2015**

**EFFECTIVE: JULY 1, 2011**

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**POLICY:**

1. It is the policy of CSURMA AORMA that annually a minimum EPL deductible will be determined for each Member. The formula for determining the minimum EPL deductible is based on number and cost of EPL claims paid, at June 30, for the last five fiscal years. If a Member has more than one EPL claim payment within the last five fiscal years, then the total amount paid within those five years for all claims exceeding \$25,000 will be applied to the following schedule:

Level 1	Paid losses of \$75,000 or less .....	\$25,000 deductible
Level 2	Paid losses of \$75,001 to \$175,000 .....	\$50,000 deductible
Level 3	Paid losses of \$175,001 to \$275,000 .....	\$75,000 deductible
Level 4	Paid losses in excess of \$275,001 .....	\$100,000 deductible

EPL EXPENSE PAYMENTS made in a fiscal year subsequent to the fiscal year in which the final EPL LOSS PAYMENT was made will be considered to have been made in the same fiscal year as the final EPL LOSS PAYMENT.

Annually, based on the formula above, the JPA Program Administrator will determine the minimum EPL deductible for each Member.

To assist Members in budget forecasting, the minimum EPL deductible will be limited to one EPL deductible level increase per year, regardless of the minimum EPL deductible calculated based on the schedule above.

The Programs Committee will review and determine each Member's minimum EPL deductible for the upcoming fiscal year.

2. Each Member will have the option of electing an EPL deductible in excess of the minimum deductible.

3. Should a Member elect an EPL deductible in excess of the minimum EPL deductible, then that Member will be required to maintain the same EPL deductible for three full program years (July 1<sup>st</sup> to June 30<sup>th</sup>) before selecting a new EPL deductible. EPL deductibles can only be changed at the beginning of the coverage term – July 1<sup>st</sup> of each year. If, however, the formula for determining the minimum EPL deductible results in a deductible level higher than the EPL deductible level elected by the Member, the Member's EPL deductible will increase to the deductible level determined by the formula. Because the election of higher EPL deductibles can only be changed once per every three full program years, CSURMA AORMA strongly recommends a review of prior years' claims and consultation with the JPA Program Administrator before making any decisions regarding these higher EPL deductibles.
4. As outlined in Policy and Procedure L-1, Claims Reporting, it is the policy of CSURMA AORMA that written notice of any claim within the AORMA Liability Coverage Program be given to the Third Party Claims Administrator as soon as practicable. Failure to report a claim is cause for a reduction in or denial of coverage by AORMA.

#### **PROCEDURE:**

1. Annually, based on the formula above, the JPA Program Administrator will determine the minimum EPL deductible for each Member.
2. The Programs Committee will approve each Member's minimum EPL deductible.
3. The JPA Program Administrator will provide the Members with the costs for each of the different EPL deductibles options.
4. If the Member chooses an EPL deductible higher than the minimum EPL deductible as approved by the Programs Committee for that Member, then the Member will be required to sign the attached Consent to Change Employment Practices Liability Deductible letter.
5. A Member may appeal its minimum EPL deductible to the AORMA Committee in writing prior to the commencement of the coverage year, and the AORMA Committee will make a final decision.

#### **DEFINITIONS:**

**EPL EXPENSE PAYMENT:** Allocated loss adjustment expenses that are assignable to the claim. This may include but is not limited to fees to attorneys, experts, investigators, court reporters as well as third-party claims administrators incurred in defense of an EPL claim.

**EPL LOSS PAYMENT:** Compensatory damages which the Member is legally obligated to pay as a result of a claim.

**EPL:** Employment Practices Liability.



**Consent to Change Employment Practices Liability Deductible**

I am authorizing CSURMA AORMA to increase the Employment Practices Liability deductible within the CSURMA AORMA Liability Coverage Program for this Auxiliary Organization effective \_\_\_\_\_.

I understand that I must maintain this same deductible for three full program years (July 1<sup>st</sup> to June 30<sup>th</sup>) before selecting a new deductible. I am also aware that the following coverage provisions apply to all Employment Practices Liability claims regardless of the probable size of the claim. The Auxiliary Organization's or the Covered Party's failure to comply with any of these provisions will cause a reduction in, or denial of, coverage by CSURMA AORMA.

### CLAIMS REPORTING PROVISIONS

If a Auxiliary Organization or Covered Party becomes aware of an event, occurrence or offense, which **may** result in a claim, suit or proceeding, the event must be reported to the Third Party Claims Administrator (TPA) as soon as practicable. If the event is not reported to the TPA within the timeframe set below; the following late reporting penalties shall apply;

### LATE REPORTING PENALTIES

1. If an **occurrence**, offense, claim or suit is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
2. If an **occurrence**, offense, claim or suit is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply; or
3. If an **occurrence**, offense, claim or suit is reported more than 12 months late as determined by the TPA, no recovery will be available to the **Member** or other involved **Covered Party**.

### DEFENSE COVERAGE PROVISIONS

If an Auxiliary Organization or Covered Party becomes aware of an event, occurrence or offense, which **may** result in a claim, suit or proceeding, CSURMA AORMA will reimburse any costs incurred by the Auxiliary Organization or Covered Party to defend the covered claim **but only if** the event is reported to the TPA within thirty (30) days of becoming aware of the event. CSURMA AORMA will not, however, reimburse any costs incurred more than thirty (30) days prior to notification to the TPA.

### CLAIMS SETTLEMENT PROVISIONS

An Auxiliary Organization or Covered Party will not be reimbursed by CSURMA AORMA if the Auxiliary Organization or Covered Party settles a claim without prior written authorization of the Liability Claims Administrator.

I have read the above coverage provisions and I have a thorough understanding of my claims reporting obligations within the CSURMA AORMA Liability Program and consent to a change in my Employment Practices Liability deductible to:

\$50,000 /  \$75,000 /  \$100,000

\_\_\_\_\_  
Auxiliary Organization

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## **DISCUSSION OF AORMA'S CONTINUITY PLAN**

**ISSUE:** The Committee will discuss the procedures by which members are nominated and elected to serve on the AORMA Committee and the Standing Committees.

AORMA Committee:

- **September** – the AORMA Chair will appoint a Nominations Committee
- **September/October** – the Nominations Committee will poll the eligible AORMA Committee members to determine who will be nominated for the Vice Chair position
- **October** – the Vice Chair is elected
- **December/January** – Announcement of the new Vice Chair and the open AORMA Committee seats
- **April** – Election of the new AORMA Committee members
- **May** – Announcement at the CSURMA Board of Directors meeting of new Vice Chair and Committee Members

Standing Committees:

- **Spring** – Standing committee members will recommend to the AORMA Chair a nominee for the position of chair for each Standing Committee
- **April/May** – Announcements of the new Standing Committee Chairs

**RECOMMENDATION:** Staff recommends that the AORMA Chair appoint a Nominations Committee to poll the eligible AORMA Committee members to determine who will be nominated for the AORMA Vice-Chair position for the term July 1, 2016 to June 30, 2017.

Staff also recommends that the Committee review the attached roster and discuss the seats that may need to be filled for the July 1, 2016 to June 30, 2018 term.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None at this time.

**ATTACHMENT(S):**

- a. FY 15/16 AORMA Committee Roster

## AORMA Committee

**Ten voting members - two alternates - twelve members total**

**Effective at July 1, 2015**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	Location	Size of Campus	Type of Campus	Term	Ist. 2nd or Final Term	Date Appointed
AORMA	Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	South	Large	Urban	7/1/15 - 6/30/16	N/A	7/1/2012
AORMA	Vice Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	North	Large	Urban	7/1/15 - 6/30/16	N/A	7/1/2011
AORMA	Past Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	South	Large	Urban	7/1/15 - 6/30/16	N/A	7/1/2010
AORMA	Ex Officio	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	Central	Medium	Urban	7/1/15 - 6/30/16	N/A	7/1/2009
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Research Foundation	South	Large	Urban	7/1/15 - 6/30/17	Third	3/24/2011
AORMA	At Large	Cheree Aguilar	Senior Director, Human Resources	San Jose	San Jose State University Research Foundation	South	Large	Urban	7/1/15 - 6/30/17	First	7/1/2015
AORMA	At Large	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	North	Large	Rural	7/1/14 - 6/30/16	First	7/1/2015
AORMA	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	The University Corporation at Monterey Bay	North	Small	Rural	7/1/15 - 6/30/17	Third	3/24/2011
AORMA	At Large	Jim Reinhart	Executive Director	Sacramento	University Enterprises, Inc. (UEI)	South	Large	Urban	7/1/15 - 6/30/17	First	7/1/2015
AORMA	At Large	Keith Kompsi	Director, Foundation Financial Services	Fresno	Fresno Association, Inc., CSU Fresno	Central	Medium	Rural	7/1/14 - 6/30/16	Second	7/1/2012
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	North	Large	Urban	7/1/14 - 6/30/16	Second	7/1/2012
AORMA	At Large	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	South	Large	Urban	7/1/15 - 6/30/17	Second	7/1/2013

## Member Services, Loss Control & Training Committee

**Minimum of five members - at least two of whom are AORMA Committee members**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	Location	Size of Campus	Type of Campus	Term	Ist, 2nd or Final Term	Date Appointed
MSLCTC	Chair	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	South	Large	Urban	7/1/15 - 6/30/17	Second	7/1/2013
MSLCTC	At Large	Arnecia Bryant	Associate Director, Operations	Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	South	Medium	Urban	7/1/15 - 6/30/17	Third	5/2/2011
MSLCTC	At Large	Debbie Adishian-Astone	Executive Director	Fresno	CSU Fresno Association, Inc.	Central	Medium	Rural	7/1/15 - 6/30/17	Second	7/1/2013
MSLCTC	At Large	Dennis Miller	Director, Employment Services	Pomona	The Cal Poly Pomona Foundation, Inc.	South	Medium	Urban	7/1/15 - 6/30/17	Third	7/1/2011
MSLCTC	At Large	Kristin Kelly	Associate Director	San Jose	The Student Union of San Jose State University	North	Large	Urban	7/1/14 - 6/30/16	Third	
MSLCTC	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	North	Large	Urban	7/1/14 - 6/30/16	First	7/1/2014
MSLCTC	At Large	Raven Tyson	Contracts & Risk Management Coordinator	San Diego	Associated Students of San Diego State University	South	Large	Urban	7/1/15 - 6/30/17	Second	7/1/2013

## Programs Committee

**Minimum of five members - at least two of whom are AORMA Committee members**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	Location	Size of Campus	Type of Campus	Term	Ist, 2nd or Final Term	Date Appointed
PC	Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	North	Large	Urban	7/1/14 - 6/30/16	Third	
PC	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	University Corporation, CSU Monterey Bay	North	Small	Rural	7/1/13 - 6/30/15	Fourth	
PC	At Large	Jun Reina	Chief Operations Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	North	Large	Urban	7/1/15 - 6/30/17	First	9/15/2014
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	North	Large	Urban	7/1/15 - 6/30/17	First	2/13/2015

*AORMA Committee Chair serves for a period of four years - Vice Chair, to Chair, to Past President, to Ex-Officio.*

*Standing Committee Chair serves a one-year term, is appointed by the AORMA Committee Chair, and must be an AORMA Committee member.*

*AORMA Committee and Standing Committee members may serve a maximum of three consecutive two-year terms (total six years).*

Size of Campus: small - less than 10,000 FTE; medium - between 10,000 and 20,000 FTE; large - more than 20,000 FTE

## **WORKERS' COMPENSATION AORMA COMBINED QUARTERLY SCORECARD**

**ISSUE:** Sedgwick Claims Management will provide an informational presentation on the AORMA WC Combined Quarterly Scorecard.

The AORMA Workers' Compensation Program Scorecard is produced quarterly and provides summary information through the quarter end on the active fiscal year on the following:

- Timeliness of Claim Reporting
- New Claims by Type
- Open Claims by Type
- Settlements
- Paid in Period
- Closing Ratio

There is a footnote description on each excel worksheet below the data chart that provides an explanation of how the results are measured.

In addition, the attached document provides definitions of the terms tracked in this Scorecard.

The information in the Scorecard assists the Program Director in managing the AO claims inventory.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None at this time.

**ATTACHMENT(S):**

- a. Scorecard Report Description 2015
- b. AORMA Combined Quarterly Scorecard FY2015 Q4

*Systemwide Office of Risk Management  
401 Golden Shore, 5th Floor  
Long Beach, CA 90802-4210*

*www.calstate.edu*

## Report Description

### **Total New Reports (TNR) and Timeliness of Reporting Work Related Injuries**

California law requires that employers report workplace injuries within five days of the employer's first knowledge of an injury. First knowledge of injury is the date the employee reports an injury to their supervisor, or other such individual in authority.

The Claims system tracks the timeliness of reported claims comparing the date of the injury was first reported to the campus to the first notice of the claim to the claims administrator. Beyond the legal requirement of reporting injuries, industry analysis has shown that claims with delayed reporting are more expensive and have a higher litigation rate. Timely reporting allows the claims adjuster the opportunity to contact the injured worker, the worker's supervisor and the treating physician sooner. These contacts can prevent worker anxiety, unnecessary treatment and result in earlier return to work.

### **New First Aid, MO and indemnity Claims by Campus**

This report tracks the number of new claims reported in the following categories: First Aid, Medical Only and Indemnity. The report counts a new claim when it is reported to the Third Party Administrator, Sedgwick.

For purposes of workers' compensation reporting the definitions of these claim types are as follows:

**First Aid** – Per the Labor Code the definition of "first aid" means any one-time treatment, and any follow up visit for the purpose of observation of minor scratches, cuts, burns, splinters, or other minor industrial injury, which do not ordinarily require medical care. This one-time treatment, and follow up visit for the purpose of observation, is considered first aid even though provided by a physician or registered professional personnel.

**Medical Only** – A claim where the medical treatment exceeds First Aid and there is no compensable lost time. (Lost time less than 3 days)

**Indemnity** – A claim where there is exposure for both medical care and indemnity benefits. Indemnity benefits include compensation for lost time in the form of temporary disability or Industrial Disability Leave, permanent disability, vocational rehabilitation, death or burial expenses.

#### **CSU Campuses**

Bakersfield  
Channel Islands  
Chico  
Dominguez Hills  
East Bay

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

### ***Open Indem/FM Claims by Campus***

This report counts the number of open claims per campus in a given month. The types of claims that are included in this inventory count are limited to Indemnity claims and Future Medical claims.

Indemnity claims are defined above.

Future Medical claims are claims where the Workers' Compensation Appeals Board has determined that the employee is entitled to future medical care for life and a specific level of permanent disability. Sedgwick codes claims as "Future Medical" when the future liability on the claim is limited only to the administration of the lifetime medical award. The permanent disability has already been paid out.

### ***Settlements***

This report counts the number of Workers' Compensation Appeals Board (WCAB) approved settlements that have occurred in a calendar month. The types of resolutions included in this report are as follows:

**Compromise and Release agreements (C & R)** – This is an agreement by the parties to resolve the claim in a lump sum.

**Stipulations with Request for Award (Stip)** – This is an agreement by the parties to the level of permanent residuals, and temporary disability due and owing on a claim. This type of award will be paid out over time in two week installments. This type of resolution generally includes a provision for lifetime medical treatment as a result of the industrial injury.

**Findings and Award (F & A)** – This is a claim resolution where the WCAB has determined the amount of benefits due on a claim after a Trial.

### ***Paid***

This report tracks the total paid on all First Aid, MO and Indemnity/Future Medical claims in reporting period. Percent change compares annualized estimate to prior fiscal year.

### ***Closing ratio***

This report compares the number of new claims in the reporting period against the number of claims closed in the same period.

### ***Summary***

The summary sheet lists the results of all categories on a single sheet.



**AORMA - Workers' Compensation  
Total New Reports (TNRs) and Timeliness of Reporting Work Related Injuries  
WC Combined Quarterly Scorecard - FY 2014.2015 FINAL**

	Prior FY		Q1		Q2		Q3		Q4		FY Final	
	TNRs	% Timely	TNRs	% Timely	TNRs	% Timely	TNRs	% Timely	TNRs	% Timely	TNRs	% Timely
	367	72%	95	86%	93	80%	86	71%	78	63%	352	76%
Prior FY by Quarter			Q1 FY2014		Q2 FY2014		Q3 FY2014		Q4 FY2014			
			TNRs	% Timely	TNRs	% Timely	TNRs	% Timely	TNRs	% Timely		
			110	81%	89	65%	92	70%	76	71%		

Measurement: Percentage of pending, first aid, medical only, indemnity (non-settled) and future medical claims reported to TPA within 5 calendar days from the location date of knowledge.

Percentages include claims that were converted from pending to other claim types, such as Record Only or First Aid, during the month.

The TNR figure represents claims that were pending, first aid, medical only, indemnity (non-settled) or future medical as of month-end.

**NOTE:** California law requires employers to report within **five days of knowledge** every occupational injury or illness which results in lost time beyond the date of the incident **OR** requires medical treatment beyond first aid. Per Labor Code Sec. 5402, **knowledge of an injury**, obtained from **ANY** source, on the part of the employer, his or her managing agent, superintendent, foreman, or other person in authority, or knowledge of the assertion of a claim of injury sufficient to afford opportunity to the employer to make an investigation into the facts, is equivalent to service of notice of injury.



**AORMA - Workers' Compensation  
New Pending/First Aid/MO/Indem  
WC Combined Quarterly Scorecard - FY 2014.2015 FINAL**

	Prior FY End	Q1	Q2	Q3	Q4	FYTD	FY Final	Diff.	% Change
<i>First Aid</i>	43	20	21	17	12	70	70.00	27.00	63%
<i>Medical Only</i>	245	67	56	18	49	190	190.00	-55.00	-22%
<i>Indemnity</i>	79	8	16	51	17	92	92.00	13.00	16%
<b>Campus Total</b>	<b>367</b>	<b>95</b>	<b>93</b>	<b>86</b>	<b>78</b>	<b>352</b>	<b>352.00</b>	<b>-15.00</b>	<b>-4%</b>
Prior FY by Quarter		Q1 2014	Q2 2014	Q3 2014	Q4 2014				
<i>First Aid</i>		16	8	7	12				
<i>Medical Only</i>		69	70	64	42				
<i>Indemnity</i>		24	11	22	22				
<b>Campus Total</b>		<b>109</b>	<b>89</b>	<b>93</b>	<b>76</b>				

Objective: Track new Pending, First Aid, MO and Indemnity claims reported in Fiscal Year by campus. Percent change compares annualized estimate to prior fiscal year.



**AORMA - Workers' Compensation  
Open MO/Indem/FM Claims  
WC Combined Quarterly Scorecard - FY 2014.2015 FINAL**

	Prior FY End	Q1	Q2	Q3	Q4	Diff	% Change
<i>Medical Only</i>	58	58	47	56	39	-19	-33%
<i>Indemnity</i>	149	143	130	138	142	-7	-5%
<i>Future Medical</i>	16	16	21	17	15	-1	-6%
<i>Indem &amp; FM</i>	165	159	151	155	157	-8	-5%
<b><i>Campus Total</i></b>	<b>223</b>	<b>217</b>	<b>198</b>	<b>211</b>	<b>196</b>	<b>-27</b>	<b>-12%</b>
Prior FY by Quarter	Q1 2014	Q2 2014	Q3 2014	Q4 2014			
<i>Medical Only</i>	79	79	69	58			
<i>Indemnity</i>	156	151	146	149			
<i>Future Medical</i>	11	10	13	16			
<i>Indem &amp; FM</i>	167	161	159	165			
<b><i>Campus Total</i></b>	<b>246</b>	<b>240</b>	<b>228</b>	<b>223</b>			

Objective: Track Open MO, Indemnity, Future Medical and Litigated Indemnity claim inventory by CSU location.  
Percent change compares latest month to prior fiscal year.



**AORMA - Workers' Compensation  
Settlements  
WC Combined Quarterly Scorecard - FY 2014.2015 FINAL**

	Prior FY End	Ratio to Open Indem Claims Prior FY	Q1	Q2	Q3	Q4	FY Total	FY Final	Diff	No. Stlmt Change from Prior FY
<b>Current FY</b>	24	15%	6	11	14	6	37	37	13	54%
<b>Prior FY by Quarter</b>			4	6	8	4				

Objective: Measure number of claims with settlements, such as C&R, F&A, Stipulations, approved by the WCAB.  
Source: iVOS Settlement Date



**AORMA - Workers' Compensation  
Paid in Period  
WC Combined Quarterly Scorecard - FY 2014.2015 FINAL**

	Prior FY End	Q1	Q2	Q3	Q4	FYTD	FY Final	Diff.	% Change
<i>Medical</i>	\$2,135,237	\$319,231	\$ 245,893	\$189,274	\$317,264	\$1,071,661	\$ 1,071,661	\$(1,063,575)	-50%
<i>Temporary Disability</i>	\$ 124,032	\$ 35,395	\$ 55,667	\$ 44,255	\$ 84,139	\$ 219,456	\$ 219,456	\$ 95,424	77%
<i>Permanent Disability</i>	\$ 751,109	\$ 49,913	\$ 56,160	\$ 83,813	\$111,090	\$ 300,976	\$ 300,976	\$ (450,132)	-60%
<i>VR</i>	\$ 4,160	\$ 5,175	\$ -	\$ -	\$ 7,435	\$ 12,610	\$ 12,610	\$ 8,450	N/A
<i>Expense</i>	\$ 607,055	\$127,171	\$ 180,308	\$111,149	\$169,038	\$ 587,667	\$ 587,667	\$ (19,387)	-3%
<b>Total</b>	<b>\$3,621,592</b>	<b>\$536,885</b>	<b>\$ 538,029</b>	<b>\$428,491</b>	<b>\$688,966</b>	<b>\$2,192,371</b>	<b>\$ 2,192,371</b>	<b>\$(1,429,220)</b>	<b>-39%</b>

Prior FY by Quarter	Q1 2012	Q2 2012	Q3 2012	Q4 2012
<i>Medical</i>	\$176,215	\$1,359,583	\$370,177	\$229,261
<i>Temporary Disability</i>	\$ 48,999	\$ 21,836	\$ 29,819	\$ 23,377
<i>Permanent Disability</i>	\$ 41,833	\$ 283,718	\$341,617	\$ 83,941
<i>VR</i>	\$ -	\$ -	\$ 4,160	\$ -
<i>Expense</i>	\$139,857	\$ 183,318	\$109,616	\$174,264
<b>Total</b>	<b>\$406,905</b>	<b>\$1,848,455</b>	<b>\$855,389</b>	<b>\$510,843</b>

Objective: Track total paid on all First Aid, MO and Indemnity/Future Medical claims. Percent change compares annualized estimate to prior fiscal year.



**AORMA - Workers' Compensation  
Closing Ratio  
WC Combined Quarterly Scorecard - FY 2014.2015 FINAL**

	Q1	Q2	Q3	Q4	FY FINAL
	Closing Ratio	Closing Ratio	Closing Ratio	Closing Ratio	Closing Ratio
	98%	123%	91%	130%	110%
<b>Prior FY by Quarter</b>	Q1 FY2013	Q2 FY2013	Q3 FY2013	Q4 FY2013	FY End
	Closing Ratio	Closing Ratio	Closing Ratio	Closing Ratio	Closing Ratio
	98%	117%	110%	42%	92%

Measurement: Ratio of claims closed in period against new and reopened claims in period.

Claim types: pending, first aid, medical only, indemnity, and future medical

7/7/2015 SCOLE



**AORMA - Workers' Compensation**  
**Summary**  
**WC Quarterly Scorecard - FY 2014.2015 FINAL**

Location	Settlement Change	New Reports Change	Inventory Change	Paid Change	Timeliness %	Closing Ratio %
Combined Member Locations	54%	-4%	-12%	-39%	76%	110%

7/7/2015 SCOPE

Campus

**DEVELOPMENT OF THE LONG RANGE ACTION PLAN ITEMS  
FOR FY 15/16**

**ISSUE:** During today's meeting, the AORMA Committee Members will discuss the long range goals for AORMA. Based on today's decisions, Staff will prepare the FY 15/16 long range action plan document which will be presented for approval at the October AORMA Committee meeting.

**RECOMMENDATION:** Staff recommends that the AORMA Committee Members discuss the long range goals for AORMA and direct Staff to complete the long range action plan document for approval.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None at this time.

**ATTACHMENT(S):** None.