



# CSURMA BOARD OF DIRECTORS MEETING AGENDA

## “This is an Open Public Meeting”

*In accordance with the requirements of the Bagley-Keene Open Meeting Act, notice of this meeting must be posted in 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 AORMA 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.*

**Meeting Date:** October 26, 2018  
**Time:** 10:30 AM

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

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

**A. CALL TO ORDER**

- 1. **Approval of the Agenda** A p. 5

**B. PUBLIC COMMENTS**

**C. CONSENT CALENDAR**

*The Board is asked to take action on the consent calendar items as a group, except a member may request an item be withdrawn from the Consent Calendar for discussion and action.*

- 1. **Approval of Minutes – April 25, 2018** A p. 6  
*The Board will be asked to approve minutes from their last meeting.*
- 2. **Treasurer’s Report ending June 30, 2018** A p. 18  
*The Board will be asked to accept the Treasurer Report.*
- 3. **Adoption of Meeting Dates for Calendar Year 2019** A p. 25  
*The Board will be asked to adopt the CSURMA 2019 Meeting Calendar.*

**D. GENERAL ADMINISTRATION**

- 1. **Independent Auditor’s Financial Audit Report as of June 30, 2018** A p. 27  
*The Board will receive a report on the Independent Auditor’s Audit at June 30, 2018.*
- 2. **Insurance Renewals Report** I p. 76  
*The Board will hear a report on the completion of insurance renewal negotiations.*

3. **FY 19/20 Campus Risk Pools Program Funding Status**
    - a. **Actuarial Reports for Liability, Workers' Compensation and Athletic Injury Medical Expense Programs** **I** *p. 77*  
*The Board will be asked to review the actuarial reports.*
    - b. **Campus Risk Pools Funding Status at June 30, 2018** **I** *p. 83*  
*The Board will receive a report on the pooled program funding status at June 30, 2018.*
    - c. **Campus Dividends** **I** *p. 94*  
*The Board will be asked to review the dividends approved by the Executive Committee.*
  4. **FY 19/20 Rates and Gross Funding Campus Coverage Programs** **A** *p. 100*  
*The Board will be asked to review and adopt the Campus coverage program rates and funding for the program year 19/20.*
  5. **FY 2018/2019 Long Range Planning Goals** **I** *p. 109*  
*The Board will be asked to review the FY 18/19 Long Range Planning Goals.*
  6. **CSURMA Support of the Systemwide EH&S Software Package** **I** *p. 113*  
*The Board will hear a report regarding the Implementation of UC Risk and Safety Solutions Products.*
  7. **Risk Console Roll-Out** **A** *p. 127*  
*The Board will receive information regarding the roll out of the risk console through Ventiv*
  8. **Club Liability Insurance Program** **I** *p. 131*  
*The Board will hear an update regarding the Club Liability Insurance Program*
  9. **Special Events Resource Guide** **I** *p. 135*  
*The Board will review the final version of the Special Events Resource Guide.*
- E. OTHER INSURANCE PROGRAMS**
1. **AORMA Programs Update** **I** *p. 140*  
*The Board will receive a verbal report on the AORMA programs.*
  2. **AIME Program Update** **I** *p. 141*  
*The Board will receive a verbal report on the AIME program.*

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

*Action may be taken per Government Code Section 11126(e)(1) & 1126(f)(1). Please refer to the below list of claims that may be discussed. The Committee may assess and evaluate pending claims and related issues and take action or provide direction to Staff regarding the litigation described below.*

*No items are scheduled for closed session.*

**G. INFORMATION ITEMS**

- |  |          |               |
|--|----------|---------------|
| <b>1. Program Administrator’s Stewardship Report</b>   | <b>I</b> | <i>p. 142</i> |
| <i>Staff will present the Stewardship Report to the Board.</i>   |          |               |
| <b>2. Financial Ratings of the CSURMA Insurers and Reinsurers</b>  | <b>I</b> | <i>p. 176</i> |
| <i>The Board will be asked to review the financial status of CSURMA’s current insurers and reinsurers.</i>                         |          |               |
| <b>3. CSURMA Tri-Fold</b>  | <b>I</b> | <i>p. 180</i> |
| <i>The Board will review the updated CSURMA Tri-Fold based on June 30, 2018 financial information.</i>                             |          |               |
| <b>4. Unemployment Insurance Claims Cost Summary Charts</b>  | <b>I</b> | <i>p. 183</i> |
| <i>The Board will be asked to review the Unemployment Insurance Summary Report</i>   |          |               |
| <b>5. Workers’ Compensation Stewardship Report</b>   | <b>I</b> | <i>p. 186</i> |
| <i>The Board will be asked to review the CSU Workers’ Compensation Program Stewardship Report for FY 17/18.</i>                    |          |               |
| <b>6. CSURMA Administrative Service Calendar</b>   | <b>I</b> | <i>p. 201</i> |
| <i>The Board will be asked to review the CSURMA Administrative Service Calendar and provide direction to staff as appropriate.</i> |          |               |
| <b>7. CSURMA Board of Directors and Staff Contact List</b>   | <b>I</b> | <i>p. 207</i> |
| <i>The Board will be asked to review the CSURMA Board of Directors contact information and provide Staff with revisions.</i>       |          |               |

**H. ADJOURNMENT**

**The next Board of Directors meeting is scheduled for Friday, May 3, 2019 in Long Beach, CA**

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

### **Teleconference Locations:**

1. CSU Chancellor's Office, 401 Golden Shore, Long Beach, CA
2. Naomi Goodwin, CSU Dominguez Hills, 1000 E. Victoria Street, WH C-470, Carson, CA
3. Michael Coughlin, CSU Fullerton, 800 N. State College Blvd, #CP-700, Fullerton, CA
4. Kim Comet, Humboldt State University, 1 Harpst St, Arcata, CA
5. Marianne Spotorno, California Maritime Academy, 200 Maritime Academy Dr, Vallejo, CA
6. Lisa Telles, CSU Northridge, 18111 Nordhoff Street, Northridge, CA
7. Jessica Rentto, San Diego State University, 5500 Campanile Drive, Admin Bldg, E320E, San Diego, CA
8. Marla Perez, San Jose State University, One Washington Square, San Jose, CA
9. Dru Zachmeyer, Cal Poly San Luis Obispo, 1 Grand Avenue, San Luis Obispo, CA
10. Erin Fullerton, CSU San Marcos, 333 S Twin Oaks Valley Rd, San Marcos, CA
11. Neal Hoss, CSU San Marcos, 333 S Twin Oaks Valley Rd, San Marcos, CA
12. Tyson Hill, Sonoma State University, 1801 East Cotati Ave, Rohnert Park, CA
13. Russ Wittmeier, Chico Research Foundation, 25 Main Street, Chico, CA
14. Cecilia Ortiz, Dominguez Hills Loker Student Union, 1000 E Victoria St, Carson, CA
15. Starr Lee, The University Corporation at Monterey Bay, 100 Campus Center, Seaside, CA
16. Trina Knight, University Enterprises, Inc., CSU Sacramento, 6000 J Street, Bookstore Bldg., #3900, Sacramento, CA

**APPROVAL OF THE AGENDA**

**ISSUE:** The Board of Directors will be asked to approve the agenda for today's meeting.

**RECOMMENDATION:** The Board of Directors is asked to review and approve the proposed agenda before discussion of any business.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**APPROVAL OF MINUTES – APRIL 25, 2018**

**ISSUE:** The Board of Directors will be asked to review and approve the draft minutes from its April 25, 2018 meeting.

**RECOMMENDATION:** It is recommended that the Board of Directors approve the minutes from its April 25, 2018 meeting, including corrections as necessary.

**FISCAL IMPACT:** None.

**BACKGROUND:** The minutes reflect the actions taken by the Board of Directors at its last meeting.

**PUBLICATION:** The approved minutes will be uploaded to the CSURMA website.

**ATTACHMENT(S):**

- a. CSURMA Board of Directors Meeting Minutes – April 25, 2018

**MINUTES OF THE  
CSURMA BOARD OF DIRECTORS MEETING**

**APRIL 25, 2018**

**SHERATON SAN DIEGO HOTEL & MARINA, FAIRBANK A  
1590 HARBOR ISLAND DRIVE, SAN DIEGO, CA 92101**

**10:30 AM**

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**A. CALL TO ORDER**

The meeting was called to order at 10:30 AM by Mike Lee. The Board members attending the meeting via teleconference expressed their desire to abstain from voting on all action items, unless specifically noted.

**A1. Approval of the Agenda**

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

**MOTION:**

**SECOND:**

<b>AYES:</b>	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
<b>NOES:</b>	
<b>ABSTAIN:</b>	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
<b>ABSENT:</b>	

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

There were no public comments.

**C. CONSENT CALENDAR**

- C1. Approval of Minutes – October 27, 2017**
- C2. CSURMA Treasurer’s Report**
- C3. CSURMA’s Conflict of Interest Code**

A motion was made to approve the items on the Consent Calendar.

**MOTION:** Mike Thorpe  
**SECOND:** Jessica Rentto

<b>AYES:</b>	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
<b>NOES:</b>	
<b>ABSTAIN:</b>	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
<b>ABSENT:</b>	

**MOTION CARRIED**

**D. GENERAL ADMINISTRATION**

**D1. Adoption of the FY 2018/19 CSURMA Operating Budget**

Rob Leong summarized the FY 2018/19 CSURMA Operating Budget’s features. Systemwide Risk Management, Enterprise Accounting and the Program Administrators worked together to develop the proposed budget for FY 2018/19.

Major features of the proposed **Campus Programs** budget include:

- Increase in Total Operating Revenues from \$74,428,243 to \$76,311,035.
- Decrease in Total Operating Expenses from \$93,457,016 to \$82,466,974.
- Decrease in Non-Operating Revenue \$2,085,528 to \$2,048,291.
- Reduce Net Operating Deficit from \$15,943,245 to \$4,107,648.
- Retained Earnings is estimated to be reduced from \$27,834,647 to \$23,727,000 at June 30, 2019.

The preceding does not include dividends distributed during FY 2018/19, which, if any, will increase expenditures and decrease fund reserves.

Major features of the **AORMA Programs** budget include:

- Decrease in Total Operating Revenues from \$10,600,106 to \$10,315,972.
- Decrease in Total Operating Expenses from \$12,789,319 to \$11,995,664.
- Decrease in Non-Operating Revenue \$410,040 to \$402,719.
- Reduce Net Operating Deficit from \$1,779,173 to \$1,276,973.
- Retained Earnings is estimated to be reduced from \$20,305,528 to \$19,028,555 at June 30, 2019.

The proposed operating budget would develop Total Operating Revenues of \$91,075,908 (net of reinsurance premiums), Total Operating Expenses of \$98,379,629 and Total Non-Operating

Revenues of \$2,500,000, generating Net Operating Deficit of \$4,803,721. Retained Earnings is estimated decrease from \$60,379,690 to \$55,575,969 at June 30, 2019.

A motion was made to approved the approve Resolution No. 01-18 (BOD) which adopts the FY 2018/19 operating budget as presented, and authorized the Treasurer to invest or reinvest funds of CSURMA, or to sell or exchange securities so purchased and may also delegate responsibilities, as appropriate, to the Assistant Vice Chancellor of Financing, Treasury and Risk Management of the CSU (Assistance Vice Chancellor) in his/her capacity as staff to CSURMA.

**MOTION:** Lisa Chavez  
**SECOND:** Douglas Freer

<b>AYES:</b>	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
<b>NOES:</b>	
<b>ABSTAIN:</b>	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
<b>ABSENT:</b>	

**MOTION CARRIED**

**D2. Campus Risk Pools Program Funding Status**

Rob Leong summarized the risk pool exhibits which are prepared annually in accordance with the CSURMA’s adopted funding policy for its self-funded pooling programs. The exhibits provide an analysis of the pooled program’s funding position relative to the actuary’s projection for CSURMA’s minimum funding requirements and expected cash expenditures for program administration through June 30, 2018. The green section on the exhibit represents the amount of funds in excess of the outstanding losses at a 70% confidence level.

In accordance with CSURMA’s Policy & Procedure No. 7, Staff prepared an analysis of the pooled programs funding position relative to the actuary’s projection for CSURMA’s minimum funding requirements and expected cash expenditures for program administration as of December 31, 2017 projected to June 30, 2018. At its meeting on March 8, 2018, the Executive Committee reviewed the pooled programs funding position and determined there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures. The pooled programs funding position will be reviewed again by the Executive Committee after conclusion of the fiscal year and in light of the audited financial statements for the year. The Executive Committee is to determine at that time the disposition of surplus funds, including the distribution of dividends as it deems appropriate.

**D3. Nominating Committee Report and Executive Committee Elections**

As summarized by Mike Lee, the Nominating Committee, recommends the following nominations to the Executive Committee for the two-year term from July 1, 2018 to June 30, 2020:

- **Chair – Lisa Chavez.** This seat is currently held by Mike Lee. Lee will be stepping down from the Executive Committee after today’s meeting; therefore, the Lisa Chavez was nominated to finish out Lee’s current term as well as the new term of July 1, 2018 to June 30, 2020.
- **Vice Chair – Kevin Saunders.** This seat is currently held by Lisa Chavez. Because Chavez was nominated to fill the Chair seat, Kevin Saunders was nominated to finish out Chavez’s current term as well as the new term of July 1, 2018 to June 30, 2020.
- **Seat #3 – Scott Apel.** This seat is current held by Scott Apel. Apel has been nominated to serve a second two year term of July 1, 2018 to June 30, 2020.
- **Seat #4 – Amy Thomas.** This seat is currently held by Kevin Saunders. Because Saunders has been nominated to fill the Vice Chair seat, Amy Thomas has been nominated to finish out Saunders’ current term as well as the new term of July 1, 2018 to June 30, 2020.

Lee asked for nominations from the floor. Hearing none, Lee asked for a motion to close the nominations.

A motion was made to close nominations.

**MOTION:** Douglas Freer  
**SECOND:** Mike Thorpe

<b>AYES:</b>	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
<b>NOES:</b>	
<b>ABSTAIN:</b>	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
<b>ABSENT:</b>	

**MOTION CARRIED**

The Board of Directors elected by acclamation the proposed slate of candidates.

- Chair – Lisa Chavez
- Vice Chair – Kevin Saunders
- Seat #3 – Scott Apel
- Seat #4 – Amy Thomas

Lee also noted that Jody Van Leuven left the Executive Committee in order to join Systemwide Risk Management and therefore he appointed Lisa Kao to complete Jody’s current term of July 1, 2017 to June 30, 2019.

**D4. Club Liability Insurance Program (CLIP)**

Daniel Howell explained the formation of a new CSURMA Club Liability Insurance Program (CLIP). CLIP provides general and professional liability coverage for officially recognized clubs of the California State University. Coverage is provided for both on and off campus activities. Limits include \$1MM per occurrence and \$5MM aggregate. Injuries arising from fraternal organizations (men and women), hazing and injuries to participants while participating in athletic activities are excluded. Liquor liability is included, however, it must be poured by a licensed provider.

\$150,000 will be charged to the liability fund and allocated to campuses within the FY 19/20 rates. Campuses will then have the option to recover the costs from their clubs, similar to SPLIP and SAFECLIP. For the FY 18/19 program, the premium will be allocated based on campus payroll but the allocation will be thoroughly reviewed during the next Rating Plan Task Group meeting.

A motion was made to recommend approval of the Club Liability Insurance Program and to delegate authority to the Secretary-Auditor to bind the coverage and to finalize the terms of the new program.

**MOTION:** Kevin Saunders

**SECOND:** Starr Lee

<b>AYES:</b>	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
<b>NOES:</b>	
<b>ABSTAIN:</b>	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
<b>ABSENT:</b>	

**MOTION CARRIED**

**D5. Excess Insurance Renewals Update and Underwriter Meeting Report**

**D6. FY 2018/19 Long Range Planning Goals**

Daniel Howell explained that the Executive Committee held its long range planning session on March 8, 2018. The planning session consisted of a review of the FY 17/18 Long Range Action Plan, a report on its status, an evaluation on where efforts should be focused for the next one to three years, and the development of new long range goals for FY 18/19 and beyond. Based on the discussions during the long range planning session, Staff drafted the FY 18/19 Long Range Action

Plan and was approved by the Executive Committee as its meeting today. Howell reviewed the FY 18/19 Long Range Action Plan goals:

- LRP-1 Special Events Resources Guide
- LRP-2 RMIS Reporting
- LRP-3 Captive Insurer
- LRP-4 Campus Visits
- LRP-5 Systemwide EH&S
- LRP-6 Student Club Activities
- LRP-7 IRIC and SERG Manual Training
- LRP-8 Budgeting Practices Related to CSURMA Dividends
- LRP-9 Financial Reporting
- LRP-10 Quarterly CSURMA Reports for CABO Utilizing RMIS Dashboard and Graphics
- LRP-11 OCIP Dividend Policy and Procedure

**D7. CSURMA Operational Review Report**

Daniel Howell explained that the CSURMA Operational Review, completed on March 2, 2018, resulted in an overall compliance score of 96%. The reviewer, Robin Johnson, made eight recommendations to better the operations of CSURMA. The recommendations and Staff’s response to each is below to this item for the Board’s review.

<b>CSURMA Operational Review Report – March, 2018</b>		
<b>Recommendations</b>		
	<b>Recommendation</b>	<b>Response</b>
1.	CSURMA should file amendments to the JPA agreement as soon as practical after adoption of such amendments.	The JPA Agreement was filed with the State of California on March 12, 2018.
2.	The minutes for the Board of Director’s meetings should reflect the vote or abstention of each of the Board members.	Staff will comply with this recommendation going forward.
3.	Provision No. 11 of the Witt O’Brien contract, which states the consultant will not be liable for damages arising out of the contract, should be deleted.	The agreement was amended via addendum.
4.	Staff should check certificates of insurance against the coverages required under the contracts to make sure all required coverages are in place. Although most of the coverages required by the contracts were shown on certificates, the	Staff requested and received the missing certificates of insurance.

	professional liability coverage certificates request by the Alliant and the Sedgwick contracts were not available at the time of the site visit.	
5.	CSURMA should consider providing greater details in the allocation of contributions from the campuses, similarly to what is done for the Auxiliaries.	No action taken. The CSURMA rating plan task group (RPTG) meets every three years to review in detail all Campus rating plans to confirm that the allocation formulas are still fair and equitable to all members. The RPTG publishes a report and shares it with the EC and BOD.
6.	CSURMA may consider placing the coverage documents for the campuses on the website for member references. Because the property program has many documents, perhaps, posting the first layer insurance policies would be sufficient.	The Coverage Documents have been uploaded to the CSURMA website.
7.	CSURMA should consider providing the members with CSAC-EIA's workers' compensation coverage document rather than CSURMA's own documents to reduce the possibility of gaps in coverage between the documents and confusion regarding who provides and controls the coverage.	No action taken. Because the CSAC-EIA coverage program is secured as reinsurance to the CSURMA Campus and AORMA workers' compensation programs and because workers' compensation coverage is based on statutory limits, CSURMA has chosen not to adopt the EIA coverage form.
8.	CSURMA may consider providing the Board of Directors with a summary of the financial strength of the insurance providers to the programs.	Staff will provide this report to the EC and BOD annually going forward.

A motion was made to accept the report.

MOTION: Dwayne Brummett  
 SECOND: Kevin Saunders

<b>AYES:</b>	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
<b>NOES:</b>	
<b>ABSTAIN:</b>	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
<b>ABSENT:</b>	

**MOTION CARRIED**

**D8. Owner Controlled Insurance Program (OCIP) Renewal**

Daniel Howell provided updates to the board on the renewal of CSU’s Owner Controlled Insurance Program. The renewal program will include the following changes:

- Projects will NOT be assessed a charge for OCIP coverages (workers compensation, general liability, excess liability)
- CSUMA will front the premiums to the underwriters
- Contractors will include insurance costs in bids which will be removed by deductive change order
- CPDC will manage the program and will bill the Campuses for the amount of the deductive change orders and deposit in CPDC / CSURMA account
- Program savings will be shared with Campuses on a pro-rata basis after program performance has been established

A Task Group comprised of Lisa Chavez (chair), Thom Davis, and Scott Apel has been appointed to review the program savings allocation.

**D9. \*\* Presentation \*\* Risk Management Information System (Ventiv) Update**

Darrel Vaughn from Ventiv was present to provide a demonstration of the new Risk Management Information System through Ventiv. The Ventiv database has been populated with CSURMA’s hierarchy structure, policy data and claims data.

**E. OTHER INSURANCE PROGRAMS**

**E1. AORMA Programs Update**

Dwayne Brummett provided a brief report of the activities of the AORMA Committee.

**E2. AIME Programs Update**

Lisa Kao provided a brief report of the activities of the AIME Committee.

**F. CLOSED SESSION**

There were no items scheduled for closed session.

**G. INFORMATION ITEMS**

**G1. Review of the Service Provider Performance Survey Report**

The Board reviewed the Service Provider Performance Survey Report. CSURMA strives to provide consistency and reliability over time. One key component to accomplishing this goal is

evaluating those organizations that provide services to CSURMA. On an annual basis CSU Systemwide Risk Management contacts CSURMA members who regularly use vendor services and asks them to complete an on-line vendor survey. The complete 2017 Vendor Survey Report will be posted on the CSURMA website.

**G2. CSAC EIA Member Services and Resources**

As a member of CSAC EIA, the CSURMA, and its members, are eligible to participant in the many loss prevention, and claims and risk management services offered through CSAC EIA. The Board reviewed the CSAC EIA brochure which lists the services provided.

**G3. Financial Ratings of the CSURMA Insurers and Reinsurers**

Daniel Howell explained that one of the recommendations that came out of the CSURMA Operational Review was the suggestion that Staff should consider providing to the Board of Directors a summary of the financial strength of all insurance and reinsurance providers on the CSURMA programs. Staff prepared the report based on the current placements for FY 17/18 and will update the report in October for the FY 18/19 placements.

**G4. CSURMA Administrative Service Calendar**

The Board reviewed the CSURMA Administrative Services Calendar.

**G5. CSURMA Board of Directors and Staff Contact List**

The Board was asked to review the attached Board of Directors contact information and provide Staff with revisions.

**H. ADJOURNMENT**

A motion was made to adjourn the meeting at 11:58 A.M.

**MOTION:** Lisa Chavez

**SECOND:**

<b>AYES:</b>	<i>Apel, Brummett, Chavez, Comet, Coughlin, Davis, Freer, Hill, Hoss, Kao, M. Lee, S. Lee, Love Johnson, Nakamura, Newberg, Ortiz, Perez-Guerra, Rentto, Saunders, Sherman, Thomas, Thorpe, and Winterhalter</i>
<b>NOES:</b>	
<b>ABSTAIN:</b>	<i>Eaton, Eberle, Hullinger, Kissel, Knight, Levinson, Olmsted, Spotorno, Wittmeier, and Zachmeyer</i>
<b>ABSENT:</b>	

**MOTION CARRIED**

**CSURMA BOARD OF DIRECTORS MEETING  
ATTENDANCE**

**APRIL 25, 2018**

**SHERATON SAN DIEGO HOTEL & MARINA, FAIRBANK A  
1590 HARBOR ISLAND DRIVE, SAN DIEGO, CA 92101**

**10:30 AM**

Board of Directors:

<b>Campus Name</b>	<b>Representative</b>	<b>Present ✓</b>	<b>Alternate</b>	<b>Present ✓</b>
CSU Bakersfield	<b>Thom Davis</b>	<i>✓ In Person</i>	<b>Tim Ridley</b>	<i>✓ In Person (non-voting)</i>
CSU Office of the Chancellor	<b>Robert Eaton</b>	<i>Teleconference</i>	<b>Vacant</b>	
CSU Channel Islands	<b>Katharine Hullinger</b>	<i>Teleconference</i>	<b>Elaine Crandall</b>	
CSU Chico	<b>Michael Thorpe</b>	<i>✓ In Person</i>	<b>Robbi Stivers</b>	
CSU Dominguez Hills	<b>Naomi Goodwin</b>	<i>Teleconference (non-voting)</i>	<b>Stephen J. Mastro</b>	
CSU East Bay	<b>Nyassa Love Johnson</b>	<i>✓ In Person</i>	<b>Debbie Chaw</b>	☐
CSU Fresno	<b>Debbie Adishian-Astone</b>		<b>Lisa Kao</b>	<i>✓ In Person</i>
CSU Fullerton	<b>Michael Coughlin</b>	<i>✓ In Person</i>	<b>John Beisner</b>	
Humboldt State University	<b>Kimberly Comet</b>	<i>✓ In Person</i>	<b>Doug Dawes</b>	
CSU Long Beach	<b>Scott Apel</b>	<i>✓ In Person</i>	<b>Felissa Waynick</b>	<i>Teleconference (non-voting)</i>
CSU Los Angeles	<b>Lisa Chavez</b>	<i>✓ In Person</i>	<b>Vacant</b>	
California Maritime Academy	<b>Marianne Spotorno</b>	<i>Teleconference</i>	<b>Franz Lozano</b>	
CSU Monterey Bay	<b>Kevin Saunders</b>	<i>✓ In Person</i>	<b>Lenore Reed</b>	<i>Teleconference (non-voting)</i>
CSU Northridge	<b>Edith Winterhalter</b>	<i>✓ In Person</i>	<b>Lisa Telles</b>	<i>✓ In Person (non-voting)</i>
Cal Poly Pomona	<b>Whitney Fields</b>		<b>Valerie Eberle</b>	<i>Teleconference</i>
CSU Sacramento	<b>Mike Lee</b>	<i>✓ In Person</i>	<b>Gary Rosenblum</b>	
CSU San Bernardino	<b>Vacant</b>		<b>Douglas R. Freer</b>	<i>✓ In Person</i>
San Diego State University	<b>Thomas McCarron</b>		<b>Jessica Rentto</b>	<i>✓ In Person</i>
San Francisco State University	<b>Ann Sherman</b>	<i>✓ In Person</i>	<b>Michael Beatty</b>	<i>✓ In Person (non-voting)</i>

Campus Name	Representative	Present ✓	Alternate	Present ✓
San Jose State University	<b>Marla Perez-Guerra</b>	✓ <i>In Person</i>	<b>Charlie Faas</b>	
Cal Poly (San Luis Obispo)	<b>Dru Zachmeyer</b>	<i>Teleconference</i>	<b>Cindy Vizcaino Villa</b>	
CSU San Marcos	<b>Neal Hoss</b>	✓ <i>In Person</i>	<b>Erin Fullerton</b>	✓ <i>In Person (non-voting)</i>
Sonoma State University	<b>Tyson Hill</b>	✓ <i>In Person</i>	<b>Joyce Lopes</b>	
CSU Stanislaus	<b>Amy Thomas</b>	✓ <i>In Person</i>	<b>Darrell Haydon</b>	

Campus Name	Representative	Present ✓
Chico, Research Foundation	<b>Russell Wittmeier</b>	<i>Teleconference</i>
Dominguez Hills, Loker Student Union	<b>Cecilia Ortiz</b>	✓ <i>In Person</i>
Fullerton, Auxiliary Services Corporation	<b>Chuck Kissel</b>	<i>Teleconference</i>
Humboldt State University Center	<b>Dave Nakamura</b>	✓ <i>In Person</i>
Monterey Bay, University Corporation	<b>Starr Lee</b>	✓ <i>In Person</i>
Sacramento, University Union Operation	<b>Bill Olmsted</b>	<i>Teleconference</i>
Sacramento, University Enterprises, Inc.	<b>Trina Knight</b>	<i>Teleconference</i>
San Diego, Research Foundation	<b>Leslie Levinson</b>	<i>Teleconference</i>
San Luis Obispo, Associated Students, Inc.	<b>Dwayne Brummett</b>	✓ <i>In Person</i>
San Marcos, Corporation	<b>Bella Newberg</b>	✓ <i>In Person</i>

**Staff, Guests and/or Consultants Present:**

Andrew Gaspari, Alliant Insurance Services, Inc.  
 Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor  
 Tevea Him, Alliant Insurance Services, Inc.  
 Daniel Howell, Alliant Insurance Services, Inc.  
 Theresa Jackson, California State University, San Marcos  
 Solinna Kim, San Francisco State University  
 Rob Leong, Alliant Insurance Services, Inc.  
 Amy Lightner, Alliant Insurance Services, Inc.  
 Jessica Liu Tanaka, CSU Office of the Chancellor, CSURMA Accounting (*via Teleconference*)  
 Mimi Long, Alliant Insurance Services, Inc.  
 Nada Moeiny, CSU Office of the Chancellor, OGC  
 Malinda Simao, California State University, Stanislaus  
 Melissa Swanson, Cal Poly San Luis Obispo  
 Darren Vaughn, Ventiv

## **TREASURER'S REPORT**

**ISSUE:** California Government Code Section 53646(b)(1) requires that the CSURMA Treasurer submit a Quarterly Investment Report stating that all investments are in compliance with the current investment policy and that CSURMA has sufficient funds to meet its expenditure requirements for the next six months. The Board is asked to review the Quarterly Investment Report ending June 30, 2018. The CSURMA Treasurer will be on hand to answer questions.

**RECOMMENDATION:** Staff recommends the Board accept the Quarterly Investment Report ending June 30, 2018, as presented at today's meeting.

**FISCAL IMPACT:** None.

**BACKGROUND:** The objective of reviewing the investment of funds is to assure that policies and procedures are in effect to protect and preserve the JPA's financial assets.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Certification of Funds Letter dated October 15, 2018
- b. Quarterly Investment Report April – June 2018



California State University Risk Management Authority

**Officers**

Lisa Chavez  
Chair - 323-343-3500

Kevin Saunders  
Vice Chair - 831-582-3000

Robert Eaton  
Treasurer - 562-951-4572

Zachary Gifford  
Secretary-Auditor - 562-951-4568

To: Executive Committee  
CSU Risk Management Authority

From: Robert Eaton   
Treasurer of CSU Risk Management Authority

Re: Treasurer's Certification

Date: October 15, 2018

As of October 15, 2018, the Authority funds held in investments are sufficient to meet the Authority's cash flow needs for the following six (6) months, and the investments are in accordance with the investment policy of the Authority, as duly authorized by the Executive Committee.

Robert Eaton  
Treasurer  
CSU Risk Management Authority

# CSURMA

## Quarterly Investment Report

April 1, 2018 - June 30, 2018

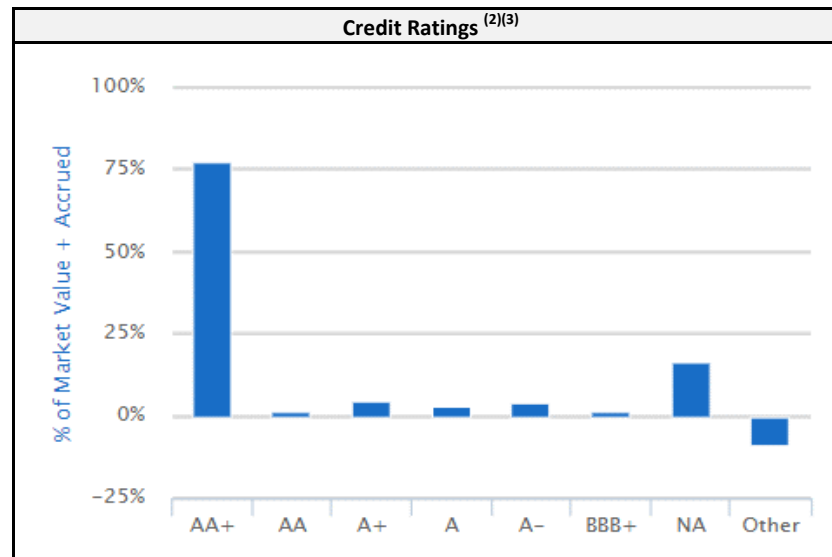
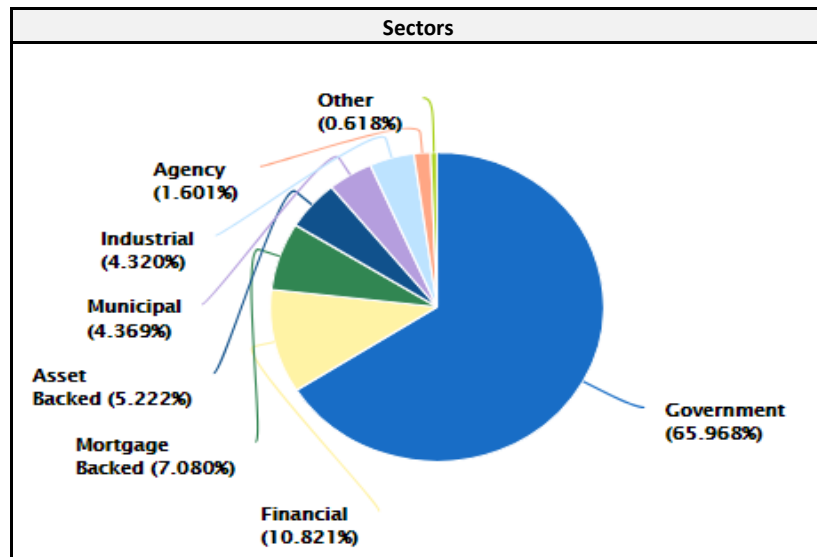
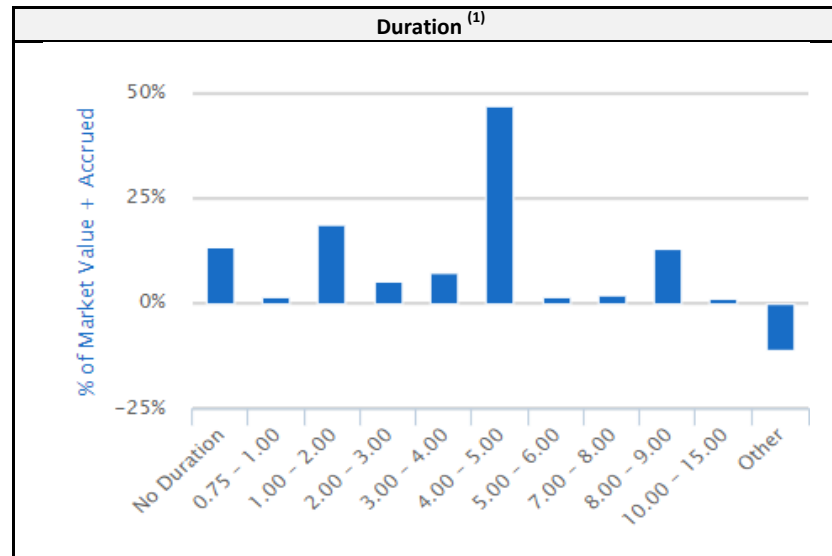
Prepared by Treasury

# California State University Risk Management Authority

## Fixed Income Portfolio (Auxiliary Investment Platform)

As of 06/30/2018

Portfolio Summary Total	
Total Assets	132,040,615
Duration	5.127
Yield	3.346
Avg Credit Rating	AA-/Aa3
QE Performance	0.107%



<sup>(1)</sup> The Other category combines duration ranges and in aggregate equals -11.025% of the portfolio. This is due to a large payable balance for unsettled trades as of 06/30/18.

<sup>(2)</sup> The Other category contains assets that do not fall within the seven specific charted credit ratings. These assets make -8.573% of the portfolio and include the following ratings: AAA, AA-, BBB, and BBB-. The Other category is negative due to a net payable balance of \$17.8 million for unsettled trades that are classified in the AAA credit rating.

<sup>(3)</sup> The NA category contains assets that do not have credit ratings available. These assets make up 16.747% of the portfolio. The NA balance is unusually high due to a balance in the amount of \$17.9 million held in a Money Market Fund to cover the unsettled trades shown as a payable balance in the "Other" category in footnote (2). The net between the payable balance and money market fund balance is approximately \$0.1 million.

# California State University Risk Management Authority

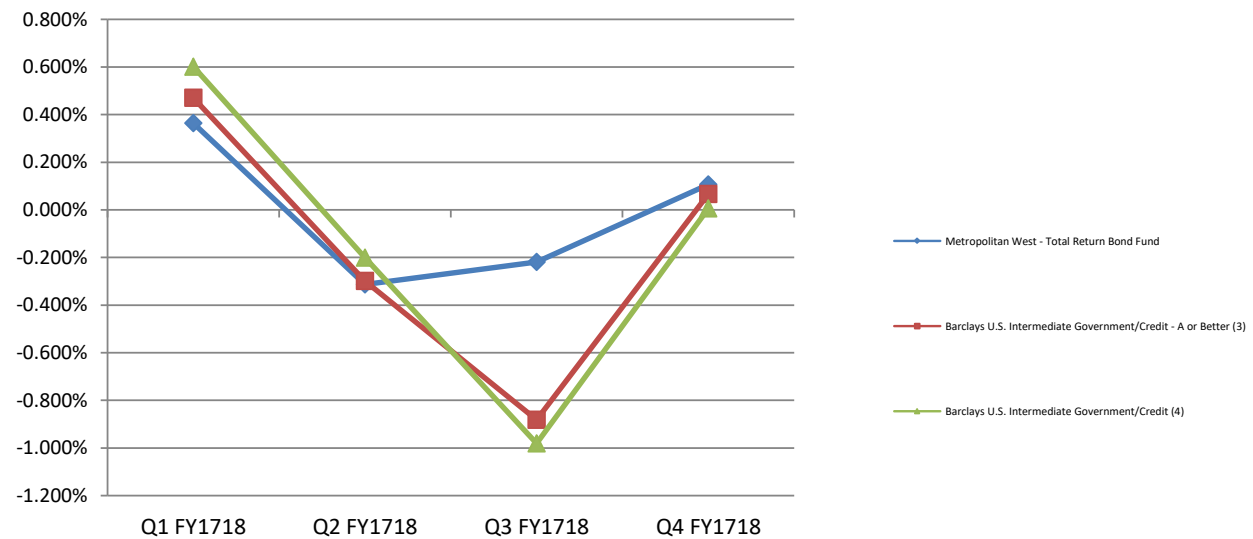
## Fixed Income Portfolio (Auxiliary Investment Platform)

### Performance Summary

Period Ending 06/30/2018

Account / Index	Market Value	3 Month <sup>(1)</sup>	Trailing 12 Month <sup>(1)</sup>	Trailing 3 Year <sup>(1)</sup>	Trailing 5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	06/30/2018	04/01/18 - 06/30/18	07/01/17 - 06/30/18	07/01/15 - 06/30/18	07/01/13 - 06/30/18	07/01/07 - 06/30/18			
Metropolitan West - Total Return Bond Fund	132,040,615	0.107%	-0.063%	0.703%	1.152%	3.181%	3.346	6.587	5.127
Barclays U.S. Intermediate Government/Credit - A or Better <sup>(3)</sup>		0.067%	-0.648%	0.903%	1.340%	2.530%	2.837	4.136	3.810
Barclays U.S. Intermediate Government/Credit <sup>(4)</sup>		0.006%	-0.579%	1.155%	1.598%	2.892%	3.028	4.323	3.934

Account / Index	Q1 FY1718	Q2 FY1718	Q3 FY1718	Q4 FY1718	Trailing 12 Month <sup>(1)</sup>
	07/01/17 - 09/30/17	10/01/17 - 12/31/17	01/01/18 - 03/31/18	04/01/18 - 06/30/18	07/01/17 - 06/30/18
Metropolitan West - Total Return Bond Fund	0.364%	-0.313%	-0.219%	0.107%	-0.063%
Barclays U.S. Intermediate Government/Credit - A or Better <sup>(3)</sup>	0.470%	-0.299%	-0.882%	0.067%	-0.648%
Barclays U.S. Intermediate Government/Credit <sup>(4)</sup>	0.601%	-0.201%	-0.981%	0.006%	-0.579%



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

(2) Weighted Average Maturity

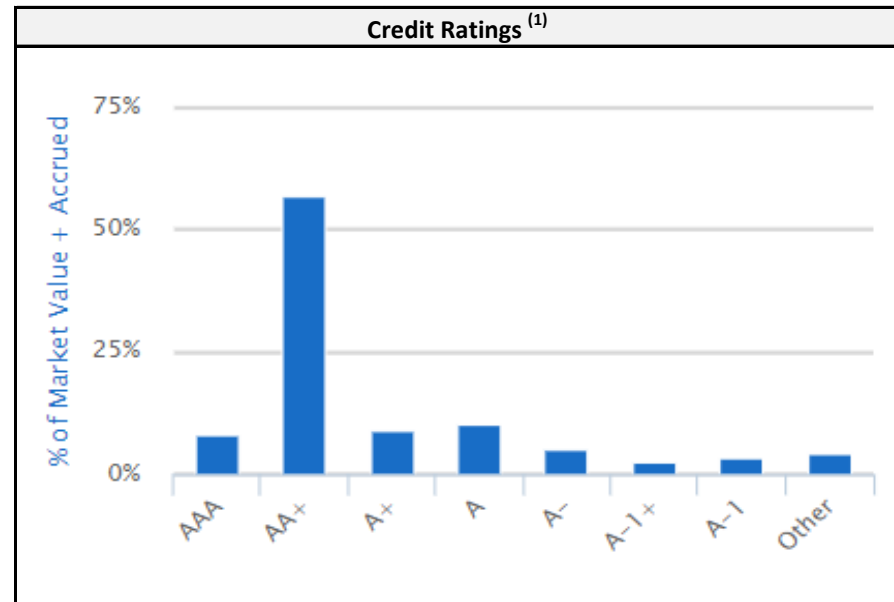
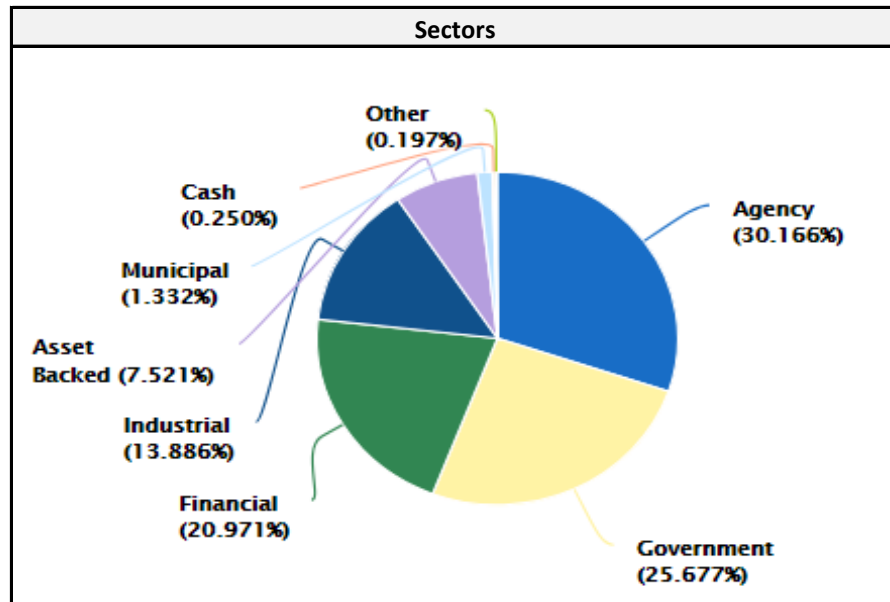
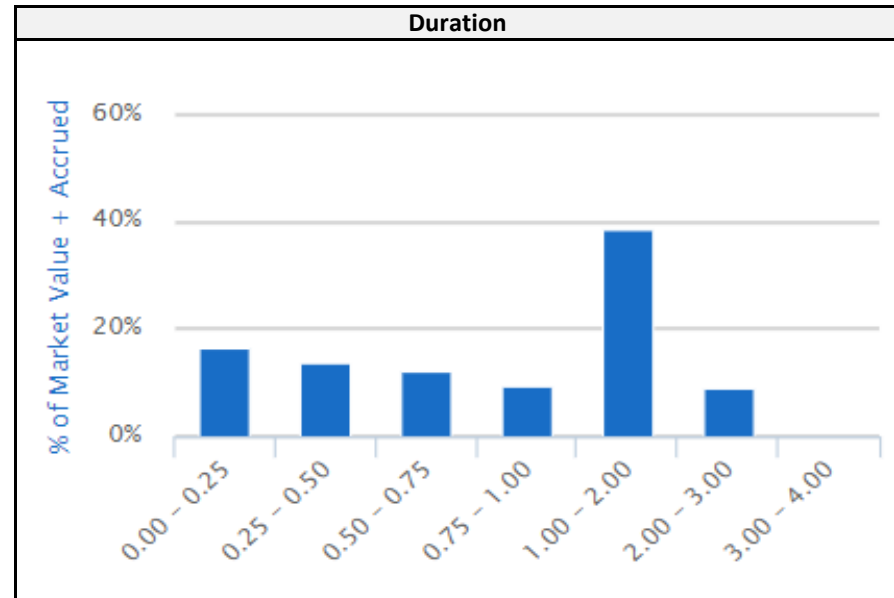
(3) Portfolio Benchmark as of 05/2014.

(4) Portfolio Benchmark prior to 05/2014.

# California State University SWIFT Portfolio

As of 06/30/2018

Portfolio Summary Total	
Total Assets	196,411
Duration	0.980
Yield	2.452
Avg Credit Rating	AA-/Aa3
QE Performance	0.449%



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

# California State University Risk Management Authority

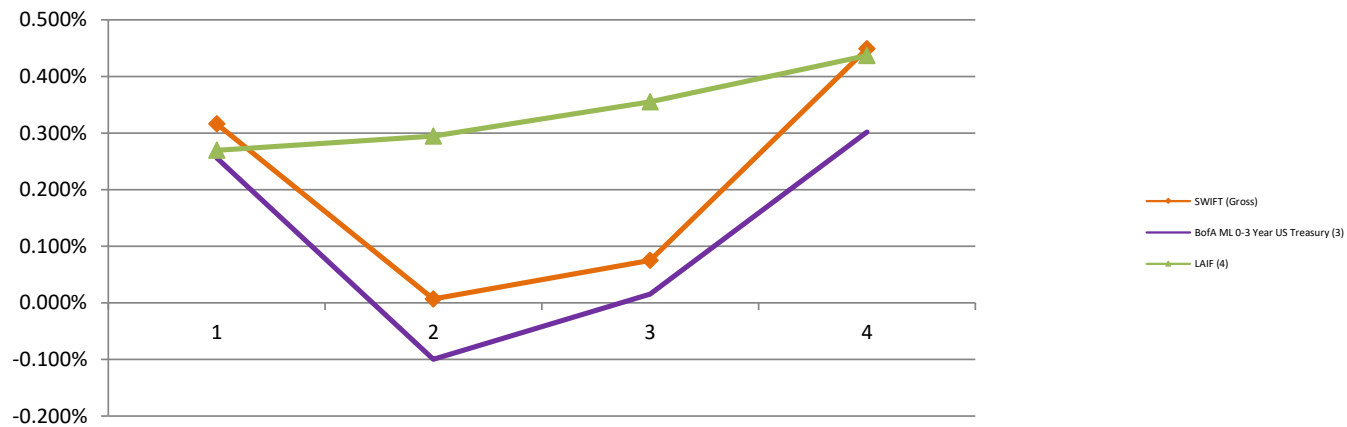
## SWIFT Portfolio

### Performance Summary

Period Ending 06/30/2018

Account / Index	Market Value	3 Month <sup>(1)</sup>	Trailing 12 Month <sup>(1)</sup>	Trailing 3 Year <sup>(1)</sup>	Trailing 5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	06/30/18	04/01/18 - 06/30/18	07/01/17 - 06/30/18	07/01/15 - 06/30/18	07/01/13 - 06/30/18	07/01/07 - 06/30/18			
SWIFT - CSU Systemwide Investment Fund Trust (Gross)	196,411	0.449%	0.849%	0.858%	0.830%	1.234%	2.452	1.178	0.980
BofA ML 0-3 Year US Treasury <sup>(3)</sup>		0.302%	0.474%	0.526%	0.560%	1.487%	2.401	1.475	1.428
LAIF - Local Agency Investment Fund <sup>(4)</sup>		0.437%	1.364%	0.849%	0.613%	1.043%	1.759		

Account / Index	Q1 FY1718	Q2 FY1718	Q3 FY1718	Q4 FY1718	Trailing 12 Month <sup>(1)</sup>
	07/01/17 - 09/30/17	10/01/17 - 12/31/17	01/01/18 - 03/31/18	04/01/18 - 06/30/18	07/01/17 - 06/30/18
SWIFT (Gross)	0.316%	0.007%	0.075%	0.449%	0.849%
BofA ML 0-3 Year US Treasury <sup>(3)</sup>	0.256%	-0.100%	0.015%	0.302%	0.474%
LAIF <sup>(4)</sup>	0.269%	0.295%	0.355%	0.437%	1.364%



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

(2) Weighted Average Maturity

(3) SWIFT Portfolio Benchmark

(4) LAIF returns calculated by CSUCO Treasury

**ADOPTION OF MEETING DATES FOR CALENDAR YEAR 2019**

**ISSUE:** The CSURMA has adopted a Meeting Calendar for the period of January 2019 - December 2019. The attached calendar records the dates of all Committee and Board meetings, various conferences, and special events.

January 13, 2019 at 3:30 PM (AOA Conference, Indian Wells) .....	EC
March 7, 2019 at 2:00 PM .....	EC
March 8, 2019 at 8:30 AM.....	EC LRP
May 3, 2018 at 8:30 AM (Long Beach, CA) .....	EC
<b>May 3, 2018 at 10:30 AM (Long Beach, CA).....</b>	<b>BOD</b>
September 6, 2019 at 8:30 AM.....	EC
November 8, 2019 at 8:30 AM (FTPT Conference, SFO) .....	EC
<b>November 8, 2019 at 10:30 AM (FTPT Conference, SFO) .....</b>	<b>BOD</b>
December 6, 2019 at 8:30 AM.....	EC

The fall Executive Committee and Board of Directors meetings are scheduled during the Fitting the Pieces Together Conference in November 2019 in San Francisco, CA.

**RECOMMENDATION:** It is recommended that the Board of Directors adopt these meeting dates for Calendar Year 2019 as recommended by the Executive Committee, per the attached calendar.

**FISCAL IMPACT:** Staff continues to consolidate meetings to reduce travel time and expenses.

**BACKGROUND:** CSURMA's Joint Powers Agreement establishes a Board and Executive Committee structure for governance. The CSURMA Board meets twice per year.

**PUBLICATION:** The approved calendar will be posted on the CSURMA website and will be included in all of the agenda packets.

**ATTACHMENT(S):**

- a. CSURMA Proposed Meeting Dates for Calendar Year 2019



**INDEPENDENT AUDITOR’S FINANCIAL AUDIT REPORT**  
**AS OF JUNE 30, 2018**

**ISSUE:** Pursuant to Section 16(d) of the CSURMA Joint Exercise of Powers Agreement, CSURMA contracted the independent audit firm KPMG to conduct an annual fiscal year audit (as of June 30, 2018) of the financial position of CSURMA. Mark Thomas and Liezl Sangalang from KPMG will present an overview of the report at today’s meeting.

**RECOMMENDATION:** Staff recommends that the Board review and accept the audited financial reports, as appropriate.

**FISCAL IMPACT:** None.

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

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

**ATTACHMENT(S):**

- a. The Independent Auditor’s Financial Audit Report as of June 30, 2018



**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

A Discretely Presented Component Unit of the California State University

Financial Statements and Supplementary Schedules

June 30, 2018 and 2017

(With Independent Auditors' Report Thereon)

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

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

## Independent Auditors' Report

The Board of Directors  
California State University Risk Management Authority:

### Report on the Financial Statements

We have audited the accompanying financial statements of the California State University Risk Management Authority (the Authority), a component unit of the California State University, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

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

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

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

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California State University Risk Management Authority as of June 30, 2018 and 2017, and the changes in its net position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



#### *Other Matters*

##### **Required Supplementary Information**

U.S. generally accepted accounting principles require that management's discussion and analysis on pages 3 through 8 and the claims development information on Schedule 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

##### **Supplementary and Other Information**

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

**KPMG LLP**

Irvine, California  
September 21, 2018

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**  
A Discretely Presented Component Unit of the California State University  
**Management's Discussion and Analysis**  
June 30, 2018 and 2017  
(Unaudited)

The following discussion and analysis provides an overview of the financial position and performance of the California State University Risk Management Authority (the Authority) as of and for the years ended June 30, 2018 and 2017. It is designed to assist the readers in focusing on financial overview and analysis of the financial activities of the Authority. The discussion has been prepared by management and should be read in conjunction with the basic financial statements and accompanying notes, which follow this section.

**Overview of the Financial Statements**

The financial statements of the Authority as of and for the years ended June 30, 2018 and 2017 have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. For reporting purposes, the Authority is considered a special-purpose government engaged in business-type activities.

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

**Statement of Net Position** – The Statement of Net Position presents the financial position of the Authority at the end of the fiscal year and includes all assets and liabilities of the Authority. The difference between total assets and total liabilities, net position, is one indicator of the current financial condition of the Authority, while the change in net position is an indicator of how the overall financial condition has fluctuated from year to year.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**  
A Discretely Presented Component Unit of the California State University  
Management's Discussion and Analysis  
June 30, 2018 and 2017  
(Unaudited)

A summary of the Authority's assets, liabilities, and net position at June 30, 2018, 2017, and 2016 is as follows:

**Condensed Schedule of Net Position**

June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Assets:</b>			
Current assets	\$ 92,382,000	102,543,000	113,718,000
Noncurrent assets	<u>53,800,000</u>	<u>59,413,000</u>	<u>67,569,000</u>
Total assets	<u>\$ 146,182,000</u>	<u>161,956,000</u>	<u>181,287,000</u>
<b>Liabilities:</b>			
Current liabilities	\$ 29,559,000	31,314,000	29,769,000
Noncurrent liabilities	<u>52,370,000</u>	<u>57,262,000</u>	<u>64,063,000</u>
Total liabilities	<u>\$ 81,929,000</u>	<u>88,576,000</u>	<u>93,832,000</u>
<b>Net position:</b>			
Unrestricted	<u>\$ 64,253,000</u>	<u>73,380,000</u>	<u>87,455,000</u>
Total net position	<u>\$ 64,253,000</u>	<u>73,380,000</u>	<u>87,455,000</u>

**Assets**

The Authority's assets totaled \$146,182,000 on June 30, 2018, a decrease of \$15,774,000 or 10%, as compared to the previous year. The decrease is mainly attributed to the decrease in investments (note 3) by \$13,706,000, due to the excess of payments over receipts from operating activities. Accounts receivable decreased by \$4,498,000 due to decreased construction projects enrolled in the Owners Controlled Insurance Program compared to prior year. Prepaid expenses increased by \$3,001,000 due to the timing and coverage periods of various insurance premiums. The Authority's assets totaled \$161,956,000 on June 30, 2017, a decrease of \$19,331,000, or 11%, as compared to the previous year. The decrease was mainly attributed to the decrease in investments (note 3) of \$23,946,000 due to increased insurance payments, increased dividend distributions, and investment loss. Prepaid expenses increased by \$1,720,000 due to the timing and coverage periods of various insurance premiums. The Authority's investments represent 90% of total assets as of June 30, 2018 and 2017 and consist of the Authority's share of the California State University (CSU) Consolidated Investment Pool and investments held in Morgan Stanley Smith Barney.

**Liabilities**

The Authority's liabilities totaled \$81,929,000 on June 30, 2018, a decrease of \$6,647,000 or 8%, as compared to the previous year. The decrease is primarily attributed to the decrease in claims liability for losses and loss adjustment expenses. The Authority's liabilities totaled \$88,576,000 on June 30, 2017, a decrease of \$5,256,000, or 6%, as compared to the previous year. The decrease was primarily due to the enrollment in the

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**  
A Discretely Presented Component Unit of the California State University  
Management's Discussion and Analysis  
June 30, 2018 and 2017  
(Unaudited)

Excess Insurance Authority (EIA), effective January 1, 2016, resulting in a decrease in claims liability, current and noncurrent, in the amount of \$6,112,000 and \$8,108,000 as of June 30, 2018 and 2017, respectively. The EIA is responsible for all covered losses within the amount of the self-insurance layer for the campus and Auxiliary Organizations Risk Management Alliance (AORMA) workers' compensation program (note 7); thus, the Authority is not liable for the layers covered by the EIA. Claims liability, current and noncurrent, represents 79% and 80% of the total liabilities as of June 30, 2018 and 2017, respectively.

**Net Position**

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

The Authority's net position totaled \$64,253,000 on June 30, 2018, a decrease of \$9,127,000 or 12%, as compared to the previous year. This is primarily due to the excess of operating expenses over operating revenues. The Authority's net position totaled \$73,380,000 on June 30, 2017, a decrease of \$14,075,000 or 16%, as compared to the previous year. This was primarily due to increases in insurance premiums and dividends paid, and investment losses.

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

A summary of the Authority's statement of revenues, expenses, and changes in net position for the years ended June 30, 2018, 2017 and 2016 is as follows:

**Condensed Schedule of Revenues, Expenses, and Changes in Net Position**

Years ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating revenues	\$ 92,291,000	94,006,000	93,477,000
Operating expenses	<u>101,067,000</u>	<u>106,980,000</u>	<u>76,716,000</u>
Operating (loss) income	(8,776,000)	(12,974,000)	16,761,000
Nonoperating (expenses) revenues, net	<u>(351,000)</u>	<u>(1,101,000)</u>	<u>4,633,000</u>
Change in net position	(9,127,000)	(14,075,000)	21,394,000
Net position, beginning of year	<u>73,380,000</u>	<u>87,455,000</u>	<u>66,061,000</u>
Net position, end of year	<u>\$ 64,253,000</u>	<u>73,380,000</u>	<u>87,455,000</u>

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**Operating Revenues and Expenses**

The Authority's operating revenues consist of member contributions and reinsurance premiums. Increases or decreases in member contributions are primarily attributable to recommended funding for campus-covered programs calculated by an independent actuarial firm employed by the Authority (note 2(g)). During fiscal year 2018, operating revenues totaled \$92,291,000, a decrease of \$1,715,000 or 2%, which was primarily due to a decrease in member contributions and increase in reinsurance premiums (notes 6 and 7(b)). During fiscal year 2017, operating revenues totaled \$94,006,000, an increase of \$529,000 or 1%, which was primarily due to an increase in member contributions and a decrease in reinsurance premiums.

During fiscal year 2018, operating expenses totaled \$101,067,000, a decrease of \$5,913,000 or 6%, as compared to the previous year. The decrease is primarily due to a decrease in dividends expenses of \$6,723,000 and an increase in claims administration expenses of \$1,244,000. During fiscal year 2017, operating expenses totaled \$106,980,000, an increase of \$30,264,000 or 39%, as compared to the previous year. The increase was primarily due to increases in claim losses and loss adjustment expenses in the amount of \$9,496,000, insurance premiums of \$13,879,000, and dividends paid of \$5,729,000. The increase in insurance premiums was primarily due to excess insurance premiums paid to the EIA and other insurance carriers.

Operating expenses consist of claim losses and loss adjustment expenses of \$29,917,000 and \$26,671,000, claims administration of \$10,568,000 and \$9,324,000, insurance premiums of \$49,155,000 and \$52,555,000, dividend distributions of \$8,678,000 and \$15,401,000, general and administrative of \$1,372,000 and \$1,508,000, and miscellaneous services of \$1,377,000 and \$1,521,000 for the years ended June 30, 2018 and 2017, respectively. Claim losses and loss adjustment expenses include actual claim payments made, as well as adjustments for reserves on claims. Claim case reserves are adjusted as claims develop and mature and additional information regarding potential loss amounts are known. Reserves for claims incurred but not reported, as determined by independent actuaries, are also included in this expense category. Claims administration includes expenses incurred by the Authority for claims administrator's fees and program administrator's fees, and brokerage commissions. Dividend distributions represent the return of contributions to CSU campuses and Auxiliary Organization members. In providing insurance coverage and risk management services to its members, the Authority incurs general and administrative and miscellaneous services expenses that are budgeted and approved by the Board of Directors annually.

**Nonoperating Revenues (Expenses), Net**

During fiscal year 2018, nonoperating expenses totaled \$351,000, a decrease of \$750,000 or 68%, which is primarily due to a decrease in investment loss from the investment portfolio where the Authority's investments are held (note 3). During fiscal year 2017, nonoperating revenues (expenses) totaled \$(1,101,000), a decrease of \$5,734,000 or 124%, which was primarily due to the decrease in investment income from the investment portfolio where the Authority's investments are held (note 3).

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**Factors Impacting Future Periods**

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

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

The California workers' compensation operating environment has stabilized despite increases in the cost of medical care and prescription drugs, combined with an aging workforce. To combat increasing costs to settle workers' compensation claims, the Authority has implemented a Workers' Compensation Claims Management and Return to Work Program, as well as an ongoing claims closure initiative. Results have been positive, however, the environment may change.

Generally, the commercial insurance and reinsurance market is stable. However, weather extremes, catastrophic losses, and investment losses are areas of concern for commercial insurance carriers and the California market has experienced catastrophic claims due to wildfire and excessive rainfall.

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

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

The rates charged by the Authority for member contributions for the future year are generally not expected to change significantly. In the April 2018 Board of Director's meeting, the fiscal year 2019 budget was approved for operating revenues of \$91,076,000 and operating expenses of \$98,380,000.

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

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Statements of Net Position

June 30, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 62,000	—
Investments	80,071,000	88,777,000
Accounts receivable	2,611,000	7,109,000
Loans receivable from affiliates, current portion	489,000	613,000
Prepaid expenses	8,873,000	5,872,000
Reinsurance recoverable – workers' compensation	276,000	172,000
<b>Total current assets</b>	<b>92,382,000</b>	<b>102,543,000</b>
<b>Noncurrent assets:</b>		
Loans receivable from affiliates, net of current portion	1,800,000	2,413,000
Other long-term investments	52,000,000	57,000,000
<b>Total noncurrent assets</b>	<b>53,800,000</b>	<b>59,413,000</b>
<b>Total assets</b>	<b>146,182,000</b>	<b>161,956,000</b>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts payable	9,263,000	9,532,000
Unearned revenues	1,141,000	43,000
SELF assessment liability, current portion	1,364,000	1,364,000
Claims liability for losses and loss adjustment expenses – current portion:		
Reported claims	10,252,000	12,089,000
Claims incurred but not reported	7,539,000	8,286,000
<b>Total current liabilities</b>	<b>29,559,000</b>	<b>31,314,000</b>
<b>Noncurrent liabilities:</b>		
SELF assessment liability, net of current portion (note 8)	5,454,000	6,818,000
Claims liability for losses and loss adjustment expenses – noncurrent portion (note 5):		
Reported claims	27,035,000	29,930,000
Claims incurred but not reported	19,881,000	20,514,000
<b>Total noncurrent liabilities</b>	<b>52,370,000</b>	<b>57,262,000</b>
<b>Total liabilities</b>	<b>81,929,000</b>	<b>88,576,000</b>
<b>Net position:</b>		
Unrestricted	64,253,000	73,380,000
<b>Total net position</b>	<b>\$ 64,253,000</b>	<b>73,380,000</b>

See accompanying notes to financial statements.

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Statements of Revenues, Expenses, and Changes in Net Position  
Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Member contributions	\$ 102,103,000	103,447,000
Reinsurance premiums	<u>(9,812,000)</u>	<u>(9,441,000)</u>
Total operating revenues	<u>92,291,000</u>	<u>94,006,000</u>
Operating expenses:		
Claim losses and loss adjustment expenses	29,917,000	26,671,000
Claims administration	10,568,000	9,324,000
Insurance premiums	49,155,000	52,555,000
Dividend distributions	8,678,000	15,401,000
General and administrative	1,372,000	1,508,000
Miscellaneous services	<u>1,377,000</u>	<u>1,521,000</u>
Total operating expenses	<u>101,067,000</u>	<u>106,980,000</u>
Operating loss	<u>(8,776,000)</u>	<u>(12,974,000)</u>
Nonoperating revenues (expenses):		
Investment loss, net	(400,000)	(1,149,000)
Interest income from loans	<u>49,000</u>	<u>48,000</u>
Total nonoperating expenses, net	<u>(351,000)</u>	<u>(1,101,000)</u>
Change in net position	(9,127,000)	(14,075,000)
Net position, beginning of year	<u>73,380,000</u>	<u>87,455,000</u>
Net position, end of year	<u>\$ 64,253,000</u>	<u>73,380,000</u>

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY  
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Statements of Cash Flows

Years ended June 30, 2018 and 2017

	<b>2018</b>	<b>2017</b>
Cash flows from operating activities:		
Receipts of member contributions	\$ 98,197,000	99,256,000
Payments to providers	(67,093,000)	(73,762,000)
Payments of claims	(36,394,000)	(35,163,000)
Dividend distributions to pool participants	(8,740,000)	(14,860,000)
Net cash used in operating activities	(14,030,000)	(24,529,000)
Cash flows from noncapital and related financing activities:		
Payments received on loans to related entities	737,000	1,591,000
Loan interest income received	49,000	53,000
Net cash provided by noncapital and related financing activities	786,000	1,644,000
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,025,078,000	789,229,000
Purchases of investments	(1,011,840,000)	(767,398,000)
Investment income, net	68,000	966,000
Net cash provided by investing activities	13,306,000	22,797,000
Net change in cash and cash equivalents	62,000	(88,000)
Cash and cash equivalents at beginning of year	—	88,000
Cash and cash equivalents at end of year	\$ 62,000	—
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (8,776,000)	(12,974,000)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Increase in prepaid expenses	(3,001,000)	(1,720,000)
Decrease (increase) in accounts receivable	4,498,000	(4,604,000)
(Increase) decrease in reinsurance recoverable – workers' compensation	(104,000)	25,000
(Decrease) increase in accounts payable	(269,000)	4,213,000
Increase in unearned revenues	1,098,000	3,000
Decrease in SELF assessment liability	(1,364,000)	(1,364,000)
Decrease in claims liability for losses and loss adjustment expenses	(6,112,000)	(8,108,000)
Net cash used in operating activities	\$ (14,030,000)	(24,529,000)

See accompanying notes to financial statements.

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**(1) Organization**

On January 1, 1997, California State University (CSU or the University) and certain auxiliary organizations of the University established the California State University Risk Management Authority (the Authority) pursuant to the provisions of Section 6500 et seq. of the California Government Code (the Code). The Code authorizes CSU and Auxiliary Organizations to establish and operate pooled coverage programs and to provide related services. The Authority provides entity risk pooling programs for workers' compensation, general liability, industrial and nonindustrial disability, unemployment insurance coverage, property, construction, and other risk-related programs for its member organizations (the Members). Members participating in the Authority's coverage programs at June 30, 2018 and 2017 are as follows:

<u>Location</u>	<u>Member</u>
Bakersfield	California State University, Bakersfield
Bakersfield	Associated Students, California State University, Bakersfield, Inc.
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs Administration
Bakersfield	California State University, Bakersfield Foundation
Bakersfield	California State University, Bakersfield Student Union, Inc.
Chancellor's Office	Office of the Chancellor
Chancellor's Office	California State University Foundation
Chancellor's Office	California State University Institute
Channel Islands	California State University, Channel Islands
Channel Islands	Associated Students of California State University, Channel Islands, Inc.
Channel Islands	California State University Channel Islands Foundation
Channel Islands	CI University Auxiliary Services, Inc. <i>(formerly University Glen Corporation)</i>
Chico	California State University, Chico
Chico	Associated Students of California State University, Chico
Chico	Auxiliary Organization Associations
Chico	The CSU, Chico Research Foundation
Chico	The University Foundation, California State University, Chico
Dominguez Hills	California State University, Dominguez Hills
Dominguez Hills	Associated Students, California State University, Dominguez Hills
Dominguez Hills	California State University, Dominguez Hills Foundation
Dominguez Hills	CSU Dominguez Hills Philanthropic Foundation
Dominguez Hills	Loker University Student Union, Inc.
East Bay	California State University, East Bay
East Bay	Associated Students, California State University, East Bay
East Bay	Cal State East Bay Educational Foundation
East Bay	California State University, East Bay Foundation, Inc.
Fresno	California State University, Fresno
Fresno	Associated Students, Inc. of California State University, Fresno

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Location	Member
Fresno	California State University, Fresno Association, Inc.
Fresno	California State University, Fresno Foundation
Fresno	Fresno State Programs for Children, Inc.
Fresno	The Agricultural Foundation of California State University, Fresno
Fresno	The California State University, Fresno Athletic Corporation
Fullerton	California State University, Fullerton
Fullerton	Associated Students, California State University, Fullerton, Inc.
Fullerton	Cal State Fullerton Philanthropic Foundation
Fullerton	CSU Fullerton Auxiliary Services Corporation
Humboldt	Humboldt State University
Humboldt	Associated Students, Humboldt State University
Humboldt	Humboldt State University Advancement Foundation
Humboldt	Humboldt State University Center
Humboldt	Humboldt State University Sponsored Programs Foundation
Long Beach	California State University, Long Beach
Long Beach	Associated Students, California State University, Long Beach
Long Beach	California State University, Long Beach Research Foundation
Long Beach	CSULB 49er Foundation
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach
Los Angeles	California State University, Los Angeles
Los Angeles	Associated Students, California State University, Los Angeles, Inc.
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
Los Angeles	California State University, Los Angeles Foundation
Los Angeles	University-Student Union at California State University, Los Angeles
Maritime Academy	California Maritime Academy
Maritime Academy	California Maritime Academy Foundation, Inc.
Maritime Academy	The Associated Students of the California Maritime Academy
Monterey Bay	California State University, Monterey Bay
Monterey Bay	Foundation of California State University, Monterey Bay
Monterey Bay	The University Corporation at Monterey Bay
Monterey Bay	* Otter Student Union at CSU Monterey Bay
Northridge	California State University, Northridge
Northridge	Associated Students, California State University, Northridge, Inc.
Northridge	California State University, Northridge Foundation
Northridge	North Campus University Park Development Corporation
Northridge	The University Corporation, CSU Northridge
Northridge	University Student Union of California State University, Northridge
Pomona	California State Polytechnic University, Pomona
Pomona	Associated Students Inc., California State Polytechnic University, Pomona
Pomona	The Cal Poly Pomona Foundation, Inc.

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<b>Location</b>	<b>Member</b>
Sacramento	California State University, Sacramento
Sacramento	Associated Students of California State University, Sacramento
Sacramento	Capital Public Radio, Inc., CSU Sacramento
Sacramento	The University Foundation at Sacramento State
Sacramento	University Enterprises, Inc., CSU Sacramento
Sacramento	University Union Operation of CSUS, Inc.
San Bernardino	California State University, San Bernardino
San Bernardino	Associated Students Inc., California State University, San Bernardino
San Bernardino	CSUSB Philanthropic Foundation
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino
San Bernardino	University Enterprises Corporation at CSUSB
San Diego	San Diego State University
San Diego	Associated Students, San Diego State University
San Diego	Aztec Shops, Ltd., San Diego State University
San Diego	San Diego State University Research Foundation
San Diego	The Campanile Foundation
San Francisco	San Francisco State University
San Francisco	Associated Students, Inc., San Francisco State University
San Francisco	San Francisco State University Foundation
San Francisco	The University Corporation, San Francisco State
San Jose	San Jose State University
San Jose	Associated Student, San Jose State University
San Jose	San Jose State University Research Foundation
San Jose	Spartan Shops, Inc., San Jose State University
San Jose	The Student Union of San Jose State University
San Jose	The Tower Foundation, San Jose State University
San Luis Obispo	California Polytechnic State University, San Luis Obispo
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo
San Luis Obispo	Cal Poly Corporation
San Luis Obispo	California Polytechnic State University Foundation
San Marcos	California State University, San Marcos
San Marcos	California State University San Marcos Corporation ( <i>formerly University Auxiliary and Research Services Corporation</i> )
San Marcos	California State University San Marcos Foundation
San Marcos	** San Marcos University Corporation
San Marcos	The Associated Students of California State University, San Marcos
Sonoma	Sonoma State University

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<u>Location</u>	<u>Member</u>
Sonoma	Associated Students of Sonoma State University
Sonoma	Sonoma State Enterprises, Inc.
Sonoma	Sonoma State University Academic Foundation, Inc.
Stanislaus	California State University, Stanislaus
Stanislaus	Associated Students, Inc., California State University, Stanislaus
Stanislaus	California State University, Stanislaus Auxiliary and Business Services
Stanislaus	California State University, Stanislaus Foundation
Stanislaus	University Student Union of California State University, Stanislaus

\* New member in FY 2017/18

\*\* Dissolved in FY 2017/18

The accompanying financial statements are also included in the CSU's financial statements as a discretely presented component unit.

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

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

All post-development costs of the Authority's programs are funded by annual premiums charged to members participating in the program each policy year and by interest earnings on the accumulated funds. Premiums are based on a cost allocation plan and rating formula developed by the Authority with the assistance of an actuaries, risk management consultants, and other qualified persons. The premium for each member participating in the shared risk programs includes the member's share of expected program losses, program reinsurance costs, and program administrative costs for the year. If the Authority experiences unusually large losses in one of the aforementioned programs during a policy year, those pooled funds for the program may be exhausted before the next annual premiums are due. The board of directors may, upon consultation, impose assessments on all participating members in the respective program to provide adequate funds to the Authority for the payment of all incurred losses.

The Authority coordinates the claims process in conjunction with various agencies. These agencies include the State of California Attorney General's Office; Sedgwick Claims Management Services, Inc. (Sedgwick); Carl Warren & Company (Carl Warren); Health Special Risk, Inc. (HSR); AG Administrator; the CSU Office of General Counsel; Systemwide Risk Management; Alliant Insurance Services (Alliant); the CSU Office of

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the Chancellor; and the 23 CSU campuses. Sedgwick is the third-party administrator (TPA) for all workers' compensation claims involving campuses and Auxiliary Organizations. Carl Warren is the TPA for Auxiliary Organization liability claims. HSR and AG Administrator are the TPAs for Athletic Injury Medical Expense (AIME) and Club Sports Insurance Program (CSIP) claims. Alliant administers all entity risk pooling programs provided by the Authority.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

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

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

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

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

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

The Authority considers all highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents. The Authority considers amounts included in the Morgan Stanley Smith Barney and the CSU Consolidated Investment Pool to be investments. Certain transactions recorded as revenues or expenses in the accompanying Statements of Revenues, Expenses and Changes in Net Position include transactions between entities that are also participants in the Investment Pool. The Authority considers changes in the respective participants' equity in the Investment Pool resulting from these transactions to represent cash flows of the Authority in the accompanying Statements of Cash Flows.

**(d) Investments**

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

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

**(e) Accounts Receivable**

Accounts receivable represents amounts due from the Members and excess insurance carriers as of June 30, 2018 and 2017.

**(f) Reinsurance Recoverable**

Reinsurance recoverable represents estimated amounts due from reinsurers, who reinsured the CSU's workers' compensation claims liability for claims incurred during the fiscal year. The estimates are related to paid claims and claim adjustment expenses as of June 30, 2018 and 2017. The estimated amounts recoverable from reinsurers that are related to the liabilities for unpaid claims and claim adjustment expenses are deducted from those claims liabilities for losses and loss adjustment expenses (LAE) (note 2(h)).

**(g) Member Contributions**

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

**(h) Claims Liability for Losses and LAE**

The claims liability for losses and LAE included in the accompanying financial statements reflect the estimated cost of settling claims relating to events that have occurred on or before June 30, 2018 and 2017. The liability includes the estimated amount that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not been reported. The liability is also reduced by estimated amounts recoverable from the reinsurer that are related to the liability for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. The liability is not discounted.

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

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

**(i) Dividend Distributions**

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

**(j) Net Position**

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

**(k) Classification of Revenues and Expenses**

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

**(l) Income Taxes**

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

**(m) Use of Estimates**

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

**(n) Reclassification**

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 presentation.

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

The Authority's cash, cash equivalents, and investments as of June 30, 2018 and 2017 are classified in the accompanying Statements of Net Position as follows:

	2018	2017
Cash and cash equivalents	\$ 62,000	—
Short-term investments	80,071,000	88,777,000
Other long-term investments	52,000,000	57,000,000
Total investments	\$ 132,133,000	145,777,000

**(a) Cash and Cash Equivalents**

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

At June 30, 2018 and 2017, the Authority's cash and cash equivalents consist of demand deposits held at a financial institution. The carrying amount of the cash in demand deposit accounts were \$173,000 and \$110,000 at June 30, 2018 and 2017, respectively. The primary difference between the book and bank balance is due to outstanding checks and cash awaiting investment in the CSU Consolidated Investment Pool.

**(b) Investments**

At June 30, 2018 and 2017, the Authority's investment portfolio consists of investments held at Morgan Stanley Smith Barney and in the CSU Consolidated Investment Pool. Separate accounting is maintained as to the amounts allocable to the various funds and programs.

**(i) Investment Policy**

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

The Authority's investment policy authorizes funds held in local trust accounts under Education Code Sections 89721 and 89724 to be invested in any of the securities authorized by Government Code Sections 16430 and 53601, and Education Code Section 89724, subject to certain limitations. In general, the Authority's investment policy permits investments in obligations of the federal and California state governments, certificates of deposit, high-quality domestic corporate and fixed-income securities, and certain other investment instruments.

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(ii) *Custodial Credit Risk*

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

(iii) *Interest Rate Risk*

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

Durations of the Authority's investment portfolio for each investment type as of June 30, 2018 are presented in the table below.

<u>Investment type</u>	<u>Fair value</u>	<u>Duration (in years)</u>
Asset-backed securities	\$ 5,144,000	4.31367
Certificates of deposit	2,000	0.20921
Corporate bonds	21,303,000	3.27725
International bonds	1,175,000	4.52257
Money market funds	103,000	—
Mortgage-backed securities	9,348,000	3.98694
Municipal bonds	5,769,000	5.84835
Mutual funds	1,000	5.68226
U.S. agency securities	3,290,000	3.61168
U.S. Treasury securities	85,936,000	4.71088
Total investments	<u>\$ 132,071,000</u>	

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

<u>Investment type</u>	<u>Fair value</u>	<u>Duration (in years)</u>
Asset-backed securities	\$ 4,662,000	3.45666
Certificates of deposit	552,000	0.28861
Corporate bonds	25,016,000	2.90613
International bonds	1,242,000	5.30739
Money market funds	1,252,000	—
Mortgage-backed securities	6,880,000	3.62214
Municipal bonds	5,418,000	6.29868
Repurchase agreements	37,000	0.00813
U.S. agency securities	8,772,000	2.70064
U.S. Treasury securities	91,946,000	3.66613
Total investments	<u>\$ 145,777,000</u>	

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

(iv) *Credit Risk*

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

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

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Ratings of the Authority's investment portfolio for each investment type as of June 30, 2018 are presented in the table below:

Investment type	Fair value	Rating as of year-end				
		AAA	AA	A	BBB	Not rated
Asset-backed securities	\$ 5,144,000	4,348,000	179,000	617,000	—	—
Certificates of deposit	2,000	1,000	—	1,000	—	—
Corporate bonds	21,303,000	615,000	1,000	14,784,000	3,090,000	2,813,000
International bonds	1,175,000	—	1,175,000	—	—	—
Money market funds	103,000	—	—	—	—	103,000
Mortgage-backed securities	9,348,000	330,000	9,018,000	—	—	—
Municipal bonds	5,769,000	—	5,769,000	—	—	—
Mutual funds	1,000	—	—	—	—	1,000
U.S. agency securities	3,290,000	—	1,924,000	—	—	1,366,000
U.S. Treasury securities	85,936,000	—	85,936,000	—	—	—
Total investments	\$ 132,071,000	5,294,000	104,002,000	15,402,000	3,090,000	4,283,000

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

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

(v) *Concentration Risk*

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

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As of June 30, 2018, the following investment of the CSU Consolidated Investment Pool and CSU Risk Management Authority of SB FAM Program (other than U.S. Treasury securities, mutual funds, and external investment pools) represented 5% or more of the Authority's total investment portfolio: Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association, totaling \$17,935,000 or 14%. As of June 30, 2017, there were no investments of the CSU Consolidated Investment Pool and CSU Risk Management Authority of SB FAM Program (other than U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of the Authority's total investment portfolio.

(vi) *Fair Value Measurements*

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

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

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The following table presents investments that are measured at fair value on a recurring basis at June 30, 2018:

Investment type	Fair value	Level 1	Level 2	Net asset value
Asset-backed securities	\$ 5,144,000	—	5,144,000	—
Certificates of deposit	2,000	—	2,000	—
Corporate bonds	21,303,000	—	21,303,000	—
International bonds	1,175,000	—	1,175,000	—
Money market funds	103,000	—	—	103,000
Mortgage-backed securities	9,348,000	—	9,348,000	—
Municipal bonds	5,769,000	—	5,769,000	—
Mutual funds	1,000	—	1,000	—
U.S. agency securities	3,290,000	—	3,290,000	—
U.S. Treasury securities	85,936,000	—	85,936,000	—
Total investments	\$ 132,071,000	—	131,968,000	103,000

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

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

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

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Investments are classified in Level 1 as fair value are obtained at the last sale price on the last business day of the current fiscal year, as quoted on a recognized exchange or an industry standard pricing service, when available. Investments for which no sale was reported as of the close of the last business day of the current fiscal year are valued at the quoted bid price provided by the Authority's external investment managers or their custodians.

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

There were no assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during 2018 or 2017.

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

**(c) Investment Income, Net**

Investment income, net, included within the Statements of Revenues, Expenses, and Changes in Net Position is comprised of unrealized losses of \$(468,000) and \$(2,115,000), realized losses of \$(2,916,000) and \$(1,465,000), and interest and dividend income of \$2,984,000 and \$2,431,000 for the years ended June 30, 2018 and 2017, respectively.

**(4) Loans Receivable from Affiliates**

In June 2017, the Authority entered into a loan agreement with Humboldt State University in the amount of \$1,800,000. The loan is nonamortizing, with interest due and payable quarterly, payable 30 days following the end of each calendar quarter. The interest rate is equal to the stated CSU Consolidated Investment Pool rate of return earned by the Authority (0.137% at June 30, 2018). The maturity date of the loan is October 31, 2022. The amount outstanding on the loan was \$1,800,000 as of June 30, 2018 and 2017.

In May 2014, the Authority entered into a line-of-credit agreement with California State University, Sacramento in the amount of \$4,000,000, of which \$489,000 was drawn against the line as of June 30, 2018. The line-of-credit will be available for a 5-year period with principal and interest due and payable 30 days following the end of each calendar quarter. The interest rate is equal to the stated CSU Consolidated Investment Pool rate of return earned by the Authority (0.137% at June 30, 2018). The maturity date of the line-of-credit is June 1, 2019. The amounts outstanding on the loan were \$489,000 and \$1,226,000 as of June 30, 2018 and 2017, respectively.

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The following table summarizes the Authority's loans receivable from affiliates as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Humboldt State University	\$ 1,800,000	1,800,000
California State University, Sacramento	489,000	1,226,000
Total loans receivable from affiliates	2,289,000	3,026,000
Less current portion	<u>(489,000)</u>	<u>(613,000)</u>
Loans receivable from affiliates, net of current portion	<u>\$ 1,800,000</u>	<u>2,413,000</u>

**(5) Claims Liability for Losses and Loss Adjustment Expenses**

The Authority establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related loss adjustment expenses. Although considerable variability is inherent in such estimates, management believes that the liability is reasonable at June 30, 2018 and 2017.

Changes in the Authority's claims liability for the years ended June 30, 2018 and 2017 are as follows:

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

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Claims liability for losses and loss adjustment expenses, June 30, 2017	\$	70,819,000
Less current portion		<u>(20,375,000)</u>
Claims liability for losses and loss adjustment expenses, June 30, 2017, net of current portion		<u>50,444,000</u>
Incurred claims for losses and loss adjustment expenses:		
Provision for insured events of the current fiscal year		63,078,000
Decrease in provision for reinsured events of the current fiscal year		(29,282,000)
Decrease in provision for insured events of prior fiscal years		<u>(3,879,000)</u>
Total incurred claims for losses and loss adjustment expenses		<u>29,917,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year		(20,103,000)
Claims and claim adjustment expenses attributable to recoveries from reinsured events of the current fiscal year		14,273,000
Claims and claim adjustment expenses attributable to insured events of prior fiscal years		<u>(30,199,000)</u>
Total payments		<u>(36,029,000)</u>
Claims liability for losses and loss adjustment expenses, June 30, 2018		64,707,000
Less current portion		<u>17,791,000</u>
Claims liability for losses and loss adjustment expenses, June 30, 2018, net of current portion	\$	<u><u>46,916,000</u></u>

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**(6) Related-Party Transactions**

The following represents a summary of the accounts receivable, contributions (premiums), and dividends for the years ended June 30, 2018 and 2017, and general liability insurance deductibles for the policy period detailed by campus:

June 30, 2018				
Members	Accounts receivable	Contributions	Dividends	General liability insurance deductibles per occurrence
Bakersfield	\$ —	1,651,000	(151,000)	35,000
California Maritime Academy	—	637,000	(64,000)	50,000
Chancellor's Office	566,000	13,886,000	(146,000)	100,000
Channel Islands	—	1,821,000	(162,000)	35,000
Chico	—	2,890,000	(265,000)	250,000
Dominguez Hills	—	2,678,000	(299,000)	100,000
East Bay	—	3,355,000	(303,000)	750,000
Fresno	—	3,365,000	(421,000)	100,000
Fullerton	—	4,940,000	(355,000)	250,000
Humboldt	—	2,188,000	(226,000)	250,000
Long Beach	—	6,322,000	(563,000)	250,000
Los Angeles	—	4,570,000	(351,000)	250,000
Monterey Bay	—	1,666,000	(137,000)	35,000
Northridge	—	6,179,000	(448,000)	750,000
Pomona	—	4,367,000	(395,000)	250,000
Sacramento	—	3,989,000	(338,000)	500,000
San Bernardino	—	3,219,000	(300,000)	50,000
San Diego	—	5,718,000	(430,000)	900,000
San Francisco	—	5,327,000	(421,000)	250,000
San Jose	—	5,205,000	(399,000)	750,000
San Luis Obispo	—	5,054,000	(342,000)	250,000
San Marcos	—	1,974,000	(157,000)	50,000
Sonoma	—	2,623,000	(196,000)	50,000
Stanislaus	—	1,687,000	(158,000)	35,000
Auxiliary Organizations	598,000	6,792,000	(1,651,000)	Various
	\$ 1,164,000	102,103,000	(8,678,000)	

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

**(7) Excess Insurance and Reinsurance**

**(a) Excess Insurance**

For the years ended June 30, 2018 and 2017, the Authority purchased excess insurance to protect the Members from catastrophic losses. The Authority maintained excess public entity liability insurance coverage provided by School Excess Liability Fund (SELF), a joint powers authority, with coverage for individual claims above \$5,000,000 and up to \$45,000,000 per occurrence until December 2009.

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The Authority maintained excess general liability insurance coverage provided by Ironshore Specialty Insurance Company and various other insurers with coverage for individual claims above \$5,000,000 up to \$200,000,000 per occurrence. The Authority purchased from Safety National excess workers' compensation insurance to statutory limits in excess of the \$2,500,000 self-insured retention for the years ended June 30, 2018 and 2017. For the AORMA workers' compensation program, the Authority also purchased from Safety National excess workers' compensation insurance to statutory limits in excess of the \$750,000 and \$500,000 self-insured retention for the years ended June 30, 2018 and 2017, respectively. There have been no settlements exceeding insurance limits in the past three fiscal years.

Effective January 1, 2015, the Authority joined the CSAC Excess Insurance Authority Excess Workers' Compensation Program, pursuant to the memorandum of coverage issued by the EIA. The EIA is responsible for all covered losses within the amount of the self-insured retention layer of \$2,500,000 for the campus workers' compensation program and \$500,000 for the AORMA workers' compensation program. The estimated amounts that are recoverable from the EIA as of June 30, 2018 and 2017 were \$55,402,000 and \$42,125,000 for the campus workers' compensation program and \$5,461,000 and \$4,430,000 for the AORMA workers' compensation program, respectively.

**(b) Reinsurance**

For the years ended June 30, 2018 and 2017, the Authority did not enter into the CSU's workers' compensation reinsurance contract. From the years ended June 30, 2008 through June 30 2012, the Authority entered into a reinsurance contract with the Insurance Company of the State of Pennsylvania (the Reinsurer). This transaction reinsured the CSU's workers' compensation claims liability for claims incurred within the \$2,500,000 self-insured retention up to aggregate limits. The estimated amounts that are recoverable from the reinsurer and that reduce the liabilities as of June 30, 2018 and 2017 were \$11,860,000 and \$15,210,000, respectively. While such losses are reinsured, the Authority will not be relieved of its primary obligations to the policyholder in these reinsurance transactions.

For the years ended June 30, 2018 and 2017, the Authority purchased reinsurance for the campus and AORMA liability programs provided by Markel, Evanston, Great American, Ironshore, AWAC, and the General Reinsurance Corporation. This transaction reinsured the AORMA claims liability for individual claims incurred in excess of \$500,000 and up to \$5,000,000 per occurrence. The reinsurance premiums for the years ended June 30, 2018 and 2017 were \$3,188,000 and \$3,066,000, respectively. There have been no settlements in the most recent three fiscal years that have exceeded insurance limits.

For the years ended June 30, 2018 and 2017, the Authority purchased reinsurance for the campus and AORMA property programs provided by the Public Entity Property Insurance Program (the PEPIP). This transaction reinsured the campus and AORMA property programs for individual claims in excess of \$100,000 for the AORMA program and \$1,000,000 for the Campus program and up to \$1,000,000,000 per occurrence. The reinsurance premiums for the years ended June 30, 2018 and 2017 were \$6,624,000 and \$6,375,000, respectively. The coverage terms and conditions are the same as provided by the PEPIP in prior years.

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**(8) SELF Assessment Liability**

Prior to July 1, 2004, the Authority maintained excess workers' compensation insurance coverage provided by SELF, a public entity risk pool. The Authority remains liable for assessments from SELF in settlement of claims incurred prior to July 1, 2004. The assessment liabilities as of June 30, 2018 and 2017 were \$6,818,000 and \$8,182,000, respectively.

**(9) Subsequent Events**

Subsequent events have been evaluated through September 21, 2018, which corresponds to the date when the financial statements were issued. There are no subsequent events that require disclosure.

**CALIFORNIA STATE UNIVERSITY  
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Supplementary Information

**Reconciliation of Workers' Compensation Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 39,703,000	48,494,000
Incurring claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	28,399,000	25,687,000
Decrease in provision for reinsured events of current fiscal year	(26,793,000)	(23,797,000)
Decrease in provision for insured events of prior fiscal years	<u>(5,212,000)</u>	<u>(4,526,000)</u>
Total incurred claims and claim adjustment expenses	<u>(3,606,000)</u>	<u>(2,636,000)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	—	—
Claims and claim adjustment expenses attributable to recoveries from reinsured events of current fiscal year	12,862,000	12,779,000
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(15,224,000)</u>	<u>(18,934,000)</u>
Total payments	<u>(2,362,000)</u>	<u>(6,155,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	<u>\$ 33,735,000</u>	<u>39,703,000</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Supplementary Information

**Reconciliation of General Liability Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 23,463,000	20,782,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	9,045,000	7,699,000
Increase (Decrease) in provision for insured events of prior fiscal years	<u>1,614,000</u>	<u>(727,000)</u>
Total incurred claims and claim adjustment expenses	<u>10,659,000</u>	<u>6,972,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	(5,000)	—
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(10,211,000)</u>	<u>(4,291,000)</u>
Total payments	<u>(10,216,000)</u>	<u>(4,291,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>23,906,000</u>	<u>23,463,000</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Supplementary Information

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

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>14,290,000</u>	<u>14,366,000</u>
Total incurred claims and claim adjustment expenses	<u>14,290,000</u>	<u>14,366,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(14,290,000)</u>	<u>(14,366,000)</u>
Total payments	<u>(14,290,000)</u>	<u>(14,366,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>—</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Supplementary Information

**Reconciliation of Property Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>2,423,000</u>	<u>3,131,000</u>
Total incurred claims and claim adjustment expenses	<u>2,423,000</u>	<u>3,131,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(2,423,000)</u>	<u>(3,131,000)</u>
Total payments	<u>(2,423,000)</u>	<u>(3,131,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>—</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Supplementary Information

**Reconciliation of Athletic Injury Medical Expense (AIME) Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 2,328,000	2,214,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	3,735,000	3,792,000
Decrease in provision for insured events of prior fiscal years	<u>(285,000)</u>	<u>(6,000)</u>
Total incurred claims and claim adjustment expenses	<u>3,450,000</u>	<u>3,786,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	(1,745,000)	(1,839,000)
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(1,646,000)</u>	<u>(1,833,000)</u>
Total payments	<u>(3,391,000)</u>	<u>(3,672,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>2,387,000</u>	<u>2,328,000</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Supplementary Information

**Reconciliation of Club Sports Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>44,000</u>	<u>42,000</u>
Total incurred claims and claim adjustment expenses	<u>44,000</u>	<u>42,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(44,000)</u>	<u>(42,000)</u>
Total payments	<u>(44,000)</u>	<u>(42,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>—</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Supplementary Information

**Reconciliation of AORMA Workers' Compensation Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 3,877,000	5,944,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	2,627,000	3,041,000
Decrease in provision for reinsured events of current fiscal year	(2,489,000)	(2,856,000)
Decrease in provision for insured events of prior fiscal years	<u>(345,000)</u>	<u>(703,000)</u>
Total incurred claims and claim adjustment expenses	<u>(207,000)</u>	<u>(518,000)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	—	—
Claims and claim adjustment expenses attributable to recoveries from reinsured events of current fiscal year	1,411,000	1,021,000
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(2,191,000)</u>	<u>(2,570,000)</u>
Total payments	<u>(780,000)</u>	<u>(1,549,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u><u>2,890,000</u></u>	<u><u>3,877,000</u></u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Schedule 8

Supplementary Information

**Reconciliation of AORMA General Liability Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ 1,448,000	1,493,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	985,000	1,085,000
Increase (Decrease) in provision for insured events of prior fiscal years	<u>349,000</u>	<u>(960,000)</u>
Total incurred claims and claim adjustment expenses	<u>1,334,000</u>	<u>125,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	(66,000)	(77,000)
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>(927,000)</u>	<u>(93,000)</u>
Total payments	<u>(993,000)</u>	<u>(170,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>1,789,000</u>	<u>1,448,000</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Supplementary Information

**Reconciliation of AORMA Property Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>221,000</u>	<u>248,000</u>
Total incurred claims and claim adjustment expenses	<u>221,000</u>	<u>248,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(221,000)</u>	<u>(248,000)</u>
Total payments	<u>(221,000)</u>	<u>(248,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>—</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Supplementary Information

**Reconciliation of AORMA Crime Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	—	24,000
Total incurred claims and claim adjustment expenses	<u>—</u>	<u>24,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	—	(24,000)
Total payments	<u>—</u>	<u>(24,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>—</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Supplementary Information

**Reconciliation of AORMA Unemployment Insurance Program (UIP) Claims Liabilities**

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

	<u>2018</u>	<u>2017</u>
Claims liability for losses and loss adjustment expenses, beginning of year	\$ —	—
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	<u>1,309,000</u>	<u>1,131,000</u>
Total incurred claims and claim adjustment expenses	<u>1,309,000</u>	<u>1,131,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	<u>(1,309,000)</u>	<u>(1,131,000)</u>
Total payments	<u>(1,309,000)</u>	<u>(1,131,000)</u>
Claims liability for losses and loss adjustment expenses, end of year	\$ <u>—</u>	<u>—</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Schedule of Net Position

June 30, 2018

(For inclusion in the California State University)

<b>Assets:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 62,244
Short-term investments	80,070,600
Accounts receivable, net	2,887,179
Notes receivable, current portion	489,378
Prepaid expenses and other assets	<u>8,873,212</u>
<b>Total current assets</b>	<u><b>92,382,613</b></u>
<b>Noncurrent assets:</b>	
Notes receivable, net of current portion	1,800,000
Other long-term investments	<u>51,999,615</u>
<b>Total noncurrent assets</b>	<u><b>53,799,615</b></u>
<b>Total assets</b>	<u><b>146,182,228</b></u>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable	10,626,977
Unearned revenue	1,140,541
Claims liability for losses and LAE, current portion	<u>17,790,713</u>
<b>Total current liabilities</b>	<u><b>29,558,231</b></u>
<b>Noncurrent liabilities:</b>	
Claims liability for losses and LAE, net of current portion	46,916,463
Other liabilities	<u>5,454,649</u>
<b>Total noncurrent liabilities</b>	<u><b>52,371,112</b></u>
<b>Total liabilities</b>	<u><b>81,929,343</b></u>
<b>Net position:</b>	
Unrestricted	<u>64,252,885</u>
<b>Total net position</b>	<u><b>\$ 64,252,885</b></u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2018

(For inclusion in the California State University)

Revenues:	
Operating revenues:	
Other operating revenues	\$ 92,290,859
Total operating revenues	<u>92,290,859</u>
Expenses:	
Operating expenses:	
Instruction	8,167,050
Research	111,230
Public service	85,605
Academic support	1,802,531
Student services	1,813,403
Institutional support	87,655,240
Operation and maintenance of plant	1,104,817
Auxiliary enterprise expenses	<u>327,036</u>
Total operating expenses	<u>101,066,912</u>
Operating income	<u>(8,776,053)</u>
Nonoperating revenues (expenses):	
Investment expenses, net	(400,213)
Other nonoperating revenue	<u>48,798</u>
Net nonoperating expenses	<u>(351,415)</u>
Decrease in net position	(9,127,468)
Net position:	
Net position, beginning of year	<u>73,380,353</u>
Net position, end of year	<u>\$ 64,252,885</u>

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

Other Information

June 30, 2018

(For inclusion in the California State University)

	<u>Current unrestricted</u>	<u>Total current</u>	<u>Noncurrent unrestricted</u>	<u>Total noncurrent</u>	<u>Total</u>
Asset-backed securities	\$ 2,155	2,155	5,141,150	5,141,150	5,143,305
Certificates of deposit	1,488	1,488	—	—	1,488
Corporate bonds	8,426	8,426	21,294,404	21,294,404	21,302,830
International bonds	—	—	1,175,226	1,175,226	1,175,226
Money market funds	72	72	102,977	102,977	103,049
Mortgage-backed securities	2	2	9,348,267	9,348,267	9,348,269
Municipal bonds	382	382	5,768,521	5,768,521	5,768,903
Mutual funds	942	942	—	—	942
Repurchase agreements	75	75	—	—	75
U.S. agency securities	8,699	8,699	3,281,014	3,281,014	3,289,713
U.S. Treasury securities	80,048,359	80,048,359	5,888,056	5,888,056	85,936,415
Total investments	<u>\$ 80,070,600</u>	<u>80,070,600</u>	<u>51,999,615</u>	<u>51,999,615</u>	<u>132,070,215</u>

Fair value hierarchy in investments at June 30, 2018:

	Fair value measurements using				Net asset value (NAV)
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
Asset-backed securities	\$ 5,143,305	—	—	5,143,305	—
Certificates of deposit	1,488	—	—	1,488	—
Corporate bonds	21,302,830	—	—	21,302,830	—
International bonds	1,175,226	—	—	1,175,226	—
Money market funds	103,049	—	—	—	103,049
Mortgage-backed securities	9,348,269	—	—	9,348,269	—
Municipal bonds	5,768,903	—	—	5,768,903	—
Mutual funds	942	—	—	942	—
Repurchase agreements	75	—	—	75	—
U.S. agency securities	3,289,713	—	—	3,289,713	—
U.S. Treasury securities	85,936,415	—	—	85,936,415	—
Total investments	<u>\$ 132,070,215</u>	<u>—</u>	<u>131,967,166</u>	<u>—</u>	<u>103,049</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY  
Claims Development Information  
(In thousands)  
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net earned required contribution and investment revenues:</b>										
Earned	\$ 85,769	\$ 90,247	\$ 96,364	\$ 104,726	\$ 91,560	\$ 93,935	\$ 96,997	\$ 104,997	\$ 102,346	\$ 101,752
Ceded	18,469	19,024	18,879	16,148	3,005	11,626	6,872	6,886	9,441	9,812
Net earned	\$ 67,300	\$ 71,223	\$ 77,485	\$ 88,577	\$ 88,555	\$ 82,309	\$ 90,125	\$ 98,111	\$ 92,905	\$ 91,940
Unallocated expenses	\$ 43,306	\$ 52,578	\$ 39,257	\$ 48,776	\$ 41,755	\$ 30,116	\$ 44,878	\$ 60,194	\$ 80,309	\$ 71,150
<b>Estimated incurred claims and expenses, end of policy year:</b>										
Incurred	\$ 28,604	\$ 57,959	\$ 63,416	\$ 57,964	\$ 59,095	\$ 59,313	\$ 60,386	\$ 56,800	\$ 60,246	\$ 63,078
Ceded	17,996	17,118	19,834	19,575	—	—	14,527	24,959	26,653	29,282
Net incurred	\$ 10,608	\$ 40,841	\$ 43,582	\$ 38,419	\$ 59,095	\$ 59,313	\$ 45,859	\$ 31,841	\$ 33,593	\$ 33,796
<b>Paid (cumulative) as of:</b>										
End of policy year	\$ 12,022	\$ 19,615	\$ 18,972	\$ 20,541	\$ 11,400	\$ 13,019	\$ 14,300	\$ 9,658	\$ 7,058	\$ 5,830
One year later	14,801	22,697	20,457	22,295	28,965	27,549	24,260	21,005	23,554	—
Two years later	20,511	23,092	23,664	23,853	35,942	32,559	26,281	24,800	—	—
Three years later	19,458	24,863	28,733	25,063	38,432	41,718	27,674	—	—	—
Four years later	20,063	25,543	29,004	25,282	40,302	43,576	—	—	—	—
Five years later	20,385	29,061	29,461	25,330	45,884	—	—	—	—	—
Six years later	20,824	29,370	29,617	25,390	—	—	—	—	—	—
Seven years later	20,762	29,545	29,671	—	—	—	—	—	—	—
Eight years later	20,804	29,612	—	—	—	—	—	—	—	—
Nine years later	20,738	—	—	—	—	—	—	—	—	—
Reestimated ceded claims and expenses	\$ 18,767	\$ 17,996	\$ 22,643	\$ 21,685	\$ —	\$ —	\$ 14,527	\$ 24,959	\$ 26,653	\$ 29,282
<b>Reestimated incurred claims and expenses:</b>										
End of policy year	\$ 10,608	\$ 40,841	\$ 43,582	\$ 38,419	\$ 59,095	\$ 59,313	\$ 45,859	\$ 31,841	\$ 33,593	\$ 33,796
One year later	23,692	34,160	30,996	27,064	50,697	48,463	36,014	31,206	28,940	—
Two years later	24,484	29,484	28,962	27,864	50,636	49,235	33,781	29,356	—	—
Three years later	20,456	28,725	30,268	26,092	31,868	53,080	33,386	—	—	—
Four years later	20,742	28,024	30,168	25,906	37,005	53,946	—	—	—	—
Five years later	20,658	32,595	30,201	25,588	55,576	—	—	—	—	—
Six years later	21,110	32,360	30,079	25,666	—	—	—	—	—	—
Seven years later	21,154	32,491	30,157	—	—	—	—	—	—	—
Eight years later	21,141	29,733	—	—	—	—	—	—	—	—
Nine years later	21,131	—	—	—	—	—	—	—	—	—
Increase (decrease) in estimated incurred claims and expenses from end of policy year	\$ 10,523	\$ (11,108)	\$ (13,425)	\$ (12,753)	\$ (3,519)	\$ (5,367)	\$ (12,473)	\$ (2,485)	\$ (4,653)	\$ —

See accompanying independent auditors' report.

**INSURANCE RENEWALS REPORT**

**ISSUE:** The majority of the CSURMA excess insurance programs renew on July 1<sup>st</sup>. Staff will update the committee on the insurance renewals, providing a cost comparison as well as a summary of the major changes to the programs' terms.

Program	AORMA Percent Change	Campus Percent Change
Excess Liability	8%	13%
Property	19%	14%
Worker's Compensation	-7%	3%
Builder's Risk	N/A	Flat
Fine Arts	N/A	10%
SPLIP & SAFECLIP	N/A	Flat
FTIP	18%	18%
Aviation	Flat	Flat
Medical Malpractice	Flat	Flat
Fidelity	Flat	Flat
Trustees E&O / Fiduciary	6%	71%
Cyber	-32%	-32%

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**ACTUARIAL REPORTS FOR LIABILITY, WORKERS'  
COMPENSATION AND ATHLETIC INJURY MEDICAL EXPENSE  
PROGRAMS**

**ISSUE:** CSURMA retained an independent actuary to evaluate the liabilities of its major risk pools covering Campus Liability, Campus Workers' Compensation and Athletic Injury Medical Expense. The actuary's findings and recommendations were reviewed and accepted by the Executive Committee on September 7, 2018. The actuary's key findings and exhibits are highlighted in the attachments. Complete copies of the actuarial reports are included separately with the agenda packet. Staff will present a summary of the actuary's findings and recommendations described in the full reports.

**RECOMMENDATION:** No action requested. This item is for the Board of Directors' information.

**FISCAL IMPACT:** The actuary's findings and recommendations were used to develop CSURMA's annual audited financial statements and served as the basis for next year's funding requirements and rate setting. The Board of Directors will take action on FY 2019/20 funding and rates at today's meeting.

**BACKGROUND:** The complete actuarial reports include discussions on the methodology used by the actuary to establish the outstanding claims liabilities and financial projections for the campus risk pools.

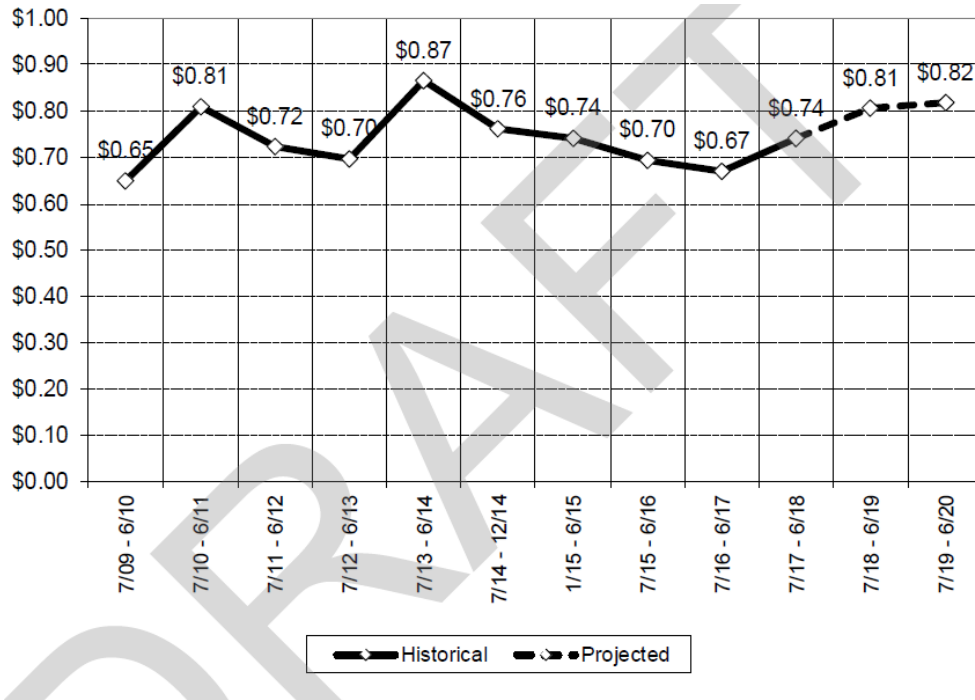
**PUBLICATION:** None.

**ATTACHMENT(S):**

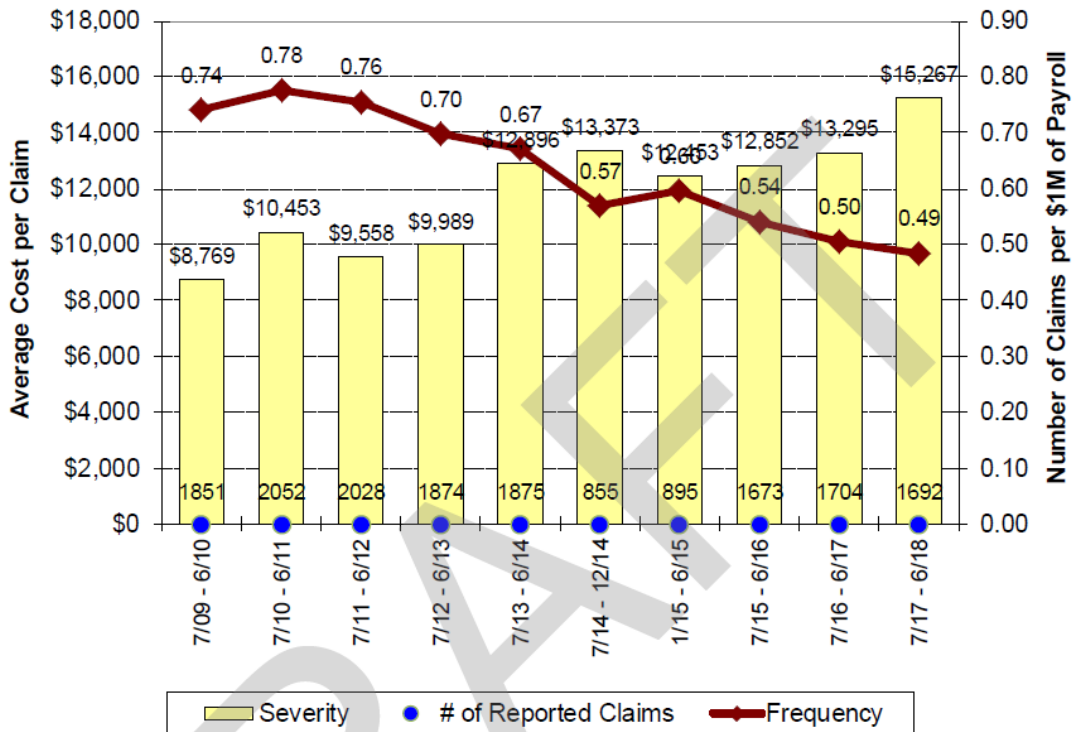
- a. Charts and graphs from the actuarial reports valued at June 30, 2018.
- b. Complete copies of the actuarial reports are included separately with the agenda packet.

## CAMPUS WC ACTUARIAL HIGHLIGHTS

**Graph 1 – Loss Rate per \$100 Payroll**

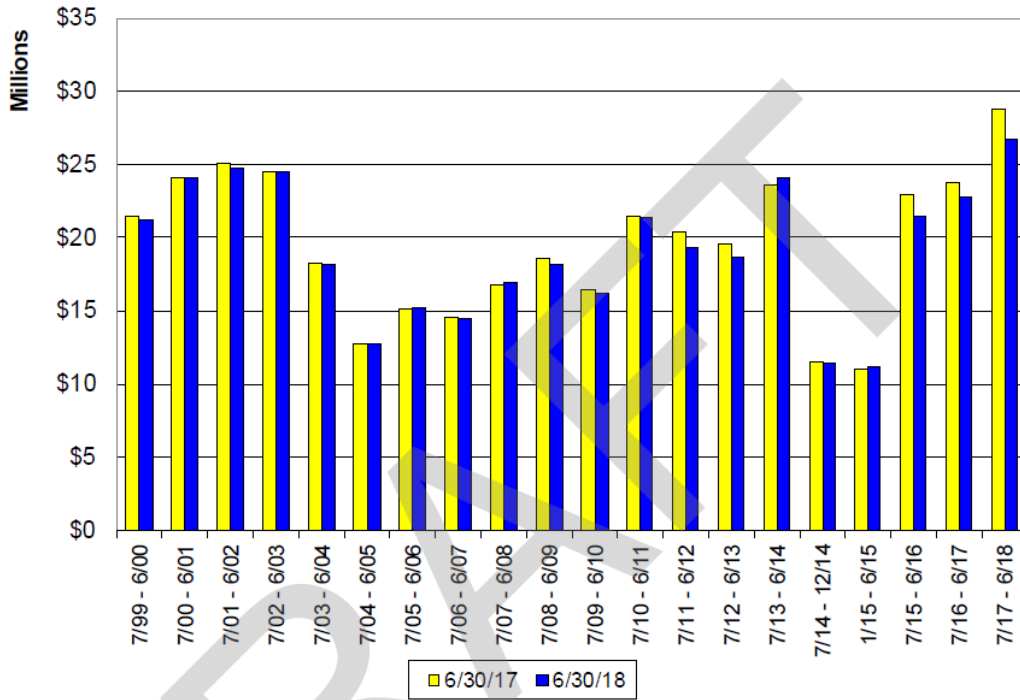


**Graph 2 – Frequency & Severity**

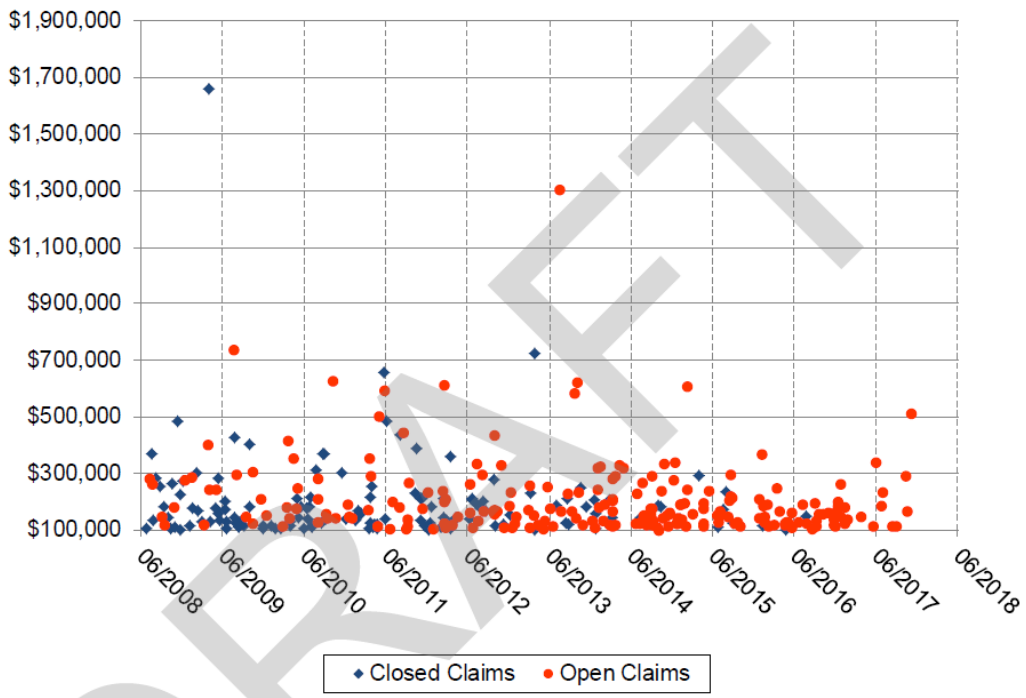


## CAMPUS WC ACTUARIAL HIGHLIGHTS

**Graph 3 – Projected Ultimate Limited Losses (at 6/30/17, 6/30/18)**

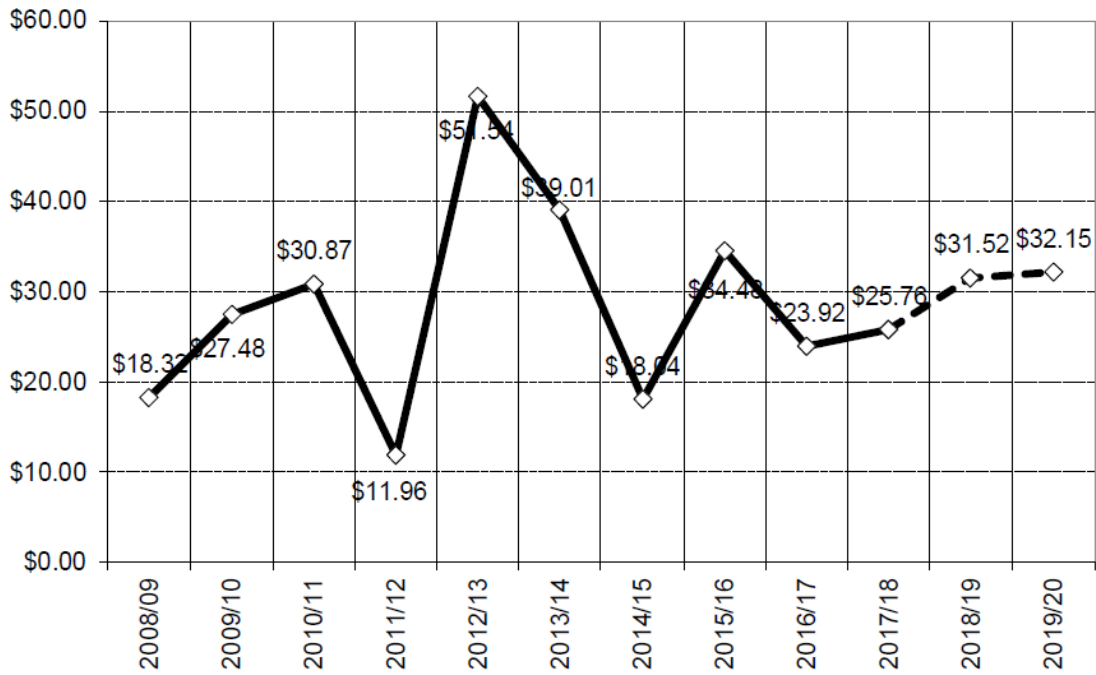


**Graph 4 – Claims Incurred over \$100,000**

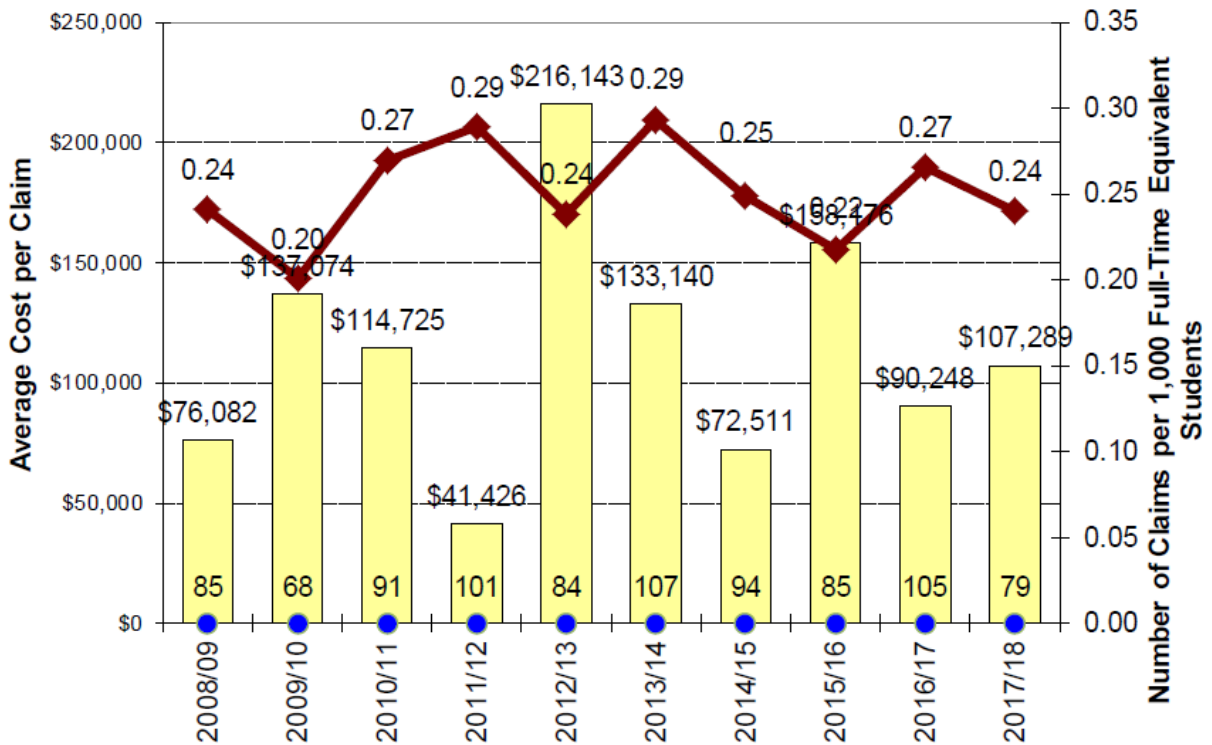


## CAMPUS LIABILITY ACTUARIAL HIGHLIGHTS

**Graph 1 – Loss Rate per 1,000 Full Time Equivalent Students (Gross of Member Deductibles)**

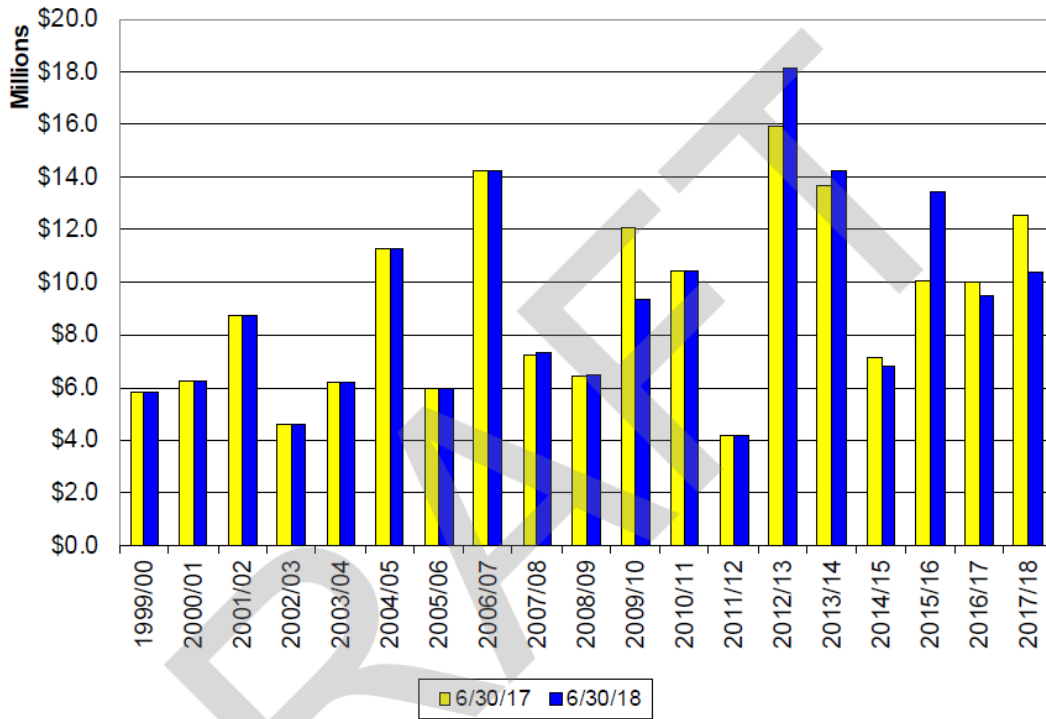


**Graph 2 – Frequency & Severity (Gross of Member Deductibles)**

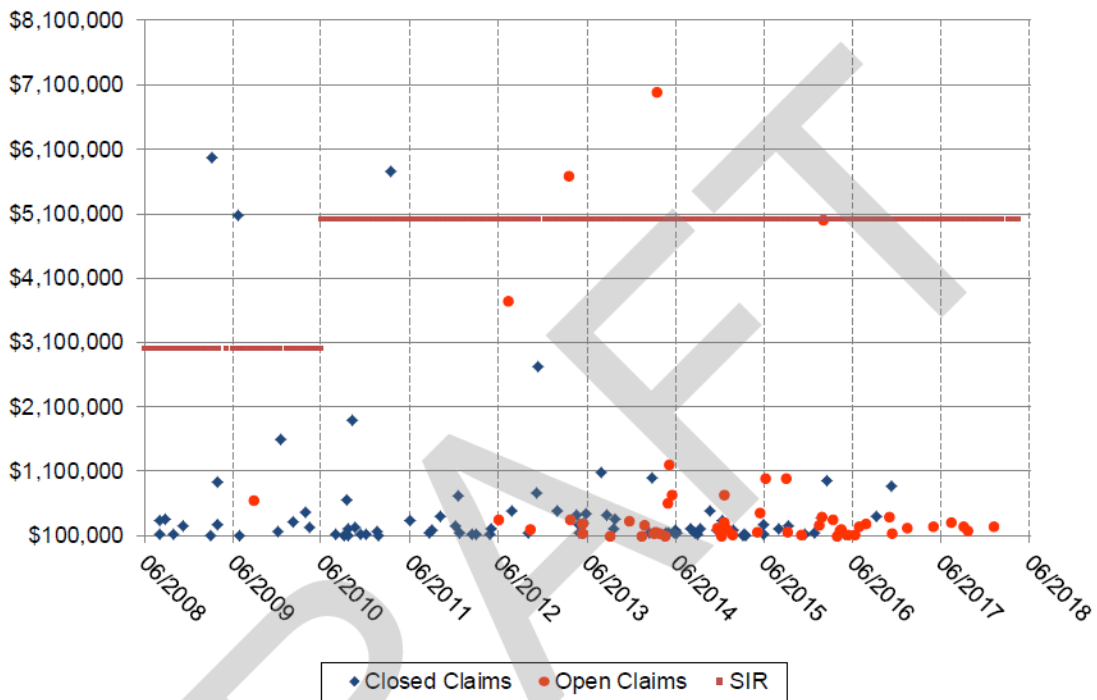


## CAMPUS LIABILITY ACTUARIAL HIGHLIGHTS

**Graph 3 – Projected Ultimate Limited Losses (Gross of Member Deductibles)**

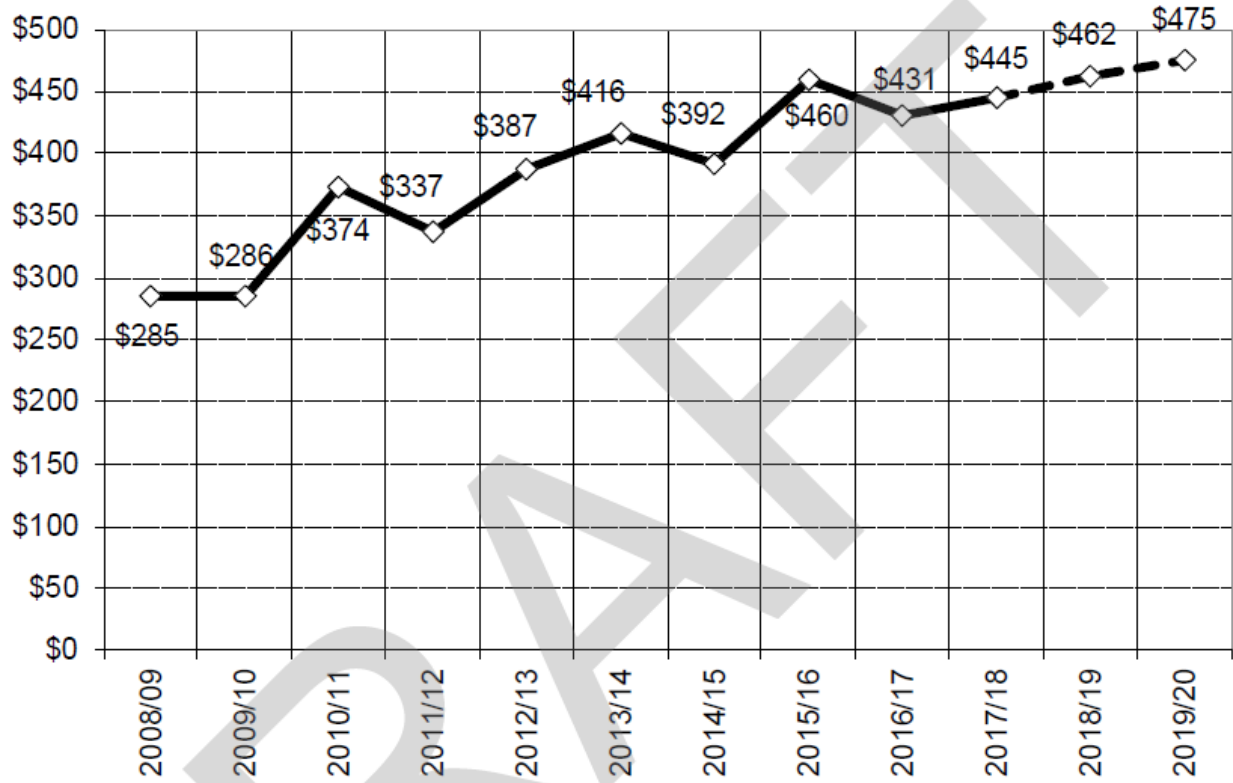


**Graph 4 – Incurred Losses above \$100,000**



## AIME ACTUARIAL HIGHLIGHTS

Graph 1 – Loss Rate per Athlete



**CAMPUS RISK POOLS**  
**FUNDING STATUS AT JUNE 30, 2018**

**ISSUE:** Each year, Staff evaluates the funding status of CSURMA’s major risk pools and presents its findings to the Executive Committee and the Board of Directors. In its evaluation, Staff uses the most recent actuarial reports and the financial statements prepared by the CSURMA Accountant. Staff has completed its evaluation of the funding status for the Campus Liability, Campus Workers’ Compensation and Athletic Injury Medical Expense risk pools for the fiscal year ending on June 30, 2018. Staff will highlight the risk pools’ funding position at today’s meeting.

**RECOMMENDATION:** No action requested. The Executive Committee reviewed and accepted staff’s report on September 7, 2018. Staff will summarize the Campus risk pools funding status as of June 30, 2018 for the Board’s information.

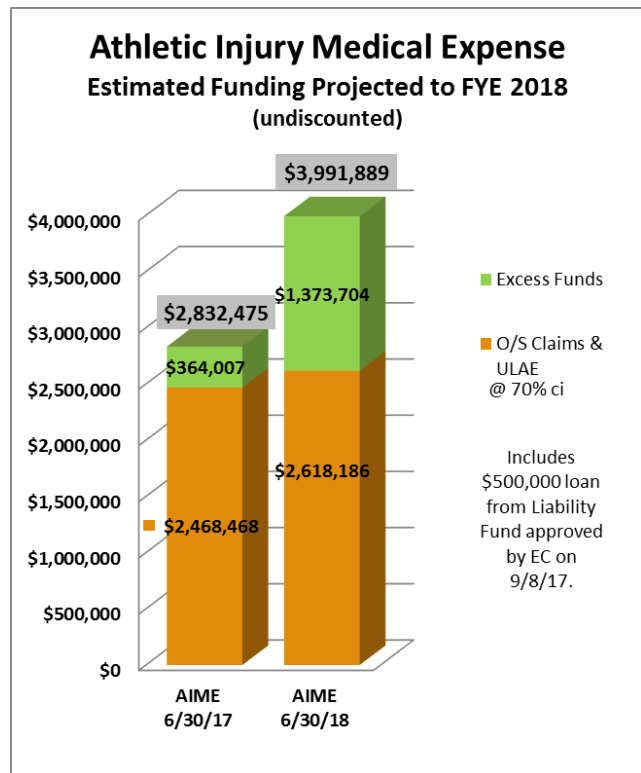
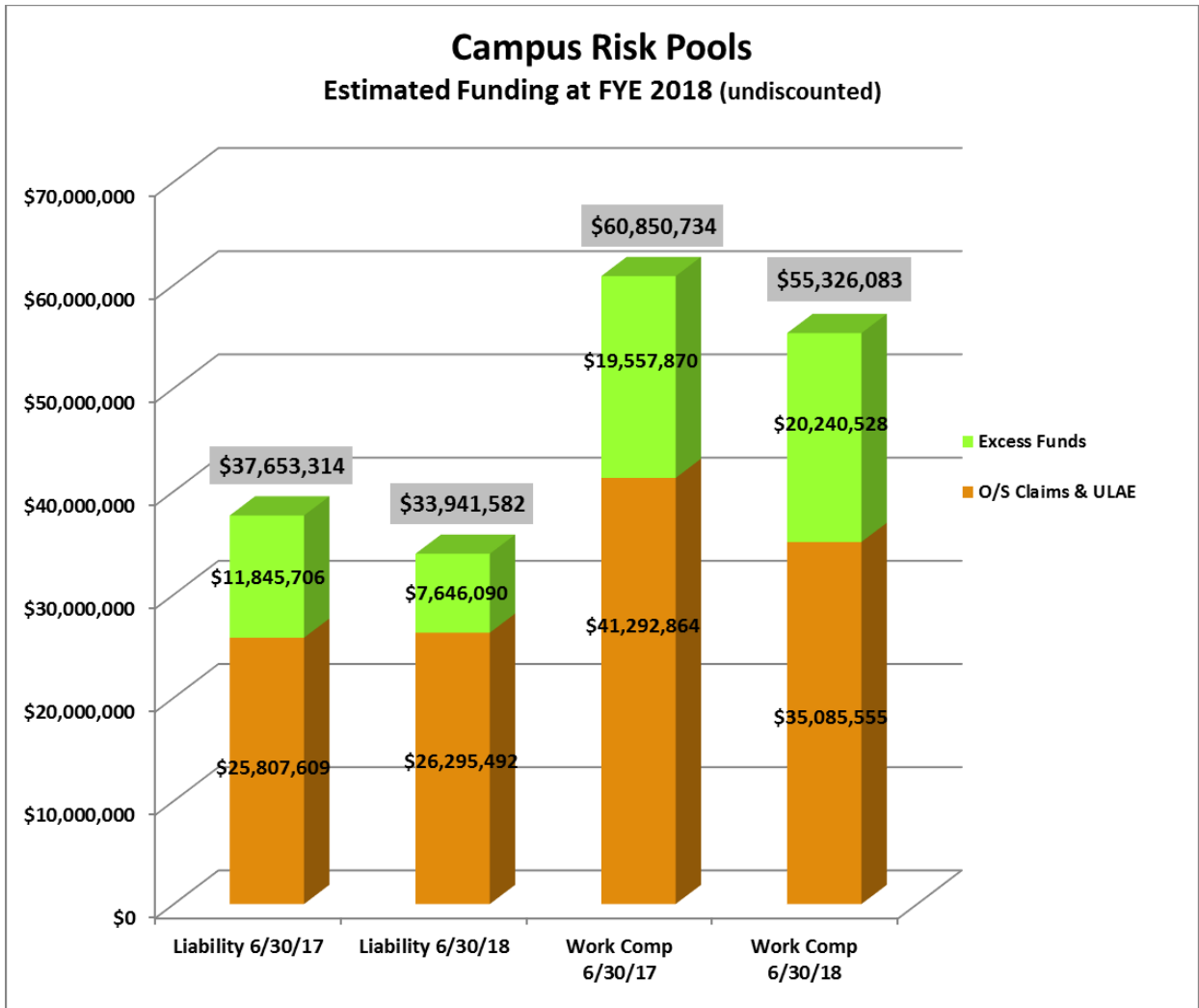
**FISCAL IMPACT:** None. This item is provided for information only.

**BACKGROUND:** The Board of Directors adopted Policy & Procedure No. 7 on April 24, 1997 to fund prior years’ claim liabilities on a cash basis, and to begin funding claims as they are incurred beginning in July 1, 1999 with the ultimate goal to achieve accrual funding for all program years in ten years by July 1, 2009. CSURMA’s funding goal was achieved in only eight years on July 1, 2007. Revised Policy & Procedure No. 7 was adopted on April 27, 2015.

**PUBLICATION:** None

**ATTACHMENT(S):**

- a. Risk Pools Funding Status Charts at June 30, 2018
- b. Target Surplus Funding Charts at June 30, 2018
- c. Policy & Procedure No. 7 Self-Insured Program Funding
- d. Policy & Procedure No. 13 Campus Risk Pool Programs Target Reserve Funding Goal



## Campus Liability Coverage Fund

### Target Surplus Funding Analysis at \$5,000,000 SIR *as of 6/30/18 (unaudited)*

Gross Premium (FY 18/19):	\$16,173,148
Maximum Retention:	\$5,000,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/18	\$23,461,462 <i>Expected, ULAE, Undsct, Net of Deductibles</i>
Est. Outstanding Liabilities @ 6/30/18	\$26,295,492 <i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/18	\$33,941,582
Est. Funded Loss & ULAE @ 6/30/18	\$26,295,492 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$7,646,090

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$5,391,049	0.48
Surplus to Retention	> 1:1	\$5,000,000	6.79
O/S Reserve to Surplus	≤ 5:1	\$4,692,292	0.69

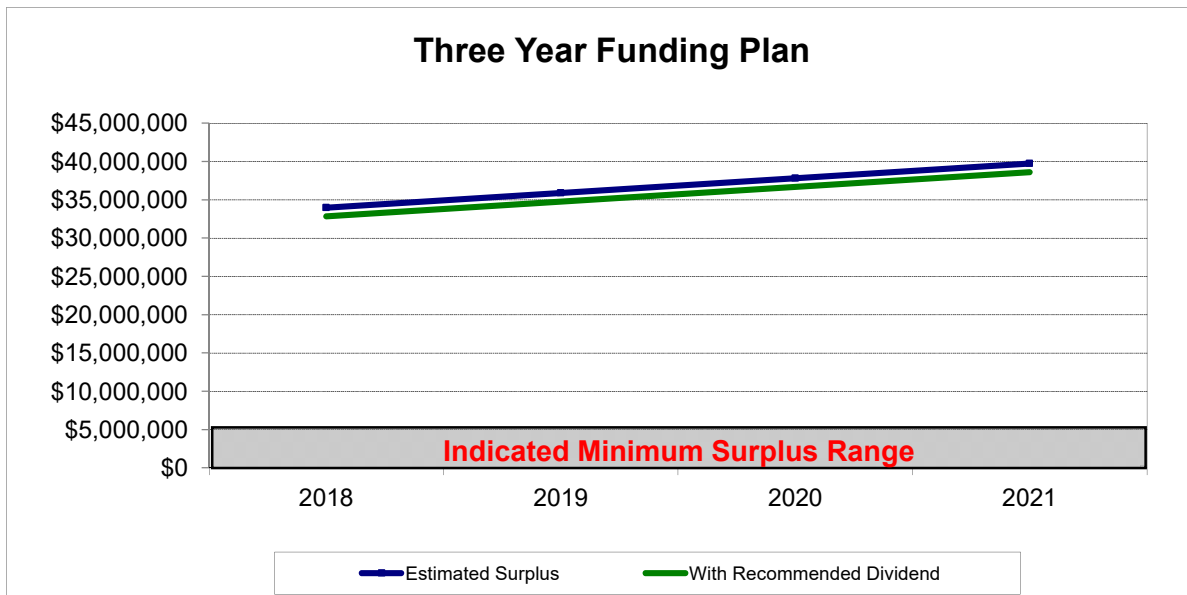
<b>Maximum Dividend Available:</b>	<b>\$2,255,041</b>
<b>Recommended Dividend 50%:</b>	<b>\$1,127,520</b>

#### 2018/19 Pool Funding

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$13,802,800	-
at 70% Actuarial Confidence	1.140	\$15,735,500	\$1,932,700

#### Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/18	N/A	\$33,941,582	\$32,814,062
2018/19 - Collection @ 70% CL	\$1,932,700	\$35,874,282	\$34,746,762
2019/20 - Collection @ 70% CL	\$1,932,700	\$37,806,982	\$36,679,462
2020/21 - Collection @ 70% CL	\$1,932,700	\$39,739,682	\$38,612,162



**Campus Workers' Compensation Coverage Fund**  
**Target Surplus Funding Analysis at \$2,500,000 SIR**  
*as of 6/30/18 (unaudited)*

Gross Premium (FY 18/19):	\$38,837,384
Maximum Retention:	\$2,500,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/18	\$39,704,677 <i>Expected, ULAE, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/18	\$35,085,555 <i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/18	\$55,326,083
Est. Funded Loss & ULAE @ 6/30/18	\$35,085,555 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$20,240,528

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$12,945,795	0.70
Surplus to Retention	> 2:1	\$5,000,000	22.13
O/S Reserve to Surplus	≤ 5:1	\$7,940,935	0.72

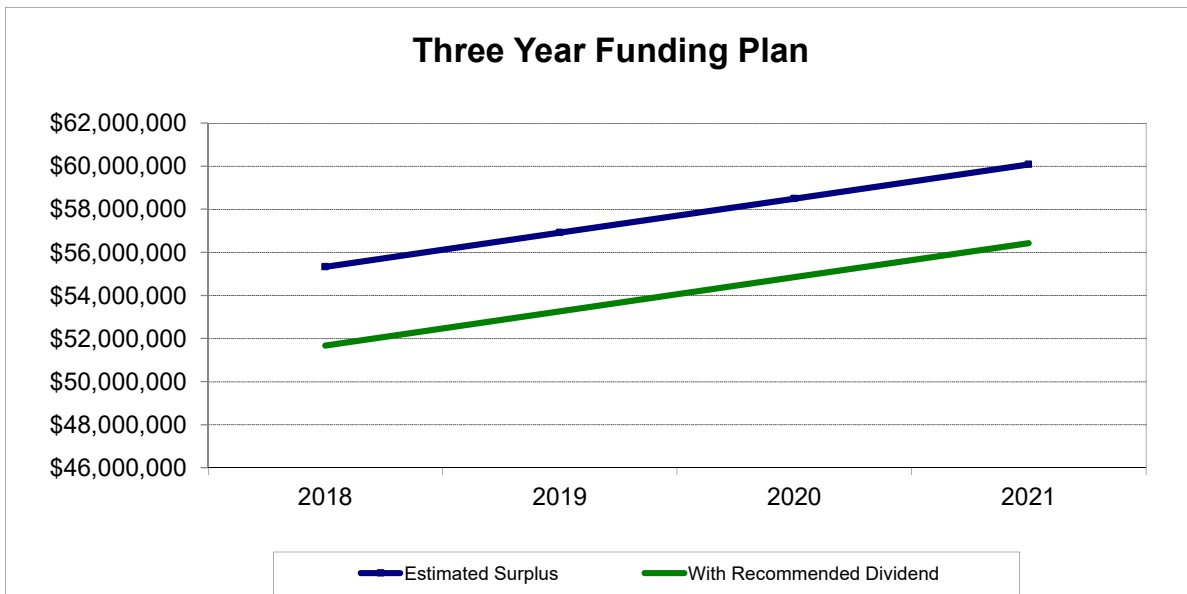
<b>Maximum Dividend Available:</b>	<b>\$7,294,734</b>
<b>Recommended Dividend 50%:</b>	<b>\$3,647,367</b>

**2018/19 Pool Funding**

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$31,674,500	-
at 70% Actuarial Confidence	1.050	\$33,258,500	\$1,584,000

**Three Year Funding Plan**

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/18	N/A	\$55,326,083	\$51,678,716
2018/19 - Collection @ 70% CL	\$1,584,000	\$56,910,083	\$53,262,716
2019/20 - Collection @ 70% CL	\$1,584,000	\$58,494,083	\$54,846,716
2020/21 - Collection @ 70% CL	\$1,584,000	\$60,078,083	\$56,430,716



## Athletic Injury Medical Expense Coverage Fund

### Target Surplus Funding Analysis at \$90,000 SIR

*as of 6/30/18 (unaudited)*

Gross Premium (FY 18/19):	\$4,660,547
Maximum Retention:	\$90,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/18	\$2,328,744 <i>Expected, ULAE, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/18	\$2,506,810 <i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/18	\$3,512,799 <i>includes \$500,000 interfund transfer from Liability Fund.</i>
Est. Funded Loss & ULAE @ 6/30/18	\$2,506,810 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$1,005,989

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 6:1	\$776,758	1.33
Surplus to Retention	> 5:1	\$450,000	39.03
O/S Reserve to Surplus	≤ 5:1	\$465,749	0.66

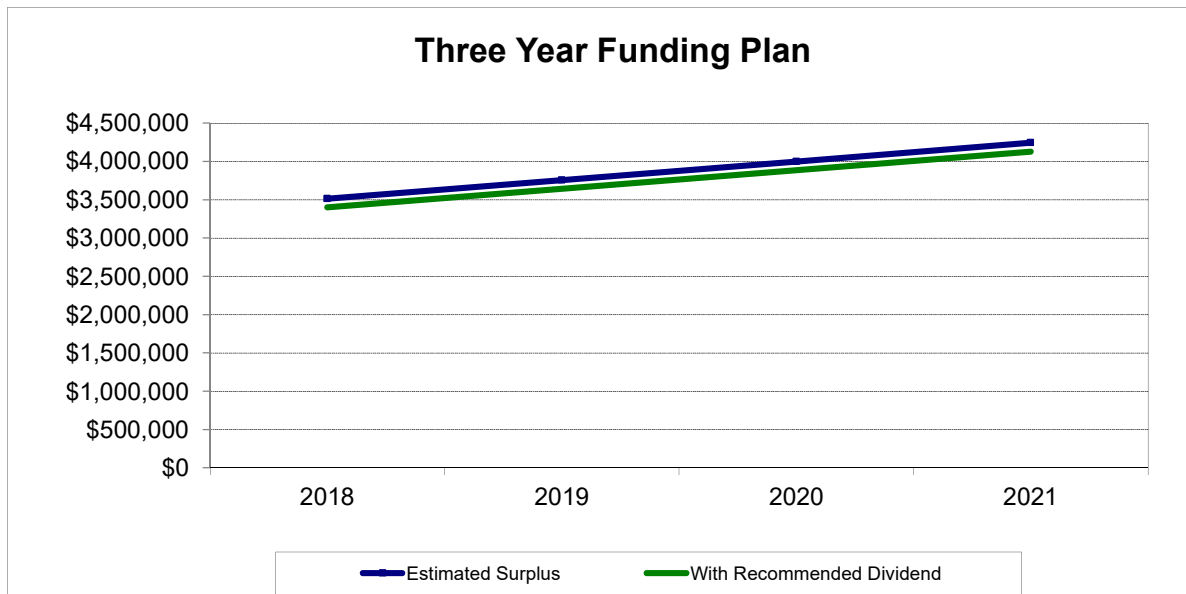
<b>Maximum Dividend Available:</b>	<b>\$229,231</b>
<b>Recommended Dividend 50%:</b>	<b>\$114,615</b> <i>Return to Liability Fund; remaining balance is \$385,385.</i>

### 2018/19 Pool Funding

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$4,055,700	-
at 70% Actuarial Confidence	1.060	\$4,299,042	\$243,342

### Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/18	N/A	\$3,512,799	\$3,398,184
2018/19 - Collection @ 70% CL	\$243,342	\$3,756,141	\$3,641,526
2019/20 - Collection @ 70% CL	\$243,342	\$3,999,483	\$3,884,868
2020/21 - Collection @ 70% CL	\$243,342	\$4,242,825	\$4,128,210





## **CSURMA**

## **POLICY AND PROCEDURE NO. 7**

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**EFFECTIVE:** JANUARY 1, 2000  
**REVISED:** APRIL 27, 2015  
**SUBJECT:** SELF-INSURED PROGRAM FUNDING

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### **ISSUE:**

The CSURMA operate various self-insured coverage programs. Generally, these programs include a primary layer of pooling, with excess and reinsurance coverage. Each program is responsible for all costs generated by that program, as well as a proportionate share of the JPA's general administrative costs. It is important that each self-insured program be properly funded to satisfy its liabilities. This policy and procedure continues the policy adopted by the CSURMA Board of Directors on April 24, 1997.

### **POLICY STATEMENT:**

It is the policy of the CSURMA that each self-insured program shall establish budgets with a goal of full funding, including a reasonable risk margin. Such funding shall be determined by the Executive Committee as a part of each year's annual budget based upon the recommendations of a professional actuary and staff.

### **PROCEDURE:**

CSURMA staff is responsible for developing draft budgets for each of the self-insured programs for each fiscal year. As a part of the budget development, staff will work with the CSU and its actuary to determine projected liabilities for the CSURMA's self-insured programs. The actuary's reports shall be used by staff and the Executive Committee to develop recommended rates and funding for each self-insured program.

It is the policy of the CSURMA to fund fully the self-insured programs. Adopted funding shall include sufficient funds projected to pay the following cost elements:

- Administrative expenses shall be funded on a cash basis for each program year;
- Prior year cash deficits (if any) shall be funded on a cash basis;
- Prior years' claims payable shall be funded on a cash basis to the extent accrued reserves do not amount to full funding;
- Current year expected liabilities shall be funded on an accrual (incurred) basis; and
- At such time as all outstanding liabilities are fully funded, a reasonable risk margin shall be funded.



## **CSURMA**

## **POLICY AND PROCEDURE NO. 7**

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Staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' funding status in accordance with this Policy & Procedure No. 7.



**CSURMA**

**POLICY AND PROCEDURE NO. 13**

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**ADOPTED:** OCTOBER 28, 2011

**EFFECTIVE:** OCTOBER 28, 2011

**REVISED:** APRIL 27, 2015

**SUBJECT:** CAMPUS RISK POOL PROGRAMS TARGET  
RESERVE FUNDING GOAL

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In an effort to assure the long term financial strength of the Campus Risk Pool Programs that include an element of self-insurance, the CSURMA Board of Directors 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 Board of Directors desires to establish a Target Reserve Funding Goal that will guide the CSURMA Executive Committee 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 Executive Committee and the MEMBER, the MEMORANDUMS OF COVERAGE and the PARTICIPATION AGREEMENTS will govern.*

**POLICY**

The Target Reserve Goal is hereby established to be, at a minimum, the actuarially determined expected liability (approximately 55% confidence level), discounted for investment. In evaluating the Programs’ funding position relative to the Target Reserve Funding Goal as a part of each year's ratemaking process, the Committee shall take into consideration the following ratios: Gross Premium to Unencumbered Reserve Ratio, Unencumbered Reserve to Pool Retention Ratio and Outstanding Reserves to Unencumbered Reserve Ratio.

The Committee may take action to set higher or lower confidence levels based on CSURMA’s goals to retain more or less risk. The Target Reserve Goal and Target Unencumbered Reserve Ratios described in this policy have been selected to take into account the nature of the Campus Risk Pool programs that include a relatively large and stable exposure and a single covered entity with substantial financial capacity.

**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, AIME 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, SAFECLIP, SPLIP and Crime

Programs have an annual aggregate retention, an actuarial analysis may not be performed. Also, no actuarial study is required for the IDL/NDL/UI Program as that program covers very short tail statutory benefits.

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

**Gross Premium to Unencumbered Reserve Ratio: Target <3:1**

This ratio is a measure of how the unencumbered reserves are leveraged against possible pricing inaccuracies. A low ratio is desirable.

**Unencumbered Reserve to Pool Retention Ratio: Target >1:1 (LIABILITY)  
Target >2:1 (WORKERS' COMP)**

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

**Outstanding Reserves to Unencumbered Reserve Ratio: Target ≤ 5:1**

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

- 3. Application of Target Surplus Criteria** – After an annual review of the Target Unencumbered Reserve Ratios, the Executive Committee will determine whether it is desirable to increase, decrease, or stabilize reserves. Their recommendations will be forwarded to the Board of Directors. If the Board of Directors desires to decrease reserves, it may approve a funding level below the 55% confidence level. Conversely, a funding decision above the 55% confidence level will indicate a bias toward increasing reserves. A determination to fund at the 55% confidence level will reflect the Executive Committee's desire to keep surplus at the current level.

Because the Property, SAFECLIP, SPLIP and Crime Programs have annual aggregate retentions, and therefore no actuarial study is performed, the Target Reserve Funding shall be the amount of funds that exceed the maximum liability retained by the program for the upcoming program year plus the expected value for all open claims from current and prior years. The Executive Committee will approve the annual funding for each program.

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



## **CSURMA**

## **POLICY AND PROCEDURE NO. 13**

- 4. Dividends** – Dividends may be available from the amount of reserves exceeding the Target Reserve amount established by the Executive Committee. The allocation of any dividend shall be pursuant to the formula approved by the Executive Committee.
  
- 5. Assessments** – Assessments may be required when the Executive Committee determines that the amount of reserves is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the formula approved by the Executive Committee.

### **MEMBER APPEAL PROCESS**

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 within 30 days of the disputed decision. The Secretary shall place the Member's appeal on the Executive Committee's agenda at its next regularly scheduled meeting. The Executive 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 Executive Committee's decision, the Member will notify the CSURMA Secretary in writing within 5 business days of receipt of the Executive 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:**

**CSURMA EXECUTIVE COMMITTEE** – The California State University Risk Management Authority Executive Committee, a committee of the CSURMA providing management and oversight to the CSURMA. The Executive Committee is comprised of the Chair, the Vice Chair, and seven “At Large” members.

**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.

**CAMPUS DIVIDENDS**

**ISSUE:** On September 7, 2018, the Executive Committee evaluated the funding status of the campus risk pools and approved dividends in accordance with Policy & Procedure No. 14. In making this determination, the Executive Committee reviewed the actuarial reports valued at June 30, 2018, and the audited financial statements as of June 30, 2018. It has been the practice of the Executive Committee to declare as dividends up to fifty percent (50%) of the unencumbered program funds which are in excess of the minimum funding requirements, and an assessment to cover existing and anticipated shortfalls for campus risk pools with a negative balance. Dividends have been approved for payment to members as follows:

<b>Dividend Payable</b>				
	<b>Liability</b>	<b>WC</b>	<b>AIME</b>	<b>Total</b>
Excess of Recommended Funding	\$7,646,090	\$20,240,528	\$1,005,989	\$28,892,607
Minimum Required Funding	5,391,049	12,945,795	776,758	19,113,602
Maximum Available	2,255,041	7,294,734	229,231	9,779,005
Indicated Dividend (50%)	1,127,520	3,647,367	114,615	4,889,503
Loan Repayment	0	0	(114,615)	(114,615)
<b>Dividend Payable</b>	<b>\$1,127,520</b>	<b>\$3,647,367</b>	<b>\$0</b>	<b>\$4,774,887</b>

*Recommended Funding is at 70% actuarial confidence level.*

**RECOMMENDATION:** This item is for information only. The dividends shown above was approved by the Executive Committee at its meeting on September 7, 2018.

**FISCAL IMPACT:** The adopted FY 2018/19 operating budget will be amended to reduce the Liability, Workers’ Compensation and AIME fund balances to recognize the dividends indicated above. Dividends for Liability and Worker’s Compensation will be paid to the campuses via a Cash Posting Order. AIME’s dividend will be applied to the Liability fund to repay a portion of the \$500,000 loan (inter-fund transfer) authorized by the Executive Committee on September 8, 2017.

**BACKGROUND:** CSURMA adopted a funding policy that calls for each program to fund its own liabilities. CSURMA allows inter-fund borrowing if a fund has a deficit position.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. 2018 Campus Dividends
- b. Policy & Procedure No. 14 - Campus Risk Pool Dividends and Assessments

<b>2018 Campus Dividends</b>					
<b>Campus</b>	<b>WC %</b>	<b>GL %</b>	<b>Workers' Comp</b>	<b>Liability</b>	<b>Total Dividend</b>
Bakersfield	1.97%	2.11%	22,247	76,976	99,223
Channel Islands	2.02%	2.95%	22,722	107,475	130,197
Chico	3.67%	3.90%	41,379	142,237	183,616
Dominguez Hills	3.25%	5.00%	36,649	182,267	218,916
East Bay	4.83%	4.03%	54,429	147,099	201,528
Fresno	3.99%	6.30%	45,009	229,868	274,877
Fullerton	5.49%	5.22%	61,927	190,269	252,196
Humboldt	2.43%	3.69%	27,375	134,702	162,077
Long Beach	9.01%	6.46%	101,634	235,514	337,148
Los Angeles	6.48%	3.80%	73,094	138,594	211,688
Maritime Academy	0.52%	1.43%	5,817	52,250	58,067
Monterey Bay	1.80%	1.81%	20,316	65,973	86,289
Northridge	7.24%	6.03%	81,613	220,090	301,703
Pomona	6.82%	4.52%	76,882	164,863	241,745
Sacramento	4.37%	5.21%	49,302	190,198	239,500
San Bernardino	3.61%	5.29%	40,711	192,916	233,627
San Diego	7.63%	4.33%	86,060	158,000	244,060
San Francisco	6.82%	4.69%	76,873	171,054	247,927
San Jose	5.12%	6.11%	57,761	222,801	280,562
San Luis Obispo	5.42%	4.76%	61,128	173,566	234,694
San Marcos	1.76%	2.81%	19,835	102,344	122,179
Sonoma	2.19%	3.75%	24,660	136,859	161,519
Stanislaus	2.08%	2.57%	23,409	93,674	117,083
Chancellor's Office	1.48%	3.23%	16,688	117,778	134,466
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$1,127,520</b>	<b>\$3,647,367</b>	<b>\$4,774,887</b>



**CSURMA**

**POLICY AND PROCEDURE NO. 14**

**ADOPTED:**

OCTOBER 28, 2011

**EFFECTIVE:**

OCTOBER 28, 2011; REVISED MAY 6, 2016

**SUBJECT:**

CAMPUS RISK POOL DIVIDENDS & ASSESSMENTS

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*Should there be any discrepancy between this document and either the MEMORANDUMS OF COVERAGE or PARTICIPATION AGREEMENTS between the Executive Committee and the MEMBER, the MEMORANDUMS OF COVERAGE and the PARTICIPATION AGREEMENTS will govern. Words in capital letters are defined at the end of this document.*

**POLICY**

It is the policy of Executive Committee that:

- Evaluation of the funding for each Campus Risk Pool Self-Insured Program (“PROGRAM”) shall be made based on all coverage periods combined for that particular program rather than on each coverage period on its own. The availability of any dividend or need for any assessment will be determined based on the program’s overall funding relative to the Target Reserve Funding Goal detailed in the separate Policy and Procedure No. 13.
- Assessments and Dividends shall be allocated to the MEMBERS based on participation in “open” policy periods only.
- Unless the Executive Committee takes specific action to the contrary, a coverage period shall be considered “closed” for dividend and assessment purposes five (5) years from the expiration of that period (i.e. 6/30/13 for FY07/08).
- Assessments are a responsibility of membership and shall be allocated to all members who participated in the open policy periods which the assessment is based on, regardless of whether they are current members at the time the assessment is declared.
- Dividends are a privilege of membership and shall be allocated only to the current members in the program at the time the dividend is declared who participated in one or more of the open policy periods which the dividend is based on.

**PROCEDURE**

1. **Annual Funding Analysis** – Each year the Program Administrator will analyze the current funding position of the programs in accordance with the Target Reserve Funding Goal detailed in Policy and Procedure No. 13. This analysis will, in part, determine whether each program’s overall funding is sufficient to consider a dividend or is depleted to the point of considering an assessment. The Program Administrator’s analysis will be reviewed by the Executive Committee.
2. **Closure of Policy Periods** - Upon reaching five (5) years of maturity after the end of a coverage period, that period shall be "closed" and there shall be no further dividends or

assessments allocated with respect to those program periods. Notwithstanding the above, the Executive Committee may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last five (5) policy periods shall always remain "open" unless the Executive Committee takes specific action to declare any of the last five (5) policy periods closed.

- 3. Dividends and Assessments** - Dividends and assessments shall be allocated to the MEMBERS based upon the proportion of all premiums paid to the PROGRAM in all "open" periods only. For purposes of allocating dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered collectively.
- 4. DECLARATION OF ASSESSMENTS** – Based on the recommendation of the Executive Committee, assessments will be declared as needed by the Board of Directors, and will be collected from a MEMBER in accordance with its proportionate funding to the PROGRAM during all “open” policy periods, whether or not they currently participate in the Program at the time of the assessment.
- 5. DECLARATION OF DIVIDENDS** – The Executive Committee may declare dividends if overall funding is sufficient to support such action. Upon such a declaration, the dividend shall be allocated to those MEMBERS currently participating in the Program at the time the dividend is payable, based on the proportionate funding of all “open” policy periods.

#### **MEMBER APPEAL PROCESS**

If a MEMBER wishes to appeal any decision regarding the application of this Dividend/Assessment Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary-Auditor within forty-five (45) days of the disputed decision. The Secretary-Auditor shall present the MEMBER appeal to the Executive Committee agenda at its next available regularly scheduled meeting. The Executive Committee will review the appeal at its next available regularly scheduled meeting and inform the MEMBER of the final decision within five (5) business days of its decision.



**DEFINITIONS:**

**EXECUTIVE COMMITTEE** – The governing body of CSURMA’s Campus Risk Pool Programs.

**MEMBER** – Any campus or the Chancellor’s Office participating in Campus Risk Pool Programs

**PROGRAM** – For purposes of dividends and assessments, CSURMA’s Campus Risk Pool Programs are the Liability, SAFECLIP, SPLIP, AIME, Workers’ Compensation, Property and Crime Programs.

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

**FY 2019/20 RATES AND GROSS FUNDING**  
**CAMPUS COVERAGE PROGRAMS**

**ISSUE:** Upon the recommendation of the Executive Committee, the Board of Directors adopts rates and funding for the upcoming fiscal year at its Fall meeting. Staff has prepared FY 2019/20 funding recommendations for the Campus coverage programs using the actuarial reports dated September 10, 2018.

Campus Liability include premium deposits for the Student Professional Liability Insurance Program (*SPLIP*), Student Academic Field Experience for Credit Liability Insurance Program (*SAFECLIP*) and the new Club Liability Insurance Program (*CLIP*). Campus Property include premium deposits for Blanket Employee Fidelity, Cyber Risk and Fine Arts Artifacts & Archives (*FAAAP*) insurance. Automobile Liability is self-insured by the State Motor Vehicle Insurance Account (*MVIA*), whose cost is determined by the Office of Risk and Insurance Management (*ORIM*). The costs for the purchased insurance programs (*SPLIP*, *SAFECLIP*, *Property*, *Fidelity*, and *Cyber*) are estimates at this time since actual rates will not be known until negotiations are finalized in June 2019.

The following summarizes total program costs, with individual campus costs shown in the attachments to this item:

**Campus Coverage Programs**  
**FY 2019/20 Proposed Gross Funding**

Coverage Program	FY 18/19	FY 19/20	\$ Chg	% Chg
	Actual Cost	Proposed		
Liability	\$16,173,148	\$18,605,268	\$2,432,120	15.0%
Workers' Compensation	38,837,384	40,781,992	1,944,608	5.0%
IDL/NDI/UI	15,500,000	15,316,000	(184,000)	-1.2%
Property	8,450,000	8,788,000	338,000	4.0%
AIME	4,660,547	4,760,949	100,402	2.2%
Automobile Liability	772,833	1,408,547	635,714	82.3%
<b>Total</b>	<b>\$84,393,912</b>	<b>\$89,660,756</b>	<b>\$5,266,844</b>	<b>6.2%</b>

- 1) *Liability funding is undiscounted for anticipated investment income.*
- 2) *Workers' Compensation and AIME funding are discounted for anticipated investment income.*

**RECOMMENDATION:** The Board of Directors is asked to adopt the Campus coverage programs funding for FY 2019/20 as presented above, and delegate authority to the Executive Committee to finalize funding of the Liability program at either a discounted or undiscounted basis when it meets in March 2019.

**FISCAL IMPACT:** Calculations of the recommended funding for the Campus coverage programs are in accordance with the policies and procedures and rating plans adopted and approved by the Board of Directors.

**BACKGROUND:** CSURMA employs an independent actuary, Aon Risk Consultants, to project claim costs for its General / Errors & Omissions Liability, Workers' Compensation and Athletic Injury Medical Expense programs. The actuary's reports dated September 10, 2018 were used to calculate funding proposals for FY 2019/20.

The Board of Directors is asked to focus on the aggregate program funding issues at this time. Campuses may contact Rob Leong (415-403-1441) for any specific questions as to how their cost was calculated.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 2019/20 Campus Coverage Programs Proposed Funding (*Draft*)
- b. Policy & Procedure No.7 – Self-Insured Program Funding (*see Agenda Item D2b*)

**CSURMA RISK POOL FY 2018/19**  
**Total Program Cost**

<i>Campus</i>	<i>Actual FY 18/19</i>	<i>Final FY 19/20</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$1,666,498	\$1,688,605	\$22,107	1.3%
Channel Islands	1,704,273	1,885,159	180,886	10.6%
Chico	2,840,305	2,993,588	153,283	5.4%
Dominguez Hills	2,734,108	2,974,401	240,293	8.8%
East Bay	3,298,947	3,254,955	(43,992)	-1.3%
Fresno	3,447,287	3,698,967	251,680	7.3%
Fullerton	5,286,368	5,848,142	561,774	10.6%
Humboldt	2,192,572	2,351,307	158,735	7.2%
Long Beach	6,189,407	5,887,862	(301,545)	-4.9%
Los Angeles	5,198,874	5,571,468	372,594	7.2%
Maritime Academy	617,426	664,676	47,250	7.7%
Monterey Bay	1,648,382	1,700,491	52,109	3.2%
Northridge	6,740,448	7,364,514	624,066	9.3%
Pomona	4,264,495	4,349,490	84,995	2.0%
Sacramento	4,086,117	4,607,731	521,614	12.8%
San Bernardino	3,227,236	3,671,767	444,531	13.8%
San Diego	5,612,773	5,694,896	82,123	1.5%
San Francisco	5,979,179	6,886,442	907,263	15.2%
San Jose	5,433,354	5,549,981	116,627	2.1%
San Luis Obispo	4,716,478	4,954,824	238,346	5.1%
San Marcos	1,954,609	2,070,899	116,290	5.9%
Sonoma	2,839,944	3,121,354	281,410	9.9%
Stanislaus	1,619,367	1,699,730	80,363	5.0%
Chancellor's Office	1,095,465	1,169,507	74,042	6.8%
<b>Total:</b>	<b>\$84,393,912</b>	<b>\$89,660,756</b>	<b>\$5,266,844</b>	<b>6.2%</b>

Liability program funding for FY 18/19 & FY 19/20 are undiscounted for estimated investment income.

Workers' Comp program funding for FY 18/18 & FY 19/20 are discounted for estimated investment income.

**CSURMA RISK POOL FY 2018/19  
Liability Program Cost**

<i>Campus</i>	<i>Actual FY 18/19 undiscounted</i>	<i>Final FY 19/20 undiscounted</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$238,924	\$276,379	\$37,455	15.7%
Channel Islands	322,943	359,342	36,399	11.3%
Chico	713,145	736,170	23,025	3.2%
Dominguez Hills	487,843	536,862	49,019	10.0%
East Bay	451,784	424,188	(27,596)	-6.1%
Fresno	534,681	586,448	51,767	9.7%
Fullerton	1,227,488	1,688,230	460,742	37.5%
Humboldt	353,478	403,976	50,498	14.3%
Long Beach	781,658	651,685	(129,973)	-16.6%
Los Angeles	1,227,374	1,493,288	265,914	21.7%
Maritime Academy	173,592	163,690	(9,902)	-5.7%
Monterey Bay	226,524	300,423	73,899	32.6%
Northridge	1,266,648	1,337,318	70,670	5.6%
Pomona	590,867	625,529	34,662	5.9%
Sacramento	757,460	811,193	53,733	7.1%
San Bernardino	886,047	1,113,334	227,287	25.7%
San Diego	696,135	723,084	26,949	3.9%
San Francisco	1,342,458	2,147,255	804,797	59.9%
San Jose	1,025,483	1,084,313	58,830	5.7%
San Luis Obispo	672,200	675,923	3,723	0.6%
San Marcos	423,641	447,177	23,536	5.6%
Sonoma	980,952	1,182,073	201,121	20.5%
Stanislaus	357,251	372,722	15,471	4.3%
Chancellor's Office	434,572	464,666	30,094	6.9%
<b>Total:</b>	<b>\$16,173,148</b>	<b>\$18,605,268</b>	<b>\$2,432,120</b>	<b>15.0%</b>

SPLIP, SAFECLIP included in above.

Club Liability Insurance Program (CLIP) began 7/1/18. Funding begins FY 19/20.

**CSURMA RISK POOL FY 2018/19  
Workers' Compensation Program Cost**

<i>Campus</i>	<i>Actual FY 18/19 discounted</i>	<i>Final FY 19/20 discounted</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$811,282	\$805,407	(\$5,875)	-0.7%
Channel Islands	755,243	864,316	109,073	14.4%
Chico	1,298,121	1,370,715	72,594	5.6%
Dominguez Hills	1,249,625	1,397,399	147,774	11.8%
East Bay	1,837,628	1,789,708	(47,920)	-2.6%
Fresno	1,454,412	1,593,721	139,309	9.6%
Fullerton	2,378,904	2,506,200	127,296	5.4%
Humboldt	932,224	1,029,524	97,300	10.4%
Long Beach	3,362,819	3,164,813	(198,006)	-5.9%
Los Angeles	2,637,717	2,724,279	86,562	3.3%
Maritime Academy	221,231	274,573	53,342	24.1%
Monterey Bay	681,454	680,731	(723)	-0.1%
Northridge	3,158,562	3,526,073	367,511	11.6%
Pomona	2,490,233	2,538,962	48,729	2.0%
Sacramento	1,557,550	1,780,785	223,235	14.3%
San Bernardino	1,384,940	1,527,120	142,180	10.3%
San Diego	2,935,608	2,969,935	34,327	1.2%
San Francisco	2,689,598	2,799,396	109,798	4.1%
San Jose	1,928,260	2,024,177	95,917	5.0%
San Luis Obispo	2,176,620	2,344,388	167,768	7.7%
San Marcos	756,145	807,441	51,296	6.8%
Sonoma	897,045	915,510	18,465	2.1%
Stanislaus	706,284	761,118	54,834	7.8%
Chancellor's Office	535,879	585,701	49,822	9.3%
<b>Total:</b>	<b>\$38,837,384</b>	<b>\$40,781,992</b>	<b>\$1,944,608</b>	<b>5.0%</b>

**CSURMA RISK POOL FY 2018/19  
IDL/NDI/UI Program Cost**

<i>Campus</i>	<i>Actual FY 18/19</i>	<i>Final FY 19/20</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$244,325	\$206,490	(\$37,835)	-15.5%
Channel Islands	415,547	425,752	10,205	2.5%
Chico	436,659	444,967	8,308	1.9%
Dominguez Hills	529,564	510,229	(19,335)	-3.7%
East Bay	642,004	644,349	2,345	0.4%
Fresno	514,093	492,695	(21,398)	-4.2%
Fullerton	975,196	934,391	(40,805)	-4.2%
Humboldt	550,039	558,965	8,926	1.6%
Long Beach	1,165,144	1,191,784	26,640	2.3%
Los Angeles	767,223	768,512	1,289	0.2%
Maritime Academy	146,583	147,314	731	0.5%
Monterey Bay	414,547	389,624	(24,923)	-6.0%
Northridge	1,363,107	1,423,789	60,682	4.5%
Pomona	631,701	648,798	17,097	2.7%
Sacramento	757,086	755,549	(1,537)	-0.2%
San Bernardino	594,307	618,954	24,647	4.1%
San Diego	734,182	705,763	(28,419)	-3.9%
San Francisco	1,132,166	1,073,214	(58,952)	-5.2%
San Jose	1,155,537	1,086,203	(69,334)	-6.0%
San Luis Obispo	882,037	875,451	(6,586)	-0.7%
San Marcos	468,775	457,856	(10,919)	-2.3%
Sonoma	583,042	570,291	(12,751)	-2.2%
Stanislaus	305,653	300,928	(4,725)	-1.5%
Chancellor's Office	91,483	84,132	(7,351)	-8.0%
<b>Total:</b>	<b>\$15,500,000</b>	<b>\$15,316,000</b>	<b>(\$184,000)</b>	<b>-1.2%</b>

Industrial Disability Leave, Nonindustrial Disability Insurance, Unemployment Insurance

**CSURMA RISK POOL FY 2018/19**  
**Property Program Cost**

<i>Campus</i>	<i>Actual FY 18/19</i>	<i>Final FY 19/20</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$139,325	\$141,100	\$1,775	1.3%
Channel Islands	183,034	185,305	2,271	1.2%
Chico	320,254	346,324	26,070	8.1%
Dominguez Hills	166,383	174,185	7,802	4.7%
East Bay	264,175	307,507	43,332	16.4%
Fresno	377,229	388,395	11,166	3.0%
Fullerton	528,132	483,845	(44,287)	-8.4%
Humboldt	235,681	247,189	11,508	4.9%
Long Beach	593,217	554,393	(38,824)	-6.5%
Los Angeles	448,215	452,811	4,596	1.0%
Maritime Academy	49,101	44,945	(4,156)	-8.5%
Monterey Bay	130,875	155,026	24,151	18.5%
Northridge	622,251	668,305	46,054	7.4%
Pomona	438,340	411,953	(26,387)	-6.0%
Sacramento	408,201	473,494	65,293	16.0%
San Bernardino	285,202	303,031	17,829	6.3%
San Diego	645,746	687,951	42,205	6.5%
San Francisco	688,078	745,328	57,250	8.3%
San Jose	853,264	840,662	(12,602)	-1.5%
San Luis Obispo	437,881	468,964	31,083	7.1%
San Marcos	182,269	204,280	22,011	12.1%
Sonoma	273,699	320,086	46,387	16.9%
Stanislaus	146,230	148,467	2,237	1.5%
Chancellor's Office	33,218	34,454	1,236	3.7%
<b>Total:</b>	<b>\$8,450,000</b>	<b>\$8,788,000</b>	<b>\$338,000</b>	<b>4.0%</b>

Beginning FY 17/18, SPWB facilities are campus responsibility as the "Systemwide" central fu has been dissolved.

Does not include adjustments due to addition/deletions of buildings.

Includes Crime (Fidelity), Cyber Risks. Fine Arts

**CSURMA RISK POOL FY 2018/19**  
**Athletic Injury Medical Expense Program Cost**  
**(AIME)**

<i>Campus</i>	<i>Actual FY 18/19</i>	<i>Final FY 19/20</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$219,827	\$210,171	(\$9,656)	-4.4%
Channel Islands				
Chico	44,463	45,245	782	1.8%
Dominguez Hills	281,001	319,418	38,417	13.7%
East Bay	82,257	51,232	(31,025)	-37.7%
Fresno	501,076	511,876	10,800	2.2%
Fullerton	137,733	162,305	24,572	17.8%
Humboldt	101,927	66,198	(35,729)	-35.1%
Long Beach	238,746	237,326	(1,420)	-0.6%
Los Angeles	85,525	92,666	7,141	8.3%
Maritime Academy	22,543	21,404	(1,139)	-5.1%
Monterey Bay	178,416	147,525	(30,891)	-17.3%
Northridge	293,465	340,292	46,827	16.0%
Pomona	62,561	49,414	(13,147)	-21.0%
Sacramento	565,342	713,816	148,474	26.3%
San Bernardino	40,325	41,700	1,375	3.4%
San Diego	555,623	531,111	(24,512)	-4.4%
San Francisco	96,716	87,435	(9,281)	-9.6%
San Jose	430,645	442,563	11,918	2.8%
San Luis Obispo	457,875	424,078	(33,797)	-7.4%
San Marcos	106,900	107,581	681	0.6%
Sonoma	74,418	79,901	5,483	7.4%
Stanislaus	83,163	77,692	(5,471)	-6.6%
Chancellor's Office				
<b>Total:</b>	<b>\$4,660,547</b>	<b>\$4,760,949</b>	<b>\$100,402</b>	<b>2.2%</b>

**CSURMA RISK POOL FY 2018/19  
Auto Liability (VELSIP) Program Cost**

<i>Campus</i>	<i>Actual FY 18/19</i>	<i>Final FY 19/20</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$12,815	\$49,058	\$36,243	282.8%
Channel Islands	27,506	50,444	22,938	83.4%
Chico	27,663	50,167	22,504	81.4%
Dominguez Hills	19,692	36,308	16,616	84.4%
East Bay	21,099	37,971	16,872	80.0%
Fresno	65,796	125,832	60,036	91.2%
Fullerton	38,915	73,171	34,256	88.0%
Humboldt	19,223	45,455	26,232	136.5%
Long Beach	47,823	87,861	40,038	83.7%
Los Angeles	32,820	39,912	7,092	21.6%
Maritime Academy	4,376	12,750	8,374	191.4%
Monterey Bay	16,566	27,162	10,596	64.0%
Northridge	36,415	68,737	32,322	88.8%
Pomona	50,793	74,834	24,041	47.3%
Sacramento	40,478	72,894	32,416	80.1%
San Bernardino	36,415	67,628	31,213	85.7%
San Diego	45,479	77,052	31,573	69.4%
San Francisco	30,163	33,814	3,651	12.1%
San Jose	40,165	72,063	31,898	79.4%
San Luis Obispo	89,865	166,020	76,155	84.7%
San Marcos	16,879	46,564	29,685	175.9%
Sonoma	30,788	53,493	22,705	73.7%
Stanislaus	20,786	38,803	18,017	86.7%
Chancellor's Office	313	554	241	77.0%
<b>Total:</b>	<b>\$772,833</b>	<b>\$1,408,547</b>	<b>\$635,714</b>	<b>82.3%</b>

**Allocated per reported Fleet count submitted to Chancellor's Office and DGS.**

Auto Liability is managed by the State Vehicle Liability Self-Insurance Program (VELSIP), which which also determines the program's total cost each year.

## **FY 2018/2019 LONG RANGE PLANNING GOALS**

**ISSUE:** The Executive Committee conducts a Long Range Action Planning meeting each year in March and establishes a long range action plan for the year. Periodically during the year, the Executive Committee receives a report to gauge progress and to re-evaluate where efforts should be focused.

**RECOMMENDATION:** The Board will hear a report from Staff on the status of the long range action plan items.

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

**BACKGROUND:** The Executive Committee adopted the FY 2018/2019 Long Range Action Plan and goals to be accomplished. The Board will receive a report from Staff on the assigned responsibilities and deadlines of the Long Range Planning Goals.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Long Range Action Plan

## FY 2018/19 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>LRP-1</b>	<b>SPECIAL EVENTS RESOURCE GUIDE</b>			
<b>Roll Out of Special Events Resource Guide Including Outreach to Campus and Auxiliary Organization Event Planners</b>	1 Identify and engage consultant to create Special Events Risk Management Manual and training modules.	SRM	Aug-15	Completed
	2 Consultant presents Special Event Management Project at Fitting the Pieces Together Conference	SRM	Nov-16	Completed
	3 Develop subject content for special events risk management manual.	SRM	Apr-17	Completed
	4 Oversee design and development of special events risk management manual.	SRM	Apr-17	Completed
	5 Consultant develops training module(s) for CSU LMS	SRM	Mar-18	In Process
	6 Roll out manual to all campus and auxiliary organization staff	SRM	Mar-18	Completed
	7 Post manual on the CSURMA website	PA	Mar-18	Completed
	8 Roll out special events training on the CSU LMS	SRM	Apr-18	In Process
	9 Finaliz review by legal counsel	SRM	Apr-18	In Process
	10 Consultant presents the completed Special Event Management manual	SRM	Oct-18	In Process
<b>LRP-2</b>	<b>RMIS REPORTING</b>			
<b>Roll Out of RMIS System to Campus Risk Managers, EH&amp;S and WC Coordinators</b>	1 Populate Ventiv database with hierarchy structure.	PA	17-Oct	In Process
	2 Populate Ventiv database with Phase 1 policy data.	PA	17-Dec	In Process
	3 Present Phase 1 project results and recommendations for Phase 2.	SRM, PA	17-Dec	In Process
	4 Implement initial benchmarking project.	SRM, PA	18-Jan	In Process
	5 Approve Phase 2 and ongoing database maintenance plan.	EC	18-Mar	In Process
	6 Report to EC and BOD.	SRM, PA	18-Apr	In Process
	7 Presentation of sustainable long term benchmarking program.	SRM, PA	18-Oct	In Process
	8 Approval of long term benchmarking project scope and costs.	EC	19-Jan	
<b>LRP-3</b>	<b>CAPTIVE INSURER</b>			
<b>Captive Formation and Analysis of CSURMA Investment Options</b>	1 Identify and engage consultant to evaluate CSURMA's captive utilization options.	EC, SRM, PA	Jan-16	Completed
	2 Review the Pinnacle Actuarial Resources initial evaluation of CSURMA's captive utilization options.	EC	May-16	Completed
	3 Present further evaluation to EC for direction	EC	Sep-16	Completed
	4 Report on project to EC and BOD	BOD	Nov-16	Completed
	5 Approval of the use of a captive for the legacy workers' compensation claims	EC	Mar-17	Completed
	6 Report on project to the BOD	PA	May-17	Completed
	7 Perform legal and actuarial work needed to evaluate further	SRM, PA	Feb-18	In Process
	8 Analyze captive relative to JPA & new investment flexibility	SRM, PA	Mar-19	In Process
	9 Oversee development of a captive cell	SRM, PA	Mar-19	In Process
	10 Review CSU's new investment flexibility with legal counsel as it pertains to CSURMA.	SRM, PA	Mar-19	
<b>LRP-4</b>	<b>CAMPUS VISITS</b>			
<b>Campus Visits to include CABO Member, RM and EH&amp;S, Athletic Directors and Trainers, Auxiliary Organization</b>	1 Schedule meetings with all Campus VPs	PA	Aug-16	Completed
	2 RPTG will meet to review risk pool rating plans	SRM, RPTG, PA	Oct-16	Completed
	4 Completion of Campus VP presentation	PA	Nov-16	Completed
	5 Completion Campus visits	SRM, PA	Mar-17	In Process
	6 Report on project to the BOD	BOD	Apr-18	Completed

## FY 2018/19 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>Leadership</b>	7 Schedule meetings with all Campus RM and EH&S, Athletic Trainers and Auxiliary Organization Leadership	PA	Aug-18	In Process
	8 Completion of visit presentations	PA	Mar-19	
	9 Completion of Campus visits	SRM, PA	Mar-19	
<b>LRP-5 SYSTEMWIDE EH&amp;S</b>				
<b>CSURMA Support of Systemwide Environmental Health and Safety Initiatives Such as Compliance, Chemical Safety, Laboratory Safety</b>	1 Report on project to the BOD	BOD	Apr-18	Completed
	2 Survey all Campuses to ascertain what EH&S initiatives are in place	SRM, PA	May-18	Completed
	3 Present EH&S survey information to CABO, provide direction to EC	PA, CABO	Aug-18	Completed
	4 EC to discuss EH&S safety training and tracking systems available	EC	Sep-18	Completed
	5 EC to recommend systemwide EH&S safety training and tracking system to SRM	EC	Oct-18	Completed
<b>LRP-6 STUDENT CLUB ACTIVITIES</b>				
<b>Campus Support for Managing Liability Arising from Club Activities Including CSURMA Programs and Services</b>	1 Complete marketing specifications and coverage program design	PA	Mar-18	Completed
	2 Submit specs to insurers for coverage quotes	PA	Mar-18	Completed
	3 Review quotes received from insurers	PA	Mar-18	Completed
	4 BOD and EC to approve the Club Liability Insurance Program (CLIP)	EC, BOD	Apr-18	Completed
	5 Send out notification to campuses for roll out of the program	PA	May-18	Completed
<b>LRP-7 IRIC AND SERG MANUAL TRAINING</b>				
<b>Conduct Intensive North – South Training of New IRIC and SERG Manuals Directed at CSU Procurement Professionals</b>	1 Present IRIC at CSU Business Conference	PA	Apr-18	Completed
	2 Schedule training dates	PA	Apr-18	In Process
	3 Finalize IRIC and SERG presentations	PA	Apr-18	In Process
	4 Southern California IRIC training presentation	PA	TBD	
	5 Northern California IRIC training presentation	PA	TBD	
	6 Southern California SERG training presentation	PA	TBD	
	7 Northern California SERG training presentation	PA	TBD	
<b>LRP-8 BUDGETING PRACTICES RELATED TO CSURMA DIVIDENDS</b>				
<b>Review Timing and Budgeting Practices Related to CSURMA Dividends</b>	1 Review budgeting practices related to CSURMA dividends	PA	Apr-18	Completed
	2 EC to review recommendations and provide direction to PA	EC	Apr-18	Completed
	3 Revise Policies and Procedures as appropriate in accordance with changes, if any	PA	Apr-18	Completed
<b>LRP-9 FINANCIAL REPORTING</b>				
<b>Review of Financial Reports to EC and BOD for</b>	1 Completion of Report of Financial Strength for all CSURMA Insurers and Reinsurers for FY 17/18	PA	Apr-18	Completed
	2 EC to review report for all FY 17/18 Insurers / Reinsurers	EC	Apr-18	Completed

## FY 2018/19 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>Compliance, Relevance and Effectiveness</b>	3 BOD to review report for all FY 17/18 Insurers / Reinsurers	BOD	Apr-18	Completed
	4 Completion of Report of Financial Strength of all CSURMA Insurers and Reinsurers for FY 18/19	PA	Oct-18	In Process
	5 BOD to review report for all FY 18/19 Insurers / Reinsurers	BOD	Oct-18	In Process
<b>LRP-10 QUARTERLY CSURMA REPORTS FOR CABO UTILIZING RMIS DASHBOARD AND GRAPHICS</b>				
<b>Update of Quarterly CSURMA Report to CABO Utilizing RMIS Dashboard and Graphics</b>	Presentation of sustainable long term benchmarking program to CABO	SRM	Oct-18	In Process
	Prepare quarterly Risk Management update to include the RMIS dashboard and graphics	SRM	Oct-18	In Process
<b>LRP-11 OCIP DIVIDEND POLICY AND PROCEDURE</b>				
<b>Development of OCIP Dividend Policy and Procedure</b>	1 Develop revisions to policies and procedures to address the allocation of potential OCIP dividends	PA	Apr-18	Completed
	2 EC to review OCIP dividends allocations	EC	Oct-18	In Process
	3 BOD to approve the final formula to allocate OCIP dividends	BOD	Oct-18	In Process

**BOD:** CSURMA Board of Directors  
**CABO:** CSU Chief Administrators and Business Officers  
**CO:** Chancellor's Office  
**CPDC:** CO Capital Planning Design & Construction

**EC:** CSURMA Executive Committee  
**OGC:** CSU Office of General Counsel  
**PA:** CSURMA Program Administrator  
**SRM:** CSU Systemwide Risk Management

**CSURMA SUPPORT FOR SYSTEMWIDE EH&S SOFTWARE PACKAGE**

**ISSUE:** CSURMA’s Executive Committee agreed to support campus implementation of the University of California’s Risk and Safety Solutions (RSS) software modules, with campuses to pay for annual licensing. In April, the State Auditor released a report that described deficiencies in the University’s EH&S management, among them the need for a systemwide software platform to help manage EH&S processes and exposures. The Chancellor’s Office determined the best solution was to implement the RSS package on a systemwide basis, which the Chancellor committed partial funding for FY 2018/19. The Chancellor’s Office asked the balance be absorbed by CSURMA in its FY 2018/19 budget and include the cost of the software in the Campus Liability Risk Pool rates in the following years. Note, the additional cost for the software in FY 2019/20 and beyond is due to the cost of adding the “Chemicals” module which the Chancellor’s Office negotiated to be deferred in Year 1. Table 1 shows the cost:

**Table 1**  
Annual Cost for RSS Software Package

	<b>FY 2018/19</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>
Software Cost	\$500,000	\$902,200	\$755,213
MSDS Module	59,187	59,187	59,187
C.O. Support	(500,000)	(500,000)	(500,000)
<b>CSURMA Cost</b>	<b>* \$59,187</b>	<b>\$461,387</b>	<b>\$314,400</b>

\* CSURMA has budgeted up to \$140,000 for RSS software in FY 2018/19.

**RECOMMENDATION:** No action is requested. This item is for information only.

**FISCAL IMPACT:** CSURMA budget included \$140,000 for RSS software implementation at seven campuses (*i.e.* \$20,000 each). The additional cost of a systemwide implementation of a broader package of modules will cost \$500,000 in Year 1 (*i.e.*, \$21,739 per campus), offset by the Chancellor’s Office contribution. A midterm budget amendment will be prepared to approve additional expenditure on RSS software in the current fiscal year. The cost in future years will be included in the budget and charged to the Liability Program fund.

**BACKGROUND:** CSURMA has recognized the need to support campus implementation of a software package to manage EH&S processes and exposures. Previously, the Executive Committee had agreed to support implementation of a limited number of the RSS software at

seven campuses per year. This was intended to be a voluntary offering. Following the State Auditor's report, it's now clear that CSU needs a systemwide solution on a common software package. In addition, campuses may have additional costs such as bar code labels that will be reimbursed to CSURMA.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Risk & Safety Solutions Presentation

# Risk & Safety Solutions CSU Partnership

Diana Cox • Christine Carcamo



# Introductions

---

## Diana Cox

Client Manager

Risk & Safety Solutions

## Christine Carcamo

Professional Services Manager

Risk & Safety Solutions



## Risk and Safety Solutions – the Beginning

**Risk and Safety Solutions is a full-service software development organization founded in 2010 by the University of California Chief Risk Officer**

- Budget cuts threatened IT staff across the UC system
- The need to automate manual processes and streamline workflows continued to grow
- RSS was created as a centrally funded IT software development shop that could leverage unexplored opportunities
  - The power of 10
  - Better IT solutions (data integrity and integration points)
  - Improved business practices through collaboration
  - Systemwide metrics
- UCLA accident and settlement drove home the importance of safety from a humanistic, civil (litigation) and criminal point of view
- Additional funding for resources was provided to expedite development



**RSS started by issuing a survey to all 10 UCs about all EH&S programs and relevant IT solutions in place. The survey results highlighted:**

- Highly manual and paper-based processes
- Limited IT solutions to automate programs
- Fragmented deployment of technology
- Poor hosting practices
- No standards of common metrics
- Limited collaboration between campuses on programs as well as IT solutions
- Lack of any coordination on selection of IT solutions

# Risk and Safety Solutions – Today

- We offer an integrated platform that includes over 25 mobile and web solutions for improving safety and compliance
- Over 100,000 users
- Team of over 100+ employees
  - Product development
  - Business analysts
  - Project managers
  - Developers
  - QA/QC engineers
  - Business Intelligence
  - Communications team
  - Professional Services
  - Sales and Marketing
  - Service Desk



## Risk and Safety Solutions – Commercialization

- Approached mainly by other higher education entities looking to acquire our solutions
- Worked with UCOP general counsel and external consulting services to formalize legalities
- Focused on commercial strength products, planning and documentation
  - Security assessments, disaster recovery plans, accessibility, etc.
- Began offering products and services commercially in 2016
- Currently our systems are in use at the 10 UC campuses, 5 UC Medical Centers, CHOC, University of Hawaii and now the CSU system



## CSU System as a Partner

### 2017 - CSU San Marco, Fresno and Sacramento were early adopters (2017)

- First-hand experience from these locations demonstrated the value to their campus and potential systemwide
- Also showed areas the software needed improvement

### 2018 - Systemwide contract with RSS

- Initially agreed to implement Assessment, Inspect, Chemicals by fall 2018
- Additional systems can be adopted at the campus's cost at a greatly discounted price

Integration with the LMS and training assignments are in discussion for the next phase



*Fresno State EHS staff members Jaime Horio and Ryan Preston in front of the presentation board for CHEMICALS. The presentation was during the President's Showcase of Excellence held on April 20th.*

## Systems - Detail

---



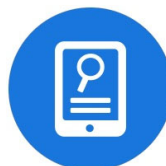
### Assessment

A tool for assessing hazards in laboratories and other workspaces and tracking the recommendations provided by the system based on the assessment, such as protective equipment, required training and safe handling procedures.



### Chemicals

A chemical inventory management system that includes a library that places chemicals into a record or “family” grouping of like products and assigns hazard bands automatically. Administrators can manage their chemical inventory compliance across multiple labs and review inventories and details of chemical use. The associated dashboard includes built-in reporting for Maximum Allowable Quantity, CFATS, OSHA-related carcinogens and hazard classification reports with real-time results.



### Inspect

An inspection tool that allows users in a variety of settings to complete audits and inspections with the convenience of a mobile app. It provides a streamlined way to record issues, track resolutions and analyze trends.

## Additional Systems of Interest

---



### LOTO

A tool for developing, managing and sharing lockout/tagout procedures to prevent the unintended release of hazardous energy from a machine or piece of equipment.



### WASTE

A complete hazardous waste management system that provides automated hazardous waste tracking, generates regulatory-compliant tags and schedules pickups for proper disposal.

## Audit related efficiencies



These systems are designed to communicate, document and report out key metrics and data points specific to safety and compliance

### RSS systems provide:

- Consistent methodology systemwide
- Components of IIPP
- Identification, evaluation and an acknowledgement of hazards
- PPE recommendations
- Laboratory safety information
- Identification of chemicals stored on campus
- Inspections and documented audit trail
  - Training requirements and verification
  - Eyewash stations
  - Fume hood certifications
- Dashboards identify trends, risks and locations with best practices
- Documentation and retention

## Possible future efficiencies

- Integration
  - LMS
  - Work order systems
  - Training assignments
- Self-inspections
- Different inspections types
  - Equipment
  - Shops
  - Theater
- Collaboration on future development of RSS systems
  - Controlled substances
  - Near-miss/incident reporting



## Current Status of Implementation


Completed	Scheduled (Sept)	Remaining
✓ Fresno State	<input type="checkbox"/> San Jose State	<input type="checkbox"/> Northridge
✓ East Bay	<input type="checkbox"/> San Bernardino	<input type="checkbox"/> Bakersfield
✓ Sacramento State	<input type="checkbox"/> Los Angeles	<input type="checkbox"/> Maritime
✓ Channel Islands	<input type="checkbox"/> San Marcos	<input type="checkbox"/> Sonoma
✓ SF State	<input type="checkbox"/> Dominguez Hills	<input type="checkbox"/> CPP (Pomona)
✓ Chico State	<input type="checkbox"/> Monterey Bay	<input type="checkbox"/> Humboldt
✓ Stanislaus	<input type="checkbox"/> Long Beach	
✓ Cal Poly (SLO)		
✓ San Diego State		
✓ Fullerton		

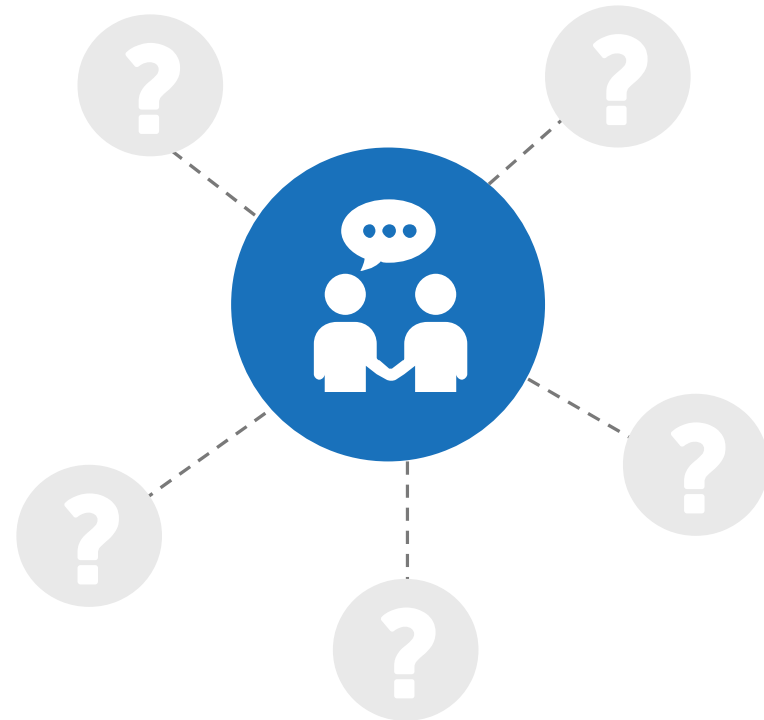
# Questions?

---

**Diana Cox**

 [dicox@ucdavis.edu](mailto:dicox@ucdavis.edu)

 (530) 752-6687  
(530) 570-2048



## **RISK CONSOLE ROLL-OUT**

**ISSUE:** The new Risk Console Platform is now populated with coverage, exposure and claims information. You will now have the ability to obtain information and graphs specifically about your campus or specific location.

Two webinar have been scheduled so you can learn how to use this new risk management tool:

October 18<sup>th</sup> – 2:00 PM to 4:00 PM  
October 23<sup>rd</sup> – 10:00 AM to 12:00 PM

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

**FISCAL IMPACT:** The cost for the Risk Console is included in the current budget.

**BACKGROUND:** Staff will be available at the meeting to provide an overview of the Risk Console as well as to answer questions.

**PUBLICATION:** Information will be distributed to the Member during the scheduled webinars.

**ATTACHMENT(S):**

- a. Risk Console Platform training announcement
- b. Risk Console Platform training agenda

## Myron Leavell

---

**From:** Van Leuven, Jody <jvanleuven@calstate.edu>  
**Sent:** Thursday, October 11, 2018 3:04 PM  
**To:** srm-rm@lists.calstate.edu  
**Cc:** Myron Leavell; 'Doris Roldan'  
**Subject:** RiskConsole webinars!!!  
**Attachments:** RiskConsole Dashboard/Report Training; RiskConsole Dashboard/Report Training

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**This message has originated outside the organization.**

---

Hey Hardworking Risk Managers!

Please join us for one of two opportunities to learn more about dashboarding using our RiskConsole platform. This is a data base which warehouse various CSU risk management information. It can be used to obtain information and graphs for dashboards, key performance indicators and reporting – it's a useful tool for campus specific needs. This data instrument could go a long way in telling your campus's risk management story and the data/graphs are easily transferable for your own reporting needs.

If you wish to know more about how to use this helpful tool, please attend one of these two webinars:

**October 18, 2018 from 2:00 pm – 4:00 pm** ([Join Webex meeting](#) Meeting number (access code): 648 397 262)

or

**October 23, 2018 from 10 am – 12pm** ([Join Webex meeting](#) Meeting number (access code): 648 774 433)

If you're like me, attend both!

Attached to this email are invites for your calendar with links to the webex meetings (one for each webinar as indicated).

Thanks so much,  
Jody

*Jody Van Leuven, Ed.D.*  
Assistant Director, Systemwide Risk Management

 **The California State University**  
OFFICE OF THE CHANCELLOR  
**Systemwide Risk Management**  
401 Golden Shore, 5<sup>th</sup> Floor, Long Beach, CA 90802-4210  
Telephone: (562) 951-4574  
[www.calstate.edu](http://www.calstate.edu)

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# AGENDA

## California State University Training

### I - System Basics

- MyConsole
- Quick Search
- Review Claims Detail
- Advanced Query
- Updating Claims Data
- Creating Notes
- Creating Diary
- Business Intelligence

### II - Reporting

- QuickLinks
- Reports

## **CLUB LIABILITY INSURANCE PROGRAM**

**ISSUE:** The Executive Committee approved implementation of the newly formed CSURMA Club Liability Insurance Program (CLIP) effective July 1, 2018.

**RECOMMENDATION:** This item is presented for the Board's information. No action is requested for this item.

**FISCAL IMPACT:** \$150,000 will be charged to the liability fund and allocated to campuses within the FY 19/20 rates. Campuses will then have the option on whether to recover the costs from their clubs.

**BACKGROUND:** During many campus visits in FY 18/19 staff realized a real benefit could be achieved by developing a Club Liability Insurance Program for officially recognized clubs per Executive Order 1068 providing coverage for on and off campus social activities.

**PUBLICATION:** A summary of the new program will also be uploaded to the CSURMA website.

**ATTACHMENT(S):**

- a. Club Liability Insurance Program insurance summary



# Club Liability Insurance Program (CLIP)

## COVERAGE SUMMARY

**INSURER:**  
Lloyd's of London

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**Policy No:**  
PCSUR000918



### QUESTIONS:

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

This is a "claims-made" policy. Coverage is only provided for claims which are both: (1) first made against the Insured during the Policy Period; and (2) reported to the Insurer as soon as practicable, but not later than three years after the Policy Period.

### INSURED:

California State University Risk Management Authority

### COVERED PARTIES:

1. California State University (CSU)
2. All campuses of the CSU
3. Board of Trustees of the CSU
4. Employees, Faculty, Staff of the CSU
5. Elected/Appointed Officials of the CSU
6. CSU Auxiliary Organizations, and their Employees, Officers, Directors, Volunteers and Agents
7. All Student Clubs Officially Recognized by the CSU
8. All members in Student Clubs Officially Recognized by the CSU

**It is a requirement for CLIP coverage that all Officially Recognized Clubs be reported to the Program Administrator.**

### ADDITIONAL INSUREDS:

Any affiliate institution to whom the Named Insured is obligated by written agreement to provide such coverage as is afforded by this policy.

**The Campus Risk Management department will be asked to verify that the club is officially recognized by the CSU prior to requesting a Certificate of Insurance.**

**The CLIP Insurer will indemnify and defend an additional insured third-party only if there is a written agreement requiring that the third-party be named as an additional insured.**

### COVERAGES:

1. General Liability, claims-made

### COVERAGE DESCRIPTION:

Covers General Liability Coverage for Officially Recognized Clubs (per Executive Order 1068\*) of the California State University. Coverage provided for both on and off campus activities.

\*<http://www.calstate.edu/eo/eo-1068.html>

### LIMITS:

- \$1,000,000 Each Loss
- \$5,000,000 Aggregate for all Covered Parties, and not per student

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

## COVERAGE SUMMARY

**INSURER:**  
Lloyd's of London

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**Policy No:**  
PCSUR 000918

**Policy No:**  
NHH9001341182601-06



### QUESTIONS:

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

### MEMBER'S DEDUCTIBLE:

\$0 Per Claim

### COST:

\$161,000 To be allocated to the campuses based on its percentage of the total University payroll

**The campus allocation of the CLIP premium will be included within the total FY 19/20 liability premium. There will be no charge for FY 18/19. The campus allocation of the total CLIP costs will be included in the "early bird" letter that you will receive in the Fall of 2018.**

### COVERAGE EXTENSIONS:

1. **Damage to Property of Others:** for damage caused accidentally by a Covered Party to the property of others at your location; \$1,000 per incident; \$100,000 aggregate
2. **Assault Coverage:** covers your medical expenses or reimburses you for damage to your property if you are assaulted at your location; \$5,000 per incident; \$100,000 aggregate
3. **Medical Payments:** reimbursement of medical expenses to others injured on your location; \$5,000 per incident; \$100,000 aggregate
4. **First Aid Expenses:** for expenses you incur in rendering first aid to others: \$1,000 per defendant; \$100,000 aggregate
5. **Defendant Expense Benefit:** reimburses you for lost wages and other expenses incurred when you attend a required trial, hearing or proceeding as a defendant in a covered claim: \$1,000 per defendant; \$100,000 aggregate

### NO EXCLUSION FOR:

1. Sexual Harassment
2. Abuse or Molestation
3. Corporal Punishment

### MAJOR EXCLUSIONS:

1. Automobile Liability
2. Alcohol furnished at Club Activities / Events (unless served by a licensed third party provider)
3. The activities of all fraternal organizations (men and women), even academic fraternal organizations are excluded at this time.
4. Hazing
5. Injuries to Participants while participating in athletic activities
6. Intentional Discrimination

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

**INSURER:**  
Lloyd's of London

**POLICY TERM:**  
July 1, 2018 to  
July 1, 2019

**Policy No:**  
NHH9001341182601-06



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**COMMENTS / CONDITIONS:**

1. This is a "claims-made" policy. Coverage is only provided for claims which are both:  
(1) first made against the Insured during the Policy Period; and  
(2) reported to the Insurer as soon as practicable, but not later than three years after the Policy Period.

**QUESTIONS / ANSWERS:**

1. When an officially recognized athletic club hosts a sanctioned social event, coverage under this program will extend to the social activities of the club. Only the athletic events of the club are excluded.
2. All fraternal organizations are excluded from coverage (at this time), even those set up as "academic" only.

**HOW TO REQUEST A CERTIFICATE OF INSURANCE:**

Via CSURMA website – [www.csurma.org](http://www.csurma.org)

- Or -

Via email - [CSURMACOI@alliant.com](mailto:CSURMACOI@alliant.com)

1. The Campus Risk Management Department will be asked to verify that the club is officially recognized by the CSU prior to submitting a request for a certificate of insurance
2. Include an executed agreement with your request for an additional insured endorsement

**HOW TO REPORT A CLAIM:**

Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101

Via email – [CSURMAclaims@alliant.com](mailto:CSURMAclaims@alliant.com)

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

## **SPECIAL EVENTS RESOURCE GUIDE**

**ISSUE:** The Special Events Resource Guide (SERG) has been finalized and is posted on the CSURMA website under Risk Management Resources.

Staff will be available at the meeting to provide additional information and answer questions.

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

**FISCAL IMPACT:** None; the fee for completion of the resource guide was included in previous budgets.

**BACKGROUND:** The purpose of SERG is to support the California State University's mission to enrich its students and communities through hosting special events. The guide reflects the issues encountered by CSU and staff related to hosting special events. Staff feedback is vital in keeping the material up-to-date and useful. Please feel free to send questions and suggestions for future editions to the office of Systemwide Risk Management.

**PUBLICATION:** The Special Events Resource Guide is posted on the CSURMA website.

**ATTACHMENT(S):**

- a. SERG Title Page
- b. SERG Table of Contents



## 2018 SPECIAL EVENTS RESOURCE GUIDE



**CALIFORNIA STATE UNIVERISTY**  
**SPECIAL EVENTS RESOURCE GUIDE VERSION 1.0**  
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## **AORMA PROGRAMS UPDATE**

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

The AORMA Chair will report on the activities of the AORMA Committee.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **AIME PROGRAMS UPDATE**

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

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

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

**FISCAL IMPACT:** None.

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

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **PROGRAM ADMINISTRATOR'S STEWARDSHIP REPORT**

**ISSUE:** Each year the Program Administrators prepare a Stewardship Report for the CSURMA Board of Directors. The Stewardship Report describes the activities and accomplishments of CSURMA and its Program Administrators. The Stewardship Report will be presented to the Board at today's meeting.

**RECOMMENDATION:** This item is presented for the Board's information. No action is requested for this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** A complete copy of the 2017/18 CSURMA Annual Stewardship Report will be posted on the CSURMA website

**ATTACHMENT:**

- a. CSURMA Annual Stewardship Report for FY 2017/18



# CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

## Annual Stewardship Report Fiscal Year End - June 30, 2018



Alliant Insurance Services, Inc.

100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111  
Main: (415) 403-1400  
[www.alliant.com](http://www.alliant.com)



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- Appendix A – Alliant Team Organization Chart for CSURMA
- Appendix B – CSURMA Meeting Calendar
- Appendix C – CSU and AORMA Member Listing

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## EXECUTIVE SUMMARY

### *CSURMA and ALLIANT*

Alliant Insurance Services (Alliant) is proud of its history and continuing partnership with the California State University and its Auxiliary Organizations, collectively the CSU. Key principals of the Alliant team have consistently provided creative solutions for CSU since 1995. We are proud of our accomplishments for the CSU, and in particular, the opportunity to develop and manage a number of effective and very efficient insurance and coverage plans through the entity we helped form, namely the California State University Risk Management Authority (CSURMA). Launched in 1997, CSURMA is a joint powers authority created under the Government Code of the State of California, and established specifically to address and manage the operational risks of CSU's colleges and universities, and its auxiliary organizations through the Auxiliary Organizations Risk Management Alliance (AORMA).

Alliant is a specialty insurance brokerage firm that also provides joint powers authority (JPA) program administration, risk management, and insurance brokerage services. We regard working with the CSU as an exciting professional opportunity. As Program Administrators, Alliant oversees CSURMA's risk pool programs, excess and reinsurance placements, group purchase insurance, and provides risk management consultation and joint power authority administration for all members of the authority.

Alliant is committed to working with the CSU at the system level and directly with all twenty-three campuses (23) and all eighty-five (85) auxiliary organizations. We provide direct consultative and program management services for the Office of the Chancellor, including Systemwide Risk Management, Public Safety, General Counsel, Capital Planning Design & Construction, and the Chief Administrative & Business Officials (CABO). On the campuses, Alliant provides risk management consultation and advice for Campus Risk Management, Environmental Health & Safety, Human Resources, Student Health Centers, Athletics, Student Life & Leadership, Facilities, and others; and of course, CSU's auxiliary organizations and its Auxiliary Organizations Association (AOA).

Alliant has responded to CSURMA's evolving needs and adapted its services to deliver high quality and stable risk management programs that support CSU's mission and CSURMA's vision.

### *STEWARDSHIP REPORT*

Alliant prepared this Stewardship Report for CSURMA Board of Directors and Members summarizing the Program Administrator's activities and accomplishments during the past fiscal year. Also, this stewardship report offers Alliant the opportunity to reflect on areas for improvement in providing program management services for all CSURMA members. We appreciate the opportunity to work with dynamic, creative and forward thinking leaders of the CSU, and enjoy the opportunity to deliver creative and cost effective products and services addressing the complex risk management needs of the CSU's campuses and auxiliary organizations.

**PROGRAM ADMINISTRATORS**

Alliant is proud of its team of dedicated professionals who are assigned to serve you. The team is led by Daniel Howell as CSURMA Program Director, Robert Leong for Campus coverage programs, and Mimi Long for AORMA coverage programs. Robert Frey provides expert consultation for Property and Liability claims. Jacki Graf consults exclusively for the campuses and auxiliary organizations in all areas of Workers’ Compensation claims, including the hosting of CSU’s monthly meetings of the Workers’ Compensation Coordinators for all CSURMA members. Stacey Weeks manages the Foreign Travel Insurance Program, and services the Athletic Injury Medical Expense program. The team is supported by an experienced and quality administrative staff including La Shaunda Gaines, Andrew Gaspari, Tevea Him, Myron Leavell, Amy Lightner, Van Rin, and Karen Worden.

Alliant’s CSURMA Program Administration Service Team is depicted herein:

# Program Administration



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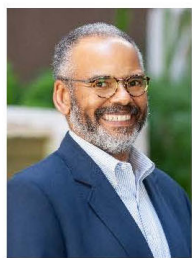
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Please refer to Appendix A for the Alliant Team Organization Chart for CSURMA.

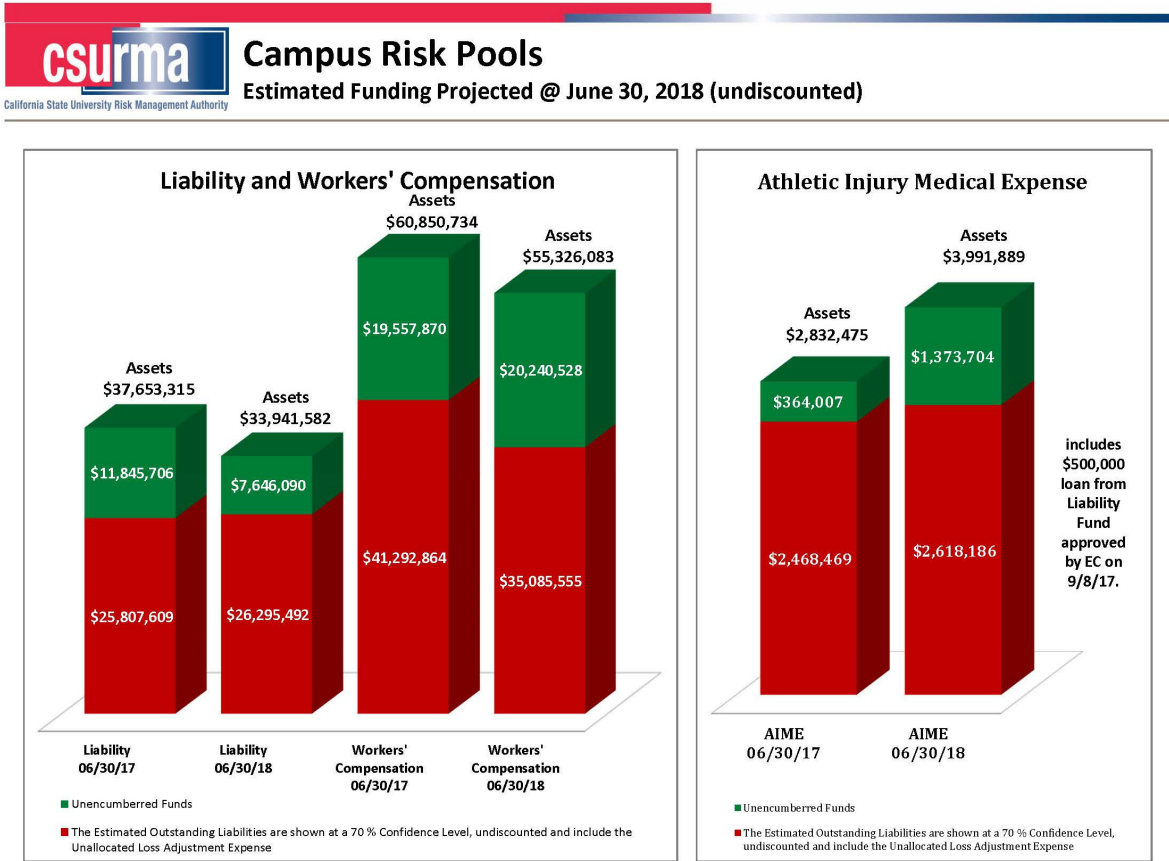
**FINANCIAL PERFORMANCE**

CSURMA adopted funding policies for each of its risk pools to ensure that each coverage program maintains adequate funds to meet its operating expenses, particularly the claims payment obligations for the current year, and for the outstanding claims liabilities as they become due, which in many cases can be years into the future. Alliant prepares Risk Pools Funding Status Reports, incorporating the findings and recommendations of CSURMA’s independent actuary and accountant, to help guide decision making for the Executive Committee and AORMA Committee in regards to rate setting and deposit contribution (premium) calculations, with the goals of maintaining safe financial risk margins, budget stability, and fairness to all members.

The following is a discussion of the funding status at June 30, 2018 for the Campus and AORMA risk pools, which are highlighted and depicted below:

*Campus Risk Pools:*

CSURMA adopted a funding policy to fund the Campus Liability, Campus Workers’ Compensation and Athletic Injury Medical Expense (AIME) coverage programs to at least a 70% actuarial confidence. This funding policy provides an additional risk funding margin of about 15-18% over expected losses, thus assuring members there are adequate funds to pay claims as they become due.



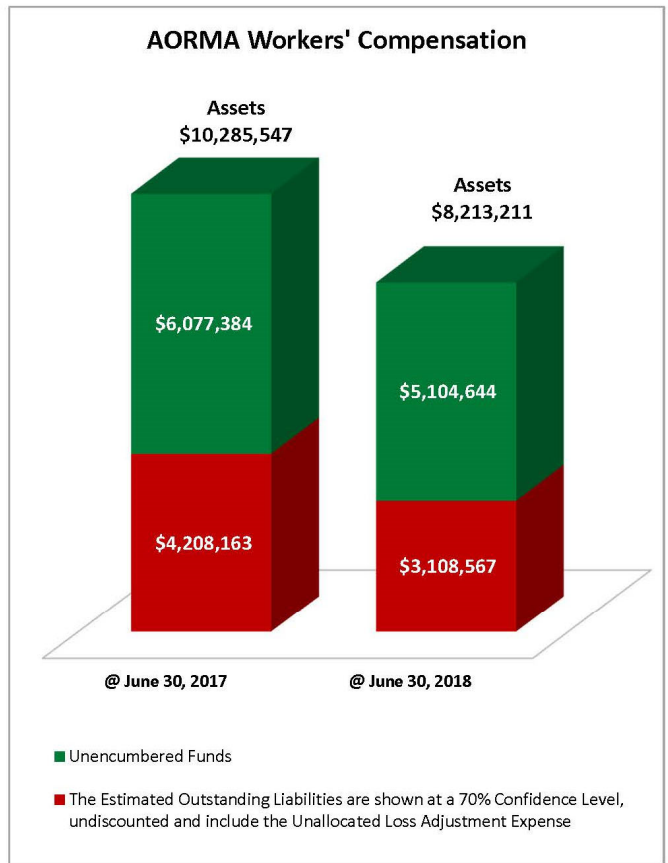
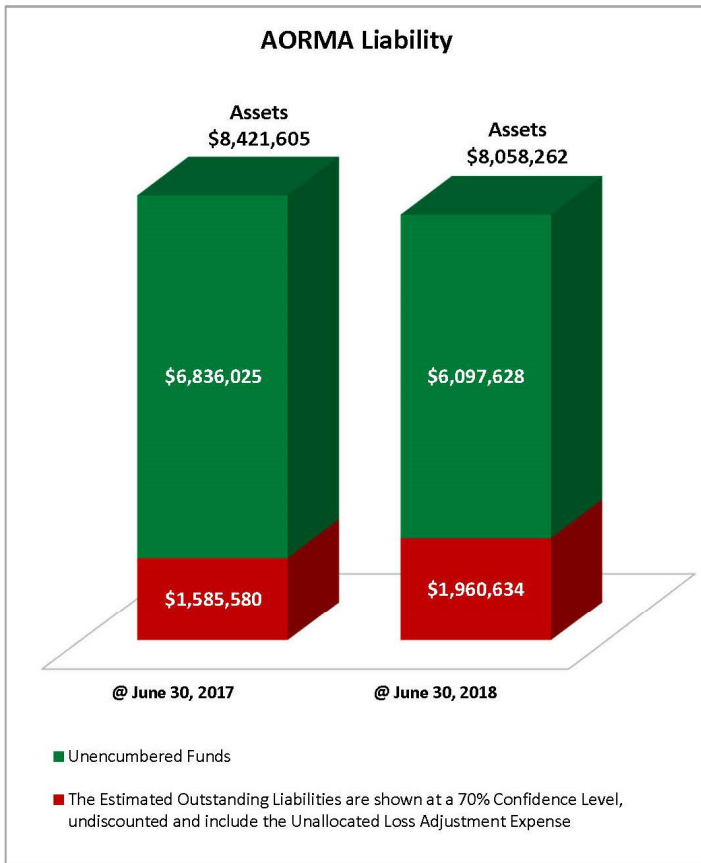
As of June 30, 2018, all programs continue to be fully-funded per the funding policy, and actually exceed targeted funding goals (excess funds) as depicted below:

*AORMA Risk Pools:*

The AORMA Committee adopted a funding policy to fund the AORMA Liability and Workers' Compensation programs to at least a 70% actuarial confidence. This funding policy provides an additional risk funding margin of about 15-18% over expected losses, thus assuring members there are adequate funds to pay claims as they become due. As of June 30, 2018, all programs continue to be fully-funded per the funding policy, and actually exceed targeted funding goals (excess funds) as depicted below:

## AORMA Risk Pools

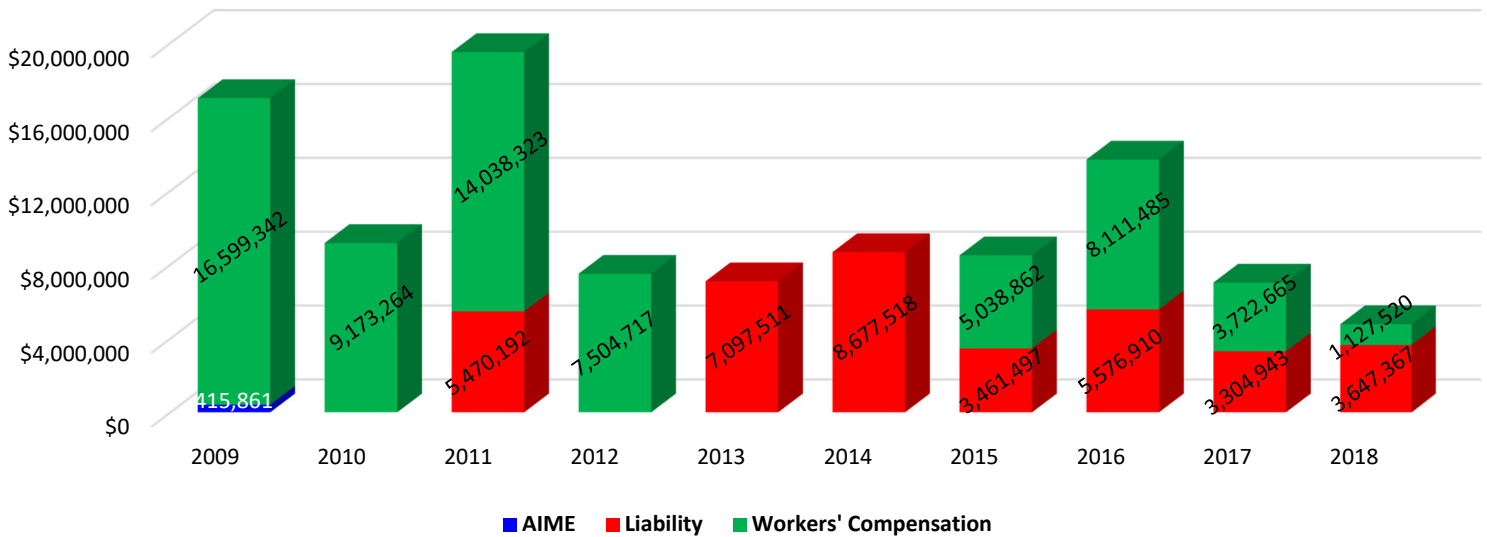
### Estimated Funding Projected @ June 30, 2018 (undiscounted)



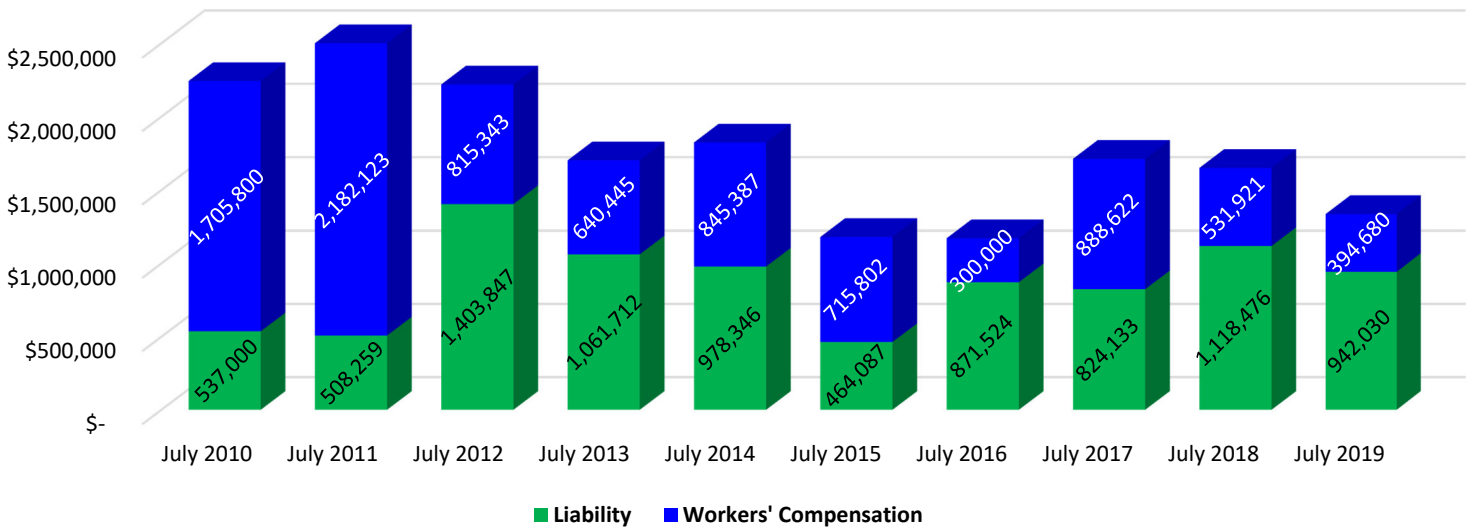
**DIVIDENDS (Member Rewards)**

CSURMA’s dedication to maintain the funding policies in the face of budget pressures at the State level enabled CSURMA to reward its members with distributions of excess reserve funds in the form of cash dividends. A history of the dividends paid to members is summarized in the following charts. **Through June 30, 2019, CSURMA returned dividends totaling \$146,815,468 to members**, which if commercially insured, the carriers would have reaped as underwriting profits rather than being restored to members as dividends.

**Campus Programs Dividend Payments**



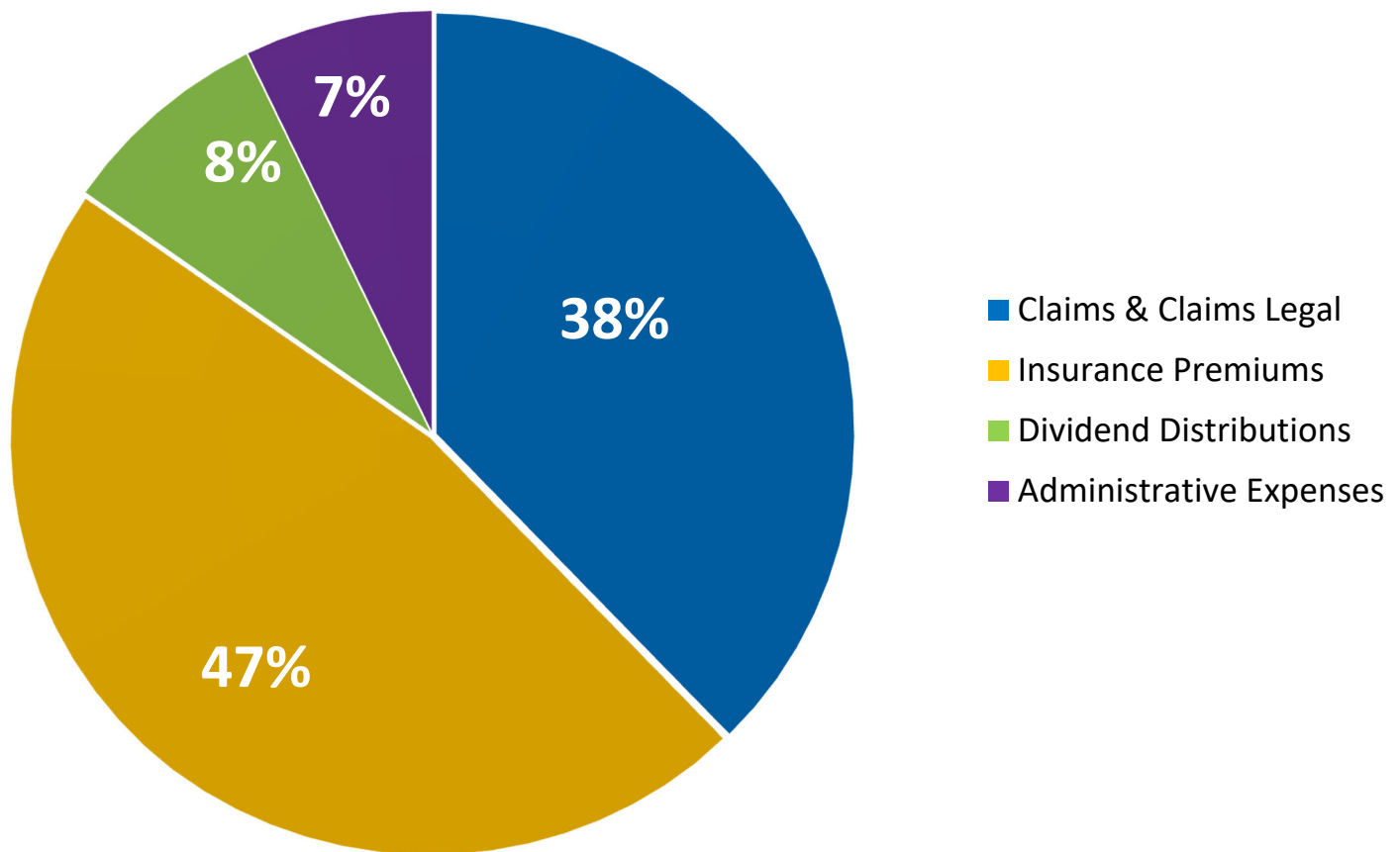
**AORMA Programs Dividend Payments**



### **PROGRAM ECONOMICS**

The pie chart below shows a breakdown of expenses for the fiscal year ending June 30, 2018. Thirty-eight percent (38%) of your premium deposits were used to pay claims, or set aside to pay future claims, within the primary self-insured layer. Forty-seven percent (47%) was the cost to insure the group's catastrophe claims through the purchase of excess insurance and reinsurance. Counting claims & claims legal expenses together with insurance premiums, eighty-five percent (85%) of your dollar were spent to finance your claims. CSURMA returned eight percent (8%) as cash dividends to members. Program Administration expense amounted to only seven percent (7%) while continuing at a high level of service performance. This is a remarkable achievement when compared to similar joint powers insurance authorities which typically operate at a twelve to seventeen percent (12-17%) expense ratios.

**CSURMA Program Expenses @ 06/30/18**  
**"Your Premium Dollars at Work \$106,814,163"**



## **COVERAGE PROGRAMS**

Alliant manages a number of risk management and coverage programs for CSURMA that serve the University and its Auxiliary Organizations. In addition to program administration of CSURMA's risk pools (group self-insurance programs), Alliant places and manages a number of insurance and reinsurance policies to supplement and support CSURMA's coverage program structures. These are highlighted and described in the following sections:

### **CAMPUS PROGRAMS**

#### **Campus Liability Coverage Program**

The Campus Liability Coverage Program was established to fund the exposures of General Liability, Errors & Omissions, Professional Liability, Employment Practices Liability, and other similar public liability exposures of the University system. The participants include all twenty-three (23) campuses of the CSU and the Chancellor's Office. The Campus Liability Coverage Program has a self-insured limit of \$5,000,000 per occurrence.

Each campus selects its own deductible, which is offered from \$35,000 to \$1,000,000 per occurrence. After three years, members have the opportunity to choose another deductible. The last deductible selection became effective July 1, 2018 and applicable to July 1, 2021. Concurrently every three years, the Executive Committee appoints a task group to review and recommend refinements, if any, to the rating plans to ensure the formulas used to allocate program costs remain responsive and equitable as respects CSURMA's goals and the needs of the University.

Auto Liability is provided by the State Motor Vehicle Insurance Account (MVIA) and managed by the Office of Risk & Insurance Management (ORIM) through the State's Department of General Services. MVIA's coverage for state-salaried employees is unlimited, but liability for non-state operators is capped at \$1,000,000 per accident. The Campus Liability risk pool purchases reinsurance to cover Auto Liability for non-state employees driving for University business from MVIA's \$1,000,000 self-retention limit to CSURMA's \$5,000,000 pool limit.

Additionally, CSURMA purchases excess/reinsurance to insure catastrophe risks above the \$5,000,000 self-retention limit from various commercial carriers in the global market.

#### **Campus Workers' Compensation Coverage Program**

The Campus Workers' Compensation Coverage Program was established to provide statutory Workers' Compensation and Employer's Liability coverage for all CSU state employees and designated volunteers at all campuses and the Office of the Chancellor. The program includes a risk pool and specific excess insurance. The risk pool is self-insured with no deductible and retains the first \$2,500,000 each occurrence. Claims in excess of the risk pool retention are covered by commercial insurance from the \$2,500,000 self-retention to the Statutory Workers' Compensation limits proscribed by the State of California.

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Beginning January 1, 2015, CSURMA entered into an agreement with CSAC Excess Insurance Authority (EIA), the risk pool for California counties and other California public entities, to finance the university's Workers' Compensation claims covered by the Campus Workers' Compensation risk pool and AORMA Workers' Compensation risk pool. This financing strategy enables CSURMA to fund its workers' compensation claims at a cost less than the actuary's minimum funding recommendation while preserving CSURMA's funding policy and financial integrity. The agreement with EIA covers industrial injuries occurring from January 1, 2015 to June 30, 2019.

### **Campus IDL/NDI/UI Coverage Program**

The Industrial Disability Leave/ Non-Industrial Disability Leave/ Unemployment Insurance (IDL/NDI/UI) program fund was established to provide a funding mechanism for temporary disability and unemployment insurance benefit for state employees. The IDL/NDI/UI program fund is entirely self-insured, and costs are allocated to the members based on each campus' actual utilization (claims) over a rolling five year period.

### **Campus Athletic Injury Medical Expense Coverage Program (AIME)**

The Athletic Injury Medical Expense program (AIME) was established to provide coverage for medical expenses incurred by CSU students participating in NCAA and NAIA intercollegiate athletic activities. The AIME program replaced individual insurance programs previously purchased by the campuses.

The AIME program is self-insured for the members' deductible limit defined by the catastrophe coverage policies purchased by their respective national governing bodies, NCAA or NAIA. NCAA purchased catastrophe liability insurance on behalf of all its member schools with a \$90,000 deductible. NAIA purchased catastrophe liability insurance on behalf of its member schools with a \$25,000 deductible.

AIME's claims experience is annually reviewed by an independent professional actuary to develop loss projections and loss rates by sport. Alliant uses the actuary's recommendation to develop program costs each year in accordance with AIME's rating plan. Alliant's developed costs are then reviewed and approved by the AIME Committee in accordance with CSURMA's funding policy.

A special task group was convened in Spring 2015 by the AIME Committee to review AIME's rating plan. The AIME Committee adopted modifications to the rating plan to reflect program maturity and cost allocation weighted more in favor of actual utilization (claims) by member. The revised rating plan is effective beginning FY 2015/16.

### **Campus Property Coverage Program**

The Campus Property coverage program was established to provide Property and Boiler & Machinery Insurance covering physical damage to buildings and other specified structures. Building contents (furnishings, equipment, etc.) may also be covered as may be required by bond covenants. The program insures all CSU campuses and the Chancellor's Office. CSU chose to not purchase coverage for Earthquake because of the high cost for that insurance, unless Earthquake insurance is specifically required by bond covenants.

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Beginning July 1, 2013, CSURMA changed its coverage structure from insurance to reinsurance to save costs, specifically in regards to premium taxes and associated fees. The Campus Property coverage program is now fully reinsured by a syndication of insurance companies known as the Alliant Property Insurance Program (APIP), an Alliant exclusive designed for public entities to empower market negotiations. Until July 1, 2010, CSURMA purchased a Deductible Buy-Down policy to provide coverage from \$100,000 to \$1,000,000 within the program's \$1,000,000 deductible limit. Beginning July 1, 2010, CSURMA self-insured the Deductible Buy-Down to an aggregate limit of \$2,000,000 for all losses subject to the Deductible Buy-Down (i.e., \$900,000 excess \$100,000 deductible). All campuses except San Diego State University participate in the Deductible Buy-Down plan.

**Campus 99** was created as a special designation to provide Property insurance at a deductible lower than the standard \$100,000 for campuses. Campus 99 is designed to enable CSU auxiliary organizations who occupy state-owned buildings to enjoy deductibles from \$5,000 to \$100,000.

**Campus 86** provides an option for campuses to insure its business personal property (i.e., building contents) at deductibles less than \$100,000. Campuses have used Campus 86 to insure higher-valued and specialized items such as electronic data processing equipment, laboratory equipment, scientific instruments, library stacks, fitness & recreation equipment, etc.

#### **Campus Crime Program**

The Campus Crime program insures the University covering all state employees for Employee Fidelity, including faithful performance of duties, theft of monies & securities, counterfeit, fraud, computer crime, and other misappropriation of the University's funds. The coverage is excess of a \$250,000 deductible.

#### **Student Professional Liability Insurance Program (SPLIP)**

On August 1, 2006 CSU purchased a systemwide professional liability insurance program to provide coverage for students enrolled in the Nursing, Allied Health or Education internship curricula. This systemwide program is designed to satisfy the requirements of host institutions that students maintain professional liability insurance in order to participate in programs offered under affiliation agreements with the University. The program includes professional and personal liability coverage with broad protection for the students, affiliates and the University. SPLIP provides coverage limits up to \$5 million per occurrence with a \$25 million annual aggregate.

#### **Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP)**

On July 1, 2007 CSU purchased the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP) to provide coverage for students involved in the University's service learning programs while performing service or volunteer work for academic credit. SAFECLIP similarly covers CSU students in Radio, Television or Film academic programs. This systemwide program is designed to satisfy the requirements of host institutions that students maintain liability insurance in order to participate in programs offered under affiliation agreements with the University. The program includes professional and personal liability coverage with broad protection for the students, affiliates and the University. SAFECLIP provides coverage limits up to \$5million per occurrence with a \$10 million annual aggregate.

## **AORMA PROGRAMS**

The CSU Auxiliary Organizations coverage programs operate within CSURMA as the Auxiliary Organizations Risk Management Alliance (AORMA). Alliant works with a dedicated committee composed of executive officials who are elected from among AORMA members. Participation in the program is voluntary. AORMA coverage programs include:

### **AORMA Liability Program**

The AORMA Liability program was established on July 1, 2002 to provide liability insurance coverage for participating Auxiliary Organizations. The Liability coverage includes General Liability, Automobile Liability, Directors' & Officers' Liability, Employment Practices Liability, Professional Liability, and Fiduciary Liability. The AORMA Liability Fund is self-insured for the first \$5,000,000 of each occurrence. AORMA purchases reinsurance in the amount of \$4,500,000 excess of \$500,000. Therefore, AORMA's self-insured layer retains only \$500,000 of each occurrence. Additional coverage excess of the \$5,000,000 limit is provided by AORMA's participation in the Campus Liability excess insurance placements.

### **AORMA Workers' Compensation Coverage Program**

The AORMA Workers' Compensation program is self-insured for the first \$750,000 of each occurrence. Excess insurance is purchased from a commercial insurer to provide statutory limits excess of the \$750,000 self-insured limit for Workers' Compensation, and to \$5,000,000 per occurrence for Employers' Liability.

Beginning January 1, 2015, CSURMA entered into an agreement with CSAC Excess Insurance Authority (EIA), the risk pool for California counties and other California public entities, to finance the university's Workers' Compensation claims covered by the Campus Workers' Compensation risk pool and AORMA Workers' Compensation risk pool. This financing strategy enables CSURMA to fund its workers' compensation claims at a cost less than the actuary's minimum funding recommendation while preserving CSURMA's funding policy and financial integrity. The agreement with EIA covers industrial injuries occurring from January 1, 2015 to June 30, 2019.

### **AORMA Property Program**

The AORMA Property Coverage Program has a shared risk layer of \$100,000 per occurrence with an aggregate stop loss limit of \$250,000. Member deductibles are \$5,000 for business personal property and business interruption / loss of rents. The member deductible for real property is based on the Total Insurance Value (TIV) of the building as shown below:

TIV \$10,000,000 or less .....	\$5,000
TIV between \$10,000,001 and \$25,000,000.....	\$10,000
TIV between \$25,000,001 and \$50,000,000.....	\$25,000
TIV \$50,000,001 or more .....	\$50,000

If the claims paid out of the shared risk layer exceed the \$250,000 aggregate limit, the insurer then pays all claims in excess of the members' deductibles. All members in the AORMA Liability program automatically participate in the AORMA Property program.

### **AORMA Crime Program**

The AORMA Crime program has a shared risk layer of \$25,000 per occurrence with an aggregate stop loss limit of \$100,000. All members have a deductible of \$5,000. If the claims paid out of the shared risk layer exceed the \$100,000 aggregate limit, the insurer then pays all claims in excess of the members' deductibles. All members in the AORMA Liability program automatically participate in the AORMA Crime program.

### **AORMA Unemployment Insurance Program (UIP)**

The AORMA Unemployment Insurance program was established July 1, 2011 and is the successor to the Auxiliary Organization Unemployment Insurance Trust (AOUIT). The AORMA UIP was established to provide a funding mechanism for the mandatory unemployment benefits program. The UIP is entirely self-insured and costs are allocated to the UIP members based on the members' actual claims over a five-year period.

## **CAMPUS and AORMA PROGRAMS**

### **Builder's Risk Insurance Program (BRIP)**

CSURMA implemented the Builder's Risk Insurance Program (BRIP) beginning July 1, 2005. BRIP covers direct physical loss to the University's and/or the Auxiliary Organizations' construction projects in the course of construction. All Major Capital Improvement Projects are to be insured by the BRIP in place of the contractor's insurance. The program is managed by Alliant and CSU's Capital Planning Design & Construction (CPDC) department at the Chancellor's Office. This program includes coverage for Earthquake damage that is self-funded by the University.

### **Club Liability Insurance Program**

The Club Liability Insurance Program was launched on July 1, 2018. The program provides general liability coverage for all student clubs officially recognized by the CSU. The program limit is \$1,000,000 per loss and includes a maximum annual limit of \$5,000,000 for all losses. The program excludes coverage for auto liability, activities of fraternal organizations as well as injuries to participants participating in athletic activities.

### **Club Sports Insurance Program**

The Club Sports Insurance Program was launched on August 1, 2012. The program is designed to cover CSU students for medical expense due to accidental injuries while participating in the University's or Auxiliary Organization's club sports programs that are officially recognized by the University as a student organization. Beginning August 1, 2013, the program was expanded to include Intramural and Recreational sports. The program maintains a risk pool for primary accidental medical expense up to a \$30,000 limit per accident, subject to a \$100 deductible. The deductible operates to preclude "first aid" claims, and to promote safe play. Catastrophe accident medical expense coverage is provided by commercial insurance to \$5,000,000 lifetime benefit. Additionally, the program purchases primary General Liability insurance with a \$1,000,000 limit; no deductible.

### **Deadly Weapons Response Program**

Effective July 1, 2018, this program addresses the needs of the CSU system should a violent incident occur. The program provides third party liability, physical damage coverage and crisis management services. The maximum limit for any one incident is \$500,000.

### **Drone Insurance Program (DRIP)**

This new program was launched on July 1, 2017 and covers aviation risk on a blanket basis for liability arising from small drones that are owned, non-owned or hired by the University or its Auxiliary Organization. Coverage is limited to \$50 million, with no deductible. Coverage is automatic, and for non-commercial use of small drones only. As such, there is no need to report your drones; however, CSURMA will conduct a survey on drone usage annually. Coverage can also be purchased to insure the hull; i.e., physical damage or loss to the drone itself and its equipment.

### **Earthquake Parametric Property Insurance**

Systemwide earthquake coverage was purchased for a three year term October 1, 2017 to September 30, 2020. The maximum total payout for the three-year period is \$25,000,000. The per location payout is predetermined based on zip code and maximum shaking at that location. The deductible is a maximum seismic intensity of less than 6.5 at all points on the USGS ShakeMap grid.

### **Fine Arts, Artifacts & Archives Program (FAAAP)**

FAAAP provides coverage for art objects that are owned or lent to the university. Coverage includes transit risk while the art objects are transported to or away from the campus; i.e., coverage is “nail-to-nail” or “wall-to-wall”. All art objects up to \$2,500,000 in value are automatically covered with no deductible (except 10% for damages caused by EQ). There is no reporting requirement, and an appraisal is not needed, unless the value of the covered object/collection is more than \$2,500,000.

### **Foreign Travel Insurance Program (FTIP)**

This program provides coverage for employees and students while traveling outside the United States. The program provides General Liability, Contingent Auto Liability, Employee Benefits Liability, Employers Responsibility, Employee Voluntary Compensation, Employers Liability, Primary Accident and Sickness, Accidental Death and Dismemberment, and Executive Assistance Services. Beginning July 1, 2014, FTIP added an “Overlay” coverage to supplement the insurance mandated by certain third-party travel program providers under approved agreements with the University. Specifically, the Overlay coverage extends FTIP’s Liability insurance that is not otherwise provided by certain third-party programs.

### **Inland Marine Insurance Program**

This is a specialized form of insurance to cover physical damage to specific objects such as: computer and other EDP equipment including media and laptops; scientific and laboratory equipment; cameras, audio, industrial lighting; fine arts; valuable collections; specialized mobile equipment; etc. Rates are based on the type of equipment insured.

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### **Non-Owned Aircraft Liability Insurance**

As CSU occasionally uses non-owned aircraft for university business, effective July 1, 2011 a special Aviation Liability policy was placed to insure against non-owned aircraft liability. Because of the increased exposure in athletics and in international travel, air travel involving faculty, staff, students, and auxiliary organizations makes this insurance essential, and it is relatively inexpensive. Beginning July 1, 2014, the insurance was expanded to offer Aircraft Liability coverage for unmanned aerial systems (UAS) aka: “drones” operated by the University. The coverage for drones was replaced by a special blanket policy effective July 1, 2017 (see discussion above regarding the Drone Insurance Program “DRIP” for more info).

### **Owner-Controlled Insurance Program (OCIP)**

The Owner-Controlled Insurance Program (OCIP) was implemented in January 2012 to cover major building projects of the University and Auxiliary Organizations with initial total construction cost of \$10,000,000 and more. Realizing the cost savings and effective administration of CSURMA’s Builder’s Risk Insurance Program (BRIP), the Office of the Chancellor Capital Planning Design & Construction (CPDC) expanded BRIP to include General/Completed Operations Liability and Workers’ Compensation coverage for all contractors doing work on CSU building projects.

### **Participant Accident Insurance Program (PAI)**

Participant Accident Insurance provides coverage for a broad range of non-employer groups. Its primary benefit, accident medical insurance, is designed to provide insurance protection for participants of a group or organization while they are engaged in the group’s sponsored activities. The plan is sold as blanket coverage, purchased by a group for all of its participants.

### **Public Entity Automobile Physical Damage Program**

CSU participates with select public entities in the Public Entity Automobile Physical Damage Program. The program was designed specifically for public agencies including CSU with a limited number of higher valued vehicles. The program was expanded to include other types of vehicle and mobile equipment.

The insurance is an “All Risk” Equipment Floater including earthquake and flood for scheduled equipment on file with the insurer. Claims are adjusted on a replacement cost basis. The deductible varies for each member as selected annually. The plan covers all risks of direct physical loss or damage from any external cause, including salvage charges, except perils excluded.

### **Rocketry Liability**

CSURMA purchases a special Aviation Liability insurance policy to facilitate coverage for the university’s liability arising from rocketry activities. Coverage is limited to \$5 million maximum; i.e., there are no excess coverage limits. Rocket launches must be pre-approved by the insurer, and must be launched from approved sites; i.e., registered launch sites in the Mojave Desert.

### **Special Events Liability Insurance Program**

The Special Events Program of Alliant offers premises liability coverage for a broad range of events held by underinsured third parties in public assembly facilities. The program has the added feature of

allowing the CSU and its auxiliary organizations to insure its own events as circumstances warrant. The three coverage components are:

- *Tenant/User Liability* – Coverage is provided for events held or sponsored by companies, organizations, or individuals that have been permitted to use a campus or auxiliary organization meeting room or other facility. Liability insurance protects the owner and the user of the facility. The campus or auxiliary organization determines the premium for the event based on published rates and provides a certificate of insurance to the user. Reports of covered events, copies of certificates, and payment of premium are remitted to Alliant on a quarterly basis.
- *Instructor/Recreation Classes* – This provides coverage for events that are instructional to participants. Also covered are instructors who are not employed by the campus or auxiliary organization but who provide instructional services for a fee. The events are reported quarterly to Alliant, premiums are determined and certificates are issued to the instructor. Participant coverage requires signed waivers and prior approval from the underwriter.
- *Nominee Events* – Coverage is offered for events held or sponsored by a campus or auxiliary organization itself or by any of its departments. Coverage can be expanded to cover co-sponsors if desired. This is not a self-rated program, and events must be approved and rated by Alliant, who issues the insurance certificates.

### **Student Travel Accident Insurance**

Beginning in 1994, CSU purchased the Student Travel Accident policy to provide medical expense coverage for injuries to CSU students (including Extended Education Program students) during travel to or from campus to participate in a school sponsored activity. In 2014 the policy limit was increased to \$50,000 with a \$0 deductible. Additionally, coverage for overnight supervised and sponsored travel is included for up to 14 days.

### **Vendors / Contractors Liability Insurance Program**

The Vendors/Contractors Program was developed to meet the needs of public entities such as CSU for those situations when the public entity enters into a contract with a contractor/vendor, and the contractor/vendor is unable to provide the insurance required. The program allows the contractor/vendor to purchase General Liability insurance for the work to be performed for the University or Auxiliary Organization at a significantly reduced cost.

### **Watercraft Insurance Program**

The Watercraft Insurance program provides Hull and Machinery Insurance, Collision and Towers Liability coverage, Protection and Indemnity Liability coverage. This is not blanket coverage; each vessel must be reported and scheduled on the policy.

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## ***MILESTONES – A Proud History of Accomplishments***

Alliant is proud of its history of developing and implementing meaningful and cost effective coverage programs for CSU since the establishment of the Campus Risks Pool in 1995 and its successor joint powers authority, CSURMA, in 1997. Many of the coverage programs for the University and the Auxiliary Organizations, remain viable today and continue to provide highly-valued, cost-effective, state-of-the-art protection for all its member participants.

These accomplishments for CSU campuses and auxiliary organizations can be considered “Milestones” for CSURMA. From the establishment of the risk pools, formation of the joint powers authority, creation of additional coverage, development of loss-sensitive yet equitable rating plans, commissioning independent professional actuarial reviews, setting budget goals to ensure adequate funding, measuring rating adequacy, and recommending dividends to members, to the more recent challenges addressing sound program management that is expected of a public joint powers insurance authority and the administrative expectations of CSU’s Internal Auditors to ensure fiscal responsibility, Alliant has welcomed and embraced these essential tasks and responsibilities for the betterment of all CSURMA members.

*The Milestones are highlighted in a chart on pages 20, 21 and 22.*

## ***2017/2018 – A Year of Challenges and Performances***

There have been many challenges during the past fiscal period, which the dedicated members of Alliant have risen to meet and resolve for CSURMA. The major challenges of the year and how Alliant responded for the Campuses and Auxiliary Organizations are highlighted below.

### *Campus Programs:*

1. Implemented the new Club Liability Insurance Program
2. Implemented the new Deadly Weapons Response Program
3. Assisted in securing coverage for the CSU Maritime Day of the Bay
4. Worked with the Executive Committee to establish its Long Range Action Plan
5. Calculated premium deposits and funding recommendations for all Campus programs
6. Calculated Risk Pools Funding Status and Potential Dividends
7. Assisted accounting staff in preparation for the annual independent financial audit
8. Created the Liability Program medical malpractice coverage document
9. Reviewed all even-numbered policies and procedures and suggested revisions
10. Worked with Systemwide Risk Management to extend the contract with Witt O’Brien for emergency management services
11. Worked with Systemwide Risk Management to extend the contract with Sedgwick CMS for workers’ compensation claims administration
12. Managed application forms for Risk Reduction Incentive Grants for Health & Wellness and Loss Control & Safety
13. Renewed the Owner Controlled Insurance Program (OCIP) for a second five-year term.

14. Provided oversight and management of the population of the Ventiv Risk Management Information System platform
15. Provided assistance in renewing the contract with Agility Recovery for temporary office space, computer equipment, telephone lines and generators after a major disaster
16. Worked with the Executive Committee and CSU Accounting to evaluate the budgeting practices regarding dividends
17. Worked with Systemwide Risk Management to extend the contract with Veoci, the virtual emergency operations center which provides systemwide cloud-based emergency management, business continuity and disaster recovery platform
18. Reviewed and suggested changes to the Campus Liability Risk Pool memorandum of coverage
19. Provided the necessary oversight for the outside contractor to complete the liability claims administration audit
20. Completed the workers' compensation claims administration service performance audit
21. Conducted monthly meetings of the Campus Workers' Compensation Coordinators
22. Conducted on-campus meetings with Campus VPs, Risk Managers, and Auxiliary Organizations
23. Conducted CSURMA Orientation for new risk managers, Executive Committee members, and AORMA Committee members
24. Coordinated and managed new construction and major renovation projects with Capital Planning Design & Construction (CPDC), and reconciling project premiums with the insurer
25. Workers' Compensation Claims Settlement Authorization Requests (SAR) review and discussions

*AORMA Programs:*

1. Implemented the new Club Liability Insurance Program
2. Implemented the new Deadly Weapons Response Program
3. Implemented the new AORMA Benefits Program
4. Worked with the AORMA Committee to establish its Long Range Action Plan
5. Calculated premium deposits and funding recommendations for all AORMA programs
6. Provided assistance in drafting the RFP for claims administration of AORMA's unemployment insurance program
7. Calculated Target Surplus Funding Status reports and Potential Dividends
8. Reviewed several policies and procedures and suggested revisions
9. Reviewed and suggested changes to the AORMA Liability Program memorandum of coverage
10. Provided the necessary oversight for the outside contractor to complete the liability claims administration audit
11. Conducted CSURMA Orientation for new AORMA Committee members
12. Performed the AORMA Workers' Compensation Program Claims Administration Audit
13. Assisted the AORMA Committee in reviewing the maximum allowable hourly rate for legal counsel
14. Worked with the AORMA Committee to secure an additional one-year contract with Alliant for Risk Control Consulting

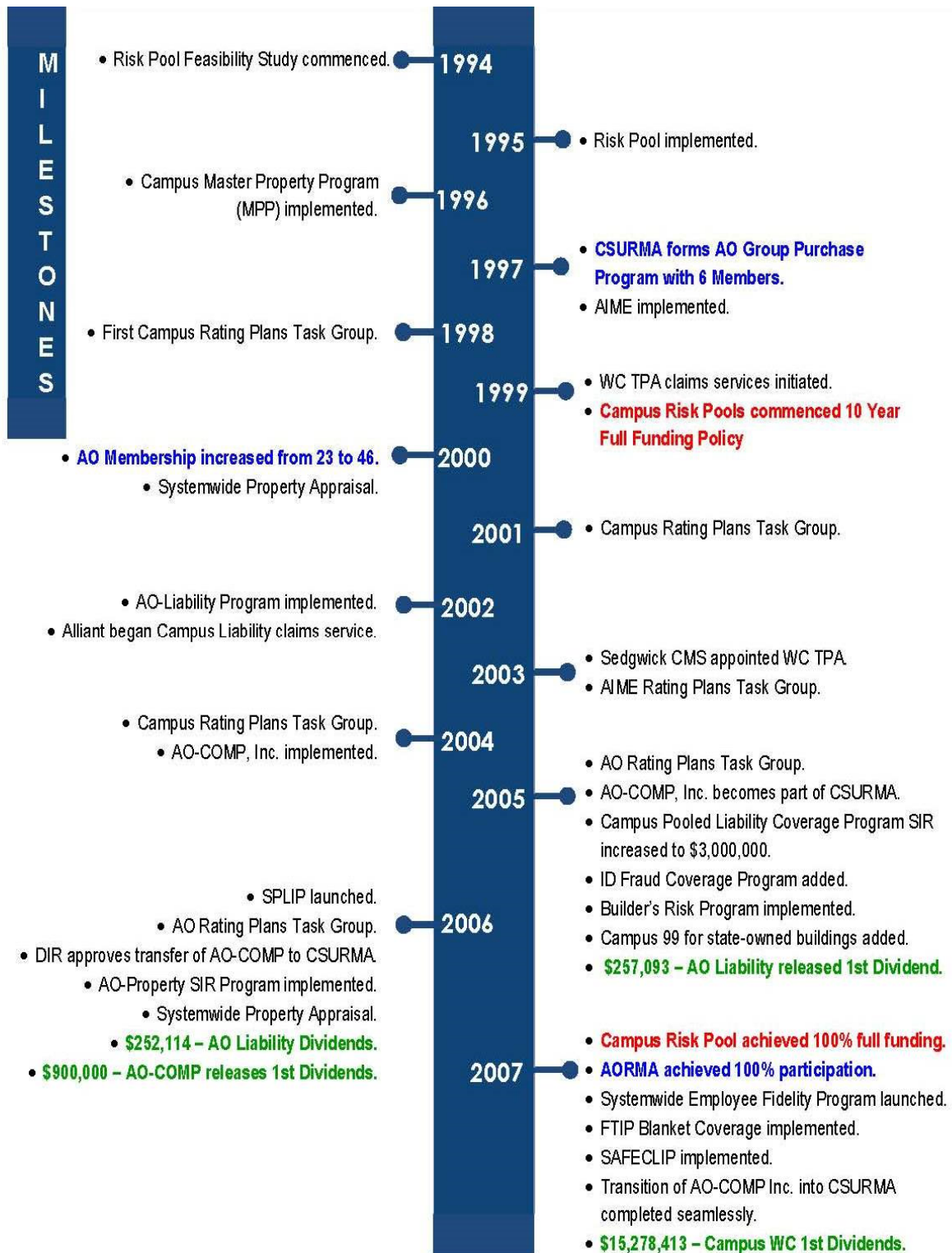
15. Worked with CSAC EIA to lower the workers' compensation program cost allocation

*JPA Administration:*

1. Assisted in development of the FY 18/19 CSURMA operating budget
2. Assisted in development of the FY 17/18 midterm budget amendments
3. Received a score of 96% on the CSURMA Operational Review
4. Conducted an "Orientation to CSURMA" for all members via webinar.
5. Drafted and managed the distribution of meeting agendas, and participated in meetings for the Board of Directors, Executive Committee, AORMA Committee, AIME Committee, and several subcommittees and task groups
6. Prepared the updated version of the Service Calendar
7. Prepared the financial report of the CSURMA insurers and reinsurers
8. Requested and updated the Campus Presidents' appointments to the CSURMA Board of Directors
9. Requested and updated the Campus Presidents' Claims Settlement Authority for both the Campus Liability and Workers' Compensation Risk Pools
10. Requested and updated the Campus Presidents' delegation of approval for travel to high hazard countries

The accomplishments described above highlight Alliant's role in supporting CSURMA's achievements during the year. These would not have been possible without the commitment and professionalism of the Alliant team members working with CSU's Systemwide Office of Risk Management and with the Campuses' and Auxiliary Organizations' leadership.

## CSURMA Milestones



- Identity Fraud Expense Reimbursement coverage for AORMA member employees added.
      - Cyber Liability Program added.
    - AORMA WC Class Code consolidation completed.
      - **\$1,090,961 – AO-COMP Dividends.**
      - **\$9,867,829 – Campus WC Dividends.**
  - Campus WC On-Time reporting: 96%
  - Foreign Travel Insurance Program (FTIP) enhanced.
    - AIME catastrophic coverage enhanced.
    - Fiduciary Liability coverage added.
  - HR support counseling added for AORMA members.
    - Systemwide Property Appraisal.
    - AORMA Bulletins launched.
    - AORMA Toolkit updated.
    - CSU IRIC Manual updated.
  - **AORMA UIP launched, freeing up over \$10 million reserves for members.**
  - AORMA Risk Reduction Incentive Plan implemented.
  - **Independent review of CSURMA administration shows programs are in good position relative to CAJPA standards.**
    - **\$2,242,800 – AORMA Dividends.**
    - **\$9,173,264 – Campus Dividends.**
- CSU International Programs launches (CSUIP).
    - Owner Controlled Insurance Program (OCIP) implemented.
  - Facilities Use Agreement template for auxiliary organizations published.
  - Regional trainings for IRIC manual completed.
- Club Sports Insurance Program (CSIP) implemented.
  - **AIME achieved 100% campus participation.**
    - **\$2,219,190 – AORMA Dividends.**
    - **\$7,504,717 – Campus Dividends.**
- CSU Doctor's Medical Practice Program added.
  - **csurma.org website re-launched.**
- Campus Liability claims audit completed.
- AIME claims audit completed.
- AORMA Liability claims audit completed.
- Intramural/Recreational Sports added to CSIP.
  - **\$1,702,157 – AORMA Dividends.**
  - **\$7,097,512 – Campus Dividends.**

2014

- Theater Safety Risk Management rolled out.
- Unmanned Aerial Systems (“Drones”) coverage added to Campus Liability.
  - Campus members offered option for new deductibles for Liability coverage.
- Rating Plans Task Group for Campus Risk Pools.
- Rating Plans Task Group for Student Insurance Programs.
  - Campus Property Program restructured as reinsurance.
- Auto Physical Damage coverage for rented RVs and limousines added.
  - CSU IRIC Manual updated.
  - Shoes for Crews Program launched.
    - **\$1,823,733 – AORMA Dividends.**
    - **\$8,677,518 – Campus Dividends.**

2015

- Independent operational review of CSURMA administration concluded program management is in good position relative to CAJPA standards.
- AORMA revisions to the member allocation formulas finalized.
- CSURMA Website redesigned.
- AORMA coverage for Drones added.
- CSURMA joined CWCI for workers’ compensation benchmarking.
- Club Sports program expanded to include intramural and recreational sports.
- Risk Management Innovation Grants added.
- Rocketry Liability coverage added.
- Online services & training for Prevention of Sexual Abuse of Minors added.
- Agility Recovery Property Loss Program added.
- Campus and AORMA workers’ compensation programs reinsured by CSAC EIA.
- Participated in CSU-CCC-UC collaborative business conference at UC Riverside.
  - **\$1,179,889 – AORMA Dividends.**
  - **\$8,500,359 – Campus Dividends.**

2016

- Campus 86 for Campus Personal Property coverage added
- Fine Arts, Archives & Artifacts Program (FAAAP) implemented.
  - Operation “Double Play” – successful implementation of WC claims closure initiative to reduce claims volume and outstanding liabilities of long-term files.
- Implemented e-filing of the state required Conflict of Interest disclosure statements (Form 700).
  - Property Appraisals – comprehensive on-site building appraisals for insurance valuation purposes completed for all members.
- Participated in CSU-CCC-UC collaborative business conferences at CSU Sacramento.
- Campus Rating Plans Task Group – reviewed and updated rating formulae for campus risk pools.
  - **\$1,171,524 – AORMA Dividends.**
  - **\$13,688,395 – Campus Dividends.**

2017

- Drone Insurance Program (DRIP) implemented.
- Risk Management Grants revised to systemwide projects through WERCS affinity groups.
- Watercraft Liability Program implemented.
- AORMA Rating Plans Task Group - enhancements made to allocation formulas.
- Campus WC experience modification (X-Mod) rating review completed.
- Campus Liability, AORMA Liability, and Campus WC claims audits completed.
- EQ Parametric Coverage added to Campus & AORMA Property Programs
- Participated in CSU-CCC-UC CA Higher Education Collaborative (CHEC) conference at UC Irvine.
  - **\$1,712,755 – AORMA Dividends**
  - **\$7,027,608 – Campus Dividends**

- Medical Malpractice Liability specifically endorsed.
  - Deadly Weapons Response Program.
- Club Liability Insurance Program (CLIP) launched.
  - AORMA Benefits Program
    - **\$4,774,887 – Campus Dividends.**
    - **\$1,650,397 – AORMA Dividends.**

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***LOOKING AHEAD - Opportunities for Improvement***

In serving such a vibrant and growing program, Alliant recognizes there are opportunities for improvement in its performance. As a result of our internal review and planning process, we have identified the following priority opportunities for improvement which are contained in the 2018/19 CSURMA Long Range Action Plans:

***Campus Programs Long Range Action Plan***

- LRP-1: Roll out of the Special Events Resource Guide (SERG)
- LRP-2: Roll out of the Risk Management Information System
- LRP-3: Captive Formation and Analysis of CSURMA Investment Options
- LRP-4: Campus Visits to include CABO members, RM and EH&S, Athletic Directors and Trainers, and Auxiliary Organizations Leadership
- LRP-5: CSURMA Support of Systemwide EH&S Initiatives
- LRP-6: Campus Support for Managing Liability Arising from Student Club Activities
- LRP-7: Conduct Intensive Northern and Southern IRIC and SERG Training
- LRP-8: Review Timing and Budgeting Practices Related to CSURMA Dividends
- LRP-9: Review of Financial Reports to EC and BOD for Compliance, Relevance and Effectiveness
- LRP-10: Update of Quarterly CSURMA Report to CABO Utilizing RMIS Dashboard and Graphics
- LRP-11: Development of OCIP Dividend Policy and Procedure

***AORMA Programs Long Range Action Plan***

- LRP-1: Workers' Compensation Program Growth
- LRP-2: Evaluation of the Creation of a Fully Insured Primary Liability Program
- LRP-3: Evaluation of participation in the CSU captive vehicle
- LRP 4: Development of Recreation Center Good Practices
- LRP 5: Formation of AORMA Benefits Program
- LRP 6: Prepare a Theatre Inspection Common Findings Report
- LRP 7: Verify and/or Place Coverage for CSU Alumni Associations
- LRP 8: Evaluation of the Creation of a Medical Expense Coverage Program to Cover Human Subjects Participating in Sponsored Programs
- LRP 9: Review and/or revision of the Target Surplus Analysis Ratios
- LRP 10: Confirmation of Members' Decisions Regarding Workers' Compensation Coverage for Volunteers
- LRP 11: Evaluation of Expansion of the Liability Program to Include Non-CSU Higher Education Entities

Alliant expects there to be other opportunities for improving our performance, and we encourage CSURMA members to assist us by bringing performance improvement items to our attention. The service team regards working with the CSURMA as an exciting opportunity with our professional



promise to provide the highest level of services. We are committed to improving our effectiveness and value to all members. We appreciate your support and encouragement as we move forward.

## ***CALENDARS***

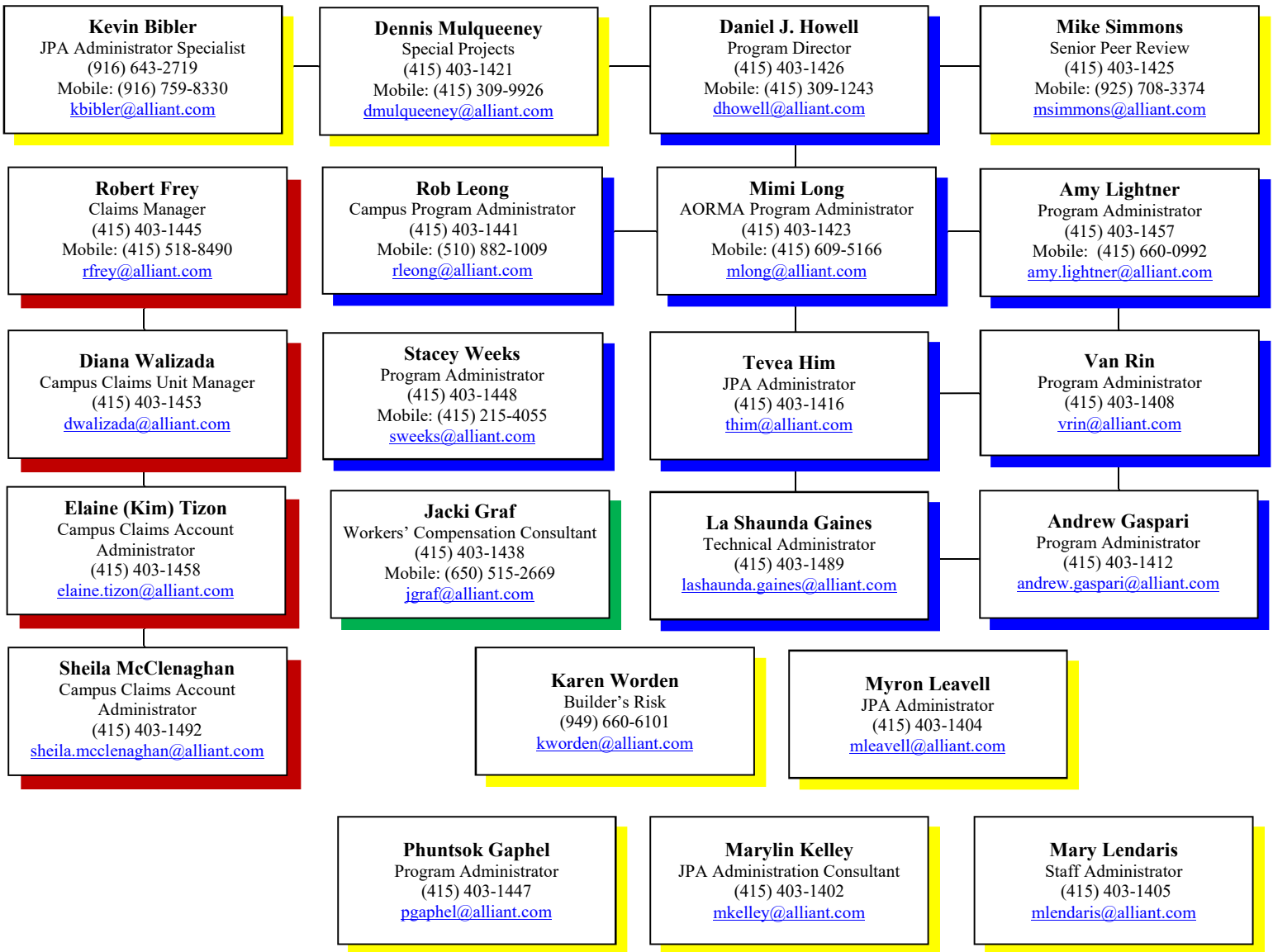
### *Meeting Calendar*





An organization as complex as CSURMA requires regular meetings of its Board of Directors, the Executive Committee, AORMA Committee, AIME Committee, and a number of subcommittees and task groups who are focused on specific tasks and responsibilities. These meetings are important to ensure member needs are met, to communicate program development, and to provide reports to all members regarding status of the program's objectives. As a governmental entity, CSURMA's Campus programs and AORMA programs ascribe to the Bagley-Keane Open Meeting Law. A copy of the Meeting Calendars for 2018 and 2019 are included as Appendix B.

## ***SUMMARY***

We are excited to have the opportunity to work with dynamic, creative and forward thinking leaders who are willing to invest energy and resources that is essential for program success. We are extremely proud to be associated with CSU and its Auxiliary Organizations. We are committed to meet the current and future needs of CSURMA.

## Appendix A – Alliant Team Organization Chart for CSURMA as of July 1, 2018



	CSURMA Core Service Team
	Claims Consulting
	Workers' Comp / Risk Analysis
	Special Projects / Peer review



**Appendix B – CSURMA Meeting Calendar**

**2018 CSURMA MEETING CALENDAR**

<b>JANUARY, 2018</b>		<b>FEBRUARY, 2018</b>		<b>MARCH, 2018</b>	
7	EC: Sacramento: 3:00 p.m.	22	<del>PC: Teleconference, 1:00 p.m.</del>	8	AORMA: Long Beach: 10:00 a.m.
9	PC: Sacramento: 7:30 a.m			8	EC: Long Beach: 2:30 p.m.
7-10	AOA Conference: Sacramento			9	EC LRP: Long Beach: 8:30 a.m.
22	AIME: Long Beach: 10:30 a.m.				
<b>APRIL, 2018</b>		<b>MAY, 2018</b>		<b>JUNE, 2018</b>	
23-24	Fitting the Pieces Conference, San Diego	14	AIME: Sacramento: 10:30 a.m.	21	PC: Teleconference: 1:00 p.m.
25	<del>AORMA: San Diego,</del>				
25	EC: San Diego,				
25	BOD: San Diego,				
<b>AORMA = Auxiliary Organizations Risk Management Alliance Committee</b>		<b>PC = AORMA Programs Committee</b>		<b>EC = CSURMA Executive Committee</b>	
<b>AIME = Athletic Injury Medical Expense Committee</b>		<b>AOA = CSU Auxiliary Organizations Association</b>		<b>EC LRP = EC Long Range Planning Meeting</b>	
<b>AORMA LRP = AORMA Long Range Planning Meeting</b>		<b>BOD = CSURMA Board of Directors</b>			

**Appendix B – CSURMA Meeting Calendar (cont'd)**

**2018 CSURMA MEETING CALENDAR**

<b>JULY, 2018</b>		<b>AUGUST, 2018</b>		<b>SEPTEMBER, 2018</b>	
23-24 AORMA Officers Retreat, 11:00 a.m.				5	AORMA New Member Orientation:
				5	AORMA LRP: Sacramento: 10:00 a.m.
				6	AORMA: Sacramento: 9:00 a.m.
				6	EC Orientation: Sacramento: 4:00 pm
				7	EC: Sacramento: 8:30 a.m.
				27	PC: Teleconference, 1:00 p.m.
<b>OCTOBER, 2018</b>		<b>NOVEMBER, 2018</b>		<b>DECEMBER, 2018</b>	
15	AIME: Fullerton: 10:30 a.m. BOD Orientation: 2:00 p.m.	29	PC: Teleconference, 1:00 p.m.	6	AORMA: TBD: 10:00 a.m.
25	AORMA: Long Beach: 10:00 a.m.			7	EC: Long Beach: 8:30 a.m.
26	EC: Long Beach: 8:30 a.m.				
26	BOD: Long Beach: 10:30 a.m.				
AORMA = Auxiliary Organizations Risk Management Alliance Committee		PC = AORMA Programs Committee		EC = CSURMA Executive Committee	
AIME = Athletic Injury Medical Expense Committee		AOA = CSU Auxiliary Organizations Association		EC LRP = EC Long Range Planning Meeting	
AORMA LRP = AORMA Long Range Planning Meeting		BOD = CSURMA Board of Directors			

**Appendix B – CSURMA Meeting Calendar (cont'd)**

**2019 CSURMA MEETING CALENDAR**

JANUARY, 2019	FEBRUARY, 2019	MARCH, 2019
13 EC: Indian Wells: 3:30 p.m. 13-16 AOA Conference: Indian Wells 14 AIME: TBD: 10:30 a.m.		7 AORMA: TBD: 10:00 a.m. 7 EC: TBD: 2:30 p.m. 8 EC LRP: TBD: 8:30 a.m.
APRIL, 2019	MAY, 2019	JUNE, 2019
	2 AORMA: Long Beach, 11:00 a.m. 3 EC: San Diego, 8:30 a.m. 3 BOD: San Diego, 10:30 a.m. 6 AIME: TBD: 10:30 a.m.	
AORMA = Auxiliary Organizations Risk Management Alliance Committee	AOA = CSU Auxiliary Organizations Association	EC LRP = EC Long Range Planning Meeting
AIME = Athletic Injury Medical Expense Committee	BOD = CSURMA Board of Directors	
AORMA LRP = AORMA Long Range Planning Meeting	EC = CSURMA Executive Committee	

**Appendix B – CSURMA Meeting Calendar (cont'd)**

**2019 CSURMA MEETING CALENDAR**

JULY, 2019		AUGUST, 2019		SEPTEMBER, 2019	
TBD	AORMA Officers Retreat, 11:00 a.m.			4	AORMA New Member Orientation:
				4	AORMA LRP: TBD: 10:00 a.m.
				5	AORMA: TBD: 9:00 a.m.
				5	EC Orientation: TBD: 4:00 pm
				6	EC: TBD: 8:30 a.m.
OCTOBER, 2019		NOVEMBER, 2019		DECEMBER, 2019	
14	AIME: TBD: 10:30 a.m.	6-7	Fitting the Pieces Conf, San Francisco	5	AORMA: TBD: 10:00 a.m.
24	AORMA: TBD: 10:00 a.m.	8	EC: San Francisco: 8:30 a.m.	6	EC: TBD: 8:30 a.m.
		8	BOD: San Francisco: 10:30 a.m.		
AORMA = Auxiliary Organizations Risk Management Alliance Committee		PC = AORMA Programs Committee		EC = CSURMA Executive Committee	
AIME = Athletic Injury Medical Expense Committee		AOA = CSU Auxiliary Organizations Association		EC LRP = EC Long Range Planning Meeting	
AORMA LRP = AORMA Long Range Planning Meeting		BOD = CSURMA Board of Directors			

### Appendix C – CSU and AORMA Member Listing

#	Campus	Auxiliary Organization
1	Bakersfield	Associated Students, California State University, Bakersfield, Inc.
2	Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration
3	Bakersfield	California State University, Bakersfield Foundation
4	Bakersfield	California State University, Bakersfield Student Union, Inc.
5	Chancellor's Office	California State University Foundation
6	Chancellor's Office	California State University Institute
7	Channel Islands	Associated Students of California State University, Channel Islands, Inc.
8	Channel Islands	California State University Channel Islands Foundation
9	Channel Islands	CI University Auxiliary Services, Inc.
10	Chico	Associated Students of California State University, Chico
11	Chico	The CSU, Chico Research Foundation
12	Chico	The University Foundation, California State University, Chico
13	Dominguez Hills	Associated Students, California State University, Dominguez Hills
14	Dominguez Hills	California State University, Dominguez Hills Foundation
15	Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated
16	Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation
17	East Bay	Associated Students, Inc., California State University East Bay
18	East Bay	Cal State East Bay Educational Foundation
19	East Bay	California State University, East Bay Foundation, Inc.
20	Fresno	Associated Students, Inc. of California State University, Fresno
21	Fresno	California State University, Fresno Association, Inc.
22	Fresno	California State University, Fresno Foundation
23	Fresno	Fresno State Programs for Children, Inc.
24	Fresno	The Agricultural Foundation of California State University, Fresno
25	Fresno	The California State University, Fresno Athletic Corporation
26	Fullerton	Associated Students California State University, Fullerton, Inc.
27	Fullerton	Cal State Fullerton Philanthropic Foundation
28	Fullerton	CSU Fullerton Auxiliary Services Corporation
29	Humboldt	Associated Students of Humboldt State University

#	Campus	Auxiliary Organization
30	Humboldt	Humboldt State University Advancement Foundation
31	Humboldt	Humboldt State University Center Board of Directors
32	Humboldt	Humboldt State University Sponsored Programs Foundation
33	Long Beach	Associated Students, California State University, Long Beach
34	Long Beach	California State University, Long Beach Research Foundation
35	Long Beach	CSULB 49er Foundation
36	Long Beach	Forty-Niner Shops, Inc.
37	Los Angeles	Associated Students, California State University, Los Angeles, Inc.
38	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
39	Los Angeles	California State University, Los Angeles Foundation
40	Los Angeles	University-Student Union at California State University, Los Angeles
41	Maritime Academy	California Maritime Academy Foundation, Inc.
42	Maritime Academy	The Associated Students of the California Maritime Academy
43	Monterey Bay	Foundation of California State University, Monterey Bay
44	Monterey Bay	University Corporation at Monterey Bay
45	Monterey Bay	Otter Student Union at CSU Monterey Bay
46	Northridge	Associated Students, California State University, Northridge, Inc.
47	Northridge	California State University, Northridge Foundation
48	Northridge	North Campus University Park Development Corporation
49	Northridge	The University Corporation
50	Northridge	University Student Union of California State University, Northridge
51	Pomona	Associated Students Inc., California State Polytechnic University, Pomona
52	Pomona	The Cal Poly Pomona Foundation, Inc.
53	Sacramento	Associated Students of California State University, Sacramento
54	Sacramento	Capital Public Radio, Inc.
55	Sacramento	The University Foundation at Sacramento State
56	Sacramento	University Enterprises, Inc.
57	Sacramento	University Union Operation of CSUS, Inc.
58	San Bernardino	Associated Students, California State University, San Bernardino
59	San Bernardino	CSUSB Philanthropic Foundation
60	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino
61	San Bernardino	University Enterprises Corporation at CSUSB
62	San Diego	Associated Students, San Diego State University

#	Campus	Auxiliary Organization
63	San Diego	Aztec Shops, Ltd.
64	San Diego	San Diego State University Research Foundation
65	San Diego	The Campanile Foundation
66	San Francisco	Associated Students of San Francisco State University
67	San Francisco	San Francisco State University Foundation, Inc.
68	San Francisco	The University Corporation, San Francisco State
69	San Jose	Associated Students San Jose State University
70	San Jose	San Jose State University Research Foundation
71	San Jose	Spartan Shops, Inc.
72	San Jose	The Student Union of San Jose State University
73	San Jose	The Tower Foundation of San Jose State University
74	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo
75	San Luis Obispo	Cal Poly Corporation
76	San Luis Obispo	California Polytechnic State University Foundation
77	San Marcos	California State University San Marcos Foundation
78	San Marcos	The Associated Students of California State University, San Marcos
79	San Marcos	California State University San Marcos Corporation
80	Sonoma	Associated Students of Sonoma State University
81	Sonoma	Sonoma State Enterprises, Inc.
82	Sonoma	Sonoma State University Foundation
83	Stanislaus	Associated Students Incorporated of California State University, Stanislaus
84	Stanislaus	California State University, Stanislaus Auxiliary and Business Services
85	Stanislaus	California State University, Stanislaus Foundation
86	Stanislaus	University Student Union of California State University, Stanislaus
	N/A	Auxiliary Organization Associations
	N/A	Auxiliaries Multiple Employer VEBA

**FINANCIAL RATINGS OF THE CSURMA INSURERS AND  
REINSURERS**

**ISSUE:** One of the recommendations that came out of the CSURMA Operational Review was the suggestion that Staff should consider providing to the Board of Directors a summary of the financial strength of all insurance and reinsurance providers on the CSURMA programs. Staff prepared the attached report based on the current placements for FY 17/18 and will update the report in October for the FY 18/19 placements.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** Going forward, this report will be presented to the Board of Directors every year at the fall meeting.

**ATTACHMENT(S):**

- a. Financial Report of CSURMA Insurers and Reinsurers

## Financial Strength of Insurers and Reinsurers

Coverage	Carrier	AM Best Rating
<b>CAMPUS &amp; AORMA</b>		
<b>REINSURANCE LIABILITY</b>		
Reinsurance Liability (\$4M xs \$1M)Markel (50% share)	Markel Global Reinsurance Company	A XV
Reinsurance Liability (\$4M xs \$1M) - Great American (50% share)	Great American Insurance Company	A+ XIV
Reinsurance Liability (\$5M xs \$5M) - Ironshore	Ironshore Indemnity Inc.	A XIV
Reinsurance Liability (\$5m po \$10M xs \$10M) - Argonaut	Argonaut Insurance Company	A XIII
Reinsurance Liability (\$5m po \$10M xs \$10M) - Hiscox / ATL	Lloyd's Syndicate: Hiscox / ATL	A XV
<b>EXCESS LIABILITY</b>		
Excess Liability (\$5M xs \$20M) - Great America - Layer 3	Great American E & S Insurance Company	A+ XIV
Excess Liability (\$5M xs \$25M) - Lloyds - Brit Syndicate - Layer 4	Lloyd's of London (Brit Syndicate 2987 – 100%)	A XV
Excess Liability (\$5M xs \$30M) - Peleus - Layer 5	Peleus Insurance Company	A XII
Excess Liability (\$15M xs \$35M) - Gemini - Layer 6	Gemini Insurance Company	A+ XV
Excess Liability (\$10M po \$50M xs \$50M) - Great American - Layer 7a	Great American E&S Insurance Company	A+ XIV
Excess Liability (\$40M po \$50M xs \$50M) - Hiscox, ATL, Score Re - Layer 7b	Hiscox	A XV
Excess Liability (\$25M po \$50M x \$100M) - Aspen - Layer 8a	Aspen Bermuda Limited	A XIV
Excess Liability (\$25M po \$50M x 100M) - Ironshore / Starr / Hamilton / Antares - Layer 8b	Iron Starr Excess Agency Ltd.	A XIV
Excess Liability (\$50M x \$150M) - XL - Layer 9	XL Insurance Company SE	A XV
Excess Liability (\$25M po \$75M x \$200M) - Aspen - Layer 10a	Aspen Bermuda Limited	A XIV
Excess Liability (\$25M po \$75M x \$200M) - Ironshore/Starr/Hamilton Re/Antares - Layer 10b	Iron Starr Excess Agency Ltd.	A XIV

Rating Symbols and Categories  
A++ / A+ = Superior

Size (in Millions)  
Class XII = \$1,000  
Class XIII = \$1,250

Size (in Millions)  
Class XIV = \$1,500  
Class XV = \$2,000

## Financial Strength of Insurers and Reinsurers

Coverage	Carrier	AM Best Rating
Excess Liability (\$25M po \$75M x \$200M) - Chubb Bermuda - Layer 10c	Chubb Bermuda Insurance Ltd.	A++ VX
<b>OTHER PROGRAM / COVERAGES</b>		
Cyber Risk Liability (CYBER ENHANCEMENT OPTION (CEO)) - 1M Lives	Lloyd's of London / Beazley	A XIII
Excess Cyber Risk Liability (\$10M xs \$2M - Greenwich)	Greenwich Insurance Company	A XV
Excess Cyber Risk Liability (\$5M xs \$12M - AXIS)	AXIS Insurance	A+ XV
Fidelity - Crime	Lloyd's Syndicate CGM 2488	A XIV
Trustees E&O, Fiduciary Liability	Lloyd's Syndicate - Aspen 6711	A XIV
Auto Physical Damage (APD)	AGCS Marine Insurance Company	A+ XV
Drone Insurance Program (DRIP)	Westchester Fire Insurance Company	A++ XV
NEW - Active Assailant	Beazley Syndicate 2623 And Certain Underwriters at Lloyd's of London	A XV
<b>CAMPUS</b>		
Workers Compensation Program	CSAC Excess Insurance Authority	Not Rated
Foreign Travel Insurance Program (FTIP) - Primary A&H	Chubb / ACE American Insurance Company	A++ XV
Foreign Travel Insurance Program (FTIP) - GL / XS Auto / WC	ACE American Insurance Company	A++ XV
Foreign Travel Insurance Program (FTIP)	Hiscox Syndicates Limited	A XIV
CSU IP (International Program)	Chubb	A++ XV
Student Professional Liability Insurance Program (SPLIP)	Ascot Underwriting Bermuda Syndicate 1414 at Lloyd's of London	A XIV
Ascot (Sideways- SPLIP Agg Excess SPLIP)	Ascot Underwriting Bermuda Syndicate 1414 at Lloyd's of London	A XIV
Student Academic Field Experience For Credit Liab Ins. Program (SAFECLIP) - (\$5M / \$10M)	Ascot Underwriting Bermuda Syndicate 1414 at Lloyd's of London	A XIV
Student Academic Field Experience for Credit Liab Ins. Program (SAFECLIP) - (Ascot SAFECLIP Agg Excess)	Ascot Underwriting Bermuda Syndicate 1414 at Lloyd's of London	A XIV

Rating Symbols and Categories  
A++ / A+ = Superior

Size (in Millions)  
Class XII = \$1,000  
Class XIII = \$1,250  
Class XIV = \$1,500  
Class XV = \$2,000

Size (in Millions)  
Class XIV = \$1,500  
Class XV = \$2,000

## Financial Strength of Insurers and Reinsurers

Coverage	Carrier	AM Best Rating
Doctors' Med Mal (Ascot)	Ascot Underwriting Bermuda Syndicate 1414 at Lloyd's of London	A XIV
Property and B&M Insurance (incl. Cyber & Pollution Liab)	Alliant Property Insurance Program (APIP) – Lexington Insurance Co.	A++ XV
Inland Marine Insurance (3% rate increase)	AGCS Marine Insurance Company	A+ XV
Fine Arts, Artifacts, & Archives Program	Lloyd's of London syndicates: HIS33, ASC1414. AUW609, XLC2003, ATL1861, KLN510	A XIV
Non-Owned Aircraft Liability	Westchester Fire Insurance Company	A++ XV
CSU Rocketry Program	ACE Property and Casualty Insurance Company	A++ XV
Builder's Risk	Illinois Union Insurance Company	A++ XV
Athletic Injury Medical Expense (AIME)	QBE Insurance Corporation	A XV
APEEL (Pollution Liability)	Illinois Union Insurance Company	A++ XV
Club Liability Insurance Program (CLIP)	Lloyd's of London syndicates: XL Catlin XLC 2003, Ascot	A XIV
<b>AORMA</b>		
Workers Compensation Program - BILLED DIRECTLY FROM CSAC EIA	CSAC Excess Insurance Authority	Not Rated
Property and B&M Insurance (incl. Cyber & Pollution Liab)	Alliant Property Insurance Program (APIP) – Lexington Insurance Co.	A++ XV
ID Fraud	Travelers Excess and Surplus Lines Company	A++ XV
Participant Accident Insurance	QBE Insurance Corporation	A XV

Rating Symbols and Categories  
A++ / A+ = Superior

Size (in Millions)  
Class XII = \$1,000  
Class XIII = \$1,250  
Class XIV = \$1,500  
Class XV = \$2,000

Size (in Millions)  
Class XIV = \$1,500  
Class XV = \$2,000

## **CSURMA TRI-FOLD BROCHURE**

**ISSUE:** The attached CSURMA brochure is updated annually and includes financial information as well as an overview of new coverage programs and new risk control services available to its member. Please feel free to share this brochure.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** Staff completed the first CSURMA tri-fold brochure in 2016. It will be updated annually.

**PUBLICATION:** This brochure will be uploaded to the CSURMA website.

**ATTACHMENT(S):**

- a. CSURMA Tri-Fold Brochure

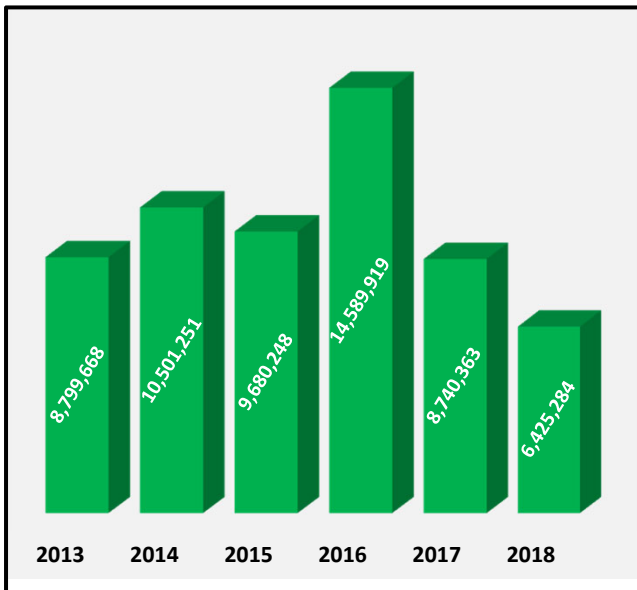
## CSURMA Officers:

- **Chair: Lisa Chavez**  
CSU Los Angeles
- **Vice Chair: Kevin Saunders**  
CSU Monterey Bay
- **Treasurer: Robert Eaton**  
Chancellor's Office
- **Secretary-Auditor: Zachary Gifford**  
Chancellor's Office

## CSURMA Governance:

- Board of Directors
- Executive Committee
- AORMA Committee
- AIME Committee

**Total Dividends paid since 1997:**  
**\$146,815,468**



The California State University Risk Management Authority (CSURMA) represents a unique opportunity for the CSU community to come together to protect our Universities and Auxiliary Organizations and the people we serve. Since its founding in 1997, CSURMA has brought together the many stakeholders to create programs that help us prevent injuries and losses, and improve our response and recovery efforts.

The CSURMA Board and standing committees have established program structures that deliver quality coverage using a combination of insurance, self-insurance and reinsurance. By managing our risks and reducing reliance on traditional insurance, CSURMA has been able to return over \$146 million in dividends to the Universities and Auxiliary Organizations over the past decade.

CSURMA is well positioned to continue to support the University's mission in the changing environment of the years to come.

*Lisa Chavez, CSURMA Chair*



**Save the Date**

CSU Risk Management

2019 Fitting the Pieces Together Conference  
November 6-7 in San Francisco, CA

California State University Risk Management Authority



A joint powers authority established in 1997 to protect Member resources by providing broad coverage and quality risk management services that stabilize risk cost in a reliable, economical and beneficial manner for the CSU and its Auxiliary Organizations.

For more information, please visit our website

[www.CSURMA.org](http://www.CSURMA.org)



# Administrative Practices:

CSURMA is overseen by the CSU Chancellor's Office and follows;

- CSU Chancellor's Executive Orders
- CSU Systemwide Risk Management Technical Letters
- Applicable Integrated CSU Administrative Manual sections
- Applicable CAJPA Accreditation Standards
- Independent Financial Auditor – KPMG
- CSURMA Governing Documents:
  - Joint Powers Agreement*
  - Bylaws*
  - Policies and Procedures*
  - Participation Agreements*
  - Memoranda of Coverage*

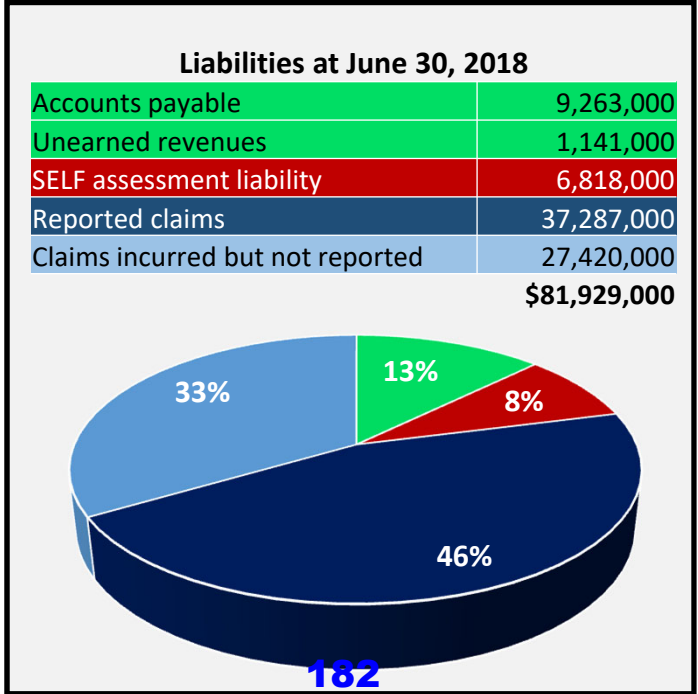
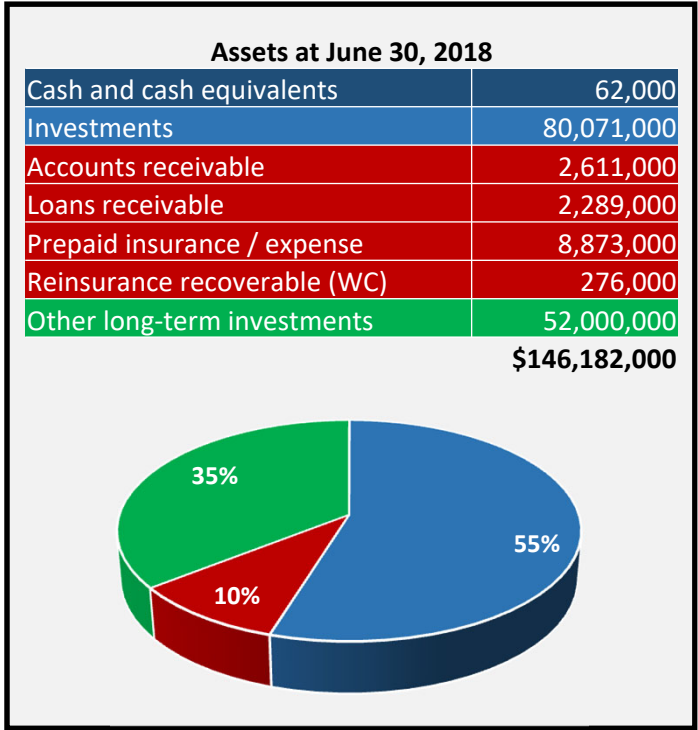
# Board of Directors:

- 40 Board Members
- 23 Campus Seats
- 10 Auxiliary Organization Seats
- 7 Chancellor Office Seats

# In partnership with:



# Financial Position:



# New Coverage Programs:

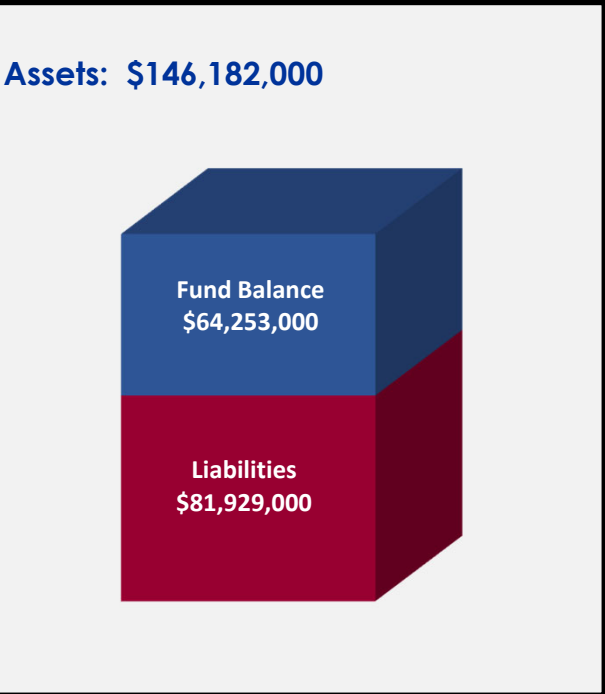
- Club Liability Insurance Program (*general liability coverage for all student clubs officially recognized by the CSU*)
- Deadly Weapon Response Program
- AORMA Benefits Program

# New Risk Control Services:

- Risk and Safety Solutions (*software modules for EH&S management*)
- Risk Console (*risk management graphs, reports, benchmarking*)
- Veoci (*virtual emergency operations center*)
- Special Events Resource Guide

# Fund Balance in CSURMA

@ June 30, 2018: \$64,253,000



## **UNEMPLOYMENT INSURANCE CLAIMS COSTS SUMMARY CHARTS**

**ISSUE:** Attached for information only is the Unemployment Insurance Claims report showing a quarter by quarter comparison of claims costs and also cost history.

**RECOMMENDATION:** No action is requested. This item is for information only.

**FISCAL IMPACT:** None.

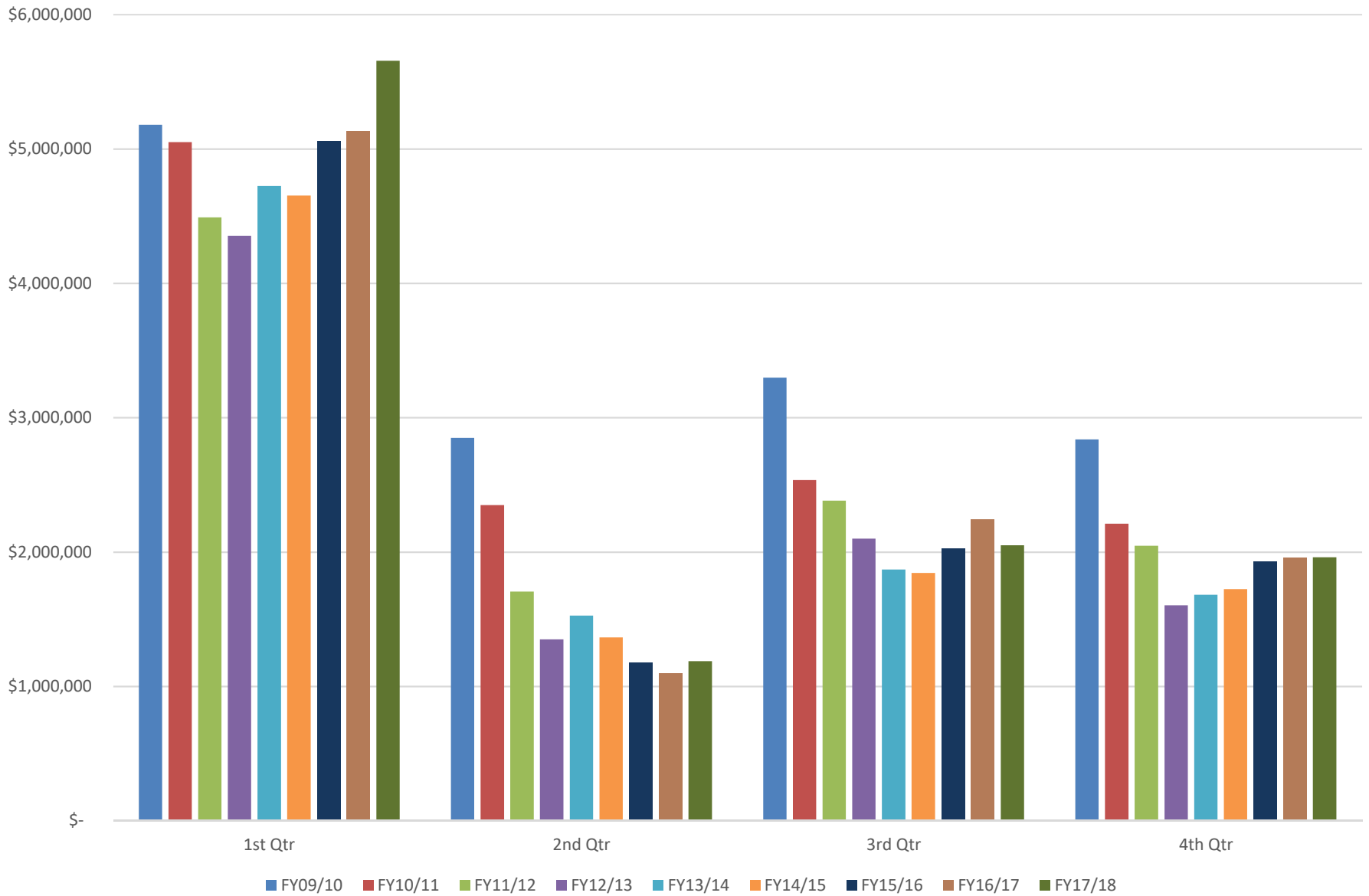
**BACKGROUND:** None.

**PUBLICATION:** None.

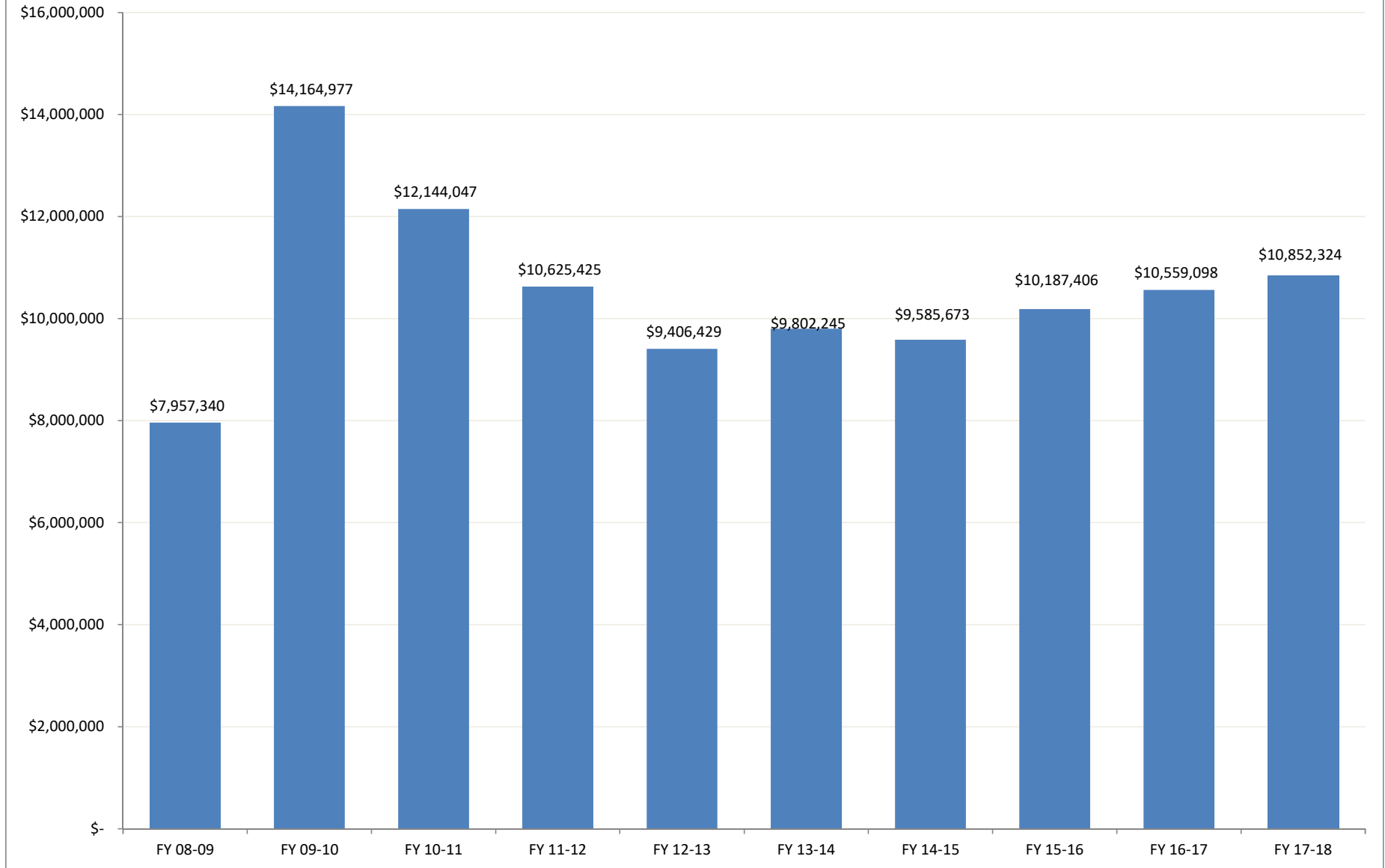
**ATTACHMENT(S):**

- a. UI Summary Charts

UI Comparison by Quarter  
 FY2009/10 - 2017/18 (Est.)



### 10-Year UI Charge Actuals (Est.)



## **WORKERS' COMPENSATION STEWARDSHIP REPORT**

**ISSUE:** Sedgwick, CSU's workers' compensation claims administrator, has completed their Stewardship Report which reviews CSURMA's key performance indicators for the program over the last five fiscal years.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** Sedgwick CMS has provided workers' compensation third party claims administration for the CSU Campuses since July 1, 2003. The current agreement with Sedgwick has been extended to June 30, 2022.

Staff will be on hand at the meeting to answer questions and provide a summary of the key findings within the Stewardship Report.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Sedgwick's CSU Workers' Compensation Stewardship Report



# California State University Workers' Compensation Program Stewardship Report FY 2017-2018



California State University  
Workers' Compensation

August 22<sup>nd</sup>, 2018

## Table of Contents

- Executive Summary
- Program Statistical Analysis
- Conclusion

**2018**  
**Annual**  
**Stewardship**  
**Report**



## Executive Summary

We are pleased to present our annual stewardship report for the California State University (CSU) Workers' Compensation Program.

We have reviewed the key performance indicators for the program over the last five fiscal years. The CSU has experienced an increase in new claim reporting across all claim types; however, the overall claim inventory has decreased. Both medical costs and overall cash flow have decreased FY 18 over FY17.

### Key findings:

- New claims up by 12% FY18 over FY17
- New Indemnity Claims up by 21% FY18 over FY17
- Open Active Indemnity inventory down 2% FY18 over FY17
- Open Future Medical Inventory down by 11% FY18 over FY17
- Cash Flow has decreased by 22% FY18 over FY17
- Medical costs are down by 7% FY18 over FY17

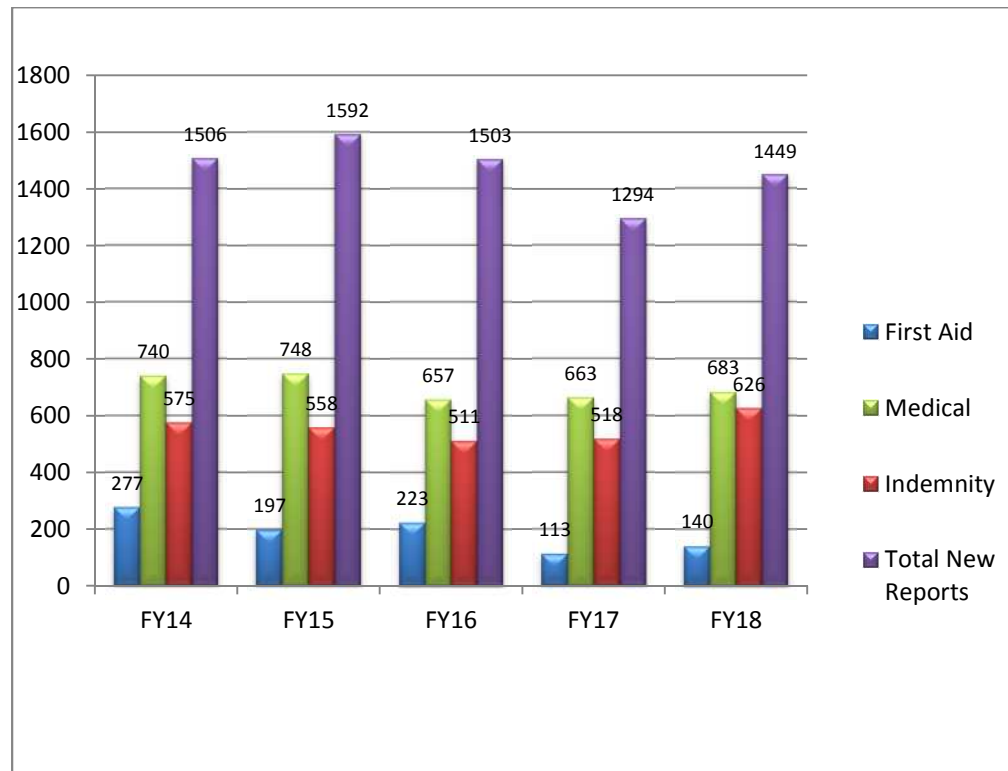


## Program Statistical Analysis

### New Claims

New claims are up across the spectrum, with the greatest increase seen in the Indemnity category, which is up 21% for FY18 over FY17.

Total New Reports	FY14	FY15	FY16	FY17	FY18
First Aid	277	197	223	113	140
Medical	740	748	657	663	683
Indemnity	575	558	511	518	626
<b>Total New Reports</b>	<b>1506</b>	<b>1592</b>	<b>1503</b>	<b>1294</b>	<b>1449</b>



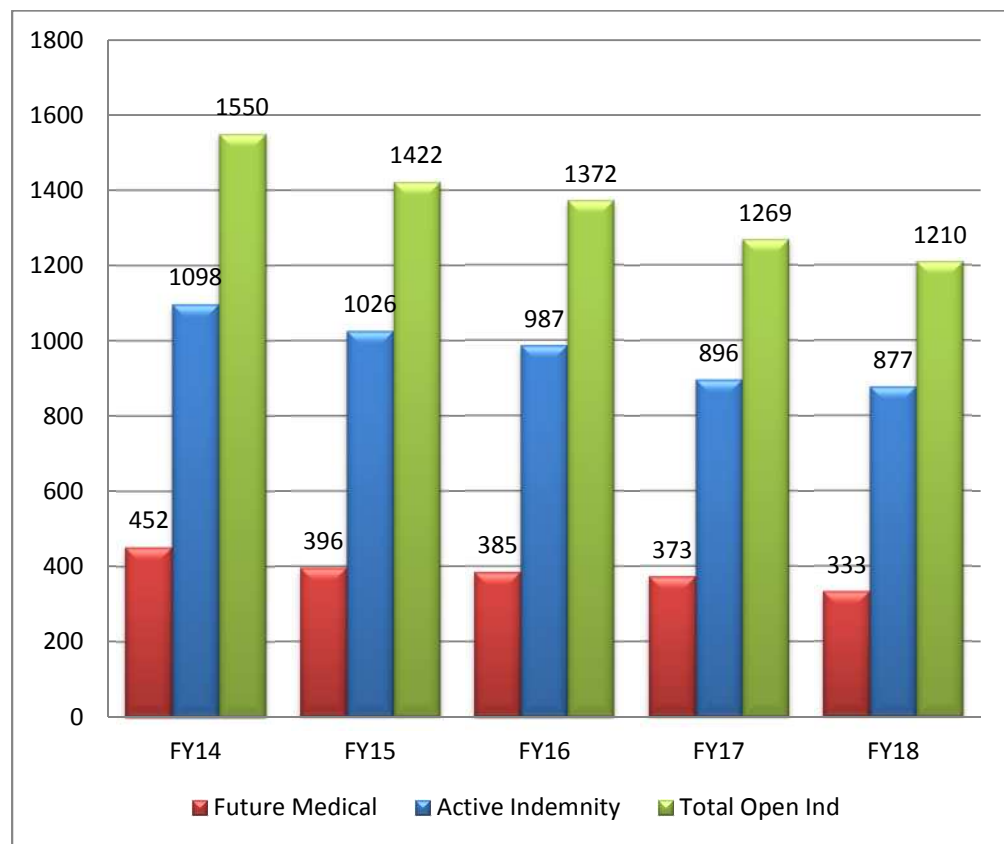
### Open Inventory

There has been a 2% decrease in open Active Indemnity inventory FY18 over FY17. When combined with the 11% decrease in open Future Medical claims, this results in an overall open indemnity decrease of 5%.

**2018  
Annual  
Stewardship  
Report**



Open Ind Inventory	FY14	FY15	FY16	FY17	FY18
Future Medical	452	396	385	373	333
Active Indemnity	1098	1026	987	896	877
<b>Total Open Ind</b>	<b>1550</b>	<b>1422</b>	<b>1372</b>	<b>1269</b>	<b>1210</b>



## Inventory Aging

FY	# Claims	% Total	Age of Open Inventory		Outstanding	% Total	Avg Out Ind	Avg Out FM
			# Ind	# FM				
FY 2018	329	27%	323	6	\$ 7,375,148.12	13%	\$ 22,371.31	\$ 24,869.18
FY 2017	195	16%	185	10	\$ 6,830,704.51	12%	\$ 35,144.82	\$ 32,891.26
FY 2016	124	10%	104	20	\$ 5,583,950.87	10%	\$ 46,934.60	\$ 35,137.63
FY 2015	93	8%	76	17	\$ 5,243,026.78	10%	\$ 57,018.49	\$ 53,507.17
FY 2014	73	6%	54	19	\$ 4,830,842.51	9%	\$ 74,142.80	\$ 43,533.23
FY 2013	50	4%	39	11	\$ 2,542,380.00	5%	\$ 52,458.73	\$ 45,135.40
FY 2012	42	3%	25	17	\$ 2,191,362.22	4%	\$ 55,666.93	\$ 47,040.52
FY 2011	36	3%	17	19	\$ 2,034,259.64	4%	\$ 81,354.81	\$ 34,275.15
FY 2010	32	3%	16	16	\$ 1,624,909.71	3%	\$ 57,367.46	\$ 44,189.40
FY 2009	25	2%	6	19	\$ 1,140,875.57	2%	\$ 56,437.47	\$ 42,223.72
FY 2008	17	1%	2	15	\$ 1,410,757.35	3%	\$ 256,601.88	\$ 59,836.91
FY 2007	17	1%	4	13	\$ 1,769,946.93	3%	\$ 113,571.79	\$ 101,204.60
FY 2006	14	1%	2	12	\$ 990,746.75	2%	\$ 100,216.69	\$ 65,859.45
FY 2005	11	1%	1	10	\$ 760,135.61	1%	\$ 12,530.67	\$ 74,760.49
FY 2004	5	0%	2	3	\$ 344,204.14	1%	\$ 88,990.95	\$ 55,407.42
FY 2003	15	1%	1	14	\$ 709,362.53	1%	\$ 120,656.95	\$ 42,050.40
FY 2002	18	1%	1	17	\$ 1,332,598.51	2%	\$ 45,389.56	\$ 75,718.17
FY 2001	17	1%	3	14	\$ 640,765.08	1%	\$ 17,345.06	\$ 42,052.14
FY 2000	21	2%	1	20	\$ 2,213,044.38	4%	\$ 80,005.40	\$ 106,651.95
FY 1999	9	1%	1	8	\$ 269,349.67	0%	\$ 3,440.82	\$ 33,238.61
FY 1998	8	1%	1	7	\$ 380,171.41	1%	\$ 22,471.01	\$ 51,100.06
FY 1997	7	1%	1	6	\$ 777,814.16	1%	\$ 229,343.43	\$ 91,411.79
FY 1996	9	1%	0	9	\$ 667,729.56	1%	\$ -	\$ 74,192.17
FY 1995	3	0%	1	2	\$ 173,220.48	0%	\$ 106,502.38	\$ 33,359.05
FY 1994	6	0%	0	6	\$ 288,303.56	1%	\$ -	\$ 48,050.59
FY 1993	1	0%	0	1	\$ 49,327.58	0%	\$ -	\$ 49,327.58
FY 1992	4	0%	1	3	\$ 183,897.04	0%	\$ 12,695.44	\$ 57,067.20
FY 1991	6	0%	0	6	\$ 966,805.22	2%	\$ -	\$ 161,134.20
FY 1990	3	0%	0	3	\$ 294,364.39	1%	\$ -	\$ 98,121.46
FY 1989	3	0%	1	2	\$ 142,535.46	0%	\$ 22,223.09	\$ 60,156.19
FY 1988	2	0%	0	2	\$ 32,889.50	0%	\$ -	\$ 16,444.75
FY 1987	2	0%	1	1	\$ 58,320.23	0%	\$ 48,434.92	\$ 9,885.31
FY 1986 & Prior	12	1%	0	12	\$ 1,159,127.95	2%	\$ -	\$ 96,594.00
Totals	1209	100%	869	340	\$ 55,012,877.42	100%	\$ 40,419.76	\$ 58,494.42

**Red text** indicates years of SELF Excess Ins. Coverage. These claims represent 9% (109 claims) of the total open indemnity claim population. Of the remaining SELF files, 10% (11 claims) are active indemnity files versus 90% (98 claims) future medical files.

The total percentage of open indemnity files from the SELF years has decreased by 17%, FY18 (109) over FY17 (132). Of note, there has been a 35% decrease in Outstanding reserves FY18 over FY17. These numbers demonstrate continued focus on the resolution of these "SELF years" files.



## 2018 Annual Stewardship Report



**Cash Flow**

The CSU has seen a decrease in adjusted cash flow (Medical Settlement removed) in FY18 over FY17 of 10%, or \$1,794,689.

The most significant decreases are noted in the adjusted Medical (-7%) and PD (-27%) categories.

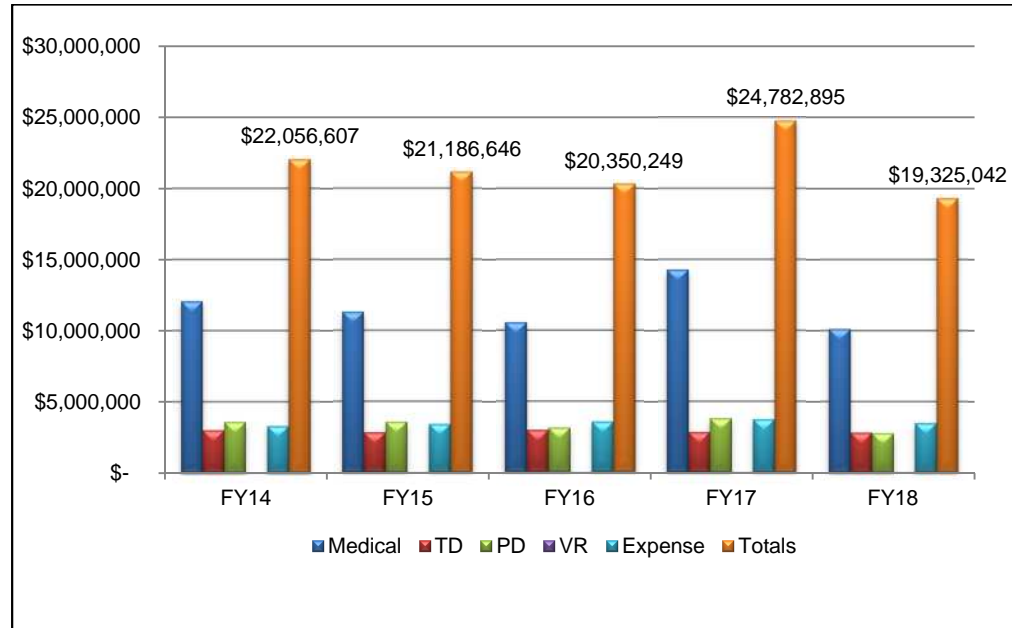
With the exception of FY17 (due to Medical Settlement payments), Medical has been consistently decreasing and the trend continues in FY18.

**2018**

**Annual Stewardship Report**



Cash Flow	FY14	FY15	FY16	FY17	FY18
<b>Medical</b>	\$12,089,878	\$11,333,300	\$10,573,240	\$14,301,117	\$10,140,817
<b>TD</b>	\$3,019,893	\$2,847,216	\$3,006,402	\$2,860,461	\$2,848,781
<b>PD</b>	\$3,616,782	\$3,576,461	\$3,146,459	\$3,838,049	\$2,801,099
<b>VR</b>	\$18,145	\$1,769	\$33,913	\$28,600	\$27,332
<b>Expense</b>	\$3,311,909	\$3,427,900	\$3,590,236	\$3,754,668	\$3,507,013
<b>Totals</b>	\$22,056,607	\$21,186,646	\$20,350,249	\$24,782,895	\$19,325,042
<b>Medical Settlement</b>	\$3,225,876	\$2,650,833	\$3,297,996	\$7,538,279	\$3,875,115
<b>Adjusted Cash Flow</b>	\$18,830,732	\$18,535,813	\$17,052,253	\$17,244,617	\$15,449,927



## Settlements

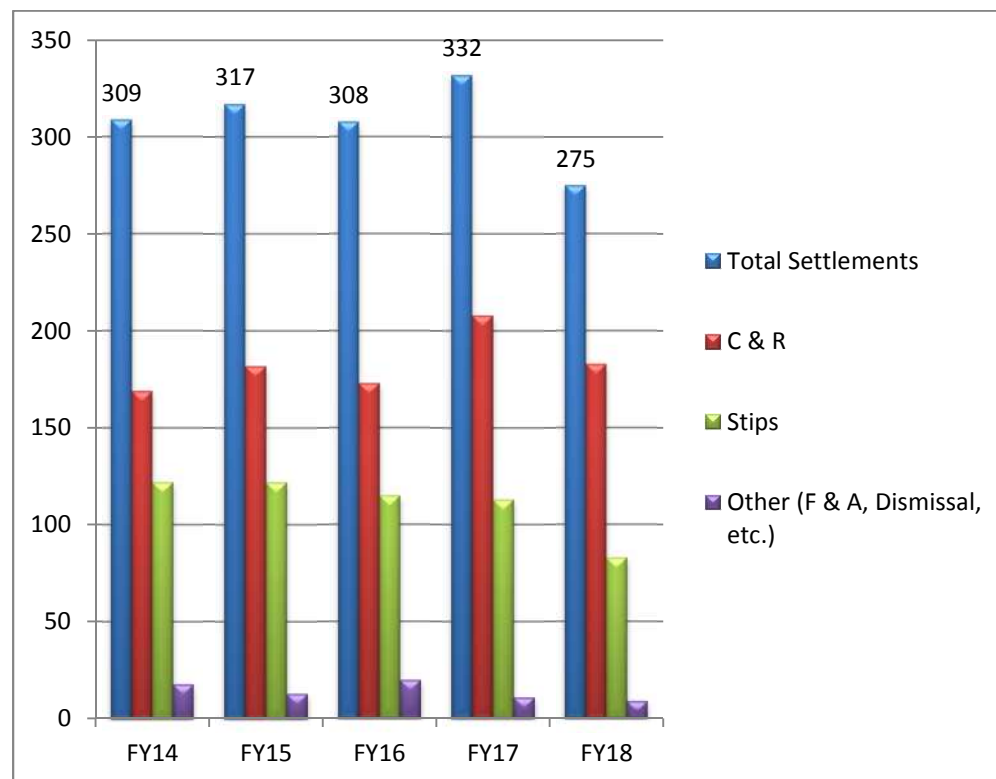
The number of settlements is down by 17% this year, marking the first year out of the last five where the number of settlements were not increased or within a few percentage points of the prior year. This is likely due at least in part to the large number of settlements obtain in FY17. While overall settlements did not increase, the % of C & R vs. all other settlements continues to climb, and is 67% vs 63% for FY18 over FY17.

2018

## Annual Stewardship Report



Settlements	FY14	FY15	FY16	FY17	FY18
<b>Total Settlements</b>	309	317	308	332	275
<b>C &amp; R</b>	169	182	173	208	183
<b>Stips</b>	122	122	115	113	83
<b>Other (F &amp; A, Dismissal, etc.)</b>	18	13	20	11	9
<b>C &amp; R to total settlements</b>	55%	57%	56%	63%	67%



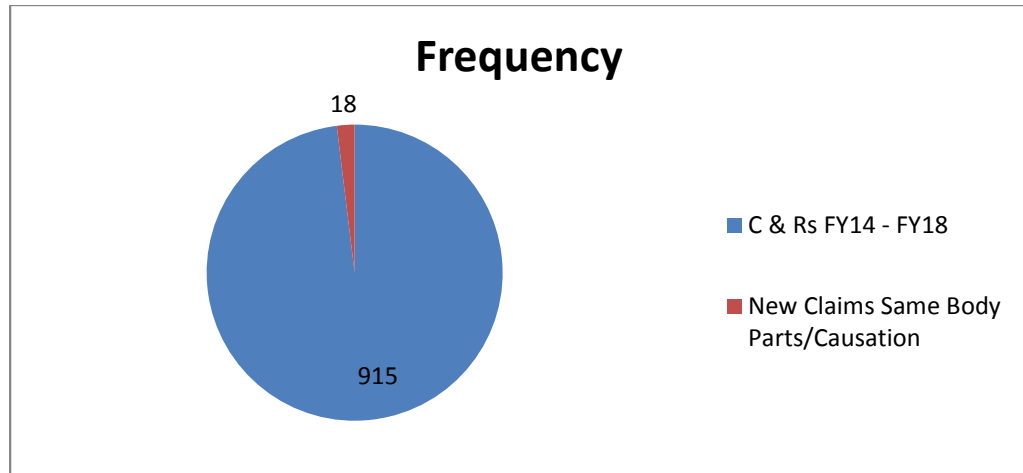
**Compromise and Release Recidivism**

Based on an analysis of all C & R settlements from FY14 – FY18 against all new reports for the same time period, we find that out of 915 C & R settlements, only 18 claims for the same/similar body parts/cause have been filed.

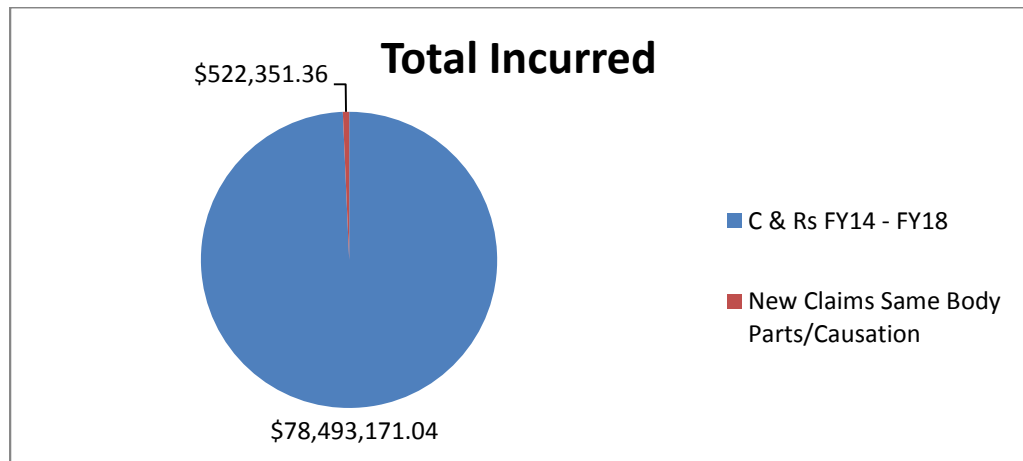
**2018  
Annual  
Stewardship  
Report**



	C & Rs FY14 - FY18	New Claims Same Body Parts/Causation	%
<b>Frequency</b>	915	18	2%
<b>Total Incurred</b>	\$78,493,171	\$522,351	1%



	C & Rs FY14 - FY18	New Claims Same Body Parts/Causation	%
<b>Total Incurred</b>	\$78,493,171	\$522,351	1%
<b>Frequency</b>	915	18	2%



### Medical Treatment Cost Drivers

The CSU has experienced an adjusted medical cost decrease of 10% for FY18 over FY 17. There has been a shift in the Top 5 categories, with "Hospital-Inpatient" and "Pharmacy" being replaced by "Medical Supplies & Equipment" and "Physical Therapy." Below are presented the FY18 Top 5 as a stand-alone, as well as the "apples to apples" comparison of the historical Top 5 with the FY18 numbers.

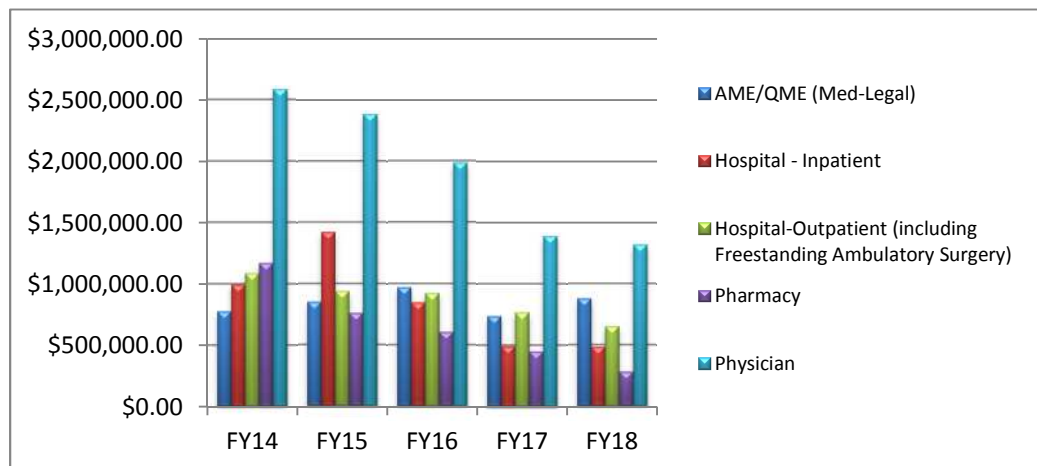
**2018**  
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**Stewardship**  
**Report**



Type	Total FY18
Physician	\$1,318,725
AME/QME (Med-Legal)	\$878,404
Physical Therapy	\$726,548
Hospital-Outpatient (including Freestanding Ambulatory Surgery)	\$652,570
Medical Supplies & Equipment	\$494,290
<b>Total</b>	<b>\$4,070,537</b>
<b>Total Med (Actual Cashflow)</b>	<b>\$10,140,817</b>
<b>% of Total Med</b>	<b>40%</b>

Type	FY14	FY15	FY16	FY17	FY18
<b>AME/QME (Med-Legal)</b>	\$777,832	\$852,977	\$970,253	\$739,607	\$878,404
<b>Hospital - Inpatient</b>	\$994,886	\$1,422,420	\$847,854	\$494,085	\$485,371
<b>Hospital - Outpatient (inc surg cent)</b>	\$1,088,358	\$938,282	\$923,142	\$768,590	\$652,570
<b>Pharmacy</b>	\$1,172,044	\$760,913	\$608,957	\$452,105	\$283,869
<b>Physician</b>	\$2,585,940	\$2,381,552	\$1,986,249	\$1,388,292	\$1,318,725

<b>Total Med (Top Five)</b>	\$6,619,059	\$6,356,144	\$5,336,455	\$3,842,680	\$3,618,939
<b>Total Med (Actual Cashflow)</b>	\$12,089,878	\$11,333,300	\$10,573,240	\$14,301,117	\$10,140,817
<b>% of Total Med</b>	55%	56%	50%	27%	36%



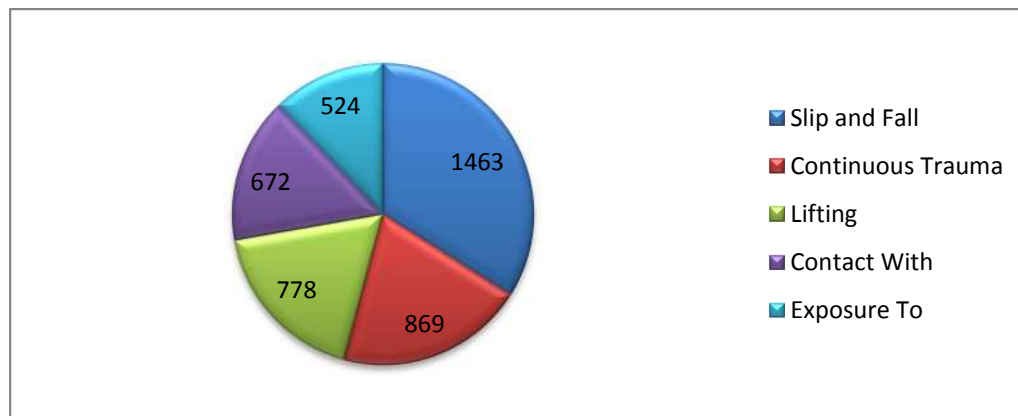
\* These numbers provided for direct comparison to prior years. True Top 5 for FY17 is provided in the first table.



### Claims by Source: 5 year total Top 5 FY14 – FY18

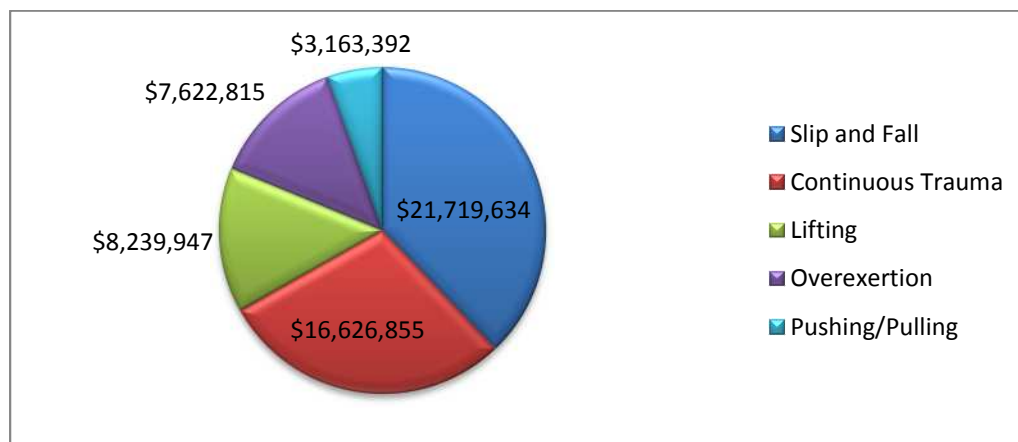
Top Five Source (Frequency – fig. 1)	Frequency	Total Incurred	% of Total Claims
Slip and Fall	1463	\$21,719,634	20%
Continuous Trauma	869	\$16,626,855	12%
Lifting	778	\$8,239,947	10%
Contact With	672	\$2,952,316	9%
Exposure To	524	\$1,883,522	7%

Figure 1



Top Five Source (Severity – fig. 2)	Frequency	Total Incurred	% of Total Incurred
Slip and Fall	1463	\$21,719,634	27%
Continuous Trauma	869	\$16,626,855	20%
Lifting	778	\$8,239,947	10%
Overexertion	487	\$7,622,815	9%
Pushing/Pulling	226	\$3,163,392	4%

Figure 2



**2018**  
**Annual**  
**Stewardship**  
**Report**



### Claims by Body Part Group: 5 year total Top 5 FY14 – FY18

**2018  
Annual  
Stewardship  
Report**



Body Part Group	Frequency (fig. 3)	% of Total	Total Incurred (fig. 4)	% of Total
Upper Extremities	2,744	37%	\$27,997,034	39%
Lower Extremities	1,761	24%	\$21,084,426	29%
Trunk	1188	16%	\$16,069,941	22%
Head	872	12%	\$4,011,369	6%
Neck	176	2%	\$2,671,712	4%

Figure 3

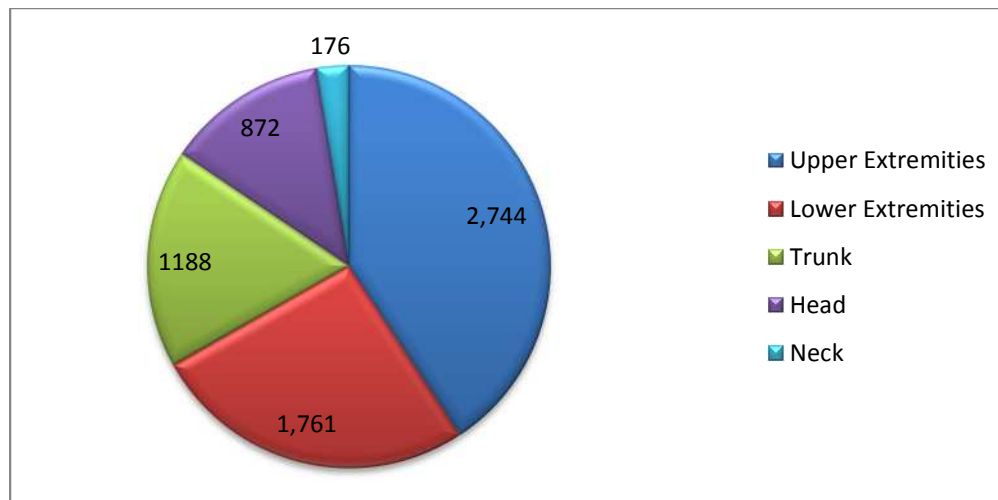
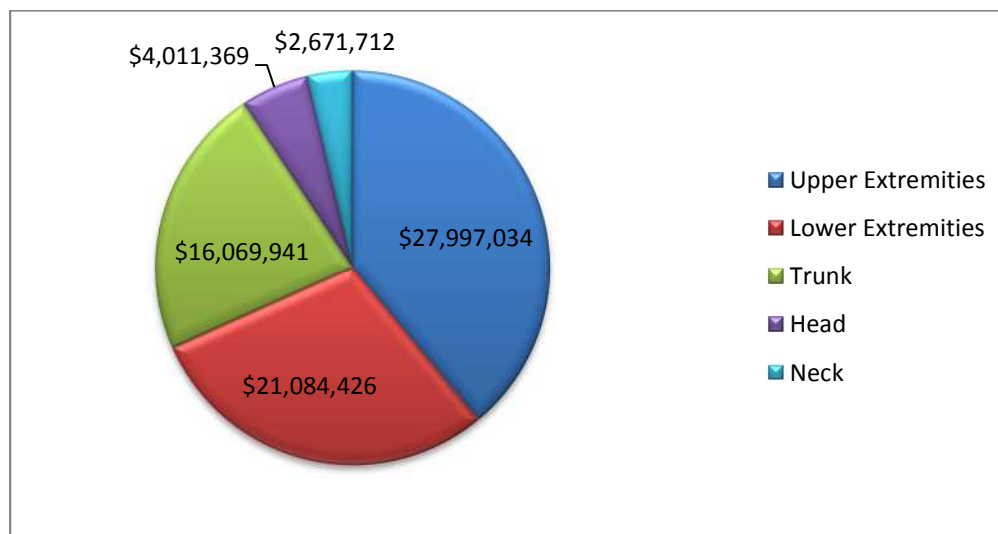


Figure 4



### Claims by Age: Frequency & Severity Open as of 6/30/2018

Age Group	Total Claims (fig. 5)	% of Total Claims	Incurred Total (fig. 6)	% of Total Incurred
18-24	38	3%	\$1,136,281	1%
25-34	129	10%	\$8,837,558	7%
35-44	246	18%	\$28,069,608	21%
45-59	729	55%	\$75,620,419	58%
60+	195	15%	\$17,626,666	13%

**2018**  
**Annual**  
**Stewardship**  
**Report**



Figure 3

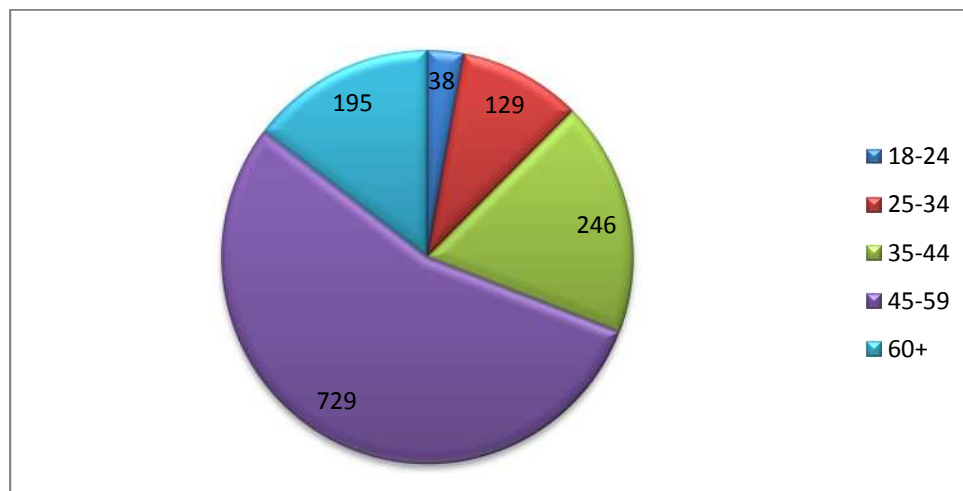
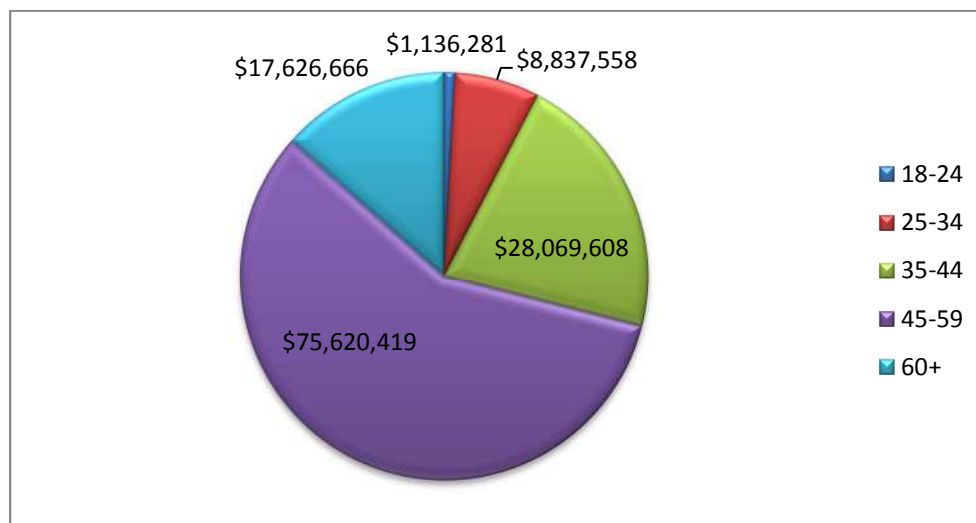


Figure 4



## Conclusion

It is our distinct honor to have completed another successful year of partnership with the CSU and Alliant. Together, we continue to seek new and innovative ways to enhance outcomes, results and the overall claims experience on the CSU Worker's Compensation Program.

In FY 2018/2019, we will be focusing on the reduction of the aged pending inventory, with a particular focus on unresolved claims with dates of injury more than five years old.

Strategic vendor partnerships remain strong and committed to driving positive results for the CSU Workers' Compensation Program. This fiscal year, we will be evaluating the potential of expanding our vendor networks in order to optimize outcomes and cost savings for the program.

We look forward to continued collaboration on meeting and exceeding program goals in FY 2018/2019.



## **CSURMA ADMINISTRATIVE SERVICE CALENDAR**

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

**RECOMMENDATION:** It is recommended that the Board of Directors review the CSURMA Administrative Service Calendar and provide direction to staff as appropriate.

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

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Administrative Services Calendar

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>JANUARY 2018</b>				
01/01/18	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
01/02/18	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed
01/06/18	State Filing - Statement of Facts – Roster of Public Agencies - file with Secretary of State	Alliant Staff	Tevea Him	Completed
01/06/18	State Filing - Joint Powers Authority - file with Secretary of State - As Needed	Alliant Staff	Tevea Him	In Process
01/06/18	State Filing - Financial Statement to the County Auditor and State Controller	Alliant Staff	Tevea Him	Completed
01/06/18	State Filing - Treasurers' Bond	Alliant Staff	Tevea Him	
01/07/18	Announce the new AORMA Committee Vice Chair as well as open seats on the AORMA Committee	Nominations Committee	Mimi Long	Completed
<b>1/7-10/2018</b>	<b>CSURMA AOA CONFERENCE</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>01/07/18</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>01/09/18</b>	<b>AORMA PC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>01/15/18</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	<b>Completed</b>
01/15/18	FORM 700 - JPA ADMIN sends Form 700 to CSURMA FILERS, including EC, BOD, AORMA, Standing Committees, and designated consultants, including identified Alliant personnel	Alliant Staff	Tevea Him	Completed
01/31/18	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed
01/31/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
<b>FEBRUARY 2018</b>				
02/01/18	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
02/01/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 12/31	Alliant Staff	Tevea Him	Completed
02/01/18	UIP - Send EDD Claims Information to Individual Members	Alliant Staff	Tevea Him	Completed
02/01/18	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	N/A
02/01/18	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Jacki Graf	N/A
02/01/18	AORMA Workers' Compensation program claims administration audit (every even year)	Alliant Staff	Jacki Graf	Completed
02/01/18	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	N/A
02/01/18	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long	N/A
02/15/18	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
<b>02/22/18</b>	<b>AORMA Program Committee Meeting (Teleconference) - Canceled</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>MARCH 2018</b>				
03/01/18	AORMA Liability Program - Reinsurance Recovery / EPL Deductible Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	Completed
03/01/18	AORMA Liability Program - Reinsurance Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	Completed
03/01/18	Chancellor's Office Services Budget Proposals	Alliant Staff	Mimi Long	Completed
03/01/18	CSURMA Budget (EC and AORMA Approval)	Alliant Staff	Robert Leong	Completed
03/01/18	Review of the CSURMA Master Investment Policy	Alliant Staff	Mimi Long	Completed
03/01/18	CSURMA Mid-Term Budget Amendments	Alliant Staff	Robert Leong	Completed
03/01/18	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
03/01/18	Review the Auxiliary Service Provider Report	Alliant Staff	Mimi Long	Completed
03/01/18	Appointment of the Campus Programs RPTG - Spring 2018 (FY 2019/2020)	Alliant Staff	Robert Leong	Completed
<b>03/08/18</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>03/08/18</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>03/09/18</b>	<b>CSURMA EC LRP Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
03/15/18	FORM 700 - Follow up - JPA ADMIN follows up with FILER, prepares status report for CSURMA EC review at Long Range Planning meeting	Alliant Staff	Tevea Him	Completed
03/20/18	Forward slate of nominees to fill the open seats on the AORMA Committee	Alliant Staff	Mimi Long	Completed

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
03/31/18	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him	Completed
<b>APRIL 2018</b>				
04/01/18	Campus Risk Pool Administrator verifies Campus Primary and Alternate representative remain in place by contacting campus representatives ( i.e. ensure no leave of absence, retirement, change in duties, etc.)	Alliant Staff	Tevea Him	Completed
04/01/18	FORM 700 - JPA ADMIN sends all forms received to FPPC for processing	Alliant Staff	Tevea Him	Completed
04/01/18	Send out ballot for AORMA Committee term beginning on July 1, 2018	Alliant Staff	Tevea Him	Completed
<b>4/23-24/2018</b>	<b><i>Fitting the Pieces Together Conference, San Diego</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	
<b>04/25/18</b>	<b><i>CSURMA BOD NMO Meeting via Teleconference</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	
<b>04/25/18</b>	<b><i>CSURMA EC Meeting</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	
<b>04/25/18</b>	<b><i>CSURMA BOD Meeting</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	
04/30/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
<b>MAY 2018</b>				
<b>05/07/18</b>	<b><i>AIME Committee Meeting</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Stacey Weeks</i></b>	
05/01/18	Approval by EC Resolution allowing Treasurer to invest or reinvest funds (annual approval required - see Res 01-15 BOD)	BOD and Alliant Staff	Tevea Him	Completed
05/01/18	Approval of Conflict of Interest Code by BOD every even-number year - File with FPPC as required.	BOD and Alliant Staff	Tevea Him	Completed
05/04/18	Receive back all AORMA Committee ballots for the term beginning on July 1, 2018	Alliant Staff	Tevea Him	Completed
05/11/18	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
05/15/18	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
05/30/18	Send out appointment letters to the newly appointed AORMA Standing Committee Chairs for the term beginning on July 1, 2018	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/18	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2018	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/18	Send out appointment letters to the newly elected Executive Committee members for the term beginning on July 1, 2018	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/18	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2018	Alliant Staff	Tevea Him	Completed
05/30/18	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2018	Alliant Staff	Mimi Long	Completed
<b>JUNE</b>				
06/01/18	AORMA Liability Program - Reinsurance Recovery / EPL Deductible Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	Completed
06/01/18	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
<b>06/23/18</b>	<b><i>AORMA Program Committee Meeting (Teleconference)</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: CO Enterprise Accounting / Financial Services - July 1, 2017 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: UC Office of Risk Services Performing Arts Center of Excellence - November 1, 2013 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: A-G Administrator (AIME) - July 1, 2009 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: Alliant Loss Control Services - July 1, 2017 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: CO OGC / Legal - July 1, 2017 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: CO Risk Management - July 1, 2017 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: Employers Risk - July 1, 2013 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: Agility - July 1, 2017 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: Sedgwick - July 1, 2013 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: Employers Group Service Corp - July 1, 2013 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>
<b>06/30/18</b>	<b><i>Expiring Contract: Sedgwick CMS - July 1, 2013 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	<b><i>Completed</i></b>

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
06/30/18	<i>Expiring Contract: Witt O'Brien's, LLC (formally Witt Group Holdings, LLC) - July 1, 2014 to July 1, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/18	Request COI from all vendor's contract	Alliant Staff	Andrew Gaspari	Completed
<b>JULY</b>				
07/01/18	OCIP Renewal (5 year program)	Alliant Staff	Daniel Howell/ Mimi Long	Completed
07/01/18	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin	Completed
07/01/18	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	Completed
07/04/18	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin	Completed
07/05/18	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	Completed
07/07/18	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	Completed
07/14/18	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/15/18	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong	Completed
07/15/18	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	Completed
<b>07/TBD/2018</b>	<b>AORMA Officers Retreat – TBD</b>	<b>AORMA Officers</b>	<b>Mimi Long</b>	<b>Completed</b>
07/21/18	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/28/18	FORM 700 - FORMS DUE TO FPPC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him	Completed
07/31/18	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong	Completed
07/31/18	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report - Present to EC in Sept	Alliant Staff	Robert Leong	Completed
07/31/18	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	Completed
07/31/18	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Tevea Him	Completed
07/31/18	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate (every three years)	Liability TPA	Mimi Long	Completed
07/31/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
07/31/18	Appointment of the Campus Programs RPTG - 2019 (FY 2021/2022)	Alliant Staff	Robert Leong	Completed
07/31/18	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report	Alliant Staff	Robert Leong	Completed
<b>AUGUST</b>				
08/01/18	FORM 700 - JPA ADMIN sends entering and leaving office notices to AORMA FILERS who will be taking office on AORMA and Standing Committees	Alliant Staff	Tevea Him	Completed
08/01/18	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him	Completed
08/01/18	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him	Completed
08/01/18	Send out letter to regarding Foreign Travel Authority Confirmation	Alliant Staff	Tevea Him/ Stacey Weeks	Completed
08/01/18	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long	Completed
08/01/18	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	Completed
08/11/18	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
08/15/18	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	Completed
08/31/18	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff	Mimi Long	Completed
08/31/18	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long	Completed
08/31/18	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long	Completed
08/31/18	Completion of Financial Audit	CSU Accounting	Mimi Long	Completed

# CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
08/31/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff	Tevea Him	Completed
Begin Task	Completion of the Public Self-Insurer's Annual Report for CSURMA (must be filed with the state by Oct 1st.)	Alliant Staff	Mimi Long	Completed
Begin Task	AORMA Workers' Compensation Desk Audit	Alliant Staff	Mimi Long	In Process
<b>SEPTEMBER</b>				
09/01/18	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long	Completed
09/01/18	Stewardship Report	Alliant Staff	Mimi Long	Completed
09/01/18	10/01 - EQ Renewal Anniversary	Alliant Staff	Daniel Howell	Completed
09/05/18	<i>AORMA Long Range Plan meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/05/18	<i>AORMA New Committee Member Orientation meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/06/18	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/06/18	<i>CSURMA EC Orientation Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/07/18	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/12/18	<i>CAJPA Fall Conference and Training Seminar -South Lake Tahoe</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/14/18	CAJPA Standards review (2017 and every 3 years thereafter)	Alliant Staff	Mimi Long	N/A
09/15/18	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Van Rin	In Process
09/15/18	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	Completed
09/30/18	CSURMA Quarterly EPL Deductible Recoverys ending September 30 (Begin Task)	Alliant Staff	Van Rin	In Process
09/30/18	Completion of the AORMA Committee (September Letter) updating all AORMA members on the funding and dividends approved for the upcoming fiscal year	Alliant Staff/AORMA C	Mimi Long	In Process
<b>OCTOBER</b>				
10/01/18	Request completion of the Liability application	Alliant Staff	Mimi Long	Completed
10/01/18	Update the CSURMA Tri-Fold based on June 30 financials.	Alliant Staff	Mimi Long	Completed
10/01/18	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long	Completed
10/15/18	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
10/15/18	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>	<i>Completed</i>
10/25/18	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
10/25/18	<i>CSURMA BOD NMO Meeting via Teleconference</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
10/26/18	<i>CSURMA BOD Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
10/26/18	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
10/31/18	Government Compensation Report (request from CSU Accounting)	Accounting	Tevea Him	
10/31/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
<b>NOVEMBER</b>				
11/01/18	Review CAJPA Accrediation Standard for new or reoccurring item	Alliant Staff	Tevea Him	
11/01/18	FORM 700 - Campus Risk Pool Administrator sends request to campus president to confirm appointments of primary and alternate representative to BOD (Note: AORMA Representatives are maintained through their election process)	Alliant Staff	Tevea Him	
11/28/18	Send campus risk pool renewal budget (Budget)	Alliant Staff	Robert Leong	
11/28/18	Send campus risk pool renewal budget (Early Bird Renewal Letter)	Alliant Staff	Robert Leong	
11/28/18	Campus Risk Pool Deductible - Confirm (every 3 years - 2017, 2020)	Alliant Staff	Robert Leong	N/A
11/30/18	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	
11/30/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30	Alliant Staff	Tevea Him	
11/29/18	<i>AORMA Program Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>DECEMBER</b>				
12/01/18	2018 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Risk Management	
12/01/18	Appointment of the Club Sport Insurance Programs RPTG - Spring 2019 (FY 2019/2020)	rob	Robert Leong	
12/01/18	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long	
<b>12/06/18</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>12/07/18</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
12/15/18	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff	Tevea Him	
12/15/18	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
12/30/18	Financial Audit - mail to Secretary of State and County Auditor	Alliant Staff/Accounting	Tevea Him	
12/31/18	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	
12/31/18	<b>Expiring Contract: Enterprises Rent A Car - January 1, 2018 - December 31, 2018</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	

## **CSURMA BOARD OF DIRECTORS AND STAFF CONTACT LIST**

**ISSUE:** Attached is a list of phone numbers and e-mail addresses for members of the CSURMA Board of Directors and CSURMA Staff.

**RECOMMENDATION:** Staff recommends that members review the list at each meeting for accuracy. If there are any changes, please contact Tevea Him via email at [thim@alliant.com](mailto:thim@alliant.com).

**FISCAL IMPACT:** None

**BACKGROUND:** An accurate and current list facilitates better communication among the Board members and with staff.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Board of Directors and Staff Contact List

## CSURMA BOARD OF DIRECTORS MEMBERS

**Effective at July 1, 2018**

Representative /Alternate	Member	Position	Campus	Organization	E-Mail	Telephone Number
Representative	Thom Davis	Vice President for Business and Administrative Services	Bakersfield	California State University, Bakersfield	tdavis31@csub.edu	661-654-2287
Alternate	Tim Ridley, CSP, ARM-P	Associate Vice President Human Resources	Bakersfield	California State University Bakersfield	tridley1@csub.edu	661-654-2066
Secretary-Auditor	Zachary Gifford	Director, Systemwide Risk Management	Chancellor's Office	CSU Chancellor's Office	zgifford@calstate.edu	562-951-4600
Representative / Treasurer	Robert Eaton	Interim Assistant Vice Chancellor	Chancellor's Office	California State University, Office of the Chancellor	reaton@calstate.edu	562-951-4671
Alternate	Steve Relyea	Executive Vice Chancellor and CFO	Chancellor's Office	CSU Chancellor's Office	srelyea@calstate.edu	562-951-4600
Representative	Katharine Hullinger	Risk Manager	Channel Islands	California State University, Channel Islands	katharine.hullinger@csuci.edu	805-437-8846
Alternate	Elaine Crandall	Associate Vice President of Administration	Channel Islands	California State University, Channel Islands	elaine.crandall@csuci.edu	805-437-3987
Representative	Michael Thorpe	Risk Manager	Chico	California State University, Chico	methorpe@csuchico.edu	530-898-6588
Alternate	Jeni Kitchell	Interim CFO & Associate Vice President for Business and Finance	Chico	California State University, Chico	jkitchell@csuchico.edu	530-898-5910
Representative	Naomi Goodwin	Interim Vice President / CFO, Administration and Finance	Dominguez Hills	California State University, Dominguez Hills	ngoodwin@csudh.edu	310-243-3301
Alternate	Stephen J. Mastro	Associate Vice President, Administration and Finance	Dominguez Hills	California State University, Dominguez Hills	smastro@csudh.edu	310-243-3707
Representative	Nyassa Love Johnson	Risk Management & Internal Control	East Bay	California State University, East Bay	nyassa.love@csueastbay.edu	510-885-2743
Alternate	Debbie Chaw	Vice President Administration & Finance/CFO	East Bay	California State University, East Bay	debbie.chaw@csueastbay.edu	510-885-3803
Representative	Debbie Adishian-Astone	Interim Vice President for Administration Services and Associate Vice President for Auxiliary Operations	Fresno	California State University, Fresno	debbiea@csufresno.edu	559-278-0802
Alternate	Lisa Kao	Associate Dir EHS, Risk Mgmt & Sustainability	Fresno	California State University, Fresno	lisak@csufresno.edu	559-278-6910
Representative	Michael Coughlin	Risk Manager	Fullerton	California State University, Fullerton	mcoughlin@fullerton.edu	657-278-8673
Alternate	John Beisner	Executive Director, Risk Management	Fullerton	California State University, Fullerton	jbeisner@fullerton.edu	657-278-4937
Representative	Kimberly Comet	Director of Risk Management & Safety	Humboldt	Humboldt State University	Kimberly.Comet@humboldt.edu	707-826-3305
Alternate	Doug Dawes	Vice President for Administrative Affairs	Humboldt	Humboldt State University	Douglas.Dawes@humboldt.edu	707-826-3351
Representative	Scott Apel	Associate Vice President	Long Beach	California State University Long Beach	scott.apel@csulb.edu	562-985-8716
Alternate	Felissa Waynick, ARM-P	Risk Manager	Long Beach	California State University, Long Beach	felissa.waynick@csulb.edu	562-985-2396
Representative	Lisa Chavez	VP, Administration/CFO	Los Angeles	California State University, Los Angeles	lchavez10@cslanet.calstatela.edu	323-343-3500
Alternate	Nidavone Niravanh	Director of Risk Management and EH&S	Los Angeles	California State University, Los Angeles	nnirava@calstatela.edu	
Representative	Marianne Spotorno	Director of Safety and Risk Management	Maritime	California Maritime Academy	mspotorno@csum.edu	707-654-1076
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## CSURMA BOARD OF DIRECTORS MEMBERS

**Effective at July 1, 2018**

Representative /Alternate	Member	Position	Campus	Organization	E-Mail	Telephone Number
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Alternate	Art Evjen	Director of Business and Support Services	Monterey	California State University, Monterey Bay	aevjen@csumb.edu	831-582-3394
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Representative	Whitney Fields	Director of Institutional Risk and Emergency Management	Pomona	California State Polytechnic University	wjfields@cpp.edu	909-869-3988
Alternate	Vacant		Pomona	California State Polytechnic University		
Representative	Stacy Hayano	Interim Vice President for Administration and Chief Financial Officer	Sacramento	California State University, Sacramento	hayanosj@csus.edu	916-278-6312
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Representative	Vacant		San Bernardino	California State University, San Bernardino		
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**Effective at July 1, 2018**

Representative /Alternate	Member	Position	Campus	Organization	E-Mail	Telephone Number
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AORMA Rep	Starr Lee	Director of Administration & Legal /Associate Executive Director	Monterey	The University Corporation at Monterey Bay	stlee@csumb.edu	831-582-3000
AORMA Rep	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744
AORMA Rep	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
AORMA Rep	Leslie Levinson	Chief Financial Officer	San Diego	San Diego State University Research Foundation	llevinson@mail.sdsu.edu	619-594-8941
AORMA/EC	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA Rep	Bella Newberg	Associate Vice President, Business Development & Executive Director, CSUSM Corporation	San Marcos	California State University San Marcos Corporation	newberg@csusm.edu	760-750-4700



California State University Risk Management Authority

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California State University Risk Management Authority

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