



## CSURMA AORMA COMMITTEE MEETING AGENDA

### “This is an Open Public Meeting”

*In accordance with the requirements of the Bagley-Keene Open Meeting Act, notice of this meeting must be posted in a publicly accessible place, including the internet, at least ten days in advance of the meeting. This meeting agenda shall also be posted at the address of the teleconference location with access for the public via phone/speaker phone.*

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

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

<b>Meeting Date:</b>	September 6, 2017	<b>Location:</b>	Alliant Insurance Services 2180 Harvard Street, Suite 460 Sacramento, CA 95815
<b>Time:</b>	10:00 AM		

**Legend:**

A =	Action
I =	Information
V =	Verbal

**A. CALL TO ORDER**

1. **Introduction of New Committee Members, Staff and Consultants** p. 4  
*The Committee will be introduced to the AORMA Committee members as well as new staff from Alliant.*

**B. PUBLIC COMMENTS**

**C. GENERAL ADMINISTRATION**

1. **Review of FY 16/17 AORMA Long Range Action Plan** A p. 9  
*The Committee will be asked to review the FY 16/17 AORMA Long Range Action Plan and may provide direction to Staff.*
2. **AORMA Officers’ Retreat Recap** I p. 12  
*The Committee will receive a verbal report on the recent AORMA Officers’ Retreat.*
3. **2018 AOA Conference Risk Management Sessions** I p. 23  
*The Committee will hear an update regarding the approved risk management AOA conference sessions.*

4. **AORMA Liability and Workers' Compensation Program Actuarial Reports Valued at June 30, 2017** I p. 24  
*The Committee will review the liability and workers' compensation actuarial reports.*
5. **Special Funding Task Group** A p. 37  
*The Committee will be asked to discuss the proposed changes to Policy and Procedure A-3 and direct Staff appropriate.*
6. **Estimated Pool Layer Funding Exhibit** I p. 44  
*The Committee will review the estimated fund balance at June 30, 2017 for both the liability and workers' compensation programs.*
7. **Target Surplus Funding Report and Dividend Calculation** I p. 49  
*The Committee will review the Target Surplus Funding and Dividend Calculations based on June 30, 2017 financials.*
8. **CSAC-EIA Workers' Compensation Program Costs and Member Services and Resources** I p. 58  
*The Committee will be asked to review and discuss the costs and benefits derived from inclusion in CSAC-EIA workers' compensation program.*
9. **AORMA Workers' Compensation Program Members** A p. 61  
*The Committee will be asked to discuss viable premium funding solutions to enable inclusion in the AORMA workers' compensation program.*
10. **On-Line Training Via SkillPort / Termination of TargetSolutions** A p. 62  
*The Committee will be asked to discuss the comments from Members regarding SkillPort and the response from Systemwide Professional Development.*
11. **Alliant Risk Control Consulting** I p. 66  
*The Committee will be introduced to the new lead risk control consultant.*
12. **Parametric Earthquake Insurance Coverage** A p. 74  
*The Committee will be asked to discuss the proposal received for earthquake coverage for the CSU campuses and auxiliary organizations.*
13. **Student Clubs Insurance Program** A p. 112  
*The Committee will be asked to discuss the formation of an insurance program to cover student clubs.*
14. **Recreation Center Standard Guidelines for Safety** A p. 118  
*The Committee will be asked to discuss the publication of safety guidelines for CSU recreation centers.*

- |                                                                                                                                                               |          |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------|
| <b>15. Unemployment Insurance Program Member Excess Funds</b>                                                                                                 | <b>A</b> | <i>p. 119</i> |
| <i>The Committee will be asked to discuss the treatment of excess funds.</i>                                                                                  |          |               |
| <b>16. AORMA Historical Premium Payments, Dividends and Loss Ratios Report</b>                                                                                | <b>A</b> | <i>p. 126</i> |
| <i>The Committee will review the AORMA Historical Premium Payments, Dividends and Loss Ratios exhibit and may provide direction to Staff.</i>                 |          |               |
| <b>17. Employment Practices Liability Member Deductibles for FY 18/19</b>                                                                                     | <b>A</b> | <i>p. 132</i> |
| <i>The Committee will review the mandatory minimum EPL deductibles for FY 18/19 per Policy &amp; Procedure L-7 and may provide direction to Staff.</i>        |          |               |
| <b>18. Discussion of AORMA's Continuity Plan</b>                                                                                                              | <b>A</b> | <i>p. 142</i> |
| <i>The Committee will discuss the plan for filling all of the Committee seats for the FY 18/19 term and the proposed changes to Policy and Procedure A-1.</i> |          |               |
| <b>19. Development of the Long Range Action Plan Items for FY 17/18</b>                                                                                       | <b>A</b> | <i>p. 154</i> |
| <i>The Committee will discuss the items to be included on AORMA's long range plan for FY 17/18.</i>                                                           |          |               |

**D. ADJOURNMENT**

*The next meeting is scheduled for September 7, 2017 at 9:00 a.m. in Sacramento, CA. Please contact Mimi Long [mlong@alliant.com](mailto:mlong@alliant.com) or Tevea Him [thim@alliant.com](mailto:thim@alliant.com) with questions.*

**INTRODUCTION OF NEW COMMITTEE MEMBERS, STAFF AND  
CONSULTANTS**

**ISSUE:** The Committee will welcome Tina Knight, Human Resources Director, University Enterprises CSUS, Bill Olmsted, Associate Executive Director, University Union Operations of CSUS and Todd Summer, CFO, Aztec Shops of San Diego State as new AORMA Committee members beginning their first two-year term.

The Committee will also be introduced to Andrew Gaspari who recently joined the CSURMA team at Alliant Insurance Services, Inc. and John Owen, Lead Consultant from Alliant Risk Control Consulting.

**RECOMMENDATION:** The Committee is being asked to welcome the new AORMA Committee members, Staff and Consultants.

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

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Committee membership roster effective July 1, 2017
- b. CSURMA AORMA Program Administrator's Contact Lists

**AORMA Committee**  
**Ten voting members - two alternates - twelve members total**  
**Effective at July 1, 2017**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA	First Vice Chair	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	Second Vice Chair	Gigi Kiama	Human Resources Director	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
AORMA	Seat 1	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
AORMA	Seat 2						
AORMA	Seat 3	Todd Summer	CEO	San Diego	Aztec Shops, Ltd.	todd.summer@sdsu.edu	619-594-7539
AORMA	Seat 4	Bella Newberg	Executive Director	San Marcos	University Auxiliary and Research Services Corporation	newberg@csusm.edu	760-750-4700
AORMA	Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
AORMA	Seat 6	Starr Lee	Director, Administration and Legal	San Luis Obispo	Cal Poly Corporation	selee@calpoly.edu	805-756-1451
AORMA	Seat 7	Bill Olmsted	Associate Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744

*On March 1, 2017, Dwayne Brummett was appointed to complete Guy Dalpe's term. Dwayne's first complete term will be 7/1/17 to 6/30/19.*

*On July 1, 2015, Dave Nakamura was appointed to complete Mark Day's term. Dave's first complete term will be 7/01/16 to 6/30/18.*

*On October 1, 2015, Dave Nirenberg was appointed to complete Melinda Coil's term. Dave's first term will be 7/01/17 to 6/30/19.*

*On December 20, 2016, Bella Newberg was appointed to complete Cheree's Aguilar's term. Bella's first term will be 7/01/17 to 6/30/19.*

*On March 1, 2017, Starr Lee was appointed to complete Leslie Davis' term. Starr's first term will be 7/1/18 to 6/30/20.*

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
PC	Chair	Gigi Kiama	Human Resources Director	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
PC	At Large	Bill Olmsted	Associate Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	jporth@sfsu.edu	415-338-6880
PC	At Large	Jun Reina	Chief Operating Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925
PC	At Large	Russel Statham	Chief Operating Officer and Chief Financial Officer	Dominguez Hills	California State University, Dominguez Hills Foundation	rdstatham@csudh.edu	310-243-3255
PC	At Large	Raven Tyson	Human Resources & Risk Manager	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760

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

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

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

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

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
<b>Certificate of Insurance Requests</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>General CSURMA Coverage Questions</b>	<b>Robert Leong Van Rin Amy Lightner Daniel Howell</b>	rleong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>General AORMA Coverage Questions</b>	<b>Mimi Long Van Rin Amy Lightner Daniel Howell</b>	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Inland Marine</b>	<b>Van Rin Mimi Long</b>	vrin@alliant.com mlong@alliant.com	415-403-1408 415-403-1423	415-874-4810 415-874-4810
<b>Participant Accident Insurance (PAI)</b>	<b>Van Rin Tevea Him</b>	vrin@alliant.com thim@alliant.com	415-403-1408 415-403-1416	415-874-4810 415-874-4810
<b>Special Events Insurance</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>Foreign Travel Program</b>	<b>Stacey Weeks Van Rin</b>	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
<b>General Risk Management Questions</b>	<b>Mimi Long Van Rin Amy Lightner Daniel Howell</b>	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Workers' Compensation Claims Consultant</b>	<b>Jacki Graf</b>	jgraf@alliant.com	415-403-1438	415-874-4810
<b>Alliant Claims Consulting</b>	<b>Robert Frey Diana Walizada Elaine (Kim) Tizon Sheila McClenaghan</b>	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com sheila.mcclenaghan@alliant.com	415-403-1445 415-403-1453 415-403-1458 415-403-1492	415-403-1466 415-403-1466 415-403-1466 415-403-1466
<b>Form 700</b>	<b>Tevea Him</b>	thim@alliant.com	415-403-1416	415-402-0773
<b>Website and Technology Questions</b>	<b>Yung Lam Tevea Him Myron Leavell</b>	ylam@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1461 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

### CONTACT LIST

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

Coverage	Contact	E-Mail Address	Office	Fax
<b>Loss Control Consultants – Alliant Risk Control</b>				
<b>Alliant Risk Control Consulting</b>	<b>John Owen</b>	jowen@alliant.com	916-643-2736	

Coverage	Contact	E-Mail Address	Office	Fax
<b>Online Training – Systemwide Professional Development</b>				
<b>Senior Director</b>	<b>David Kervella</b>	dkervella@calstate.edu	562-951-4403	
	<b>Chris Fondacaro</b>	cfondacaro@calstate.edu	562-951-4403	

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>Unemployment Insurance Claims Administrator – Employers Edge</b>				
Client Services	Angie Hansen	ahansen@employersedge.com	720-891-4900 x116	720-420-7356
Unemployment Claims Operations, Claim Specialist	Reina Gonzales	rgonzales@employersedge.com	720-891-4900 x139	720-420-7390
Tax Analyst	John Mansfield	jmansfield@employersedge.com	720-891-4900 x128	720-420-7430
Appellate Level	Jen Venable Jamie Clark	jvenable@employersedge.com jclark@employersedge.com	720-891-4900 x114 720-891-4900 x122	720-420-7354 720-420-7396
Account Management	Steve Bell	sbell@employersedge.com	720-891-4900 x101	720-420-7431

Coverage	Contact	E-Mail Address	Office	Fax
<b>Human Resources Consulting – Employers Group</b>				
Helpline	Mark Nelson	mnelson@employersgroup.com	213-765-3952 or 800-748-8484	
Client Service	Bill Stephens	bstephens@employersgroup.com	805-807-9922	213-226-0216
Reference Library	Robert Campbell	rcampbell@employersgroup.com	800-748-8484 Ext. 3430	
Unemployment Questions	Mark Nelson	mnelson@employersgroup.com	213-765-3952	
Affirmative Action Plans	Suzanne Oliva	soliva@employersgroup.com	213-765-3918	
Leave Management	Helpline	helpline@employersgroup.com	800-748-8484	
Research and Surveys	Juan Garcia	jgarcia@employersgroup.com	213-765-3969	
Employee Opinion Survey	Megan Vallone	mvallone@employersgroup.com	213-765-3920	
Training Services	Somaly Heng	sheng@employersgroup.com	213-765-3962	
Employer Advocacy	Ken Tiratira	ktiratira@employersgroup.com	213-765-3915	

**REVIEW OF FY 16/17 AORMA LONG RANGE ACTION PLAN**

**ISSUE:** The AORMA Committee will be asked to review the items on the FY 16/17 Long Range Action Plan and move any open items to the FY 17/18 Long Range Action Plan.

**RECOMMENDATION:** It is recommended that the Committee members review the FY 16/17 Long Range Action Plan, taking action as appropriate.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 16/17 AORMA Long Range Action Plan

## FY 2016/17 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
<b>LRP-1 Benchmarking Initiative</b>					
<b>Develop benchmarking operations beyond Workers' Compensation</b>	<b>1</b>	Research benchmarking resources available	PA, SRM	Oct-16	Completed
	<b>2</b>	Develop a conceptual proposal for short and long term benchmarking	PA, SRM	Jan-17	Completed
	<b>3</b>	Presentation of sustainable long term benchmarking program	PA, SRM	Sep-17	
	<b>4</b>	Approval of long term benchmarking project scope	AORMA, EC	Sep-17	
<b>LRP-2 Marine Program</b>					
<b>Creation of a marine program</b>	<b>1</b>	Review and update watercraft schedule, as appropriate	PA	Nov-16	Completed
	<b>2</b>	Create marine program coverage specifications	PA	Nov-16	Completed
	<b>3</b>	Obtain coverage options, and pricing, for program and present to the Programs Committee	PA	Feb-17	Completed
	<b>4</b>	Present final program design to AORMA Committee	PA	May-17	Completed
	<b>5</b>	Disseminate the Marine Program information to the AORMA members	PA	Jul-17	
<b>LRP-3 Captive Insurer</b>					
<b>Evaluation of participation in possible CSU captive vehicle</b>	<b>1</b>	Oversee formation of captive	PA, SRM	Jun-17	In Process
	<b>2</b>	Determine which insurance products can be marketed by the auxiliary organizations	PA, SRM, EC, AORMA	Jul-17	
	<b>3</b>	Design marketing plan	PA, SRM, AORMA	Aug-17	
<b>LRP-4 Fine Arts, Artifacts and Archives Program (FAAAP)</b>					
<b>Fine Arts, Artifacts and Archives Program rollout and schedule of development</b>	<b>1</b>	Develop Fine Arts, Artifacts and Archives Program	PA	May-16	Completed
	<b>2</b>	Announcement of FAAAP	PA	Jun-16	Completed
	<b>3</b>	Introduce the FAAAP during the AOA Conference AORMA Update	AORMA Chair	Jan-17	Completed
	<b>4</b>	Provide updated information via the CSURMA Newsletter "What's the Risk"	PA	Mar-17	
<b>LRP-5 GoGround (Master Enable Agreement for Transportation)</b>					
<b>GoGround communication and rollout plan</b>	<b>1</b>	Finalize agreement between CSURMA and GoGround	SRM	Jul-17	
	<b>2</b>	Introduce the GoGround MEA for Transportation during the AOA Conference AORMA Update	AORMA Chair	Jan-17	N/A
	<b>4</b>	Provide information via the CSURMA Newsletter "What's the Risk"	PA	Jul-17	

**FY 2016/17 CSURMA AORMA LONG RANGE ACTION PLAN**

<b>GOAL</b>	<b>ACTION / TASK</b>	<b>RESPONSIBLE ENTITY</b>	<b>DEADLINE</b>	<b>STATUS</b>	
<b>LRP-4 CSURMA Website</b>					
<b>Drive traffic to the CSURMA website</b>	<b>1</b>	Send out first CSURMA Newsletter "What's the Risk"	PA	Dec-16	In Process
	<b>2</b>	Link all "What's the Risk" articles to the CSURMA Website	PA	Dec-16	In Process
	<b>3</b>	Include a link in all announcements that take the recipient directly to the CSURMA Website	PA	Dec-16	In Process
	<b>4</b>	Include a Policy and Procedure information item in every newsletter	PA	Mar-17	
<b>LRP-5 Special Funding Task Group</b>					
<b>Compile historical information on AORMA's funding philosophy</b>	<b>1</b>	Research historical funding decisions	PA	Jun-17	
	<b>2</b>	Discuss with Special Funding Task Group (AORMA Officers)	PA, AORMA Officers	Jul-17	
	<b>3</b>	Discuss with the AORMA Committee	PA, AORMA	Sep-17	
	<b>4</b>	Memorialize AORMA's Funding Philosophy and distribute as appropriate	PA	Oct-17	
<b>BOD: CSURMA Board of Directors</b>		<b>EC: CSURMA Executive Committee</b>			
<b>PC: AORMA Programs Committee</b>		<b>OGC: CSU Office of General Counsel</b>			
<b>CABO: CSU Chief Administrators and Business Officers</b>		<b>PA: CSURMA Program Administrator</b>			
<b>CO: Chancellor's Office</b>		<b>SRM: CSU Systemwide Risk Management</b>			
<b>AORMA: AORMA Committee</b>					

## **AORMA OFFICERS' RETREAT RECAP**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

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



**CSURMA AORMA OFFICERS RETREAT**  
**“This is an Open Public Meeting”**

*In accordance with the requirements of the Bagley-Keene Open Meeting Act, notice of this meeting must be posted in a publicly accessible place, including the internet, at least ten days in advance of the meeting. This meeting agenda shall also be posted at the address of the teleconference location with access for the public via phone/speaker phone.*

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**Monday, July 17, 2017**  
 11:30 AM – 4:00 PM (Est.)

**Tuesday, July 18, 2017**  
 8:00 AM – 11:00 (Est.)

**Alliant Insurance Services, Inc.**  
 Torrey Pines Conference Room  
 701 B Street, 6<sup>th</sup> Floor  
 San Diego, CA 92101

<b>A.</b>	<b>TOPICS FOR DISCUSSION</b>	<b>Page</b>
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	a. AORMA Committee – FY 16/17	
	b. CSURMA Executive Committee – FY 17/18	
2.	Estimated Fund Balance Exhibits	I p. 11
3.	CSAC-EIA Workers’ Compensation Program Costs	I p. 18
4.	CSAC-EIA Member Services and Resources	I p. 19
5.	Historical information on AORMA’s Funding Philosophy	A p. 22
6.	Creation of New AORMA Benefits Program	A p. 23
7.	AORMA Workers’ Compensation Program Members	I p. 43
8.	On-Line Training - Termination of TargetSolutions Contract effective June 30, 2017	I p. 44
9.	Reporting Tool for Employees to Mitigate Risks	I p. 45
10.	Alliant Risk Control Consulting - Webinars	I p. 48

11.	Review of Member Allocation Formulas	I	<i>p. 51</i>
	a. Liability Rating Plan		
	b. Workers' Compensation Rating Plan		
	c. Property Rating Plan		
	d. Crime Rating Plan		
	e. Unemployment Insurance Program		
12.	CSURMA AORMA Communication	I	<i>p. 77</i>
13.	Succession Planning	A	<i>p. 78</i>
	a. AORMA Committee and Standing Committee Roster and Org Chart @ July 1, 2017		
	b. Policy & Procedure A-1 – AORMA Committee Composition, Elections and Term Limits		
	c. Policy & Procedure A-2 – AORMA Committee and Standing Committee Roles and Responsibilities		
14.	CSURMA AORMA Program Staff	I	<i>p. 89</i>
15.	AOA Conference – Session Topics	I	<i>p. 94</i>
	a. Major Property Losses Pre and Post		
	b. Cyber Risks		
	c. Wellness Center: Insurance Requirements, Waives, Maintenances, Etc.		
	d. Programs for Minors: Insurance Requirements, Waivers, Etc.		
16.	Ideas for Creation or Modification of CSURMA AORMA Programs and/or Services	A	<i>p. 95</i>
17.	Recap of Projects to be Included on the FY 17/18 AORMA Long Range Action Plan	I	<i>p. 96</i>
<b>B.</b>	<b>APPENDICES</b>		<i>p. 97</i>
1.	Liability Program	I	<i>p. 98</i>
	a. List of member EPL deductibles		
	b. Total funding report for FY 17/18		
	c. Policy & Procedure L-1 – Claims Reporting		
	d. Policy & Procedure L-2 – Liability Claims Administration and Litigation Management		
	e. Policy & Procedure L-3 – Legal Counsel Selection		
	f. Policy & Procedure L-4 – Employee Driving Standards		
	g. Policy & Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations		
	h. Policy & Procedure L-6 – Requirement to Purchase PAI for all Activities Involving Minors		
	i. Policy & Procedure L-7 – Employment Practices Deductible		
	j. Policy & Procedure L-8 – Liability Program Member Allocation Formula		

2.	Workers' Compensation Program	I	p. 139
	a. Total funding report for FY 17/18		
	b. W-1 - Workers' Compensation Member Allocation Formula		
	c. W-2 - Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less		
	d. W-3 - Claims Handling Procedures and Guidelines		
	e. W-4 - Workers' Compensation Coverage Claims Settlement Authority		
	f. W-5 - Volunteer Coverage		
3.	Property Program	I	p. 166
	a. Total funding report for FY 17/18		
	b. P-1 – Property Program Member Allocation Formula		
4.	Crime Program	I	p. 171
	a. Total funding report for FY 17/18		
	b. C-1 – Crime Program Member Allocation Formula		
5.	Unemployment Insurance Program	I	p. 175
	a. UI-1 - Formula for Determining Unemployment Insurance Program Annual Contributions		
6.	Target Surplus Funding Policy / Dividends	I	p. 178
	a. Policy & Procedure A-3 – Target Surplus Funding Policy		
	b. Target surplus funding report		
	c. History of dividends declared		
	d. Policy & Procedure A-4 – Dividends and Assessments		
7.	AORMA Policies and Procedures	I	p. 190
	a. Schedule for review of AORMA's policies and procedures		
8.	CSURMA Financial Statement @ March 31, 2017	I	p. 191
9.	CSURMA Financial Audit @ June 30, 2016	I	p. 203
10.	CSURMA AORMA Policies and Procedures (remaining)	I	p. 249
	a. Policy & Procedure A-5 – Annual Calendar of Reports, Audits and Filings		
	b. Policy & Procedure A-6 – Risk Reduction Matching Grant Program		
	c. Policy & Procedure A-7 – Travel Reimbursement Policy		
	d. Policy & Procedure A-8 – CSURMA AORMA Closed Session Policy		
11.	CSURMA Joint Powers Authority Agreement	I	p. 257
12.	CSURMA Bylaws	I	p. 275
13.	AORMA Participation Agreement	I	p. 289

Please contact Mimi Long [mlong@alliant.com](mailto:mlong@alliant.com) or Tevea Him [thim@alliant.com](mailto:thim@alliant.com) with questions.

**MINUTES OF THE CSURMA AORMA  
OFFICERS RETREAT**

**JULY 17 – 18, 2017**

**ALLIANT INSURANCE SERVICES  
701 B Street, 6<sup>th</sup> Floor  
San Diego, CA 92101**

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**MEMBERS PRESENT**

Dwayne Brummett, Associated Students, Inc., California Polytechnic State University at San Luis Obispo  
Gigi Kiama, The University Corporation at Monterey Bay  
Frank Mumford, CSU Fullerton Auxiliary Services Corporation

**STAFF, GUESTS AND CONSULTANTS**

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

The AORMA Officers meet on July 17 and 18, 2017, to discuss the long term goals of AORMA.

The meeting of the AORMA Officers Committee was called to order on July 17, 2017 at 11:59 AM by the Chair Frank Mumford.

**A1. Long Range Action Plan**

The Officers reviewed the AORMA Committee and CSURMA Executive Committee Long Range Action Plans and provided the following direction regarding AORMA's Long Range Action Plan:

- LRP-1 Benchmarking Initiative – Move to 17/18 LRP.
- LRP-2 Marine Program – Remove; this item has been completed.
- LRP-3 Captive Insurer – Move to 17/18 LRP.
- LRP-4 Fine Arts, Artifacts and Archives Program – Remove; this item has been completed.
- LRP-5 GoGround (Master Enable Agreement for Transportation) – Move to 17/18 LRP.
- LRP-6 CSURMA Website – Remove; this is an ongoing item.
- LRP-5 Special Funding Task Group – Move to 17/18 LRP.

**A2. Estimated Fund Balance Exhibits**

The Officers reviewed the estimated fund balance exhibits for both the Liability and Workers' Compensation Programs. These reports showed a comparison of the program assets, outstanding

liabilities and estimated fund balances at March 31, 2017, as well as historical estimated fund balances and dividend information. All programs are in a good financial position. FY 17/18 is the first year that AORMA is paying more to CSAC-EIA than it would have paid to self-fund the workers’ compensation program. Staff will continue to monitor to see if it makes sense financially to stay in the CSAC-EIA program. The liability program may be gearing up for some potentially bad years. The auxiliary organizations are seeing an uptick of retirements. The addition of new executive staff can often result in a spike in employment related claims.

**A3. CSAC-EIA Workers’ Compensation Program Costs**

The Officers discussed the current workers’ compensation arrangement with CSAC-EIA and asked that it be brought back for discussion with the AORMA Committee at its next meeting in September. The Committee will be asked to review and discuss the costs and benefits derived from inclusion in the CSAC EIA workers’ compensation program.

**A4. CSAC-EIA Member Services and Resources**

As a member of CSAC EIA, the CSURMA, and its members, are eligible to participate in the many loss prevention, and claims and risk management services offered through CSAC EIA. Staff has not aggressively advertised these services as they are only available while AORMA participates in the CSAC EIA coverage program. This item will be discussed at the September LRP meeting.

**A5. Historical information on AORMA’s Funding Philosophy**

The Committee reviewed historical information regarding funding as well as discuss AORMA’s historical, current and future funding philosophy.

**AORMA Historical Funding – Confidence Level**

AORMA Liability Program		
Fiscal Year	Funding Confidence Level	Pooled Layer
FY 10/11	80%	\$250,000 / \$500,000
FY 11/12	80%	\$350,000
FY 12/13	80%	\$350,000
FY 13/14	80%	\$350,000
FY 14/15	70%	\$350,000
FY 15/16	70% - #1	\$350,000
FY 16/17	70%	\$500,000
FY 17/18	70%	\$500,000
FY 18/19	TBD	TBD

#1 - The Committee approved the FY 15/16 liability program costs at a 70% confidence level and funding for a \$500,000 retention.

<b>AORMA Workers' Compensation Program</b>		
Fiscal Year	Funding Confidence Level	Pooled Layer
FY 10/11	80%	\$500,000
FY 11/12	80%	\$500,000
FY 12/13	80%	\$500,000
FY 13/14	80%	\$500,000
FY 14/15	80%	\$500,000
FY 15/16	80%	\$500,000
FY 16/17	70%	\$500,000
FY 17/18	70%	\$750,000
FY 18/19	TBD	TBD

The Officers directed Staff to amend the policies and procedures to require a formal review and discussion of historical funding and current/future funding philosophy. As executive members retire from the CSU auxiliary organizations, historical knowledge is lost. It's important for the current executive staff to know how CSURMA and the AORMA programs have benefitted its members.

Staff was directed to review the Unemployment Insurance Program's funding policy and provide guides on how the funds within the UIP should be documents within each members' financial statements.

Currently, the auxiliary organizations are not required to join CSURMA AORMA. The Chancellor's Office has been discussing whether the CSU Auxiliary Organizations should be required to purchase their liability and property insurance through CSURMA AORMA in order to avoid gaps in coverage, inadequate coverage and/or apportionment issues between insurers.

**A6. Creation of New AORMA Benefits Program**

The AOA Human Resources BUG (Benefits User Group) has assigned Alliant Insurance Services, Inc., as their benefits broker of record. The Alliant team is reviewing the benefit plans that are currently in place and negotiating the January 1<sup>st</sup> renewals. AORMA Benefit Program will be added to the 17/18 LRP.

**A7. AORMA Workers' Compensation Program Members**

There are currently 56 AORMA members with employees. All of those members are members of the workers' compensation program except;

1. San Diego State University Research Foundation
2. California State University, Fresno Foundation

Staff will continue to work with the auxiliaries to provide a viable coverage solution through the AORMA Workers' Compensation Program.

#### **A8. On-Line Training - Termination of TargetSolutions Contract effective June 30, 2017**

The Officers reviewed the progress of the integration of the auxiliary organization onto the PeopleSoft platform.

All of the campuses have integrated their auxiliary organization staff into the SkillPort training platform except Cal Maritime; however, Systemwide Professional Development (SPD) anticipates the integration to be completed soon.

Staff is in the process of gathering the historical completion data from Target Solutions, clarifying and identifying the employee and uploading the data onto the SkillPort platform. SPD anticipates that process could take months as the employee identification "code" is not always consistent.

The Officers directed Staff to get comments from the Members regarding items within SkillPort that don't work or are objectionable.

#### **A9. Reporting Tool for Employees to Mitigate Risks**

The Committee discussed the services provided by Stop It, a mobile incident reporting solution for public entities and higher education. No action was taken.

#### **A10. Alliant Risk Control Consulting - Webinars**

The Officers discussed the webinars to be conducted by ARCC. ARCC has prepared and will present five different webinars during the week of August 7-11 which address the types of activities which historically have led to claims within the workers' compensation and liability programs.

##### Web Series:

1. August 7, 2017  
Playbook to getting the most from your Risk Control resources during 2017-2018
2. August 8, 2017  
Are you ready for Rookies in the Kitchen?
3. August 9, 2017

Practice, practice.....best practices for reducing slips, trips and falls

4. August 10, 2017  
Strategies to not get sacked by back injuries
5. August 11, 2017  
How to intercept the common mistakes that lead to repetitive motion injuries

#### **A11. Review of Member Allocation Formulas**

The Officers discussed the member allocation formulas as well as the Policies and Procedures for the AORMA coverage programs with a pooled layer. The member allocation formulas are reviewed every three years. The Programs Committee completed a thorough review in February, 2018.

Staff was directed to review the Unemployment Insurance Program policy and procedure regarding use of member's excess funds and to provide guidance on how those funds should be reported in the Member's financial statements.

#### **A12. CSURMA AORMA Communication**

The Officers discussed the communication strategies that have been implemented by CSURMA AORMA.

1. CSURMA What's the Risk Newsletter
2. Quarterly AORMA Updates to all AOA Members (via AOA distribution list)
3. AOA Executive Committee AORMA Updates
4. AOA Standing Committee Update (as requested)
5. January Budgeting Letter
6. September Pre-Budgeting Letter
7. CSURMA Website
8. AOA Annual Conference Presentations
9. AOA Annual Conference Booth
10. Campus Visits

The Officers directed Staff to publish the CSURMA Newsletter What's the Risk twice per year – every October and March. They also directed Staff to include links to the CSURMA website when emailing the members in order to drive traffic to the website.

#### **A13. Succession Planning**

On June 30, 2018, all member on the AORMA Committee are on their first term; therefore, no members will term out. Shannon Stratton has informed us that he is unable to serve on the Committee. A new member will be appointed as his replacement. The Programs Committee has

terms limits which may need to be reviewed. The Officers directed Staff to amend the policy and procedure to remove the term limit from the standing committees.

#### **A14. CSURMA AORMA Program Staff**

The Officers discussed the changes in CSURMA Staff. Andrew Gaspari will be asked to attend the LRP in September.

#### **A15. AOA Conference – Session Topics**

The Officers reviewed the proposed sessions for the 2018 AOA Conference. Staff is awaiting confirmation of session slots.

1. Major Property Losses Pre and Post
2. Cyber Risks
3. Wellness Center: Insurance Requirements, Waivers, Maintenance, Etc.
4. Programs for Minors: Insurance Requirements, Waivers, Etc.

Staff will look into having CSURMA AORMA slides on a loop during the AORMA Breakfast.

#### **A16. Ideas for Creation or Modification of CSURMA AORMA Programs and/or Services**

The Officers discussed ideas for new AORMA coverage programs and/or services to be offered to the Members in FY 17/18 and beyond.

Review the maximum hourly rate for specialty attorneys. An increase may be warranted. A change would apply only to open claims. Revise on the policy and procedure.

The Officers discussed the Parametric Earthquake Insurance coverage proposal which the University is currently reviewing. The total limit being reviewed is \$25MM. The limit is proportional to each campus TIV. The two largest earthquake areas, the Bay Area and LA Metro, each have a \$25MM total limit across area campuses. The coverage would include a pre-defined trigger and a table of the payout factors. There is no requirement to provide loss adjustment information. The \$25MM limit would service to provide immediate cash flow as well as satisfying any FEMA requirements. The premium estimate is \$1.67MM for the University. An additional 10% is the estimate to add the auxiliaries. This will be discussed at the September LRP meeting.

Drone coverage has been purchased through a separate primary policy. It covers all owned, non-owned and hired drones. The use can be on or off campus. The maximum weight restriction is 55 lbs. Separate coverage can be purchased for drones over 55 lbs. and for hull coverage.

The need for insurance for student clubs was discussed. Staff will look into blanket coverage for student clubs. This will be discussed at the September LRP meeting.

Staff was directed to complete a 20<sup>th</sup> anniversary CSURMA trifold for distribution.

**A17. Recap of Projects to be Included on the FY 17/18 AORMA Long Range Action Plan**

The Officers discussed projects to be added to the Long Range Action Plan for FY 17/18. The following projects will be recommended to the AORMA Committee for approval:

1. Benchmarking:
  - a. Formal Annual Report with CWCI and Liability & Loss Ratio
  - b. A report Scorecard with Risk Console.
2. Captive
3. Drive traffic to website
4. Go Ground
5. Funding Policy
6. Inclusion of BUG as AORMA Program
7. Access to EIA Member Services for all AO members
8. 20<sup>th</sup> year Report/Review

## **2018 AOA CONFERENCE RISK MANAGEMENT SESSIONS**

**ISSUE:** The following sessions have been confirmed by the AOA Conference planning committee.

1. Workers' Compensation - Joint session between HR and Commercial Services
2. Foreign Travel
3. Abuse Prevention Policies ... Is it time for a tune-up?
4. Contract requirements and safety concerns for recreation centers

**RECOMMENDATION:** This item is for information only; the Committee may provide direction to Staff.

**FISCAL IMPACT:** None.

**BACKGROUND:** The session description and presenters are still being finalized.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**AORMA LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 ACTUARIAL REPORTS VALUED AT JUNE 30, 2017**

**ISSUE:** CSURMA's retains the services of an independent actuary to evaluate the liabilities of its major self-insured programs. The complete draft reports for the AORMA Liability and Workers' Compensation Programs are included separately with the agenda packet. Staff has highlighted here and in attachments to this item key findings and exhibits. The information provided by the actuary is used to establish fiscal year-end financial reports, and as the starting point in consideration of rates and funding for FY 18/19 as well as evaluating potential dividends. The Actuary's findings and recommendations are shown below:

<b>Table 1</b>			
<b>Estimated Outstanding Losses at an "expected" confidence level, undiscounted for investment income, including unallocated loss adjustment expenses</b>			
<b>Liability</b>		<b>Workers' Compensation</b>	
At June 30, 2016	\$1,493,749	At June 30, 2016	\$5,942,753
At June 30, 2017	\$1,447,703	At June 30, 2017	\$3,875,940
<b>Change</b>	<b>-3%</b>	<b>Change</b>	<b>-35%</b>

As shown in Table 1, the estimated outstanding losses at June 30, 2017, have decreased dramatically within the workers' compensation program due to the reinsurance agreement with CSAC EIA. Effective January 1, 2015, the AORMA workers' compensation program is fully reinsured; therefore, all outstanding liabilities between January 1, 2015 and June 30, 2017 are retained by CSAC EIA.

<b>Table 2</b>					
<b>Workers' Compensation</b>					
<b>Projected Ultimate Net Limited Losses, Discounted</b>					
Term	Funding	Rate	Term	Funding	Rate
<b>80% Confidence Level</b>			<b>70% Confidence Level</b>		
FY 17/18 (\$500,000 SIR)	\$3,468,000	1.05	FY 17/18 (\$500,000 SIR)	\$3,162,000	0.96
FY 18/19 (\$750,000 SIR)	\$3,428,000	1.02	FY 18/19 (\$750,000 SIR)	\$3,098,000	0.92
<b>Change</b>	<b>-1%</b>	<b>-3%</b>	<b>Change</b>	<b>-2%</b>	<b>-4%</b>
<i>FY 18/19 (\$500,000 SIR) *</i>	<i>\$3,256,000</i>	<i>0.97</i>	<i>FY 18/19 (\$500,000 SIR) *</i>	<i>\$2,994,400</i>	<i>0.87</i>

*\* The FY 18/19 funding with a \$500,000 SIR is for comparison purposes only. The pooled layer has increased to \$750,000. The loss rate change, using the rate for the \$500,000 SIR, is an 8% reduction for the 80% CL funding and a 9% reduction for the 70% CL funding.*

Table 3		
Liability		
Projected Ultimate Net Limited Losses, Discounted		
Term	Funding	Rate
<b>80% Confidence Level</b>		
FY 17/18	\$2,166,071	0.48
FY 18/19	\$1,939,584	0.43
<b>Change</b>	<b>-10%</b>	<b>-10%</b>
<b>70% Confidence Level</b>		
FY 17/18	\$1,770,848	0.39
FY 18/19	\$1,585,685	0.35
<b>Change</b>	<b>-10%</b>	<b>-10%</b>

The reduction to the projected funding and loss rate as shown in Table 3 is due to the updated projection of losses within the \$500,000 pooled layer. Even though AORMA has experienced several catastrophic claims which pierced the reinsurance layer, necessitating an increase to the pooled layer limit and the reinsurance premium, the actuary believes a lower loss rate is sufficient to fund losses within the pooled layer for FY 18/19.

**RECOMMENDATION:** This item is for information only; action will be taken at tomorrow's meeting.

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

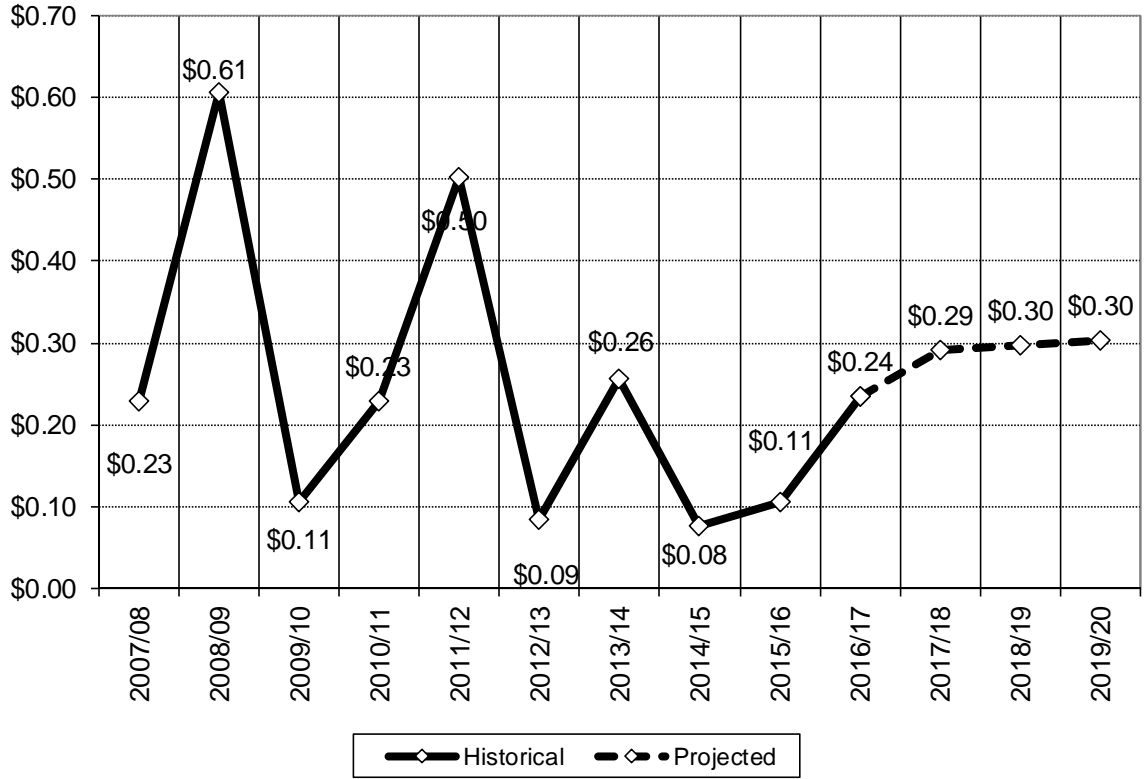
**BACKGROUND:** The complete actuarial study includes a discussion on the methodology used by the actuary to establish the financial projections for each coverage program. Staff will be present at today's meeting to review and comment on the findings in the reports.

**PUBLICATION:** None

**ATTACHMENT(S):**

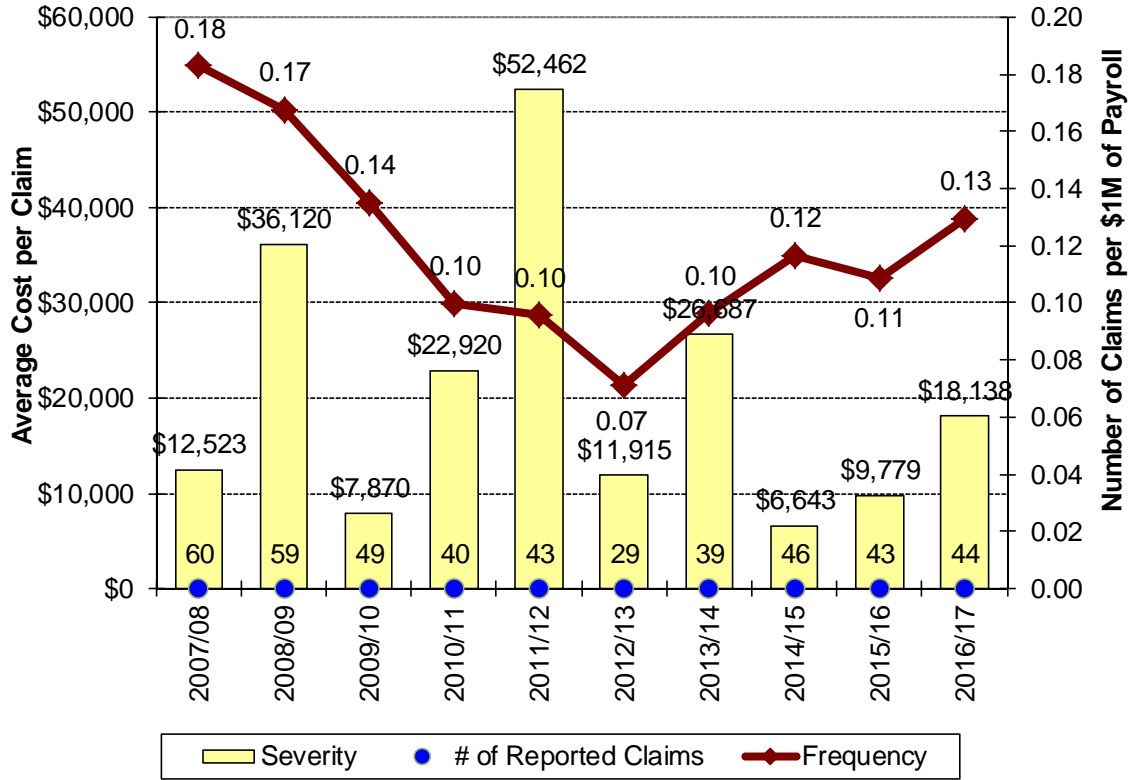
- a. Charts and exhibits from the Liability and Workers' Compensation draft actuarial reports valued at June 30, 2017.
- b. Complete copies of the draft studies dated August 9, 2017 and August 20, 2017 are included separately with the agenda packet.

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



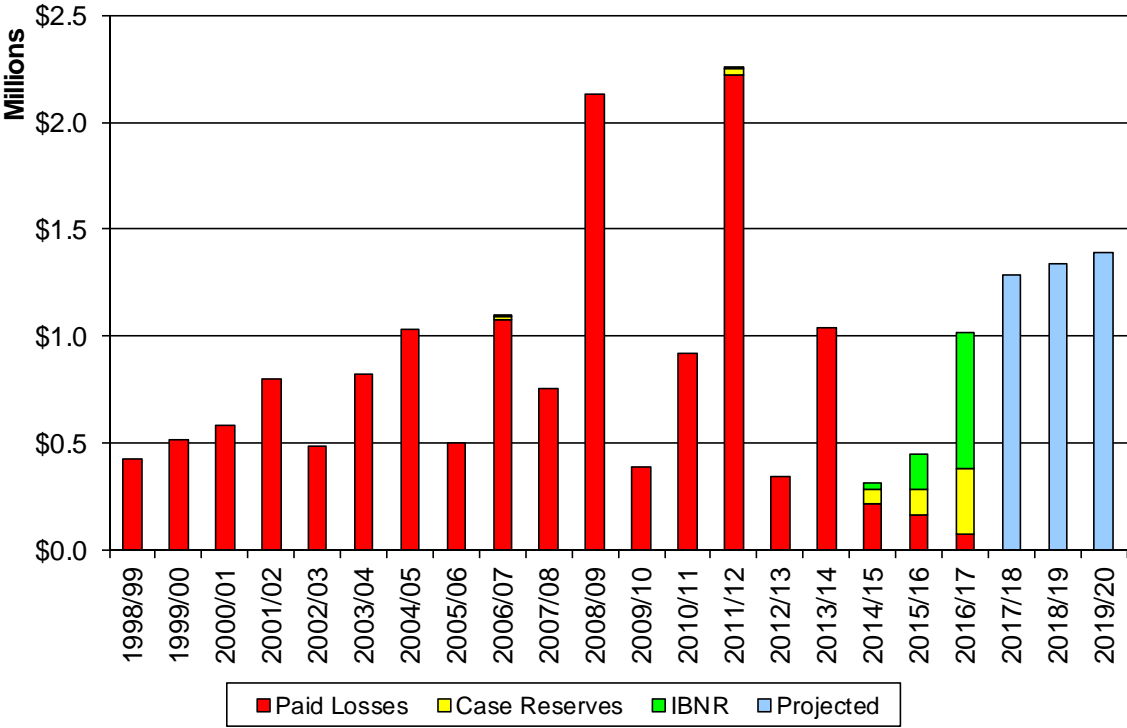
Note: Loss rates are from Exhibit LI-14, columns (4) and (7).

**Graph III-2  
Frequency and Severity**



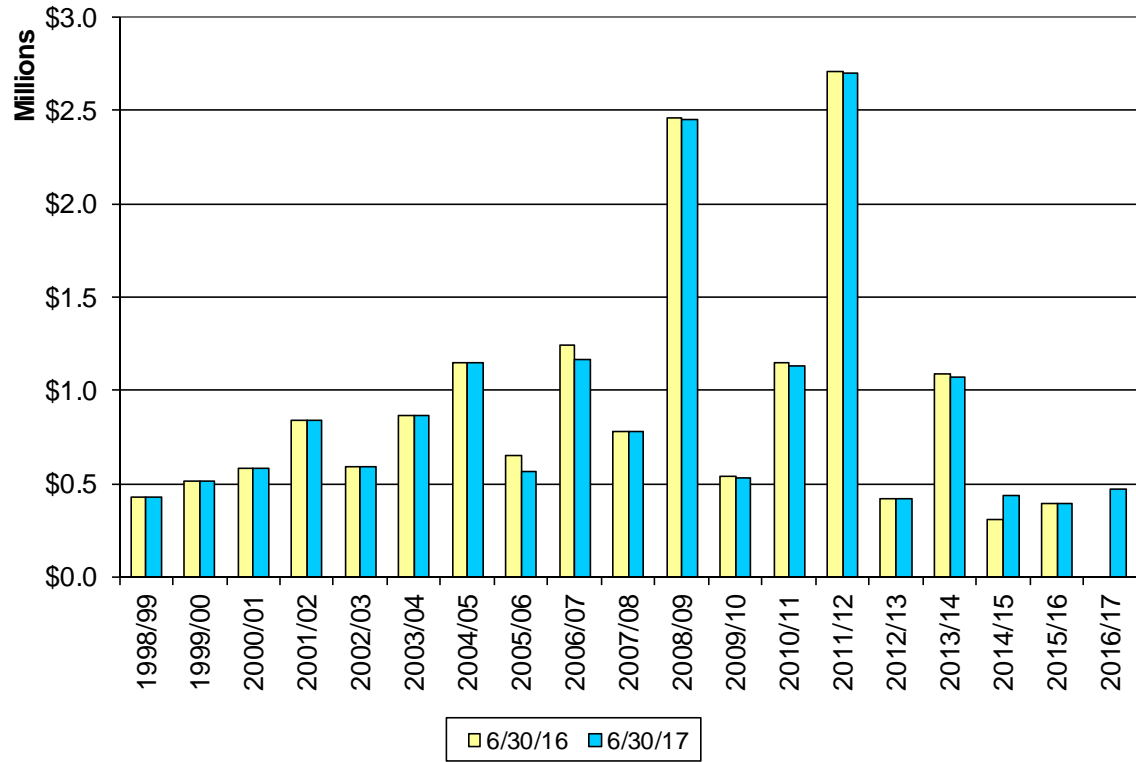
Note: Frequency amounts are from Exhibit LI-8, Section I, column (7).  
Severity amounts are based on the projected claim counts in Exhibit LI-8 and the projected ultimate losses in Exhibit LI-13.

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



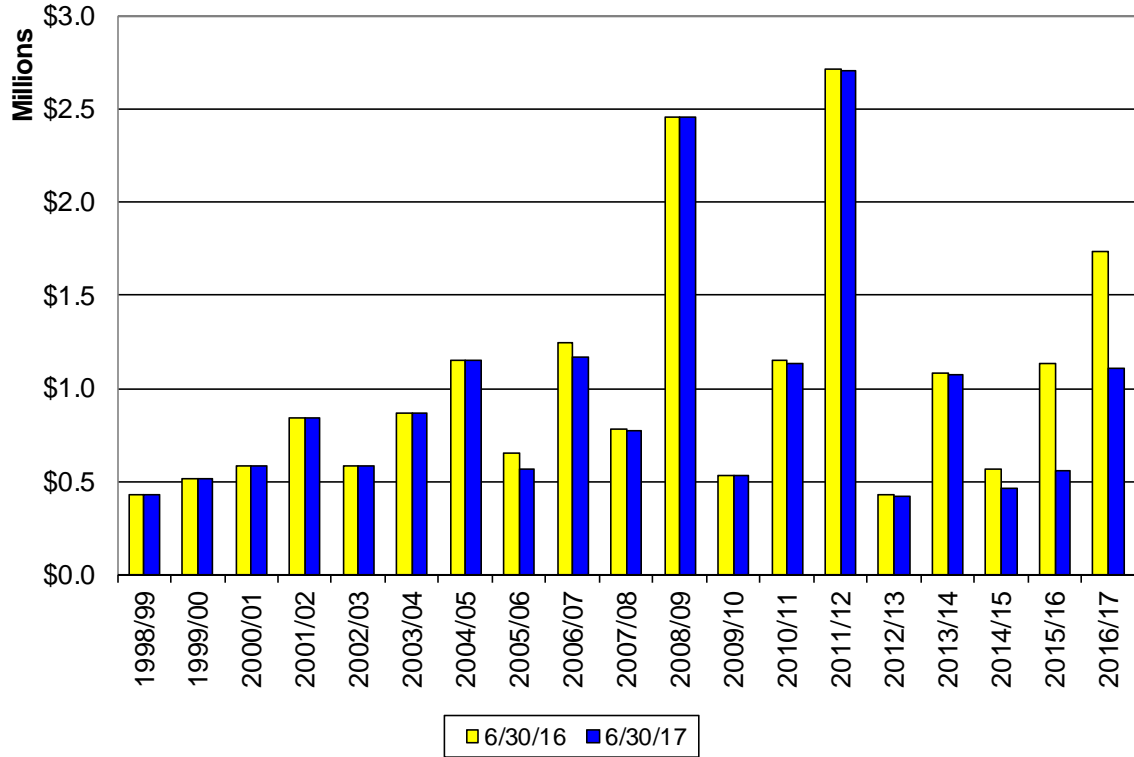
Note: Amounts through 2016/17 are from Exhibit LI-15.  
Amounts for 2017/18 through 2019/20 are from Exhibit LI-14.

**Graph III-4  
Comparison of Limited Reported Incurred Losses  
as of June 30, 2016 and June 30, 2017**



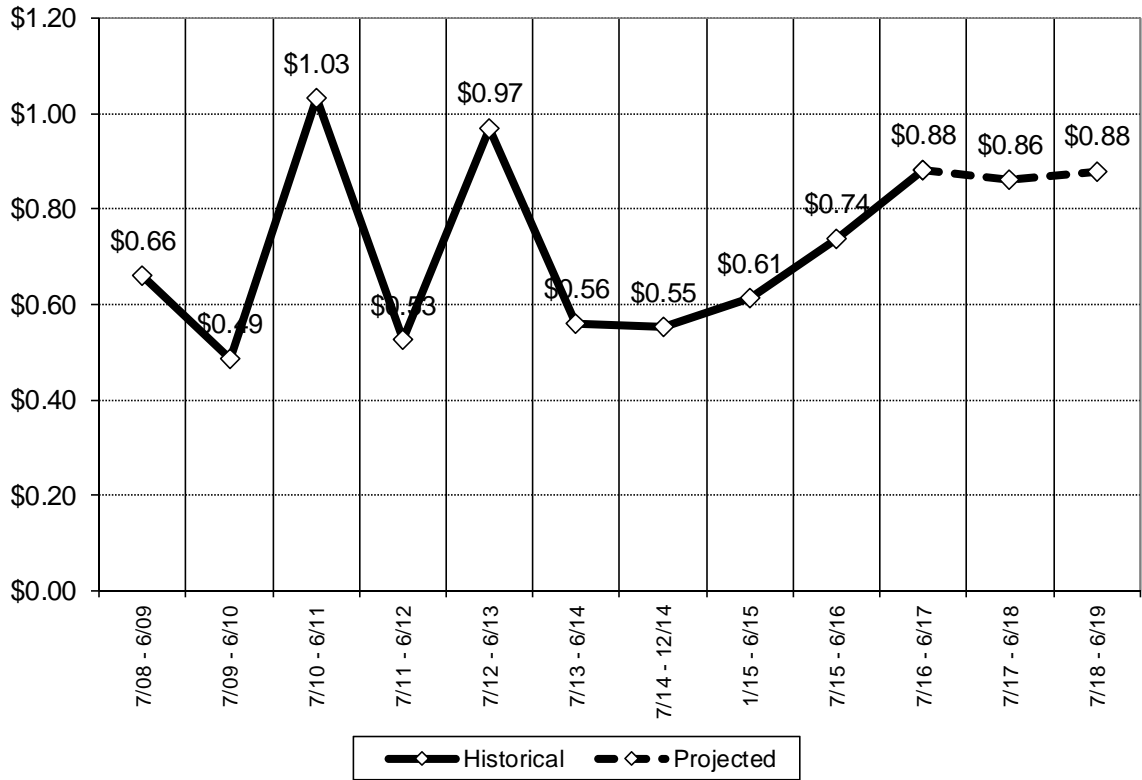
Note: Amounts as of June 30, 2016 are from the previous actuarial study.  
Amounts as of June 30, 2017 are from Exhibit LI-12.

**Graph III-5  
Comparison of Projected Ultimate Limited Losses  
as of June 30, 2016 and June 30, 2017**



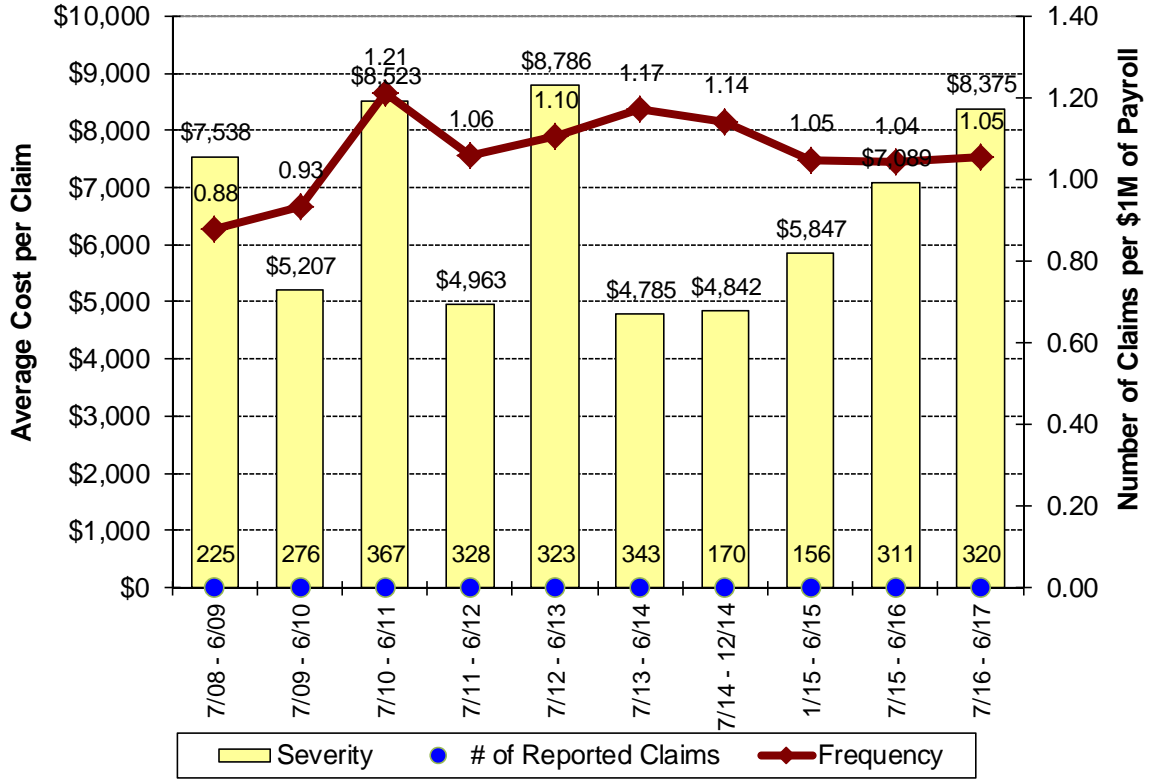
Note: Amounts as of June 30, 2016 are from the previous actuarial study.  
Amounts as of June 30, 2017 are from Exhibit LI-13.

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



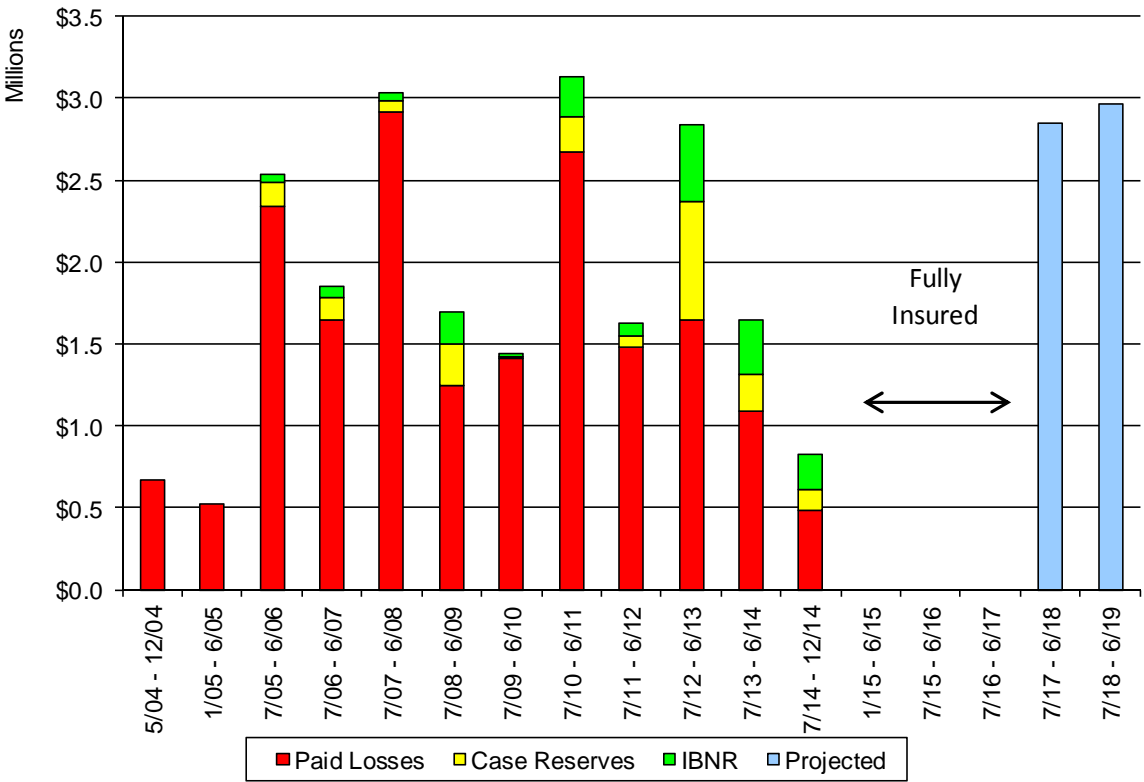
Note: Loss rates are from Exhibit WC-10, columns (4) and (7).  
 2017/18 and 2018/19 loss rates are based on the self-insured retention of \$750,000 effective July 1, 2017. Loss rates prior to 2017/18 were based on a self-insured retention of \$500,000.

**Graph III-2  
Frequency and Severity**



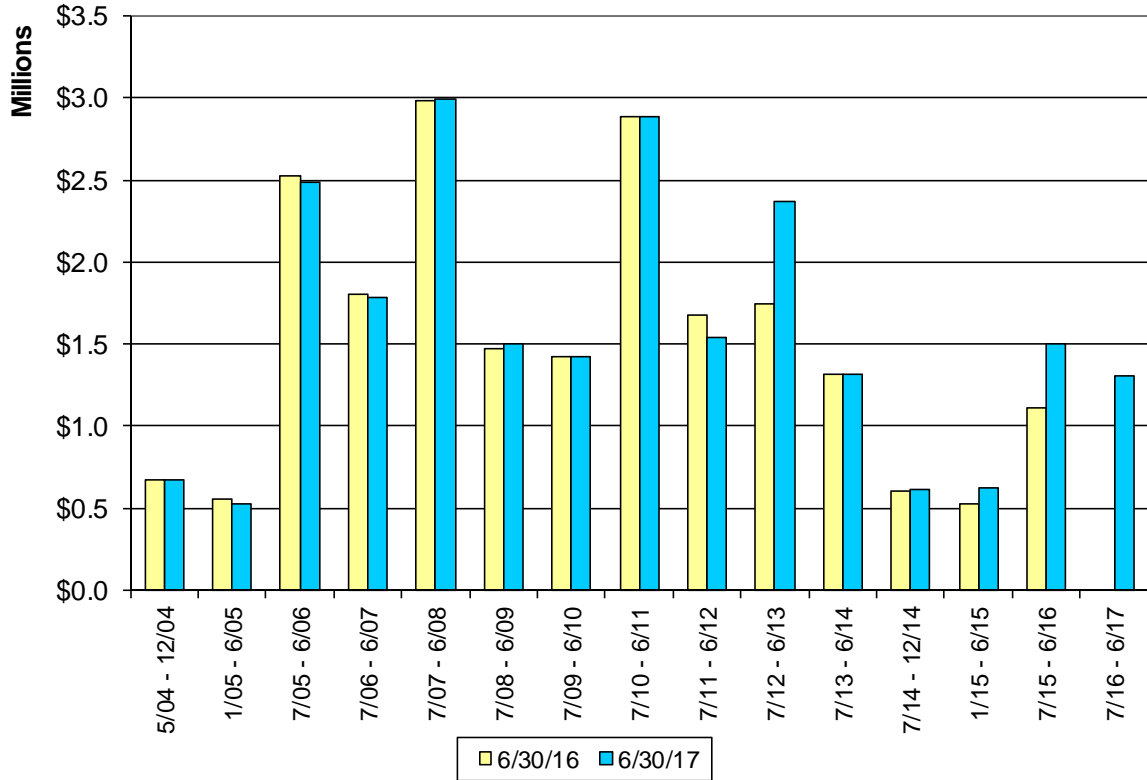
Note: Frequency amounts are from Exhibit WC-8, Section I, column (7).  
Severity amounts are based on the projected claim counts in Exhibit WC-8 and the projected ultimate losses in Exhibit WC-9.

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



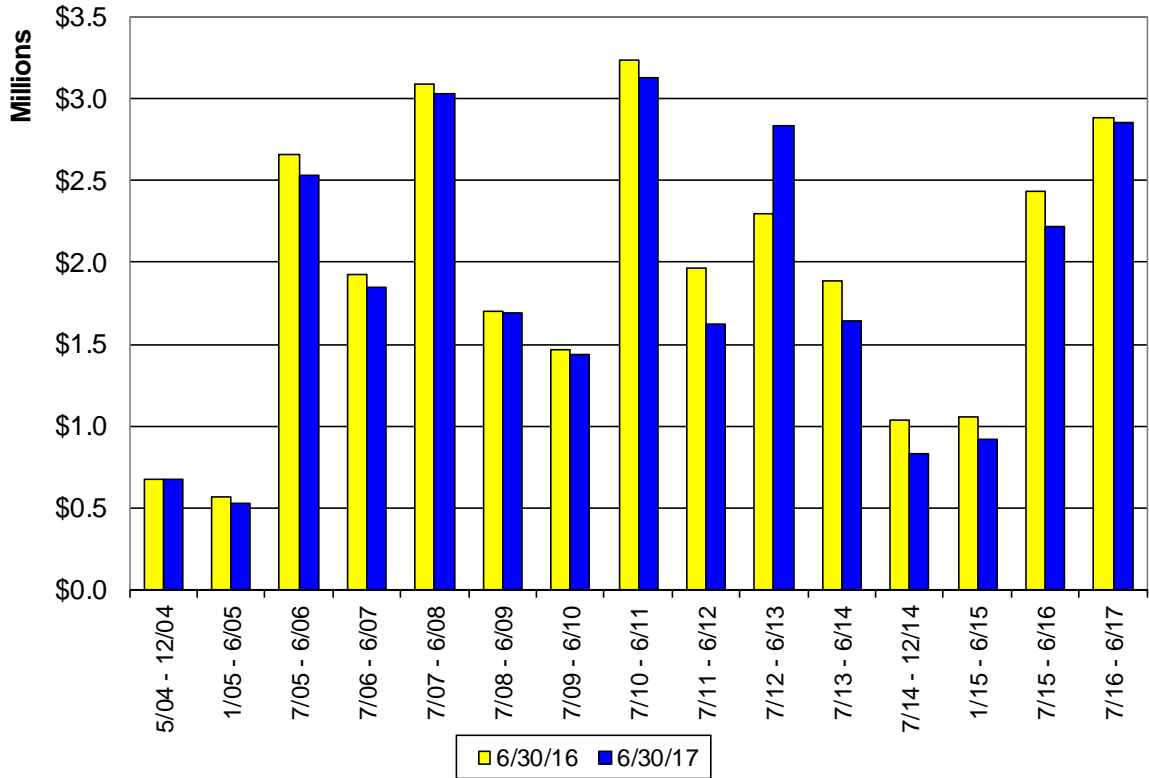
Note: Amounts through 7/16 – 6/17 are from Exhibit WC-11. Amounts for 7/17 – 6/18 and 7/18 – 6/19 are from Exhibit WC-10. 2017/18 and 2018/19 amounts are based on the self-insured retention of \$750,000 effective July 1, 2017. Losses prior to 2017/18 were based on a self-insured retention of \$500,000.

**Graph III-4  
Comparison of Limited Reported Incurred Losses  
as of June 30, 2016 and June 30, 2017**



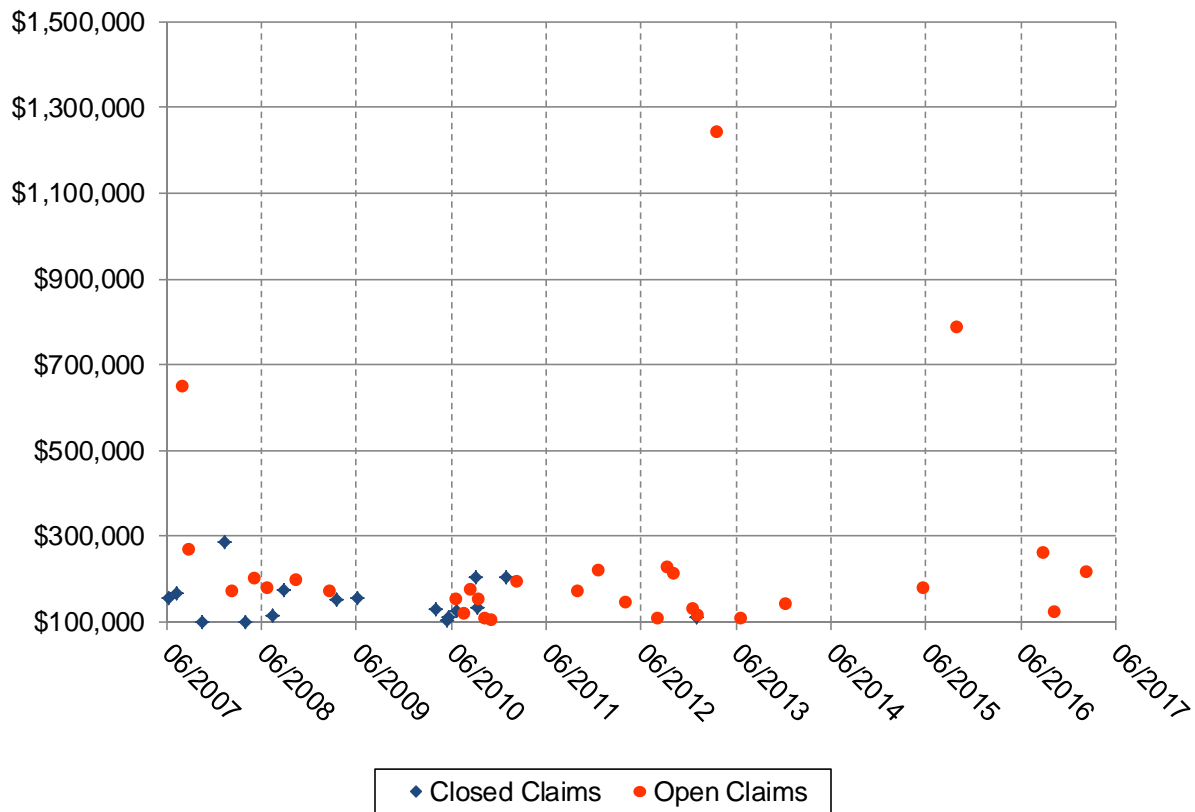
Note: Amounts as of June 30, 2016 are from the previous actuarial study. Amounts as of June 30, 2017 are from Exhibit WC-1.

**Graph III-5  
Comparison of Projected Ultimate Limited Losses  
as of June 30, 2016 and June 30, 2017**



Note: Amounts as of June 30, 2016 are from the previous actuarial study. Amounts as of June 30, 2017 are from Exhibit WC-9.

**Graph III-6B  
Claim Size Distribution  
Claims with Incurred Amount above \$100,000**



## **SPECIAL FUNDING TASK GROUP**

**ISSUE:** At its last meeting in July, the AORMA Officers discussed the importance of an annual discussion of AORMA’s historical funding philosophy. As members term-off of the AORMA Committee institutional knowledge is lost. The Officers recommended amending AORMA’s policies and procedures to require an annual formal review of its funding philosophy, including a review of the factors involved in the decision making process and consideration of whether the factors remain relevant.

**RECOMMENDATION:** This item is for information only. The Committee will be asked to discuss AORMA’s funding philosophy. Changes to the Policy and Procedure A-3 will be approved at tomorrow’s meeting.

**FISCAL IMPACT:** No fiscal impact is anticipated.

**BACKGROUND:** The FY 16/17 AORMA Long Range Action Plan included a Special Funding Task Group item. The Officers discussed this item at its last meeting and felt the best approach going forward was to provide information on annual basis regarding AORMA’s funding philosophy and the reasons for making certain decisions. This would be particularly beneficial for those new members joining the Committee.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Historical funding levels
- b. Policy and Procedure A-3 – Target Surplus Funding Policy (*Draft*)

## AORMA Historical Funding – Confidence Level

<b>AORMA Liability Program</b>		
Fiscal Year	Funding Confidence Level	Pooled Layer
FY 10/11	80%	\$250,000 / \$500,000
FY 11/12	80%	\$350,000
FY 12/13	80%	\$350,000
FY 13/14	80%	\$350,000
FY 14/15	70%	\$350,000
FY 15/16	70% - #1	\$350,000
FY 16/17	70%	\$500,000
FY 17/18	70%	\$500,000
FY 18/19	TBD	TBD

The Committee approved the FY 15/16 liability program costs at a 70% confidence level and funding for a \$500,000 retention.

<b>AORMA Workers' Compensation Program</b>		
Fiscal Year	Funding Confidence Level	Pooled Layer
FY 10/11	80%	\$500,000
FY 11/12	80%	\$500,000
FY 12/13	80%	\$500,000
FY 13/14	80%	\$500,000
FY 14/15	80%	\$500,000
FY 15/16	80%	\$500,000
FY 16/17	70%	\$500,000
FY 17/18	70%	\$750,000
FY 18/19	TBD	TBD



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. A-3  
(FORMERLY 7-AORMA)**

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**SUBJECT:** TARGET SURPLUS FUNDING POLICY

**ADOPTED:** JANUARY 10, 2007

**EFFECTIVE:** JANUARY 1, 2007

**AMENDED:** OCTOBER 29, 2009  
 SEPTEMBER 16, 2010  
 OCTOBER 23, 2014  
 MAY 5, 2016  
SEPTEMBER 7, 2017

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

**POLICY:**

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

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

The AORMA COMMITTEE may take action to set a higher or lower CONFIDENCE LEVEL based on AORMA’s goal to retain more or less risk.

**PROCEDURE:**

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA’s accredited independent actuary to perform an actuarial analysis of the Workers’ Compensation and Liability Programs. This analysis shall include ESTIMATED OUTSTANDING LOSSES (including IBNR) at various CONFIDENCE LEVELS as well as PROJECTED ULTIMATE LOSSES for the upcoming year(s). The analysis shall also compare the current program funding against the OUTSTANDING LOSSES and determine

the CONFIDENCE LEVEL to which the program is currently funded. Because the Property and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.

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

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

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

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

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

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

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

- 3. Discussion of Historical Funding** – As part of the Target Surplus Funding review process, annually, the AORMA COMMITTEE will discuss its historical funding philosophy and the factors involved in its decision making process. It will also consider whether the factors remain relevant, taking action to amend, if necessary.

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

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

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

- 5. Dividends** – Dividends may be available from the amount of SURPLUS exceeding the TARGET SURPLUS GOAL amount established by the AORMA COMMITTEE. The

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allocation of any dividend shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.

- 6. Assessments** – Assessments may be required when the AORMA COMMITTEE determines that the amount of SURPLUS is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.

**MEMBER APPEAL PROCESS:**

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

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**DEFINITIONS:**

**AORMA COMMITTEE** - The governing body of AORMA.

**AORMA** - Auxiliary Organizations Risk Management Alliance is a group of PROGRAMS that operate within the California State University Risk Management Authority representing the auxiliary organizations.

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**IBNR** – Incurred but Not Reported losses.

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**CSURMA AORMA**

**POLICY AND PROCEDURE NO. A-3  
(FORMERLY 7-AORMA)**

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

**PROJECTED ULTIMATE LOSSES** – Projected Ultimate Losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected Ultimate Losses are the total loss costs for a particular period. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

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

**TARGET SURPLUS GOAL** – The amount of cash equivalent available to pay claims in excess of actuarial 70% CONFIDENCE LEVEL discounted for investment income.

## **ESTIMATED POOL LAYER FUNDING EXHIBIT**

**ISSUE:** The Committee will review the estimated fund balance exhibits for both the Liability and Workers' Compensation Programs. These reports show a comparison of the program assets, outstanding liabilities and estimated fund balances at 6/30/17, as well as historical estimated fund balance and dividend information.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

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

**ATTACHMENT(S):**

- a. Historical Estimated Fund Balance @ June 30
- b. Historical Maximum Dividend Available vs. Dividend Declared

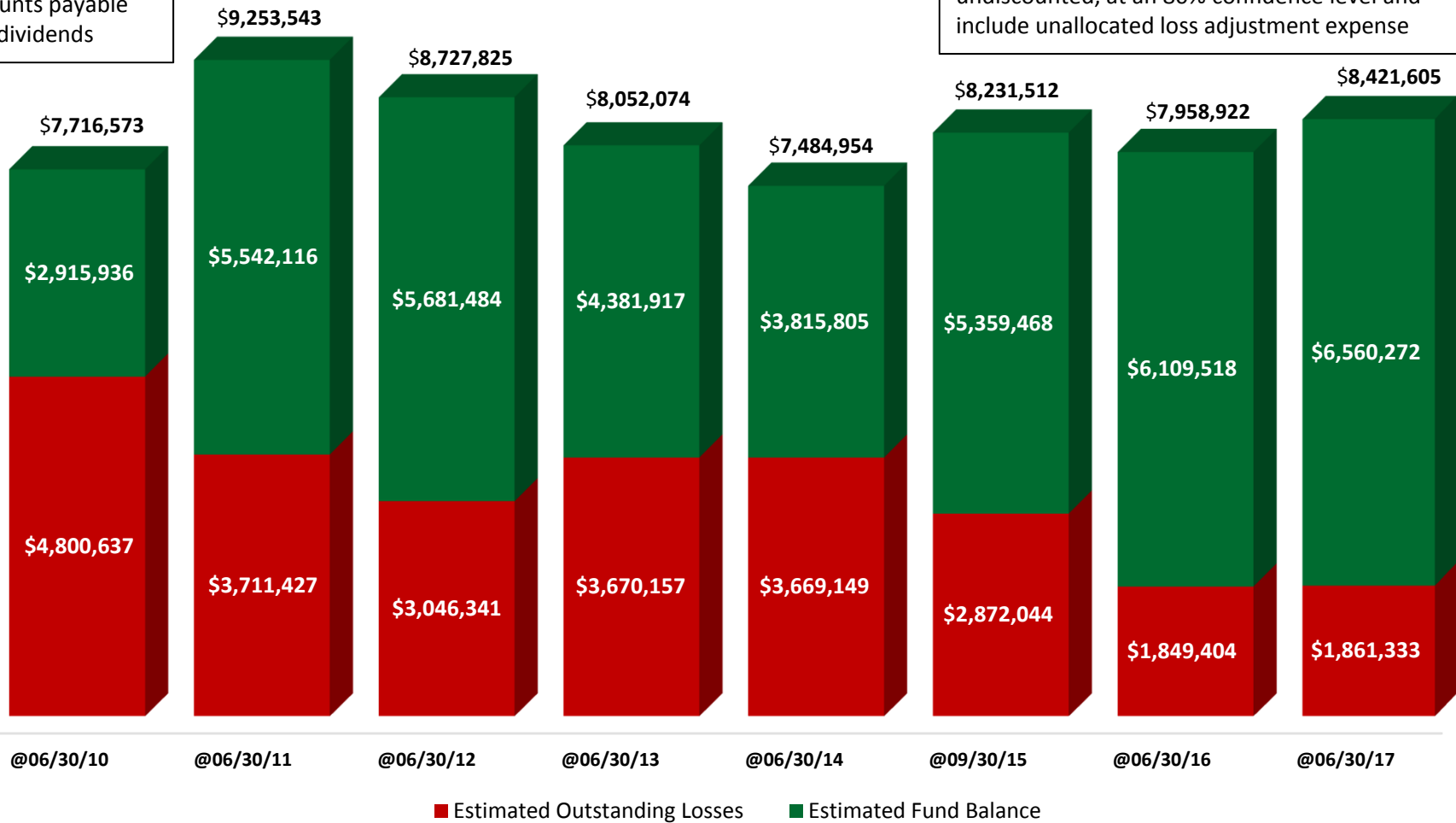
# Liability Historical Estimated Fund Balance @ June 30



Assets on the top of the bar have been reduced by accounts payable and dividends

## Liability - Historical Estimated Fund Balance

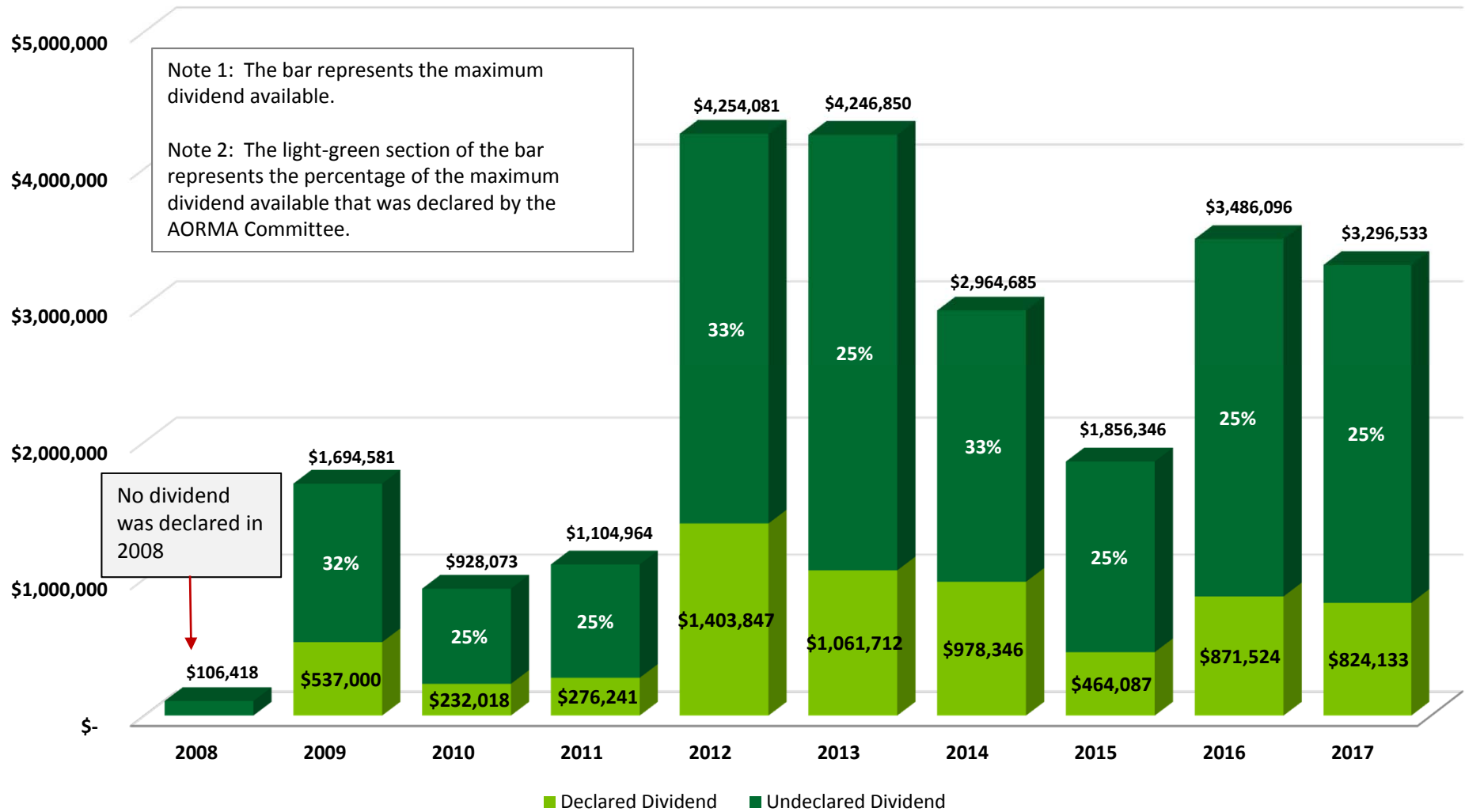
The estimated outstanding losses are undiscounted, at an 80% confidence level and include unallocated loss adjustment expense



# Liability Historical Dividends Paid in July



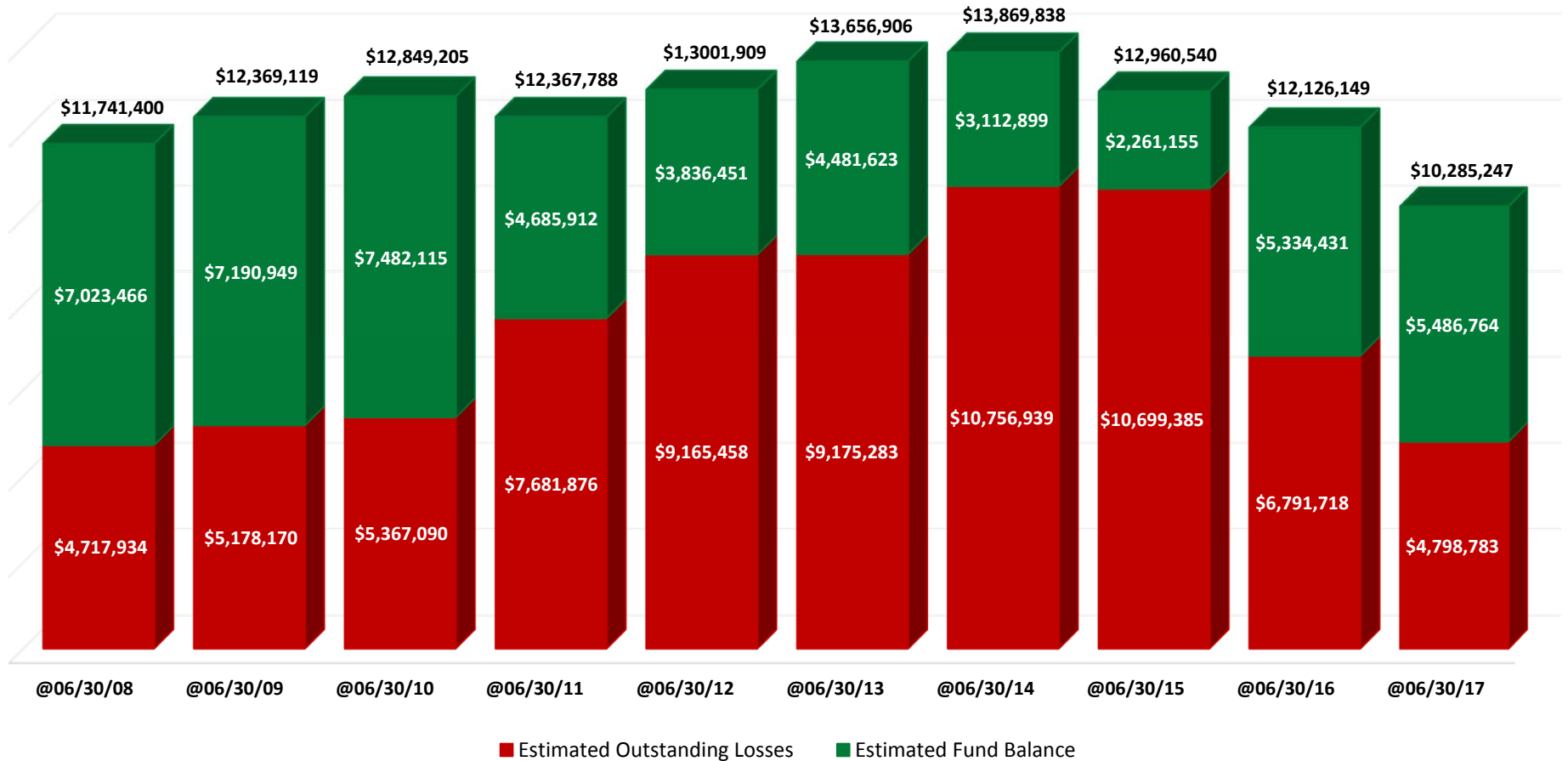
## Maximum Dividend Available vs. Dividend Declared



# Workers' Compensation Historical Estimated Fund Balance @ June 30



## 80% Confidence Level



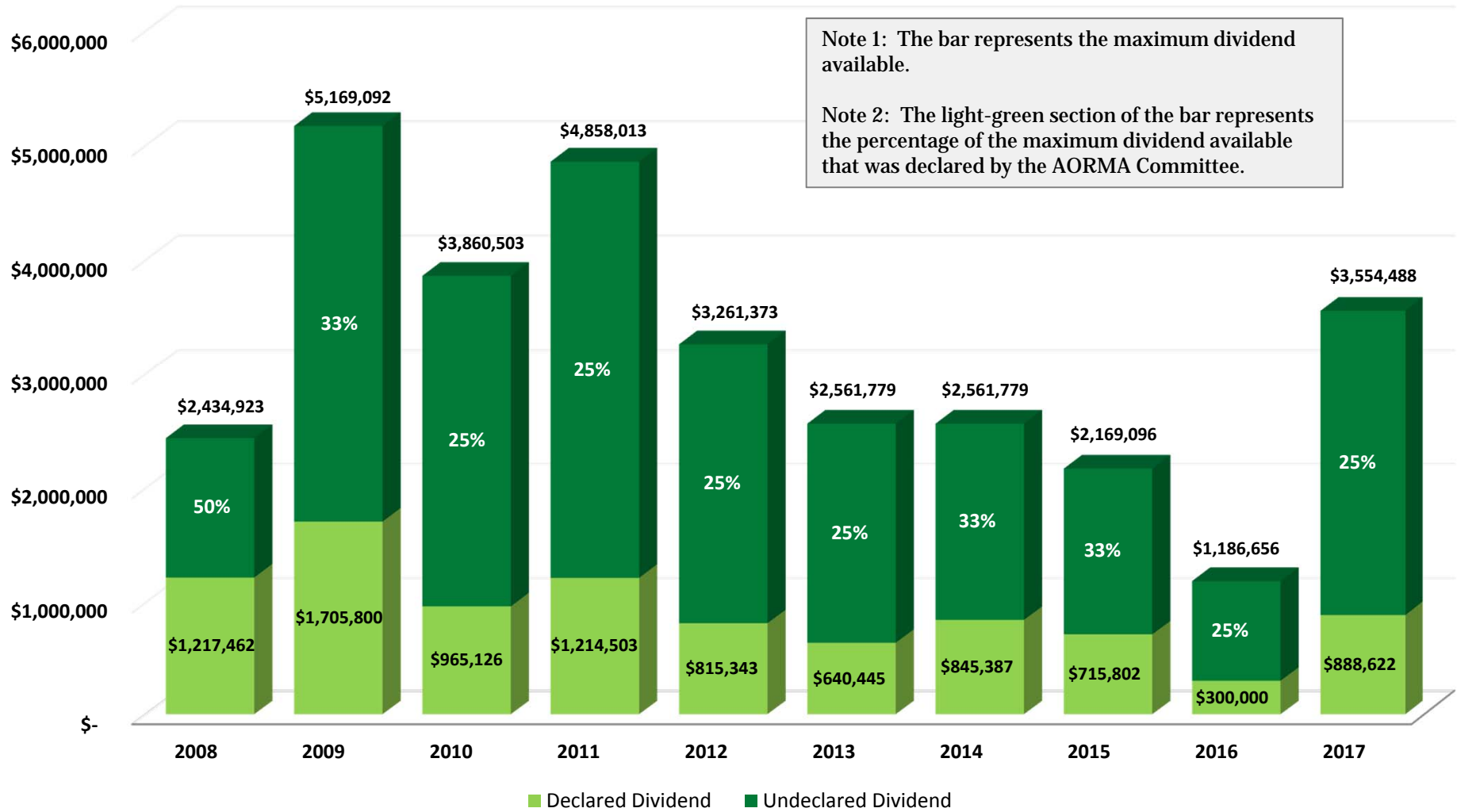
Note 1: Assets are reduced by the declared dividend and miscellaneous accounts payable

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

# Workers' Compensation Historical Dividends Paid in July



## Maximum Dividend Available vs. Dividend Declared



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

**ISSUE:** Staff will present an analysis of the financial position of the Liability and Workers' Compensation programs based on the surplus funding and dividend calculation formula set forth in Policy & Procedure A-3 Target Surplus Funding Policy. The analysis will show the current surplus fund amounts (at 6/30/17) as well as the estimated amounts available for dividend distribution.

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

**FISCAL IMPACT:** The Committee will be asked to review the Target Surplus Funding Report and recommend a dividend within both the Liability and Workers' Compensation programs to be declared at tomorrow's meeting.

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

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

**PUBLICATION:** All AORMA members will receive an update in September, 2017 which summarizes the decisions made at this meeting regarding surplus funds at June 30, 2017 and approved dividends to be released in July, 2018.

**ATTACHMENT(S):**

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

**AORMA Liability Fund Program**  
**Target Surplus Funding Analysis - Pooled Layer Funding @ \$500,000**  
**@ June 30, 2017**

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 17/18 (at 70% CL) #1	2,598,878	Up From	2,526,956
Assets at 6/30/17 #2	8,421,605	Up From	7,958,922
Maximum Retention Per Occurrence	500,000	No Change	500,000
Outstanding Reserves at 6/30/17 #3	1,378,765	Down From	1,422,618
Surplus (Expected Confidence Level) #4	6,973,902	Up From	5,796,533
Surplus (above a 70% Confidence Level) #5	6,879,928	Up From	5,656,558
Surplus (above an 80% Confidence Level) #5	6,611,810	Up From	5,356,250

#1 - Includes Actuary's Recommended Estimated Pooled Layer Funding at a 70% confidence level, claims administration and reinsurance costs.

#2 - Assets are reduced by accounts payable and dividend.

#3 - Reserves on open claims, plus IBNR, capped at the pooled layer limit.

#4 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses **are undiscounted** for investment income and include unallocated loss adjustment expense.

#5 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses **are discounted** for investment income and include unallocated loss adjustment expense.

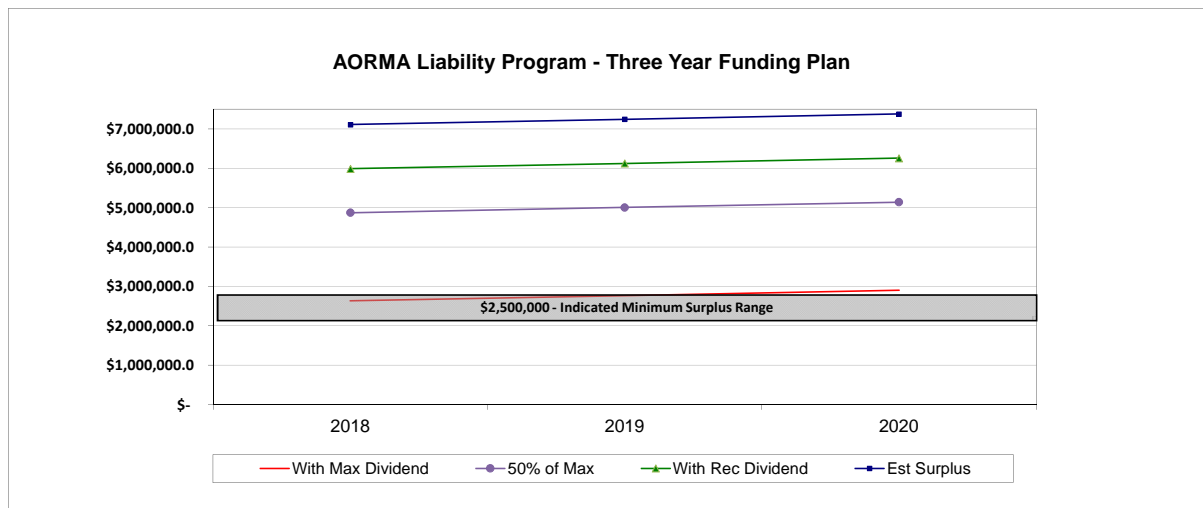
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	1,732,585	37%
Surplus : Retention	>5:1	<b>2,500,000</b>	<b>14</b>
Outstanding Reserves : Surplus	≤1.5:1	919,177	20%

Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	6,879,928
Indicated Minimum Surplus (largest ratio amount)	2,500,000
Maximum Dividend Available	4,473,902
Dividend 50%	2,236,951
Dividend 33%	1,476,388
Dividend 25%	1,118,476

Confidence levels	Risk Factor	Pooled Layer Funding #5	Surplus
Expected	1.000	1,340,589	-
60%	1.040	1,394,213	53,624
70%	1.100	1,474,648	134,059
80%	1.300	1,742,766	402,177

#5 The Pooled Layer Funding is discounted for investment income and **does not** include the unallocated loss adjustment expense.

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/17	N/A	6,973,902	N/A	N/A
2018/19- Collection @ 70% Confidence Level	134,059	7,107,961	2,634,059	5,989,486
2019/20 - Collection @ 70% Confidence Level	134,059	7,242,020	2,768,118	6,123,545
2020/21 - Collection @ 70% Confidence Level	134,059	7,376,079	2,902,177	6,257,604



**AORMA Workers' Compensation Fund Program**  
**Target Surplus Funding Analysis - Pooled Layer Funding @ \$750,000**  
**@ June 30, 2017**

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 17/18 (at 70% CL) #1	4,570,145	Down From	4,062,286
Assets at 6/30/17 #2	10,285,547	Down From	12,126,149
Maximum Retention Per Occurrence	750,000	Up From	500,000
Outstanding Reserves at 6/30/17 #3	3,691,371	Down From	5,659,765
Surplus (Expected Confidence Level) #4	6,409,607	Up From	6,183,396
Surplus (above a 70% Confidence Level) #5	6,356,127	Up From	6,078,554
Surplus (above an 80% Confidence Level) #5	6,149,315	Up From	5,815,615

#1 - Includes Actuary's Recommended Estimated Pooled Layer Funding at a 70% confidence level, claims administration and reinsurance costs.

#2 - Assets are reduced by accounts payable and dividend.

#3 - Reserves on open claims, plus IBNR, capped at pooled layer. Reserves on claims between 1/01/15 and 6/30/17 have been removed as the program was fully insured through CSAC EIA.

#4 - Surplus means the Plan Assets minus the Outstanding Losses. Outstanding Losses **are undiscounted** for investment income and include unallocated loss adjustment expense.

#5 - Surplus means the Plan Assets minus the Outstanding Losses. Outstanding Losses **are discounted** for investment income and include unallocated loss adjustment expense.

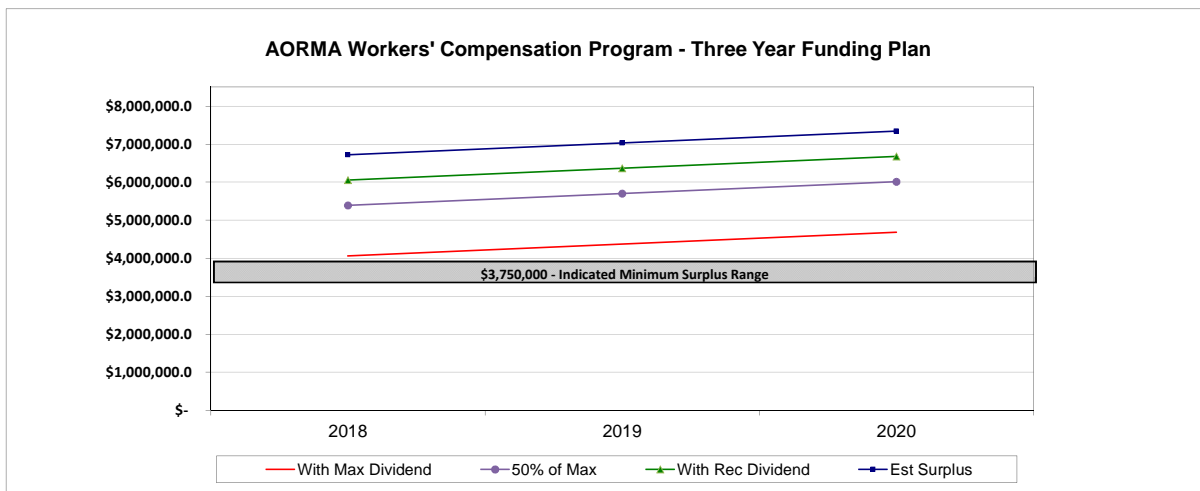
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	3,046,763	0.71
Surplus : Retention	>5:1	<b>3,750,000</b>	<b>9</b>
Outstanding Reserves : Surplus	≤1.5:1	2,460,914	0.58

Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	6,356,127
Indicated Minimum Surplus (largest ratio amount)	3,750,000
Maximum Dividend Available	2,659,607
Dividend 50%	1,329,804
Dividend 33%	877,670
Dividend 25%	664,902

Confidence levels	Risk Factor	Pooled Layer Funding #5	Surplus
Expected	1.000	3,446,860	-
70%	1.090	3,757,077	310,217
80%	1.150	3,963,889	517,029
90%	1.250	4,308,575	861,715

#5 The Pooled Layer Funding is discounted for investment income and **does not** include the unallocated loss adjustment expense.

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/17	N/A	6,409,607	N/A	N/A
2018/19 - Collection @ 70% Confidence Level	310,217	6,719,824	4,060,217	6,054,922
2019/20 - Collection @ 70% Confidence Level	310,217	7,030,041	4,370,434	6,365,139
2020/21 - Collection @ 70% Confidence Level	310,217	7,340,258	4,680,651	6,675,356





**CSURMA AORMA**

**POLICY AND PROCEDURE NO. A-3  
(FORMERLY 7-AORMA)**

**SUBJECT: TARGET SURPLUS FUNDING POLICY**

**ADOPTED: JANUARY 10, 2007**

**EFFECTIVE: JANUARY 1, 2007**

**AMENDED: OCTOBER 29, 2009  
SEPTEMBER 16, 2010  
OCTOBER 23, 2014  
MAY 5, 2016  
SEPTEMBER 7, 2017**

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

**POLICY:**

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

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

The AORMA COMMITTEE may take action to set a higher or lower CONFIDENCE LEVEL based on AORMA’s goal to retain more or less risk.

**PROCEDURE:**

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA’s accredited independent actuary to perform an actuarial analysis of the Workers’ Compensation and Liability Programs. This analysis shall include ESTIMATED OUTSTANDING LOSSES (including IBNR) at various CONFIDENCE LEVELs as well as PROJECTED ULTIMATE LOSSES for the upcoming year(s). The analysis shall also compare the current program funding against the OUTSTANDING LOSSES and determine

the CONFIDENCE LEVEL to which the program is currently funded. Because the Property and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.

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

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

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

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

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

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

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

- 3. Discussion of Historical Funding** – As part of the Target Surplus Funding review process, annually, the AORMA COMMITTEE will discuss its historical funding philosophy and the factors involved in its decision making process. It will also consider whether the factors remain relevant, taking action to amend, if necessary.

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

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

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**TARGET SURPLUS GOAL** – The amount of cash equivalent available to pay claims in excess of actuarial 70% CONFIDENCE LEVEL discounted for investment income.

**CSAC-EIA WORKERS' COMPENSATION PROGRAM COST AND  
MEMBER SERVICES AND RESOURCES**

**ISSUE:** The Committee will be asked to review and discuss the costs and benefits derived from inclusion in the CSAC EIA workers' compensation program. 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.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** CSURMA joined the CSAC EIA excess workers' compensation program effective January 1, 2015. The attached exhibit looks at the costs to fund the program at a 70% confidence level compared to the fully insured program with CSAC-EIA. *(This exhibit will be provided as a handout at the meeting.)*

The attached brochure lists the services provided; however, the best way to view the brochure is via the link shown below. You can hover over any program and then click the link which will give you additional information on the service and how to get started.

<https://www.csac-eia.org/services/eia-program-services-menu/>

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Workers' Compensation Cost Comparison *(This exhibit will be provided as a handout during the meeting)*
- b. CSAC EIA Member Services and Resources Brochure

**LOSS PREVENTION SERVICES  
BY PROGRAM**

**CLAIMS & RISK MANAGEMENT SERVICES  
BY PROGRAM**

Program	Primary General Liability	General Liability 1	General Liability 2	EIA/Health/Dental	Medical Malpractice	Property	Primary Workers' Compensation	Excess Workers' Compensation	MR OCIP
Background Check Services	◊	◊	◊	◊	◊	◊	◊	◊	◊
Direct Consultation	●	●	●	●	●	●	●	●	●
DMV Employer Pull Notice	●	●	●	●	●	●	●	●	●
Drug & Alcohol Consortium	◊	◊	◊	◊	◊	◊	◊	◊	◊
Incident Reporting System	◊	◊	◊	◊	◊	◊	◊	◊	◊
Learning Management System (LMS)	●	●	●	●	●	●	●	●	●
Safe School Ambassadors	◊	◊	◊	◊	◊	◊	◊	◊	◊
Soft Tissue Injury Prevention	◊	◊	◊	◊	◊	◊	◊	◊	◊
Training Resources	●	●	●	●	●	●	●	●	●

Program	Primary General Liability	General Liability 1	General Liability 2	EIA/Health/Dental	Medical Malpractice	Property	Primary Workers' Compensation	Excess Workers' Compensation	MR OCIP
24/7 Nurse Triage							◊	◊	◊
Body Worn Cameras	◊	◊	◊				◊	◊	
Claims Audits	●	●	●				●	●	
Claims Index Reporting	●	●	●				●	●	
Claims System	◊	◊	◊				◊	◊	
Contracts Review/Legal Advice	●	●	●	●	●	●	●	●	●
Crisis Incident Management	□	□	□		□	□	□	□	□
Employment/Labor Law Legal Services	●	●	□	□	□	□	●	□	□
Medical Provider Network							◊	◊	
Return-to-Work							◊	◊	
Risk Assessment Tool	●	●	●	●	●	●	●	●	●
Subsidy Funds	●	●	●	●	●	●	●	●	

SYMBOL	DEFINITION
●	Included
□	Hybrid Pricing Options
◊	Negotiated Rates

The EIA offers a wide array of coverage programs. For a complete listing, please check out our website below.



*Menu of Services  
&  
Partner Programs*

*Leader in Member-Directed Risk Management*

## Claims

### **24/7 Nurse Triage**

Members receive round the clock access to a first call/first reporting system from Company Nurse that provides both a medical needs triage at the time of injury and a means of completing the first report documents. ◇

### **Claims Audits**

In accordance with EIA Claims Guidelines, contracted independent claims auditors review your book of claims to help increase TPA performance in accordance with EIA best practices and contracted administrative standards. ●

### **Claims Index Reporting**

For the major programs of which you are a member, the EIA contracts with the ISO to cover all index reporting and inquiries for your claims. ●

### **Data Analytics & System Conversion**

EIA staff are available to assist with claims system conversions and analyzing member data. ●

### **Medical Provider Network (MPN)**

Our proprietary MPN provides employer control over the injured worker's medical care throughout the life of the claim. ◇

### **Medicare Reporting**

Significant reporting requirements exist and penalties can be assessed for failing to comply with the Medicare Secondary Payer Act (MSP), so the EIA has contracted with ExamWorks to provide CMS (Center for Medicare/ Medicaid Services) query and reporting services. ◇

### **Return to Work Program**

Pre-identified temporary work assignments from Norman Peterson and Associates' OUR System help employers return employees to work, increasing employee satisfaction and decreasing the cost of the claim. ◇

### **Subrogation Recovery**

Recover claims dollars from losses caused by the negligent act of a third-party with assistance from George Hills Company. ◇

### **Third Party Administrator (TPA) RFP Assistance**

Workers' Compensation and Liability staff are available to help with drafting a Request for Proposal (RFP), reviewing proposals, and interviewing assistance. ●

## Loss Prevention

### **Background Check Services**

Employers have a duty to ensure prospective employees will not pose a risk to the public, other agency employees, or the agency. Plexus Global provides members preferred pricing and value-added packages. ◇

### **Direct Consultation**

Experienced team of consultants are familiar with both the regulatory requirements put forth by Cal/OSHA and with cost efficient solutions that will help control your identified risks. ●

### **DMV Employer Pull Notice (EPN)**

Allows members to monitor employee driving records using a DMV approved EPN Agent, A-Check Global, all with a few clicks of your mouse. ●

### **Drug & Alcohol Testing Consortium**

In-network pricing for drug and alcohol tests through E-screen and Alere Toxicology for both DOT regulated and non-DOT drivers. Includes Medical Review Officer (MRO) and Substance Abuse Professional (SAP) access. ◇

### **Incident Reporting System**

A comprehensive incident reporting platform available at a discounted rate through our partnership with STOPIT. ◇

### **Safe School Ambassadors**

Empower natural student leaders with non-violent communication and intervention skills provided by Community Matters. ◇

### **Soft Tissue Injury Prevention**

Our partnership with Savvy Health Solutions can help reduce sprains, strains, tears and repetitive motion injuries, which is a crucial component of an integrated occupational health & safety strategy. ◇

## **TRAINING RESOURCES**

**Classroom/On-site** - Instructor led training programs in a variety of health and safety topics. ●

**EIAtv** - Members have exclusive, on-demand, 24/7 access to over 190 webinars and training programs. ●

**Learning Management System (LMS)** - An online LMS provided by TargetSolutions allows 24/7 access to an extensive catalog of web based training. ●

**Regional** - Seminars delivered across the state, which are open to all EIA members. ●

**Streaming Library** - An online repository of safety and training videos through Wumbus. ●

## Risk Management

### **Body-Worn Cameras**

Access to turn-key body-worn cameras, software, and secure cloud services, which includes everything to get your agency up and running provided by LensLock. ◇

### **Claims System**

A comprehensive claims system at a substantial discount through Systema. We can also assist members with implementation. ◇

### **Contracts Review/Risk Management Legal Advice**

Alliant Insurance Services offers contract review services in conjunction with the updated Insurance Requirements in Contracts (IRIC) Manual to assist members with questions related to professional service providers, tenants, contractors and vendor contracts. The EIA's General Counsel, Steve Underwood, Esq. is also available to members for assistance and/or consultation on a variety of legal matters, such as: Brown Act, Public Records Act, litigated matters, and other general governmental issues. ●

### **Crisis Incident Management**

Pre- and post-crisis incident services including webinars, situation assessment, media consulting, as well as communications and message management through Mainstream Unlimited. □

### **Employment/Labor Law Legal Services**

Members of the Primary Workers' Compensation and General Liability 1 programs receive access to EIA's contracted attorney, Patricia Eyres of the Eyres Law Group, while all members are able to benefit from the library of webinars recorded and housed on EIAtv. □

### **Property Schedule Maintenance**

Members can access property schedules, vendor certificate tracking, and request issuance of certificates of insurance via an online portal called Alliant-Connect. ●

### **Risk Assessment Tool**

EIA's Risk Assessment Tool allows EIA members to proactively identify gaps in their risk management related programs, created in partnership with in2vate. ◇

### **Subsidy Funds**

Members who participate in a major program can elect to participate in the voluntary Risk Management Subsidy program. Funds can be paid directly to a vendor or reimbursed to your entity for any risk management or loss prevention expense - other than payment of premiums. ●

Revision: 3/2017

**AORMA WORKERS' COMPENSATION PROGRAM MEMBERS**

**ISSUE:** There are currently 54 AORMA members with employees. All of those members are members of the workers' compensation program except;

1. San Diego State University Research Foundation
2. California State University, Fresno Foundation
3. Associated Students, Inc. of California State University, Fresno
4. Fresno State Program for Children, Inc.
5. The Agricultural Foundation of California State University, Fresno

**RECOMMENDATION:** This item is for discussion only; however, the Committee may provide direction to Staff as appropriate.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**ON-LINE TRAINING VIA SKILL PORT**  
**TERMINATION OF TARGET SOLUTIONS**

**ISSUE:** Staff received valuable input from the AOA HR Committee regarding the transition to and use of SkillPort. Systemwide Professional Development (SPD) has reviewed and responded to the Committee's comments.

**RECOMMENDATION:** This item is for discussion only; however, the Committee may provide direction to Staff as appropriate.

**FISCAL IMPACT:** None.

**BACKGROUND:** All of the campuses have integrated their auxiliary organization staff into the SkillPort training platform. SPD has received the historical completion data from Target Solutions and is in the process of clarifying and identifying the employees and uploading the data onto the SkillPort platform. SPD anticipates that process could take months as the employee identification "code" is not always consistent.

**PUBLICATION:** SPD's response to the AOA HR Committee has been sent to the AOA HR Committee Chair for distribution as appropriate.

**ATTACHMENT(S):**

- a. The AOA HR Committee SkillPort comments and SPD's Response

David Kervella from Systemwide Professional Development provided responses to the AOA HR Committee's concerns regarding SkillPort.

1. *Auxiliaries can see everyone on campus who's in the system, university and other auxiliaries alike. The concern here was in relation to the public view of others to courses that may have been assigned and are identifiable as disciplinary remedies.*
  - Only system administrators can see all employees on campus and not end users who do not have access to any other end user assignments or data. The need to have access to all employees is due to auxiliary employees also taking on a state role or dual employment. Allowing to see everyone and all groups allows administrators to clearly see the entire picture. We can limit access to just the group or organization, but the administrator would not be able to see anyone outside their respective group.
  - The ability to see trainings assigned is possible, but it would require the administrator to actively seek an employee, click on their learning plan assignments and decipher what is disciplinary course assignments. Essentially administrators would have to seek this information to find it; it is not blatantly displayed upon an initial search or click.
  
2. *Training reminders are sent even after the training is completed; control at the Auxiliary level over notifications is minimal at best; we're encouraged to send everything to Chris Fondacaro (who is more than helpful and very knowledgeable - great service!) but it would be more effective and efficient to allow Auxiliaries that administrative function. Initial notifications that go out from the system to employees look like spam because it's very sparse in appearance.*
  - This is a service that we offer and can train on these functions for system administrators to be able to customize notification e-mails.
  - Training reminders should never send out after the training is completed. It could be due to the training appearing to be completed, but the completion did not transfer to the user's profile. We see this sometimes with our 3<sup>rd</sup> party vendor content which has a policy acknowledgement and survey which users stop at and never advance to the certificate page (which is the handshake between the course and the LMS to mark completion).
  - Training notifications can be altered and customized at the campus level. General improvements such as campus logo and campus specific instructions can be included in these templates. These templates are not specific to the auxiliary organization, but the campus as a whole. This can help with e-mails looking like SPAM.
  - Additionally, every campus should have whitelisted the e-mail [trainingnotifications@calstate.edu](mailto:trainingnotifications@calstate.edu). This should reduce the notifications hitting a junk or spam folder.
  
3. *Not all auxiliary employees are in the SkillPort/SkillSoft system and need to be input manually. This is the case where there is no POI data feed between the Auxiliary and Campus; non-POI's (Persons of Interest) have no campus access to training because a claimed campus email is required and/or entry through campus servers is required.*
  - Auxiliary employees not in the system is a conversation between the Campus IT and the auxiliary organization. There needs to be a communication between both parties to make sure the process of inputting new employees is correct and is being picked up by the feed. It could be that the

auxiliary organization hasn't set up the feed to pick up everyone or the feed itself has restrictions on who is being picked up. If auxiliaries need support, we are happy to facilitate a conversation between IT and the auxiliary organization.

- Users should NEVER be added manually in Skillport. This creates data integrity issues, reporting nightmares and user frustration when they are not able to login to Skillport. All authentication is done through Shibboleth, so creating a manual profile in Skillport won't allow them to authenticate and login into the system. The entry within the campuses HRIS, PeopleSoft or System of record needs to align with the feed that has been established in CMS/Identity Management.
4. *Students who are employees of the Auxiliaries are a huge issue and concern because there are issues with their POI identification (student or employee) and the training that would be open/available to them as a student and what needs to be available to them as an employee; for many AS and Shops Auxiliaries they are keeping students on the Target Solutions platform if they're able (either through the EIA or through separately negotiated paid contracts).*
    - This would be something easily fixed by having a conversation with IT and putting in rules to allow multiple affiliations for the POI. The user can be both a student and employee allowing them access to Skillport. The technical piece can be worked out, but just needs to be defined clearly on the campus level on the process.
  5. *Auxiliary employees are placed into a bucket of "non-state" employees and for campuses with multiple Auxiliaries all "non-state" employees are intermingled; there needs to be a differentiation at the auxiliary level to place employees into the appropriate Auxiliary bucket; the CO tells us it's possible to do this if we pass a unique identifier with our POI file but campus said they have only programmed in to receive information in the POI in line with what the CO is asking for.*
    - This is correct. The ability to do this is available and correctly working at CSULB. It is a new feature and working on implementing it all campuses. We can create auxiliary groups based upon the affiliation data sent from the auxiliary HR system.
  6. *The only way to look up employees is by name, campus claimed email, SkillPort ID or PeopleSoft ID: many Auxiliaries don't have or know what the PeopleSoft ID is and have no way to know the SkillPort ID.*
    - We are aware the PeopleSoft ID and Skillport ID is not a value readily available and we also don't use this to search on this value.
    - Searches can be done by the following:
      - Skillport 11 digit ID (also known as the CEPID)
      - First Name/Last Name (or a combination of both)
      - E-mail address (this is the preferred e-mail address determined by the employee)
  7. *User feedback indicates the Training is glitchy and will just freeze mid-course; it has been confirmed the recommended browser is being used.*
    - With all online programs, some glitches will occur. It is our recommendation to have users take courses with Chrome or Firefox. Internet Explorer is no longer supported and cannot guarantee

successful completion of courses. The ability for the browser to support HTML5 is increasingly becoming the new standard when it comes to eLearning.

Because several/many Auxiliaries are part of AORMA WC/EIA and can keep Target Solutions they are and are NOT utilizing SkillPort/SkillSoft because of the above related issues and the resistance from the campus IT departments to help resolve the issues.

## **ALLIANT RISK CONTROL CONSULTING**

**ISSUE:** John Owen joined Alliant Risk Control Services (ARCC) as Brent Escoubas' replacement. John is the primary contact for AORMA; however, in order to enhance services, the ARCC team of consultants has been expanded to include three other team members. John will provide a brief presentation regarding ARCC's changes and planned activities for the AORMA members.

**RECOMMENDATION:** This item is for information only; however, the Committee may provide direction to Staff as appropriate.

**FISCAL IMPACT:** None.

**BACKGROUND:** The ARCC team presented five different webinars during the week of August 7-11 which addressed the types of activities that have historically led to claims within the workers' compensation and liability programs. John's presentation will also provide feedback regarding the webinars.

**PUBLICATION:** None.

**ATTACHMENT(S):**

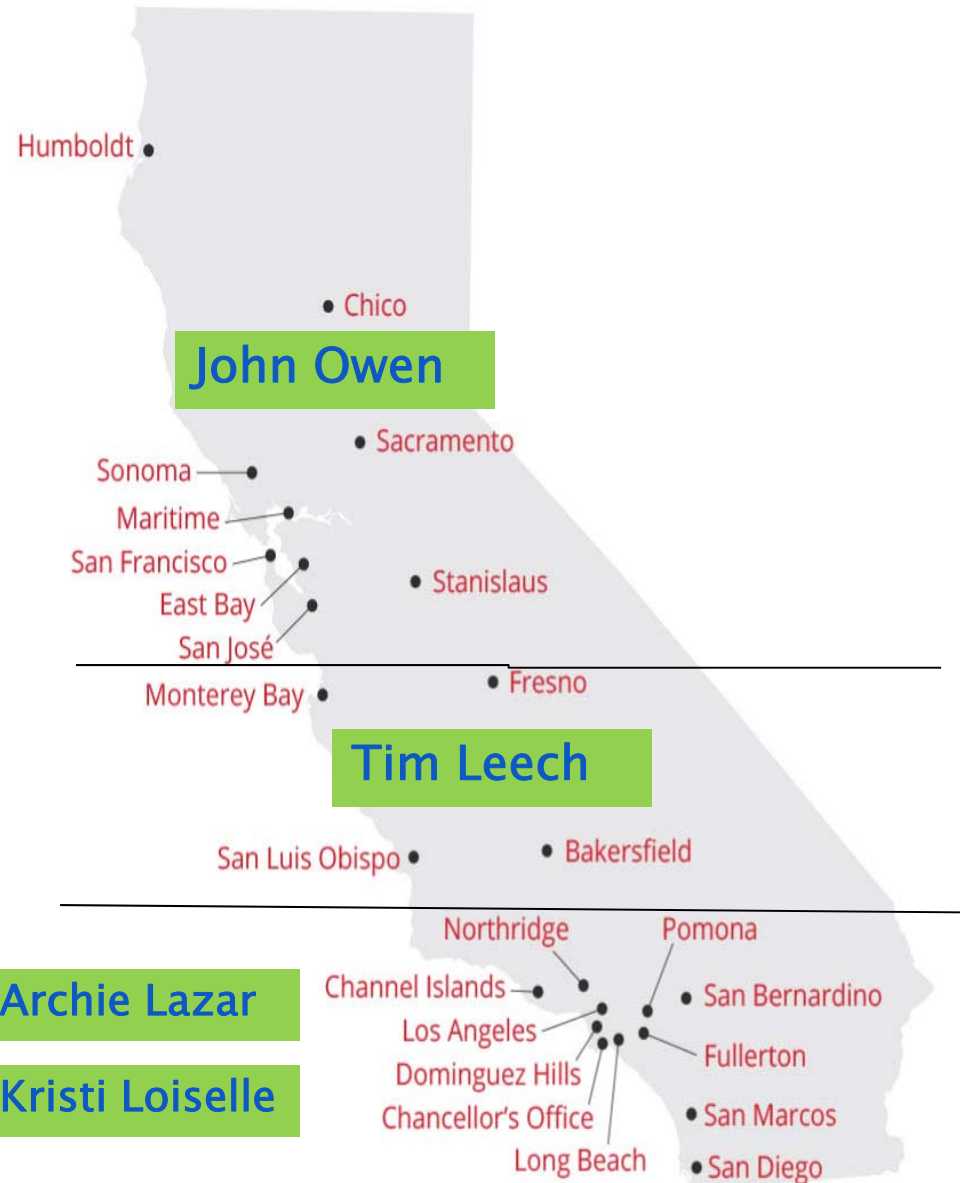
- a. ARCC Presentation
- b. ARCC Web-Based Training Series Announcement

# Continuous Improvement



# Changes for 17-18

- CSU-wide service management with assigned “local” delivery
- Establishing focused plans
- Optimizing consultative time
- Special program support
- *No boundaries for Subject Matter Expertise (SME)*
- Programmatic vs. Training
- Replicating programs, practices and policies



# Priority for NorCal

Auxiliary Organization	3-yr X-Mod Rank	3 yr X-Mod Group	8 yr X-Mod Rank	8 yr X-Mod Group	5 yr Freq. Rank	5 yr freq Group	5 yr sum Rank	5 yr sum Group	5 yr Sev Rank	5 yr Sev Group	Final Group Decision
Associated Students of California State University, Chico					1	A	3	A			Group B
The CSU, Chico Research Foundation					8	B	5	A	4	A	Group B
Associated Students, California State University, East Bay	7	B									
California State University, Fresno Association, Inc.					5	A					
The CSU, Fresno Athletic Corporation									5	A	
Humboldt State University Center	6	B	7	B	4	A	8	B			Group A
Humboldt State Sponsored Programs Foundation	3	A	3	A	7	B	9	B	7	B	Group A
Associated Students, Humboldt State University											
The University Corporation at Monterey Bay							7	B	1	A	
Associated Students of California State Sacramento					9	B	6	B	3	A	Group B
University Enterprises, Inc., CSU Sacramento	5	A	4	A	3	A	1	A	6	B	Group A
Capital Public Radio											
Associated Students, Inc., San Francisco State University	4	A	6	B							
The University Corporation, San Francisco State	10	B	5	A					8	B	
Associated Student, San Jose State University	8	B	10	B	10	B	10	B	9	B	Group A
San Jose State University Research Foundation					6	B	4	A	2	A	Group B
Spartan Shops, Inc., San Jose State University					2	A	2	A			Group B
The Student Union of San Jose State University			8	B					10	B	
The Tower Foundation, San Jose State University											
Associated Students of Sonoma State University	1	A	2	A							Group A
Sonoma State Enterprises	2	A	1	A							
Associated Students, Inc., California State Stanislaus											
University Student Union of California State Stanislaus	9	B	9	B							

# Priority for SoCal



Auxiliary Organization	3-yr X-Mod Rank	3 yr X-Mod Group	8 yr X-Mod Rank	8 yr X-Mod Group	5 yr Freq. Rank	5 yr freq. Group	5 yr sum Rank	5 yr sum Group	5 yr Sev Rank	5 yr Sev Group	Final Group Decision
Bakersfield Sponsored Programs and Administration											
California State University, Bakersfield Foundation	3	A							2	A	Group B
CI University Auxiliary Services, Inc.			10	B					6	B	
Associated Students, Dominguez Hills	9	B	8	B							
Dominguez Hills Foundation			4	A							
The Donald & Katherine Loker University Student Union											
Associated Students, Fullerton, Inc.											
CSU Fullerton Auxiliary Services Corporation					8	B	2	A	1	A	Group B
Associated Students, Long Beach					7	B					
Long Beach Research Foundation	10	B					8	B	4	A	Group B
Forty-Niner Shops, Inc., CSU Long Beach	2	A	9	B	3	A	5	A			Group A
Cal State L.A. University Auxiliary Services, Inc.							10	B	10	B	
University-Student Union Board, Los Angeles									3	A	
Associated Students, Northridge, Inc.											
The University Corporation, CSU Northridge	7	B	1	A	6	B	3	A	5	A	Group A
University Student Union of Northridge					9	B					
Associated Students Inc., CalPoly, Pomona											
The Cal Poly Pomona Foundation, Inc.	4	A	6	B	2	A	4	A			Group A
Associated Students Inc., San Bernardino											
University Enterprises Corporation at CSUSB	6	B	3	A	4	A	9	B			Group A
Santos Manuel Student Union of San Bernardino											
Associated Students, San Diego State University	1	A	2	A	5	A	6	B	9	B	Group A
Associated Students, Inc., CalPolySan Luis Obispo	8	B	5	A	10	B	7	B	7	B	Group B
Cal Poly Corporation					1	A	1	A	8	B	Group B
San Marcos Auxiliary & Research Services Corporation											

# Kickoff RM Webinar Results

Registration Results		Attendance Results		Attendance Results By Campus	
	# Registered		# attended	Campus	Total Attendance
Monday	36	Monday	18	Bakersfield	2
Tuesday	40	Tuesday	21	Channel Islands	0
Wednesday	50	Wednesday	29	Chico	5
Thursday	45	Thursday	20	Domiguez Hills	1
Friday	31	Friday	7	East Bay	3
<b>Total</b>	<b>202</b>	<b>Total</b>	<b>95</b>	Fresno	0
				Fullerton	6
				Humboldt	0
<b>Feedback Question Responses (all webinars)</b>				Long Beach	5
Question: How would you rate content provided?				Los Angeles	2
1. Valuable and actionable = 18 responses				Maritime	0
2. Good content = 17 responses				Monterey Bay	2
3. Fair content = 2 responses				Northridge	9
4. Poor content = 0 responses				Pomona	38
Question: Would you like webinar series prior to each semester?				Sacramento	7
1. Yes = 25 responses				San Bernadino	0
2. No = 2 responses				San Diego	2
3. More frequently = 2 responses				San Francisco	1
4. Less frequently = 7 responses				San Jose	1
Question: Improvement for next webinar? (open comments)				San Luis Obispo	2
More Interactive questions				San Marcos	2
More Testing questions				Sonoma	0
None				Stanislaus	3
Use more data or accumulate more for future session					
Liked as is					
More office resources for office safety					
No changes needed					

## Mimi Long

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**To:** Mimi Long  
**Subject:** RE: CSURMA AORMA - Action Item - Risk Management Webinars \*\* August 7 - 11 @ 11:00 AM \*\*

Hello AORMA Members:

Alliant Risk Control Consulting Services offers AORMA members assistance to address complex risk control issues. We are pleased to announce that John Owen has joined Alliant Risk Control Consulting (ARCC) as Brent Escoubas' replacement. John will be the primary contact for the Risk Control Consulting services provided to the AORMA members; however, in order to enhance services, the ARCC team of consultants has been expanded as follows:

Central California	Northern California	Southern California	Southern California
<b>Tim Leech</b> First Vice President, Director, Risk Control Consulting 949-260-5008 <a href="mailto:tleech@alliant.com">tleech@alliant.com</a>	<b>John Owen</b> Lead Risk Control Consultant 916-643-2736 <a href="mailto:jowen@alliant.com">jowen@alliant.com</a>	<b>Archie Lazar</b> Senior Risk Control Consultant 949-660-5980 <a href="mailto:alazar@alliant.com">alazar@alliant.com</a>	<b>Kristina Loiselle</b> Risk Control Consultant 949-260-5042 <a href="mailto:kloiselle@alliant.com">kloiselle@alliant.com</a>

**As shown below, ARCC will be presenting a series of one-hour, web-based risk control / safety training programs to kick-off the 2017-2018 school year.**

As part of the Web-Based series, AORMA members will receive:

- Risk Control information from presenters who are subject matter experts with over 20 years of experience.
- Webinars designed by Risk Control experts to target the unique hazards associated with common AORMA losses.
- An audio-plus-web format that enables attendees to receive risk control/safety training without leaving their facility. All attendees need is a windows-based computer, audio (speakers), and a high speed internet connection.
- Since the programs are delivered live, participants are able to send their questions electronically to the presenter.
- All programs are recorded for future playback.
- AORMA Members may choose to participate in selected programs, or the entire series.
- Information on each program, including how to register, will be provided in advance of each webinar.

Question? Please contact the Webinar Coordinator at (949) 260-5042 or [riskcontrol@alliant.com](mailto:riskcontrol@alliant.com) All training programs will be held from 11 a.m. to 12.m. Pacific Standard Time.

### **Web Series:**

**\*Click on title below to register for webinar**

1. **August 7, 2017**  
**[Playbook to getting the most from your Risk Control resources during 2017-2018](#)**
2. **August 8, 2017**  
**[Are you ready for Rookies in the Kitchen?](#)**
3. **August 9, 2017**

**Practice, practice.....best practices for reducing slips, trips and falls**

**4. August 10, 2017**

**Strategies to not get sacked by back injuries**

**5. August 11, 2017**

**How to intercept the common mistakes that lead to repetitive motion injuries**

**Mimi Long**

Vice President

Public Entity Group

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## **PARAMETRIC EARTHQUAKE INSURANCE COVERAGE**

**ISSUE:** At their meeting in July, 2017, the AORMA Officers discussed the Parametric Earthquake Insurance coverage proposal which the University is currently reviewing. The total limit being reviewed is \$25MM. The limit is proportional to each campus TIV. The two largest earthquake areas, the Bay Area and LA Metro, each have a \$25MM total limit across area campuses. The coverage would include a pre-defined trigger and a table of the payout factors. There is no requirement to provide loss adjustment information. The \$25MM limit would service to provide immediate cash flow as well as satisfying any FEMA requirements. The premium estimate is \$1.67MM for the University. An additional 10% is the estimate to add the auxiliaries.

**RECOMMENDATION:** The Committee will be asked to discuss the earthquake proposal and provide direction to Staff.

**FISCAL IMPACT:** An additional 10%, or \$167,000, in premium is estimated to add coverage for the auxiliaries. The premium would be added to the property program and allocated to the members. The exact allocation formula would need to be determined.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Parametric Earthquake Insurance Proposal

# California State University

Parametric Earthquake Insurance



## Notice

- Terms and conditions contained herein are non-binding to facilitate discussions with respect to a transaction as described herein. Any final transaction between the parties shall be subject to Policy by the parties to final documentation.
- This presentation provides terms and conditions which we may formalize into a separate Quote. This is intended to present some, but not all, of the terms and conditions which we may choose to include on a formal Quote document.

# CSU detail

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



## The Challenge and Need?

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

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

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



## Direct vs. Indirect Costs



### Direct

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



### Indirect

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

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

Increased expenses, "clawbacks" and  
loss of business revenue

Communication and  
IT infrastructure  
interruption

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

Employee and  
student relocation,  
unavailability of  
transportation &  
facilities

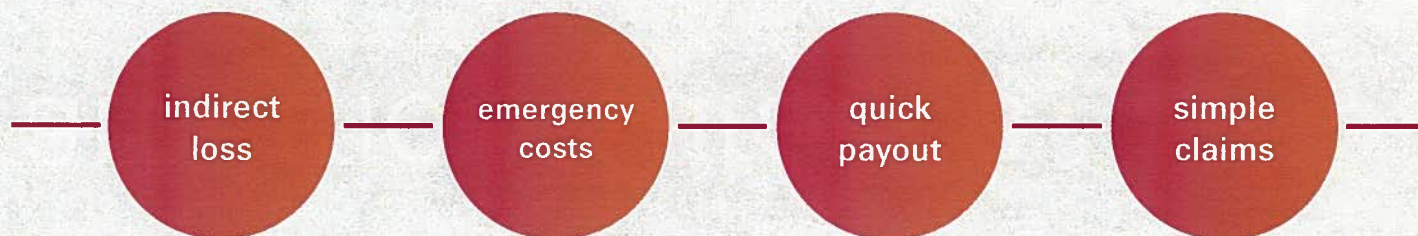
Lost revenue from  
scheduled Events  
including sports  
activities

# Parametric Insurance

# Drivers For Parametric Insurance

- **Key drivers for buyers**

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



## What Is A Parametric Insurance Product?\*

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



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

## Earthquake: Magnitude vs. Intensity Trigger

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



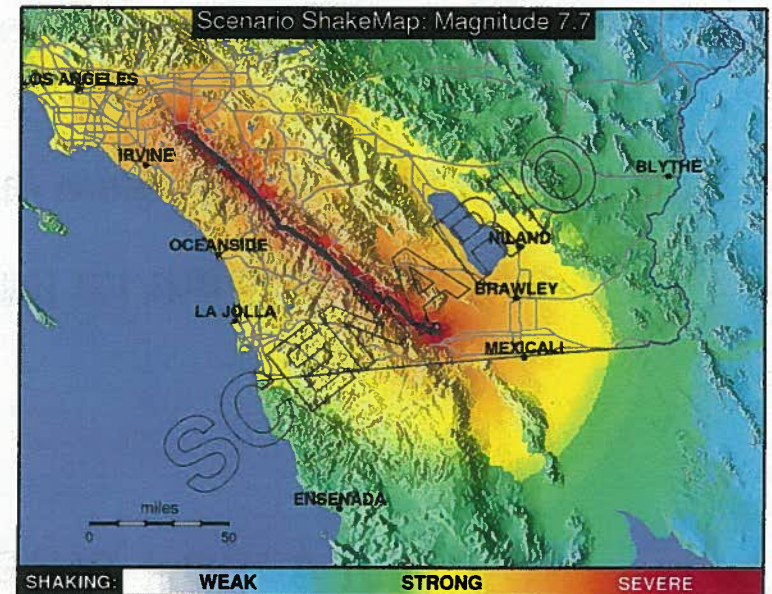
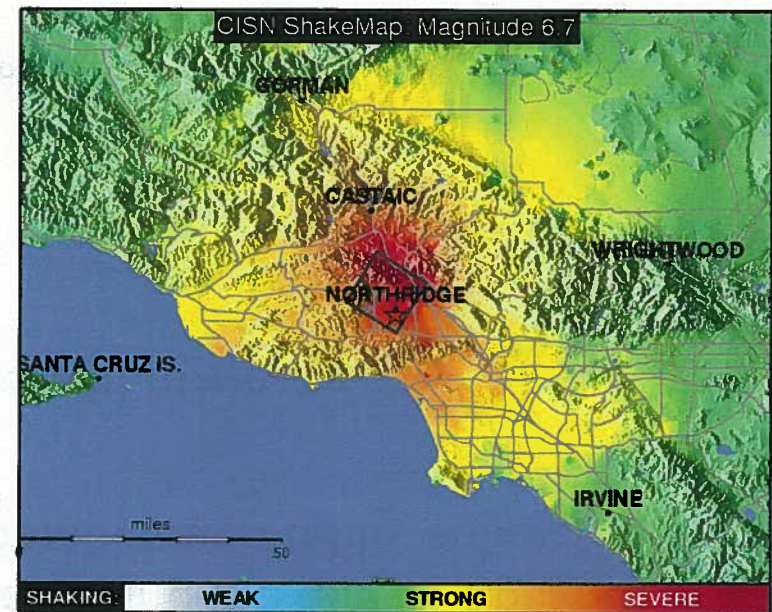
A certain **Magnitude** measured at the Epicenter on an Earthquake unfolds into different **Intensities (MMI)** in affected areas.

## Why an intensity trigger?

It's easy, transparent and tailored to your needs

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

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



Source: USGS

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

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

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

# Limit Summary

# Limit Summary by Campus

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

	TiV	Parametric Limit
<b>Bay Area</b>		<b>25,000,000</b>
CALIFORNIA MARITIME ACADEMY	108,524,322	700,000
CSU EAST BAY	586,759,488	3,700,000
SAN FRANCISCO STATE UNIVERSITY	1,304,702,585	8,300,000
SAN JOSE STATE UNIVERSITY	1,946,807,114	12,300,000
<b>Central Coast</b>		<b>10,000,000</b>
CALIFORNIA POLYTECHNIC STATE UNIVERSITY	1,078,924,591	5,800,000
CSU MONTEREY BAY	793,776,855	4,200,000
<b>LA Metro</b>		<b>25,000,000</b>
CALIFORNIA STATE POLYTECHNIC UNIVERSITY	1,063,712,210	3,500,000
CSU CHANCELLOR'S OFFICE	67,455,634	200,000
CSU CHANNEL ISLANDS	341,675,315	1,100,000
CSU DOMINGUEZ HILLS	363,918,480	1,200,000
CSU FULLERTON	1,288,519,288	4,300,000
CSU LONG BEACH	1,430,672,365	4,700,000
CSU LOS ANGELES	1,028,095,369	3,400,000
CSU NORTHRIDGE	1,354,805,766	4,500,000
CSU SAN BERNARDINO	625,409,128	2,100,000
<b>Sacramento Valley</b>		<b>10,000,000</b>
CSU CHICO	810,637,707	2,700,000
CSU SACRAMENTO	1,091,567,575	3,500,000
HUMBOLDT STATE UNIVERSITY	536,162,549	1,800,000
SONOMA STATE UNIVERSITY	608,327,709	2,000,000
<b>San Diego area</b>		<b>15,000,000</b>
CSU SAN MARCOS	967,742,708	4,900,000
SAN DIEGO STATE UNIVERSITY	2,011,161,880	10,100,000
<b>San Joaquin Valley</b>		<b>10,000,000</b>
CSU BAKERSFIELD	319,051,392	1,900,000
CSU FRESNO	1,070,431,374	6,200,000
CSU STANISLAUS	330,375,988	1,900,000

# Illustration of Structure

(sample: greater Los Angeles Metro area)

# Detailed Limits and Payouts by zip code: (LA Metro Area)

LA Metro	Sum of Limit	LA Metro	Sum of Limit
<b>CA STATE POLYTECHNIC</b>	<b>3,500,000</b>	<b>CSU LONG BEACH</b>	<b>4,700,000</b>
90039	5,000	90803	5,000
91767	10,000	90804	90,000
91768	3,465,000	90813	5,000
92211	5,000	90815	240,000
92860	10,000	90840	4,355,000
93060	5,000	91768	5,000
<b>CSU CHANCELLOR'S OFFICE</b>	<b>200,000</b>	<b>CSU LOS ANGELES</b>	<b>3,400,000</b>
90802	180,000	90017	10,000
90803	10,000	90032	3,390,000
95819	10,000	<b>CSU NORTHRIDGE</b>	<b>4,500,000</b>
<b>CSU CHANNEL ISLANDS</b>	<b>1,100,000</b>	91321	5,000
93012	1,100,000	91324	50,000
<b>CSU DOMINGUEZ HILLS</b>	<b>1,200,000</b>	91325	10,000
90747	1,200,000	91330	4,430,000
<b>CSU FULLERTON</b>	<b>4,300,000</b>	91411	5,000
90621	50,000	<b>CSU SAN BERNARDINO</b>	<b>2,100,000</b>
92309	5,000	92211	120,000
92618	120,000	92260	5,000
92701	5,000	92394	5,000
92831	70,000	92407	1,960,000
92832	5,000	92408	5,000
92834	4,040,000	92553	5,000
92837	5,000		

## MMI Payouts by zip Code

6.50 – 7.49: 25% of the limit

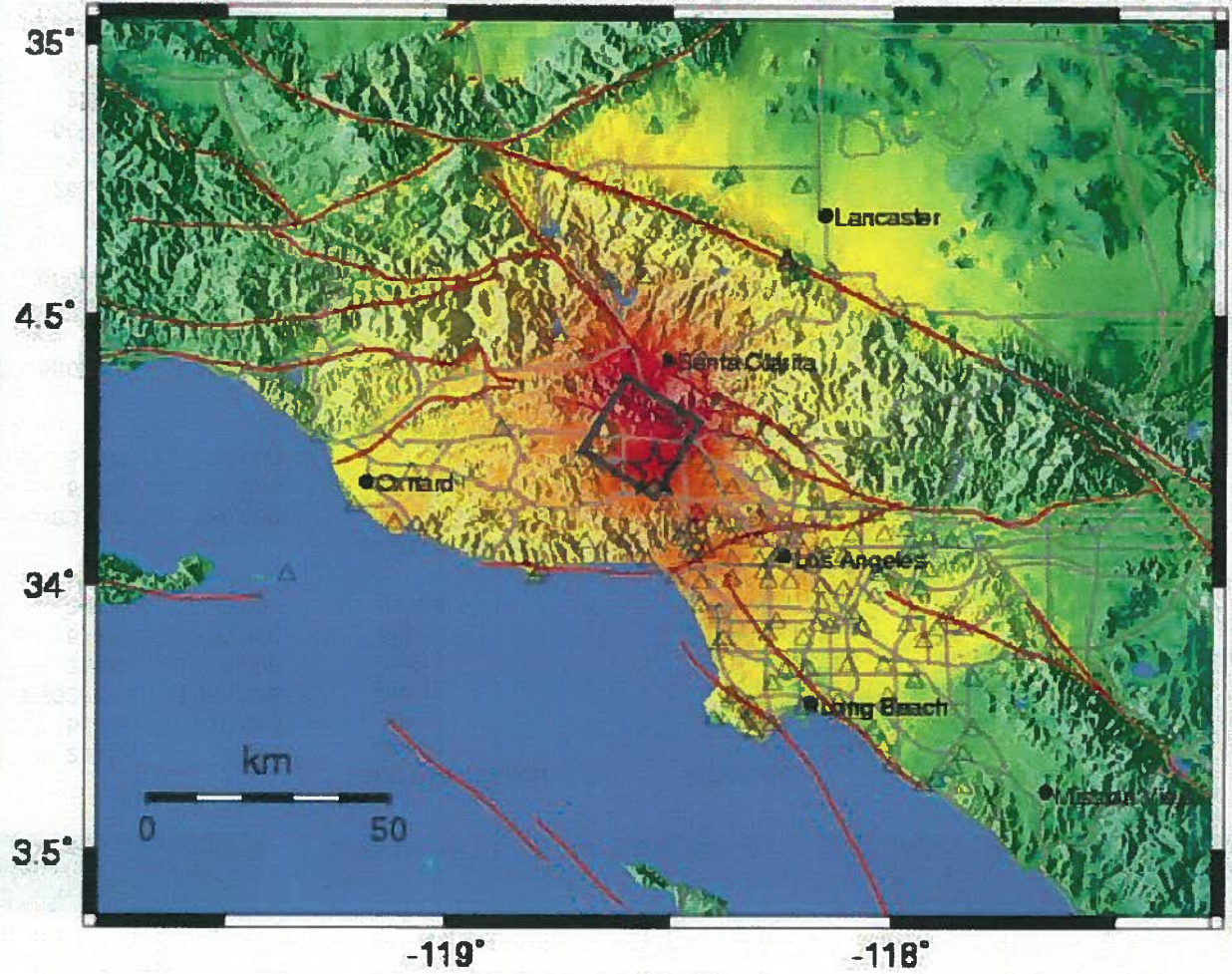
7.50 – 8.49: 50% of the limit

8.5+: 100% of the limit

# Sample ShakeMap

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

CISN ShakeMap for Northridge Earthquake  
 Mon Jan 17, 1994 04:30:55 AM PST M 6.7 N34.21 W118.54 Depth: 18.0km ID:Northridge



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



Earthquake Hazards Program

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



# Sample Payout

## 1994 Northridge Earthquake (Mw 6.7)

Confidential

Event Payout: \$5,683,750  
Event Limit: \$25,000,000

LA Metro	Sum of Limit	MMI	Payouts			LA Metro	Sum of Limit	MMI	Payouts		
			MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+				MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
<b>CA STATE POLYTECHNIC</b>	<b>3,500,000</b>					<b>CSU LONG BEACH</b>	<b>4,700,000</b>				
90039	5,000	7.16	1,250	2,500	5,000	90803	5,000	6.02	1,250	2,500	5,000
91767	10,000	5.55	2,500	5,000	10,000	90804	90,000	5.74	22,500	45,000	90,000
91768	3,465,000	5.73	866,250	1,732,500	3,465,000	90813	5,000	5.49	1,250	2,500	5,000
92211	5,000	<5	1,250	2,500	5,000	90815	240,000	6.09	60,000	120,000	240,000
92860	10,000	5.3	2,500	5,000	10,000	90840	4,355,000	6.09	1,088,750	2,177,500	4,355,000
93060	5,000	6.13	1,250	2,500	5,000	91768	5,000	5.73	1,250	2,500	5,000
<b>CSU CHANCELLOR'S OFFICE</b>	<b>200,000</b>					<b>CSU LOS ANGELES</b>	<b>3,400,000</b>				
90802	180,000	5.71	45,000	90,000	180,000	90017	10,000	6.43	2,500	5,000	10,000
90803	10,000	6.02	2,500	5,000	10,000	90032	3,390,000	6.75	847,500	1,695,000	3,390,000
95819	10,000	<5	2,500	5,000	10,000	<b>CSU NORTHRIDGE</b>	<b>4,500,000</b>				
<b>CSU CHANNEL ISLANDS</b>	<b>1,100,000</b>					91321	5,000	8.97	1,250	2,500	5,000
93012	1,100,000	6.6	275,000	550,000	1,100,000	91324	50,000	8.95	12,500	25,000	50,000
<b>CSU DOMINGUEZ HILLS</b>	<b>1,200,000</b>					91325	10,000	8.93	2,500	5,000	10,000
90747	1,200,000	5.96	300,000	600,000	1,200,000	91330	4,430,000	9.06	1,107,500	2,215,000	4,430,000
<b>CSU FULLERTON</b>	<b>4,300,000</b>					91411	5,000	8.21	1,250	2,500	5,000
90621	50,000	6.02	12,500	25,000	50,000	<b>CSU SAN BERNARDINO</b>	<b>2,100,000</b>				
92309	5,000	<5	1,250	2,500	5,000	92211	120,000	<5	30,000	60,000	120,000
92618	120,000	5.39	30,000	60,000	120,000	92260	5,000	<5	1,250	2,500	5,000
92701	5,000	5.38	1,250	2,500	5,000	92394	5,000	5.14	1,250	2,500	5,000
92831	70,000	6.14	17,500	35,000	70,000	92407	1,960,000	<5	490,000	980,000	1,960,000
92832	5,000	6.2	1,250	2,500	5,000	92408	5,000	5.35	1,250	2,500	5,000
92834	4,040,000	6.2	1,010,000	2,020,000	4,040,000	92553	5,000	5.15	1,250	2,500	5,000
92837	5,000	6.2	1,250	2,500	5,000						

Note: CSU San Marcos has exposures coded to 93012 (channel islands) and triggered \$62,500 payment for this event (included in total)

# Full Limit and Payout Details (by zip code: all campuses)

# Detailed Limits and Payouts by zip code

LA Metro	Sum of Limit	Payouts			LA Metro	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+			MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
<b>CA STATE POLYTECHNIC</b>	<b>3,500,000</b>				<b>CSU LONG BEACH</b>	<b>4,700,000</b>			
90039	5,000	1,250	2,500	5,000	90803	5,000	1,250	2,500	5,000
91767	10,000	2,500	5,000	10,000	90804	90,000	22,500	45,000	90,000
91768	3,465,000	866,250	1,732,500	3,465,000	90813	5,000	1,250	2,500	5,000
92211	5,000	1,250	2,500	5,000	90815	240,000	60,000	120,000	240,000
92860	10,000	2,500	5,000	10,000	90840	4,355,000	1,088,750	2,177,500	4,355,000
93060	5,000	1,250	2,500	5,000	91768	5,000	1,250	2,500	5,000
<b>CSU CHANCELLOR'S OFFICE</b>	<b>200,000</b>				<b>CSU LOS ANGELES</b>	<b>3,400,000</b>			
90802	180,000	45,000	90,000	180,000	90017	10,000	2,500	5,000	10,000
90803	10,000	2,500	5,000	10,000	90032	3,390,000	847,500	1,695,000	3,390,000
95819	10,000	2,500	5,000	10,000	<b>CSU NORTHRIDGE</b>	<b>4,500,000</b>			
<b>CSU CHANNEL ISLANDS</b>	<b>1,100,000</b>				91321	5,000	1,250	2,500	5,000
93012	1,100,000	275,000	550,000	1,100,000	91324	50,000	12,500	25,000	50,000
<b>CSU DOMINGUEZ HILLS</b>	<b>1,200,000</b>				91325	10,000	2,500	5,000	10,000
90747	1,200,000	300,000	600,000	1,200,000	91330	4,430,000	1,107,500	2,215,000	4,430,000
<b>CSU FULLERTON</b>	<b>4,300,000</b>				91411	5,000	1,250	2,500	5,000
90621	50,000	12,500	25,000	50,000	<b>CSU SAN BERNARDINO</b>	<b>2,100,000</b>			
92309	5,000	1,250	2,500	5,000	92211	120,000	30,000	60,000	120,000
92618	120,000	30,000	60,000	120,000	92260	5,000	1,250	2,500	5,000
92701	5,000	1,250	2,500	5,000	92394	5,000	1,250	2,500	5,000
92831	70,000	17,500	35,000	70,000	92407	1,960,000	490,000	980,000	1,960,000
92832	5,000	1,250	2,500	5,000	92408	5,000	1,250	2,500	5,000
92834	4,040,000	1,010,000	2,020,000	4,040,000	92553	5,000	1,250	2,500	5,000
92837	5,000	1,250	2,500	5,000					

# Detailed Limits and Payouts by zip code

Bay Area	Sum of Limit	Payouts			Sacramento Valley	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+			MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
<b>CALIFORNIA MARITIME</b>	<b>700,000</b>				<b>CSU CHICO</b>	<b>2,700,000</b>			
94590	700,000	175,000	350,000	700,000	95926	20,000	5,000	10,000	20,000
<b>CSU EAST BAY</b>	<b>3,700,000</b>				95928	80,000	20,000	40,000	80,000
94521	140,000	35,000	70,000	140,000	95929	2,595,000	648,750	1,297,500	2,595,000
94542	3,410,000	852,500	1,705,000	3,410,000	95942	5,000	1,250	2,500	5,000
94545	150,000	37,500	75,000	150,000	<b>CSU SACRAMENTO</b>	<b>3,500,000</b>			
<b>SAN FRANCISCO STATE</b>	<b>8,300,000</b>				95211	5,000	1,250	2,500	5,000
94103	100,000	25,000	50,000	100,000	95383	5,000	1,250	2,500	5,000
94131	20,000	5,000	10,000	20,000	95616	5,000	1,250	2,500	5,000
94132	8,065,000	2,016,250	4,032,500	8,065,000	95626	5,000	1,250	2,500	5,000
94601	10,000	2,500	5,000	10,000	95670	10,000	2,500	5,000	10,000
94920	100,000	25,000	50,000	100,000	95690	5,000	1,250	2,500	5,000
96124	5,000	1,250	2,500	5,000	95811	5,000	1,250	2,500	5,000
<b>SAN JOSE STATE</b>	<b>12,300,000</b>				95814	20,000	5,000	10,000	20,000
94608	5,000	1,250	2,500	5,000	95816	5,000	1,250	2,500	5,000
95039	200,000	50,000	100,000	200,000	95819	3,400,000	850,000	1,700,000	3,400,000
95112	240,000	60,000	120,000	240,000	95826	30,000	7,500	15,000	30,000
95113	10,000	2,500	5,000	10,000	95971	5,000	1,250	2,500	5,000
95172	30,000	7,500	15,000	30,000	<b>HUMBOLDT STATE</b>	<b>1,800,000</b>			
95192	11,815,000	2,953,750	5,907,500	11,815,000	95501	20,000	5,000	10,000	20,000
					95521	1,765,000	441,250	882,500	1,765,000
					95555	5,000	1,250	2,500	5,000
					95570	10,000	2,500	5,000	10,000
					<b>SONOMA STATE</b>	<b>2,000,000</b>			
					94542	210,000	52,500	105,000	210,000
					94928	1,785,000	446,250	892,500	1,785,000
					95404	5,000	1,250	2,500	5,000

# Detailed Limits and Payouts by zip code

San Diego area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
<b>SAN DIEGO STATE</b>	<b>10,100,000</b>			
91910	5,000	1,250	2,500	5,000
91948	5,000	1,250	2,500	5,000
91977	5,000	1,250	2,500	5,000
92019	5,000	1,250	2,500	5,000
92025	5,000	1,250	2,500	5,000
92026	5,000	1,250	2,500	5,000
92028	10,000	2,500	5,000	10,000
92037	5,000	1,250	2,500	5,000
92069	5,000	1,250	2,500	5,000
92075	5,000	1,250	2,500	5,000
92082	5,000	1,250	2,500	5,000
92084	5,000	1,250	2,500	5,000
92101	80,000	20,000	40,000	80,000
92102	5,000	1,250	2,500	5,000
92105	90,000	22,500	45,000	90,000
92109	30,000	7,500	15,000	30,000
92110	20,000	5,000	10,000	20,000
92113	5,000	1,250	2,500	5,000
92115	550,000	137,500	275,000	550,000
92117	5,000	1,250	2,500	5,000
92118	5,000	1,250	2,500	5,000
92119	5,000	1,250	2,500	5,000
92120	30,000	7,500	15,000	30,000
92123	60,000	15,000	30,000	60,000

San Diego area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
92126	5,000	1,250	2,500	5,000
92182	9,005,000	2,251,250	4,502,500	9,005,000
92192	10,000	2,500	5,000	10,000
92227	10,000	2,500	5,000	10,000
92231	80,000	20,000	40,000	80,000
92243	5,000	1,250	2,500	5,000
92501	5,000	1,250	2,500	5,000
92590	5,000	1,250	2,500	5,000
94501	20,000	5,000	10,000	20,000
95249	5,000	1,250	2,500	5,000
<b>CSU SAN MARCOS</b>	<b>4,900,000</b>			
92078	310,000	77,500	155,000	310,000
92096	2,235,000	558,750	1,117,500	2,235,000
92831	5,000	1,250	2,500	5,000
93012	250,000	62,500	125,000	250,000
93407	1,780,000	445,000	890,000	1,780,000
95202	320,000	80,000	160,000	320,000

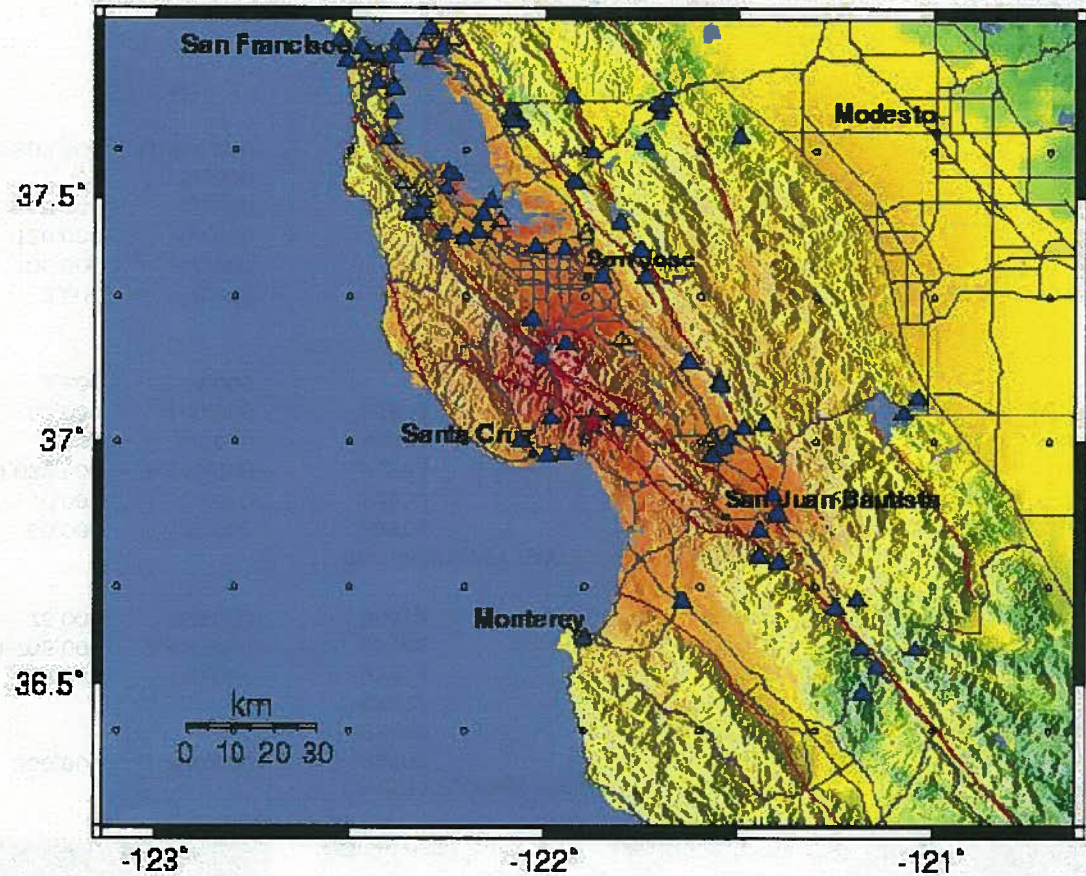


# Additional Payout Examples

# Sample ShakeMap

- Loma Prieta: 1989
- Magnitude: Mw 6.9
- MMI: Varies by geographic location (see map illustrating MMI at locations across the region)

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



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



Earthquake Hazards Program

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



# Sample Payout

## 1989 Loma Prieta Earthquake (Mw 6.9)

Confidential

Event Payout: \$3,212,500  
Event Limit: \$25,000,000

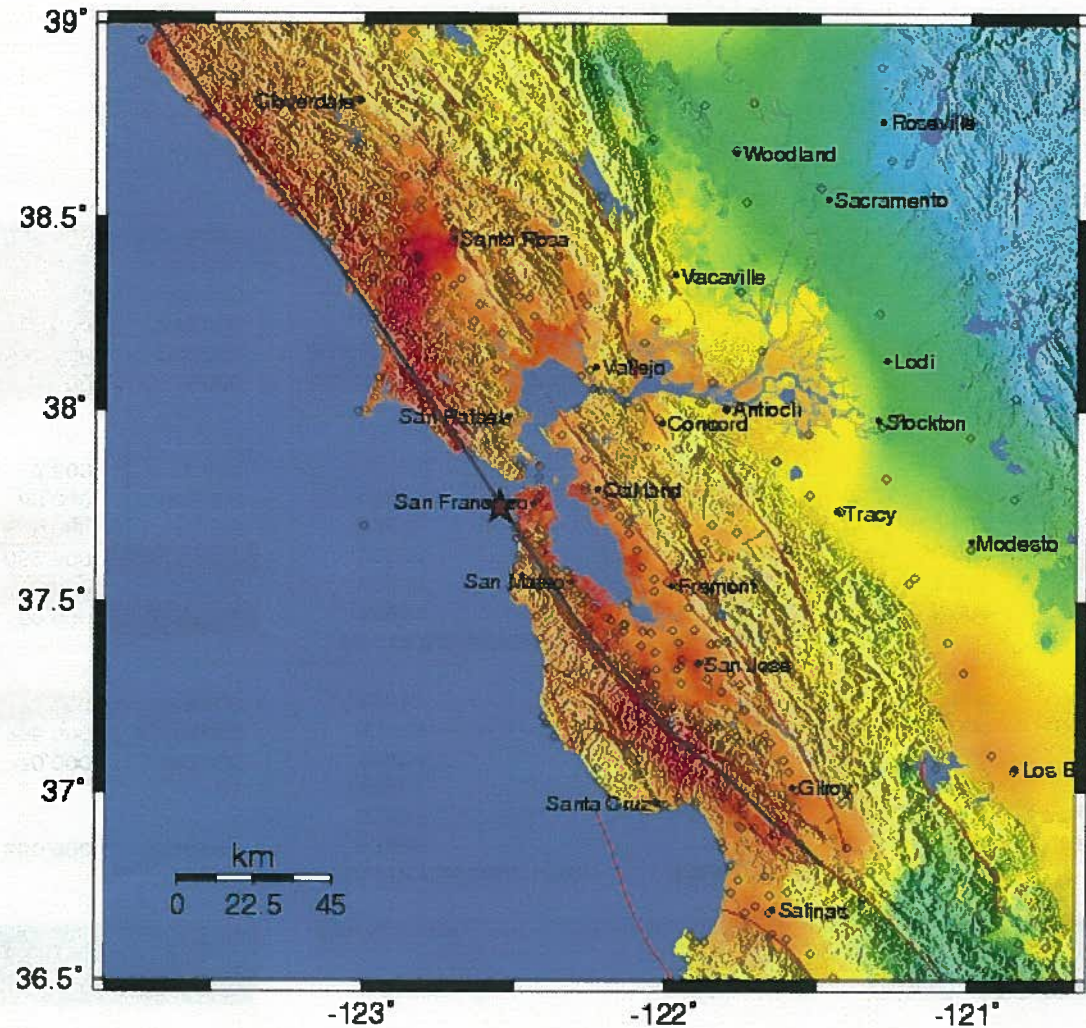
Bay Area	Sum of Limit	MMI	Payouts			Central Coast	Sum of Limit	MMI	Payouts		
			MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+				MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
<b>CALIFORNIA MARITIME</b>	<b>700,000</b>					<b>CA POLYTECHNIC STATE</b>	<b>5,800,000</b>				
94590	700,000	5.83	175,000	350,000	700,000	93405	20,000	<5	5,000	10,000	20,000
<b>CSU EAST BAY</b>	<b>3,700,000</b>					93407	5,550,000	<5	1,387,500	2,775,000	5,550,000
94521	140,000	5.35	35,000	70,000	140,000	93422	5,000	<5	1,250	2,500	5,000
94542	3,410,000	5.78	852,500	1,705,000	3,410,000	93424	5,000	<5	1,250	2,500	5,000
94545	150,000	6.88	37,500	75,000	150,000	93445	180,000	<5	45,000	90,000	180,000
<b>SAN FRANCISCO STATE</b>	<b>8,300,000</b>					95017	10,000	6.91	2,500	5,000	10,000
94103	100,000	6.75	25,000	50,000	100,000	<b>CSU MONTEREY BAY</b>	<b>4,200,000</b>				
94131	20,000	6.73	5,000	10,000	20,000	93901	20,000	6.78	5,000	10,000	20,000
94132	8,065,000	6.19	2,016,250	4,032,500	8,065,000	93930	5,000	5.39	1,250	2,500	5,000
94601	10,000	6.5	2,500	5,000	10,000	93933	120,000	6.64	30,000	60,000	120,000
94920	100,000	6.87	25,000	50,000	100,000	93940	30,000	5.62	7,500	15,000	30,000
96124	5,000	<5	1,250	2,500	5,000	93955	4,025,000	5.95	1,006,250	2,012,500	4,025,000
<b>SAN JOSE STATE</b>	<b>12,300,000</b>										
94608	5,000	6.73	1,250	2,500	5,000						
95039	200,000	7.23	50,000	100,000	200,000						
95112	240,000	6.71	60,000	120,000	240,000						
95113	10,000	6.71	2,500	5,000	10,000						
95172	30,000	6.71	7,500	15,000	30,000						
95192	11,815,000	6.71	2,953,750	5,907,500	11,815,000						

Note: San Diego State has exposures coded to 94501 and triggered \$5,000 payment for this event (included in total)

# Sample ShakeMap

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

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



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



Earthquake Hazards Program

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



# Sample Payout

## 1906 San Francisco Earthquake (Mw 7.8)

Confidential

Event Payout: \$17,497,500  
Event Limit: \$25,000,000

Bay Area	Sum of Limit	Payouts			
		MMI	MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
<b>CALIFORNIA MARITIME</b>	<b>700,000</b>				
94590	700,000	6.63	175,000	350,000	700,000
<b>CSU EAST BAY</b>	<b>3,700,000</b>				
94521	140,000	6.39	35,000	70,000	140,000
94542	3,410,000	7.06	852,500	1,705,000	3,410,000
94545	150,000	8.03	37,500	75,000	150,000
<b>SAN FRANCISCO STATE</b>	<b>8,300,000</b>				
94103	100,000	8.84	25,000	50,000	100,000
94131	20,000	8.31	5,000	10,000	20,000
94132	8,065,000	8.61	2,016,250	4,032,500	8,065,000
94601	10,000	7.7	2,500	5,000	10,000
94920	100,000	6.93	25,000	50,000	100,000
96124	5,000	<5	1,250	2,500	5,000
<b>SAN JOSE STATE</b>	<b>12,300,000</b>				
94608	5,000	8.06	1,250	2,500	5,000
95039	200,000	7.52	50,000	100,000	200,000
95112	240,000	8.06	60,000	120,000	240,000
95113	10,000	8.13	2,500	5,000	10,000
95172	30,000	8.06	7,500	15,000	30,000
95192	11,815,000	8.06	2,953,750	5,907,500	11,815,000

Central Coast	Sum of Limit	Payouts			
		MMI	MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
<b>CA POLYTECHNIC STATE</b>	<b>5,800,000</b>				
93405	20,000	<5	5,000	10,000	20,000
93407	5,550,000	<5	1,387,500	2,775,000	5,550,000
93422	5,000	<5	1,250	2,500	5,000
93424	5,000	<5	1,250	2,500	5,000
93445	180,000	<5	45,000	90,000	180,000
95017	10,000	7.15	2,500	5,000	10,000
<b>CSU MONTEREY BAY</b>	<b>4,200,000</b>				
93901	20,000	7.62	5,000	10,000	20,000
93930	5,000	5.71	1,250	2,500	5,000
93933	120,000	7.63	30,000	60,000	120,000
93940	30,000	5.57	7,500	15,000	30,000
93955	4,025,000	7.17	1,006,250	2,012,500	4,025,000
Sacramento Valley	Sum of Limit	MMI	MMI 6.50-7.49	MMI 6.50-7.49	MMI 6.50-7.49
<b>HUMBOLDT STATE</b>	<b>1,800,000</b>				
95501	20,000	7.07	5,000	10,000	20,000
95521	1,765,000	6.49	441,250	882,500	1,765,000
95555	5,000	5.19	1,250	2,500	5,000
95570	10,000	5.69	2,500	5,000	10,000
<b>SONOMA STATE</b>	<b>2,000,000</b>				
94542	210,000	7.06	52,500	105,000	210,000
94928	1,785,000	7.85	446,250	892,500	1,785,000
95404	5,000	7.15	1,250	2,500	5,000

**Notes:**

- Intensities for 1906 San Francisco Earthquake based on models. No seismic stations at the time.
- San Diego State has exposures coded to 94501 and triggered \$10,000 payment for this event (included in total)

# Proposed Solution

# Summary of Proposed Structure For California State University

- Parametric Earthquake Property Insurance Policy
- **Form:** Insurance
- **Effective Date:** TBD
- **Term:** 3-years (*other term lengths available*)
- **Swiss Re Share:** 100%
- **Limit:** \$25,000,000 per occurrence and term aggregate
- **Payout:**
  - Applicable by zip code.
  - Payout amounts vary by zip code in relation to TIV and MMI measured at each zip code (center)
  - See Tables on previous slides
- **Gross Premium:**
  - Estimated Annual Premium: \$1,625,000 - \$1,700,000
  - Inclusive of 7.5% brokerage, net of Taxes and Fees

## Key Features of Proposed Solution

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

# Appendix

## Comparison of Traditional Insurance to Parametric Insurance Product

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

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

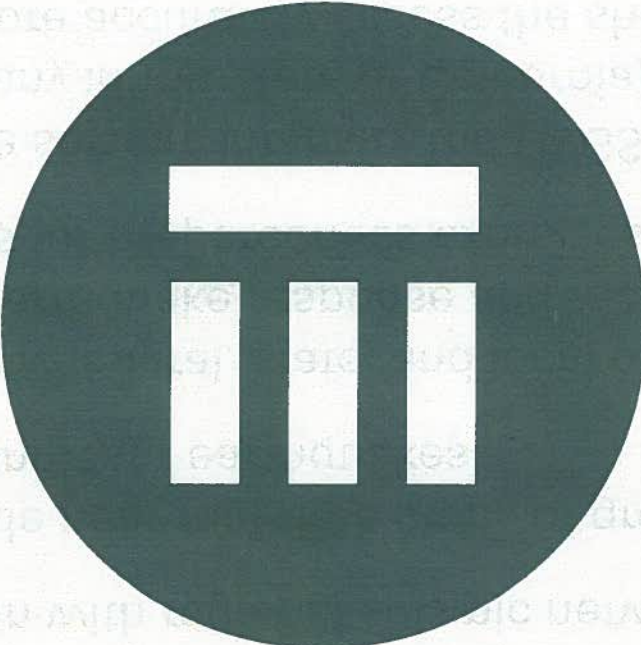
# Modified Mercalli Intensity Scale

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

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

## USGS ShakeMaps

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



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## **STUDENT CLUBS INSURANCE PROGRAM**

**ISSUE:** The California State University system is home to thousands of student organizations representing a variety of student interests and planned events. As student clubs are considered separate entities from both the auxiliary organizations and the campuses, insurance coverage for these organization is not included under either the Campus or AORMA insurance programs.

Staff has been directed to explore the formation of a Student Organization insurance program, similar to the Club Sports program.

**RECOMMENDATION:** This item is for discussion only, but the Committee may want to provide direction to Staff.

**FISCAL IMPACT:** None is expected from discussion at today's meeting.

**BACKGROUND:** Executive Order 1068 states the following:

“Each officially recognized student organization must have a university advisor who is either a faculty member or professional member. Campuses may permit part-time faculty and professional staff to serve as advisors. Advisors should not be selected from auxiliary organizations. Campuses should develop a training and orientation program for university advisors to student organizations.”

“Campuses may not delegate the process of approving or managing student organizations or their activities. Auxiliary organizations may not manage student organizations or approve student activities. Auxiliary organizations may not provide auxiliary funds or facilities to student organizations that are not currently recognized by the campus. Funding and use of facilities are available only to student organizations that are currently recognized by the campus.”

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Executive Order 1068

THE CALIFORNIA STATE UNIVERSITY  
OFFICE OF THE CHANCELLOR



BAKERSFIELD

December 21, 2011

CHANNEL ISLANDS

CHICO

**MEMORANDUM**

DOMINGUEZ HILLS

**TO:** CSU Presidents

EAST BAY

**FROM:** Charles B. Reed  
Chancellor

FRESNO

**SUBJECT:** Student Activities – Executive Order 1068

FULLERTON

HUMBOLDT

Attached is a copy of Executive Order 1068, Student Activities, which supersedes Executive Order 1006.

LONG BEACH

This executive order includes the following changes:

LOS ANGELES

- Revision of the formal chartering and recognition policies for student organizations to include an open membership requirement in addition to the nondiscrimination in student organizations requirement
- Transfer of the Minor Representative Student Officers section into the CSU policy on minimum academic qualifications for student office holders
- Transfer of the Student Judiciary section into the executive order on student conduct procedures

MARITIME ACADEMY

MONTEREY BAY

NORTHRIDGE

POMONA

SACRAMENTO

In accordance with policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

SAN BERNARDINO

SAN DIEGO

If you have questions regarding this executive order, please contact the Associate Director of Student Programs at (562) 951-4707 or the Assistant Director of Student Programs at (562) 951-4693.

SAN FRANCISCO

SAN JOSÉ

CBR/rm

SAN LUIS OBISPO

Attachment

SAN MARCOS

c: Provosts/Vice Presidents for Academic Affairs  
Vice Presidents for Administration and Finance  
Vice Presidents for Student Affairs  
Executive Staff, Office of the Chancellor

SONOMA

STANISLAUS

**THE CALIFORNIA STATE UNIVERSITY**  
**Office of the Chancellor**  
**401 Golden Shore**  
**Long Beach, California 90802-4210**  
**(562) 951-4707**

**Executive Order:** 1068  
**Effective Date:** December 21, 2011  
**Supersedes:** Executive Order 1006  
**Title:** Student Activities

This executive order establishes systemwide policies, procedures, and guidelines for student organizations and activities. All provisions in this executive order are expected to be implemented by the 2012-2013 academic year.

**Student Organizations**

Campuses shall establish and publish procedures for formal chartering and recognition of student organizations in compliance with the following policies:

***Formal Chartering and Recognition Policies***

Campuses shall comply with all student organization filing requirements described in California Code of Regulations, Title 5, Article 4, Nondiscrimination in Student Organizations, Sections 41500 (*Withholding of Recognition*), 41501 (*Definition of Recognition*), 41503 (*Filing Requisites*), and 41504 (*Penalties*). These sections require each student organization to deposit with the vice president of student affairs or his/her designee copies of all constitutions, charters, or other documents relating to its policies. Documents shall be refiled within 90 days after any substantive change or amendment.

No campus shall recognize any fraternity, sorority, living group, honor society, or other student organization that discriminates on the basis of race, religion, national origin, ethnicity, color, age, gender, marital status, citizenship, sexual orientation, or disability. The prohibition on membership policies that discriminate on the basis of gender does not apply to social fraternities or sororities or other university living groups. Student organizations shall deliver to the vice president for student affairs or his/her designee a statement signed by the president or similar officer of the local student organization attesting that the organization has no rules or policies that discriminate on the basis of race, religion, national origin, ethnicity, color, age, gender, marital status, citizenship, sexual orientation, or disability. This statement shall be renewed annually.

No campus shall recognize any fraternity, sorority, living group, honor society, or other student organization unless its membership and leadership are open to all currently enrolled students at

that campus, except that a social fraternity or sorority or other university living group may impose a gender limitation as permitted by Title 5, California Code of Regulations, Section 41500. Student organizations may require applicants for leadership positions to have been members for a specified period of time, and may require officers to compete for those positions in elections of the membership.

In recognizing student organizations, campuses are encouraged to consider such factors as the mix of students who reside on campus, students who commute, part-time and full-time students, students who are working while attending college, and other factors that will provide opportunities that meet the diverse needs of students seeking to affiliate with student organizations.

### ***Withholding and Withdrawing Official Recognition***

Official recognition of student organizations that fail to abide by the open membership policy or that discriminate on the basis of race, religion, national origin, ethnicity, color, age, gender, marital status, citizenship, sexual orientation, or disability shall be withdrawn.

In addition, official recognition of a student organization may be withdrawn for hazing or conspiracy to haze as defined in the California Code of Regulations, Title 5, *Standards for Student Conduct*, Section 41301(b)(8). Individual students may be disciplined for hazing under Section 41301(b)(8).

Campuses may establish codes of conduct for student organizations and procedures for sanctions against the organizations. Sanctions may include actions such as withdrawal of recognition, suspension of recognition for a specified period of time, probation (warning that might lead to a more severe sanction), restriction of privileges, reprimand, and restitution for losses caused.

### ***Minimum Number of Students***

Official recognition of a student organization requires a minimum of five CSU students who are currently enrolled in at least one class. A maximum of twenty percent of the members of a student organization may be individuals who are not CSU students, e.g., community members, students at other colleges. Only students enrolled at the CSU campus may vote on issues that come before the student organization. The vice president of student affairs or designee may waive the twenty percent and voting provisions for fraternities and sororities to accommodate such organizations as the National Panhellenic Council that includes representatives from non-CSU campuses. Documentation for this waiver shall include copies of national charters or other appropriate documentation, and these documents shall be submitted to the vice president of student affairs or designee. Campuses retain authority to include additional requirements for recognition and/or to make the requirements listed here more limiting.

### ***Club Advisors***

Each officially recognized student organization must have a university advisor who is either a faculty member or professional member. Campuses may permit part-time faculty and professional staff to serve as advisors. Advisors should not be selected from auxiliary

organizations. Campuses should develop a training and orientation program for university advisors to student organizations.

### ***Training/Orientation Programs***

The CSU Alcohol Policies and Prevention Program (Board Resolution REP 07-01-03) requires campuses to provide orientation programs for student organization advisors and for student officers that outline policies, expectations, and information on alcohol use/abuse. This orientation may be provided to officers of student organizations in writing or electronically, and an acknowledgement of completion of this orientation that includes the name of the student organization and student officer(s) shall be retained by the vice president of student affairs or designee.

In addition, campuses shall advise student organizations and student officers about the California State University Student Conduct Code in Title 5, California Code of Regulations, Section 41301.

### ***Role of Auxiliary Organizations in Recognizing Student Organizations***

Campuses may not delegate the process of approving or managing student organizations or their activities. Auxiliary organizations may not manage student organizations or approve student activities. Auxiliary organizations may not provide auxiliary funds or facilities to student organizations that are not currently recognized by the campus. Funding and use of facilities are available only to student organizations that are currently recognized by the campus.

### **Off-Campus Student Activities**

Campuses shall comply with Section 41301, *Standards for Student Conduct*, of Title 5 of the California Code of Regulations. This section clarifies the university's authority for off-campus behavior that includes students who are members of clubs and organizations. The Student Conduct Code sets the standard of expected behavior and describes conduct that is unacceptable and subject to discipline through the university's disciplinary process.

### **Overall Program Evaluations**

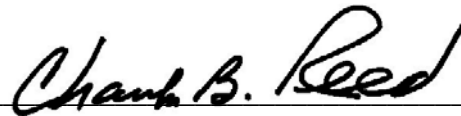
Campuses shall assess student organizations and activities programs biennially. The review shall include the assessment of such factors as risk management, program quality, student satisfaction, student participation growth, and how the student organizations and activities support the goals of the university. Campuses may develop an individual assessment instrument or select an existing assessment instrument, e.g., The Council for the Advancement of Standards in Higher Education (CAS) or CSU Quality Improvement (QI). The biennial reports shall be submitted to the Office of the Chancellor in August of every even-numbered year.

### **Club Sports Insurance**

Officially recognized student club sports at all CSU campuses must carry adequate liability and secondary medical insurance as determined in collaboration with the campus risk managers or the Office of Risk Management in the Chancellor's Office for all participants and coaches,

including non-students and volunteers. The insurance shall cover travel, practices, and competition. Each campus may develop its own method for insurance coverage requiring participants to pay or other fiscally sound approaches as authorized by the campus vice president for student affairs or his/her designee. In no case may a campus use state appropriations to pay for club sports insurance. No student, non-student, or volunteer may participate in a club sport without approved insurance, and no club may be recognized or organized to participate in practices, competition, or travel without approved insurance.

Insurance documents should include appropriate hold harmless provisions as follows: "Insured shall hold harmless, indemnify, and defend the state of California, the Trustees of the California State University, the (*campus*) and the officers, employees, volunteers and agents of each of them from and against any and all liability, loss, damage, expense, costs of every nature, and causes of actions arising out of or in connection with the use by the insured of said property or participation in said activity."

  
\_\_\_\_\_  
Charles B. Reed, Chancellor

Dated: December 21, 2011

**RECREATION CENTER STANDARD GUIDELINES FOR SAFETY**

**ISSUE:** Staff has been asked to explore the need to adopt recreation center standard guidelines for safety.

**RECOMMENDATION:** This item is for information only; but the Committee may provide direction to Staff as appropriate.

**FISCAL IMPACT:** None is expected from discussion at today's meeting.

**BACKGROUND:** The Committee may want to discuss and consider;

- What safety guidelines have already been adopted / created by members?
- Are there standard industry safety guidelines that AORMA can adopt as good practices?
- Is there a need to hire an outside professional firm to create and maintain a safety manual?

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **UNEMPLOYMENT INSURANCE PROGRAM MEMBER EXCESS FUNDS**

**ISSUE:** The Committee will be asked to discuss the treatment of excess funds within the unemployment insurance program and how those funds should be documented within the Member's financial audit.

**RECOMMENDATION:** This item is for discussion only, but the Committee may want to provide direction to Staff.

**FISCAL IMPACT:** None is expected from discussion at today's meeting.

**BACKGROUND:** Policy and Procedure UI-1 states the following:

At the end of each fiscal year, the AORMA UIP Fund Balance Report will be distributed to each MEMBER. The Fund Balance Report will include actual paid claims for the fiscal year rather than estimates. If the MEMBER's fund balance exceeds the minimum fund balance required (two times annual average losses) then the MEMBER can request that the excess funds be returned.

Currently, Members can requests that the excess funds be returned at any time throughout the year.

For those MEMBERS involved in federally sponsored programs, the funds in excess of the minimum required fund balance can be retained on account with CSURMA to be used to lower contributions for the upcoming or current fiscal year. If the MEMBER chooses to receive a refund of the funds in excess of the minimum required fund balance, then the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federally sponsored programs to determine what percentage of the refund will need to be returned to the federal government.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. UIP Fund Balance Report at June 30, 2017
- b. Policy and Procedure UI-1 – Formula for Determining UIP Annual Deposit

CSURMA AORMA

Unemployment Insurance Program (UIP)  
Member Fund Balance Report @ June 30, 2017 (ESTIMATE)

Campus	Member Organization	Total Claims Paid for the Past Five Fiscal Years	Average Annual Claims Paid	AORMA UIP Fund Balance @ 6/30/16	Claims Paid During Fiscal Year FY 16/17	Deposits Paid During Fiscal Year FY 16/17	Admin Costs - subject to minimum of \$250	Investment Income \$174,539	Refunds Received During FY 16/17	ESTIMATE	ESTIMATE	ESTIMATE
										AORMA UIP Fund Balance	Minimum Fund Balance Required	Excess Funds Available for Return to Member
										@ 6/30/17	FY 17/18	@ 06/30/17
Bakersfield	California State University, Bakersfield Foundation	87,032	17,406	19,850	7,140	18,438	1,473	596	-	30,271	34,813	-
Chico	Associated Students of California State University, Chico	225,305	45,061	114,345	36,525	52,589	3,812	3,434	-	130,031	90,122	39,909
Chico	The CSU, Chico Research Foundation	366,589	73,318	405,159	65,956	109,312	6,203	12,167	-	454,479	146,636	307,843
Dominguez Hills	Associated Students, California State University, Dominguez Hills	9,480	1,896	25,597	4,777	5,363	250	769	-	26,702	3,792	22,910
Dominguez Hills	California State University, Dominguez Hills Foundation	220,021	44,004	164,034	18,856	64,214	3,723	4,926	-	210,595	88,008	122,587
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	32,421	6,484	(11,512)	17,233	1,419	250	(346)	-	(27,922)	12,968	-
East Bay	Associated Students, California State University, East Bay	49,944	9,989	11,209	-	25,079	250	337	-	36,375	19,978	16,397
Fresno	California State University, Fresno Association, Inc.	290,103	58,021	273,299	32,784	100,069	4,909	8,207	128,301	215,581	116,041	99,540
Fresno	California State University, Fresno Foundation	608,454	121,691	314,846	107,122	180,132	10,295	9,455	-	387,016	243,382	143,634
Fullerton	Associated Students, California State University, Fullerton, Inc.	127,758	25,552	42,593	49,762	27,817	2,162	1,279	-	19,765	51,103	-
Fullerton	CSU Fullerton Auxiliary Services Corporation	356,001	71,200	205,617	118,832	75,845	6,024	6,175	79,891	82,890	142,400	-
Humboldt	Humboldt State University Center, Board of Directors	96,047	19,209	35,206	19,912	19,119	1,625	1,057	-	33,845	38,419	-
Long Beach	Associated Students, California State University, Long Beach	65,102	13,020	24,212	11,280	9,481	1,102	727	-	22,038	26,041	-
Long Beach	California State University, Long Beach Research Foundation	426,858	85,372	245,357	65,302	111,478	7,222	7,368	-	291,679	170,743	120,936
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	125,443	25,089	45,946	34,710	43,054	2,122	1,380	-	53,548	50,177	3,371
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	324,929	64,986	495,096	21,279	113,685	5,498	14,868	-	596,872	129,972	466,900
Los Angeles	University-Student Union Board, California State University, Los Angeles	43,055	8,611	14,300	4,137	15,685	250	429	-	26,027	17,222	8,805
Monterey Bay	The University Corporation at Monterey Bay	219,023	43,805	93,026	34,807	58,376	3,706	2,794	-	115,683	87,609	28,074
Northridge	Associated Students, California State University, Northridge, Inc.	32,567	6,513	89,521	2,734	12,977	250	2,688	-	102,202	13,027	89,175
Northridge	The University Corporation, CSU Northridge	512,332	102,466	354,300	79,607	150,020	8,669	10,640	60,000	366,684	204,933	161,751
Northridge	University Student Union of California State University, Northridge	88,521	17,704	70,048	21,125	27,082	1,498	2,104	-	76,611	35,408	41,203
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	109,015	21,803	60,664	15,261	29,540	1,845	1,822	-	74,920	43,606	31,314
Sacramento	University Enterprises, Inc., CSU Sacramento	1,769,576	353,915	958,151	120,066	367,562	29,941	28,773	-	1,204,479	707,830	496,649
Sacramento	Capital Public Radio, Inc., CSU Sacramento	101,208	20,242	75,660	12,509	24,505	1,712	2,272	37,461	50,755	40,483	10,272
Sacramento	Associated Students of CSU Sacramento (Joined 2012 07 01)	146,488	29,298	9,006	24,881	36,801	2,479	270	-	18,717	58,595	-
San Bernardino	Associated Students Inc., California State University, San Bernardino	8,395	1,679	(3,297)	949	2,588	250	(99)	-	(2,007)	3,358	-
San Bernardino	University Enterprises Corporation at CSUSB	287,772	57,554	406,911	47,306	97,905	4,869	12,220	200,000	264,861	115,109	149,752
San Bernardino	Santos Manual Student Union of California State University, San Bernardino	48,971	9,794	16,044	11,345	14,033	250	482	-	18,964	19,588	-
San Francisco	Associated Students, Inc., San Francisco State University	31,437	6,287	25,117	12,437	4,638	250	754	-	17,822	12,575	5,247
San Francisco	The University Corporation, San Francisco State	82,372	16,474	176,918	8,925	34,924	1,394	5,313	(42,464)	249,300	32,949	216,351
San Francisco	Cesar Chaves Student Center, SFSU (Dissolved 2014 06 30)	16,380		31,306	-				31,306	-	-	-
San Francisco	Franciscan Shops (Dissolved 2012 06 30)	-		11,158	-				11,158	-	-	-
San Jose	Associated Students, Inc., San Jose State University	41,225	8,245	50,552	27,219	4,330	250	1,518	-	28,931	16,490	12,441
San Jose	San Jose State University Research Foundation	525,166	105,033	551,348	54,593	160,567	8,886	16,557	-	664,993	210,066	454,927
San Jose	Spartan Shops, Inc., San Jose State University	76,889	15,378	162,402	8,620	46,117	1,301	4,877	110,611	92,864	30,756	62,108
San Jose	The Student Union of San Jose State University	33,324	6,665	19,495	7,428	5,706	250	585	1,163	16,945	13,330	3,615
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	35,976	7,195	13,504	8,953	7,917	250	406	-	12,624	14,390	-
San Marcos	University Auxiliary and Research Services Corporation, CSU San Marcos	158,448	31,690	187,970	15,565	64,934	2,681	5,645	92,229	148,074	63,379	84,695
Sonoma	Associated Students of Sonoma State University	2,470	494	27,164	368	4,053	250	816	-	31,415	988	30,427
<b>Total</b>		<b>7,782,099</b>	<b>1,553,144</b>	<b>5,812,122</b>	<b>1,130,305</b>	<b>2,127,354</b>	<b>128,151</b>	<b>173,265</b>	<b>709,656</b>	<b>6,144,629</b>	<b>3,106,287</b>	<b>3,230,833</b>

**CSURMA AORMA  
Unemployment Insurance Program (UIP)  
Member Fund Balance @ June 30, 2017**

Campus	Member Organization	Member Refund Request (Date)	CSURMA Accounting Post Date	Member Refund Request (Amount)
Bakersfield	California State University, Bakersfield Foundation			
Chico	Associated Students of California State University, Chico			
Chico	The CSU, Chico Research Foundation			
Dominguez Hills	Associated Students, California State University, Dominguez Hills			
Dominguez Hills	California State University, Dominguez Hills Foundation			
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.			
East Bay	Associated Students, California State University, East Bay			
Fresno	California State University, Fresno Association, Inc.	2016 10 07	2016 11 01	128,301
Fresno	California State University, Fresno Foundation			
Fullerton	Associated Students, California State University, Fullerton, Inc.			
Fullerton	CSU Fullerton Auxiliary Services Corporation	2016 10 27	2016 11 10	79,891
Humboldt	Humboldt State University Center, Board of Directors			
Long Beach	Associated Students, California State University, Long Beach			
Long Beach	California State University, Long Beach Research Foundation			-
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach			
Los Angeles	Cal State L.A. University Auxiliary Services, Inc			
Los Angeles	University-Student Union Board, California State University, Los Angeles			
Monterey Bay	The University Corporation at Monterey Bay			
Northridge	Associated Students, California State University, Northridge, Inc.			
Northridge	The University Corporation, CSU Northridge	2016 10 19	2016 11 01	60,000
Northridge	University Student Union of California State University, Northridge			
Pomona	Associated Students Inc., California State Polytechnic University, Pomona			
Sacramento	University Enterprises, Inc., CSU Sacramento			
Sacramento	Capital Public Radio, Inc., CSU Sacramento	2016 10 10	2016 11 01	37,461
Sacramento	Associated Students of CSU Sacramento ( <i>Joined 2012 07 01</i> )			
San Bernardino	Associated Students Inc., California State University, San Bernardino			
San Bernardino	University Enterprises Corporation at CSUSB	2016 10 11	2016 11 01	200,000
San Bernardino	Santos Manual Student Union of California State University, San Bernardino			
San Francisco	Associated Students, Inc., San Francisco State University			
San Francisco	The University Corporation, San Francisco State			(42,464)
San Francisco	Cesar Chaves Student Center, SFSU ( <i>Dissolved 2014 06 30</i> )			31,306
San Francisco	Franciscan Shops ( <i>Dissolved 2012 06 30</i> )			11,158
San Jose	Associated Students, Inc., San Jose State University			
San Jose	San Jose State University Research Foundation			-
San Jose	Spartan Shops, Inc., San Jose State University	2015 01 22	2016 11 01	110,611
San Jose	The Student Union of San Jose State University	2016 05 09	2016 05 18	1,163
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo			
San Marcos	University Auxiliary and Research Services Corporation, CSU San Marcos	2016 10 06	2016 10 17	92,229
Sonoma	Associated Students of Sonoma State University			

**Total**

**709,656**

**CSURMA AORMA**  
**Unemployment Insurance Program (UIP)**  
**Estimated Member Fund Balance Report @ June 30, 2017**

***Notes:***

- 1 *The total Administrative Costs are allocated to each member based on its percentage of the total average annual paid claims, subject to a \$250 minimum. (Admin Costs are not allocated to Cesar Chaves Student Center or Franciscan Shops as they are not active members.)*
- 2 *The total Investment Income or Loss is allocated to each member based on its percentage of the total Fund Balance for the preceding fiscal year.*
- 3 *Franciscan Shops was dissolved June 30, 2012. The Claims Paid During FY 12/13 of \$28,353 and FY 13/14 of \$2,416 were paid by The University Corporation.*
- 4 *The Cesar Chaves Student Center, SFSU, fund balance of \$31,306 was transferred to Associated Students, Inc. SFSU effective July 1, 2016 (Request Date - October 19, 2016.)*
- 5 *Franciscan Shops, SFSU, fund balance of \$11,158 was transferred to The University Corporation effective July 1, 2016 (Request Date - November 18, 2016)*
- 6 *Refunds to CSU Long Beach Research Foundation of \$71,820 and to SJSU Research Foundation of \$294,449 were both return to CSURMA within FY 16/17.*



## CSURMA AORMA

## POLICY & PROCEDURE UI-1

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**SUBJECT:** FORMULA FOR DETERMINING THE UNEMPLOYMENT INSURANCE PROGRAM ANNUAL CONTRIBUTIONS

**ADOPTED:** MAY 12, 2010

**EFFECTIVE:** JULY 1, 2018

**REVISED:** DECEMBER 6, 2012  
MAY 8, 2014  
MAY 5, 2016  
MARCH 9, 2017  
MAY 4, 2017

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

### **POLICY:**

The AORMA Unemployment Insurance Program (UIP) annual contribution for each Auxiliary Organization participating in the AORMA UIP (MEMBER) shall be calculated using two factors – paid claims and administrative costs.

### **PROCEDURE:**

1. **Deposit Formula** - Paid claims (the MEMBER's average annual paid claims for five years ending 6/30), plus an administrative cost. The administrative costs are allocated to each MEMBER based on its percentage of the total average annual paid claims.
2. **Minimum Fund Balance** - Each MEMBER must maintain in the AORMA UIP a minimum fund balance of two times its average annual losses. If a MEMBER's fund balance is below the minimum, annually, the additional funding required will be calculated and the MEMBER will be assessed at the program anniversary date an amount not to exceed 20% of the additional funding required to achieve the minimum fund balance. The MEMBER will be assessed annually until the MEMBER's fund balance is at the minimum fund balance.

At the end of each fiscal year, the AORMA UIP Fund Balance Report will be distributed to each MEMBER. The Fund Balance Report will include actual paid claims for the fiscal year rather than estimates. If the MEMBER's fund balance exceeds the minimum fund balance required (two times annual average losses) then the MEMBER can request that the excess funds be returned.



For those MEMBERS involved in federally sponsored programs, the funds in excess of the minimum required fund balance can be retained on account with CSURMA to be used to lower contributions for the upcoming or current fiscal year. If the MEMBER chooses to receive a refund of the funds in excess of the minimum required fund balance, then the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federally sponsored programs to determine what percentage of the refund will need to be returned to the federal government.

3. **Minimum Contribution** - There is no minimum contribution based on paid claims. However, a minimum contribution for administrative costs will be applied according to the Minimum Administrative Costs Schedule approved annually by the Programs Committee.
4. **Investment Income / Loss** - The total Investment Income or Loss is allocated to each MEMBER based on its percentage of the total AORMA UIP average fund balance for the preceding fiscal year. For the purpose of calculating the MEMBER's average fund balance, the following formula shall be used:

Beginning fund balance *plus* additional contributions *less* MEMBER's paid claims *less* MEMBER's allocated administrative costs = MEMBER's average balance.

**MEMBER APPEAL PROCESS:**

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

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



**DEFINITIONS:**

**AORMA COMMITTEE** - The governing body of AORMA.

**AORMA** - Auxiliary Organizations Risk Management Alliance is a group of PROGRAMs that operate within the California State University Risk Management Authority representing the auxiliary organizations.

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

**MEMBER** – The MEMBER is a signatory to the CSURMA Joint Powers Authority. Within this Policy and Procedure, MEMBER also means the Auxiliary Organization participating in the AORMA Unemployment Insurance Program.

**MEMORANDUM OF COVERAGE** – The AORMA Liability Program MEMORANDUM OF COVERAGE is a governing document which outlines the AORMA Liability Program’s definitions, coverages, exclusions and provisions. The AORMA Liability Program MEMORANDUM OF COVERAGE does not provide insurance, but instead provides for pooled-insurance. The MEMORANDUM OF COVERAGE is a negotiated agreement among the MEMBERS of CSURMA AORMA.

**PARTICIPATION AGREEMENT** – A governing document of CSURMA AORMA which outlines the roles and responsibilities of AORMA and its MEMBERS.

**UIP** – AORMA Unemployment Insurance Program.

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

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

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

**ATTACHMENT(S):**

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

CSURMA AORMA

Liability Insurance Program

Member Loss Ratios / Capped at Pooled Layer

Loss Valuation Date - June 30, 2017

Campus	Auxiliary Organization	FY 13/14 - FY 17/18				
		Premium	Dividends	# of Claims	Claims	Loss Ratio
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 30,369	\$ 7,644			0%
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 23,186	\$ 3,270			0%
Bakersfield	California State University, Bakersfield Foundation	\$ 76,698	\$ 12,111			0%
Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 19,238	\$ 14,310			0%
Chancellor's Office	California State University Foundation	\$ 11,306	\$ 1,815			0%
Chancellor's Office	California State University Institute	\$ 12,167	\$ 2,478			0%
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 11,538	\$ 1,957			0%
Channel Islands	California State University Channel Islands Foundation	\$ 11,878	\$ 2,563			0%
Channel Islands	University Auxiliary Services, Inc. ( <i>University Glen Corporation</i> )	\$ 111,741	\$ 26,899	2	\$ 3,446	3%
Chico	Associated Students of California State University, Chico	\$ 621,662	\$ 154,421	2	\$ 6,380	1%
Chico	Auxiliary Organization Associations	\$ 9,120	\$ 1,811			0%
Chico	The CSU, Chico Research Foundation	\$ 563,560	\$ 128,557	19	\$ 462,052	82%
Chico	The University Foundation, California State University, Chico	\$ 53,337	\$ 10,675			0%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 27,725	\$ 6,883			0%
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 166,086	\$ 32,890	2	\$ 155,871	94%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 84,389	\$ 20,293	3	\$ 3,634	4%
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	\$ 2,152	\$ 91			
East Bay	Associated Students, California State University, East Bay	\$ 99,539	\$ 32,221			0%
East Bay	Cal State East Bay Educational Foundation	\$ 48,064	\$ 543			0%
East Bay	California State University, East Bay Foundation, Inc.	\$ 133,254	\$ 62,100	1	\$ 1,772	1%
Fresno	Associated Students, Inc. of California State University, Fresno	\$ 24,534	\$ 4,773			0%
Fresno	California State University, Fresno Association, Inc.	\$ 891,046	\$ 206,604	5	\$ 10,461	1%
Fresno	California State University, Fresno Foundation	\$ 333,879	\$ 51,167			0%
Fresno	Fresno State Programs for Children, Inc.	\$ 40,604	\$ 10,362			0%
Fresno	The Agricultural Foundation of California State University, Fresno	\$ 99,263	\$ 25,334	1	\$ 5,900	6%
Fresno	The California State University, Fresno Athletic Corporation	\$ 943,914	\$ 222,923	11	\$ 27,026	3%
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 195,244	\$ 40,202	4	\$ 22,904	12%
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 39,506	\$ 8,258			0%
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 412,031	\$ 62,058	3	\$ 14,923	4%
Fullerton	CSU Fullerton Housing Authority	\$ 26,406	\$ 13,525			0%
Humboldt	Associated Students, Humboldt State University	\$ 30,193	\$ 7,430			0%
Humboldt	Humboldt State University Advancement Foundation	\$ 11,429	\$ 1,903			0%
Humboldt	Humboldt State University Center Board of Directors	\$ 254,996	\$ 67,873	2	\$ 4,156	2%
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 165,026	\$ 34,511	4	\$ 7,513	5%
Long Beach	Associated Students, California State University, Long Beach	\$ 380,406	\$ 90,061	3	\$ 11,008	3%
Long Beach	California State University, Long Beach Research Foundation	\$ 758,390	\$ 173,794	1	\$ 1,580	0%
Long Beach	CSULB 49er Foundation	\$ 15,726	\$ 2,028	4	\$ 1,390	9%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 269,121	\$ 49,508	8	\$ 17,635	7%
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 32,037	\$ 7,633			0%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 203,771	\$ 35,370			0%

**CSURMA AORMA**

**Liability Insurance Program**

**Member Loss Ratios / Capped at Pooled Layer**

**Loss Valuation Date - June 30, 2017**

Campus	Auxiliary Organization	FY 13/14 - FY 17/18				
		Premium	Dividends	# of Claims	Claims	Loss Ratio
Los Angeles	California State University, Los Angeles Foundation	\$ 17,455	\$ 4,454			0%
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 135,450	\$ 31,614			0%
Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 16,331	\$ 4,125			0%
Maritime Academy	The Associated Students of the California Maritime Academy	\$ 16,176	\$ 3,945			0%
Monterey Bay	Foundation of California State University, Monterey Bay	\$ 18,207	\$ 3,707			0%
Monterey Bay	The University Corporation at Monterey Bay	\$ 455,024	\$ 76,596	10	\$ 11,359	2%
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 98,441	\$ 17,809	6	\$ 2,995	3%
Northridge	California State University, Northridge Foundation	\$ 54,050	\$ 13,086			0%
Northridge	North Campus University Park Development Corporation	\$ 24,902	\$ 6,286			0%
Northridge	The University Corporation, CSU Northridge	\$ 474,595	\$ 90,117	6	\$ 6,444	1%
Northridge	University Student Union of California State University, Northridge	\$ 491,632	\$ 94,612	6	\$ 106,207	22%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 344,817	\$ 84,022	3	\$ 71,986	21%
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 922,369	\$ 174,041	20	\$ 205,263	22%
Sacramento	Associated Students of California State University, Sacramento	\$ 466,909	\$ 114,896	7	\$ 97,008	21%
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 59,650	\$ 9,131	1	\$ 40,000	67%
Sacramento	The University Foundation at Sacramento State	\$ 26,013	\$ 6,638			0%
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 825,343	\$ 176,771	4	\$ 16,416	2%
Sacramento	University Union Operation of CSUS, Inc.	\$ 158,296	\$ 29,147	2	\$ 2,722	2%
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 45,002	\$ 11,484			0%
San Bernardino	CSUSB Philanthropic Foundation	\$ 16,779	\$ 2,071			0%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 100,960	\$ 16,860	2	\$ 60,680	60%
San Bernardino	University Enterprises Corporation at CSUSB	\$ 253,065	\$ 61,727	1	\$ 2,542	1%
San Diego	Associated Students, San Diego State University	\$ 843,702	\$ 195,280	4	\$ 83,857	10%
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 675,200	\$ 149,582	14	\$ 60,637	9%
San Diego	San Diego State University Research Foundation	\$ 1,306,025	\$ 225,238	22	\$ 140,600	11%
San Diego	The Campanile Foundation	\$ -	\$ -			0%
San Francisco	Associated Students, Inc., San Francisco State University	\$ 96,337	\$ 16,594	1	\$ 3,179	3%
San Francisco	San Francisco State University Foundation	\$ 16,940	\$ 4,310			0%
San Francisco	The University Corporation, San Francisco State	\$ 143,733	\$ 50,328			0%
San Jose	Associated Student, San Jose State University	\$ 73,380	\$ 13,323	2	\$ 15,663	21%
San Jose	San Jose State University Research Foundation	\$ 219,480	\$ 34,801	2	\$ 1,136	1%
San Jose	Spartan Shops, Inc., San Jose State University	\$ 399,255	\$ 97,956	4	\$ 13,374	3%
San Jose	The Student Union of San Jose State University	\$ 581,332	\$ 141,612	3	\$ 79,043	14%
San Jose	The Tower Foundation, San Jose State University	\$ 16,868	\$ 2,707			0%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 441,664	\$ 104,697	1	\$ 158	0%
San Luis Obispo	Cal Poly Corporation	\$ 809,385	\$ 204,163	5	\$ 17,148	2%
San Luis Obispo	California Polytechnic State University Foundation	\$ 11,311	\$ 1,796			0%
San Marcos	California State University San Marcos Foundation	\$ 25,243	\$ 6,700			0%
San Marcos	San Marcos University Corporation	\$ 65,708	\$ 34,192			0%
San Marcos	The Associated Students of California State University, San Marcos	\$ 44,759	\$ 9,831	1	\$ 7	0%

**CSURMA AORMA**

**Liability Insurance Program**

**Member Loss Ratios / Capped at Pooled Layer**

**Loss Valuation Date - June 30, 2017**

Campus	Auxiliary Organization	FY 13/14 - FY 17/18				
		Premium	Dividends	# of Claims	Claims	Loss Ratio
San Marcos	California State University San Marcos Corporation ( <i>UARSC</i> )	\$ 189,666	\$ 24,194	2	\$ 216,462	114%
Sonoma	Associated Students of Sonoma State University	\$ 72,409	\$ 18,479			0%
Sonoma	Sonoma State Enterprises, Inc.	\$ 167,398	\$ 41,193	2	\$ 2,333	1%
Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 69,841	\$ 17,436			0%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 30,546	\$ 7,585			0%
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 73,025	\$ 18,637			0%
Stanislaus	California State University, Stanislaus Foundation	\$ 109,376	\$ 27,915			0%
Stanislaus	University Student Union of California State University, Stanislaus	\$ 19,685	\$ 4,301			0%
<b>Total:</b>		<b>\$ 18,768,269</b>	<b>\$ 4,124,835</b>	<b>206</b>	<b>\$ 2,014,871</b>	<b>11%</b>

CSURMA AORMA  
Workers' Compensation Insurance Program  
Member Loss Ratios  
Loss Valuation Date - June 30, 2017

Campus	Auxiliary Organization	FY 13/14 - FY 17/18				
		Premium	Dividends	# of Claims	Claims	Loss Ratio
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 73,233	\$ 6,193	2	\$ 2,005	3%
Bakersfield	California State University, Bakersfield Foundation	\$ 44,502	\$ 19,927	1	\$ 47	0%
Channel Islands	University Auxiliary Services, Inc. ( <i>University Glen Corp</i> )	\$ 282,742	\$ 28,138	15	\$ 77,295	27%
Chico	Associated Students of California State University, Chico	\$ 747,053	\$ 155,755	180	\$ 114,898	15%
Chico	The CSU, Chico Research Foundation	\$ 602,495	\$ 103,011	22	\$ 119,623	20%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 21,744	\$ 2,413	2	\$ -	0%
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 270,471	\$ 62,593	11	\$ 56,742	21%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 70,830	\$ 6,054	6	\$ 6,206	9%
East Bay	Associated Students, California State University, East Bay ( <i>University Union</i> )	\$ 36,719	\$ 26,396	6	\$ 27,662	75%
East Bay	California State University, East Bay Foundation, Inc.	\$ 48,310	\$ 28,665	1	\$ 889	2%
Fresno	California State University, Fresno Association, Inc.	\$ 469,977	\$ 108,722	31	\$ 14,662	3%
Fresno	The California State University, Fresno Athletic Corporation	\$ 418,954	\$ 63,854	8	\$ 54,006	13%
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 462,868	\$ 61,945	27	\$ 29,819	6%
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 701,144	\$ 158,657	29	\$ 848,159	121%
Humboldt	Associated Students, Humboldt State University	\$ 9,987	\$ 551	2	\$ 9,371	94%
Humboldt	Humboldt State University Center Board of Directors	\$ 463,759	\$ 70,222	66	\$ 163,891	35%
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 638,849	\$ 83,771	16	\$ 27,842	4%
Long Beach	Associated Students, California State University, Long Beach	\$ 527,506	\$ 72,625	33	\$ 110,190	21%
Long Beach	California State University, Long Beach Research Foundation	\$ 449,985	\$ 93,041	13	\$ 11,229	2%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 1,002,596	\$ 112,310	151	\$ 178,241	18%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 610,190	\$ 118,016	21	\$ 152,064	25%
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 221,918	\$ 25,737	3	\$ 553	0%
Monterey Bay	The University Corporation at Monterey Bay	\$ 448,533	\$ 79,870	14	\$ 27,293	6%
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 281,845	\$ 41,025	16	\$ 57,474	20%
Northridge	The University Corporation, CSU Northridge	\$ 1,321,595	\$ 239,446	101	\$ 435,353	33%
Northridge	University Student Union of California State University, Northridge	\$ 487,050	\$ 62,356	45	\$ 74,823	15%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 453,236	\$ 44,738	53	\$ 51,085	11%
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 1,486,666	\$ 194,612	151	\$ 392,277	26%
Sacramento	Associated Students of California State University, Sacramento	\$ 362,428	\$ 56,959	22	\$ 111,743	31%
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 33,262	\$ 484	2	\$ 45,750	138%
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 1,102,810	\$ 133,102	87	\$ 271,552	25%
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 8,918	\$ 1,873	2	\$ 727	8%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 193,946	\$ 22,063	12	\$ 35,835	18%
San Bernardino	University Enterprises Corporation at CSUSB / ( <i>Foundation</i> )	\$ 386,886	\$ 67,333	167	\$ 186,517	48%
San Diego	Associated Students, San Diego State University	\$ 927,110	\$ 137,625	80	\$ 369,010	40%
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 167,141	\$ -			0%
San Francisco	Associated Students, Inc., San Francisco State University	\$ 264,016	\$ 19,291	11	\$ 2,485	1%
San Francisco	The University Corporation, San Francisco State	\$ 132,907	\$ 19,986	2	\$ 1,964	1%
San Jose	Associated Student, San Jose State University	\$ 223,492	\$ 33,944	15	\$ 5,518	2%
San Jose	San Jose State University Research Foundation	\$ 952,512	\$ 179,642	19	\$ 114,221	12%
San Jose	Spartan Shops, Inc., San Jose State University	\$ 898,570	\$ 104,605	202	\$ 170,816	19%
San Jose	The Student Union of San Jose State University	\$ 226,883	\$ 23,987	11	\$ 275,411	121%
San Jose	The Tower Foundation, San Jose State University	\$ 89,555	\$ 15,085	2	\$ 835	1%

**CSURMA AORMA**  
**Workers' Compensation Insurance Program**  
**Member Loss Ratios**  
**Loss Valuation Date - June 30, 2017**

		FY 13/14 - FY 17/18				
Campus	Auxiliary Organization	Premium	Dividends	# of Claims	Claims	Loss Ratio
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 562,731	\$ 67,828	34	\$ 133,823	24%
San Luis Obispo	Cal Poly Corporation	\$ 2,127,512	\$ 358,307	187	\$ 814,800	38%
San Marcos	California State University San Marcos Corporation ( <i>UARSC</i> )	\$ 245,339	\$ 44,427	16	\$ 62,598	26%
Sonoma	Associated Students of Sonoma State University	\$ 48,915	\$ 4,770	1	\$ 1,369	3%
Sonoma	Sonoma State Enterprises, Inc.	\$ 30,485	\$ 225	0	\$ -	0%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 14,094	\$ 3,035	0	\$ -	0%
Stanislaus	University Student Union of California State University, Stanislaus	\$ 28,532	\$ 2,896	7	\$ 2,889	10%
<b>Total:</b>		<b>\$ 21,682,805</b>	<b>\$ 3,368,109</b>	<b>1905</b>	<b>\$ 5,651,561</b>	<b>26%</b>

**EMPLOYMENT PRACTICES LIABILITY MEMBER DEDUCTIBLES  
FOR FY 18/19**

**ISSUE:** Staff completed the minimum EPL deductible calculation for FY 18/19. Seven auxiliary organizations are subject to an EPL deductible higher than the minimum of \$25,000. According to Policy & Procedure L-7, the Programs Committee is responsible for approving the EPL deductible calculation; therefore, this calculation is being presented for the Committee’s review only.

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

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

**BACKGROUND:** Noted below are the proposed FY 18/19 EPL deductibles.

<b>Auxiliary Organization</b>	<b>FY 18/19</b>
CSU, Fresno Foundation	\$75,000
CSU, Long Beach Research Foundation	\$50,000
The Cal Poly Pomona Foundation, Inc.	\$100,000
University Enterprises, Inc., CSU Sacramento	\$50,000
Associated Students, SDSU	\$50,000
SDSU Research Foundation	\$100,000
San Jose State University Research Foundation	\$100,000

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

In December 2013, Policy & Procedure L-7 was retroactively amended to the July 1, 2013 effective date so that the EPL deductible increases would be limited to one EPL deductible level increase per year, regardless of the minimum EPL deductible calculated based on the schedule within the Policy & Procedure.

**PUBLICATION:** After the calculation is approved by the Programs Committee, the members will be notified of their EPL deductible for FY 18/19.

**ATTACHMENT(S):**

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

**AORMA Liability Program - EPL Deductible Schedule**

#	Campus	Auxiliary Organization	FY 18/19	FY 17/18	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
1	Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
2	Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
3	Bakersfield	California State University, Bakersfield Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
4	Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
5	Chancellor's Office	California State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
6	Chancellor's Office	California State University Institute	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
7	Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
8	Channel Islands	California State University Channel Islands Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
9	Channel Islands	CI University Auxiliary Services, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
10	Chico	Associated Students of California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
11	Chico	Auxiliary Organization Associations	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
12	Chico	The CSU, Chico Research Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
13	Chico	The University Foundation, California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
14	Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
15	Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
16	Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000					
17	East Bay	Associated Students, California State University, East Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
18	East Bay	Cal State East Bay Educational Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
19	East Bay	California State University, East Bay Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
20	Fresno	Associated Students, Inc. of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
21	Fresno	California State University, Fresno Association, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
22	Fresno	California State University, Fresno Foundation	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
23	Fresno	Fresno State Programs for Children, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
24	Fresno	The Agricultural Foundation of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
25	Fresno	The California State University, Fresno Athletic Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
26	Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
27	Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
28	Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
29	Humboldt	Associated Students, Humboldt State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
30	Humboldt	Humboldt State University Advancement Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
31	Humboldt	Humboldt State University Center Board of Directors	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
32	Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
33	Long Beach	Associated Students, California State University, Long Beach	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
34	Long Beach	California State University, Long Beach Research Foundation	\$ 50,000	\$ 50,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
35	Long Beach	CSULB 49er Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
36	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
37	Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
38	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
39	Los Angeles	California State University, Los Angeles Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
40	Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
41	Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
42	Maritime Academy	The Associated Students of the California Maritime Academy	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
43	Monterey Bay	Foundation of California State University, Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
44	Monterey Bay	The University Corporation at Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
45	Northridge	Associated Students, California State University, Northridge, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
46	Northridge	California State University, Northridge Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
47	Northridge	North Campus University Park Development Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

**AORMA Liability Program - EPL Deductible Schedule**

#	Campus	Auxiliary Organization	FY 18/19	FY 17/18	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
48	Northridge	The University Corporation, CSU Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
49	Northridge	University Student Union of California State University, Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
50	Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
51	Pomona	The Cal Poly Pomona Foundation, Inc.	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 75,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	\$ 25,000
52	Sacramento	Associated Students of California State University, Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
53	Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
54	Sacramento	The University Foundation at Sacramento State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
55	Sacramento	University Enterprises, Inc., CSU Sacramento	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
56	Sacramento	University Union Operation of CSUS, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
57	San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
58	San Bernardino	CSUSB Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
59	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
60	San Bernardino	University Enterprises Corporation at CSUSB	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
61	San Diego	Associated Students, San Diego State University	<b>\$ 50,000</b>	<b>\$ 50,000</b>	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
62	San Diego	Aztec Shops, Ltd., San Diego State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
63	San Diego	San Diego State University Research Foundation	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 75,000</b>	<b>\$ 50,000</b>	\$ 25,000	\$ 25,000	\$ 25,000
64	San Diego	The Campanile Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
65	San Francisco	Associated Students, Inc., San Francisco State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
66	San Francisco	San Francisco State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
67	San Francisco	The University Corporation, San Francisco State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
68	San Jose	Associated Student, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
69	San Jose	San Jose State University Research Foundation	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 75,000</b>	<b>\$ 50,000</b>	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
70	San Jose	Spartan Shops, Inc., San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
71	San Jose	The Student Union of San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
72	San Jose	The Tower Foundation, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
73	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
74	San Luis Obispo	Cal Poly Corporation	\$ 25,000	\$ 25,000	<b>\$ 25,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	\$ 25,000	\$ 25,000	\$ 25,000
75	San Luis Obispo	California Polytechnic State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
76	San Marcos	California State University San Marcos Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
77	San Marcos	San Marcos University Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
78	San Marcos	The Associated Students of California State University, San Marcos	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
79	San Marcos	University Auxiliary and Research Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
80	Sonoma	Associated Students of Sonoma State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
81	Sonoma	Sonoma State Enterprises, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
82	Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
83	Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
84	Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
85	Stanislaus	California State University, Stanislaus Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
86	Stanislaus	University Student Union of California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

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

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

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

**AORMA Liability Program  
Employment Practices Liability Loss Information  
Paid Losses between July 1, 2012 and June 30, 2017**

CAMPUS	AUXILIARIES	CLAIM #	TOTAL INCURRED	CLAIMS OVER \$25,000
CHANNEL ISLANDS	CSU CHANNEL ISLANDS UNIVERSITY GLEN CORP	1597956	147,872	147,872
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
CHICO	CSU CHICO RESEARCH FOUNDATION	1881293	110,889	110,889
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
DOMINGUEZ HILLS	CSU DOMINGUEZ HILLS FOUNDATION	1755087	2,367	
DOMINGUEZ HILLS	CSU DOMINGUEZ HILLS FOUNDATION	1846619	6,181	
DOMINGUEZ HILLS	CSU DOMINGUEZ HILLS FOUNDATION	1947165	27,797	27,797
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
DOMINGUEZ HILLS	CSU DOMINGUEZ HILLS LOKER STUDENT UNION, INC.	1593281	218	
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
EAST BAY	CSU EAST BAY FOUNDATION	1505817	31,750	31,750
EAST BAY	CSU EAST BAY FOUNDATION	1548055	327	
EAST BAY	CSU EAST BAY FOUNDATION	1923272	1,772	
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
FRESNO	CSU FRESNO ASSOCIATION	1603788	33,721	33,721
FRESNO	CSU FRESNO ASSOCIATION	1888278	2,108	
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
FRESNO	CSU FRESNO FOUNDATION	1632425	127,138	127,138
FRESNO	CSU FRESNO FOUNDATION	1743848	95,288	95,288
FRESNO	CSU FRESNO FOUNDATION	1854811	3,192	
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
			<b>Total for claims in excess of \$25,000:</b>	222,427
			<b>Minimum EPL deductible for FY 18/19 (w/o one level limitation):</b>	75,000
			<b>Minimum EPL deductible for FY 18/19 (w/ one level limitation):</b>	75,000
			<b>Minimum EPL deductible for FY 17/18:</b>	75,000
FULLERTON	CSU FULLERTON AUXILIARY SERVICES CORPORATION	1882328	145,458	145,458
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
HUMBOLDT	CSU HUMBOLDT SPONSORED PROGRAMS FOUNDATION	1565127	820	
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
LONG BEACH	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758388	463	Incident Only
LONG BEACH	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758506	508,473	508,473
LONG BEACH	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1889986	542	Incident Only
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>3</b>		
LONG BEACH	LONG BEACH RESEARCH FOUNDATION	1581787	82,522	82,522
LONG BEACH	LONG BEACH RESEARCH FOUNDATION	1856078	5,550	
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
			<b>Total for claims in excess of \$25,000:</b>	82,522
			<b>Minimum EPL deductible for FY 18/19 (w/o one level limitation):</b>	50,000
			<b>Minimum EPL deductible for FY 18/19 (w/ one level limitation):</b>	50,000
			<b>Minimum EPL deductible for FY 17/18:</b>	50,000
LOS ANGELES	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1499878	154	
LOS ANGELES	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1582137	308	
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		

CAMPUS	AUXILIARIES	CLAIM #	TOTAL INCURRED	CLAIMS OVER \$25,000
MONTEREY BAY	CSU MONTEREY BAY UNIVERSITY CORP. <b>Number of Claims</b> <b>Number of Claims in excess of \$25,000</b>	1926306 <b>1</b> <b>0</b>	4,180	
NORTHRIDGE	CSU NORTHRIDGE ASSOCIATED STUDENTS, INC. <b>Number of Claims</b> <b>Number of Claims in excess of \$25,000</b>	1547624 <b>1</b> <b>0</b>	324	
NORTHRIDGE NORTHRIDGE NORTHRIDGE	CSU NORTHRIDGE UNIVERSITY CORP. CSU NORTHRIDGE UNIVERSITY CORP. CSU NORTHRIDGE UNIVERSITY CORP. <b>Number of Claims</b> <b>Number of Claims in excess of \$25,000</b>	1593276 1600567 1862493 <b>3</b> <b>0</b>	14,682 2,044 16,914	
POMONA POMONA POMONA	CPSU POMONA FOUNDATION CPSU POMONA FOUNDATION CPSU POMONA FOUNDATION <b>Number of Claims</b> <b>Number of Claims in excess of \$25,000</b>	1734312 1735120 1946868 <b>3</b> <b>2</b>	97,797 186,912 22,442	97,797 186,912
			<b>Total for claims in excess of \$25,000:</b>	284,709
			<b>Minimum EPL deductible for FY 18/19 (w/o one level limitation):</b>	100,000
			<b>Minimum EPL deductible for FY 18/19 (w/ one level limitation):</b>	100,000
			<b>Minimum EPL deductible for FY 17/18:</b>	100,000
SACRAMENTO SACRAMENTO	CSU SACRAMENTO CAPITOL PUBLIC RADIO, INC. CSU SACRAMENTO CAPITOL PUBLIC RADIO, INC. <b>Number of Claims</b> <b>Number of Claims in excess of \$25,000</b>	1734620 1958579 <b>2</b> <b>0</b>	11,507 1,033	
SACRAMENTO SACRAMENTO SACRAMENTO SACRAMENTO SACRAMENTO SACRAMENTO	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC. CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC (This loss is split 50/50 with the Union - Total \$45,732) CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC <b>Number of Claims</b> <b>Number of Claims in excess of \$25,000</b>	1613613 1634228 1755960 1879642 1904741 1907365 <b>6</b> <b>2</b>	56,074 23,837 79,784 788 13,760 155	56,074 79,784
			<b>Total for claims in excess of \$25,000:</b>	135,858
			<b>Minimum EPL deductible for FY 18/19 (w/o one level limitation):</b>	50,000
			<b>Minimum EPL deductible for FY 18/19 (w/ one level limitation):</b>	50,000
			<b>Minimum EPL deductible for FY 17/18:</b>	50,000
SACRAMENTO	UNIVERSITY UNION OPERATION OF CSUS, INC. (This loss is split 50/50 with UEI - Total \$45,732) <b>Number of Claims</b> <b>Number of Claims in excess of \$25,000</b>	1634228 <b>1</b> <b>0</b>	23,837	
SAN BERNARDINO	CSU SAN BERNARDINO STUDENT UNION <b>Number of Claims</b> <b>Number of Claims in excess of \$25,000</b>	1925523 <b>1</b> <b>0</b>	151	
SAN DIEGO SAN DIEGO SAN DIEGO	CSU SAN DIEGO ASSOCIATED STUDENTS CSU SAN DIEGO ASSOCIATED STUDENTS CSU SAN DIEGO ASSOCIATED STUDENTS <b>Number of Claims</b> <b>Number of Claims in excess of \$25,000</b>	1812963 1895248 1915115 <b>3</b> <b>2</b>	65,987 10,816 65,588	65,987 65,588
			<b>Total for claims in excess of \$25,000:</b>	131,575
			<b>Minimum EPL deductible for FY 18/19 (w/o one level limitation):</b>	50,000
			<b>Minimum EPL deductible for FY 18/19 (w/ one level limitation):</b>	50,000
			<b>Minimum EPL deductible for FY 17/18:</b>	50,000

CAMPUS	AUXILIARIES	CLAIM #	TOTAL INCURRED	CLAIMS OVER \$25,000
SAN DIEGO	CSU SAN DIEGO RESEARCH FOUNDATION	1524874	132,390	132,390
SAN DIEGO	CSU SAN DIEGO RESEARCH FOUNDATION	1542001	8,220	
SAN DIEGO	CSU SAN DIEGO RESEARCH FOUNDATION	1549214	144,401	144,401
SAN DIEGO	CSU SAN DIEGO RESEARCH FOUNDATION	1600832	16,564	
SAN DIEGO	CSU SAN DIEGO RESEARCH FOUNDATION	1733219	621,034	621,034
SAN DIEGO	CSU SAN DIEGO RESEARCH FOUNDATION	1763201	7,722	
SAN DIEGO	CSU SAN DIEGO RESEARCH FOUNDATION	1768697	21,095	
SAN DIEGO	CSU SAN DIEGO RESEARCH FOUNDATION	1947012	91,013	91,013
	<b>Number of Claims</b>	<b>8</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>4</b>		
			<b>Total for claims in excess of \$25,000:</b>	988,839
			<b>Minimum EPL deductible for FY 18/19 (w/o one level limitation):</b>	100,000
			<b>Minimum EPL deductible for FY 18/19 (w/ one level limitation):</b>	100,000
			<b>Minimum EPL deductible for FY 17/18:</b>	100,000
SAN JOSE	CSU SAN JOSE RESEARCH FOUNDATION	1614600	490,828	490,828
SAN JOSE	CSU SAN JOSE RESEARCH FOUNDATION	1879863	44,510	44,510
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
			<b>Total for claims in excess of \$25,000:</b>	535,338
			<b>Minimum EPL deductible for FY 18/19 (w/o one level limitation):</b>	100,000
			<b>Minimum EPL deductible for FY 18/19 (w/ one level limitation):</b>	100,000
			<b>Minimum EPL deductible for FY 17/18:</b>	100,000
SAN JOSE	CSU SAN JOSE SPARTAN SHOPS, INC.	1596850	56	
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
SAN JOSE	CSU SAN JOSE STUDENT UNION, INC.	1565299	63	
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
SAN LUIS OBISPO	CPSU SAN LUIS OBISPO CAL POLY CORP.	1537083	70	
SAN LUIS OBISPO	CPSU SAN LUIS OBISPO CAL POLY CORP.	1597354	3,865	
SAN LUIS OBISPO	CPSU SAN LUIS OBISPO CAL POLY CORP.	1622290	7,643	
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
SAN MARCOS	CSU SAN MARCOS RESEARCH SERVICES CORP.	1892678	66,462	66,462
SAN MARCOS	CSU SAN MARCOS RESEARCH SERVICES CORP.	1951429	20,655	
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		



**CSURMA AORMA**

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

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

**ADOPTED: MAY 12, 2011**

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

**EFFECTIVE: JULY 1, 2011**

**POLICY:**

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

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

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

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

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

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

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

## **CSURMA AORMA**

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

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

### **PROCEDURE:**

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

### **DEFINITIONS:**

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

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

**EPL:** Employment Practices Liability.

## Consent to Change Employment Practices Liability Deductible

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

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

### CLAIMS REPORTING PROVISIONS

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

### LATE REPORTING PENALTIES

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

### DEFENSE COVERAGE PROVISIONS

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

### CLAIMS SETTLEMENT PROVISIONS

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

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

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

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

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

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

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

**RECOMMENDATION:** Staff recommends that the AORMA Chair appoint a Nominations Committee to poll the eligible AORMA Committee members, including the Chair, First Vice Chair and Second Vice Chair to identify which of the incumbents whose terms expire the following June 30 are interested in seeking re-election.

Staff also recommends that the Committee review the attached roster and discuss the seats that may need to be filled for the July 1, 2018 to June 30, 2020 term.

**FISCAL IMPACT:** None.

**BACKGROUND:** Noted below is the timeline for nominations onto the AORMA Committee:

1. **September/October** – The Chair shall appoint a Nomination Committee.
2. **September/October** – The Nominations Committee shall poll the AORMA Committee members, including the Chair, First Vice Chair and Second Vice Chair to identify which of the incumbents whose terms expire the following June 30 are interested in seeking re-election.
3. **October** – At the October AORMA Committee meeting, the Nominations Committee will announce their nominations for Chair, First Vice Chair and Second Vice Chair. The Chair, First Vice Chair and Second Vice Chair shall be elected by the AORMA Committee from its members. All ballots will be tallied by the CSURMA Secretary.
4. **January** – During the AOA Conference, the Nominations Committee will announce to the membership changes to the Chair, First Vice Chair and Second Vice Chair as well as the opening of the nominations period for open committee positions (for July 1 appointments). The Nominations Committee will indicate which types of auxiliary representations are needed on the AORMA Committee (to ensure broad representation). Nominations will

remain open through the end of February, and self-nominations will be accepted as well as nominations by others.

5. **February** - The Nominations Committee will continue to solicit nominations, especially if specific types of auxiliary organizations are not being represented.
6. **March** - A nominations slate will be forwarded to the AOA Executive Committee for review and comment. The slate, with comments, will be returned to the AORMA Committee no later than March 31.
7. **April** – All CSURMA member auxiliary organizations will be sent a ballot with the names of the nominated individuals. Each member auxiliary can vote for the representatives. Completed ballots will be due to the CSURMA by April 30.
8. **May** – Announcement at the CSURMA Board of Directors meeting of the outcome of the election process to be effective July 1.

**PUBLICATION:** None at this time.

**ATTACHMENT(S):**

- a. FY 17/18 AORMA Committee Roster
- b. Policy and Procedure A-1
- c. Policy and Procedure A-2

**AORMA Committee**  
**Ten voting members - two alternates - twelve members total**  
**Effective at July 1, 2017**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number	Location	Size of Campus	Type of Campus	Term	1st, 2nd or Final Term
AORMA	Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101	South	Large	Urban	7/1/16 - 6/30/18	First
AORMA	First Vice Chair	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	Central	Medium	Suburban	7/1/17 - 6/30/19	First
AORMA	Second Vice Chair	Gigi Kiama	Human Resources Director	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301	North	Small	Rural	7/1/16 - 6/30/18	First
AORMA	Seat 1	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878	North	Large	Rural	7/1/16 - 6/30/18	First
AORMA	Seat 2											First
AORMA	Seat 3	Todd Summer	CEO	San Diego	Aztec Shops, Ltd.	todd.summer@sdsu.edu	619-594-7539	South	Large	Urban	7/1/17 - 6/30/19	First
AORMA	Seat 4	Bella Newberg	Executive Director	San Marcos	University Auxiliary and Research Services Corporation	newberg@csusm.edu	760-750-4700	South	Small	Suburban	7/1/17 - 6/30/19	First
AORMA	Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003	North	Large	Urban	7/1/17 - 6/30/19	First
AORMA	Seat 6	Starr Lee	Director, Administration and Legal	San Luis Obispo	Cal Poly Corporation	selee@calpoly.edu	805-756-1451	Central	Medium	Suburban	Completing 7/1/16 - 6/30/18	N/A
AORMA	Seat 7	Bill Olmsted	Associate Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744	North	Large	Urban	7/1/17 - 6/30/19	First

On March 1, 2017, Dwayne Brummett was appointed to complete Guy Dalpe's term. Dwayne's first complete term will be 7/1/17 to 6/30/19.

On July 1, 2015, Dave Nakamura was appointed to complete Mark Day's term. Dave's first complete term will be 7/01/16 to 6/30/18.

On October 1, 2015, Dave Nirenberg was appointed to complete Melinda Coil's term. Dave's first term will be 7/01/17 to 6/30/19.

On December 20, 2016, Bella Newberg was appointed to complete Cheree's Aguilar's term. Bella's first term will be 7/01/17 to 6/30/19.

On March 1, 2017, Starr Lee was appointed to complete Leslie Davis' term. Starr's first term will be 7/1/18 to 6/30/20.

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number	Location	Size of Campus	Type of Campus	Term	1st, 2nd or Final Term
PC	Chair	Gigi Kiama	Human Resources Director	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301	North	Small	Rural	7/1/13 - 6/30/15	Fourth
PC	At Large	Bill Olmsted	Associate Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744	North	Large	Urban	7/1/15 - 6/30/17	First
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	jporth@sfsu.edu	415-338-6880	North	Large	Urban	7/1/15 - 6/30/17	First
PC	At Large	Jun Reina	Chief Operating Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925	North	Large	Urban	7/1/15 - 6/30/17	First
PC	At Large	Russel Statham	Chief Operating Officer and Chief Financial Officer	Dominguez Hills	California State University, Dominguez Hills Foundation	rdstatham@csudh.edu	310-243-3255	South	Large	Urban	7/1/16 - 6/30/19	First
PC	At Large	Raven Tyson	Human Resources & Risk Manager	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760	South	Large	Urban	7/1/13 - 6/30/15	First

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

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

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



**SUBJECT:** AORMA COMMITTEE COMPOSITION,  
ELECTIONS & TERM LIMITS

**ADOPTED:** APRIL 18, 2003

**EFFECTIVE:** JULY 1, 2003

**AMENDED:** JANUARY 15, 2005  
OCTOBER 27, 2005  
JANUARY 16, 2008  
OCTOBER 29, 2009  
JANUARY 11, 2010  
SEPTEMBER 16, 2010  
DECEMBER 8, 2011  
SEPTEMBER 13, 2012  
MARCH 20, 2014  
DECEMBER 10, 2015  
MARCH 9, 2017

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**PURPOSE:**

This policy and procedure outlines the process by which members of the Auxiliary Organizations Risk Management Alliance (AORMA) Committee are nominated and elected to serve. This policy and procedure addresses the desire of the CSURMA to ensure broad organizational representation among AORMA Committee members, acknowledging the AORMA Committee’s need for stability of leadership while encouraging participation from qualified candidates.

**POLICY:**

It is the policy of the CSURMA that, in accordance with the Bylaws, the AORMA Committee shall adopt the procedure outlined in this document for purposes of generating continuity of leadership, encouraging opportunity for diverse committee representation and participation and continuing effective administration of established insurance programs and services.

**PROCEDURE:**

The following steps will be taken to affect the policy:

1. The AORMA Committee will be elected from representatives of the auxiliary organization members of the CSURMA, effective July 1 of every year. No auxiliary organization will have multiple representatives serving simultaneously on either the AORMA Committee or on the same Standing Committee. At-large members may serve a maximum of three consecutive complete two-year terms. Upon reaching the end of the third complete two-year term, At-large members will either be “termed out” (they may be again nominated after one year off the Committee) or advance to the role of Chair, First Vice Chair or

Second Vice Chair. Terms are staggered to create a rotation of the at-large Committee members each year.

2. The AORMA Committee will be comprised of seven at-large members and three Officers (Chair, First Vice Chair and Second Vice Chair). Each Officer may serve two two-year terms per position.
3. The AORMA Committee will review its membership annually to strive for diversity on the Committee based on the following criteria:
  - Type of Auxiliary Organization (Foundation, ASI/Student Union or Commercial)
  - Mix of personnel (Executive Director, CFO, HR, etc.)
  - Campus size (small – less than 10,000 FTE, medium – between 10,000 and 20,000 FTE, or large – more than 20,000 FTE)
4. The First Vice Chair and Chair shall serve as AORMA Committee representatives to the CSURMA Executive Committee.

***AORMA Committee Chair and / First Vice Chair Qualifications***

- Served on AORMA Committee for at least two years
  - Demonstrated leadership abilities in group settings
  - Ability to serve as primary advocate and spokesperson for AORMA Committee
  - Ability to lead the AORMA Committee
5. Annually, the Chair shall appoint a Nominations Committee, consisting of at least two AORMA Committee members to seek nominations for available positions on the AORMA Committee. The AORMA Committee Nominating Committee shall consider the following as minimum qualification criteria for individuals seeking nomination to the AORMA Committee:

***AORMA Committee Representative***

- Participating professional member of CSURMA AORMA for at least two years
- Served in a CSURMA auxiliary organization management position for at least two years
- Demonstrated leadership abilities
- Ability to attend meetings regularly and contribute to the AORMA Committee's work agenda, as described in Policy & Procedure A-2.

Previous service on one of AORMA's Standing Committees is preferred, but not required.

**6.** Timeline for nominations:

***October/November***

The Nominations Committee shall poll the AORMA Committee members, including the Chair, First Vice Chair and Second Vice Chair to identify which of the incumbents whose terms expire the following June 30 are interested in seeking re-election.

At the October AORMA Committee meeting, the Nominations Committee will announce their nominations for Chair, First Vice Chair and Second Vice Chair. The Chair, First Vice Chair and Second Vice Chair shall be elected by the AORMA Committee from its members. All ballots will be tallied by the CSURMA Secretary-Auditor.

***January***

The Nominations Committee will announce to the membership, changes to the Chair, First Vice Chair and Second Vice Chair as well as the opening of the nominations period for open committee positions (for July 1 appointments). The Nominations Committee will indicate which types of auxiliary representations are needed on the AORMA Committee (to ensure broad representation). Nominations will remain open through the end of February, and self-nominations will be accepted as well as nominations by others.

***February***

The Nominations Committee will continue to solicit nominations, especially if specific types of auxiliary organizations are not being represented.

***March***

A nominations slate will be forwarded to the AOA Executive Committee for review and comment. The slate, with comments, will be returned to the AORMA Committee no later than March 31.

***April***

All CSURMA member auxiliary organizations will be sent a ballot with the names of the nominated individuals. Each member auxiliary can vote for the representatives. Completed ballots will be due to the CSURMA by April 30.

***May***

Announcement at the CSURMA Board of Directors meeting of the outcomes of the election process to be effective July 1.

**SUBJECT:** **AORMA COMMITTEE AND STANDING  
COMMITTEE ROLES AND RESPONSIBILITIES**

**ADOPTED:** **AUGUST 19, 2003**

**EFFECTIVE:** **JULY 1, 2003**

**AMENDED:** **DECEMBER 7, 2005**  
**MAY 14, 2009**  
**OCTOBER 29, 2009**  
**JANUARY 11, 2010**  
**SEPTEMBER 16, 2010**  
**SEPTEMBER 13, 2012**  
**MAY 8, 2014**  
**DECEMBER 10, 2015**  
**SEPTEMBER 8, 2016**

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

**PURPOSE:**

The purpose of this policy is to describe the roles and responsibilities of participants in the CSURMA AORMA COMMITTEE and its STANDING COMMITTEE.

**POLICY:**

It is the policy of the CSURMA to encourage AORMA members' participation in the AORMA COMMITTEE and STANDING COMMITTEE that oversee operation of AORMA insurance programs. To that end, CSURMA AORMA has adopted Policy and Procedure A-1 that describes the process of AORMA COMMITTEE elections and representation. This policy further describes the roles and responsibilities of Committee members and officers. It is expected that AORMA COMMITTEE members will commit to meeting attendance and participation needed to conduct CSURMA business.

**PROCEDURE:**

The AORMA COMMITTEE will conduct elections and appointments in accordance with the CSURMA Joint Powers Agreement, Bylaws and AORMA Policy and Procedure A-1. A copy of Policy and Procedure A-1 describing roles and responsibilities of Committee members will be provided to Committee nominees and participants.

**AORMA COMMITTEE Participation in General** - The AORMA COMMITTEE holds regularly scheduled meetings in person approximately four times per year with additional teleconference meetings as necessary. Following are considerations as respects AORMA COMMITTEE participation:

1. In person attendance at regularly scheduled AORMA COMMITTEE meetings is preferred. While teleconference attendance can be arranged, the Committee business is best conducted at in-person meetings. Any Committee member or Officer who is not present, either in person or via teleconference, at two or more AORMA COMMITTEE meetings in any one fiscal year, may be removed from the AORMA COMMITTEE upon a majority vote of the AORMA Officers unless that AORMA Officer is the subject of the vote and then that AORMA Officer will be recused.
2. AORMA COMMITTEE at-large member terms are for two years, with a maximum of three terms served before a member is either elected as the Chair, First Vice Chair or Second Vice Chair or termed out and must wait one year before again serving on the Committee. It is expected that members be prepared to serve for at least one complete term because the learning curve on CSURMA's coverage programs is steep.
3. Reasonable travel expenses associated with participation on the AORMA COMMITTEE are reimbursable as provided under CSU's travel reimbursement policy.
4. Representatives elected to the AORMA COMMITTEE are individually elected, not as direct representatives of their respective auxiliary organizations. It is expected that AORMA COMMITTEE members will approach their responsibilities from the perspective of the good of the CSURMA Auxiliary Organizations programs as a whole, rather than just their individual organization's benefit.
5. AORMA COMMITTEE members are expected to attend two (2) CSURMA Board of Directors meetings annually (one in the fall; one in the spring). State law requires timely completion of appropriate paperwork, such as Fair Political Practices Commission Form 700.
6. Develop recommendations for the AORMA COMMITTEE and take action within delegated authority.

**AORMA Committee Chair** - In addition to the roles and responsibilities of AORMA COMMITTEE participation, in general, the AORMA Committee Chair has the following roles and responsibilities:

1. Representative of the AORMA Committee to the AOA Executive Committee and attendance at AOA Executive Committee meetings.
2. Attendance and participation in CSURMA Executive Committee meetings (approximately four times per year).

3. Availability for regular communication with, and direction of CSURMA Program Administrator staff.
4. Availability to respond to CSURMA Auxiliary Organizations member questions and concerns.
5. A commitment toward professional development in the area of risk management and representation of CSURMA at conferences and meetings, such as the AOA Annual Conference, the CSURMA Fitting the Pieces Together Conference and other conferences as appropriate.
6. Authority to appoint an at-large AORMA Committee member or the First Vice Chair or Second Vice Chair if that seat on the AORMA Committee is vacated mid-term.
7. Authority to establish task groups as necessary.
8. Authority to appoint the Standing Committee Chair, members of the AORMA Standing Committee and task groups (in consultation with the AORMA Standing Committee Chair).
9. Service on Standing Committee, task groups and ad hoc committees as appropriate.
10. Attend and present at CSURMA Board of Directors meetings.
11. Authority to call meetings from time to time and in compliance with applicable open meeting regulations to conduct business and planning for the AORMA program including an AORMA Officer's Retreat.
12. Authority to invite additional attendees to meetings as the Chair deems appropriate and to authorize reimbursement of invitee travel expenses provided the expenses are within amounts budgeted for AORMA expenses and in compliance with AORMA travel expense reimbursement Policy and Procedure.

**AORMA Committee First Vice Chair** - In addition to items 1 thru 5 and item 9 of the roles and responsibilities of the AORMA Committee Chair, it is expected that the AORMA Committee First Vice Chair will also;

1. Be prepared to serve in the Chair position should the Chair vacate its seat mid-term.
2. Attend and participate in the CSURMA Executive Committee meetings.

**AORMA Committee Second Vice Chair** - In addition to items 1 thru 5 and item 9 of the roles and responsibilities of the AORMA Committee Chair, it is expected that the AORMA Committee Second Vice Chair will also;

1. Be prepared to serve in the First Vice Chair position should the First Vice Chair vacate its seat mid-term.

**AORMA Standing Committees**

1. The AORMA Committee reserves the right to create and dissolve any or all Standing Committees at any time. The AORMA Committee shall appoint Standing Committees to provide support to the AORMA Committee. These Standing Committees are as follows:
  - a. Programs Committee
  - b. Executive Officers
2. Standing Committee membership will be as follows:
  - a. Programs Committee – A minimum of five members, at least two of whom shall be AORMA Committee members.
  - b. Executive Officers – The AORMA Committee Chair, First Vice Chair and Second Vice Chair.
3. Every spring, the membership of each Standing Committee will recommend to the AORMA Committee Chair a nominee from the AORMA Committee for the Chair position of their respective Standing Committee.
4. The AORMA Committee Chair shall appoint Standing Chairs annually for a one-year term effective on July 1. The Chair of any Standing Committee must simultaneously be a member of the AORMA Committee.
5. AORMA Standing Committee appointments are at the discretion of the AORMA Committee Chair. It is expected that appointed members be prepared to serve for at least one complete two-year term. Standing Committee members may serve a maximum of three consecutive two-year terms, with an effective date of July 1 of the year in which they are appointed. Upon being termed out of a Standing Committee, a person may serve again on the same Standing Committee after sitting out a period of one year.
6. No auxiliary organization will have multiple representatives serving simultaneously on any AORMA Standing Committee.
7. Reasonable travel expenses associated with participation on AORMA Standing Committees are reimbursable as provided in CSURMA’s travel reimbursement policy.
8. Representatives are individually appointed, not direct representatives of their respective auxiliary organizations. It is expected that representatives will approach their responsibilities from the perspective of the good of the CSURMA Auxiliary Organizations programs as a whole, rather than just their individual organization’s benefit.
9. Standing Committees shall develop recommendations for the AORMA Committee and take action within delegated authority.



10. Standing Committees shall be responsible for overseeing the completion of special projects as determined by the AORMA Committee. Standing Committees will be asked to present recommendations for discussion and approval by the full AORMA Committee.

## **ADDENDUM**

### **AORMA STANDING COMMITTEE DESCRIPTIONS**

This addendum to CSURMA AORMA Policy and Procedure A-2 will summarize the primary roles and responsibilities of the Committees appointed by the AORMA Committee Chair. The Committees will from time to time provide reports on their activities to the AORMA Committee, making recommendations on their areas of expertise.

This addendum may be updated from time to time as the need for changes to the Committee structure are desired by the AORMA Committee.

#### **Executive Officers Committee**

The AORMA Executive Officers Committee will provide executive management oversight of AORMA operations and AORMA staff. Comprised of the AORMA Chair, First Vice Chair and Second Vice Chair, the Executive Officers Committee will develop relationships between the CSURMA AORMA and the AOA, manage Committee appointments, leadership and succession planning, and work with staff to develop and update miscellaneous financial, legal, governing and coverage documents. The Executive Committee shall also have claims settlement authority as outlined in AORMA Policies and Procedures L-2 and W-5.

#### **Programs Committee**

The Programs Committee will oversee the management of all programs not otherwise assigned to another committee, including, but not limited to, the Liability, Workers' Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and Foreign Travel Liability Programs, as well as new program development. The Committee will assist in the review of annual actuarial reports and the development of rating plans for allocation of annual costs, policies and coverage documents. Training, service provider RFP development and selection will also be handled by this Committee. The Programs Committee will act as a liaison to the AOA Human Resources Committee. The Committee will assist in the development of relationships between the AORMA and the AOA, as well as continue to strengthen the relationships between the CSURMA and its Auxiliary Organization membership. The Committee will utilize newsletters, member surveys, annual reports and other methods of communicating the benefits of AORMA membership to the members. The Committee will direct staff in the development of "value-added" services such as the Certificate Tracking Program, OAYSYS-Net Property database, claims reports, service provider evaluations and the professional development through risk management training of the AORMA membership.

The Committee will assist in the development, implementation and evaluation of various training programs aimed at developing safety and loss control awareness among the AORMA membership. The Committee will also lead professional development of the AORMA membership in the field of risk management and be responsible for the allocation of the risk management budget among the various safety and risk control service providers.

**DEVELOPMENT OF THE LONG RANGE ACTION PLAN  
ITEMS FOR FY 17/18**

**ISSUE:** During today's meeting, the AORMA Committee Members will discuss the long range goals for AORMA. Based on today's decisions, Staff will prepare the FY 17/18 long range action plan document which will be presented for approval at the October AORMA Committee meeting.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** During their meeting on July 17, 2017, the AORMA Committee Officers discussed projects to be added to the Long Range Action Plan for FY 17/18 and have suggested the following:

1. Creation of Benchmarking Reports and Scorecards
2. AORMA's involvement with the Captive
3. Drive traffic to website
4. Implementation of the Go Ground services
5. Update Funding Policy to include an annual discussion of historical funding decision
6. Inclusion of BUG as AORMA Program
7. Access to EIA Member Services for all AO members
8. 20<sup>th</sup> year Report/Review

**PUBLICATION:** None at this time.

**ATTACHMENT(S):** None.