



# CSURMA EXECUTIVE COMMITTEE MEETING AGENDA

“This is an Open Public Meeting”

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

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

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

Meeting Date: March 7, 2019  
 Time: 2:30 PM to 5:30 PM

Primary Location: Alliant Newport Beach  
 1301 Dove Street, 2<sup>nd</sup> Floor  
 Newport Beach, CA 92660

Reconvene: March 8, 2019  
 Time: 8:30 AM to 12:00 PM  
 Breakfast: 8:00 AM

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

**A. CALL TO ORDER**

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

**B. PUBLIC COMMENTS**

**C. CONSENT CALENDAR** A

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is asked to take action on the consent calendar items as a group, except that a member may request that an item be withdrawn from the Consent Calendar for discussion and action.*

- 1. **Approval of Minutes – January 13, 2019** p. 6  
*The Committee will be asked to approve the minutes from their last meeting.*
- 2. **Financial Report – Draft Financial Statement at December 31, 2018** p. 15  
*The Committee will be asked to approve the draft Financial Statement at December 31, 2018*

**D. GENERAL ADMINISTRATION**

- 1. **Treasurer’s Report** A
  - a. **Treasurer’s Quarterly Investment Report at December 31, 2018** p. 26  
*The Committee will be asked to accept the Treasurer’s Quarterly Investment Report at December 31, 2018.*
  - b. **CSURMA Master Investment Policy and Related Investment Policies** p. 33  
*The Committee will review and discuss the current CSURMA Master Investment Policy.*

- c. **CSURMA Cash Flow Projection** p. 58  
*The Committee will review the cash flow projection report, providing direction to Staff as appropriate.*
2. **Evaluation of CSURMA Captive Formation** A p. 60  
*The Committee will receive an update regarding the formation of the CSURMA captive cell.*
3. **Annual Review of the CSURMA’s Data Security Policies** A p. 69  
*The Committee will be asked to review the Data Security Policies of CSURMA.*
4. **Annual Review of the Applicable Integrated CSU Administrative Manual Policies** A p. 74  
*The Committee will be asked to review the applicable sections and updates thereto of the Integrated CSU Administrative Manual which have been adopted by CSURMA.*
5. **FY 2018/2019 Midterm Budget Amendments and Adoption of Resolution No. 01-19 (EC)** A p. 80  
*The Committee will be asked to approve the mid-term amendments to the FY 18/19 budget and to adopt of Resolution 01-19 (EC).*
6. **Chancellor’s Office Services Budget Proposals for FY 20 19/20** A p. 122  
*The Committee will be asked to approve the Chancellor’s Office Services budget proposals for FY 19/20.*
7. **FY 2019/2020 Operating Budget** A p. 129  
*The Committee will be asked to review and recommend approval for the FY 19/20 budget to the Board of Directors, with revisions as necessary.*
8. **Excess Insurance Renewals and Underwriter Meetings Report** A p. 170  
*The Committee will receive a verbal report on the Underwriters Meetings report and take action as appropriate.*
9. **Behavioral Intervention Training** A p. 173  
*The Committee will be asked to discuss and approve financial support of the Behavioral Intervention Training.*
10. **CSURMA Renewal of Parametric Earthquake Insurance** A p. 191  
**\*\*\* Presentation - TIME CERTAIN 3:30 PM \*\*\***  
*The Committee will be asked to discuss the two program options and take action or provide direction to Staff as appropriate.*
11. **Revisions to Policy and Procedure No. 20 – Owner Controlled Insurance Program (OCIP)** A p. 223  
*The Committee will be asked to approve revisions to Policy and Procedure No. 20 as well as review the updated OCIP cash flow estimate and the OCIP MOU.*
12. **CSU International Programs Funding** A p. 234  
*The Committee will review options for funding the CSU International Program*

- 13. **Liability Claims Audit Services** A p. 236  
*The Committee will be asked to approve an agreement with Bickmore to conduct an audit of the claims administration of the Campus Liability Risk Pool.*
  - 14. **CSAC-EIA Workers' Compensation Renewal Options** A p. 284  
**\*\*\* Presentation - TIME CERTAIN 4:00 PM \*\*\***  
*The Committee will discuss and will be asked to take action to set the primary workers' compensation rates through CSAC-EIA for FY 19/20 and FY 20/21.*
  - 15. **Program Administration Staffing Update** I p. 285  
*The Committee will hear a verbal update regarding CSURMA staffing.*
- E. STANDING COMMITTEE REPORTS**
- 1. **AIME Program Update** I p. 287  
*The Committee will receive a verbal report of the AIME programs*
  - 2. **AORMA Programs Update** I p. 288  
*The Committee will receive a verbal report on the AORMA programs*
- F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1) –** A  
*Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). The matters below may be discussed. The Committee may take action or provide direction to Staff regarding the matters.*
- 1. Burns v. CSU (San Diego)
  - 2. Summer v. CSU (San Diego)
  - 3. Mackey v. CSU (San Marcos)
  - 4. Apodaca v. CSU (San Marcos)
  - 5. Sargent v. CSU (Sonoma)
  - 6. Chavez adv. CSU (Northridge)
  - 7. Shepler v. CSU
  - 8. Richardson adv. CSU (LA) & UAS Food Services
- G. LONG RANGE ACTION PLANNING ITEMS**
- 1. **Review of CSURMA FY 2018/2019 Long Range Action Plan** I p. 289  
*The Committee will be asked to review the FY 2018/19 Long Range Action Plan.*
  - 2. **Campus Risk Pools Funding Status** A p. 293  
*The Committee will be asked to review the Campus estimated pool layer funding exhibits and take action as it deems appropriate.*
  - 3. **Development of Scooters Accidental Medical Expense Program** A p. 300  
*The Committee will be asked to discuss the formation of a systemwide “no-fault” accidental medical expense program for students riding scooters on campus.*

**4. Development of New Programs, Services and Projects** **A** p. 301  
*The Committee will be asked to discuss new programs, services and projects to be developed as part of the long range action plan.*

**5. Development of CSURMA Goals for Next One to Three Years** **A** p. 302  
*The Committee will discuss the items to be included on CSURMA's long range action plan for FY 18/19.*

**H. INFORMATION ITEMS**

**1. CSURMA Committee Member Professional Development** **I** p. 306  
*The Committee will receive website information for professional development training and conferences.*

**2. Auxiliary Service Provider Report** **I** p. 308  
*The Committee will review the Auxiliary Service Provider Report for 2018.*

**3. 2019 CSURMA Meeting Calendar** **I** p. 315  
*The Committee will review the current CSURMA Meeting Calendar.*

**4. CSURMA Administrative Service Calendar** **I** p. 317  
*The Committee will review the CSURMA Administrative Service Calendar.*

**5. CSURMA Executive Committee & Staff Contact List** **I** p. 232  
*The Committee will review the contact list, making revisions as appropriate.*

**H. ADJOURNMENT** **A**

***The next CSURMA Executive Committee meeting is scheduled for Friday, May 3, 2019 in Long Beach, CA.***

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

**APPROVAL OF THE AGENDA**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**APPROVAL OF MINUTES – JANUARY 13, 2019**

**ISSUE:** The Executive Committee will be asked to review and approve the draft minutes from its January 13, 2019 meeting.

**RECOMMENDATION:** It is recommended that the Executive Committee approve the minutes from its January 13, 2019, meeting, including corrections as necessary.

**FISCAL IMPACT:** None.

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

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

**ATTACHMENT(S):**

- a. CSURMA Executive Committee Meeting Minutes – January 13, 2019

**MINUTES OF THE  
CSURMA EXECUTIVE COMMITTEE MEETING**

**JANUARY 13, 2019**

**THE HYATT REGENCY INDIAN WELLS RESORT & SPA  
44600 INDIAN WELLS LANE  
INDIAN WELLS, CA 92210**

**3:30 PM**

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**MEMBERS PRESENT**

Scott Apel, California State University, Long Beach  
Dwayne Brummett (AORMA Chair), Associated Students, Inc. at San Luis Obispo  
Lisa Chavez (Chair), California State University, Los Angeles  
Thom Davis, California State University, Bakersfield  
Robert Eaton (Treasurer), California State University, Office of the Chancellor  
Lisa Kao, California State University, Fresno (*via Teleconference*)  
Dave Nakamura (AORMA First Vice Chair), Humboldt State University Center (*arrived at 3:32pm*)  
Kevin Saunders (Vice-Chair), California State University, Monterey Bay (*arrived at 3:32pm*)  
Amy Thomas, California State University, Stanislaus (*via Teleconference*)

**MEMBERS ABSENT**

None

**STAFF, GUESTS & CONSULTANTS**

Andrew Gaspari, Alliant Insurance Services, Inc.  
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor  
Tevea Him, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
Rob Leong, Alliant Insurance Services, Inc.  
Amy Lightner, Alliant Insurance Services, Inc.  
Mimi Long, Alliant Insurance Services, Inc.  
Vi San Juan, Assistant Vice Chancellor of CPDC (*via Teleconference*)  
Jody Van Leuven, CSU Office of the Chancellor

**A. CALL TO ORDER**

The meeting was called to order by the CSURMA Chair, Lisa Chavez at 3:30 PM. Lisa Kao and Amy Thomas expressed their desire to abstain from voting on all action items.

**A1. Approval of the Agenda**

A motion was made to approve the agenda as presented.

**MOTION:** Robert Eaton  
**SECOND:** Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura				X
Dwayne Brummett	X			
Kevin Saunders				X
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

There were no comments from the public.

**C. CONSENT CALENDAR**

- C1. Approval of Minutes – October 26, 2018**
- C2. Financial Report – Treasurer’s Quarterly Investment Report**

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

**MOTION:** Scott Apel  
**SECOND:** Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura				X
Dwayne Brummett	X			
Kevin Saunders				X
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

## **D. GENERAL ADMINISTRATION**

Kevin Saunders and Dave Nakamura entered the room at 3:32pm.

### **D1. Executive Committee Nominations / Elections**

Daniel Howell noted that the following seats are up for re-election for a two-year term (July 1, 2019 to June 30, 2021):

- CSU Seat #1: Currently held by Thom Davis
- CSU Seat #2: Currently held by Lisa Kao
- CSU Seat #4: Currently held by Amy Thomas

Lisa Chavez appointed Kevin Saunders and Scott Apel to serve on the Nominating Committee to seek nominations for the election to be held at the May 3, 2019 Board of Directors meeting. Saunders will serve as the Chair.

### **D2. Underwriter Meetings Report**

Daniel Howell provided a status of the upcoming program renewals. The excess liability program has seen loss development in the first excess layers for both the AORMA and Campus programs. Staff anticipates rate increases in the lower layers and possible rate increases in the excess layers due to catastrophic losses impacting the entire marketplace. The property losses to both the AORMA and Campus programs have increased over the past three years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years will likely be again partially eroded by increases this coming renewal. CSURMA has an existing two-year rate agreement with CSAC-EIA for workers' compensation. Staff is in conversations with EIA about their ability to lock in rates for FY 20/21. The builders risk program is stable. The fine arts program was launched in 2016 and Staff anticipates underwriters will require a rate increase this year due to the high loss ratio. The SPLIP and SAFECLIP programs are performing exceptionally well with no losses. Rates will likely be stable and possibly drop. The losses within the foreign travel insurance program have stabilized at a level acceptable to underwriters. Staff expects a flat rate renewal. There have been no losses within the aviation program. Staff expects a flat renewal. The medical malpractice program is at a minimum premium. Staff expects a flat renewal. Fidelity claims remain low and therefore staff expects a premium decrease on renewal unless new claims materialize prior to renewal.

### **D3. CSURMA Cash Flow Projection**

The Committee reviewed the draft cash flow worksheet. This item was tabled to the March meeting.

### **D4. Revisions to Policy and Procedure No. 20 – Owner Controlled Insurance Program (OCIP)**

Robert Leong explained this item was tabled from the October 26, 2018 Executive Committee meeting, pending review by Capital Planning Design and Construction (CPDC). The Committee discussed the need to revisit how prefunding of OCIP costs impact CSURMA’s cash flow and loss of investment income. The Committee suggested that CSURMA should be made whole by recovering for loss of investment income. Also, although only ten campuses currently have construction projects enrolled in OCIP 2, all campuses incur a loss of investment income because it is allocated to the entire program. In fairness for all members, the Executive Committee instructed staff to include an interest charge on enrolled projects. The interest charge is to be equal to CSURMA’s imputed rate of return on investments. The Executive Committee also desired to review the Memorandum of Understanding (MOU) that is being drafted by CPDC.

The proposed amendments will have a significant impact on CSURMA’s operating budget in regards to cash flow, but should not impact CSURMA’s actual operating costs since direct costs for premium payments including premium adjustments are reimbursed by campus projects, including interest. The proposed timeline for reimbursements is at the project’s midpoint during construction and at final project completion.

The Committee directed Staff to table this item to its March, 2019 meeting.

**D5. Policies and Procedures (Odd Numbered)**

Rob Leong explained that the Executive Committee adopted Resolution No. 04-13 (EC) directing review of the Authority’s Policies & Procedures (P&P) on a regular basis to ensure administrative processes of the Authority and its documentation remain relevant and effective, and to educate new Executive Committee members on CSURMA administrative practices. Resolution No. 04-13 defines the process for the Executive Committee to review even-numbered Policies & Procedures in even-numbered calendar years, and odd-numbered Policies & Procedures in odd-numbered calendar years.

All odd-numbered Policies & Procedures were reviewed by Staff and appear to reflect the current administrative practices of the CSURMA, and therefore Staff does not recommend any revisions.

A motion was made to defer the audit of AIME’s third-party claims administrator until 2021 because CSURMA conducted an audit of HSR in 2018.

**MOTION:** Scott Apel  
**SECOND:** Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			

Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

**D6. Appointment of 2019 Rating Plan Task Group**

Daniel Howell explained it is the practice of the Executive Committee to appoint a Rating Plans Task Group (RPTG) every three years to review and evaluate CSURMA’s funding policies and rating plans for the campus coverage programs. The RPTG’s findings and recommendations will be presented to the Executive Committee at its meeting on September 6, 2019 and to the Board of Directors for adoption on November 8, 2019. The RPTG’s findings and recommendations may also be presented to CSU’s Chief Administrators & Business Officers (CABO).

The RPTG will evaluate the rating plans for the following coverage programs:

1. Workers’ Compensation
2. General Liability, Errors & Omissions Liability, Employment Practices Liability
3. Property, Boiler & Machinery
4. Industrial Disability Leave, Non-Industrial Disability Insurance, Unemployment Insurance (IDL/NDI/UI)
5. Automobile Liability
6. Foreign Travel Insurance Program (FTIP)

A motion was made to appoint Kevin Saunders (Chair), Thom Davis, Scott Apel, Lisa Kao and Jody Van Leuven to the 2019 Rating Plans Task Group.

**MOTION:** Robert Eaton

**SECOND:** Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

**D7. CSURMA Support for Association Memberships and Professional Development**

CSURMA’s Executive Committee has previously agreed to support campus professional development of Executive Committee, AORMA Committee, campus and auxiliary organization leadership and risk management personnel. Currently CSURMA supports membership in the University Risk Management Association (URMIA), Auxiliary Organization Association (AOA), Public Agency Risk Management Association (PARMA), Public Risk and Insurance Management Association (PRIMA and CalPRIMA), and California Association of Joint Powers Authorities (CAJPA). Staff is recommending CSURMA support the following additional professional development opportunities:

- **Association of Governmental Risk Pools (AGRiP).** AGRIP is a national relative to CAJPA and expands horizons from the California risk pooling perspective. AGRiP discounts membership for members of CAJPA. *Annual Membership Cost: \$3,845.*
- **California Coalition for Workers’ Compensation (CCWC).** CCWC is a statewide professional development and advocacy organization for employers. They have expanded their offerings for public entity employers and discounted membership substantially for public entity members starting in 2019. University of California is an active participant and CCWC has agreed that CSU can join with a Chancellor’s Office lead representative and allow the campuses to affiliate in at no additional cost. *Annual Membership Cost: \$2,000.*

A motion was made to join the California Coalition for Workers’ Compensation.

**MOTION:** Robert Eaton

**SECOND:** Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

**E. OTHER PROGRAMS**

**E1. AORMA Programs Update**

Dwayne Brummett reported on the recent activities of the AORMA Committee.

**E2. AIME Programs Update**

Lisa Kao reported on the recent activities of the AIME Committee.

**F. CLOSED SESSION**

- 1. Hudson v. CSU (LA)**
- 2. Benjamin v. CSU (Sonoma)**
- 3. Apodaca v. CSU (San Marcos)**

A motion was made to enter closed session at 4:40 PM.

**MOTION:** Dave Nakamura

**SECOND:** Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			
Thom Davis	X			

**MOTION CARRIED**

The Committee came out of closed session 4:45 PM. The Chair reported that no action was taken during the closed session.

**MOTION:** Dwayne Brummett

**SECOND:** Scott Apel

NAME	AYE	ABSTAIN	NAY	ABSENT
Amy Thomas		X		
Dave Nakamura	X			
Dwayne Brummett	X			
Kevin Saunders	X			
Lisa Chavez	X			
Lisa Kao		X		
Robert Eaton	X			
Scott Apel	X			



California State University Risk Management Authority

**DRAFT**

Thom Davis	X			
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**MOTION CARRIED**

**G. INFORMATION ITEMS**

Jody Van Leuven informed members and staff that there is a new hire at the Chancellor’s Office, Scott Bourdon, the new Senior Manager of Risk and EH&S.

- G1. Review of FY 2018/19 Long Range Planning Goals**
- G2. CSURMA Administrative Service Calendar**
- G3. 2019 CSURMA Meeting Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

**H. ADJOURNMENT**

The meeting was adjourned at 4:46 PM.

**FINANCIAL REPORT**  
**DRAFT FINANCIAL STATEMENT AT DECEMBER 31, 2018**

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

**RECOMMENDATION:** It is recommended that the Executive Committee review and accept the Draft Financial Statement at December 31, 2018 as a part of the Consent Calendar.

**FISCAL IMPACT:** None.

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

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Draft Financial Statement at December 31, 2018

**California State University Risk Management Authority**  
**Member Aged Accounts Receivable**  
**As of 2/5/2019**

Client Name	Current	31-60	Balance
Associated Students Inc, CPSU San Luis Obispo	\$47,480.00	\$0.00	\$47,480.00
Associated Students Inc, CSPU Pomona	\$57,492.00	\$0.00	\$57,492.00
Associated Students Inc, CSU East Bay	\$3,348.00	\$0.00	\$3,348.00
Associated Students Inc, CSU Long Beach	\$39,762.00	\$0.00	\$39,762.00
Associated Students Inc, CSU Northridge	\$39,510.00	\$0.00	\$39,510.00
Associated Students Inc, CSU San Bernardino	\$456.00	\$0.00	\$456.00
Associated Students of Sonoma State University	\$3,647.00	\$0.00	\$3,647.00
Associated Students, CSU Fullerton	\$76,270.00	\$0.00	\$76,270.00
Associated Students, San Diego State University	\$84,139.00	\$0.00	\$84,139.00
Associated Students, San Jose State University	\$5,205.00	\$0.00	\$5,205.00
Cal Poly Corporation	\$128,556.00	\$0.00	\$128,556.00
Cal Poly Pomona Foundation, Inc.	\$136,079.00	\$0.00	\$136,079.00
Cal State LA University Auxiliary Services Inc	\$40,758.00	\$0.00	\$40,758.00
California Maritime Academy Associated Students	\$5,556.00	\$0.00	\$5,556.00
California Maritime Academy Foundation	\$14,087.00	\$0.00	\$14,087.00
California State University San Marcos Corporation	\$14,598.00	\$0.00	\$14,598.00
Capital Public Radio, Inc.	\$9,610.00	\$0.00	\$9,610.00
Channel Islands University Auxiliary Services, Inc.	\$17,575.00	\$0.00	\$17,575.00
CSU Bakersfield Foundation	\$377.00	\$0.00	\$377.00
CSU Bakersfield, Auxiliary for Sponsored Programs Admin	\$853.00	\$0.00	\$853.00
CSU Chico Research Foundation	\$23,508.00	\$0.00	\$23,508.00
CSU Dominguez Hills Foundation	\$14,686.00	\$0.00	\$14,686.00
CSU Fresno Association	\$34,478.00	\$0.00	\$34,478.00
CSU Fresno Athletic Corporation	\$27,088.00	\$0.00	\$27,088.00
CSU Fullerton Univ Auxiliary Services Corporation	\$401.00	\$0.00	\$401.00
CSU Long Beach Research Foundation	\$24,110.00	\$0.00	\$24,110.00
Donald P. & Katherine B. Loker University Student Union, Inc.	\$8,496.00	\$0.00	\$8,496.00
Forty-Niner Shops Inc, CSU Long Beach	\$354.00	\$0.00	\$354.00
Humboldt State Univ Sponsored Programs Foundation	\$16,132.00	\$0.00	\$16,132.00
Santos Manuel Student Union, CSU San Bernardino	\$26,430.00	\$0.00	\$26,430.00
Spartan Shops Inc., San Jose State University	\$4,272.00	\$0.00	\$4,272.00
Student Union Inc, San Jose State University	\$100,767.00	\$0.00	\$100,767.00
The Tower Foundation, San Jose State University	\$4,639.00	\$0.00	\$4,639.00
The University Corporation, CSU Northridge	\$70,076.00	\$0.00	\$70,076.00
a University Corporation at Monterey Bay	\$1,756.00	\$758.00	\$2,514.00
University Enterprises Corporation at CSUSB	\$25,965.00	\$0.00	\$25,965.00
University Enterprises Inc. CSU Sacramento	\$62,091.00	\$0.00	\$62,091.00
<b>Totals:</b>	<b>\$1,170,607.00</b>	<b>\$758.00</b>	<b>\$1,171,365.00</b>

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

**California State University Risk Management Authority  
Outstanding Member Loan Status  
As of 12/31/2018**

**Loan Pool: 15% of the overall average cash and investments for the preceding 12 months (Jan 2018 - Dec 2018)** **\$ 20,541,776**

Member Name	Maturity Date	Original Issue Date	Original Issue Amount	Outstanding Loan Balance 12/31/2018	Outstanding Loan Balance 06/30/2018
CSU Sacramento	Jun 2019	May 2014	\$ 4,000,000	\$ 127,533	\$ 489,378
Humboldt State University	Oct 2022	Jun 2017	\$ 1,800,000	\$ 1,637,923	\$ 1,800,000
<b>Total Loans</b>			<b>\$ 5,800,000</b>	<b>\$ 1,765,456</b>	<b>\$ 2,289,378</b>

**Remaining Amount Available for Member Loans** **\$ 14,903,853**  
*(The remaining amount reflects the CSU Sacramento line of credit balance \$3,872,467)*

**Per CSURMA P&P No. 10:**

Loans to a single Member Campus (and its associated Member Auxiliary Organizations) shall not exceed 5% of the overall average cash and investments for the preceding 12 months. **\$ 6,847,259**

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

Processed from July 1, 2018 to December 31, 2018

Travel Dates	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
9/29-10/3/2018	Jody Van Leuven	Salt Lake City, UT	URMIA Annual Conference	\$ -	\$ 7.00	\$ 163.34	\$ 170.34
10/9-10/10/2018	Zachary Gifford	CSUDH, CSULA, CSUN, CSUCI	CSURMA Financial and Operational Overview for CABO VPs at CSU Dominguez Hills, CSU Los Angeles, CSU Northridge, and CSU Channel Islands campuses	\$ 196.54	\$ 7.00	\$ 7.39	\$ 210.93
10/29-10/31/2018	Zachary Gifford	Monterey	Presenter at the 2018 CSU Facilities Management Conference	\$ 550.58	\$ 64.75	\$ 550.49	\$ 1,165.82
11/6/2018	Zachary Gifford	Northridge	Presentation at CSUN Risky Business Workshop and meeting with campus Risk Manager	\$ -	\$ -	\$ 47.96	\$ 47.96
11/8-11/9/2018	Jody Van Leuven	Santa Cruz	UC Lab Safety Working Group meeting at UC Santa Cruz	\$ -	\$ 7.00	\$ 163.34	\$ 170.34
11/14-11/15/2018	Zachary Gifford	San Francisco	CSURMA meeting and DVICA WC Educational Luncheon	\$ 255.83	\$ 38.24	\$ 291.64	\$ 585.71
11/17-11/21/2018	Robert Eaton	London	CSURMA UW meeting with Steven Relyea, Timothy White, Lars Walton, and Daniel Howell (Alliant)	\$ 1,051.37	\$ 76.33	\$ 2,603.76	\$ 3,731.46
12/5/2018	Zachary Gifford	Folsom	CSAC EIA Underwriter Committee meeting	\$ -	\$ -	\$ 182.02	\$ 182.02
<b>Travel Expenses Reported from 10/01/2018 to 12/31/2018</b>				<b>\$ 2,054.32</b>	<b>\$ 200.32</b>	<b>\$ 4,009.94</b>	<b>\$ 6,264.58</b>
7/8-7/11/2018	Zachary Gifford	Baltimore, MD	CSHEMA Conference	\$ 763.80	\$ 133.48	\$ 735.99	\$ 1,633.27
7/10-7/13/2018	Jody Van Leuven	San Diego	CSU Emergency Management Conference	\$ 729.39	\$ 43.21	\$ 180.18	\$ 952.78
7/20/2018, 7/22-7/24/2018	Zachary Gifford	San Francisco / Monterey	Ventiv Risk Console Dashboard Roll-out and CSURMA Team meeting at Alliant; AORMA Officers Retreat at The Hotel Pacific	\$ 504.36	\$ 171.44	\$ 392.94	\$ 1,068.74
7/31/2018	Zachary Gifford	East Bay	EHS Audit Presentation at EFO/DFO (Executive Facilities Officers/Directors Facilities Officers) meeting at CSU East Bay	\$ -	\$ 261.98	\$ 17.00	\$ 278.98
8/8-8/9/2018	Zachary Gifford	Sonoma / San Francisco	CSURMA Financial and Operational Overview for SFSU, CABO, VP, Phyllis Carter; Sonoma, CABO, VP, Joyce Lopez at their respective campuses	\$ 248.69	\$ 35.46	\$ 463.20	\$ 747.35
8/9/2018	Leona Ching	San Francisco	Fitting the Piece Together Conference site visit at the Crowne Hotel	\$ -	\$ -	\$ 205.41	\$ 205.41
8/9/2018	Martha Guiditta	San Francisco	Fitting the Piece Together Conference site visit at the Crowne Hotel	\$ -	\$ -	\$ 197.41	\$ 197.41
8/13-8/15/2018	Zachary Gifford	San Francisco / San Jose / Folsom	SFSU Science Building meeting and informal settlement discussion with carrier (AIG); CSURMA Update & Early Bird Rates for FY 2019-2020 Presentation to CABO at SISU campus; CSAC Underwriting Committee meeting at EIA's Office	\$ 345.15	\$ 58.63	\$ 352.28	\$ 756.06
9/4-9/7/2018	Zachary Gifford	Sacramento	CSURMA AORMA and EC meetings at Alliant	\$ 327.21	\$ 59.52	\$ 376.35	\$ 763.08
9/6/2018	Jody Van Leuven	Beverly Hills	Mock trial for Hudson v. CSU	\$ -	\$ -	\$ 21.80	\$ 21.80
9/19/2018	Zachary Gifford	Oakland	Annual WC SIU Stewardship meeting at Sedgwick's Oakland office	\$ -	\$ 179.44	\$ -	\$ 179.44
9/24-9/25/2018	Zachary Gifford	Woodland Hills	CSU/Sedgwick Double Play meeting at Ingber & Weinberg, LLP office	\$ 234.88	\$ 7.00	\$ 68.04	\$ 309.92
<b>Travel Expenses Reported from 07/01/2018 to 09/30/2018</b>				<b>\$ 3,153.48</b>	<b>\$ 950.16</b>	<b>\$ 3,010.60</b>	<b>\$ 7,114.24</b>
<b>GRAND TOTAL</b>				<b>\$ 5,207.80</b>	<b>\$ 1,150.48</b>	<b>\$ 7,020.54</b>	<b>\$ 13,378.82</b>

# California State University Risk Management Authority

## Balance Sheets - Campus Programs as of 12/31/2018

(Unaudited)

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>IDL/NDI/UI</u>	<u>Property</u>	<u>AIME</u>	<u>Auto Liability</u>	<u>Total Campus Programs As of 12/31/2018</u>
<b>Assets:</b>							
Cash and Investments	396,629	2,145,683	774,957	417,878	250,483	688,469	4,674,098
Other long-term investments	32,442,105	62,517,817	7,590,146	3,167,499	5,968,245	0	111,685,812
Accounts receivable	1,206,436	975,190	0	22,914	0	0	2,204,540
Loans receivable	0	0	0	0	0	0	0
Reinsurance receivable	0	40,926	0	0	0	0	40,926
Prepaid insurance	1,420,227	15,580,005	2,521	2,454,659	8,617	0	19,466,029
Prepaid expense	281,729	1,070,968	8,958	416,762	753,454	0	2,531,870
<b>Total assets:</b>	<b><u>35,747,125</u></b>	<b><u>82,330,588</u></b>	<b><u>8,376,582</u></b>	<b><u>6,479,712</u></b>	<b><u>6,980,799</u></b>	<b><u>688,469</u></b>	<b><u>140,603,275</u></b>
<b>Liabilities:</b>							
Accounts payable	59,367	2,502,283	2,190,195	24,137	223,093	0	4,999,076
Unearned revenue	7,024,172	19,418,692	7,750,000	1,586,897	2,330,273	386,417	38,496,452
SELF assessment liability	0	5,454,649	0	0	0	0	5,454,649
Reported claims	10,781,627	23,700,413	0	0	113,688	0	34,595,728
Claims incurred but not reported	13,123,366	10,035,696	0	0	2,273,750	0	25,432,812
<b>Total liabilities:</b>	<b><u>30,988,532</u></b>	<b><u>61,111,733</u></b>	<b><u>9,940,195</u></b>	<b><u>1,611,034</u></b>	<b><u>4,940,805</u></b>	<b><u>386,417</u></b>	<b><u>108,978,717</u></b>
Fund balance	4,758,593	21,218,855	(1,563,614)	4,868,678	2,039,994	302,053	31,624,559
<b>Total liabilities and fund balance</b>	<b><u>35,747,125</u></b>	<b><u>82,330,588</u></b>	<b><u>8,376,582</u></b>	<b><u>6,479,712</u></b>	<b><u>6,980,799</u></b>	<b><u>688,469</u></b>	<b><u>140,603,275</u></b>

# California State University Risk Management Authority

## Balance Sheets - AORMA Programs as of 12/31/2018

(Unaudited)

	<u>AORMA Liability</u>	<u>AORMA Workers' Comp</u>	<u>AORMA Property</u>	<u>AORMA Crime</u>	<u>AORMA UIP</u>	<u>Total AORMA Programs As of 12/31/2018</u>
<b>Assets:</b>						
Cash and Investments	257,861	265,360	111,554	13,312	109,373	757,460
Other long-term investments	8,979,667	5,662,430	2,063,687	474,897	5,580,221	22,760,902
Accounts receivable	45,126	405,843	16,330	5,728	23,503	496,530
Loans receivable	0	0	0	0	0	0
Reinsurance receivable	0	0	0	0	0	0
Prepaid insurance	108,507	1,999,862	202,476	89,189	323	2,400,356
Prepaid expense	197,236	155,357	111,544	8,122	1,001	473,259
<b>Total assets:</b>	<b><u>9,588,397</u></b>	<b><u>8,488,852</u></b>	<b><u>2,505,590</u></b>	<b><u>591,247</u></b>	<b><u>5,714,422</u></b>	<b><u>26,888,508</u></b>
<b>Liabilities:</b>						
Accounts payable	993,271	739,128	1,412	155	274,180	2,008,146
Unearned revenue	1,325,653	194,739	441,471	115,938	64,130	2,141,931
SELF assessment liability	0	0	0	0	0	0
Reported claims	925,968	1,764,997	0	0	0	2,690,965
Claims incurred but not reported	864,177	1,123,494	0	0	0	1,987,671
<b>Total liabilities:</b>	<b><u>4,109,069</u></b>	<b><u>3,822,358</u></b>	<b><u>442,883</u></b>	<b><u>116,093</u></b>	<b><u>338,310</u></b>	<b><u>8,828,713</u></b>
Fund balance	5,479,328	4,666,493	2,062,708	475,154	5,376,112	18,059,795
<b>Total liabilities and fund balance</b>	<b><u>9,588,397</u></b>	<b><u>8,488,852</u></b>	<b><u>2,505,590</u></b>	<b><u>591,247</u></b>	<b><u>5,714,422</u></b>	<b><u>26,888,508</u></b>

# California State University Risk Management Authority

## Balance Sheets - Miscellaneous Programs as of 12/31/2018

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Loans	Total Misc Programs As of 12/31/2018	Grand Total All Programs As of 12/31/2018
<b>Assets:</b>						
Cash and Investments	(323,950)	(2,403,488)	18,660	(1,765,456)	(4,474,233)	957,325
Other long-term investments	0	0	185,768	0	185,768	134,632,482
Accounts receivable	2,797	566,210	0	0	569,007	3,270,077
Loans receivable	0	0	0	1,765,456	1,765,456	1,765,456
Reinsurance receivable	0	0	0	0	0	40,926
Prepaid insurance	0	6,385,477	115,621	0	6,501,098	28,367,483
Prepaid expense	0	584,071	76,167	0	660,238	3,665,367
<b>Total assets:</b>	<b>(321,153)</b>	<b>5,132,270</b>	<b>396,216</b>	<b>0</b>	<b>5,207,333</b>	<b>172,699,116</b>
<b>Liabilities:</b>						
Accounts payable	0	2,853,872	246	0	2,854,118	9,861,339
Unearned revenue	0	0	0	0	0	40,638,383
SELF assessment liability	0	0	0	0	0	5,454,649
Reported claims	0	0	0	0	0	37,286,693
Claims incurred but not reported	0	0	0	0	0	27,420,483
<b>Total liabilities:</b>	<b>0</b>	<b>2,853,872</b>	<b>246</b>	<b>0</b>	<b>2,854,118</b>	<b>120,661,547</b>
Fund balance	(321,153)	2,278,397	395,971	0	2,353,215	52,037,569
<b>Total liabilities and fund balance</b>	<b>(321,153)</b>	<b>5,132,270</b>	<b>396,216</b>	<b>0</b>	<b>5,207,333</b>	<b>172,699,116</b>

**California State University Risk Management Authority**  
**Income Statements - Campus Programs as of 12/31/2018**  
(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs
<b>OPERATING REVENUES:</b>							
Contributions	8,601,700	19,418,692	7,750,000	4,613,520	2,330,274	386,417	43,100,602
Reinsurance premiums	(1,092,354)	0	0	(3,004,756)	0	0	(4,097,110)
<b>Total operating revenues:</b>	<b>7,509,346</b>	<b>19,418,692</b>	<b>7,750,000</b>	<b>1,608,764</b>	<b>2,330,274</b>	<b>386,417</b>	<b>39,003,492</b>
<b>OPERATING EXPENSES:</b>							
<b>DIRECT PROGRAM EXPENSES:</b>							
Claims payment & legal expenses	9,926,215	8,571,935	8,771,207	1,426,219	1,760,630	0	30,456,206
Deductible recoveries	(2,166,445)	0	0	0	0	0	(2,166,445)
Claims administrators	0	1,924,583	37,972	0	100,000	0	2,062,555
Claims management information system	23,166	51,233	5,928	3,529	1,781	0	85,636
Program administrator	135,447	363,392	86,673	219,755	4,267	0	809,534
Brokerage commissions	189,950	861	356	315,562	1,329	0	508,057
Insurance premiums	1,614,492	15,573,900	0	1,206,502	9,699	0	18,404,592
Actuarial services	7,146	10,871	2,258	1,254	3,429	0	24,959
Workshops/training	23,825	51,120	20,860	12,419	0	0	108,224
Loss control	239,013	58,206	0	31,734	0	0	328,953
Reinsurance/excess recovery	0	(6,820,342)	0	0	0	0	(6,820,342)
Program committee	0	0	0	0	0	0	0
Dividend distributions	3,647,367	1,127,520	0	0	0	0	4,774,887
<b>Total direct program expenses:</b>	<b>13,642,075</b>	<b>20,913,279</b>	<b>8,925,254</b>	<b>3,216,974</b>	<b>1,881,135</b>	<b>0</b>	<b>48,578,717</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>							
Financial audit	6,394	15,353	6,128	3,340	1,842	0	33,057
Executive committee & board expenses	838	2,013	804	438	242	0	4,335
JPA insurance	2,863	6,134	2,532	1,507	761	0	13,797
Memberships, associations & dues	752	14,075	693	397	208	0	16,126
Chancellor's office accounting services	32,402	73,562	29,841	16,996	8,969	0	161,770
Risk management expenses	65,124	153,906	61,706	34,064	18,551	0	333,352
Miscellaneous indirect services	13,246	5,624	2,242	1,226	674	0	23,012
<b>Total general &amp; administrative expenses:</b>	<b>121,619</b>	<b>270,667</b>	<b>103,945</b>	<b>57,969</b>	<b>31,247</b>	<b>0</b>	<b>585,448</b>
<b>Total operating expenses:</b>	<b>13,763,694</b>	<b>21,183,946</b>	<b>9,029,200</b>	<b>3,274,943</b>	<b>1,912,382</b>	<b>0</b>	<b>49,164,165</b>
<b>NON-OPERATING REVENUES:</b>							
Investment income	689,582	1,326,665	176,996	74,760	128,475	0	2,396,477
<b>Total non-operating revenues:</b>	<b>689,582</b>	<b>1,326,665</b>	<b>176,996</b>	<b>74,760</b>	<b>128,475</b>	<b>0</b>	<b>2,396,477</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>10,094,128</b>	<b>21,657,444</b>	<b>(461,410)</b>	<b>6,460,096</b>	<b>1,722,859</b>	<b>(84,364)</b>	<b>39,388,754</b>
<b>ADJUSTMENTS TO RETAINED EARNINGS</b>	<b>229,231</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(229,231)</b>	<b>0</b>	<b>0</b>
<b>TOTAL ADJUSTED RETAINED EARNINGS</b>	<b>10,323,359</b>	<b>21,657,444</b>	<b>(461,410)</b>	<b>6,460,096</b>	<b>1,493,628</b>	<b>(84,364)</b>	<b>39,388,754</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(5,564,766)</b>	<b>(438,589)</b>	<b>(1,102,204)</b>	<b>(1,591,418)</b>	<b>546,366</b>	<b>386,417</b>	<b>(7,764,195)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>4,758,593</b>	<b>21,218,855</b>	<b>(1,563,614)</b>	<b>4,868,678</b>	<b>2,039,994</b>	<b>302,053</b>	<b>31,624,559</b>

**California State University Risk Management Authority**  
**Income Statements - AORMA Programs as of 12/31/2018**

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs
<b>OPERATING REVENUES:</b>						
Contributions	2,071,630	2,636,019	1,232,837	115,938	197,300	6,253,724
Reinsurance premiums	(721,133)	0	(791,366)	0	0	(1,512,498)
<b>Total operating revenues:</b>	<b>1,350,498</b>	<b>2,636,019</b>	<b>441,471</b>	<b>115,938</b>	<b>197,300</b>	<b>4,741,226</b>
<b>OPERATING EXPENSES:</b>						
<b>DIRECT PROGRAM EXPENSES:</b>						
Claims payment & legal expenses	536,458	979,449	299,722	0	432,939	2,248,568
Deductible recoveries	(12,500)	0	0	0	0	(12,500)
Claims administrators	7,500	117,684	0	0	7,000	132,184
Claims management information system	1,643	1,977	820	109	761	5,309
Program administrator	618,135	199,842	132,116	13,640	23,943	987,676
Brokerage commissions	35,911	119	101,965	7,986	46	146,026
Insurance premiums	107,808	2,221,423	96,644	89,142	0	2,515,017
Actuarial services	5,652	6,234	311	35	261	12,493
Workshops/training	12,480	14,376	6,019	726	5,229	38,830
Loss control	41,602	46,494	7,800	0	0	95,897
Reinsurance/excess recovery	0	(603,096)	0	0	0	(603,096)
Program committee	1,607	1,780	759	83	619	4,848
Dividend distributions	942,030	393,680	0	0	0	1,335,710
<b>Total direct program expenses:</b>	<b>2,298,326</b>	<b>3,379,961</b>	<b>646,157</b>	<b>111,722</b>	<b>470,797</b>	<b>6,906,962</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>						
Financial audit	1,786	1,978	844	92	688	5,387
Executive committee & board expenses	130	144	62	7	50	393
JPA insurance	702	844	350	47	325	2,268
Memberships, associations & dues	9	1,388	5	1	4	1,407
Chancellor's office accounting services	8,489	9,788	4,119	497	3,582	26,475
Risk management expenses	17,861	20,013	8,504	952	7,061	54,390
Miscellaneous indirect services	641	708	309	36	262	1,956
<b>Total general &amp; administrative expenses:</b>	<b>29,618</b>	<b>34,864</b>	<b>14,193</b>	<b>1,631</b>	<b>11,972</b>	<b>92,277</b>
<b>Total operating expenses:</b>	<b>2,327,944</b>	<b>3,414,825</b>	<b>660,350</b>	<b>113,352</b>	<b>482,768</b>	<b>6,999,239</b>
<b>NON-OPERATING REVENUES:</b>						
Investment income	188,657	120,579	44,545	9,954	116,866	480,600
<b>Total non-operating revenues:</b>	<b>188,657</b>	<b>120,579</b>	<b>44,545</b>	<b>9,954</b>	<b>116,866</b>	<b>480,600</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>6,268,117</b>	<b>5,324,721</b>	<b>2,237,041</b>	<b>462,615</b>	<b>5,544,715</b>	<b>19,837,208</b>
<b>ADJUSTMENTS TO RETAINED EARNINGS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ADJUSTED RETAINED EARNINGS</b>	<b>6,268,117</b>	<b>5,324,721</b>	<b>2,237,041</b>	<b>462,615</b>	<b>5,544,715</b>	<b>19,837,208</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(788,789)</b>	<b>(658,227)</b>	<b>(174,334)</b>	<b>12,540</b>	<b>(168,603)</b>	<b>(1,777,413)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>5,479,328</b>	<b>4,666,493</b>	<b>2,062,708</b>	<b>475,154</b>	<b>5,376,112</b>	<b>18,059,795</b>

**California State University Risk Management Authority**  
**Income Statements - Miscellaneous Programs as of 12/31/2018**

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Total Misc Programs	Grand Total All Programs
<b>OPERATING REVENUES:</b>					
Contributions	239,699	0	31,540	271,239	49,625,566
Reinsurance premiums	0	0	0	0	(5,609,608)
<b>Total operating revenues:</b>	<b>239,699</b>	<b>0</b>	<b>31,540</b>	<b>271,239</b>	<b>44,015,957</b>
<b>OPERATING EXPENSES:</b>					
<b>DIRECT PROGRAM EXPENSES:</b>					
Claims payment & legal expenses	0	0	37,413	37,413	32,742,187
Deductible recoveries	0	0	0	0	(2,178,945)
Claims administrators	0	0	8,000	8,000	2,202,739
Claims management information system	0	3,064	147	3,211	94,157
Program administrator	0	253,453	0	253,453	2,050,663
Brokerage commissions	86,248	21,100	10,970	118,318	772,402
Insurance premiums	497,861	1,900,219	96,369	2,494,450	23,414,058
Actuarial services	0	649	55	704	38,156
Workshops/training	0	0	0	0	147,054
Loss control	0	0	0	0	424,850
Reinsurance/excess recovery	0	0	0	0	(7,423,438)
Program committee	0	0	0	0	4,848
Dividend distributions	0	0	0	0	6,110,597
<b>Total direct program expenses:</b>	<b>584,109</b>	<b>2,178,485</b>	<b>152,954</b>	<b>2,915,549</b>	<b>58,401,228</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>					
Financial audit	0	1,408	148	1,556	40,000
Executive committee & board expenses	0	103	11	114	4,842
JPA insurance	0	1,309	63	1,372	17,436
Memberships, associations & dues	0	17	1	18	17,550
Chancellor's office accounting services	0	11,025	730	11,755	200,000
Risk management expenses	0	16,613	1,493	18,106	405,847
Miscellaneous indirect services	0	635	54	689	25,657
<b>Total general &amp; administrative expenses:</b>	<b>0</b>	<b>31,109</b>	<b>2,499</b>	<b>33,608</b>	<b>711,333</b>
<b>Total operating expenses:</b>	<b>584,109</b>	<b>2,209,594</b>	<b>155,453</b>	<b>2,949,157</b>	<b>59,112,560</b>
<b>NON-OPERATING REVENUES:</b>					
Investment income	0	0	4,209	4,209	2,881,287
<b>Total non-operating revenues:</b>	<b>0</b>	<b>0</b>	<b>4,209</b>	<b>4,209</b>	<b>2,881,287</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>23,257</b>	<b>4,487,992</b>	<b>515,675</b>	<b>5,026,923</b>	<b>64,252,885</b>
<b>ADJUSTMENTS TO RETAINED EARNINGS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ADJUSTED RETAINED EARNINGS</b>	<b>23,257</b>	<b>4,487,992</b>	<b>515,675</b>	<b>5,026,923</b>	<b>64,252,885</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(344,410)</b>	<b>(2,209,594)</b>	<b>(119,704)</b>	<b>(2,673,708)</b>	<b>(12,215,316)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>(321,153)</b>	<b>2,278,397</b>	<b>395,971</b>	<b>2,353,215</b>	<b>52,037,569</b>

# California State University Risk Management Authority

## Income Statement as of 12/31/2018

(Unaudited)

	Budget vs. Actual			
	FY 2018/19 Budget	Fiscal Year-to-Date As of 12/31/2018	Variance	Percent of Budget
<b>OPERATING REVENUES:</b>				
Contributions	102,471,662	49,625,566	52,846,096	48.43 %
Reinsurance premiums	(11,395,754)	(5,609,608)	(5,786,146)	49.23 %
<b>Total operating revenues:</b>	<b>91,075,908</b>	<b>44,015,957</b>	<b>47,059,951</b>	<b>48.33 %</b>
<b>OPERATING EXPENSES:</b>				
<b>DIRECT PROGRAM EXPENSES:</b>				
Claims payment & legal expenses	65,445,567	32,742,187	32,703,380	50.03 %
Deductible recoveries	(5,100,000)	(2,178,945)	(2,921,055)	42.72 %
Claims administrators	4,401,422	2,202,739	2,198,683	50.05 %
Claims management information system	125,000	94,157	30,843	75.33 %
Program administrator	3,238,950	2,050,663	1,188,287	63.31 %
Brokerage commissions	1,411,974	772,402	639,572	54.70 %
Insurance premiums	43,884,440	23,414,058	20,470,382	53.35 %
Taxes, assessments & fees	301,450	0	301,450	0.00 %
Actuarial services	74,500	38,156	36,344	51.22 %
Claims audit	9,870	0	9,870	0.00 %
Coverage counsel	16,000	0	16,000	0.00 %
Program legal	24,500	0	24,500	0.00 %
Miscellaneous program services	10,002	1,900	8,102	19.00 %
Workshops/training	264,999	147,054	117,945	55.49 %
Loss control	978,615	424,850	553,765	43.41 %
Reinsurance/excess recovery	(19,927,941)	(7,423,438)	(12,504,503)	37.25 %
Program committee	11,000	4,848	6,152	44.07 %
Dividend distributions	1,401,588	6,110,597	(4,709,009)	435.98 %
<b>Total direct program expenses:</b>	<b>96,571,936</b>	<b>58,401,228</b>	<b>38,170,708</b>	<b>60.47 %</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>				
Financial audit	36,400	40,000	(3,600)	109.89 %
Executive committee & board expenses	35,395	4,842	30,553	13.68 %
JPA insurance	16,640	17,436	(796)	104.78 %
Memberships, associations & dues	44,773	17,550	27,223	39.20 %
Chancellor's office accounting services	400,000	200,000	200,000	50.00 %
Risk management expenses	1,134,498	405,847	728,651	35.77 %
JPA legal	111,395	0	111,395	0.00 %
Miscellaneous indirect services	28,593	25,657	2,936	89.73 %
<b>Total general &amp; administrative expenses:</b>	<b>1,807,694</b>	<b>711,333</b>	<b>1,096,361</b>	<b>39.35 %</b>
<b>Total operating expenses:</b>	<b>98,379,630</b>	<b>59,112,560</b>	<b>39,267,070</b>	<b>60.09 %</b>
<b>NON-OPERATING REVENUES:</b>				
Investment income	2,500,000	2,881,287	(381,287)	115.25 %
<b>Total non-operating revenues:</b>	<b>2,500,000</b>	<b>2,881,287</b>	<b>(381,287)</b>	<b>115.25 %</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(4,803,722)</b>	<b>(12,215,316)</b>	<b>7,411,594</b>	<b>254.29 %</b>

**FINANCIAL REPORT**  
**TREASURER'S QUARTERLY INVESTMENT REPORT AT**  
**DECEMBER 31, 2018**

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

**RECOMMENDATION:** It is recommended that the Executive Committee review the Certification of Funds Letter and the CSURMA Investment Report (October 1, 2018 to December 31, 2018) and accept these reports.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Certification of Funds Letter dated February 19, 2019
- b. CSURMA Investment Report - October 1, 2018 to December 31, 2018



California State University Risk Management Authority

**Officers**


**Lisa Chavez**  
Chair - 323-343-3500

**Kevin Saunders**  
Vice Chair - 831-582-3000

**Robert Eaton**  
Treasurer - 562-951-4572

**Zachary Gifford**  
Secretary-Auditor - 562-951-4568

**To:** Executive Committee  
CSU Risk Management Authority

**From:** Robert Eaton   
Treasurer  
CSU Risk Management Authority

**Re:** Quarterly Investment Report  
Ending December 31, 2018

**Date:** February 19, 2019

Government Code Section 53646(b)(1) requires the Authority's Treasurer to submit to the legislative body (Executive Committee), a quarterly investment report. Attached is the quarterly investment report ending December 31, 2018. The report contains a portfolio summary which includes market value, return, yield, weighted average maturity (WAM), and duration for each of CSURMA Investment Portfolios: the CSU's SWIFT Portfolio and the Fixed Income Portfolio with TCW (Met West).

The funds held in investments are sufficient to meet the Authority's cash-flow needs for the following six (6) months.

However, as of December 31, 2018, the investments are not in compliance with the Master Investment Policy of the Authority dated March 19, 2015 (the "MIP"), as duly authorized by the Executive Committee. Specifically, the combined amount of the CSU SWIFT Portfolio plus the balance of outstanding loans is 2.4% of total Authority investments, which is below the portfolio target range of 25-33% as outlined in Section III of the MIP, and the Fixed Income Portfolio is 97.6% of total Authority investments, which is greater than the portfolio target range of 67-75% as outlined in Section III of the MIP.

Robert Eaton  
Treasurer  
CSU Risk Management Authority

# CSURMA

## Quarterly Investment Report

October 1, 2018 - December 31, 2018

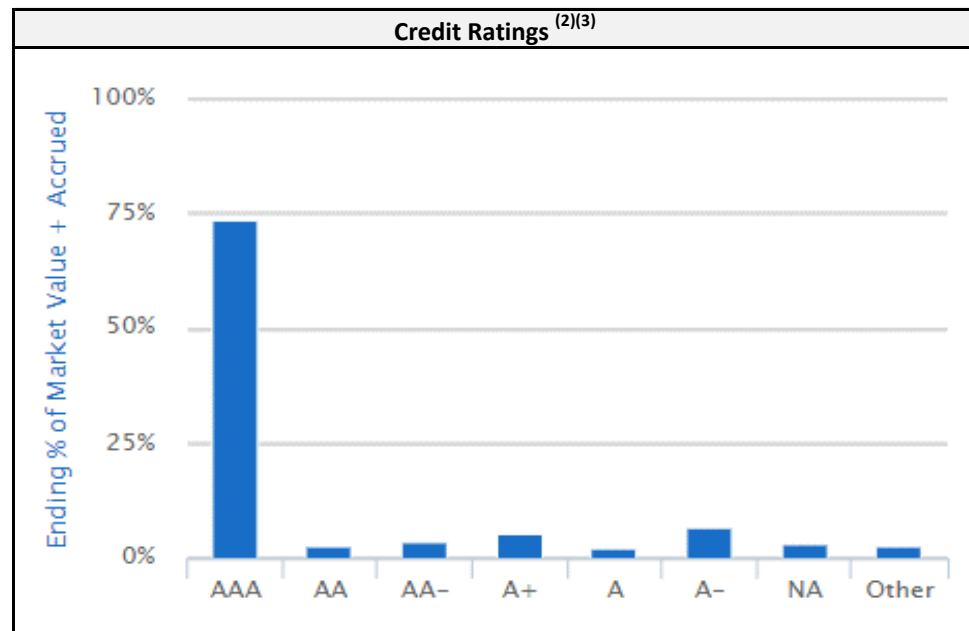
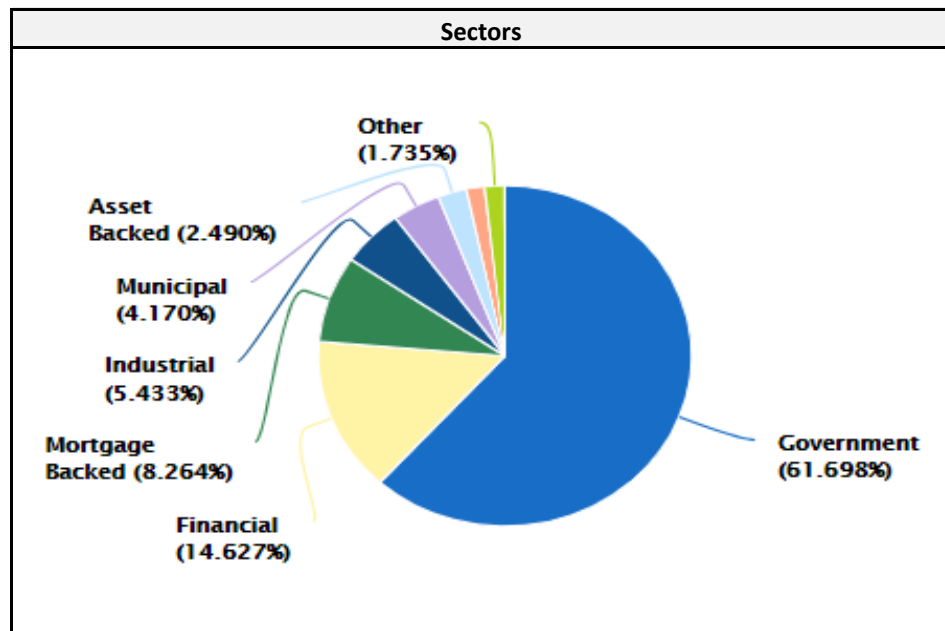
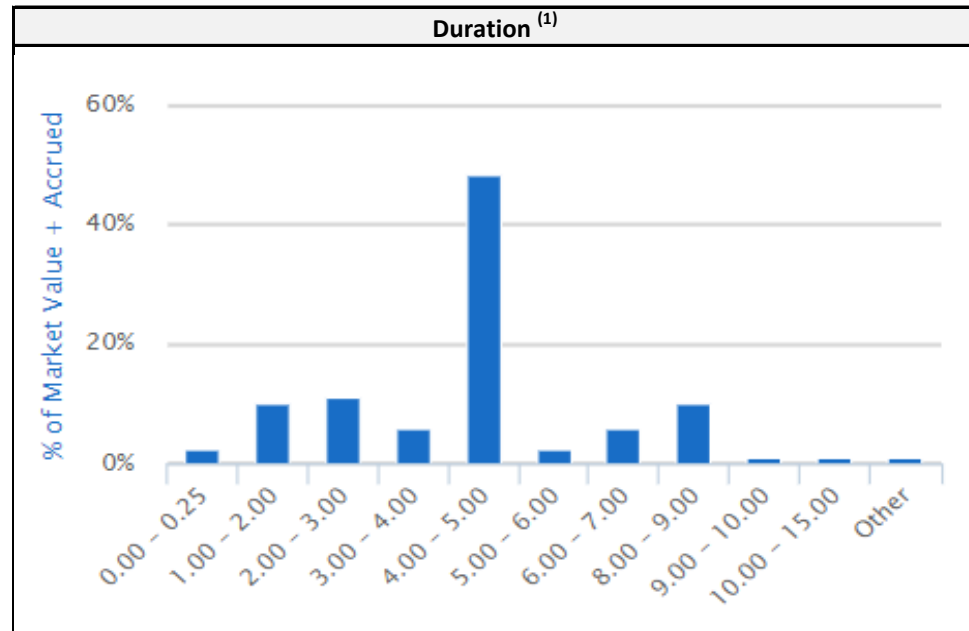
Prepared by Treasury

# California State University Risk Management Authority

## Fixed Income Portfolio (Auxiliary Investment Platform)

As of 12/31/2018

Portfolio Summary Total	
Total Assets	134,632,482
Duration	4.436
Yield	2.811
Avg Credit Rating	AA/Aa2
QE Performance	2.025%



<sup>(1)</sup> The Other category combines duration ranges and in aggregate equals 0.916% of the portfolio.

<sup>(2)</sup> The Other category contains assets that do not fall within the seven specific charted credit ratings. These assets make 2.784% of the portfolio and include the following ratings: AA+, A-1+, BBB+, and BBB-

<sup>(3)</sup> The NA category contains assets that do not have credit ratings available. These assets make up 3.028% of the portfolio.

# California State University Risk Management Authority

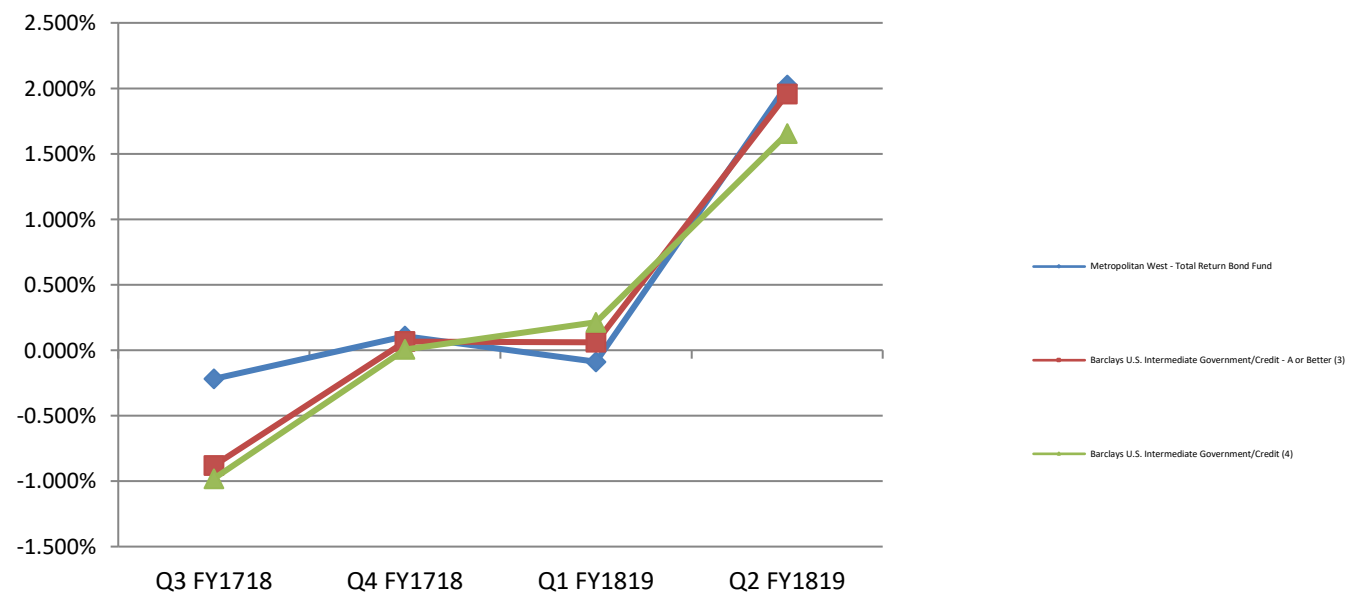
## Fixed Income Portfolio (Auxiliary Investment Platform)

### Performance Summary

Period Ending 12/31/2018

Account / Index	Market Value	3 Month <sup>(1)</sup>	Trailing 12 Month <sup>(1)</sup>	Trailing 3 Year <sup>(1)</sup>	Trailing 5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	12/31/2018	10/01/18 - 12/31/18	01/01/18 - 12/31/18	01/01/16 - 12/31/18	01/01/14 - 12/31/18	07/01/07 - 12/31/18			
Metropolitan West - Total Return Bond Fund	134,632,482	2.025%	1.820%	1.268%	1.455%	3.213%	2.811	6.749	4.436
Barclays U.S. Intermediate Government/Credit - A or Better <sup>(3)</sup>		1.957%	1.188%	1.407%	1.672%	2.601%	2.737	4.117	3.780
Barclays U.S. Intermediate Government/Credit <sup>(4)</sup>		1.654%	0.878%	1.696%	1.854%	2.931%	2.992	4.272	3.874

Account / Index	Q3 FY1718	Q4 FY1718	Q1 FY1819	Q2 FY1819	Trailing 12 Month <sup>(1)</sup>
	01/01/18 - 03/31/18	04/01/18 - 06/30/18	07/01/18 - 09/30/18	10/01/18 - 12/31/18	01/01/18 - 12/31/18
Metropolitan West - Total Return Bond Fund	-0.219%	0.107%	-0.089%	2.025%	1.820%
Barclays U.S. Intermediate Government/Credit - A or Better <sup>(3)</sup>	-0.882%	0.067%	0.061%	1.957%	1.188%
Barclays U.S. Intermediate Government/Credit <sup>(4)</sup>	-0.981%	0.006%	0.214%	1.654%	0.878%



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

(2) Weighted Average Maturity

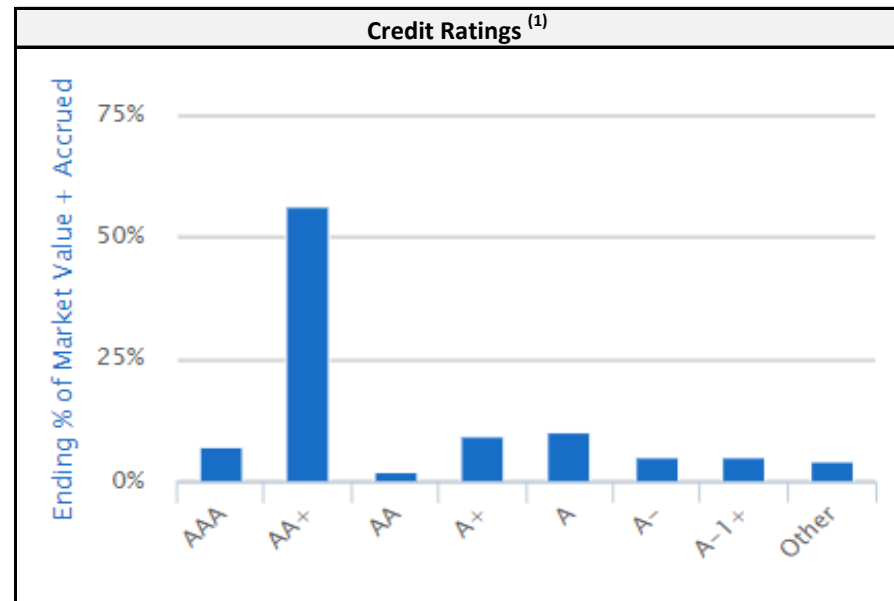
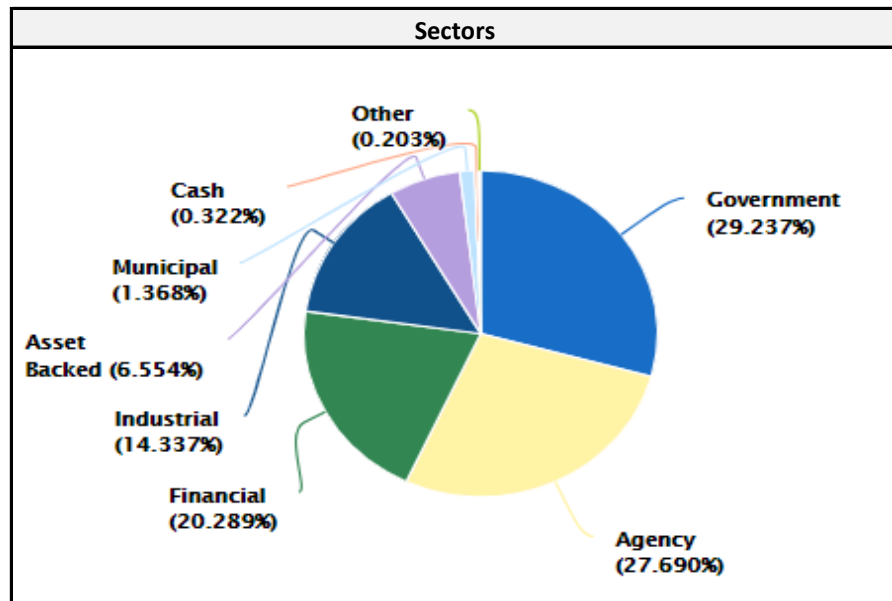
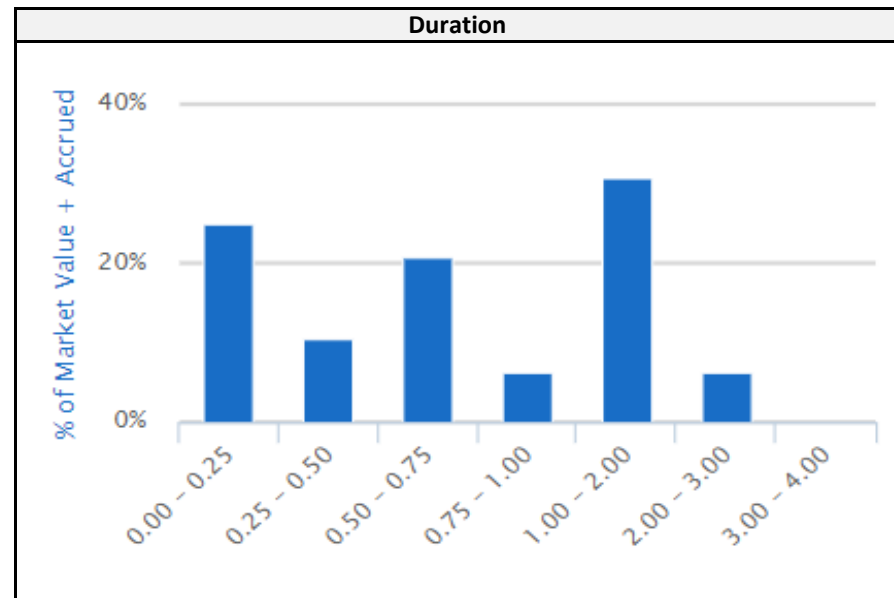
(3) Portfolio Benchmark as of 05/2014.

(4) Portfolio Benchmark prior to 05/2014.

# California State University SWIFT Portfolio

As of 12/31/2018

Portfolio Summary Total	
Total Assets	1,487,887
Duration	0.834
Yield	2.730
Avg Credit Rating	AA-/Aa3
QE Performance	0.719%



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

# California State University Risk Management Authority

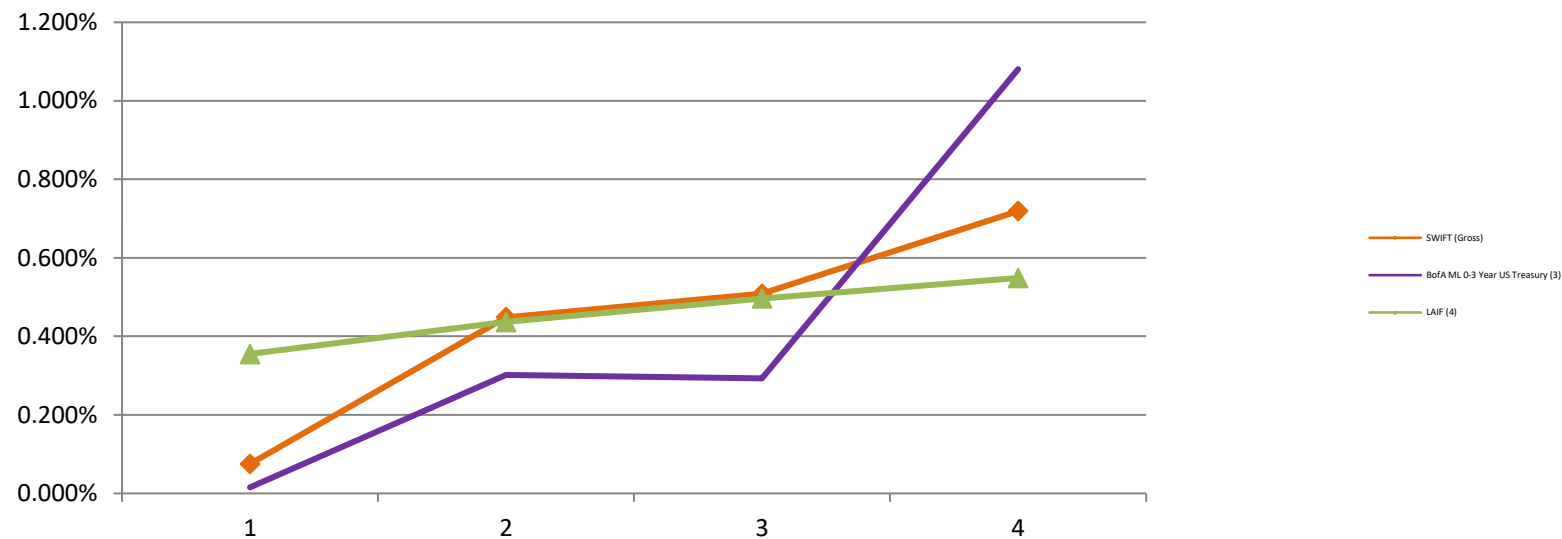
## SWIFT Portfolio

### Performance Summary

Period Ending 12/31/2018

Account / Index	Market Value	3 Month <sup>(1)</sup>	Trailing 12 Month <sup>(1)</sup>	Trailing 3 Year <sup>(1)</sup>	Trailing 5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	12/31/18	10/01/18 - 12/31/18	01/01/18 - 12/31/18	01/01/16 - 12/31/18	01/01/14 - 12/31/18	07/01/07 - 12/31/18			
SWIFT - CSU Systemwide Investment Fund Trust (Gross)	1,487,887	0.719%	1.762%	1.239%	0.981%	1.288%	2.730	1.027	0.834
BofA ML 0-3 Year US Treasury <sup>(3)</sup>		1.081%	1.698%	1.009%	0.782%	1.542%	2.528	1.488	1.433
LAIF - Local Agency Investment Fund <sup>(4)</sup>		0.549%	1.851%	1.142%	0.797%	1.089%	2.213		

Account / Index	Q3 FY1718	Q4 FY1718	Q1 FY1819	Q2 FY1819	Trailing 12 Month <sup>(1)</sup>
	01/01/18 - 03/31/18	04/01/18 - 06/30/18	07/01/18 - 09/30/18	10/01/18 - 12/31/18	01/01/18 - 12/31/18
SWIFT (Gross)	0.075%	0.449%	0.508%	0.719%	1.762%
BofA ML 0-3 Year US Treasury <sup>(3)</sup>	0.015%	0.302%	0.293%	1.081%	1.698%
LAIF <sup>(4)</sup>	0.355%	0.437%	0.497%	0.549%	1.851%



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

(2) Weighted Average Maturity

(3) SWIFT Portfolio Benchmark

(4) LAIF returns calculated by CSUCO Treasury

**CSURMA MASTER INVESTMENT POLICY AND RELATED  
INVESTMENT POLICIES**

**ISSUE:** The Treasurer of CSURMA is directed to adopt the CSURMA Investment Policy and related policies, as the Master Investment Policy of the CSURMA. As noted within Resolution 02-14 (BOD), the Executive Committee will annually review the Master Investment Policy and approve amendments as necessary.

**RECOMMENDATION:** The Investment Policy is included in today's agenda as a discussion item only. The CSURMA Master Investment Policy will be revised and presented to the Committee for approval at its meeting in May, 2019.

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

**BACKGROUND:** None.

**PUBLICATION:** When the Master Investment Policy is revised, it will be uploaded into the CSURMA website.

**ATTACHMENT(S):**

- a. Master Investment Policy and related investment policies
- b. Resolution 02-14 (BOD) – Resolution to Adopt the CSURMA Master Investment Policy and Investment Policy for the Fixed Income Portfolio

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT  
AUTHORITY (CSURMA)**

**MASTER INVESTMENT POLICY**

**March 19, 2015**

**I. PURPOSE**

The purpose of this master investment policy (MIP), and each of CSURMA’s other investment policies (collectively with the MIP, the “Policies”), is to provide a framework for the management of CSURMA assets. The Policies outline objectives, benchmarks, restrictions and responsibilities so that the Executive Committee of CSURMA (EC), officers, staff, consultants, investment managers, members and beneficiaries, and all CSURMA stakeholders clearly understand the objectives and policies of CSURMA’s investment program.

The Policies set forth the guidelines which the EC deems to be appropriate and prudent in consideration of the needs of and the legal requirements applicable to CSURMA’s investment program. The Policies provide criteria against which investment results will be measured and serve as a review document to guide ongoing operations and oversight. The Policies also are intended to ensure that the EC is fulfilling its fiduciary responsibilities in the management of CSURMA investments.

The EC intends for the Policies to be dynamic documents and will review them from time to time. Policies will be modified periodically to reflect the changing nature of CSURMA’s assets and investment programs, organizational objectives, and economic conditions.

In addition, within this MIP, the EC has delegated to the Treasurer of CSURMA (Treasurer) certain authorities that pertain to the ongoing management and administration of CSURMA assets and various investment programs.

**II. STRATEGIC OBJECTIVES**

The overall objective of the CSURMA investment program is to provide its stakeholders with an appropriate risk-adjusted return on assets available for investment. Because the primary source of CSURMA funding derives from the operations of the California State University (CSU) and because CSURMA has the authority to invest funds pursuant to California Government Code 6509.5, the EC has determined that CSURMA funds should be invested in a manner that draws from both the investment policy of the CSU, specifically, the sections labeled “Investment Policy Statement” and “Investment Authority” of the California State University Investment Policy (Attachment A), which are incorporated by reference into this MIP, as well as California Government Code 6509.5, specifically Section 53601.

Consistent with the California State University Investment Policy, when CSURMA Funds are invested, the primary objective shall be to safeguard the principal, the secondary objective shall be to meet liquidity needs, and the third objective shall be to provide an acceptable risk-adjusted return.

The EC also has the following objectives with respect to funds available for investment:

1. To ensure that CSURMA has, at all times, sufficient funds available to meet immediate liquidity needs.
2. To allow for the investment of funds not immediately needed for liquidity over a longer time horizon with the goal of providing the opportunity for greater risk-adjusted return.
3. To make periodic loans to CSU campuses or auxiliaries to mitigate potentially higher claims liability associated with certain situations.

### **III. INVESTMENT PORTFOLIOS**

Based on the investment objectives, the EC has determined that CSURMA assets should be invested in three portfolios, each with its own investment policy. The three portfolios, along with target ranges are as follows:

<u>Portfolio</u>	<u>Target Range</u>
CSU Systemwide Investment Fund Trust (SWIFT)	25-33%
Fixed Income Portfolio (FIP)	67-75%
Loan Portfolio (to be included within the SWIFT allocation)	0-15%

The SWIFT Investment Policy is attached as Attachment B

The FIP Investment Policy is attached as Attachment C

The Loan Portfolio Policy, titled “Member Loans Policy and Procedure No. 10”, is attached as Attachment D

The EC recognizes that the SWIFT Portfolio and the SWIFT Investment Policy are under the control of the CSU and are not under the EC’s ability to modify.

### **IV. RESPONSIBILITIES**

- A. The EC’s responsibilities include, but are not limited to:
  1. Acting as the investment committee for CSURMA.
  2. Developing and adopting policies to achieve CSURMA’s strategic objectives.
  3. Reviewing policy recommendations made by the Treasurer and staff.
  4. Periodically reviewing and amending the Policies, as appropriate.
- B. The Treasurer’s responsibilities include, but are not limited to:
  1. Recommending policies for EC consideration.
  2. Reviewing policy recommendations made by staff, investment consultants, and/or investment managers.

3. Periodically reviewing the Policies and recommending revisions, as appropriate.
4. Overseeing the engagement of CSU staff (to serve as CSURMA staff), investment consultants, investment managers, and other appropriate specialists.
5. Monitoring the portfolios' investments, risks, and performance.
6. Periodically, but at least annually, reporting to the EC on the portfolios' investments, risks, and performance.

The Treasurer may delegate responsibilities, as appropriate, to the Assistant Vice Chancellor of Financing, Treasury and Risk Management of the CSU (Assistant Vice Chancellor) in his/her capacity as staff to CSURMA.

Reviewed and Approved by the EC:

March 7, 2019

Revised on:

March 19, 2015

Approved by the EC:

March 19, 2015

## **The California State University Investment Policy**

The following investment guidelines have been developed for use when investing California State University funds.

### **Investment Policy Statement**

The objective of the investment policy of the California State University (CSU) is to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume in obtaining such return. The Board of Trustees desires to provide the Chancellor and his designees with the greatest possible flexibility to maximize investment opportunities. However, as agents of the trustees, the Chancellor and his designees must recognize the fiduciary responsibility of the trustees to conserve and protect the assets of the portfolios, and by prudent management prevent exposure to undue and unnecessary risk.

When investing CSU funds, the primary objective of the CSU shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the CSU. The third objective shall be to return an acceptable yield.

### **Investment Authority**

The CSU may invest monies held in local trust accounts under Education Code Sections 89721 and 89724 in any of the securities authorized by Government Code Sections 16330 and 16430 and Education Code Section 89724 listed in Section A, subject to limitations described in Section B.

A. State Treasury investment options include:

- Surplus Money Investment Fund (SMIF)
- Local Agency Investment Fund (LAIF)
- State Agency Investment Fund (SAIF)

Eligible securities for investment outside the State Treasury, as authorized by Government Code Section 16430 and Education Code Section 89724, include:

- Bonds, notes or obligations with principal and interest secured by the full faith and credit of the United States;
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States;

- Bonds or warrants of any county, city, water district, utility district or school district;
  - California State bonds, notes, or warrants, or bonds, notes, or warrants with principal and interest guaranteed by the full faith and credit of the State of California;
  - Various debt instruments issued by: (1) federal land banks, (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank Bd., (4) Federal National Mortgage Association, (5) Federal Home Loan Mortgage Corporation, and (6) Tennessee Valley Authority;
  - Commercial paper exhibiting the following qualities: (1) “prime” rated, (2) less than 180 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000, (4) approved by the PMIB. Investments must not exceed 10 percent of corporation’s outstanding paper, and total investments in commercial paper cannot exceed 30 percent of an investment pool;
  - Bankers’ acceptances eligible for purchase by the Federal Reserve System;
  - Certificates of deposit (insured by FDIC, FSLIC or appropriately collateralized);
  - Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Administration;
  - Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration;
  - Student loan notes insured by the Guaranteed Student Loan Program;
  - Debt issued, assumed, or guaranteed by the Inter-American Development Bank, Asian Development Bank or Puerto Rican Development Bank;
  - Bonds, notes or debentures issued by U.S. corporations rated within the top three ratings of a nationally recognized rating service;
- B. In addition to the restrictions established in Government Code Section 16430, the CSU restricts the use of leverage in CSU investment portfolios by limiting reverse repurchase agreements used to buy securities to no more than 20 percent of a portfolio.

Furthermore, the CSU:

- Prohibits securities purchased with the proceeds of a reverse repurchase from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding;
- Limits reverse repurchase agreements to unencumbered securities already held in the purchased with the proceeds of the repurchase (but in any event not more than one year) and;
- Limits reverse repurchase agreements to unencumbered securities already held in the portfolio.

**Investment Reporting Requirements**

Annually, the Chancellor will provide to the Board of Trustees a written statement of investment policy in addition to a report containing a detailed description of the investment securities held by the CSU, including market values.

(Approved by the CSU Board of Trustees in January 1997; and as amended in September 2011 and November 2013)

**Investment Policy for California State University Systemwide Investment Fund  
Trust (SWIFT)  
REVISED March 14, 2008**

The California State University Systemwide Investment Fund Trust (CSU SWIFT) has been created to facilitate the centralization of the investment management function on behalf of the California State University (CSU) System and its campuses, departments, auxiliaries, foundations, and other related entities. The following investment guidelines have been developed for management of the CSU SWIFT.

***Statement of Investment Policy and Guidelines***

When investing campus funds, the primary objective of the investment managers shall be to safeguard the principal. The secondary objective shall be to meet the liquidity need of the campus. The third objective shall be to return an acceptable yield.

The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume in obtaining such return.

***Adherence to Policy Guidelines***

CSU SWIFT assets are to be managed in accordance with the policy guidelines expressed herein, or expressed by separate written instructions when deviation is deemed prudent and desirable. Written instructions amending this policy document must be signed by the chair of the Investment Committee.

***Discretionary Authority***

The investment managers are expected to exercise complete investment discretion within the boundaries of the restrictions outlined in this Statement of Investment Policy and Guidelines. Such discretion includes decisions to buy, hold, or sell fixed income securities (including cash equivalents) in amounts and proportions reflective of the managers' current investment strategy.

***Communication***

The Committee encourages, and the investment managers are responsible for, frequent and open communication with the Committee on all significant matters pertaining to the investment of the assets for the SWIFT. These communications should generally be addressed to the Office of the Vice Chancellor, Business & Finance. In this manner, the Committee expects to be advised of any major changes in investment outlook, investment strategy, portfolio structure, or market value of the assets, and other substantive matters affecting the SWIFT. The Committee also expects to be informed of any significant

changes in the ownership, organizational structure, financial condition, or senior personnel staffing of the investment managers.

The Committee recognizes that the Statement of Investment Policy and Guidelines requires periodic examination and perhaps revision if it is to continue to serve as a working document to encourage effective investment management. Whenever the investment manager believes this Statement should be altered, it is the responsibility of the managers to initiate written communication to the Committee.

***Benchmark***

Returns of the portfolio will be measured against the Merrill Lynch 0-3 Year U.S. Treasury Index (G1QA).

***Investment Authority***

The CSU SWIFT may invest in any of the securities authorized by government Code Section 16430 listed in Section A and Code Section 53601.

Securities eligible for investment include;

- Bonds, notes or obligations with principal and interest secured by the full faith and credit of the United States; (no limitations)
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States; (no limitations)
- Bonds or warrants of any county, city, water district, utility district or school district of the state of California; No issuer with a rating below A-/A3 is allowed; (no one issuer to exceed 5% of the portfolio)
- California State bonds or bonds with principal and interest guaranteed by the full faith and credit of the State of California; (no one issue to exceed 5%); (not to exceed 25% of portfolio)
- Obligations of the campus members authorized by California Education Code Section 89760(a).
- Various debt instruments issued by: (1) Federal Land Banks (FFCB), (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank (FHLB), (4) Federal National Mortgage Association (FNMA), (5) Federal Home Loan Mtg. Corp. (FHLMC), and (6) Tennessee Valley Authority (TVA); (no one issuer to exceed 25% of the portfolio)
- Mortgage Pass-Through Securities issued by GNMA, FNMA and FHLMC; (not to exceed 20% of the portfolio)
- Collateralized Mortgage Obligations issued by GNMA, FNMA and FHLMC which at time of purchase pass the FFIEC test; (not to exceed 20% of the portfolio)

- Asset Backed Securities which are rated Aaa by Moody's, AAA by Standard and Poor's, or AAA by Fitch with no rating below the top investment rating. Issuer will be rated at least single A; (no one issuer to exceed 5% of the portfolio); (not to exceed 20% of the portfolio)
- Commercial paper exhibiting the following qualities: (1) "prime" rated, (2) less than 180 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000. Investments must not exceed 10 percent of corporation's outstanding paper, and total investments in commercial paper cannot exceed 30% of an investment pool. Notwithstanding the above, no one issuer to exceed 5% of the portfolio. In addition, A-2/P-2/F-2 commercial paper will be limited to no more than 10% of the portfolio and limited in maturity to 14 days. No purchase will be made of paper rated below A-2/P-2/F-2; (not to exceed 30% of portfolio)
- Banker's acceptances eligible for purchases by the Federal Reserve System; Issuer's will be rated A-1/P-1 or F-1 with no rating below that level; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Certificates of deposit (insured by FDIC, or appropriately collateralized); (not to exceed FDIC insurance limits)
- Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Administration; (not to exceed NCUA insurance limits)
- Negotiable certificates of deposit and bank notes which are rated A-1/P-1 or F-1 if short-term or A- by S&P, A3 by Moody's or A- by Fitch in both cases with no rating below those levels; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration; (no limitations)
- Student Loan Notes insured by the Guaranteed Student Loan Program; (no limitations)
- Debt issued, assumed, or guaranteed by the Inter-American Development Bank or Puerto Rican Development Bank; (no limitations)
- Bonds, notes or debentures (including medium-term notes) issued by U.S. Corporations rated within the top three ratings of a nationally recognized rating service. No issuer with a rating below A3/A- is allowed; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Repurchase Agreements. Repurchase agreements with banks and dealers with which the CSU System, or its agents on its behalf, has entered into a master repurchase contract which specifies terms and conditions or repurchase agreements, and are fully collateralized by delivery to an independent third party custodian for the CSU's System's account or to the CSU's custodian. In order to conform with provisions of the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, only those marketable securities eligible for investment by the

CSU System are permitted as collateral. Treasuries, Agencies and eligible money market instruments will be collateralized at 102%. Corporates and other eligible collateral will be collateralized at 105%. Repurchase Agreements will be conducted exclusively with primary dealers. Repurchase Agreements may not exceed 90 days.

- Reverse Repurchase Agreements. The CSU limits reverse repurchase agreements to unencumbered securities already held in the portfolio. The CSU prohibits securities purchased with the proceeds of a reverse repurchase agreement from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding. Securities subject to a reverse repurchase agreement must have been owned a minimum of 30 days before being delivered in a reverse repurchase agreement. The total of all securities sold on reverse repurchase agreements will not exceed 20% of the market value of the portfolio. Reverse repurchase agreement will not exceed 92 days.
- Money Market Mutual Funds. Money market mutual funds registered with the Securities and Exchange Commission and rated AAA/Aaa by no less than two NRSROs.
- 144A Securities. 144A securities are allowed to be purchased and held in the portfolio; (not to exceed 20% of the portfolio).

### ***Duration Guidelines***

The maximum maturity of any security will be 5 years.

The maximum average duration of the portfolio will be 2 years.

For issues that trade to a weighted-average-life (WAL), the WAL will be used as the effective maturity for duration measurement and for maximum maturity constraints.

For issuers with variable interest rates, the reset date will be used as the effective maturity for duration measurement purposes and the legal final maturity date will be used for maximum maturity constraints.

All maturity and duration constraints are measured from trade date.

***Concentration/Diversification Guidelines***

All concentration guidelines are measured at the time of purchase with the exception of commercial paper which must be less than 30% at all times.

Concentration Limitations:

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Obligations backed by the full faith and credit of the U.S Government	100%	100%
Obligations guaranteed by a federal agency of the U.S. Government	100%	100%
California Municipal Obligations	5%	100%
Obligations of the State of California	5%	25%

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Obligations of campus members authorized under Code Section 89760a	100%	100%
Government-Sponsored Entities (FFCB, FHLB, FNMA, FHLMC, TVA)	25%	100%
Mortgage Pass-Through Securities issued by GNMA, FNMA FHLMC*	20%	20%
Collateralized Mortgage Obligations issued by GNMA, FNMA, FHLMC*	20%	20%
Asset-Backed Securities*	5%	20%
Commercial Paper	5%	30%
Banker's Acceptances	5%	30%
Certificate's of Deposit (insured by FDIC or properly collateralized)	\$100k	100%
Investment Cert. in federal or state credit unions (insured by NCUA)	\$100k	100%
Negotiable Certificates of Deposit	5%	30%
Obligations of the SBA or FHA	100%	100%
Student Loan Notes insured by the Guaranteed Student Loan Program	100%	100%
Obligations guaranteed by the Inter-Amer. Dev. Bank or Puerto Rico Dev.	100%	100%
Corporate Obligations	5%	30%
Repurchase Agreements	5%	100%
Reverse Repurchase Agreements	5%	20%
Money Market Funds	10%	20%

\* Mortgage Pass-Through Securities, Collateralized Mortgage Obligations and Asset-Backed Securites may not exceed 20% of the portfolio in aggregate.

For ABS issuers, securities issued by the same originator with different collateral types will not be aggregated at the issuer level for concentration measurement purposes.

### ***Reporting***

The Committee expects the Custody Bank to provide access to daily reports of the SWIFT via its online portal to CSU Office of the Chancellor staff, the respective investment managers, and other members of the Investment Committee as directed. Additionally, monthly reports will be provided by the Custody Bank highlighting the respective portfolios of each investment manager and the aggregate portfolio. These reports will include portfolio activity, market valuations, sector metrics, affirmation of compliance, and performance relative to agreed upon benchmarks. If a meeting is scheduled with the Committee, the reports should be received at least one week in advance of the meeting date.

### ***Compliance with Prudence and Diversification Measures***

As fiduciary, the investment managers are expected to diversify the portfolio to preserve the principal of the SWIFT assets. If diversification is deemed not to be prudent, the manager must communicate this decision to the Chair of the Investment Committee immediately. The manager is expected to invest the SWIFT assets with ease, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with such aims.

All restrictions, minimum ratings requirements and diversification limitations pertain to the account at the time of purchase. In the event of a downgrade of any security to a level where the new rating would not comply with the minimum rating for new purchases of a similar asset, or a limitation being breached due to a change in portfolio size, the Investment Manager shall notify CSU.

### ***Evaluation and Review***

The objective of the evaluation and review process is to monitor the progress of the SWIFT assets in achieving the overall investment objectives. Performance will be measured and reviewed periodically by the Investment Committee. Particular attention will be directed toward determining whether:

- \* the funds are achieving their stated objectives,
- \* the investment managers are adhering to the guidelines set forth herein,
- \* the investment managers are adhering to its stated philosophy and style,
- \* the overall policies and objectives continue to be appropriate, reasonable and achievable.

**Investment Policy for the California State University Risk Management Authority  
Fixed Income Portfolio  
March 19, 2015**

***The Organization***

The California State University Risk Management Authority (CSURMA) is an association of the California State University (CSU) and auxiliary organizations joined to protect member resources by providing broad coverage and quality risk management services that stabilize risk cost in a reliable, economical and beneficial manner.

***History***

The Chancellor's Office staff and representatives of auxiliary organizations within the CSU have developed a systematic approach to managing risk exposures across CSU campuses.

On January 1, 1997, the CSURMA was formed by the CSU and those qualified auxiliary organizations of the CSU that opted to join with intentions to participate in the risk management programs to be offered by the CSURMA.

***Scope of This Investment Policy***

The assets governed by this investment policy statement are funds held for investment in the CSURMA Fixed Income Portfolio (FIP). In meeting the investment needs of the FIP, the general principles of modern portfolio theory will be followed. In doing so, the FIP will be constructed in a way that maximizes expected return for a given level of risk.

Cash flow requirements are not expected of the FIP being managed under this policy statement. However, in the event cash flow is required, it will be met on a total return basis. The following investment guidelines have been developed for management of the FIP.

***Statement of Investment Policy and Guidelines***

When investing CSURMA funds, the primary objective of the investment manager(s) (IM) for the FIP shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the CSURMA. The third objective shall be to return an acceptable yield.

The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that the CSURMA is willing to assume in obtaining such return.

### ***Delegation of Authority***

The Executive Committee of CSURMA (EC) is a fiduciary, and is responsible for directing and monitoring the investment management of FIP assets. As such, the EC is authorized to delegate certain responsibilities to officers and/or staff of CSURMA, as well as professional experts in various fields. These include, but are not limited to:

1. **Treasurer of the CSURMA.** The Treasurer of CSURMA (Treasurer) is responsible for the ongoing general management of the FIP. The Treasurer may delegate, as appropriate, authority contained in this policy statement to the Assistant Vice Chancellor, Financing, Treasury and Risk Management of the CSU. Duties include, but are not limited to, the following:
  - Selection and retention of outside IM as the investment policy dictates. *The Treasurer acts with the EC's authority in all matters relating to IM selection.*
  - Review performance of the FIP to stated objectives. Review and monitor performance of the IM.
  - Determine if overall policies and objectives continue to be appropriate and reasonable and make recommendations to the EC as necessary.
2. **Investment Consultant.** The consultant acts as a discretionary advisor to the Treasurer and may assist the Treasurer in: establishing investment policy, objectives, and guidelines; selecting IMs; reviewing such IMs over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
3. **Investment Manager (IM).** The IM has discretion to purchase, sell, or hold the specific securities that will be used to meet the FIP's investment objectives.
4. **Custodian.** The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the FIP, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the FIP accounts.
5. **Additional specialists.** Additional specialists such as attorneys, auditors, actuaries, trust administrators, and others may be employed by the Treasurer to assist in meeting his/her responsibilities and obligations to administer FIP assets prudently.

The Treasurer will not reserve any control over the day-to-day investment decisions. The IM will be held responsible and accountable to achieve the objectives stated in this policy statement. While it is not believed that the limitations in this policy statement will hamper the IM, the IM should request modifications to this policy statement that they deem appropriate. All expenses for experts must be customary and reasonable, and will be paid out of FIP assets and deducted before returns are calculated to meet

objectives. Goals and objectives must be accomplished net of all expenses necessary to operate and manage the FIP assets.

***Adherence to Policy Guidelines***

CSURMA assets are to be managed in accordance with the policy guidelines expressed herein, or expressed by separate written instructions when deviation is deemed prudent and desirable. Written instructions amending this policy document must be signed by the Treasurer or his/her delegate.

***Discretionary Authority***

The IM is expected to exercise complete investment discretion within the boundaries of the restrictions outlined in this statement of investment policy. Such discretion includes decisions to buy, hold, or sell fixed income securities (including cash equivalents) in amounts and proportions reflective of the IM's current investment strategy.

***Communication***

The Treasurer encourages, and the IM is responsible for, frequent and open communication with the Treasurer and/or his/her delegate on all significant matters pertaining to the investment of the assets for the FIP. These communications should generally be addressed to the Treasurer. In this manner, the Treasurer and/or his/her delegate expects to be advised of any major changes in investment outlook, investment strategy, portfolio structure, or market value of the assets, and other substantive matters affecting the FIP. The Treasurer and/or his/her delegate also expects to be informed of any significant changes in the ownership, organizational structure, financial condition, or senior personnel staffing of the IM and/or investment consultants.

The Treasurer recognizes that this statement of investment policy requires periodic examination and perhaps revision if it is to continue to serve as a working document to encourage effective investment management. Whenever the IM believes this statement of investment policy should be altered, it is the responsibility of the IM to initiate written communication to the Treasurer or his/her delegate.

***Benchmark***

The benchmark of the FIP shall be the Barclays U.S. Intermediate Government / Credit (G/C) – A or Better Index.

### ***Rating***

In all instances, when the term “rating” is used, it denotes a specific rating and not a rating category.

### ***Quality***

1. The minimum quality of an asset at time of purchase should be “A-” or better by one nationally recognized statistical rating organization (NRSRO) notwithstanding particular asset rating limitations below.
2. Highest rating of at least one NRSRO shall apply in the case of split rating.
3. The weighted average quality of the portfolio should be AA or better.
4. Money Market Funds selected shall contain securities whose credit rating at purchase would be rated investment grade by Standard and Poors, Moody's, or Fitch.

### ***Investment Authority***

The FIP may invest in any of the securities authorized by Government Code Section 16430 or Government Code Section 53601. Securities eligible for investment include:

- Bonds, notes or obligations of the United States, or those with principal and interest secured by the full faith and credit of the United States; (no limitations)
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States; (no limitations)
- Bonds or warrants of any county, city, water district, utility district or school district of the state of California; (no one issuer to exceed 5% of the portfolio)
- California State bonds, notes, or warrants, or those with principal and interest guaranteed by the full faith and credit of the State of California; (no one issue to exceed 5%); (not to exceed 25% of portfolio)
- Various debt instruments issued by: (1) Federal Land Banks (FFCB), (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank (FHLB), (4) Federal National Mortgage Association (FNMA), (5) Federal Home Loan Mtg. Corp. (FHLMC), and (6) Tennessee Valley Authority (TVA); (no one issuer to exceed 25% of the portfolio)
- Mortgage Pass-Through Securities issued by GNMA, FNMA and FHLMC; (not to exceed 20% of the portfolio)
- Collateralized Mortgage Obligations issued by GNMA, FNMA and FHLMC which at time of purchase pass the FFIEC test; (not to exceed 20% of the portfolio)
- Asset Backed Securities up to a maximum maturity of five years that are rated at least Aa3 by Moody's, AA- by Standard and Poor's, or AA- by Fitch with no rating below that

level. Issuer will be rated at least single A; (no one issuer to exceed 5% of the portfolio); (not to exceed 20% of the portfolio)

- Commercial paper exhibiting the following qualities: (1) “prime” rated, (2) less than 181 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000. Investments must not exceed 10 percent of corporation’s outstanding paper, and total investments in commercial paper cannot exceed 30% of an investment pool. Notwithstanding the above, no one issuer to exceed 5% of the portfolio. In addition, A-2/P-2/F-2 commercial paper will be limited to no more than 10% of the portfolio and limited in maturity to 14 days. No purchase will be made of paper rated below A-2/P-2/F-2; (not to exceed 30% of portfolio)
- Banker’s acceptances eligible for purchases by the Federal Reserve System; Issuer’s will be rated A-1, P-1, or F-1 with no rating below that level; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Certificates of deposit (insured by FDIC, or appropriately collateralized); (not to exceed FDIC insurance limits)
- Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Share Insurance Fund; (not to exceed NCUSIF insurance limits)
- Negotiable certificates of deposit and bank notes issued by FDIC insured banks that are rated A-1, P-1, or F-1 if short-term, or A- by S&P, A3 by Moody’s, or A- by Fitch, in both cases with no rating below those levels; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration; (no limitations)
- Student Loan Notes insured by the Guaranteed Student Loan Program; (no limitations)
- Debt issued, assumed, or guaranteed by the Inter-American Development Bank or Government Development Bank for Puerto Rico; (no limitations)
- Bonds, notes or debentures with a maximum remaining maturity of five years or less issued by U.S. Corporations rated at least A by S&P, A2 by Moody’s, or A by Fitch, with no rating below that level; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Repurchase Agreements. Repurchase agreements with banks and dealers with which the CSURMA, or its agents on its behalf, has entered into a master repurchase contract which specifies terms and conditions or repurchase agreements, and are fully collateralized by delivery to an independent third party custodian for the FIP’s account or to the FIP’s custodian. In order to conform with provisions of the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, only those marketable securities eligible for investment by the FIP are permitted as collateral. Treasuries, Agencies and eligible money market instruments will

be collateralized at 102%. Corporates and other eligible collateral will be collateralized at 105%. Repurchase Agreements will be conducted exclusively with primary dealers. Repurchase Agreements may not exceed 90 days.

- Reverse Repurchase Agreements. The FIP limits reverse repurchase agreements to unencumbered securities already held in the portfolio. The FIP prohibits securities purchased with the proceeds of a reverse repurchase agreement from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding. Securities subject to a reverse repurchase agreement must have been owned a minimum of 30 days before being delivered in a reverse repurchase agreement. The total of all securities sold on reverse repurchase agreements will not exceed 20% of the market value of the portfolio. Reverse repurchase agreement will not exceed 92 days.

- Money Market Mutual Funds. Money market mutual funds registered with the Securities and Exchange Commission and rated AAA/Aaa by no less than two NRSROs.

- 144A Securities. 144A securities are allowed to be purchased and held in the portfolio; (not to exceed 20% of the portfolio).

***Duration Guidelines***

The duration of the portfolio will be targeted within -1 or +1 of the duration of the Lehman Brothers Intermediate Government / Credit Bond Index.

For issues that trade to a weighted-average-life (WAL), the WAL will be used as the effective maturity for duration measurement and for maximum maturity constraints.

For issuers with variable interest rates, the reset date will be used as the effective maturity for duration measurement purposes and the legal final maturity date will be used for maximum maturity constraints.

All maturity and duration constraints are measured from trade date.

***Concentration/Diversification Guidelines***

All concentration guidelines are measured at the time of purchase with the exception of commercial paper which must be less than 30% at all times.

Concentration Limitations:

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Obligations backed by the full faith and credit of the U.S Government	100%	100%
Obligations guaranteed by a federal agency of the U.S. Government	100%	100%
California Municipal Obligations	5%	100%
Obligations of the State of California	5%	25%

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Government-Sponsored Entities (FFCB, FHLB, FNMA, FHLMC, TVA)	25%	100%
Mortgage Pass-Through Securities issued by GNMA, FNMA FHLMC*	20%	20%
Collateralized Mortgage Obligations issued by GNMA, FNMA, FHLMC*	20%	20%
Asset-Backed Securities*	5%	20%
Commercial Paper	5%	30%
Banker's Acceptances	5%	30%
Certificates of Deposit (insured by FDIC or properly collateralized)	\$250k	100%
Share Certificates in federal or state credit unions (insured by NCUSIF)	\$250k	100%
Negotiable Certificates of Deposit	5%	30%
Obligations of the SBA or FHA	100%	100%
Student Loan Notes insured by the Guaranteed Student Loan Program	100%	100%
Obligations guaranteed by the Inter-Amer. Dev. Bank or Puerto Rico Dev.	100%	100%
Corporate Obligations	5%	30%
Repurchase Agreements	5%	100%
Reverse Repurchase Agreements	5%	20%
Money Market Funds	10%	20%

\* Mortgage Pass-Through Securities, Collateralized Mortgage Obligations and Asset-Backed Securities may not exceed 20% of the portfolio in aggregate.

For ABS issuers, securities issued by the same originator with different collateral types will not be aggregated at the issuer level for concentration measurement purposes.

### **Reporting**

The Treasurer expects the Custodian to provide access to daily reports of the FIP via its online portal to CSU Office of the Chancellor staff, the IM, and other members of the EC as directed. Additionally, monthly reports will be provided by the Custodian for the FIP. These reports will include portfolio activity, market valuations, sector metrics, affirmation of compliance, and performance relative to agreed-upon benchmarks. If a meeting is scheduled with the Treasurer or his/her delegate, the reports should be received at least one week in advance of the meeting date.

The Investment Consultant shall furnish the Treasurer and/or his/her delegate with a quarterly account review detailing investment performance in addition to a listing of portfolio holdings within the FIP. The Investment Consultant shall also supply timely

information concerning changes in the IM's investment philosophy, management strategy, or ownership and key personnel. In addition, the Investment Consultant must supply the Treasurer and/or his/her delegate with quarterly reports that provide information and analyses necessary for the EC to fulfill its fiduciary responsibility.

### ***Compliance with Prudence and Diversification Measures***

As fiduciary, the IM is expected to diversify the portfolio to preserve the principal of the FIP assets. If diversification is deemed not to be prudent, the IM must communicate this decision to the Treasurer or his/her delegate immediately. The IM is expected to invest the FIP assets with ease, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with such aims.

All restrictions, minimum ratings requirements and diversification limitations pertaining to the account are applicable at the time of purchase. In the event of a downgrade of any security held in the account to a level where the updated rating would not comply with the minimum rating for new purchases of a similar asset, or a limitation being breached due to a change in portfolio size, the IM shall notify the Treasurer, the Treasurer's delegate, and/or the Investment Consultant.

### ***Evaluation and Review***

The objective of the evaluation and review process is to monitor the progress of the FIP assets in achieving the overall investment objectives. Performance will be measured and reviewed periodically by the Treasurer and/or his/her delegate. Particular attention will be directed toward determining whether:

- \* the FIP is achieving its stated objectives,
- \* the IM is adhering to the guidelines set forth herein,
- \* the IM is adhering to its stated philosophy and style,
- \* the overall policies and objectives continue to be appropriate, reasonable and achievable.



## CSURMA

## POLICY AND PROCEDURE NO. 10

**ADOPTED:** MAY 13, 2011  
JANUARY 10, 2016  
SEPTEMBER 27, 2017

**EFFECTIVE:** JULY 1, 2011

**SUBJECT:** MEMBER LOANS

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

### **POLICY:**

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

### **PROCEDURE:**

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

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

- 3. Purpose of Loan** – The loan program is to provide low cost funding to a campus in order to implement a risk mitigation program (compliance or regulatory requirement, i.e. consent decree) that could not otherwise be implemented without CSURMA funding or to respond to a current risk / condition that if not addressed could demonstrate an enhanced potential risk to people and/or property.
- 4. Treasurer’s Review and Recommendation** - The Treasurer shall review the Member Loan request and seek additional information as necessary to make a determination. If a favorable determination is made, the Treasurer shall recommend to the Executive Committee the proposed Member Loan including the Treasurer’s recommended terms and conditions. Recommended terms shall require that the frequency of interest payments shall be at least quarterly in arrears and at an interest rate at least equivalent to the investment income rate that CSURMA would have earned if the funds had instead been invested during the same calculation period.
- 5. Executive Committee Action** – At duly noticed meeting, the Executive Committee shall take action on the Treasurer’s recommendation. If the proposed Member Loan is to be approved, such approval shall be memorialized by resolution directing the Treasurer to prepared the loan note for review and approval by CSURMA’s General Counsel.
- 6. Administration of Member Loans** – The Treasurer shall direct the CSURMA Accountant to transfer funds, calculate interest, collect repayment proceeds and prepare reports on the status of outstanding loans. Any failure to make timely payments or proposed change in terms or conditions shall be reported by the Treasurer to the Executive Committee for review and action.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

**BOARD OF DIRECTORS  
RESOLUTION NO. 02-14 (BOD)**

**Resolution to Adopt the California State University Risk Management Authority Master  
Investment Policy and Investment Policy for the Fixed Income Portfolio**

The Board of Directors of the California State University Risk Management Authority (CSURMA) finds and determines as follows:

- (a) Section 4.3 of the Bylaws of the CSURMA provides that the Executive Committee establish policies and procedures to implement the Agreement, the Bylaws and the operation of specific programs.
- (b) It is the desire of the CSURMA Board of Directors that, when investing funds, the investment objectives, in order of importance, shall be to safeguard the principal through sufficient number and diversity of investments; provide adequate liquidity to meet normal cash needs, scheduled extraordinary cash needs, and unforeseen cash needs; and maintain a constant rate of return representative of current market yield direction.
- (c) Significant effort and energy has been expended in the creation and maintenance of the investment policies of the CSURMA, which is designed to meet those objectives.
- (d) Pursuant to California Government Code Section 53646(a)(2) the Treasurer of the CSURMA shall annually render to the Executive Committee an Investment Policy for review.
- (e) The Executive Committee has reviewed the California State University Risk Management Authority Master Investment Policy and Investment Policy for the Fixed Income Portfolio and finds that they reasonably set forth the procedure, guidelines, and criteria for the operation of the investment program of the California State University Risk Management Authority.

In consideration of the foregoing findings and determinations, IT IS RESOLVED by the Board of Directors of the California State University Risk Management Authority as follows:

- (1) The Treasurer of the California State University Risk Management Authority is directed to adopt the California State University Risk Management Authority Master Investment Policy and related policies, including changing the benchmark of the Fixed Income Portfolio from Barclay's U.S. Intermediate Government-Credit Index to Barclay's U.S. Intermediate Government-Credit – A or Better Index, as the Investment Policies of the California State University Risk Management Authority per the attached documents and annually present them to the Executive Committee for review and amendment as necessary.

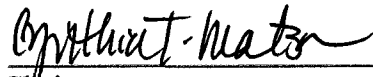
I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Board of Directors of the California State University Risk Management Authority held on the 9th day of May, 2014 which was approved by the following vote:

AYES, and in favor thereof, members:

NOES, members:

ABSTAIN, members:

ABSENT, members:



Chair

Cynthia Teniente-Matson

ATTEST:



Secretary-Auditor

Robert Eaton

## **CSURMA CASH FLOW PROJECTION**

**ISSUE:** At its meeting in September 2018, the Committee directed Staff to complete a two-year cash flow projection.

**RECOMMENDATION:** The Committee will be asked to review the cash flow projection and provide input to staff as appropriate.

**FISCAL IMPACT:** There is no direct fiscal impact from this projection. It will be used by the Treasurer and Executive Committee in guiding investment and cash management.

**BACKGROUND:** The recent change to the OCIP as well as the purchase of reinsurance from CSAC EIA have created cash flow concerns. Staff will work with CPDC, CSU Accounting, the CSURMA Treasurer and the third party administrators to create a two-year cash flow projection.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Cash Flow Projection

**CSURMA Cash Flow Estimate (DRAFT)**

Budget Item	Period	FY 18/19				FY 19/20				FY 20/21						
		Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4
<b>Beg. Operating Cash in SWIFT</b>			<b>91,844</b>	<b>19,400,035</b>	<b>957,325</b>	(8,246,449)		(18,999,460)	13,341,834	(2,826,287)	(14,924,409)		(26,092,531)	2,711,102	(13,792,063)	(25,295,229)
<b>Total Operating Revenues</b>		<b>91,010,560</b>	86,781,058	1,409,834	1,409,834	1,409,834	<b>101,372,773</b>	101,372,773	0	0	0	<b>106,013,956</b>	106,013,956	0	0	0
Contributions		<b>102,251,762</b>	98,022,260	1,409,834	1,409,834	1,409,834	<b>114,499,517</b>	114,499,517	0	0	0	<b>119,534,503</b>	119,534,503	0	0	0
Reinsurance Premium		<b>(11,241,201)</b>	(11,241,201)	0	0	0	<b>(13,126,744)</b>	(13,126,744)	0	0	0	<b>(13,520,547)</b>	(13,520,547)	0	0	0
<b>Total Operating Expenses</b>		<b>111,155,741</b>	67,799,838	17,579,451	13,613,608	12,162,846	<b>108,465,844</b>	69,031,478	16,168,122	12,098,122	11,168,122	<b>116,719,819</b>	77,210,322	16,503,166	11,503,166	11,503,166
Claims Payments & Claims Legal		<b>60,712,337</b>	15,178,084	15,178,084	15,178,084	15,178,084	<b>59,029,225</b>	14,757,306	14,757,306	14,757,306	14,757,306	<b>60,800,102</b>	15,200,025	15,200,025	15,200,025	15,200,025
Deductible Recoveries		<b>(3,555,499)</b>	(888,875)	(888,875)	(888,875)	(888,875)	<b>(3,803,763)</b>	(950,941)	(950,941)	(950,941)	(950,941)	<b>(3,917,876)</b>	(979,469)	(979,469)	(979,469)	(979,469)
Claims Administrators		<b>4,401,422</b>	1,100,356	1,100,356	1,100,356	1,100,356	<b>4,533,015</b>	1,133,254	1,133,254	1,133,254	1,133,254	<b>4,669,005</b>	1,167,251	1,167,251	1,167,251	1,167,251
Management Information System		<b>125,000</b>	125,000	0	0	0	<b>126,008</b>	126,008	0	0	0	<b>129,789</b>	129,789	0	0	0
Program Administrators		<b>3,238,950</b>	809,738	809,738	809,738	809,738	<b>3,321,119</b>	830,280	830,280	830,280	830,280	<b>3,420,752</b>	855,188	855,188	855,188	855,188
Brokerage Commissions & Fees		<b>1,439,858</b>	1,439,858	0	0	0	<b>1,428,437</b>	1,428,437	0	0	0	<b>1,471,291</b>	1,471,291	0	0	0
Insurance Premiums (net of bkg)		<b>52,569,511</b>	50,477,031	641,718	1,450,762	0	<b>53,690,574</b>	52,760,574	0	930,000	0	<b>55,301,291</b>	55,301,291	0	0	0
Taxes, Assessments & Fees		<b>301,450</b>	301,450	0	0	0	<b>310,494</b>	310,494	0	0	0	<b>319,808</b>	319,808	0	0	0
Actuarial Services		<b>74,500</b>	74,500	0	0	0	<b>35,234</b>	35,234	0	0	0	<b>36,291</b>	36,291	0	0	0
Claims Audit		<b>9,870</b>	9,870	0	0	0	<b>11,500</b>	11,500	0	0	0	<b>11,845</b>	11,845	0	0	0
Coverage Counsel		<b>16,000</b>	4,000	4,000	4,000	4,000	<b>15,000</b>	3,750	3,750	3,750	3,750	<b>15,450</b>	3,863	3,863	3,863	3,863
Program Legal		<b>24,500</b>	6,125	6,125	6,125	6,125	<b>24,500</b>	6,125	6,125	6,125	6,125	<b>25,235</b>	6,309	6,309	6,309	6,309
Miscellaneous Program Services		<b>10,000</b>	2,500	2,500	2,500	2,500	<b>10,300</b>	2,575	2,575	2,575	2,575	<b>10,609</b>	2,652	2,652	2,652	2,652
Workshop/Training Expenses		<b>165,000</b>	41,250	41,250	41,250	41,250	<b>222,100</b>	55,525	55,525	55,525	55,525	<b>228,763</b>	57,191	57,191	57,191	57,191
Loss Control Expenses		<b>1,044,614</b>	261,154	261,154	261,154	261,154	<b>1,070,252</b>	267,563	267,563	267,563	267,563	<b>1,102,360</b>	275,590	275,590	275,590	275,590
Appraisals		<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0
Excess/Reinsurance Recoveries		<b>(17,416,942)</b>	(4,354,236)	(4,354,236)	(4,354,236)	(4,354,236)	<b>(19,757,706)</b>	(4,939,427)	(4,939,427)	(4,939,427)	(4,939,427)	<b>(20,350,437)</b>	(5,087,609)	(5,087,609)	(5,087,609)	(5,087,609)
Program Committee		<b>11,000</b>	2,750	2,750	2,750	2,750	<b>8,446</b>	2,112	2,112	2,112	2,112	<b>8,699</b>	2,175	2,175	2,175	2,175
Dividend Distributions		<b>6,176,475</b>	1,401,588	4,774,887	0	0	<b>6,335,710</b>	1,335,710	5,000,000	0	0	<b>11,525,781</b>	6,525,781	5,000,000	0	0
Financial Audit		<b>36,400</b>	36,400	0	0	0	<b>40,000</b>	40,000	0	0	0	<b>41,200</b>	41,200	0	0	0
EC / BOD Expenses		<b>35,396</b>	35,396	0	0	0	<b>36,458</b>	36,458	0	0	0	<b>37,552</b>	37,552	0	0	0
JPA Insurance		<b>16,640</b>	16,640	0	0	0	<b>17,139</b>	17,139	0	0	0	<b>17,653</b>	17,653	0	0	0
Memberships, Associations & Dues		<b>44,772</b>	44,772	0	0	0	<b>46,115</b>	46,115	0	0	0	<b>47,499</b>	47,499	0	0	0
CO Accounting Services		<b>400,000</b>	400,000	0	0	0	<b>412,000</b>	412,000	0	0	0	<b>424,360</b>	424,360	0	0	0
CO Risk Management Services		<b>1,134,500</b>	1,134,500	0	0	0	<b>1,159,500</b>	1,159,500	0	0	0	<b>1,194,285</b>	1,194,285	0	0	0
JPA Accreditation		<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0
JPA Legal		<b>111,394</b>	111,394	0	0	0	<b>114,736</b>	114,736	0	0	0	<b>118,178</b>	118,178	0	0	0
Miscellaneous Expenses		<b>28,593</b>	28,593	0	0	0	<b>29,451</b>	29,451	0	0	0	<b>30,334</b>	30,334	0	0	0
<b>Quarterly Net Surplus (Deficits)</b>		<b>(20,145,181)</b>	<b>18,981,220</b>	<b>(16,169,617)</b>	<b>(12,203,774)</b>	<b>(10,753,012)</b>	<b>(7,093,071)</b>	<b>32,341,295</b>	<b>(16,168,122)</b>	<b>(12,098,122)</b>	<b>(11,168,122)</b>	<b>(10,705,863)</b>	<b>28,803,634</b>	<b>(16,503,166)</b>	<b>(11,503,166)</b>	<b>(11,503,166)</b>

## **EVALUATION OF CSURMA CAPTIVE FORMATION**

**ISSUE:** CSURMA has been exploring the formation of a captive reinsurer to support the programs. As an alternative to forming its own captive, CSURMA has been working with the University of California to evaluate utilizing a protected cell in UC’s “Eureka Insurance Company, PCC.” The Eureka Board has approved launch effective July 1, 2019 on the basis of an initial transaction that would involve a loss portfolio transfer of a portion of the open workers’ compensation claims.

Participation in a captive has been previously approved by the CSURMA Board of Directors and the Executive Committee has been delegated authority to make a decision on moving forward. At this time, in addition to a general decision on whether to move forward, the following considerations are before the Executive Committee:

1. Approval of the CSURMA IC Business Plan (see DRAFT attached) including:
  - Selection of a name for the CSURMA incorporated cell
  - Designation of directors for the incorporated cell
  - Approval of the various service providers to the incorporated cell (administration, legal, audit)
  
2. Review and acceptance of the draft five-year pro forma financial information.

CSURMA engaged Byrne Conley of Gibbons & Conley to provide counsel as respects legal aspects of CSURMA utilizing a captive under the California Government Code 6500 et seq. Robert Eaton and Zachary Gifford will be present at today’s meeting to report on this item.

**RECOMMENDATION:** It is recommended that the Executive Committee review the attachments to this item and take action or provide direction to Staff based on the discussion at the meeting.

**FISCAL IMPACT:** The fiscal impact of this initial transaction is included in the five-year pro forma financial information.

**BACKGROUND:** Potential benefits of utilizing a captive insurer include higher returns on investments and access to additional reinsurance markets beyond those currently utilized by the joint powers authority and provide additional flexibility in CSURMA’s risk financing. Captives require additional administrative cost and are subject to regulatory oversight of the selected

domicile (required to be outside of California). Numerous universities utilize captive insurers in their risk financing programs.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA IC Draft Business Plan
- b. CSURMA IC Draft Five-Year Pro Forma Financial Information

# CSURMA, IC Business Plan

February 2019



## Overview of Sponsor

Eureka Insurance Company PCC is sponsored by The University of California (“UC”). UC is one of the largest and most acclaimed institutions of higher learning in the world. When it first opened its doors in 1869, they had just 10 faculty members and 38 students. [Today, the UC system includes more than 273,000 students and more than 223,000 faculty and staff, with more than 1.7 million alumni living and working around the world with an operating budget of \\$34.5 billion.](#) The UC’s ten campuses at Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, San Francisco, Santa Cruz and Santa Barbara provide exciting environments that foster world-class educational research opportunities. They also have dozens of museums, concert halls, art galleries, botanical gardens, observatories and marine centers that are not only used as academic resources but also by their communities. The UC manages three U.S. Department of Energy national laboratories and have medical centers that handle more than three million patient visits each year. The UC is also actively involved beyond its campuses, with locations and programs around the nation and online. They maintain a strong presence in Washington D.C. with a multi-campus instructional and research center that provides students and faculty opportunities to work and study in the nation’s capital.

California State University system (“CSU”) is proposing a cell formation within the Eureka Insurance Company PCC. CSU is made up of 23 campuses across the state of California. It educates 484,000 students every year and has one of the most diverse student bodies in the United States. CSU employs more than 52,000 staff and faculty. CSU has a 25-member Board of Trustees, most of which are appointed by the governor for an eight-year term. Some faculty, alumni and two students also serve on the Board of Trustees with two-year terms. The trustees appoint the chancellor, who then appoints campus presidents. The trustees, chancellor and presidents develop systemwide policies. [In July 1995 California State University Risk Management Authority was organized as a pooling program to centralize the administration and payment of claims.](#)

## Ownership & Capitalization

CSURMA, IC will be an incorporated cell. CSURMA, IC will be formed as a D.C. corporation, wholly owned by California State University. No initial capital is being proposed because the loss portfolio transfer will be valued at the 75<sup>th</sup> percentile confidence level. Then in the first year of operation, the cell will book the reserves at expected level creating a \$1.5 million dollar gain on the loss portfolio.

# Proposed Captive Program

## Business Purpose

CSURMA, IC is being formed as an incorporated cell and would be utilized for a loss portfolio transfer of workers compensation self-insured retentions from 1994 to December 31, 2014.

In August 2018 an actuarial study of this book of business was completed by Aon resulting in estimated outstanding losses at the 75<sup>th</sup> percentile confidence level as of June 30, 2018 of \$33,896,759 and \$29,061,558 estimated outstanding losses projected for June 30, 2019.

## Proposed Insurance Program

Workers Compensation self-insured retentions are reflected below. We propose funding the premium for this loss portfolio transfer at \$29,061,558 which is the undiscounted estimated outstanding loss reserves at the 75<sup>th</sup> percentile. [The loss portfolio transfer agreement will include a limitation of losses equal to the premium paid for the loss portfolio transfer of \\$29,061,558.](#) This loss portfolio transfer would be effective July 1, 2019.

Period	Self-Insured Retention
To 1994/95	Unlimited
1995-96 to 2002-03	\$350,000
2003-04	\$1,000,000
2004-05 to 2007/08	\$2,500,000
2008/09 to 2011/12	Fully-insured
2012/13 to 12/31/14	\$2,500,000
1/1/15 and subsequent	Fully-insured

## Directors and Officers

The composition of the Directors and Officers of the Cell demonstrates the high level of commitment from the California State University leadership.

Name	Position with Cell	Position with Sponsor
Steven Relyea	President/Director	CSU's EVC & CFO
Lisa Chavez	Chairperson/Director	CSURMA Chair
Robert Eaton	Treasurer/Director	CSURMA Treasurer
Zachary Gifford	Secretary/Director	CSURMA Secretary
Robert H. Myers, Jr.	Asst. Secretary	N/A

## Fronting Arrangement

This program will continue to be administered by Sedgwick Claims Management Services, Inc. California State University will be reimbursed from the CSURMA, IC.

## Reinsurance Program

There will be no commercial reinsurance associated with the proposed structure.

## Loss Prevention and Safety

The loss portfolio transfer of incurred and relatively aged workers' compensation claims does not require loss prevention and safety however, CSURMA, IC will continue CSURMA's claim reduction strategies to reduce future liabilities on outstanding claims.

## Financial Projections - Expected and Adverse Scenarios

Included with the Application are expected and adverse five year Pro Forma Financial Statements for CSURMA, IC. CSURMA, IC is requesting permission to use a June 30 fiscal year end. [Because the loss portfolio transfer agreement is written such that the losses are limited to the premium, the only significant risk is in the investment performance.](#)

## Summary of Expected Loss Scenario Pro Forma Financial Statements

	6/30/2019	6/30/2020
Initial Capital and Surplus	\$0	n/a
Gross Written Premium	\$29,061,558	\$0
Operating Expenses	\$0	\$209,500
Net Operating Income (after FIT)	\$0	\$1,639,691

### Service Providers

#### Captive Manager

Jason Palmer  
 Willis Towers Watson Management (Vermont), Ltd.  
 100 Bank Street, Suite 500  
 Burlington, VT 05401  
 Phone: 802.264.9555  
 Email: [jason.palmer@willistowerswatson.com](mailto:jason.palmer@willistowerswatson.com)

#### Legal

Robert H. Myers, Jr.  
 Partner  
 Morris, Manning & Martin, LLP  
 1401 Eye Street, N.W., Suite 600  
 Washington, D.C. 20005  
 Phone: 202.898.0011  
 Email: [rmyers@mmmlaw.com](mailto:rmyers@mmmlaw.com)

#### Auditor

Tara J. Aliotta  
 PricewaterhouseCoopers LLP  
 101 Seaport Boulevard, Suite 500  
 Boston, MA 02210  
 Office: 617. 530.7152  
 Mobile: 617.290.2265  
 Email: [tara.j.aliotta@pwc.com](mailto:tara.j.aliotta@pwc.com)

### Actuary

Zirus Wang, ACAS, MAAA  
Aon Risk Consultants, Inc.  
17875 Von Karman Avenue, Suite 300  
Irvine, CA 92614  
Phone: 949.608.6312  
Email: [ziruo.wang1@aon.com](mailto:ziruo.wang1@aon.com)

### Claims Handling

Sedgwick Claims Management Services, Inc.  
2101 Webster Street, Suite 645  
Oakland, CA 94612  
Phone: 510.316.6408

### Miscellaneous

- The captive license is requested for June 30, 2019 inception date.

**CSURMA, IC (a cell within Eureka Insurance Company PCC)**

Five-Year Pro Forma Financial Information

Expected Scenario

Fiscal Year Ending: June 30

	2019	2020	2021	2022	2023
Cash and Short Term Investments	\$29,061,558	\$25,261,522	\$21,700,645	\$18,056,818	\$14,326,091
Deferred Acquisition Costs					
Other Assets					
Write-In Line - Be Specific					
<b>Total Assets</b>	<b>\$29,061,558</b>	<b>\$25,261,522</b>	<b>\$21,700,645</b>	<b>\$18,056,818</b>	<b>\$14,326,091</b>
Total Reserves (Loss+LAE)	\$29,061,558	\$23,621,831	\$19,697,159	\$15,772,487	\$11,847,815
Unearned Premiums (UEP)	\$0	\$0	\$0	\$0	\$0
Other Liabilities					
Write-In Line - Be Specific					
<b>Total Liabilities</b>	<b>\$29,061,558</b>	<b>\$23,621,831</b>	<b>\$19,697,159</b>	<b>\$15,772,487</b>	<b>\$11,847,815</b>
Initial Capital and Surplus (C&S)	\$0	\$0	\$0	\$0	\$0
Additional Capital from New Members					
Additional Capital from Earnings	\$0	\$1,639,691	\$2,003,486	\$2,284,331	\$2,478,276
Write-In Line - Be Specific					
<b>Total Capital and Surplus</b>	<b>\$0</b>	<b>\$1,639,691</b>	<b>\$2,003,486</b>	<b>\$2,284,331</b>	<b>\$2,478,276</b>
<b>Total Liabilities and Capital and Surplus</b>	<b>\$29,061,558</b>	<b>\$25,261,522</b>	<b>\$21,700,645</b>	<b>\$18,056,818</b>	<b>\$14,326,091</b>
Gross Written Premiums (GWP)	\$29,061,558	\$0	\$0	\$0	\$0
Total Ceded Premiums					
Net Written Premiums (NWP)	\$29,061,558	\$0	\$0	\$0	\$0
Net Earned Premiums (NEP)	\$29,061,558	\$0	\$0	\$0	\$0
Total Losses and LAE	\$29,061,558	(\$1,515,058)	\$0	\$0	\$0
<b>Other Underwriting Deductions:</b>					
Direct Commissions & Brokerage					
Deferred Acquisition Costs (DAC)					
<b>Net Direct Commissions &amp; Brokerage</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Program Management Fees					
Reinsurance Cost					
Claims Management Fees (unallocated)		\$0	\$0	\$0	\$0
Captive Management Fees		\$50,000	\$50,000	\$50,000	\$50,000
Actuarial Fees		\$10,000	\$25,000	\$25,000	\$25,000
Auditing/CPA/Tax Prep. Fees		\$45,000	\$45,000	\$45,000	\$45,000
Legal Fees		\$22,000	\$2,000	\$2,000	\$2,000
Taxes, Licenses, and Fees		\$7,500	\$7,500	\$7,500	\$7,500
Cell Rental Fee		\$75,000	\$75,000	\$75,000	\$75,000
Write-In Line - Be Specific					
<b>Total Other Underwriting Deductions</b>	<b>\$0</b>	<b>\$209,500</b>	<b>\$204,500</b>	<b>\$204,500</b>	<b>\$204,500</b>
<b>Total Underwriting Deductions</b>	<b>\$29,061,558</b>	<b>(\$1,305,558)</b>	<b>\$204,500</b>	<b>\$204,500</b>	<b>\$204,500</b>
Ceding Commissions:					
Excess of Loss					
Quota Share					
<b>Total Ceding Commissions</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Underwriting Deductions	\$29,061,558	(\$1,305,558)	\$204,500	\$204,500	\$204,500
<b>UW Income (Loss)</b>	<b>\$0</b>	<b>\$1,305,558</b>	<b>(\$204,500)</b>	<b>(\$204,500)</b>	<b>(\$204,500)</b>
Investment Income		\$770,000	\$665,000	\$560,000	\$450,000
<b>Net Income - Before FIT</b>	<b>\$0</b>	<b>\$2,075,558</b>	<b>\$460,500</b>	<b>\$355,500</b>	<b>\$245,500</b>
Federal Income Tax (FIT)	\$0	\$435,867	\$96,705	\$74,655	\$51,555
<b>Net Income - After FIT</b>	<b>\$0</b>	<b>\$1,639,691</b>	<b>\$363,795</b>	<b>\$280,845</b>	<b>\$193,945</b>
Maximum Retention	\$2,500,000				

## **ANNUAL REVIEW OF THE CSURMA'S DATA SECURITY POLICIES**

**ISSUE:** The Executive Committee resolved to annually review CSURMA's data security policies.

**RECOMMENDATION:** It is recommended that the Executive Committee review the iVos and Financial Edge (Blackbaud) System user security policies and accept both policies as presented.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Executive Committee is being asked to review the iVOS and Blackbaud user policies. CSURMA uses many electronic data systems, but iVOS and Blackbaud are the only electronic data systems maintained by CSURMA and for which CSURMA is responsible for the security of the electronic data.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA iVOS User Policy
- b. CSURMA Financial Edge (Blackbaud) User Policy

## **CSURMA iVOS User Policy**

The iVOS Liability system has been operational since 2006. Beginning in 2006, CSURMA implemented the following policies and procedures designed to restrict access to the iVOS Liability system.

### **System Administrator(s)**

Administrative access to the iVOS Liability system is limited to individuals identified by CSURMA as being a system administrator. It is the responsibility of the system administrator to activate access for users, maintain user lists, and perform security functions.

### **Access Authorization**

User access to the iVOS Liability system is restricted. User access is granted on a “read-only” basis. Access is provided only to the Campus Risk Manager and other campus personnel who are directly involved in claims/risk management for the campus. In order to grant access to campus personnel (other than the Campus Risk Manager), a written request (e.g., an e-mail) must be received from the Campus Risk Manager requesting and approving access for that person. The Campus Risk Manager is responsible for determining and verifying that the identified person has had appropriate and adequate training and has signed all necessary and required data confidentiality agreements.

The system administrator maintains a list of all persons to whom user access has been granted. The list is updated and changed throughout the year as the system administrator receives information concerning personnel changes. The Campus Risk Manager is responsible for notifying the system administrator about any change in a user’s employment status. In addition, the system administrator independently reviews the list of users on no less than an annual basis.

### **Password Protocol**

The password protocol described below is utilized as a means of authentication control.

**CSU iVOS User Policy – Password Security Settings**

Controls	11/5/2009 Minimum Settings	3/1/2011 Revisions
minimumPasswordLength	8 characters	
passwordExpirePeriod	60 days	90 days (quarterly - CSU policy)
maximumInactiveDays	90 days	
minimumUppercaseChars	1 character	
minimumLowercaseChars	1 character	
minimumNumericChars	1 character	
minimumSpecialChars	0 characters	1 character (CSU policy)
maximumDuplicateCharsWithPrior	No more than 3 duplicate characters	No more than 6 duplicate characters
minimumPriorPasswords	12 prior passwords	
maximumFailedLoginAttempts	3 failed logins	
requireInitialPasswordChange	TRUE - initial password change	

*(Document Origination Date: April 2013)*



## CSURMA Financial Edge User Policy

In compliance with *ICSUAM Section 8000 Information Security* adopted by the CSURMA Executive Committee, these guidelines for managing access to the Financial Edge (Blackbaud) System are provided. Since access to Financial Edge (Blackbaud) is restricted, this form must be completed, signed by the employee, and sent to CSURMA Accounting in order to gain access.

### **Introduction and Scope**

CSURMA uses Financial Edge as the main accounting system. Access to Financial Edge is limited to CSURMA Accounting and Systemwide Risk Management staff.

### **Access Authorization**

- User access to Financial Edge is restricted and based on the principle of least privilege. The principle of least privilege requires that a user be given no more privilege than necessary to perform their job.
- It is the responsibility of the system administrator to activate access for users, maintain users, and perform security functions.
- The Confidentiality Form for Chancellor’s Office Employees and Consultants required by the CSU ([http://www.calstate.edu/hrs/policies/documents/co\\_confidential\\_form.pdf](http://www.calstate.edu/hrs/policies/documents/co_confidential_form.pdf)) must be completed before access is granted.
- Financial Edge users are required to be a member of a user group. When possible, access levels should correspond to the user group as shown below.

<b>Access Level</b>	<b>User Group</b>
Level 5	Manager
Level 4	Lead Accountant
Level 3	Accountant
Level 2	Student Assistant
Level 1	View Only

- The system administrator performs an online review at least annually, of all user accounts of Financial Edge to ensure access complies with these guidelines.
- Account controls must be in place to ensure accounts are authorized and current. This includes:
  - Prohibiting the use of shared accounts.
  - Prohibiting the use of guest accounts.
  - Disabling accounts of transferred or terminated employees.

**SECTION 1 – EMPLOYEE/USER INFORMATION**

New User? Yes  No  If No, Update  Terminate

Name: \_\_\_\_\_  
(Last, First, Middle Initial)

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Department: \_\_\_\_\_

Email: \_\_\_\_\_

User Signature: \_\_\_\_\_

FE Oper ID: \_\_\_\_\_  
(If Current User)

**SECTION 2 – FE ACCESS**

<input type="checkbox"/> Supervisor Rights	<input type="checkbox"/> Selected Group Rights <input type="checkbox"/> Level 5 - Managers <input type="checkbox"/> Level 4 - Lead Accountant <input type="checkbox"/> Level 3 - Accountant <input type="checkbox"/> Level 2 – Student Assistant <input type="checkbox"/> Level 1 – View Only	<input type="checkbox"/> Copy Access from Existing User  Name of Existing User: _____ _____
Comments/Job Functions in relation to FE:  _____ _____		

**SECTION 3 – TO BE FILLED OUT BY CSURMA ACCOUNTING**

Access Granted? Yes  No

Date Access Granted: \_\_\_\_\_

Additional Comments/Information:  
  
\_\_\_\_\_

\_\_\_\_\_  
System Administrator Name (Please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ANNUAL REVIEW OF THE APPLICABLE INTEGRATED CSU  
ADMINISTRATIVE MANUAL POLICIES**

**ISSUE:** The Executive Committee resolved to annually review applicable sections of the Integrated CSU Administrative Manual (ICSUAM) and any updates thereto.

**RECOMMENDATION:** The following sections of the ICSUAM have been adopted by CSURMA. CSURMA Accounting Staff reviewed all ICSUAM sections and is not recommending the adoption of any additional sections. It is recommended that the Executive Committee review the sections of the ICSUAM that were previously adopted and confirm their acceptance of these ICSUAM sections as relevant and beneficial to the operation of CSURMA.

- Section 1101..... Delegation of Authority to Obligate the University
- Section 1301..... Hospitality, Payment or Reimbursement of Expenses
- Section 2002..... Budget Oversight
- Section 3000..... General Accounting
- Section 6000..... Financing, Treasury, and Risk Management
- Section 7100..... Identity Access Management
- Section 8000..... Information Security
- Section 13175..... Auxiliary Organizations External Auditor Firms Qualifications
- Section 13680..... Placement and Control of Receipts for Campus Activities and Programs

**FISCAL IMPACT:** None.

**BACKGROUND:** Staff reviewed all sections of the Integrated CSU Administrative Manual and determined that the following sections are relevant and beneficial to the operation of CSURMA:

- Section 1101..... Delegation of Authority to Obligate the University
- Section 1301..... Hospitality, Payment or Reimbursement of Expenses
- Section 2002..... Budget Oversight
- Section 3000..... General Accounting
- Section 6000..... Financing, Treasury, and Risk Management
- Section 7100..... Identity Access Management
- Section 8000..... Information Security
- Section 13175..... Auxiliary Organizations External Auditor Firms Qualifications

Section 13680.....Placement and Control of Receipts for Campus Activates and Programs

CSURMA has specifically adopted its own policies and procedures, such as travel reimbursement (CSURMA P&P No. 17), invoice payments (CSURMA P&P No. 6), use and disposition of equipment (CSURMA P&P No. 16) and it is recommended that CSURMA's adopted policies apply where they overlap with the ICSUAM.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. ICSUAM Compliance List at February, 2018



California State University Risk Management Authority

CSURMA - Integrated CSU Administrative Manual (ICSUAM)

<https://csyou.calstate.edu/Policies/icsuam/Pages/default.aspx>

Reviewed: Feb 2019

Updated 2/8/2019

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
<b>Section 1000 – General</b>			
<a href="#">1101.00 – Delegation of Authority to Obligate the University</a>	Yes	CSURMA follows the CO structure for delegation of authority	No change
<a href="#">1201.00 – Intercollegiate Athletics Administration</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1202.00 – Athletics Trade Usage (Trade Out)</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1203.00 – Fringe Benefits Management</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1204.00 – Cheerleading</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1205.00 – Group Travel</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1206.00 – Inventory Control of Athletic Equipment, Apparel and Gear</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<b>1301.00 – Hospitality</b>			
<a href="#">1401.00 – Administration of University Property</a>	Yes	CSURMA has hospitality expenses	Previously titled "Hospitality, Payment or Reimbursement of Expenses"; Clarified and reorganized Renumbered from 3150.01
<a href="#">1401.00 – Administration of University Property</a>	Yes	CSURMA adopted P&P No.16, which complies with this policy	
<b>Section 2000 – Budget</b>			
<a href="#">2001.01 – Campus Reserves</a>	No	CSURMA does not maintain reserves in the CSU funds listed	No change
<a href="#">2002.00 – Budget Oversight</a>	Yes	CSURMA reviews budget to actual revenues & expenditures quarterly	No change
<a href="#">2003.00 – Use of State Funds for Financial Aid</a>	No	CSURMA does not offer financial aid	New*
<b>Section 3000 – General Accounting</b>			
<a href="#">3102.06 – Returned Items</a>	Yes	CO General Accounting handles this function on behalf of CSURMA	No change
<a href="#">3102.08 – Recording Deposits to the General Ledger</a>	Yes	CSURMA Accounting records deposits to Blackbaud General Ledger with sufficient segregation of duties	No change
<a href="#">3102.09 – Bank Reconciliations</a>	Yes	CSURMA Accounting performs monthly bank reconciliations with sufficient segregation of duties	No change
<a href="#">3102.10 – Change Funds (Superseded by 6320.00)</a>	Yes	CSURMA Accounting does not maintain change funds, but may in the future	No change
<a href="#">3103.01 – Disbursements - General</a>	Yes	CSURMA Accounting issues paper & electronic disbursements upon approval by SRM	No change
<b>3103.02 – Outgoing Disbursements</b>			
<a href="#">3103.05 – Payroll Payments Issued by Accounts Payable</a>	Yes	CSURMA Accounting issues paper & electronic disbursements upon approval by SRM	Previously titled "Outgoing Payments - Electronic and Paper"; Clarified control procedures over disbursements
<a href="#">3103.11 – Petty Cash (Superseded by 6320.00)</a>	Yes	CO AP handles this function on behalf of CSURMA	No change
<a href="#">3130.01 – Accounts Receivable Management</a>	Yes	CSURMA Accounting does not maintain a petty cash fund, but may in the future	No change
<a href="#">3141.01 – Administration of Student Organization Funds (Supersedes 1401.00)</a>	Yes	CSURMA adopted P&P No.6 to manage the AR process, which complies with this policy	No change
<a href="#">3150.01 – Administration of University Property</a>	No	CSURMA is not involved in administering student organization funds	No change
<a href="#">3250.01 – Disposition of Lost, Unclaimed or Abandoned Property</a>	Yes	CSURMA adopted P&P No.16, which complies with this policy	Renumbered to 1401.00
<a href="#">3250.02 – Disposition of Unclaimed Negotiable Instruments</a>	Yes	CSURMA has no lost, unclaimed and abandoned property for disposition	No change
<a href="#">3552.01 – Cost Allocation / Reimbursement Plans for the CSU Operating Fund</a>	Yes	CSURMA reviews outstanding checks monthly and contacts payees if over 60 days	Clarified escheat procedures
<a href="#">3601.01 – Travel Policy</a>	Yes	CSURMA cost allocation/recovery uses the Cost Recovery Fund instead of the CSU Operating Fund	No change
<a href="#">3801.01 – Tax Administration</a>	Yes	CSURMA adopts the CSU Travel Policy	Clarified; Allowed advances to be issued; Included Travel Ban Update
<a href="#">3801.01 – Tax Administration</a>	Yes	CSURMA tax compliance follows direction under SW Tax Administration	No change
<b>Section 4000 – Police Services</b>			
<a href="#">4001.00 – Awards and Commendations Policy</a>	No	CSURMA does not enlist the use of CSU University Police Department officers	New*
<a href="#">4071.00 – Parking Citation Payment Plans</a>	No	CSURMA does not enlist the use of campus police services	New*
<a href="#">4450.00 – Clery Act Daily Crime Log</a>	No	CSURMA does not enlist the use of CSU University Police Department officers	New*
<a href="#">4701.00 – Body Worn Cameras</a>	No	CSURMA does not enlist the use of CSU Campus Police Department officers	No change
<b>Section 5000 – Contracts and Procurement</b>			
<a href="#">5000.00 - Contracts and Procurement Policy Introduction</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5100.00 - Responsibility and Authority</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5101.00 - Delegation to the Chancellor</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5102.00 - Delegation to the Campus Presidents</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5103.00 - Role of General Counsel</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5104.00 - Role of the Chancellor's Office Contract Services &amp; Procurement (CS&amp;P) Department</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5201.00 - Fair and Open Competition</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5202.00 - Classification of Contract</a>	No	CSURMA does not engage in competitive contracting/procurement	No change

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
<a href="#">5203.00 - Solicitation Methodologies</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5204.00 - Strategic Sourcing Options and Alternatives</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5205.00 - Low-Value Purchases</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5206.00 - Limits on Competition</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5208.00 - Multi-Year Contracts</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5209.00 - Emergency Transactions</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5210.00 - Prohibited Practices</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5212.00 - Protests, Disputes, and Complaints</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5213.00 - Vendor Records</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5214.00 - Tax-Exempt Financed Acquisitions</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5215.00 - Disabled Veteran Business Enterprise (DVBE) Participation Goals</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5216.00 - Small and Micro Businesses</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5217.00 - Target Area Contract Preference Act (TACPA)</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5219.00 - Community Rehabilitation Programs and Workshops</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5220.00 - Non-Discrimination</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5221.00 - National Labor Relations Board (NLRB) Compliance</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5222.00 - Audit of Contract</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5223.00 - Drug-Free Workplace Certification</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5224.00 - Prison Industry Authority</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5225.00 - Use of the State Department of General Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5226.00 - Use of Electronic Transmission in Bids</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5227.00 - Direct Payments</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5228.00 - Accessibility of Public Solicitations and Acquisition of Electronic and Information Technology (E&amp;IT) Goods and Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5229.00 - Child Support Compliance Act</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5231.00 - Ethnicity Race Gender and Sexual Orientation Business Enterprises Participation Contract Requirements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5232.00 - Expatriate Corporations</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5233.00 - Risk Allocation and Performance Assurance</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5235.00 - CSU Buy Recycled Products Campaign</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5235-00-DRAFT - Sustainable Procurement</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5236-00 - CSU Single-Use Plastics</a>	No	CSURMA does not engage in competitive contracting/procurement	New*
<a href="#">5240.00 - Standard Contracting Forms and Terms</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5245.00 - Advertising in the California State Contracts Register (CSCR)</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5250.00 - Procurement Cards (University Liability Credit Cards)</a>	No	CSURMA reimburses CO for expenses paid via the ProCard program	No change
<a href="#">5251.00 - Corporate Cards (Employee Personal Liability Credit Cards)</a>	No	CSURMA employees are not issued corporate credit cards	No change
<a href="#">5300.00 - Personal Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5301.00 - Bid Thresholds for Personal Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5302.00 - Formal Bidding for Personal Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5302-00-DRAFT - Formal Bidding for Personal Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5303.00 - Commodities with Special Purchasing Requirements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5400.00 - Procurement of Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5401.00 - Solicitation Thresholds for Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5402.00 - Formal Solicitation for Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5402-00-DRAFT - Formal Solicitation for Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5403.00 - Services with Special Purchasing Requirements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5404.00 - Contract Award Report to Department of Fair Employment and Housing</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5405.00 - Amendments to Service Agreements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5406.00 - Service Orders</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5412.00 - Special Processing Requirements for Contracts</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5500.00 - Information Technology Resources (ITR) Procurement Policy</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5501.00 - Solicitation for ITR Goods and Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5502.00 - Formal Solicitation for ITR Goods and Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5503.00 - Information Technology Resources (ITR) Project Solicitation Plans</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5505.00 - Competitive Solicitation</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5507.00 - Special Provisions</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5602.00 - Sale of License of Intellectual Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5603.00 - Disposal of Vehicles</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5604.00 - Services Provided by the CSU</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5700.00 - Public Agency and Auxiliary Agreements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5702.00 - Intra-Agency Agreements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5703.00 - Contracts with Local Government Entities</a>	No	CSURMA does not engage in competitive contracting/procurement	No change

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
<a href="#">5704.00 - Contracts with State Boards and Commissions</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5705.00 - Printing and Binding Orders</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5706.00 - Services Provided by Campus Auxiliary Organizations</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<b>Section 6000 – Financing, Treasury, and Risk Management</b>			
<a href="#">6100.00 – Centralized Management of Cash and Investments (Supersedes 3101.01)</a>	Yes	CSURMA participates in the CSU consolidated investment pool	No change
<a href="#">6200.00 – Campus Administration of Systemwide Cash Management Policy (Supersedes 3101.02)</a>	Yes	CSURMA Accounting alerts CO Treasury of individual commercial banking transactions exceeding \$200,000, at least one business day prior to the transaction settlement date	No change
<a href="#">6201.00 – Sensitive Positions and Cash Handling Duties (Supersedes 3102.01)</a>	Yes	CO General Accounting handles this function on behalf of CSURMA	No change
<a href="#">6202.00 – Segregation of Cash Handling Duties (Supersedes 3102.02)</a>	Yes	CO General Accounting handles this function on behalf of CSURMA	No change
<a href="#">6320.00 – Petty Cash Funds and Change Funds</a>	Yes	CSURMA Accounting does not maintain PCC and change funds, but may in the future	No change
<a href="#">6330.00 – Incoming Cash and Checks</a>	Yes	CO General Accounting handles this function on behalf of CSURMA	No change
<a href="#">6310.00 – Debit/Credit Card Payment Policy (Supersedes 3102.05)</a>	Yes	CSURMA Accounting does not process credit card transactions at this time	No change
<b>Section 7000 – Identity Access Management</b>			
<a href="#">7100.00 – Identity Access Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<b>Section 8000 – Information Security</b>			
<a href="#">8000.00 - Introduction and Scope</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8005.00 - Policy Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8010.00 - Establishing an Information Security Program</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8015.00 - Organizing Information Security</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8020.00 - Information Security Risk Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8025.00 - Privacy of Personal Information</a>	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases; certification on the CO confidentiality form is in place	No change
<a href="#">8030.00 - Personnel Information Security</a>	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases; certification on the CO confidentiality form is in place	No change
<a href="#">8035.00 - Information Security Awareness and Training</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8040.00 - Managing Third Parties</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8045.00 - Information Technology Security</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8050.00 - Configuration Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8055.00 - Change Control</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8060.00 - Access Control</a>	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases; certification on the CO confidentiality form is in place	No change
<a href="#">8065.00 - Information Asset Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8070.00 - Information Systems Acquisition, Development and Maintenance</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8075.00 - Information Security Incident Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8080.00 - Physical Security</a>	Yes	CO Public Safety handles this function on behalf of CSURMA	No change
<a href="#">8085.00 - Business Continuity and Disaster Recovery</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8090.00 - Compliance</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8095.00 - Policy Enforcement</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8100.00 - Electronic and Digital Signatures</a>	Yes	CSURMA uses digital signatures for travel pre-approval	No change
<a href="#">8105.00 - Responsible Use Policy</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<b>Section 9000 – Capital Planning, Design, and Construction</b>			
<a href="#">Section I: Capital Outlay and Public Works Contracts</a>	No	Not applicable to CSURMA	No change
<a href="#">Section II: Physical Master Plan and Off-Campus Centers</a>	No	Not applicable to CSURMA	No change
<a href="#">Section III: Land Use Planning and Environmental Review</a>	No	Not applicable to CSURMA	No change
<a href="#">Section IV: Fiscal Resources for Campus Development Programs</a>	No	Not applicable to CSURMA	No change
<a href="#">Section V: Measurement Devices for Physical Planning</a>	No	Not applicable to CSURMA	No change
<a href="#">Section VI: Standards for Campus Development Programs</a>	No	Not applicable to CSURMA	No change
<a href="#">Section VII: Five-Year Capital Improvement Program Procedures And Formats For Capital Outlay Submission</a>	No	Not applicable to CSURMA	No change
<a href="#">Section VIII: Facilities Operations and Management</a>	No	Not applicable to CSURMA	New*
<a href="#">Section IX: Energy Conservation and Utilities Management</a>	No	Not applicable to CSURMA	No change
<a href="#">Section X: Professional Services for Campus Development - Public Works-Related Service Agreements</a>	No	Not applicable to CSURMA	No change
<a href="#">Section XI: Project Plan Development for Major Construction Projects</a>	No	Not applicable to CSURMA	No change
<a href="#">Section XII: Construction Management</a>	No	Not applicable to CSURMA	No change
<b>Section 10000 – Information Technology</b>			
<a href="#">10100.00 – Information Technology Procurement Project Policy</a>	No	CSURMA does not purchase Information Technology projects such as acquisitions of hardware or software and infrastructure design or system design and analysis	No change
<b>Section 11000 – Sponsored Programs Administration</b>			
<a href="#">11000.00 - CSU Sponsored Programs ICSUAM Policy Announcement - Uniform Guidance Addendum</a>	No	Not applicable to CSURMA	No change
<a href="#">11001.00 - Sponsored Programs Administration Introduction</a>	No	Not applicable to CSURMA	No change

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
<a href="#">11001.01 - SP Policy Definitions</a>	No	Not applicable to CSURMA	<b>New*</b> Previously titled "General Policy Requirements for the Administration of Grants & Contracts in Support of Externally Funded Research and Sponsored Program Activities"; Reorganized and clarified
<a href="#">11002.01 - Sponsored Programs General Policy Standards and Requirements</a>	No	Not applicable to CSURMA	<b>New*</b>
<a href="#">11002.03 - Pre-Award Proposal and Approval</a>	No	Not applicable to CSURMA	<b>New*</b>
<a href="#">11002.04 - Award Acceptance &amp; Negotiation</a>	No	Not applicable to CSURMA	<b>New*</b>
<a href="#">11002.05 - Sponsored Program Management</a>	No	Not applicable to CSURMA	<b>New*</b>
<a href="#">11002.06 - Subrecipient Monitoring</a>	No	Not applicable to CSURMA	Renumbered from 11002.05
<a href="#">11002.07 - Reporting &amp; Records Management</a>	No	Not applicable to CSURMA	<b>New*</b>
<a href="#">11003.03 - Indirect Cost/F&amp;A Rate Agreements</a>	No	Not applicable to CSURMA	<b>New*</b>
<a href="#">11003.04 - Proposal Costing</a>	No	Not applicable to CSURMA	<b>New*</b>
<a href="#">11003.05 - Allowable Costs</a>	No	Not applicable to CSURMA	No change
<a href="#">11003.06 - Compensated Effort</a>	No	Not applicable to CSURMA	Previously titled "Effort Reporting"
<a href="#">11003.07 - Cost Sharing</a>	No	Not applicable to CSURMA	No change
<a href="#">11003.11 - Project Closeout</a>	No	Not applicable to CSURMA	<b>New*</b>
<a href="#">11003.12 - Federally Funded Procurement</a>	No	Not applicable to CSURMA	<b>New*</b>
<a href="#">11003.13 - Externally Funded Equipment &amp; Property Management</a>	No	Not applicable to CSURMA	Renumbered from 11005.00
<a href="#">11005.00 - Audit Monitoring and Resolution</a>	No	Not applicable to CSURMA	Renumbered from 11008.00
<a href="#">11010.02 - Financial Conflict of Interest for Investigators</a>	No	Not applicable to CSURMA	Previously titled "Financial Conflict of Interest (FCOI)"
<b>Section 13000 – Auxiliary Organizations Administration</b>			
<a href="#">13175.00 – Auxiliary Organization External Auditor Firms Qualifications</a>	Yes	CSURMA is not technically an Auxiliary Organization, but complies with this policy	No change
<a href="#">13680.00 – Placement and Control of Receipts for Campus Activities and Programs</a>	Yes	CSURMA is not technically an Auxiliary Organization, but complies with this policy	No change
<b>Section 15000 – University Advancement</b>			
<a href="#">15401.00 – Fundraising - Matching Gifts</a>	No	Not applicable to CSURMA	No change
<a href="#">15501.00 – Naming of California State University Facilities and Properties</a>	No	Not applicable to CSURMA	No change
<a href="#">15502.00 – Naming of California State University Schools, Colleges, Programs and Other Academic and Non-Academic Units</a>	No	Not applicable to CSURMA	No change
<a href="#">15701.00 – Fundraising Events</a>	No	Not applicable to CSURMA	No change

Note: Deleted and superseded policies are not presented in this list

**FY 2018/19 MIDTERM BUDGET AMENDMENTS AND  
ADOPTION OF RESOLUTION NO. 01-19 (EC)**

**ISSUE:** The Board of Directors adopted the FY 2018/19 budget at its meeting on April 25, 2018. Upon review of the financial statements at December 31, 2018 (*unaudited*), Staff recommends the Executive Committee adopt Resolution No. 01-19 (EC) amending the FY 2018/19 budget as described therein, with details provided in the attached Draft FY 2018/19 CSURMA Midterm Budget Amendments. AORMA's midterm budget amendments are pending review by the AORMA Committee, who will make a recommendation to include its amendments in CSURMA's Midterm Budget Amendments. Additional budget adjustments may be identified at today's Executive Committee meeting for review and adoption as appropriate.

**RECOMMENDATION:** The Executive Committee is asked to adopt Resolution No. 01-19 (EC) amending the 2018/19 CSURMA Budget, with additional amendments, if any, approved at today's meeting.

**FISCAL IMPACT:** The effect of the above adjustments decreases Total Revenues by \$65,348; increases Total Expenses by \$12,776,112 Non-operating Revenue unchanged; resulting Total Revenue of \$91,010,560; Total Expenses of \$111,155,741; and Non-Operating Income of \$2,500,000. The amended budget results in a Net Deficit of \$17,645,181. The Ending Balance at June 30, 2018 is projected to decrease from \$64,252,885 to \$46,607,704.

**BACKGROUND:** None.

**PUBLICATION:** The amended FY 2018/19 Budget and Resolution 01-19 (EC) will be uploaded onto the CSURMA website.

**ATTACHMENT(S):**

- a. Draft Resolution No. 01-19 (EC)
- b. Draft FY 2018/19 CSURMA Midterm Budget Amendments

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE  
RESOLUTION NO. 01-19 (EC)**

**Resolution Approving CSURMA Midterm Budget Amendment for FY 2018/19**

The Executive Committee of the California State University Risk Management Authority finds and determines that the FY 2018/19 operating budget shall be amended as follows:

Campus Funds

1. Increase Reinsurance Premiums by \$111,343 to \$8,194,220 for actual expenditures.
2. Decrease Claim Payments & Legal Expenses by \$2,874,789 to \$55,826,634 due to updated actuarial reports and loss trends.
3. Decrease Deductible Recoveries by \$1,544,501 to \$3,455,499 due to updated actuarial reports and loss trends.
4. Increase Brokerage Commissions & Fees by \$70,227 to \$1,015,404 for actual costs projected to fiscal year end.
5. Increase Insurance Premiums by \$1,760,717 to \$39,223,094 for actual costs projected to fiscal year end.
6. Decrease Excess/Reinsurance Recoveries by \$2,438,846 to \$15,683,087 per actuarial updates and estimated Liability and Property recoveries.
7. Increase Dividend Distributions by \$4,774,887 to \$4,774,887 for actual dividends paid to members.

AORMA Funds

1. Decrease Contributions by \$1,145,817 to \$12,483,032 for actual contributions.
2. Decrease Reinsurance Premiums by \$265,895 to \$3,046,981 for actual expenditures.
3. Decrease Claim Payments & Legal Expenses by \$596,219 to \$4,775,703 due to updated actuarial reports and loss trends.
4. Decrease Brokerage Commissions & Fees by \$42,343 to \$291,962 for actual costs projected to fiscal year end.
5. Increase Insurance Premiums by \$216,062 to \$4,807,632 for actual costs projected to fiscal year end.
6. Decrease Excess/Reinsurance Recoveries by \$72,153 to \$1,733,855 per actuarial updates.

Campus & AORMA Funds

The following are allocated to Campus and AORMA:

1. Decrease Workshop/Training Expenses by \$100,000 to \$165,000 since funds for UPD training had been earmarked under Chancellor's Office Risk Management Services.
2. Increase Loss Control Expenses by \$66,000 to \$1,044,614 for VEOCI (\$46,000), Virtual Compliance (\$20,000).

OCIP Funds

1. Increase Contributions by \$925,917 to \$4,487,090 per OCIP Administrator's proforma worksheet.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

2. Decrease Claim Payments & Legal Expenses by \$1,262,222 to \$0 due to prepaid insurance.
3. Increase Insurance Premiums by \$6,708,292 to \$7,909,092 per OCIP Administrator's proforma worksheet.
4. Decrease Investment Income by \$44,637 to \$0 pending finalization of interest treatment for CSURMA premium prepayments.

The effect of the above adjustments decreases Total Revenues by \$65,348; increases Total Expenses by \$12,776,112; Non-operating Revenue unchanged; resulting Total Revenue of \$91,010,560; Total Expenses of \$111,155,741; and Non-Operating Income of \$2,500,000. The amended budget results in a Net Deficit of \$17,645,181. The Ending Balance at June 30, 2018 is projected to decrease from \$64,252,885 to \$46,607,704.

\* \* \* \* \*

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the Executive Committee of the California State University Risk Management Authority as follows:

The California State University Risk Management Authority does hereby amend the FY 2018/19 operating budget as presented herein.

\* \* \* \* \*

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Executive Committee of the California State University Risk Management Authority held on March 7, 2019 which was approved by the following votes:

AYES, and in favor thereof, members: Scott Apel, Dwayne Brummett, Lisa Chavez, Thom Davis, Robert Eaton, Lisa Kao, Dave Nakamura, Kevin Saunders, and Amy Thomas.

NOES, members:

ABSTAIN, members:

ABSENT, members:

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Lisa Chavez, Chair

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Zachary Gifford, Secretary-Auditor

# **CSURMA**

**Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019**

**MIDTERM BUDGET AMENDMENTS**  
**Executive Committee**

**Draft 10**

**TOTAL: ALL FUNDS**

	<i>Adopted</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	102,471,662	102,251,762	-219,900
Reinsurance Premiums	-11,395,754	-11,241,201	154,552
Total Operating Revenues	<u>91,075,908</u>	<u>91,010,560</u>	<u>-65,348</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	65,445,567	60,712,337	-4,733,230
Deductible Recoveries	-5,100,000	-3,555,499	1,544,501
Claims Administrators	4,401,422	4,401,422	0
Management Information System	125,000	125,000	0
Program Administrators	3,238,950	3,238,950	0
Brokerage Commissions & Fees	1,411,974	1,439,858	27,884
Insurance Premiums (net of brokerage)	43,884,440	52,569,511	8,685,072
Taxes, Assessments & Fees	301,450	301,450	0
Actuarial Services	74,500	74,500	0
Claims Audit	9,870	9,870	0
Coverage Counsel	16,000	16,000	0
Program Legal	24,500	24,500	0
Miscellaneous Program Services	10,000	10,000	0
Workshop/Training Expenses	265,000	165,000	-100,000
Loss Control Expenses	978,614	1,044,614	66,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-19,927,941	-17,416,942	2,510,999
Program Committee	11,000	11,000	0
Dividend Distributions	1,401,588	6,176,475	4,774,887
Total Direct Program Expenses	<u>96,571,934</u>	<u>109,348,046</u>	<u>12,776,112</u>

CSURMA  
 Cash Flow Budget of Revenues and Expenses  
 Fiscal Year July 1, 2018 to June 30, 2019

Draft 10  
 FY 18/19 Proposed Budget  
**MIDTERM BUDGET AMENDMENTS**

**TOTAL: ALL FUNDS**

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	36,400	36,400	0
Executive Committee & Board Expenses	35,396	35,396	0
JPA Insurance	16,640	16,640	0
Memberships, Associations & Dues	44,772	44,772	0
Chancellor's Office Accounting Services	400,000	400,000	0
Chancellor's Office Risk Management Service	1,134,500	1,134,500	0
JPA Accreditation	0	0	0
JPA Legal	111,394	111,394	0
Miscellaneous Expenses	28,593	28,593	0
Total General & Administrative Expenses	<u>1,807,695</u>	<u>1,807,695</u>	<u>0</u>
Total Operating Expenses	<u>98,379,629</u>	<u>111,155,741</u>	<u>12,776,112</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,500,000	2,500,000	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>-4,803,721</u>	<u>-17,645,181</u>	
<b>Beginning Retained Earnings</b>	60,369,690	64,252,885	
<b>Ending Retained Earnings</b>	55,565,969	46,607,704	

**CSURMA**

**Cash Flow Budget of Revenues and Expenses**

**FY 18/19 Proposed Budget**

**Fiscal Year July 1, 2018 to June 30, 2019**

**MIDTERM BUDGET AMENDMENTS**

**GENERAL FUND**

**To allocate General Expenses  
across All Program Funds**

<i>Adopted</i>	<i>Amended</i>	
<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions  
Reinsurance Premiums

Total Operating Revenues

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses  
Deductible Recoveries  
Claims Administrators  
Management Information System

Program Administrators

Brokerage Commissions & Fees  
Insurance Premiums (net of brokerage)  
Taxes, Assessments & Fees  
Actuarial Services  
Claims Audit  
Coverage Counsel  
Program Legal  
Miscellaneous Program Services  
Workshop/Training Expenses  
Loss Control Expenses  
Appraisals  
Excess/Reinsurance Recoveries  
Program Committee  
Dividend Distributions

**CSURMA****Cash Flow Budget of Revenues and Expenses****FY 18/19 Proposed Budget****Fiscal Year July 1, 2018 to June 30, 2019****MIDTERM BUDGET AMENDMENTS****GENERAL FUND****To allocate General Expenses  
across All Program Funds**

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
Total Direct Program Expenses			
<b>General &amp; Administrative Expenses</b>			
Financial Audit	36,400	36,400	0
Executive Committee & Board Expenses	35,396	35,396	0
JPA Insurance	16,640	16,640	0
Memberships, Associations & Dues	44,772	44,772	0
Chancellor's Office Accounting Services	400,000	400,000	0
Chancellor's Office Risk Management Service	1,134,500	1,134,500	0
JPA Accreditation	0	0	0
JPA Legal	111,394	111,394	0
Miscellaneous Expenses	28,593	28,593	0
Total General & Administrative Expenses	<u>1,807,695</u>	<u>1,807,695</u>	<u>0</u>
Total Operating Expenses	<u>1,807,695</u>	<u>1,807,695</u>	<u>0</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,500,000	2,500,000	0
Interest Income - Loans (separate fund)	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>

**TOTAL: CAMPUS PROGRAMS**

	<i>Adopted</i>	<i>Amended</i>	
	<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	84,393,912	84,393,912	0
Reinsurance Premiums	-8,082,877	-8,194,220	-111,343
Total Operating Revenues	<u>76,311,035</u>	<u>76,199,692</u>	<u>-111,343</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	58,701,423	55,826,634	-2,874,789
Deductible Recoveries	-5,000,000	-3,455,499	1,544,501
Claims Administrators	4,114,166	4,114,166	0
Management Information System	109,378	109,378	0
Program Administrators	1,407,350	1,407,350	0
Brokerage Commissions & Fees	945,177	1,015,404	70,227
Insurance Premiums (net of brokerage)	37,462,377	39,223,094	1,760,717
Taxes, Assessments & Fees	235,950	235,950	0
Actuarial Services	63,500	57,006	-6,494
Claims Audit	5,250	5,250	0
Coverage Counsel	10,000	10,000	0
Program Legal	22,000	22,000	0
Miscellaneous Program Services	8,599	8,599	0
Workshop/Training Expenses	234,696	135,444	-99,252
Loss Control Expenses	772,116	838,116	66,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-18,121,933	-15,683,087	2,438,846
Program Committee	3,000	3,000	0
Dividend Distributions	0	4,774,887	4,774,887
Total Direct Program Expenses	<u>80,973,048</u>	<u>88,647,691</u>	<u>7,674,643</u>

CSURMA  
 Cash Flow Budget of Revenues and Expenses  
 Fiscal Year July 1, 2018 to June 30, 2019

Draft 10  
 FY 18/19 Proposed Budget  
**MIDTERM BUDGET AMENDMENTS**

**TOTAL: CAMPUS PROGRAMS**

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	30,082	30,082	0
Executive Committee & Board Expenses	29,252	29,252	0
JPA Insurance	13,752	13,752	0
Memberships, Associations & Dues	37,001	37,001	0
Chancellor's Office Accounting Services	330,570	330,570	0
Chancellor's Office Risk Management Service	937,580	937,580	0
JPA Accreditation	0	0	0
JPA Legal	92,059	92,059	0
Miscellaneous Expenses	23,630	23,630	0
Total General & Administrative Expenses	<u>1,493,926</u>	<u>1,493,926</u>	<u>0</u>
Total Operating Expenses	<u>82,466,974</u>	<u>90,141,617</u>	<u>7,674,643</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,048,291	2,085,528	37,237
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,048,291</u>	<u>2,085,528</u>	<u>37,237</u>
<b>Net Surplus (Deficit)</b>	<u>-4,107,648</u>	<u>-11,856,397</u>	
<b>Beginning Retained Earnings</b>	27,824,647	<b>39,388,754</b>	
<b>Ending Retained Earnings</b>	23,717,000	27,532,357	

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019

Draft 10  
FY 18/19 Proposed Budget  
**MIDTERM BUDGET AMENDMENTS**

**CAMPUS LIABILITY PROGRAM**

(Fund 10)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	16,173,148	16,173,148	0
Reinsurance Premiums	-2,040,745	<b>-2,184,708</b>	-143,963
Total Operating Revenues	<u>14,132,403</u>	<u>13,988,440</u>	<u>-143,963</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	13,203,348	<b>16,512,382</b>	3,309,034
Deductible Recoveries	-5,000,000	<b>-3,455,499</b>	1,544,501
Claims Administrators	0	0	0
Management Information System	49,386	49,386	0
Program Administrators	269,070	269,070	0
Brokerage Commissions & Fees	388,944	379,900	-9,044
Insurance Premiums (net of brokerage)	3,310,821	<b>3,228,984</b>	-81,837
Taxes, Assessments & Fees	235,950	235,950	0
Actuarial Services	14,670	13,414	-1,256
Claims Audit	5,250	5,250	0
Coverage Counsel	10,000	10,000	0
Program Legal	22,000	22,000	0
Miscellaneous Program Services	1,663	1,663	0
Workshop/Training Expenses	76,627	<b>47,381</b>	-29,247
Loss Control Expenses	474,972	<b>517,972</b>	43,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	<b>-600,000</b>	-600,000
Program Committee	0	0	0
Dividend Distributions	0	<b>1,127,520</b>	1,127,520
Total Direct Program Expenses	<u>13,062,701</u>	<u>18,365,372</u>	<u>5,302,671</u>

CSURMA  
 Cash Flow Budget of Revenues and Expenses  
 Fiscal Year July 1, 2018 to June 30, 2019

Draft 10  
 FY 18/19 Proposed Budget  
**MIDTERM BUDGET AMENDMENTS**

**CAMPUS LIABILITY PROGRAM**

(Fund 10)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	5,818	5,818	0
Executive Committee & Board Expenses	5,658	5,658	0
JPA Insurance	2,660	2,660	0
Memberships, Associations & Dues	7,156	7,156	0
Chancellor's Office Accounting Services	63,936	63,936	0
Chancellor's Office Risk Management Service	181,337	181,337	0
JPA Accreditation	0	0	0
JPA Legal	17,805	17,805	0
Miscellaneous Expenses	4,570	4,570	0
Total General & Administrative Expenses	<u>288,940</u>	<u>288,940</u>	<u>0</u>
Total Operating Expenses	<u>13,351,641</u>	<u>18,654,312</u>	<u>5,302,671</u>
<b>Non-Operating Revenues</b>			
Investment Income	614,665	625,839	11,174
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>614,665</u>	<u>625,839</u>	<u>11,174</u>
<b>Net Surplus (Deficit)</b>	<u>1,395,427</u>	<u>-4,040,033</u>	
<b>Beginning Retained Earnings</b>	11,254,580	<b>10,094,128</b>	
<b>Ending Retained Earnings</b>	12,650,006	6,054,095	

**CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions	38,837,384	38,837,384	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>38,837,384</u>	<u>38,837,384</u>	<u>0</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	23,280,508	19,166,216	-4,114,292
Deductible Recoveries	0	0	0
Claims Administrators	3,849,166	3,849,166	0
Management Information System	34,544	34,544	0
Program Administrators	738,223	738,223	0
Brokerage Commissions & Fees	217	1,722	1,505
Insurance Premiums (net of brokerage)	31,350,000	32,153,161	803,161
Taxes, Assessments & Fees	0	0	0
Actuarial Services	28,722	25,707	-3,015
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	3,994	3,994	0
Workshop/Training Expenses	129,962	59,730	-70,232
Loss Control Expenses	234,022	257,022	23,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-18,121,933	-14,583,087	3,538,846
Program Committee	0	0	0
Dividend Distributions	0	3,647,367	3,647,367
Total Direct Program Expenses	<u>41,527,425</u>	<u>45,353,764</u>	<u>3,826,340</u>

**CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**General & Administrative Expenses**

Financial Audit	13,971	13,971	0
Executive Committee & Board Expenses	13,586	13,586	0
JPA Insurance	6,387	6,387	0
Memberships, Associations & Dues	17,185	17,185	0
Chancellor's Office Accounting Services	153,532	153,532	0
Chancellor's Office Risk Management Service	435,454	435,454	0
JPA Accreditation	0	0	0
JPA Legal	42,756	42,756	0
Miscellaneous Expenses	10,975	10,975	0
Total General & Administrative Expenses	<u>693,846</u>	<u>693,846</u>	<u>0</u>
Total Operating Expenses	<u>42,221,271</u>	<u>46,047,611</u>	<u>3,826,340</u>

**Non-Operating Revenues**

Investment Income	1,119,086	1,139,430	20,344
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>1,119,086</u>	<u>1,139,430</u>	<u>20,344</u>

**Net Surplus (Deficit)** -2,264,801 -6,070,796

**Beginning Retained Earnings** 10,731,996 **21,657,444**  
**Ending Retained Earnings** 8,467,196 15,586,648

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019

Draft 10  
FY 18/19 Proposed Budget  
MIDTERM BUDGET AMENDMENTS

**CAMPUS IDL NDL UI PROGRAM \***

(Fund 12)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<u>Budget</u> <u>Change</u>
<b>Operating Revenues</b>			
Contributions	15,500,000	15,500,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>15,500,000</u>	<u>15,500,000</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	14,500,000	14,500,000	0
Deductible Recoveries	0	0	0
Claims Administrators	70,000	70,000	0
Management Information System	13,787	13,787	0
Program Administrators	172,964	172,964	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	9,268	8,064	-1,204
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,594	1,594	0
Workshop/Training Expenses	11,718	11,865	147
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>14,779,331</u>	<u>14,778,274</u>	<u>-1,057</u>

CSURMA  
 Cash Flow Budget of Revenues and Expenses  
 Fiscal Year July 1, 2018 to June 30, 2019

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 FY 18/19 Proposed Budget  
**MIDTERM BUDGET AMENDMENTS**

**CAMPUS IDL NDL UI PROGRAM \***

(Fund 12)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	5,576	5,576	0
Executive Committee & Board Expenses	5,422	5,422	0
JPA Insurance	2,549	2,549	0
Memberships, Associations & Dues	6,858	6,858	0
Chancellor's Office Accounting Services	61,274	61,274	0
Chancellor's Office Risk Management Service	173,790	173,790	0
JPA Accreditation	0	0	0
JPA Legal	17,064	17,064	0
Miscellaneous Expenses	4,380	4,380	0
Total General & Administrative Expenses	<u>276,914</u>	<u>276,914</u>	<u>0</u>
Total Operating Expenses	<u>15,056,245</u>	<u>15,055,188</u>	<u>-1,057</u>
<b>Non-Operating Revenues</b>			
Investment Income	123,804	126,054	2,251
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>123,804</u>	<u>126,054</u>	<u>2,251</u>
<b>Net Surplus (Deficit)</b>	<u>567,558</u>	<u>570,866</u>	
<b>Beginning Retained Earnings</b>	-671,733	-461,410	
<b>Ending Retained Earnings</b>	-104,174	109,456	

**CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
<b>Operating Revenues</b>			
Contributions	8,450,000	8,450,000	0
Reinsurance Premiums	-6,042,132	-6,009,512	32,620
Total Operating Revenues	<u>2,407,868</u>	<u>2,440,488</u>	<u>32,620</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	4,000,000	2,000,000	-2,000,000
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	7,516	7,516	0
Program Administrators	216,507	216,507	0
Brokerage Commissions & Fees	554,016	631,124	77,108
Insurance Premiums (net of brokerage)	2,008,923	2,413,004	404,081
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,053	4,396	-657
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	869	869	0
Workshop/Training Expenses	6,388	6,468	80
Loss Control Expenses	63,122	63,122	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	-500,000	-500,000
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>6,862,394</u>	<u>4,843,006</u>	<u>-2,019,388</u>

**CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	3,040	3,040	0
Executive Committee & Board Expenses	2,956	2,956	0
JPA Insurance	1,390	1,390	0
Memberships, Associations & Dues	3,739	3,739	0
Chancellor's Office Accounting Services	33,404	33,404	0
Chancellor's Office Risk Management Service	94,743	94,743	0
JPA Accreditation	0	0	0
JPA Legal	9,303	9,303	0
Miscellaneous Expenses	2,388	2,388	0
Total General & Administrative Expenses	<u>150,963</u>	<u>150,963</u>	<u>0</u>
Total Operating Expenses	<u>7,013,357</u>	<u>4,993,969</u>	<u>-2,019,388</u>
<b>Non-Operating Revenues</b>			
Investment Income	117,772	119,913	2,141
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>117,772</u>	<u>119,913</u>	<u>2,141</u>
<b>Net Surplus (Deficit)</b>	<u>-4,487,717</u>	<u>-2,433,568</u>	
<b>Beginning Retained Earnings</b>	4,904,963	<b>6,460,096</b>	
<b>Ending Retained Earnings</b>	417,246	4,026,528	

**CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

	<i>Adopted</i>	<i>Amended</i>	
	<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	4,660,547	4,660,547	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,660,547</u>	<u>4,660,547</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	3,717,567	<b>3,648,036</b>	-69,531
Deductible Recoveries	0	0	0
Claims Administrators	195,000	195,000	0
Management Information System	4,145	4,145	0
Program Administrators	10,586	10,586	0
Brokerage Commissions & Fees	2,000	2,658	658
Insurance Premiums (net of brokerage)	19,800	19,398	-402
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,787	5,425	-362
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	479	479	0
Workshop/Training Expenses	10,000	10,000	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	3,000	3,000	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>3,968,364</u>	<u>3,898,727</u>	<u>-69,637</u>

**CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

<i>Adopted</i>	<i>Amended</i>	
FY 18/19	FY 18/19	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

**General & Administrative Expenses**

Financial Audit	1,677	1,677	0
Executive Committee & Board Expenses	1,630	1,630	0
JPA Insurance	766	766	0
Memberships, Associations & Dues	2,062	2,062	0
Chancellor's Office Accounting Services	18,424	18,424	0
Chancellor's Office Risk Management Service	52,255	52,255	0
JPA Accreditation	0	0	0
JPA Legal	5,131	5,131	0
Miscellaneous Expenses	1,317	1,317	0
 Total General & Administrative Expenses	 <u>83,263</u>	 <u>83,263</u>	 <u>0</u>
 Total Operating Expenses	 <u>4,051,627</u>	 <u>3,981,990</u>	 <u>-69,637</u>

**Non-Operating Revenues**

Investment Income	72,964	74,291	1,326
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>72,964</u>	 <u>74,291</u>	 <u>1,326</u>

**Net Surplus (Deficit)** 681,884 752,848

**Beginning Retained Earnings** 1,689,206 **1,722,859**  
**Ending Retained Earnings** 2,371,091 2,475,707

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019

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FY 18/19 Proposed Budget  
**MIDTERM BUDGET AMENDMENTS**

**CAMPUS AUTO LIABILITY PROGRAM \***

(Fund 15)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	772,833	772,833	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>772,833</u>	<u>772,833</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	772,833	1,408,547	635,714
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>772,833</u>	<u>1,408,547</u>	<u>635,714</u>

**CAMPUS AUTO LIABILITY PROGRAM \***

(Fund 15)

<i>Adopted</i>	<i>Amended</i>	
FY 18/19	FY 18/19	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

**General & Administrative Expenses**

Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
 Total General & Administrative Expenses	 <u>0</u>	 <u>0</u>	 <u>0</u>
 Total Operating Expenses	 <u>772,833</u>	 <u>1,408,547</u>	 <u>635,714</u>

**Non-Operating Revenues**

Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>0</u>	 <u>0</u>	 <u>0</u>

<b>Net Surplus (Deficit)</b>	<u>0</u>	<u>-635,714</u>
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<b>Beginning Retained Earnings</b>	-84,365	-84,364
<b>Ending Retained Earnings</b>	-84,365	-720,078

**TOTAL: AORMA PROGRAMS**

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
<b>Operating Revenues</b>			
Contributions	13,628,849	12,483,032	-1,145,817
Reinsurance Premiums	-3,312,877	-3,046,981	265,895
Total Operating Revenues	<u>10,315,972</u>	<u>9,436,051</u>	<u>-879,921</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,371,922	4,775,703	-596,219
Deductible Recoveries	-100,000	-100,000	0
Claims Administrators	279,256	279,256	0
Management Information System	12,122	12,122	0
Program Administrators	1,331,600	1,331,600	0
Brokerage Commissions & Fees	334,305	291,962	-42,343
Insurance Premiums (net of brokerage)	4,591,570	4,807,632	216,062
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	11,000	17,494	6,494
Claims Audit	4,620	4,620	0
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	1,401	1,401	0
Workshop/Training Expenses	30,304	29,556	-748
Loss Control Expenses	206,498	206,498	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,806,008	-1,733,855	72,153
Program Committee	8,000	8,000	0
Dividend Distributions	1,401,588	1,401,588	0
Total Direct Program Expenses	<u>11,752,179</u>	<u>11,407,578</u>	<u>-344,601</u>

**TOTAL: AORMA PROGRAMS**

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	4,903	4,903	0
Executive Committee & Board Expenses	4,768	4,768	0
JPA Insurance	2,241	2,241	0
Memberships, Associations & Dues	6,031	6,031	0
Chancellor's Office Accounting Services	53,877	53,877	0
Chancellor's Office Risk Management Service	152,810	152,810	0
JPA Accreditation	0	0	0
JPA Legal	15,004	15,004	0
Miscellaneous Expenses	3,851	3,851	0
Total General & Administrative Expenses	<u>243,485</u>	<u>243,485</u>	<u>0</u>
Total Operating Expenses	<u>11,995,664</u>	<u>11,651,063</u>	<u>-344,601</u>
<b>Non-Operating Revenues</b>			
Investment Income	402,719	410,040	7,321
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>402,719</u>	<u>410,040</u>	<u>7,321</u>
<b>Net Surplus (Deficit)</b>	<u>-1,276,973</u>	<u>-1,804,972</u>	
<b>Beginning Retained Earnings</b>	20,305,528	<b>19,837,208</b>	
<b>Ending Retained Earnings</b>	19,028,555	18,032,236	

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
<b>Operating Revenues</b>			
Contributions	4,517,782	4,164,118	-353,664
Reinsurance Premiums	-1,748,198	-1,442,265	305,933
Total Operating Revenues	<u>2,769,584</u>	<u>2,721,853</u>	<u>-47,731</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	1,027,137	1,028,423	1,286
Deductible Recoveries	-100,000	-100,000	0
Claims Administrators	15,000	15,000	0
Management Information System	4,018	4,018	0
Program Administrators	609,206	609,206	0
Brokerage Commissions & Fees	79,761	71,822	-7,939
Insurance Premiums (net of brokerage)	231,371	215,616	-15,755
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,250	7,416	2,166
Claims Audit	4,620	4,620	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	465	465	0
Workshop/Training Expenses	10,045	9,859	-186
Loss Control Expenses	91,425	91,425	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	2,500	2,500	0
Dividend Distributions	1,118,478	1,118,478	0
Total Direct Program Expenses	<u>3,106,776</u>	<u>3,086,348</u>	<u>-20,428</u>

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	1,625	1,625	0
Executive Committee & Board Expenses	1,580	1,580	0
JPA Insurance	743	743	0
Memberships, Associations & Dues	1,999	1,999	0
Chancellor's Office Accounting Services	17,860	17,860	0
Chancellor's Office Risk Management Service	50,654	50,654	0
JPA Accreditation	0	0	0
JPA Legal	4,974	4,974	0
Miscellaneous Expenses	1,277	1,277	0
 Total General & Administrative Expenses	 <u>80,712</u>	 <u>80,712</u>	 <u>0</u>
 Total Operating Expenses	 <u>3,187,488</u>	 <u>3,167,060</u>	 <u>-20,428</u>
<b>Non-Operating Revenues</b>			
Investment Income	135,071	137,527	2,456
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>135,071</u>	 <u>137,527</u>	 <u>2,456</u>
 <b>Net Surplus (Deficit)</b>	 <u>-282,833</u>	 <u>-307,680</u>	
 <b>Beginning Retained Earnings</b>	 6,975,506	 6,268,117	
<b>Ending Retained Earnings</b>	<b>6,692,673</b>	<b>5,960,436</b>	

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Adopted</i>	<i>Amended</i>	
	FY 18/19	FY 18/19	Budget
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
<b>Operating Revenues</b>			
Contributions	5,005,003	4,944,840	-60,163
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>5,005,003</u>	<u>4,944,840</u>	<u>-60,163</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,496,490	2,363,129	-133,361
Deductible Recoveries	0	0	0
Claims Administrators	235,368	235,368	0
Management Information System	4,452	4,452	0
Program Administrators	392,407	392,407	0
Brokerage Commissions & Fees	26	238	212
Insurance Premiums (net of brokerage)	4,000,000	4,220,444	220,444
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	5,750	8,323	2,573
Claims Audit	0	0	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	515	515	0
Workshop/Training Expenses	11,129	11,708	579
Loss Control Expenses	99,128	99,128	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,806,008	-1,733,855	72,153
Program Committee	2,800	2,800	0
Dividend Distributions	283,110	283,110	0
Total Direct Program Expenses	<u>5,791,666</u>	<u>5,954,266</u>	<u>162,600</u>

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**General & Administrative Expenses**

Financial Audit	1,801	1,801	0
Executive Committee & Board Expenses	1,751	1,751	0
JPA Insurance	823	823	0
Memberships, Associations & Dues	2,215	2,215	0
Chancellor's Office Accounting Services	19,786	19,786	0
Chancellor's Office Risk Management Service	56,117	56,117	0
JPA Accreditation	0	0	0
JPA Legal	5,510	5,510	0
Miscellaneous Expenses	1,414	1,414	0
 Total General & Administrative Expenses	 <u>89,416</u>	 <u>89,416</u>	 <u>0</u>
 Total Operating Expenses	 <u>5,881,082</u>	 <u>6,043,683</u>	 <u>162,600</u>

**Non-Operating Revenues**

Investment Income	137,078	139,570	2,492
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>137,078</u>	 <u>139,570</u>	 <u>2,492</u>

**Net Surplus (Deficit)** -739,002 -959,273

**Beginning Retained Earnings** 5,057,498 **5,324,721**

**Ending Retained Earnings** 4,318,496 4,365,448

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	2,134,679	2,447,577	312,898
Reinsurance Premiums	-1,564,679	-1,604,716	-40,038
Total Operating Revenues	<u>570,000</u>	<u>842,861</u>	<u>272,861</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	1,899	1,899	0
Program Administrators	258,913	258,913	0
Brokerage Commissions & Fees	235,888	203,930	-31,958
Insurance Premiums (net of brokerage)	155,000	193,288	38,288
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	1,273	1,273
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	220	220	0
Workshop/Training Expenses	4,746	5,795	1,049
Loss Control Expenses	15,946	15,946	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	1,300	1,300	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>923,912</u>	<u>932,564</u>	<u>8,652</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019

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FY 18/19 Proposed Budget  
**MIDTERM BUDGET AMENDMENTS**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	768	768	0
Executive Committee & Board Expenses	747	747	0
JPA Insurance	351	351	0
Memberships, Associations & Dues	945	945	0
Chancellor's Office Accounting Services	8,439	8,439	0
Chancellor's Office Risk Management Service	23,935	23,935	0
JPA Accreditation	0	0	0
JPA Legal	2,350	2,350	0
Miscellaneous Expenses	603	603	0
Total General & Administrative Expenses	<u>38,137</u>	<u>38,137</u>	<u>0</u>
Total Operating Expenses	<u>962,049</u>	<u>970,700</u>	<u>8,652</u>
<b>Non-Operating Revenues</b>			
Investment Income	32,299	32,886	587
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>32,299</u>	<u>32,886</u>	<u>587</u>
<b>Net Surplus (Deficit)</b>	<u>-359,750</u>	<u>-94,954</u>	
<b>Beginning Retained Earnings</b>	1,813,874	2,237,041	
<b>Ending Retained Earnings</b>	1,454,124	2,142,087	

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019

Draft 10  
FY 18/19 Proposed Budget  
MIDTERM BUDGET AMENDMENTS

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Adopted</i>	<i>Amended</i>	
	<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	232,000	232,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>232,000</u>	<u>232,000</u>	<u>0</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	41,877	41,877	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	206	206	0
Program Administrators	25,384	25,384	0
Brokerage Commissions & Fees *	18,630	15,972	-2,658
Insurance Premiums	205,199	<b>178,284</b>	-26,915
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	121	121
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	24	24	0
Workshop/Training Expenses	516	549	33
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	200	200	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>292,036</u>	<u>262,617</u>	<u>-29,419</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019

Draft 10  
FY 18/19 Proposed Budget  
**MIDTERM BUDGET AMENDMENTS**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	83	83	0
Executive Committee & Board Expenses	81	81	0
JPA Insurance	38	38	0
Memberships, Associations & Dues	103	103	0
Chancellor's Office Accounting Services	917	917	0
Chancellor's Office Risk Management Service	2,601	2,601	0
JPA Accreditation	0	0	0
JPA Legal	255	255	0
Miscellaneous Expenses	66	66	0
Total General & Administrative Expenses	<u>4,145</u>	<u>4,145</u>	<u>0</u>
Total Operating Expenses	<u>296,180</u>	<u>266,762</u>	<u>-29,419</u>
<b>Non-Operating Revenues</b>			
Investment Income	6,230	6,344	113
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>6,230</u>	<u>6,344</u>	<u>113</u>
<b>Net Surplus (Deficit)</b>	<u>-57,950</u>	<u>-28,418</u>	
<b>Beginning Retained Earnings</b>	345,488	462,615	
<b>Ending Retained Earnings</b>	287,538	434,196	

\* AORMA Crime separated from AORMA Property beginning July 1, 2011

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions	1,739,385	694,497	-1,044,888
Reinsurance Premiums	0	0	0
<b>Total Operating Revenues</b>	<b><u>1,739,385</u></b>	<b><u>694,497</u></b>	<b><u>-1,044,888</u></b>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	1,556,418	1,092,274	-464,144
Deductible Recoveries	0	0	0
Claims Administrators	28,888	28,888	0
Management Information System	1,547	1,547	0
Program Administrators	45,690	45,690	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	361	361
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	179	179	0
Workshop/Training Expenses	3,868	1,644	-2,223
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	1,200	1,200	0
Dividend Distributions	0	0	0
<b>Total Direct Program Expenses</b>	<b><u>1,637,789</u></b>	<b><u>1,171,783</u></b>	<b><u>-466,006</u></b>

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**General & Administrative Expenses**

Financial Audit	626	626	0
Executive Committee & Board Expenses	608	608	0
JPA Insurance	286	286	0
Memberships, Associations & Dues	770	770	0
Chancellor's Office Accounting Services	6,876	6,876	0
Chancellor's Office Risk Management Service	19,502	19,502	0
JPA Accreditation	0	0	0
JPA Legal	1,915	1,915	0
Miscellaneous Expenses	492	492	0
 Total General & Administrative Expenses	 <u>31,075</u>	 <u>31,075</u>	 <u>0</u>

<b>Total Operating Expenses</b>	<b><u>1,668,864</u></b>	<b><u>1,202,858</u></b>	<b><u>-466,006</u></b>
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**Non-Operating Revenues**

Investment Income	92,041	93,714	1,673
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>92,041</u>	 <u>93,714</u>	 <u>1,673</u>

Net Surplus (Deficit)	<u>162,562</u>	<u>-414,647</u>	
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<b>Beginning Retained Earnings</b>	6,113,162	<b>5,544,715</b>	
<b>Ending Retained Earnings</b>	6,275,724	5,130,068	

**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Adopted</i>	<i>Amended</i>	
	FY 18/19	FY 18/19	Budget
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>

**Operating Revenues**

Contributions	514,800	514,800	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>514,800</u>	<u>514,800</u>	<u>0</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	51,480	51,480	0
Insurance Premiums (net of brokerage)	463,320	463,320	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>514,800</u>	<u>514,800</u>	<u>0</u>

**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>514,800</u>	<u>514,800</u>	<u>0</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>0</u>	<u>0</u>	
<b>Beginning Retained Earnings</b>	135,453	23,257	
<b>Ending Retained Earnings</b>	135,453	23,257	

\* Participant Accident Insurance (PAI), Auto Physical Damage (APD), International Programs (IP)

**OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

<i>Adopted</i>	<i>Amended</i>	
FY 18/19	FY 18/19	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

**Operating Revenues**

Contributions	3,561,173	4,487,090	925,917
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>3,561,173</u>	<u>4,487,090</u>	<u>925,917</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	1,262,222	0	-1,262,222
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	3,168	3,168	0
Program Administrators	500,000	500,000	0
Brokerage Commissions & Fees	63,200	63,200	0
Insurance Premiums (net of brokerage)	1,200,800	7,909,092	6,708,292
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>3,029,390</u>	<u>8,475,460</u>	<u>5,446,070</u>

**OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	1,281	1,281	0
Executive Committee & Board Expenses	1,246	1,246	0
JPA Insurance	586	586	0
Memberships, Associations & Dues	1,576	1,576	0
Chancellor's Office Accounting Services	14,078	14,078	0
Chancellor's Office Risk Management Service	39,929	39,929	0
JPA Accreditation	0	0	0
JPA Legal	3,921	3,921	0
Miscellaneous Expenses	1,006	1,006	0
Total General & Administrative Expenses	<u>63,622</u>	<u>63,622</u>	<u>0</u>
Total Operating Expenses	<u>3,093,012</u>	<u>8,539,082</u>	<u>5,446,070</u>
<b>Non-Operating Revenues</b>			
Investment Income	44,637	0	-44,637
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>44,637</u>	<u>0</u>	<u>-44,637</u>
<b>Net Surplus (Deficit)</b>	<u>512,798</u>	<u>-4,051,993</u>	
<b>Beginning Retained Earnings</b>	11,650,274	4,487,992	
<b>Ending Retained Earnings</b>	12,163,072	435,999	

OCIP I launched 1/1/12, extended 12/31/14

OCIP II launches 1/31/18

**CLUB SPORTS INSURANCE PROGRAM**

(Fund 17)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	372,928	372,928	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>372,928</u>	<u>372,928</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	110,000	110,000	0
Deductible Recoveries	0	0	0
Claims Administrators	8,000	8,000	0
Management Information System	332	332	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	17,812	17,812	0
Insurance Premiums (net of brokerage)	166,373	166,373	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>302,517</u>	<u>302,517</u>	<u>0</u>

**CLUB SPORTS INSURANCE PROGRAM**

(Fund 17)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 18/19</b>	<b>FY 18/19</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**General & Administrative Expenses**

Financial Audit	134	134	0
Executive Committee & Board Expenses	130	130	0
JPA Insurance	61	61	0
Memberships, Associations & Dues	165	165	0
Chancellor's Office Accounting Services	1,474	1,474	0
Chancellor's Office Risk Management Service	4,181	4,181	0
JPA Accreditation	0	0	0
JPA Legal	411	411	0
Miscellaneous Expenses	105	105	0
<b>Total General &amp; Administrative Expenses</b>	<b><u>6,663</u></b>	<b><u>6,663</u></b>	<b><u>0</u></b>
<b>Total Operating Expenses</b>	<b><u>309,180</u></b>	<b><u>309,180</u></b>	<b><u>0</u></b>

**Non-Operating Revenues**

Investment Income	4,353	4,432	79
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
<b>Total Non-Operating Revenues</b>	<b><u>4,353</u></b>	<b><u>4,432</u></b>	<b><u>79</u></b>

**Net Surplus (Deficit)** **68,101** **68,180**

**Beginning Retained Earnings** 453,788 515,675  
**Ending Retained Earnings** 521,889 583,855

Launched beginning August 1, 2012



Summary of ALL FUNDS

Table with 18 columns: Fund Category, Campus Liability (Fund 10), Campus WC (Fund 11), Campus IDL/NDI/UI (Fund 12), Campus Property (Fund 13), Campus AIME (Fund 14), Campus AL (Fund 15), CAMPUS Total, AORMA Liability (Fund 21), AORMA WC (Fund 22), AORMA Property (Fund 23), AORMA Crime (Fund 24), AORMA UIP (Fund 25), AORMA Total, PIP (Fund 20), OCIP (Fund 16), CSIP (Fund 17), and TOTAL. Rows include Revenue, Operating Expenses (Direct Program, General & Administrative), Non-Operating Revenues, and Ending Retained Earnings.

**CHANCELLOR’S OFFICE SERVICES BUDGET PROPOSAL  
FOR FY 2019/20**

**ISSUE:** CSURMA obtains services from the Chancellor’s Office under three memoranda of understanding. Each year, the CSURMA Executive Committee considers the services and budget proposals as a part of the budget adoption process. Enterprise Accounting, Office of General Counsel and Systemwide Risk Management have developed proposals for FY 2019/20 and include the renewal pricing as follows:

<b>Table 1</b>				
<b>Budget Proposals</b>				
<b>Chancellor's Office Service</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>% Change</b>	<b>\$ Change</b>
Financial Services Administration & Accounting	400,000	412,000	3%	12,000
Office of General Counsel	487,955	502,594	3%	14,639
Systemwide Risk Management	1,134,500	1,159,500	2%	25,000

**RECOMMENDATION:** It is recommended that the Executive Committee consider the proposed services and budget for FY 19/20 and take action on the proposals as necessary.

**FISCAL IMPACT:** The amounts proposed are included in the draft CSURMA FY 19/20 Budget. Financial Services and Systemwide Risk Management costs are allocated proportionately across all funds. With respect to the Office of General Counsel, \$387,858 is allocated to the Campus Risk Pool Liability Program for claims legal expense, and \$114,736 is allocated across all funds for CSURMA General Counsel.


**BACKGROUND:** Please refer to the attachments for further information on the issues address in this agenda item.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 2019/20 Financial Service Administration & Accounting - Proposal
- b. FY 2019/20 Office of General Counsel - Proposal
- c. FY 2019/20 Systemwide Risk Management - Proposal

**MEMORANDUM**

Date: February 4, 2019  
To: CSURMA Executive Committee  
From: Mary Ek   
Assistant Vice Chancellor/Controller, Financial Services  
Subject: **FY 2019/20 Financial Services Overhead Costs for CSURMA**

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Per ICSUAM 3552.01, it is the policy of the CSU that costs incurred by one fund for providing services to another fund are recovered with cash or a documented exchange of value. In accordance with this policy and as approved by the CSURMA Executive Committee annual budget process, \$412,000 needs to be recovered from the CSU Risk Management Authority. This amount represents the annual cost of providing the services identified below. The Authority will be charged quarterly installments of \$103,000 for a total annual amount of \$412,000. This cost allocation/reimbursement plan is effective for the fiscal period beginning July 1, 2019 through June 30, 2020.

The cost allocation/reimbursement was determined by evaluating Business and Finance employees' time and effort worked on the program. At this time, the program consumes 2.76 Full Time Employee(s) (FTEs) at an average salary and benefit rate of \$123,723 plus estimated operating expenses.

**Services (Costs) allocated to the Authority:**

**Financial Services Administration**

A portion of the cost of staff, benefits, space, and operating expenses for the Financial Services Administration department, which provides the following services:

- Fiscal management and reporting oversight by the Assistant Vice Chancellor/Controller;
- Certification of compliance with CSU policies, procedures, and regulations.

**Systemwide Financial Standards and Reporting**

A portion of the cost of staff, benefits, space, and operating expenses for the Systemwide Financial Standards and Reporting department which provides the following services:

- Process bi-weekly and emergency disbursements for vendor payments, settlements, legal bills, and reimbursements to the members;

- Produce on-demand, quarterly, and annual billing invoices/CPOs to CSURMA members;
- Manage collection efforts on all CSURMA accounts and collect member payments on a daily basis;
- Facilitate member disputes;
- Produce financial reporting package, audited financial statements, and on-demand reporting requests;
- Manage financial data to maintain electronic records and information in accordance with CSURMA's Policy;
- Maintain Accounts Payable, Accounts Receivable, Audit Reporting, Banking, Budget and financial reporting records and information in accordance with CSURMA's Policy.

If you have any questions, please contact me at 562-951-4540.

The above has been reviewed and approved by the CSURMA Executive Committee;

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Steve Relyea Date  
Vice Chancellor for Business and Finance

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Lisa Chavez Date  
CSURMA Executive Committee, Chair

ME:KC:SH

cc: Kelly Cox, Associate Director, Financial Services Accounting  
Robert Eaton, Assistant Vice Chancellor, Financing, Treasury, and Risk  
Management  
Sheralin Klinthong, Director, Financial Reporting and Review  
Alice Kim, Senior Manager, Enterprise and CO Financial Reporting

## MEMORANDUM

February 14, 2019

To: CSURMA Executive Committee

From: William Hsu, OGC

Re: CSURMA – OGC  
Proposed Overhead Funding for FY 2019/2020

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In FY 2018 - 2019, CSURMA is providing overhead funding in a total amount of \$487,955, allocated as follows: \$111,394 for CSURMA General Counsel services, and \$376,561 for Campus Liability Claims services. In addition, CSURMA is providing \$10,000 in annual funding to assist with the ongoing training of OGC attorneys.

For FY 2019 - 2020, OGC requests a 3% increase in overhead funding. The total overhead funding for FY 2019 - 2020 would be \$502,594, allocated as follows: \$114,736 for CSURMA General Counsel services, and \$387,858 for Campus Liability Claims services.


Please note that the requested 3% increase is based on an assumption regarding the salary increase which may be approved for MPP employees for FY 2019-2020. If a salary increase is approved and exceeds 3%, it may be necessary for OGC to seek additional overhead funding to meet the larger increase.

Also, for FY 2019 - 2020, OGC requests \$15,000 in training funds. This represents an increase of \$5,000 from the prior fiscal year. OGC is requesting this increased amount because of the number of new OGC attorneys requiring training in various specialty areas and because of the unanticipated need for additional training due to rapidly and constantly changing legal and regulatory environments at both the federal and state levels.

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

[www.calstate.edu](http://www.calstate.edu)

**MEMORANDUM**

Date: February 19, 2019  
To: CSURMA Executive Committee  
From: Zachary Gifford, Director Systemwide Risk Management & CSURMA Secretary-Auditor  
Subject:  **Annual Risk Management Overhead Costs for CSURMA**

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The following services (costs) are assigned to the CSU Risk Management Authority

**CSURMA Risk Management**

Annual cost of staff, benefits, space and operation costs for CSURMA – Risk Management which provides the following services:

- **Oversight of CSURMA:** Works directly with CSURMA program administrator and broker in administration and development of the self-insurance and insurance programs.
- **Insurance Placement:** Key participant in the placement of the 16+ insurance placements, including underwriter meetings, insurance program review, analysis and development.
- **Risk Consultation:** Provides daily risk management, loss control, emergency preparedness, and workers compensation consultation with a myriad of campus representatives.
- **General Liability Claims Handling and Litigation Support:** Adjusts claims from notice of incident through the filing and adjustment of the claim and when applicable, monitors and collaborates with legal counsel on litigated matters. Maintains the general liability database.
- **Workers' Compensation, Environmental Health & Safety, Risk Management and Emergency Preparedness Systemwide Oversight:** Provides systemwide guidance, oversight, and development of policy and procedures systemwide.
- **Police Services (Public Safety):** CSURMA provides partial funding for police services related to training and systemwide oversight expense.

**CSU Campuses**  
Bakersfield  
Channel Islands  
Chico  
Dominguez Hills  
East Bay

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

The proposed annual cost of providing the services identified shall increase \$25,000 to \$1,159,500 (Risk Management) in consideration of the delta between the previous EH&S Manager position to EH&S Senior Manager position which has been filled in the current fiscal year. Further, \$100,000 is earmarked for Public Safety/Police Services. The CSURMA program is billed monthly. The above would be effective for the fiscal period beginning July 1, 2019 through June 30, 2020.

If there are any questions, please contact me at [zgifford@calstate.edu](mailto:zgifford@calstate.edu) or by calling (562) 951-4580.

DRAFT

\*The Chief Law Enforcement Officer and the Special Assistant – Compliance Coordinator are reimbursable positions at the direction of the Executive vice Chancellor – Chief Financial Officer.

## **FY 2019/20 OPERATING BUDGET**

**ISSUE:** CSURMA's next fiscal year begins on July 1, 2019. The FY 2019/20 operating budget is to be approved by the Board of Directors at its May 3, 2019 meeting. The Chancellor's Office Enterprise Accounting Services and the Program Administrators worked together to develop a draft FY 2019/20 budget for the Executive Committee to review at today's meeting.

AORMA separately develops a budget for its coverage programs. The AORMA Committee will meet earlier today to finalize its proposed budget for FY 2019/20 and will make a recommendation to the Executive Committee to include its budget in the CSURMA operating budget for adoption by the Board of Directors. AORMA Committee members will be present at today's meeting to discuss any changes to its draft budget for FY 2019/20.

Major features of the proposed Campus budget include:

- 5.0% increase in Total Operating Revenues from \$76,199,692 to \$80,046,163.
- 8.5% decrease in Total Operating Expenses from \$90,141,617 to \$82,504,288.
- Net Surplus increases from -\$11,856,397 (*deficit*) to -\$364,146 (*deficit*).
- Retained Earnings decreases from \$27,532,357 to \$27,168,211 at June 30, 2020.

*The preceding does not include projected Dividend Distributions during FY 2019/20, which, if any, will increase expenditures and decrease fund reserves.*

Major features of the proposed AORMA budget include:

- 1.5% decrease in Total Operating Revenues from \$9,436,051 to \$9,291,783.
- 1.6% increase in Total Operating Expenses from \$11,651,063 to \$11,837,078.
- Net Surplus decreases from -\$1,804,972 (*deficit*) to -\$2,146,069 (*deficit*).
- Retained Earnings decreases from \$18,032,236 to \$15,886,167 at June 30, 2020.

Staff will be present at today's meeting to review the proposed budget.

**RECOMMENDATION:** The Executive Committee is asked to review the draft proposed budget for FY 2019/20 and make a recommendation to the Board of Directors for adoption with changes as appropriate.

**FISCAL IMPACT:** The proposed budget is estimated to produce a Net Deficit of \$1,193,294. Retained Earnings is estimated decrease from \$46,607,704 to \$45,414,410 at June 30, 2020.

**BACKGROUND:** The proposed budget is detailed by program in the draft document included with the agenda packet.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Draft FY 2019/20 CSURMA Budget of Revenues and Expenses

# **CSURMA**

## **Cash Flow Budget of Revenues and Expenses Fiscal Year July 1, 2019 to June 30, 2020**

### **BUDGET PROPOSAL Executive Committee**

**Draft 9**

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2019 to June 30, 2020**

**Draft 9**  
**FY 19/20**  
**BUDGET PROPOSAL**

**TOTAL: ALL FUNDS**

	<i>Final</i> <b>FY 18/19</b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	102,251,762	114,499,517	12,247,755	12.0%
Reinsurance Premiums	-11,241,201	-13,126,744	-1,885,543	16.8%
Total Operating Revenues	<u>91,010,560</u>	<u>101,372,773</u>	<u>10,362,212</u>	<u>11.4%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	60,712,337	59,029,225	-1,683,112	-2.8%
Deductible Recoveries	-3,555,499	-3,803,763	-248,264	7.0%
Claims Administrators	4,401,422	4,533,015	131,593	3.0%
Management Information System	125,000	126,008	1,008	0.8%
Program Administrators	3,238,950	3,321,119	82,169	2.5%
Brokerage Commissions & Fees	1,439,858	1,428,437	-11,421	-0.8%
Insurance Premiums (net of brokerage)	52,569,511	53,690,574	1,121,062	2.1%
Taxes, Assessments & Fees	301,450	310,494	9,044	3.0%
Actuarial Services	74,500	35,234	-39,266	-52.7%
Claims Audit	9,870	11,500	1,630	16.5%
Coverage Counsel	16,000	15,000	-1,000	-6.3%
Program Legal	24,500	24,500	0	0.0%
Miscellaneous Program Services	10,000	10,300	300	3.0%
Workshop/Training Expenses	165,000	222,100	57,100	34.6%
Loss Control Expenses	1,044,614	1,070,252	25,638	2.5%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-17,416,942	-19,757,706	-2,340,764	13.4%
Program Committee	11,000	8,446	-2,554	-23.2%
Dividend Distributions	6,176,475	6,335,710	159,235	2.6%
Total Direct Program Expenses	<u>109,348,046</u>	<u>106,610,445</u>	<u>-2,737,602</u>	<u>-2.5%</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2019 to June 30, 2020**

**Draft 9**  
**FY 19/20**  
**BUDGET PROPOSAL**

**TOTAL: ALL FUNDS**

	<i>Final</i> <b><u>FY 18/19</u></b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b><u>FY 19/20</u></b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	36,400	40,000	3,600	9.9%
Executive Committee & Board Expenses	35,396	36,458	1,062	3.0%
JPA Insurance	16,640	17,139	499	3.0%
Memberships, Associations & Dues	44,772	46,115	1,343	3.0%
Chancellor's Office Accounting Services	400,000	412,000	12,000	3.0%
Chancellor's Office Risk Management Service	1,134,500	1,159,500	25,000	2.2%
JPA Accreditation	0	0	0	0.0%
JPA Legal	111,394	114,736	3,342	3.0%
Miscellaneous Expenses	28,593	29,451	858	3.0%
Total General & Administrative Expenses	<u>1,807,695</u>	<u>1,855,399</u>	<u>47,704</u>	<u>2.6%</u>
Total Operating Expenses	<u>111,155,741</u>	<u>108,465,844</u>	<u>-2,689,898</u>	<u>-2.4%</u>
<b>Non-Operating Revenues</b>				
Investment Income	2,500,000	2,500,000	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>	<u>0.0%</u>
<b>Net Surplus (Deficit)</b>	<u>-17,645,181</u>	<u>-4,593,071</u>	<u>13,052,110</u>	<u>-74.0%</u>
<b>Beginning Retained Earnings</b>	64,252,885	46,607,704	-17,645,181	-27.5%
<b>Ending Retained Earnings</b>	46,607,704	42,014,633	-4,593,071	-9.9%

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2019 to June 30, 2020**

**FY 19/20**  
**BUDGET PROPOSAL**

**GENERAL FUND**

**To allocate General Expenses**  
*across All Program Funds*

<i>Final</i>	<i>Proposed</i>	<i>Budget</i>	<i>Percent</i>
<i>FY 18/19</i>	<i>FY 19/20</i>	<i>Change</i>	<i>Change</i>
<u>(MTBA)</u>	<u>Budget</u>	<u>Change</u>	<u>Change</u>

**Operating Revenues**

Reinsurance Premiums

*Total Operating Revenues*

**Operating Expenses**

*Direct Program Expenses*

- Claims Payments & Legal Expenses
- Deductible Recoveries
- Claims Administrators
- Management Information System
- Program Administrators
- Brokerage Commissions & Fees
- Insurance Premiums (net of brokerage)
- Taxes, Assessments & Fees
- Actuarial Services
- Claims Audit
- Coverage Counsel
- Program Legal
- Miscellaneous Program Services
- Workshop/Training Expenses
- Loss Control Expenses
- Appraisals
- Excess/Reinsurance Recoveries
- Program Committee
- Dividend Distributions

Total Direct Program Expenses

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2019 to June 30, 2020****FY 19/20  
BUDGET PROPOSAL****GENERAL FUND****To allocate General Expenses  
across All Program Funds**

	<i>Final</i> <i>FY 18/19</i> <u>(MTBA)</u>	<i>Proposed</i> <i>FY 19/20</i> <u>Budget</u>	<i>Budget</i> <i>Change</i>	<i>Percent</i> <i>Change</i>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	36,400	40,000	3,600	9.9%
Executive Committee & Board Expenses	35,396	36,458	1,062	3.0%
JPA Insurance	16,640	17,139	499	3.0%
Memberships, Associations & Dues	44,772	46,115	1,343	3.0%
Chancellor's Office Accounting Services	400,000	412,000	12,000	3.0%
Chancellor's Office Risk Management Service	1,134,500	1,159,500	25,000	2.2%
JPA Accreditation	0	0	0	0.0%
JPA Legal	111,394	114,736	3,342	3.0%
Miscellaneous Expenses	28,593	29,451	858	3.0%
Total General & Administrative Expenses	<u>1,807,695</u>	<u>1,855,399</u>	<u>47,704</u>	<u>2.6%</u>
Total Operating Expenses	<u>1,807,695</u>	<u>1,855,399</u>	<u>47,704</u>	<u>2.6%</u>
<b>Non-Operating Revenues</b>				
Investment Income	2,500,000	2,500,000	0	0.0%
Interest Income - Loans (separate fund)	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>	<u>0.0%</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9  
FY 19/20  
**BUDGET PROPOSAL**

**TOTAL: CAMPUS PROGRAMS**

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	84,393,912	91,260,756	6,866,844	8.1%
Reinsurance Premiums	-8,194,220	-9,614,593	-1,420,373	17.3%
Total Operating Revenues	<u>76,199,692</u>	<u>81,646,163</u>	<u>5,446,471</u>	<u>7.1%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	55,826,634	53,756,107	-2,070,527	-3.7%
Deductible Recoveries	-3,455,499	-3,703,763	-248,264	7.2%
Claims Administrators	4,114,166	4,237,591	123,425	3.0%
Management Information System	109,378	113,181	3,803	3.5%
Program Administrators	1,407,350	1,449,571	42,221	3.0%
Brokerage Commissions & Fees	1,015,404	1,044,092	28,688	2.8%
Insurance Premiums (net of brokerage)	39,223,094	40,444,961	1,221,867	3.1%
Taxes, Assessments & Fees	235,950	243,029	7,079	3.0%
Actuarial Services	57,006	21,896	-35,110	-61.6%
Claims Audit	5,250	5,000	-250	-4.8%
Coverage Counsel	10,000	10,000	0	0.0%
Program Legal	22,000	22,000	0	0.0%
Miscellaneous Program Services	8,599	9,015	417	4.8%
Workshop/Training Expenses	135,444	182,206	46,762	34.5%
Loss Control Expenses	838,116	860,557	22,442	2.7%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-15,683,087	-17,669,152	-1,986,065	12.7%
Program Committee	3,000	3,090	90	3.0%
Dividend Distributions	4,774,887	5,000,000	225,113	4.7%
Total Direct Program Expenses	<u>88,647,691</u>	<u>86,029,382</u>	<u>-2,618,310</u>	<u>-3.0%</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9  
FY 19/20  
**BUDGET PROPOSAL**

**TOTAL: CAMPUS PROGRAMS**

	<i>Final</i> <b><u>FY 18/19</u></b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b><u>FY 19/20</u></b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	30,082	31,965	1,883	6.3%
Executive Committee & Board Expenses	29,252	29,134	-118	-0.4%
JPA Insurance	13,752	13,696	-55	-0.4%
Memberships, Associations & Dues	37,001	36,852	-149	-0.4%
Chancellor's Office Accounting Services	330,570	329,240	-1,331	-0.4%
Chancellor's Office Risk Management Service	937,580	926,586	-10,994	-1.2%
JPA Accreditation	0	0	0	0.0%
JPA Legal	92,059	91,688	-370	-0.4%
Miscellaneous Expenses	23,630	23,535	-95	-0.4%
Total General & Administrative Expenses	<u>1,493,926</u>	<u>1,482,696</u>	<u>-11,229</u>	<u>-0.8%</u>
Total Operating Expenses	<u>90,141,617</u>	<u>87,512,078</u>	<u>-2,629,539</u>	<u>-2.9%</u>
<b>Non-Operating Revenues</b>				
Investment Income	2,085,528	2,093,980	8,452	0.4%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>2,085,528</u>	<u>2,093,980</u>	<u>8,452</u>	<u>0.4%</u>
<b>Net Surplus (Deficit)</b>	<u>-11,856,397</u>	<u>-3,771,936</u>	<u>8,084,461</u>	<u>-68.2%</u>
<b>Beginning Retained Earnings</b>	39,388,754	27,532,357	-11,856,397	-30.1%
<b>Ending Retained Earnings</b>	27,532,357	23,760,421	-3,771,936	-13.7%

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9  
FY 19/20  
BUDGET PROPOSAL

**CAMPUS LIABILITY PROGRAM**

(Fund 10)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	16,173,148	18,605,268	2,432,120	15.0%
Reinsurance Premiums	-2,184,708	-2,403,179	-218,471	10.0%
Total Operating Revenues	<u>13,988,440</u>	<u>16,202,089</u>	<u>2,213,649</u>	<u>15.8%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	16,512,382	12,369,039	-4,143,343	-25.1%
Deductible Recoveries	-3,455,499	-3,703,763	-248,264	7.2%
Claims Administrators	0	0	0	0.0%
Management Information System	49,386	51,389	2,003	4.1%
Program Administrators	269,070	277,142	8,072	3.0%
Brokerage Commissions & Fees	379,900	391,297	11,397	3.0%
Insurance Premiums (net of brokerage)	3,228,984	3,325,854	96,870	3.0%
Taxes, Assessments & Fees	235,950	243,029	7,079	3.0%
Actuarial Services	13,414	6,805	-6,609	-49.3%
Claims Audit	5,250	5,000	-250	-4.8%
Coverage Counsel	10,000	10,000	0	0.0%
Program Legal	22,000	22,000	0	0.0%
Miscellaneous Program Services	1,663	1,867	204	12.2%
Workshop/Training Expenses	47,381	38,907	-8,473	-17.9%
Loss Control Expenses	517,972	536,145	18,173	3.5%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-600,000	0	600,000	-100.0%
Program Committee	0	0	0	0.0%
Dividend Distributions	1,127,520	2,000,000	872,480	77.4%
Total Direct Program Expenses	<u>18,365,372</u>	<u>15,574,710</u>	<u>-2,790,662</u>	<u>-15.2%</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2019 to June 30, 2020**

**Draft 9**  
**FY 19/20**  
**BUDGET PROPOSAL**

**CAMPUS LIABILITY PROGRAM**

(Fund 10)

	<i>Final</i> <b><u>FY 18/19</u></b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b><u>FY 19/20</u></b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	5,818	6,619	801	13.8%
Executive Committee & Board Expenses	5,658	6,033	375	6.6%
JPA Insurance	2,660	2,836	176	6.6%
Memberships, Associations & Dues	7,156	7,631	474	6.6%
Chancellor's Office Accounting Services	63,936	68,174	4,239	6.6%
Chancellor's Office Risk Management Service	181,337	191,864	10,526	5.8%
JPA Accreditation	0	0	0	0.0%
JPA Legal	17,805	18,985	1,180	6.6%
Miscellaneous Expenses	4,570	4,873	303	6.6%
Total General & Administrative Expenses	<u>288,940</u>	<u>307,015</u>	<u>18,075</u>	<u>6.3%</u>
Total Operating Expenses	<u>18,654,312</u>	<u>15,881,725</u>	<u>-2,772,588</u>	<u>-14.9%</u>
<b>Non-Operating Revenues</b>				
Investment Income	625,839	644,192	18,353	2.9%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>625,839</u>	<u>644,192</u>	<u>18,353</u>	<u>2.9%</u>
<b>Net Surplus (Deficit)</b>	<u>-4,040,033</u>	<u>964,556</u>	<u>5,004,590</u>	<u>-123.9%</u>
<b>Beginning Retained Earnings</b>	10,094,128	6,054,095	-4,040,033	-40.0%
<b>Ending Retained Earnings</b>	6,054,095	7,018,651	964,556	15.9%

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9  
FY 19/20  
BUDGET PROPOSAL

**CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	38,837,384	40,781,992	1,944,608	5.0%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>38,837,384</u>	<u>40,781,992</u>	<u>1,944,608</u>	<u>5.0%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	19,166,216	21,093,821	1,927,605	10.1%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	3,849,166	3,964,641	115,475	3.0%
Management Information System	34,544	35,580	1,036	3.0%
Program Administrators	738,223	760,370	22,147	3.0%
Brokerage Commissions & Fees	1,722	0	-1,722	-100.0%
Insurance Premiums (net of brokerage)	32,153,161	33,205,187	1,052,026	3.3%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	25,707	9,292	-16,415	-63.9%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	3,994	4,092	98	2.5%
Workshop/Training Expenses	59,730	93,363	33,633	56.3%
Loss Control Expenses	257,022	258,906	1,884	0.7%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-14,583,087	-17,169,152	-2,586,065	17.7%
Program Committee	0	0	0	0.0%
Dividend Distributions	3,647,367	3,000,000	-647,367	-17.7%
Total Direct Program Expenses	<u>45,353,764</u>	<u>45,256,099</u>	<u>-97,665</u>	<u>-0.2%</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2019 to June 30, 2020

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BUDGET PROPOSAL

**CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	13,971	14,508	537	3.8%
Executive Committee & Board Expenses	13,586	13,223	-363	-2.7%
JPA Insurance	6,387	6,216	-170	-2.7%
Memberships, Associations & Dues	17,185	16,726	-459	-2.7%
Chancellor's Office Accounting Services	153,532	149,435	-4,097	-2.7%
Chancellor's Office Risk Management Service	435,454	420,557	-14,897	-3.4%
JPA Accreditation	0	0	0	0.0%
JPA Legal	42,756	41,615	-1,141	-2.7%
Miscellaneous Expenses	10,975	10,682	-293	-2.7%
Total General & Administrative Expenses	<u>693,846</u>	<u>672,964</u>	<u>-20,882</u>	<u>-3.0%</u>
Total Operating Expenses	<u>46,047,611</u>	<u>45,929,063</u>	<u>-118,547</u>	<u>-0.3%</u>
<b>Non-Operating Revenues</b>				
Investment Income	1,139,430	1,107,513	-31,918	-2.8%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>1,139,430</u>	<u>1,107,513</u>	<u>-31,918</u>	<u>-2.8%</u>
<b>Net Surplus (Deficit)</b>	<u>-6,070,796</u>	<u>-4,039,559</u>	<u>2,031,238</u>	<u>-33.5%</u>
<b>Beginning Retained Earnings</b>	21,657,444	15,586,648	-6,070,796	-28.0%
<b>Ending Retained Earnings</b>	15,586,648	11,547,089	-4,039,559	-25.9%

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2019 to June 30, 2020

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FY 19/20  
BUDGET PROPOSAL

**CAMPUS IDL NDL UI PROGRAM \***

(Fund 12)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	15,500,000	15,316,000	-184,000	-1.2%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>15,500,000</u>	<u>15,316,000</u>	<u>-184,000</u>	<u>-1.2%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	14,500,000	14,500,000	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	70,000	72,100	2,100	3.0%
Management Information System	13,787	14,201	414	3.0%
Program Administrators	172,964	178,153	5,189	3.0%
Brokerage Commissions & Fees	0	0	0	0.0%
Insurance Premiums (net of brokerage)	0	0	0	0.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	8,064	1,362	-6,702	-83.1%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	1,594	1,537	-57	-3.6%
Workshop/Training Expenses	11,865	23,797	11,931	100.6%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	0	0	0	0.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>14,778,274</u>	<u>14,791,149</u>	<u>12,875</u>	<u>0.1%</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2019 to June 30, 2020**

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**CAMPUS IDL NDL UI PROGRAM \***

(Fund 12)

	<i>Final</i> <b><u>FY 18/19</u></b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b><u>FY 19/20</u></b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	5,576	5,449	-127	-2.3%
Executive Committee & Board Expenses	5,422	4,966	-456	-8.4%
JPA Insurance	2,549	2,335	-214	-8.4%
Memberships, Associations & Dues	6,858	6,282	-577	-8.4%
Chancellor's Office Accounting Services	61,274	56,121	-5,153	-8.4%
Chancellor's Office Risk Management Service	173,790	157,944	-15,846	-9.1%
JPA Accreditation	0	0	0	0.0%
JPA Legal	17,064	15,629	-1,435	-8.4%
Miscellaneous Expenses	4,380	4,012	-368	-8.4%
Total General & Administrative Expenses	<u>276,914</u>	<u>252,737</u>	<u>-24,177</u>	<u>-8.7%</u>
Total Operating Expenses	<u>15,055,188</u>	<u>15,043,886</u>	<u>-11,302</u>	<u>-0.1%</u>
<b>Non-Operating Revenues</b>				
Investment Income	126,054	149,798	23,743	18.8%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>126,054</u>	<u>149,798</u>	<u>23,743</u>	<u>18.8%</u>
<b>Net Surplus (Deficit)</b>	<u>570,866</u>	<u>421,912</u>	<u>-148,954</u>	<u>-26.1%</u>
<b>Beginning Retained Earnings</b>	-461,410	109,456	570,866	-123.7%
<b>Ending Retained Earnings</b>	109,456	531,368	421,912	385.5%

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Cash Flow Budget of Revenues and Expenses  
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**CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	8,450,000	10,388,000	1,938,000	22.9%
Reinsurance Premiums	-6,009,512	-7,211,414	-1,201,902	20.0%
Total Operating Revenues	<u>2,440,488</u>	<u>3,176,586</u>	<u>736,098</u>	<u>30.2%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	2,000,000	2,000,000	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	7,516	7,741	225	3.0%
Program Administrators	216,507	223,002	6,495	3.0%
Brokerage Commissions & Fees	631,124	650,058	18,934	3.0%
Insurance Premiums (net of brokerage)	2,413,004	2,485,394	72,390	3.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	4,396	924	-3,472	-79.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	869	1,042	173	20.0%
Workshop/Training Expenses	6,468	16,140	9,671	149.5%
Loss Control Expenses	63,122	65,507	2,385	3.8%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-500,000	-500,000	0	0.0%
Program Committee	0	0	0	0.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>4,843,006</u>	<u>4,949,809</u>	<u>106,802</u>	<u>2.2%</u>

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Cash Flow Budget of Revenues and Expenses  
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**CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	3,040	3,696	656	21.6%
Executive Committee & Board Expenses	2,956	3,368	412	13.9%
JPA Insurance	1,390	1,583	194	13.9%
Memberships, Associations & Dues	3,739	4,261	522	13.9%
Chancellor's Office Accounting Services	33,404	38,064	4,660	13.9%
Chancellor's Office Risk Management Service	94,743	107,125	12,381	13.1%
JPA Accreditation	0	0	0	0.0%
JPA Legal	9,303	10,600	1,298	13.9%
Miscellaneous Expenses	2,388	2,721	333	13.9%
Total General & Administrative Expenses	<u>150,963</u>	<u>171,418</u>	<u>20,455</u>	<u>13.5%</u>
Total Operating Expenses	<u>4,993,969</u>	<u>5,121,226</u>	<u>127,257</u>	<u>2.5%</u>
<b>Non-Operating Revenues</b>				
Investment Income	119,913	88,899	-31,014	-25.9%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>119,913</u>	<u>88,899</u>	<u>-31,014</u>	<u>-25.9%</u>
<b>Net Surplus (Deficit)</b>	<u>-2,433,568</u>	<u>-1,855,741</u>	<u>577,827</u>	<u>-23.7%</u>
<b>Beginning Retained Earnings</b>	6,460,096	4,026,528	-2,433,568	-37.7%
<b>Ending Retained Earnings</b>	4,026,528	2,170,787	-1,855,741	-46.1%

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**CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	4,660,547	4,760,949	100,402	2.2%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>4,660,547</u>	<u>4,760,949</u>	<u>100,402</u>	<u>2.2%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	3,648,036	3,793,247	145,211	4.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	195,000	200,850	5,850	3.0%
Management Information System	4,145	4,269	124	3.0%
Program Administrators	10,586	10,904	318	3.0%
Brokerage Commissions & Fees	2,658	2,738	80	3.0%
Insurance Premiums (net of brokerage)	19,398	19,980	582	3.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	5,425	3,513	-1,912	-35.2%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	479	478	-2	-0.3%
Workshop/Training Expenses	10,000	10,000	0	0.0%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	3,000	3,090	90	3.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>3,898,727</u>	<u>4,049,068</u>	<u>150,341</u>	<u>3.9%</u>

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**CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	1,677	1,694	17	1.0%
Executive Committee & Board Expenses	1,630	1,544	-87	-5.3%
JPA Insurance	766	726	-41	-5.3%
Memberships, Associations & Dues	2,062	1,953	-110	-5.3%
Chancellor's Office Accounting Services	18,424	17,445	-979	-5.3%
Chancellor's Office Risk Management Service	52,255	49,096	-3,159	-6.0%
JPA Accreditation	0	0	0	0.0%
JPA Legal	5,131	4,858	-273	-5.3%
Miscellaneous Expenses	1,317	1,247	-70	-5.3%
Total General & Administrative Expenses	<u>83,263</u>	<u>78,563</u>	<u>-4,700</u>	<u>-5.6%</u>
Total Operating Expenses	<u>3,981,990</u>	<u>4,127,631</u>	<u>145,641</u>	<u>3.7%</u>
<b>Non-Operating Revenues</b>				
Investment Income	74,291	103,578	29,287	39.4%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>74,291</u>	<u>103,578</u>	<u>29,287</u>	<u>39.4%</u>
Net Surplus (Deficit)	<u>752,848</u>	<u>736,896</u>	<u>-15,952</u>	<u>-2.1%</u>
Beginning Retained Earnings	1,722,859	2,475,707	752,848	43.7%
Ending Retained Earnings	2,475,707	3,212,603	736,896	29.8%

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Cash Flow Budget of Revenues and Expenses  
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**BUDGET PROPOSAL**

**CAMPUS AUTO LIABILITY PROGRAM \***

(Fund 15)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	772,833	1,408,547	635,714	82.3%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>772,833</u>	<u>1,408,547</u>	<u>635,714</u>	<u>82.3%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	0	0	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	0	0	0	0.0%
Program Administrators	0	0	0	0.0%
Brokerage Commissions & Fees	0	0	0	0.0%
Insurance Premiums (net of brokerage)	1,408,547	1,408,547	0	0.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	0	0	0	0.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	0	0	0	0.0%
Workshop/Training Expenses	0	0	0	0.0%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	0	0	0	0.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>1,408,547</u>	<u>1,408,547</u>	<u>0</u>	<u>0.0%</u>

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Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2019 to June 30, 2020

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**CAMPUS AUTO LIABILITY PROGRAM \***  
(Fund 15)

	<i>Final</i> <b>FY 18/19</b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	0	0	0	0.0%
Executive Committee & Board Expenses	0	0	0	0.0%
JPA Insurance	0	0	0	0.0%
Memberships, Associations & Dues	0	0	0	0.0%
Chancellor's Office Accounting Services	0	0	0	0.0%
Chancellor's Office Risk Management Service	0	0	0	0.0%
JPA Accreditation	0	0	0	0.0%
JPA Legal	0	0	0	0.0%
Miscellaneous Expenses	0	0	0	0.0%
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Operating Expenses	<u>1,408,547</u>	<u>1,408,547</u>	<u>0</u>	<u>0.0%</u>
<b>Non-Operating Revenues</b>				
Investment Income	0	0	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<b>Net Surplus (Deficit)</b>	<u>-635,714</u>	<u>0</u>	<u>635,714</u>	<u>-100.0%</u>
<b>Beginning Retained Earnings</b>	-84,364	-720,078	-635,714	753.5%
<b>Ending Retained Earnings</b>	-720,078	-720,078	0	0.0%

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Cash Flow Budget of Revenues and Expenses  
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**TOTAL: AORMA PROGRAMS**

	<i>Final</i> <b>FY 18/19</b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	12,483,032	12,803,934	320,902	2.6%
Reinsurance Premiums	-3,046,981	-3,512,151	-465,170	15.3%
Total Operating Revenues	<u>9,436,051</u>	<u>9,291,783</u>	<u>-144,268</u>	<u>-1.5%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	4,775,703	5,148,118	372,415	7.8%
Deductible Recoveries	-100,000	-100,000	0	0.0%
Claims Administrators	279,256	287,184	7,928	2.8%
Management Information System	12,122	12,486	364	3.0%
Program Administrators	1,331,600	1,371,548	39,948	3.0%
Brokerage Commissions & Fees	291,962	300,721	8,759	3.0%
Insurance Premiums (net of brokerage)	4,807,632	5,002,749	195,117	4.1%
Taxes, Assessments & Fees	65,500	67,465	1,965	3.0%
Actuarial Services	17,494	12,468	-5,026	-28.7%
Claims Audit	4,620	6,500	1,880	40.7%
Coverage Counsel	6,000	5,000	-1,000	-16.7%
Program Legal	2,500	2,500	0	0.0%
Miscellaneous Program Services	1,401	1,285	-117	-8.3%
Workshop/Training Expenses	29,556	39,894	10,338	35.0%
Loss Control Expenses	206,498	209,695	3,197	1.5%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-1,733,855	-2,088,554	-354,699	20.5%
Program Committee	8,000	5,356	-2,644	-33.1%
Dividend Distributions	1,401,588	1,335,710	-65,878	-4.7%
Total Direct Program Expenses	<u>11,407,578</u>	<u>11,620,123</u>	<u>212,546</u>	<u>1.9%</u>

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Cash Flow Budget of Revenues and Expenses  
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FY 19/20  
**BUDGET PROPOSAL**

**TOTAL: AORMA PROGRAMS**

	<i>Final</i> <u>FY 18/19</u> <u>(MTBA)</u>	<i>Proposed</i> <u>FY 19/20</u> <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	4,903	4,555	-348	-7.1%
Executive Committee & Board Expenses	4,768	4,152	-616	-12.9%
JPA Insurance	2,241	1,952	-290	-12.9%
Memberships, Associations & Dues	6,031	5,251	-779	-12.9%
Chancellor's Office Accounting Services	53,877	46,917	-6,961	-12.9%
Chancellor's Office Risk Management Service	152,810	132,038	-20,772	-13.6%
JPA Accreditation	0	0	0	0.0%
JPA Legal	15,004	13,066	-1,938	-12.9%
Miscellaneous Expenses	3,851	3,354	-498	-12.9%
Total General & Administrative Expenses	<u>243,485</u>	<u>211,284</u>	<u>-32,201</u>	<u>-13.2%</u>
Total Operating Expenses	<u>11,651,063</u>	<u>11,831,407</u>	<u>180,345</u>	<u>1.5%</u>
<b>Non-Operating Revenues</b>				
Investment Income	410,040	399,226	-10,814	-2.6%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>410,040</u>	<u>399,226</u>	<u>-10,814</u>	<u>-2.6%</u>
<b>Net Surplus (Deficit)</b>	<u>-1,804,972</u>	<u>-2,140,398</u>	<u>-335,427</u>	<u>18.6%</u>
<b>Beginning Retained Earnings</b>	19,837,208	18,032,236	-1,804,972	-9.1%
<b>Ending Retained Earnings</b>	18,032,236	15,891,838	-2,140,398	-11.9%

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**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Final</i> <b>FY 18/19</b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	4,164,118	4,479,810	315,692	7.6%
Reinsurance Premiums	-1,442,265	-1,586,492	-144,227	10.0%
Total Operating Revenues	<u>2,721,853</u>	<u>2,893,319</u>	<u>171,466</u>	<u>6.3%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	1,028,423	1,250,814	222,391	21.6%
Deductible Recoveries	-100,000	-100,000	0	0.0%
Claims Administrators	15,000	15,000	0	0.0%
Management Information System	4,018	4,139	121	3.0%
Program Administrators	609,206	627,482	18,276	3.0%
Brokerage Commissions & Fees	71,822	73,977	2,155	3.0%
Insurance Premiums (net of brokerage)	215,616	222,084	6,468	3.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	7,416	5,806	-1,611	-21.7%
Claims Audit	4,620	6,500	1,880	40.7%
Coverage Counsel	5,000	5,000	0	0.0%
Program Legal	2,500	2,500	0	0.0%
Miscellaneous Program Services	465	449	-15	-3.2%
Workshop/Training Expenses	9,859	13,958	4,099	41.6%
Loss Control Expenses	91,425	94,399	2,974	3.3%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	2,500	2,575	75	3.0%
Dividend Distributions	1,118,478	942,030	-176,448	-15.8%
Total Direct Program Expenses	<u>3,086,348</u>	<u>3,166,712</u>	<u>80,365</u>	<u>2.6%</u>

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**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Final</i> <u>FY 18/19</u> <u>(MTBA)</u>	<i>Proposed</i> <u>FY 19/20</u> <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	1,625	1,594	-32	-1.9%
Executive Committee & Board Expenses	1,580	1,453	-128	-8.1%
JPA Insurance	743	683	-60	-8.1%
Memberships, Associations & Dues	1,999	1,837	-162	-8.1%
Chancellor's Office Accounting Services	17,860	16,415	-1,445	-8.1%
Chancellor's Office Risk Management Service	50,654	46,197	-4,457	-8.8%
JPA Accreditation	0	0	0	0.0%
JPA Legal	4,974	4,571	-402	-8.1%
Miscellaneous Expenses	1,277	1,173	-103	-8.1%
Total General & Administrative Expenses	<u>80,712</u>	<u>73,924</u>	<u>-6,788</u>	<u>-8.4%</u>
Total Operating Expenses	<u>3,167,060</u>	<u>3,240,636</u>	<u>73,576</u>	<u>2.3%</u>
<b>Non-Operating Revenues</b>				
Investment Income	137,527	148,072	10,546	7.7%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>137,527</u>	<u>148,072</u>	<u>10,546</u>	<u>7.7%</u>
<b>Net Surplus (Deficit)</b>	<u>-307,680</u>	<u>-199,245</u>	<u>108,435</u>	<u>-35.2%</u>
<b>Beginning Retained Earnings</b>	6,268,117	5,960,436	-307,680	-4.9%
<b>Ending Retained Earnings</b>	5,960,436	5,761,191	-199,245	-3.3%

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**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	4,944,840	4,778,732	-166,108	-3.4%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>4,944,840</u>	<u>4,778,732</u>	<u>-166,108</u>	<u>-3.4%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	2,363,129	2,513,153	150,024	6.3%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	235,368	242,429	7,061	3.0%
Management Information System	4,452	4,586	134	3.0%
Program Administrators	392,407	404,179	11,772	3.0%
Brokerage Commissions & Fees	238	245	7	3.0%
Insurance Premiums (net of brokerage)	4,220,444	4,397,945	177,501	4.2%
Taxes, Assessments & Fees	65,500	67,465	1,965	3.0%
Actuarial Services	8,323	6,348	-1,976	-23.7%
Claims Audit	0	0	0	0.0%
Coverage Counsel	1,000	0	-1,000	-100.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	515	479	-35	-6.8%
Workshop/Training Expenses	11,708	14,889	3,181	27.2%
Loss Control Expenses	99,128	99,363	236	0.2%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-1,733,855	-2,088,554	-354,699	20.5%
Program Committee	2,800	0	-2,800	-100.0%
Dividend Distributions	283,110	393,680	110,570	39.1%
Total Direct Program Expenses	<u>5,954,266</u>	<u>6,056,207</u>	<u>101,941</u>	<u>1.7%</u>

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**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	1,801	1,700	-100	-5.6%
Executive Committee & Board Expenses	1,751	1,549	-201	-11.5%
JPA Insurance	823	728	-95	-11.5%
Memberships, Associations & Dues	2,215	1,960	-255	-11.5%
Chancellor's Office Accounting Services	19,786	17,510	-2,275	-11.5%
Chancellor's Office Risk Management Service	56,117	49,280	-6,837	-12.2%
JPA Accreditation	0	0	0	0.0%
JPA Legal	5,510	4,876	-634	-11.5%
Miscellaneous Expenses	1,414	1,252	-163	-11.5%
Total General & Administrative Expenses	<u>89,416</u>	<u>78,856</u>	<u>-10,560</u>	<u>-11.8%</u>
Total Operating Expenses	<u>6,043,683</u>	<u>6,135,064</u>	<u>91,381</u>	<u>1.5%</u>
<b>Non-Operating Revenues</b>				
Investment Income	139,570	109,875	-29,695	-21.3%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>139,570</u>	<u>109,875</u>	<u>-29,695</u>	<u>-21.3%</u>
<b>Net Surplus (Deficit)</b>	<u>-959,273</u>	<u>-1,246,457</u>	<u>-287,184</u>	<u>29.9%</u>
<b>Beginning Retained Earnings</b>	5,324,721	4,365,448	-959,273	-18.0%
<b>Ending Retained Earnings</b>	4,365,448	3,118,991	-1,246,457	-28.6%

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**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	2,447,577	2,526,617	79,040	3.2%
Reinsurance Premiums	-1,604,716	-1,925,660	-320,943	20.0%
Total Operating Revenues	<u>842,861</u>	<u>600,957</u>	<u>-241,903</u>	<u>-28.7%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	250,000	250,000	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	1,899	1,956	57	3.0%
Program Administrators	258,913	266,680	7,767	3.0%
Brokerage Commissions & Fees	203,930	210,048	6,118	3.0%
Insurance Premiums (net of brokerage)	193,288	199,087	5,799	3.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	1,273	225	-1,048	-82.3%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	220	254	34	15.5%
Workshop/Training Expenses	5,795	7,872	2,077	35.8%
Loss Control Expenses	15,946	15,933	-13	-0.1%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	1,300	1,339	39	3.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>932,564</u>	<u>953,394</u>	<u>20,830</u>	<u>2.2%</u>

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**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	768	899	131	17.0%
Executive Committee & Board Expenses	747	819	73	9.7%
JPA Insurance	351	385	34	9.7%
Memberships, Associations & Dues	945	1,036	92	9.7%
Chancellor's Office Accounting Services	8,439	9,258	819	9.7%
Chancellor's Office Risk Management Service	23,935	26,055	2,121	8.9%
JPA Accreditation	0	0	0	0.0%
JPA Legal	2,350	2,578	228	9.7%
Miscellaneous Expenses	603	662	59	9.7%
Total General & Administrative Expenses	<u>38,137</u>	<u>41,693</u>	<u>3,556</u>	<u>9.3%</u>
Total Operating Expenses	<u>970,700</u>	<u>995,087</u>	<u>24,386</u>	<u>2.5%</u>
<b>Non-Operating Revenues</b>				
Investment Income	32,886	33,901	1,015	3.1%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>32,886</u>	<u>33,901</u>	<u>1,015</u>	<u>3.1%</u>
<b>Net Surplus (Deficit)</b>	<u>-94,954</u>	<u>-360,228</u>	<u>-265,274</u>	<u>279.4%</u>
<b>Beginning Retained Earnings</b>	2,237,041	2,142,087	-94,954	-4.2%
<b>Ending Retained Earnings</b>	2,142,087	1,781,859	-360,228	-16.8%

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**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	232,000	229,984	-2,016	-0.9%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>232,000</u>	<u>229,984</u>	<u>-2,016</u>	<u>-0.9%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	41,877	41,877	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	206	212	6	3.0%
Program Administrators	25,384	26,146	762	3.0%
Brokerage Commissions & Fees *	15,972	16,451	479	3.0%
Insurance Premiums	178,284	183,633	5,349	3.0%
Taxes, Assessments & Fees *	0	0	0	0.0%
Actuarial Services	121	20	-101	-83.5%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	24	23	-1	-3.3%
Workshop/Training Expenses	549	717	167	30.5%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	200	206	6	3.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>262,617</u>	<u>269,284</u>	<u>6,667</u>	<u>2.5%</u>

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**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	83	82	-2	-2.0%
Executive Committee & Board Expenses	81	75	-7	-8.1%
JPA Insurance	38	35	-3	-8.1%
Memberships, Associations & Dues	103	94	-8	-8.1%
Chancellor's Office Accounting Services	917	843	-74	-8.1%
Chancellor's Office Risk Management Service	2,601	2,372	-230	-8.8%
JPA Accreditation	0	0	0	0.0%
JPA Legal	255	235	-21	-8.1%
Miscellaneous Expenses	66	60	-5	-8.1%
Total General & Administrative Expenses	<u>4,145</u>	<u>3,795</u>	<u>-350</u>	<u>-8.4%</u>
Total Operating Expenses	<u>266,762</u>	<u>273,079</u>	<u>6,317</u>	<u>2.4%</u>
<b>Non-Operating Revenues</b>				
Investment Income	6,344	7,496	1,152	18.2%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>6,344</u>	<u>7,496</u>	<u>1,152</u>	<u>18.2%</u>
<b>Net Surplus (Deficit)</b>	<u>-28,418</u>	<u>-35,599</u>	<u>-7,181</u>	<u>25.3%</u>
<b>Beginning Retained Earnings</b>	462,615	434,196	-28,418	-6.1%
<b>Ending Retained Earnings</b>	434,196	398,597	-35,599	-8.2%

\* AORMA Crime separated from AORMA Property beginning July 1, 2011

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**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	694,497	788,791	94,294	13.6%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>694,497</u>	<u>788,791</u>	<u>94,294</u>	<u>13.6%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	1,092,274	1,092,274	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	28,888	29,755	867	3.0%
Management Information System	1,547	1,593	46	3.0%
Program Administrators	45,690	47,061	1,371	3.0%
Brokerage Commissions & Fees	0	0	0	0.0%
Insurance Premiums (net of brokerage)	0	0	0	0.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	361	70	-291	-80.6%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	179	79	-100	-55.8%
Workshop/Training Expenses	1,644	2,458	813	49.5%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	1,200	1,236	36	3.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>1,171,783</u>	<u>1,174,526</u>	<u>2,742</u>	<u>0.2%</u>

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**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<b>Budget Change</b>	<b>Percent Change</b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	626	281	-345	-55.2%
Executive Committee & Board Expenses	608	256	-353	-58.0%
JPA Insurance	286	120	-166	-58.0%
Memberships, Associations & Dues	770	324	-446	-58.0%
Chancellor's Office Accounting Services	6,876	2,890	-3,986	-58.0%
Chancellor's Office Risk Management Service	19,502	8,134	-11,368	-58.3%
JPA Accreditation	0	0	0	0.0%
JPA Legal	1,915	805	-1,110	-58.0%
Miscellaneous Expenses	492	207	-285	-58.0%
Total General & Administrative Expenses	<u>31,075</u>	<u>13,016</u>	<u>-18,059</u>	<u>-58.1%</u>
<b>Total Operating Expenses</b>	<u>1,202,858</u>	<u>1,187,542</u>	<u>-15,316</u>	<u>-1.3%</u>
<b>Non-Operating Revenues</b>				
Investment Income	93,714	99,882	6,167	6.6%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>93,714</u>	<u>99,882</u>	<u>6,167</u>	<u>6.6%</u>
Net Surplus (Deficit)	<u>-414,647</u>	<u>-298,869</u>	<u>115,777</u>	<u>-27.9%</u>
<b>Beginning Retained Earnings</b>	5,544,715	5,130,068	-414,647	-7.5%
<b>Ending Retained Earnings</b>	5,130,068	4,831,199	-298,869	-5.8%

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**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	514,800	652,777	137,977	26.8%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>514,800</u>	<u>652,777</u>	<u>137,977</u>	<u>26.8%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	0	0	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	0	0	0	0.0%
Program Administrators	0	0	0	0.0%
Brokerage Commissions & Fees	51,480	65,278	13,798	26.8%
Insurance Premiums (net of brokerage)	463,320	587,499	124,179	26.8%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	0	0	0	0.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	0	0	0	0.0%
Workshop/Training Expenses	0	0	0	0.0%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	0	0	0	0.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>514,800</u>	<u>652,777</u>	<u>137,977</u>	<u>26.8%</u>

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**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Final</i> <b><u>FY 18/19</u></b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b><u>FY 19/20</u></b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	0	0	0	0.0%
Executive Committee & Board Expenses	0	0	0	0.0%
JPA Insurance	0	0	0	0.0%
Memberships, Associations & Dues	0	0	0	0.0%
Chancellor's Office Accounting Services	0	0	0	0.0%
Chancellor's Office Risk Management Service	0	0	0	0.0%
JPA Accreditation	0	0	0	0.0%
JPA Legal	0	0	0	0.0%
Miscellaneous Expenses	0	0	0	0.0%
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Operating Expenses	<u>514,800</u>	<u>652,777</u>	<u>137,977</u>	<u>26.8%</u>
<b>Non-Operating Revenues</b>				
Investment Income	0	0	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<b>Net Surplus (Deficit)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<b>Beginning Retained Earnings</b>	23,257	23,257	0	0.0%
<b>Ending Retained Earnings</b>	23,257	23,257	0	0.0%

\* Participant Accident Insurance (PAI), Auto Physical Damage (APD),  
International Programs (IP)

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**OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	4,487,090	9,382,050	4,894,960	109.1%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>4,487,090</u>	<u>9,382,050</u>	<u>4,894,960</u>	<u>109.1%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	0	0	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	3,168	0	-3,168	-100.0%
Program Administrators	500,000	500,000	0	0.0%
Brokerage Commissions & Fees	63,200	0	-63,200	-100.0%
Insurance Premiums (net of brokerage)	7,909,092	7,484,000	-425,092	-5.4%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	0	834	834	0.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	0	0	0	0.0%
Workshop/Training Expenses	0	0	0	0.0%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	0	0	0	0.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>8,475,460</u>	<u>7,984,834</u>	<u>-490,626</u>	<u>-5.8%</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2019 to June 30, 2020**

**Draft 9**  
**FY 19/20**  
**BUDGET PROPOSAL**

**OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

	<i>Final</i> <b>FY 18/19</b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	1,281	3,338	2,057	160.5%
Executive Committee & Board Expenses	1,246	3,042	1,796	144.2%
JPA Insurance	586	1,430	844	144.2%
Memberships, Associations & Dues	1,576	3,848	2,272	144.2%
Chancellor's Office Accounting Services	14,078	34,378	20,300	144.2%
Chancellor's Office Risk Management Service	39,929	96,751	56,822	142.3%
JPA Accreditation	0	0	0	0.0%
JPA Legal	3,921	9,574	5,653	144.2%
Miscellaneous Expenses	1,006	2,457	1,451	144.2%
Total General & Administrative Expenses	<u>63,622</u>	<u>154,818</u>	<u>91,196</u>	<u>143.3%</u>
Total Operating Expenses	<u>8,539,082</u>	<u>8,139,652</u>	<u>-399,430</u>	<u>-4.7%</u>
<b>Non-Operating Revenues</b>				
Investment Income	0	0	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<b>Net Surplus (Deficit)</b>	<u>-4,051,993</u>	<u>1,242,398</u>	<u>5,294,391</u>	<u>-130.7%</u>
<b>Beginning Retained Earnings</b>	4,487,992	435,999	-4,051,993	-90.3%
<b>Ending Retained Earnings</b>	435,999	1,678,397	1,242,398	285.0%

OCIP I launched 1/1/12, extended 12/31/14

OCIP II launches 1/31/18

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9  
FY 19/20  
BUDGET PROPOSAL

**CLUB SPORTS INSURANCE PROGRAM**

(Fund 17)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	372,928	400,000	27,072	7.3%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>372,928</u>	<u>400,000</u>	<u>27,072</u>	<u>7.3%</u>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	110,000	125,000	15,000	13.6%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	8,000	8,240	240	3.0%
Management Information System	332	342	10	3.0%
Program Administrators	0	0	0	0.0%
Brokerage Commissions & Fees	17,812	18,346	534	3.0%
Insurance Premiums (net of brokerage)	166,373	171,364	4,991	3.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	0	36	36	0.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	0	0	0	0.0%
Workshop/Training Expenses	0	0	0	0.0%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	0	0	0	0.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>302,517</u>	<u>323,329</u>	<u>20,812</u>	<u>6.9%</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2019 to June 30, 2020**

**Draft 9**  
**FY 19/20**  
**BUDGET PROPOSAL**

**CLUB SPORTS INSURANCE PROGRAM**

(Fund 17)

	<i>Final</i> <b>FY 18/19</b> <b><u>(MTBA)</u></b>	<i>Proposed</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	134	142	8	6.1%
Executive Committee & Board Expenses	130	130	-1	-0.6%
JPA Insurance	61	61	0	-0.6%
Memberships, Associations & Dues	165	164	-1	-0.6%
Chancellor's Office Accounting Services	1,474	1,466	-9	-0.6%
Chancellor's Office Risk Management Service	4,181	4,125	-56	-1.3%
JPA Accreditation	0	0	0	0.0%
JPA Legal	411	408	-2	-0.6%
Miscellaneous Expenses	105	105	-1	-0.6%
Total General & Administrative Expenses	<u>6,663</u>	<u>6,601</u>	<u>-62</u>	<u>-0.9%</u>
Total Operating Expenses	<u>309,180</u>	<u>329,929</u>	<u>20,750</u>	<u>6.7%</u>
<b>Non-Operating Revenues</b>				
Investment Income	4,432	6,794	2,362	53.3%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>4,432</u>	<u>6,794</u>	<u>2,362</u>	<u>53.3%</u>
<b>Net Surplus (Deficit)</b>	<u>68,180</u>	<u>76,865</u>	<u>8,685</u>	<u>12.7%</u>
<b>Beginning Retained Earnings</b>	515,675	583,855	68,180	13.2%
<b>Ending Retained Earnings</b>	583,855	660,720	76,865	13.2%

Launched beginning August 1, 2012



**Summary of ALL FUNDS**

	Campus Liability (Fund 10)	Campus WC (Fund 11)	Campus IDL/NDI/UI (Fund 12)	Campus Property (Fund 13)	Campus AIME (Fund 14)	Campus AL (Fund 15)	CAMPUS Total	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)	AORMA Total	PIP (Fund 20)	OCIP (Fund 16)	CSIP (Fund 17)	TOTAL
<b>Revenue</b>																	
Contributions	18,605,268	40,781,992	15,316,000	10,388,000	4,760,949	1,408,547	91,260,756	4,479,810	4,778,732	2,526,617	229,984	788,791	12,803,934	652,777	9,382,050	400,000	114,499,517
Reinsurance Premiums	-2,403,179	0	0	-7,211,414	0	0	-9,614,593	-1,586,492	0	-1,925,660	0	0	-3,512,151	0	0	0	-13,126,744
<b>Total Operating Revenues</b>	<b>16,202,089</b>	<b>40,781,992</b>	<b>15,316,000</b>	<b>3,176,586</b>	<b>4,760,949</b>	<b>1,408,547</b>	<b>81,646,163</b>	<b>2,893,319</b>	<b>4,778,732</b>	<b>600,957</b>	<b>229,984</b>	<b>788,791</b>	<b>9,291,783</b>	<b>652,777</b>	<b>9,382,050</b>	<b>400,000</b>	<b>101,372,773</b>
<b>Operating Expenses</b>																	
<i>Direct Program Expenses</i>																	
Claims Payments & Legal Expenses	12,369,039	21,093,821	14,500,000	2,000,000	3,793,247	0	53,756,107	1,250,814	2,513,153	250,000	41,877	1,092,274	5,148,118	0	0	125,000	59,029,225
Deductible Recoveries	-3,703,763	0	0	0	0	0	-3,703,763	-100,000	0	0	0	0	-100,000	0	0	0	-3,803,763
Claims Administrators	0	3,964,641	72,100	0	200,850	0	4,237,591	15,000	242,429	0	0	29,755	287,184	0	0	8,240	4,533,015
Management Information System	51,389	35,580	14,201	7,741	4,269	0	113,181	4,139	4,586	1,956	212	1,593	12,486	0	0	342	126,008
Program Administrators	277,142	760,370	178,153	223,002	10,904	0	1,449,571	627,482	404,179	266,680	26,146	47,061	1,371,548	0	500,000	0	3,321,119
Brokerage Commissions & Fees	391,297	0	0	650,058	2,738	0	1,044,092	73,977	245	210,048	16,451	0	300,721	65,278	0	18,346	1,428,437
Insurance Premiums (net of brokerage)	3,325,854	33,205,187	0	2,485,394	19,980	1,408,547	40,444,961	222,084	4,397,945	199,087	183,633	0	5,002,749	587,499	7,484,000	171,364	53,690,574
Taxes, Assessments & Fees	243,029	0	0	0	0	0	243,029	0	67,465	0	0	0	67,465	0	0	0	310,494
Actuarial Services	6,805	9,292	1,362	924	3,513	0	21,896	5,806	6,348	225	20	70	12,468	0	834	36	35,234
Claims Audit	5,000	0	0	0	0	0	5,000	6,500	0	0	0	0	6,500	0	0	0	11,500
Coverage Counsel	10,000	0	0	0	0	0	10,000	5,000	0	0	0	0	5,000	0	0	0	15,000
Program Legal	22,000	0	0	0	0	0	22,000	2,500	0	0	0	0	2,500	0	0	0	24,500
Miscellaneous Program Services	1,867	4,092	1,537	1,042	478	0	9,015	449	479	254	23	79	1,285	0	0	0	10,300
Workshop/Training Expenses	38,907	93,363	23,797	16,140	10,000	0	182,206	13,958	14,889	7,872	717	2,458	39,894	0	0	0	222,100
Loss Control Expenses	536,145	258,906	0	65,507	0	0	860,557	94,399	99,363	15,933	0	0	209,695	0	0	0	1,070,252
Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Excess/Reinsurance Recoveries	0	-17,169,152	0	-500,000	0	0	-17,669,152	0	-2,088,554	0	0	0	-2,088,554	0	0	0	-19,757,706
Program Committee	0	0	0	0	3,090	0	3,090	2,575	0	1,339	206	1,236	5,356	0	0	0	8,446
Dividend Distributions	2,000,000	3,000,000	0	0	0	0	5,000,000	942,030	393,680	0	0	0	1,335,710	0	0	0	6,335,710
<b>Total Direct Program Expenses</b>	<b>15,574,710</b>	<b>45,256,099</b>	<b>14,791,149</b>	<b>4,949,809</b>	<b>4,049,068</b>	<b>1,408,547</b>	<b>86,029,382</b>	<b>3,166,712</b>	<b>6,056,207</b>	<b>953,394</b>	<b>269,284</b>	<b>1,174,526</b>	<b>11,620,123</b>	<b>652,777</b>	<b>7,984,834</b>	<b>323,329</b>	<b>106,610,445</b>
<b>General &amp; Administrative Expenses</b>																	
Financial Audit	6,619	14,508	5,449	3,696	1,694	0	31,965	1,594	1,700	899	82	281	4,555	0	3,338	142	40,000
Executive Committee & Board Expenses	6,033	13,223	4,966	3,368	1,544	0	29,134	1,453	1,549	819	75	256	4,152	0	3,042	130	36,458
JPA Insurance	2,836	6,216	2,335	1,583	726	0	13,696	683	728	385	35	120	1,952	0	1,430	61	17,139
Memberships, Associations & Dues	7,631	16,726	6,282	4,261	1,953	0	36,852	1,837	1,960	1,036	94	324	5,251	0	3,848	164	46,115
Chancellor's Office Accounting Services	68,174	149,435	56,121	38,064	17,445	0	329,240	16,415	17,510	9,258	843	2,890	46,917	0	34,378	1,466	412,000
Chancellor's Office Risk Management Services	191,864	420,557	157,944	107,125	49,096	0	926,586	46,197	49,280	26,055	2,372	8,134	132,038	0	96,751	4,125	1,159,500
JPA Accreditation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JPA Legal	18,985	41,615	15,629	10,600	4,858	0	91,688	4,571	4,876	2,578	235	805	13,066	0	9,574	408	114,736
Miscellaneous Expenses	4,873	10,682	4,012	2,721	1,247	0	23,535	1,173	1,252	662	60	207	3,354	0	2,457	105	29,451
<b>Total General &amp; Administrative Expenses</b>	<b>307,015</b>	<b>672,964</b>	<b>252,737</b>	<b>171,418</b>	<b>78,563</b>	<b>0</b>	<b>1,482,696</b>	<b>73,924</b>	<b>78,856</b>	<b>41,693</b>	<b>3,795</b>	<b>13,016</b>	<b>211,284</b>	<b>0</b>	<b>154,818</b>	<b>6,601</b>	<b>1,855,399</b>
<b>Total Operating Expenses</b>	<b>15,881,725</b>	<b>45,929,063</b>	<b>15,043,886</b>	<b>5,121,226</b>	<b>4,127,631</b>	<b>1,408,547</b>	<b>87,512,078</b>	<b>3,240,636</b>	<b>6,135,064</b>	<b>995,087</b>	<b>273,079</b>	<b>1,187,542</b>	<b>11,831,407</b>	<b>652,777</b>	<b>8,139,652</b>	<b>329,929</b>	<b>108,465,844</b>
<b>Non-Operating Revenues</b>																	
Investment Income	644,192	1,107,513	149,798	88,899	103,578	0	2,093,980	148,072	109,875	33,901	7,496	99,882	399,226	0	0	6,794	2,500,000
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non-Operating Revenues</b>	<b>644,192</b>	<b>1,107,513</b>	<b>149,798</b>	<b>88,899</b>	<b>103,578</b>	<b>0</b>	<b>2,093,980</b>	<b>148,072</b>	<b>109,875</b>	<b>33,901</b>	<b>7,496</b>	<b>99,882</b>	<b>399,226</b>	<b>0</b>	<b>0</b>	<b>6,794</b>	<b>2,500,000</b>
<b>Net Surplus (Deficit)</b>	<b>964,556</b>	<b>-4,039,559</b>	<b>421,912</b>	<b>-1,855,741</b>	<b>736,896</b>	<b>0</b>	<b>-3,771,936</b>	<b>-199,245</b>	<b>-1,246,457</b>	<b>-360,228</b>	<b>-35,599</b>	<b>-298,869</b>	<b>-2,140,398</b>	<b>0</b>	<b>1,242,398</b>	<b>76,865</b>	<b>-4,593,071</b>
<b>Beginning Retained Earnings (est. @ 7/1/19)</b>	6,054,095	15,586,648	109,456	4,026,528	2,475,707	-720,078	27,532,357	5,960,436	4,365,448	2,142,087	434,196	5,130,068	18,032,236	23,257	435,999	583,855	46,607,704
<b>Ending Retained Earnings (proj. @ 6/30/20)</b>	7,018,651	11,547,089	531,368	2,170,787	3,212,603	-720,078	23,760,421	5,761,191	3,118,991	1,781,859	398,597	4,831,199	15,891,838	23,257	1,678,397	660,720	42,014,633

## **EXCESS INSURANCE RENEWALS AND UNDERWRITER MEETINGS REPORT**

**ISSUE:** Most of CSURMA’s coverage programs renew on July 1. Chancellor’s Office and Program Administrator staff are actively marketing the programs and negotiating renewal terms. Meetings with key underwriters have been set for February 12, 2019 (at PARMA in Anaheim, CA), April 1-2, 2019 (London markets) and May 13-17, 2019 (New York and Bermudan markets). At this time the Program Administrator anticipates the major programs will renew as shown in Table 1 below.

**Table 1**

<b>Projected Renewal Cost Change Estimates</b>		
<b>Program</b>	<b>AORMA % Change</b>	<b>Campus % Change</b>
Excess Liability	+10%	+10%
Property	+15%	+15%
Worker’s Compensation	Flat to 5% Increase	Flat to 5% Increase
Builder’s Risk	N/A	Flat Rate
Fine Arts	N/A	+10%
SPLIP & SAFECLIP	Flat Rate or Decrease	Flat Rate or Decrease
FTIP	Flat Rate or Decrease	Flat Rate or Decrease
Aviation	Flat Rate or Decrease	Flat Rate or Decrease
Medical Malpractice	N/A	Flat Rate to 10% Increase
Fidelity	-5%	-5%

**RECOMMENDATION:** No action is requested at today’s meeting; however the Executive Committee may take action or provide direction to staff based on the report of the meetings.

**FISCAL IMPACT:** The cost of the insurance programs is included in the proposed budget and renewals are expected to be within the budgeted amount.

**BACKGROUND:** CSURMA representatives met with CSURMA’s program underwriters in London on November 19-20, 2018. CSURMA was represented by Timothy White, CSU Chancellor, Steven Relyea, CSU Executive Vice Chancellor, Robert Eaton, CSU Assistant Vice Chancellor, Financing, Treasury and Risk Management, Daniel Howell, CSURMA Program Director, P.J. Skarlanic, CSURMA Program Administrator and Amy Lightner, CSURMA Program Administrator. The main goals of underwriter meetings are:

- Demonstration of CSU leadership’s commitment to risk management;

- Update on CSU's financial and operational outlook;
- Evaluation of the state of the insurance market and how changes may impact CSURMA's placements;
- Discussion of pending claims matters; and,
- Discussion on technical points of insurance placements and renewal expectations.

Over the two days of meetings there were over 10 meetings with over 20 market participants. The recent meetings focused on CSURMA's Excess Liability, Property, Fine Arts, SAFECLIP, SPLIP, and Medical Malpractice coverage programs. Important discussions include:

- Discussion on the new Active Assailant Insurance Program product details and support services;
- Refinement of the new blanket student organization liability program modelled after SAFECLIP;
- Meeting with CSURMA's excess liability underwriters to discuss response to industry concern for increasing large liability claims for California public entities in general;
- Review of the performance of the Fine Arts, Archives and Artifacts Program and renewal outlook considering high claims costs; and,
- Discussion of the impact of the significant catastrophic losses from California Wildfires along with CSU's recent increased property claims activity on the insurance pending renewal.

Following are comments on the status of programs:

- **Excess Liability** – this program has seen loss development in the first excess layers for both the AORMA and Campus programs. The Program Administrator anticipates rate increases in the lower layers and possible rate increases in the excess layers due to catastrophic losses impacting the entire marketplace.
- **Property** – Property losses to both the AORMA and Campus programs has increased the past three years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years will likely be again partially eroded by increases this coming renewal.
- **Workers' Compensation** – CSURMA has an existing two year rate agreement. We are in discussion with EIA about their ability to extend the rate agreement for FY 20/21 extension on favorable terms.
- **Builders Risk** – This program is stable and the Program Administrator expects flat rate renewal, though general market pressures due to catastrophic property losses may result in an increase. Rates are down 25% in recent years.
- **Fine Arts** – This program was launched in 2016 and the Program Administrator anticipates underwriters will require a rate increase due to the high loss ratio.
- **SPLIP & SAFECLIP** – perform exceptionally well with no losses and rates will likely be stable and possibly drop.
- **FTIP** – The loss ratio has stabilized at a level acceptable to underwriters. The Program Administrator expects a flat rate renewal.
- **Aviation** – This program has no losses and the market is stable. The Program Administrator expects a flat rate renewal or slight decrease; however, general market firming may come into play.

- **Medical Malpractice** – This program is at minimum premiums and we expect a flat renewal; however, general market firming may come into play.
- **Fidelity** – Claims have remained low and the Program Administrator expects a premium decrease on renewal unless new claims materialize prior to renewal.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **BEHAVIORAL INTERVENTION TRAINING**

**ISSUE:** The Executive Committee will be asked to approve funding for an agreement with NCHERM for behavioral intervention training (BIT). Attendees of the BIT training will learn about a more holistic approach to identifying, assessing, and managing threats on Campus. NCHERM will provide a three-part training series for up to 50 attendees at each session. It is expected that CSU police will attend as well as staff from other involved departments such as Student Affairs.

**RECOMMENDATION:** It is recommended that the Committee approve funding for the BIT training. Mike Redmond proposed the training and Steve Relyea is very supportive of this endeavor.

**FISCAL IMPACT:** The total costs will not exceed \$54,000; \$49,500 for the three training sessions and up to \$4,500 for travel expenses.

**BACKGROUND:** See the complete agreement with NCHERM attached. Staff will be at the meeting to address questions.

**PUBLICATION:** None. The information regarding the BIT training will be disseminated through the Systemwide Strategic Initiatives and Support Services.

**ATTACHMENT(S):**

- a. Agreement with The NCHERM Group LLC dated January 22, 2019

# AGREEMENT

AGREEMENT NUMBER <b>180503</b>	AM. NO. N/A
CONTRACTOR IDENTIFICATION NUMBER 0000011485	

THIS AGREEMENT, made and entered into this 22<sup>nd</sup> day of January 2019, in the State of California, by and between the Trustees of the California State University, which is the State of California acting in a higher education capacity, through its duly appointed and acting officer, hereinafter called CSU and

CONTRACTOR'S NAME

**The NCHERM Group LLC**

, hereafter called Contractor,

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements, and stipulation of the University hereinafter expressed, does hereby agree to furnish to the University services and materials as follows:

Contractor shall provide BIT trainings to the CSU campuses in accordance with the following Riders, which are hereby incorporated by reference and made a part of this Agreement.

Rider A – CSU General Provisions for Service Acquisitions, consisting of eleven (11) pages,

Rider B – CSUCO Travel Procedures and Regulations,

<https://csyou.calstate.edu/Policies/icsuam/FinalPDF/Section%203000%20PDF/CSUTravelProcedures.pdf> (ref. 3601.01)

Rider C – Consulting Services Agreement, consisting of five (5) pages.

Contractor shall report to Mike Redmond, Assistant Vice Chancellor, Strategic Initiatives & Support Services.

The term of this Agreement shall be March 14, 2019 through March 14, 2020.

Compensation for these services shall be Forty-Nine Thousand, Five-Hundred and 00/100 Dollars (\$49,500.00) and up to Four Thousand, Five Hundred and 00/100 Dollars (\$4,500.00) for travel related expenses. The total amount to be expended under this Agreement shall not exceed Fifty-Four Thousand and 00/100 Dollars (\$54,000.00).

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

UNIVERSITY		CONTRACTOR	
<b>Trustees of the California State University</b>		<b>The NCHERM Group LLC</b>	
BY (AUTHORIZED SIGNATURE)	DATE	BY (AUTHORIZED SIGNATURE)	DATE
➤		➤	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Nicholas Salcido, Buyer II</b>		PRINTED NAME AND TITLE OF PERSON SIGNING	
ADDRESS 401 Golden Shore Long Beach, CA 90802		ADDRESS 1109 Lancaster Avenue Berwyn, PA 19312	

**CSU GENERAL PROVISIONS  
FOR  
SERVICE ACQUISITIONS  
Revised 10/15/14**

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**1. Commencement of Work**

Contractor shall not commence work under the Contract until Contractor has received a fully executed Contract and been given written approval to proceed. Any work performed by Contractor prior to the date of approval shall be considered as having been performed at Contractor's own risk and as a volunteer.

**2. Contract Alterations & Integration**

No alteration or variation of the Contract shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated in writing in the Contract shall be binding on any of the parties hereto.

**3. Severability**

Contractor and CSU agree that if any provision of this Contract is found to be illegal or unenforceable, such term or provision shall be deemed stricken and the remainder of the Contract shall remain in full force and effect. Either party having knowledge of such term or provision shall promptly inform the other of its presumed non-applicability of such provision. Should the illegal or unenforceable provision be a material or essential term of the Contract, [the Contract shall be terminated in a manner commensurate with the interests of both parties, to the maximum extent reasonable.

**4. Independent Status**

Contractor and its employees and agents, and subcontractors, in the performance of this Contract, shall act in an independent capacity and not as officers, employees or agents of CSU or the State of California. While Contractor may be required by this Contract to carry Worker's Compensation Insurance, in no event shall Contractor and its employees and agents be entitled to unemployment or workers' compensation benefits from CSU.

**5. Governing Law**

To the extent not inconsistent with applicable federal law, this Contract shall be construed in accordance with and governed by the laws of the State of California

**6. Contractor's Power and Authority**

Contractor warrants it has full power and authority to enter into this Contract and will hold CSU harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) arising out of any breach of this warranty. Further, Contractor shall not enter into any arrangement, agreement or contract with any third party that might abridge any rights of the CSU under this Contract.

**7. Assignments**

Contractor shall not assign this Contract, either in whole or in part, without CSU's written consent, which will not be unreasonably withheld.

**8. Personnel**

Contractor shall give its personal attention to the performance of the Contract and shall make every effort consistent with sound business practices to honor CSU's requests regarding Contractor's assignment of its employees. However, Contractor maintains the sole right to determine the assignment of its employees in order to keep all phases of work under its control. If an employee of Contractor is unable to perform due to illness, resignation or other factors beyond Contractor's control, Contractor shall use its best effort to provide suitable substitute personnel.

**9. Waiver of Rights**

Any action or inaction by CSU or the failure of CSU on any occasion to enforce any right or provision of this Contract shall not be a waiver by CSU of its rights hereunder and shall not prevent CSU from enforcing such provision or right on any future occasion. CSU's rights and remedies provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law.

**10. Time**

Time is of the essence in the performance of this Contract.

**11. Entire Contract**

This Contract sets forth the entire agreement between the parties with respect to the subject matter hereof and shall govern the respective duties and obligations of each party.

## 12. Appropriation of Funds

- (a) If the term of this Contract extends into fiscal years subsequent to that in which it is approved such continuation of the Contract is subject to the appropriation of funds for such purpose by the Legislature. If funds to effect such continued payment are not appropriated, Contractor agrees to take back any commodities furnished under the Contract and not yet paid for by CSU, terminate any future services and commodities to be supplied to the CSU under the Contract, and relieve the CSU of any further obligation therefore.
- (b) CSU agrees that if provision (a) above is involved, commodities shall be returned to Contractor in substantially the same condition in which they were delivered, subject to normal wear and tear. CSU further agrees to pay for packing, crating, transportation to Contractor's nearest facility and for reimbursement to Contractor for expenses incurred for its assistance in such packing and crating.

## 13. Cancellation

CSU has the right to cancel this Contract at any time and without future financial obligation upon thirty (30) days written notice to Contractor.

## 14. Termination for Default

CSU may terminate the Contract and be relieved of the payment of any consideration to Contractor should Contractor fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination, the CSU may proceed with the work in any manner deemed proper by the CSU. The cost to the CSU shall be deducted from any sum due the Contractor under the Contract, and the balance, if any, shall be paid the Contractor upon demand.

## 15. Rights and Remedies of CSU for Default

- (a) In the event any Deliverables furnished or services provided by Contractor in the performance of this Contract should fail to conform to the requirements herein, or to the sample submitted by Contractor, CSU may reject the same, and it shall thereupon become Contractor's duty to forthwith reclaim and remove all nonconforming deliverables and correct the performance of services, without expense to the CSU, and to immediately replace all such rejected items with others conforming to the specifications or samples. Should Contractor fail, neglect, or refuse to do so, CSU shall thereupon have the right, but not the obligation, to purchase in the open market, in lieu thereof, a corresponding quantity of any such items and to deduct the cost of such cover from any moneys due or that may thereafter become due to Contractor.
- (b) In the event Contractor fails to make prompt delivery of any item as specified in the Contract, the same conditions as to CSU's right, but not obligation, to purchase in the open market and receive reimbursement from Contractor, as set forth in (a), above shall apply.
- (c) In the CSU terminates this Contract, either in whole or in part, for Contractor's default or breach, Contractor shall compensate CSU, in addition to any other remedy CSU may have available to it, for any loss or damage sustained and cost incurred by the CSU in procuring any items that Contractor agreed to supply.
- (d) CSU's rights and remedies provided above shall not be exclusive and shall be in addition to any other rights and remedies provided by law, equity or this Contract.

## 16. Warranty

Contractor warrants that

- (i) deliverables and services furnished hereunder will conform to the requirements of this Contract (including, without limitation, all descriptions, specifications, and drawings identified in the Statement of Work, if any), and
- (ii) the deliverables will be free from defects in materials and workmanship. Where the parties have agreed to design specifications in the Statement of Work directly or by reference, Contractor warrants the deliverables shall provide all functionality required thereby.

## 17. Safety and Accident Prevention

In performing work under this Contract on CSU premises, Contractor shall conform to all specific safety requirements contained in this Contract or as required by law or regulation. Contractor shall take all additional precautions as the CSU may reasonably require for safety and accident prevention purposes. Contractor's violation of such rules and requirements, unless promptly corrected, shall constitute a material breach of this Contract.

## 18. Insurance Requirements

The Contractor shall not commence Work until it has obtained all the insurance required in this Contract, and such insurance has been approved by the CSU.

### (a) Policies and Coverage.

(1) The Contractor shall obtain and maintain the following policies and coverage:

- (i) Comprehensive or Commercial Form General Liability Insurance, on an occurrence basis, covering Work done or to be done by or on behalf of the Contractor and providing insurance for bodily injury, personal injury, property damage, and contractual liability. The aggregate limit shall apply separately to the Work.

- (ii) Business Automobile Liability Insurance on an occurrence basis, covering owned, hired, and non-owned automobiles used by or on behalf of the Contractor and providing insurance for bodily injury, property damage, and contractual liability. Such insurance shall include coverage for uninsured and underinsured motorists
- (iii) Worker's Compensation including Employers Liability Insurance as required by law.
- (2) The Contractor also may be required to obtain and maintain the following policies and coverage:
  - (i) Environmental Impairment Liability Insurance should the Work involve hazardous materials, such as asbestos, lead, fuel storage tanks, and PCBs.
  - (ii) Other Insurance by agreement between the Trustees and the Contractor.
- (b) Verification of Coverage.

The Contractor shall submit original certificates of insurance and endorsements to the policies of insurance required by the Contract to the Trustees as evidence of the insurance coverage. Renewal certifications and endorsements shall be timely filed by the Contractor for all coverage until the Work is accepted as complete. The Trustees reserve the right to require the Contractor to furnish the Trustees complete, certified copies of all required insurance policies.
- (c) Insurance Provisions.

Nothing in these insurance provisions shall be deemed to alter the indemnification provisions in this Agreement. The insurance policies shall contain, or be endorsed to contain, the following provisions.

  - (1) For the general and automobile liability policies, the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents are to be covered as additional insureds.
  - (2) For any claims related to the Work, the Contractor's insurance coverage shall be primary insurance as respects the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents. Any insurance or self-insurance maintained by the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents shall be in excess of the Contractor's insurance and shall not contribute with it.
  - (3) Each insurance policy required by this section shall state that coverage shall not be canceled by either the Contractor or the insurance carrier, except after thirty (30) Days prior written notice by certified mail, return receipt requested, has been given to the Trustees.
  - (4) The State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents shall not by reason of their inclusion as additional insureds incur liability to the insurance carriers for payment of premiums for such insurance.
- (d) Amount of Insurance.
  - (1) For all projects, the insurance furnished by Contractor under this Agreement shall provide coverage in amounts not less than the following, unless a different amount is stated in the Supplementary General Conditions:
    - (i) Comprehensive or Commercial Form General Liability Insurance--Limits of Liability
      - \$2,000,000 General Aggregate
      - \$1,000,000 Each Occurrence--combined single limit for bodily injury and property damage.
    - (ii) Business Automobile Liability Insurance-Limits of Liability
      - \$1,000,000 Each Accident-- combined single limit for bodily injury and property damage to include uninsured and underinsured motorist coverage.
    - (iii) Workers' Compensation limits as required by law with Employers Liability limits of \$1,000,000.
  - (2) For projects involving hazardous materials, the Contractor shall provide additional coverage in amounts not less than the following, unless a different amount is stated in the Supplementary General Conditions:
    - (i) Environmental Impairment (pollution) Liability Insurance-Limits of Liability
      - \$10,000,000 General Aggregate
      - \$ 5,000,000 Each Occurrence-- combined single limit for bodily injury and property damage, including cleanup costs.
    - (ii) In addition to the coverage for Business Automobile Liability Insurance, the Contractor shall obtain for hazardous material transporter services:
      - (a) MCS-90 endorsement
      - (b) Sudden & Accidental Pollution endorsement--Limits of Liability\*
        - \$2,000,000 Each Occurrence
        - \$2,000,000 General Aggregate

\*A higher limit on the MCS-90 endorsement required by law must be matched by the Sudden & Accidental Pollution Insurance.

With the Trustees' approval, the Contractor may delegate the responsibility to provide this additional coverage to its hazardous materials subcontractor. When the Contractor returns its signed project construction phase agreement to the Trustees, the Contractor shall also provide the Trustees with a letter stating that it is requiring its hazardous materials subcontractor to provide this additional coverage, if applicable. The Contractor shall affirm in this letter that the hazardous

materials subcontractor's certificate of insurance shall also adhere to all CSU requirements. Further, this letter will provide that the subcontractor's certificate of insurance will be provided to the Trustees as soon as the Contractor fully executes its subcontract with the hazardous materials subcontractor, or within 30 Days of the Notice to Proceed, whichever is less.

(e) Acceptability of Insurers.

Insurers shall be licensed by the State of California to transact insurance and shall hold a current A.M. Best's rating of A:VII, or shall be a carrier otherwise acceptable to the University.

(f) Subcontractor's Insurance.

Contractor shall ensure that its subcontractors are covered by insurance of the types required by this Contract, and that the amount of insurance for each subcontractor is appropriate for that subcontractor's Work. Contractor shall not allow any subcontractor to commence Work on its subcontract until the insurance has been obtained, and approved by the CSU. Only the Contractor and its hazardous materials subcontractor(s) shall have the coverage for projects involving hazardous materials.

(g) Miscellaneous.

- (1) Any deductible under any policy of insurance required in this Contract shall be Contractor's liability.
- (2) Acceptance of certificates of insurance by the Trustees shall not limit the Contractor's liability under the Contract.
- (3) In the event the Contractor does not comply with these insurance requirements, the Trustees may, at its option, provide insurance coverage to protect the Trustees. The cost of the insurance shall be paid by the Contractor and, if prompt payment is not received, may be deducted from Contract sums otherwise due the Contractor.
- (4) If the Trustees are damaged by the failure of Contractor to provide or maintain the required insurance, the Contractor shall pay the Trustees for all such damages.
- (5) The Contractor's obligations to obtain and maintain all required insurance are non-delegable duties under this Contract.
- (6) The Contractor's liability for damages proximately caused by acts of God (as defined in Public Contract Code section 7105) and not involving Contractor negligence shall be limited to five percent of the Contract.

**19. General Indemnity**

Contractor shall indemnify, defend, and hold harmless the State of California, Board of Trustees of the California State University, CSU, and their respective officers, agents and employees from any and all claims and losses accruing or resulting to any other person, firm or corporation furnishing or supplying work, service, materials or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation related to, arising out of or resulting from Contractor's performance of this Contract.

**20. Invoices**

Invoices shall be submitted, in arrears, to the address stipulated in the Contract. The Contract number must be included on the invoice. Final invoice shall be marked as such.

- (a) In the event that additional services are required, the Contractor shall submit invoices in accordance with provisions herein.
- (b) For work of a continuing nature, the Contractor shall submit invoices in arrears, upon completion of each phase. Contractor shall be reimbursed for travel, subsistence and business expenses necessary for the performance of services pursuant to the Contract in accordance with CSU policy.
- (c) Unless otherwise specified, the CSU shall pay properly submitted invoices not more than 45 days after
  - (i) the performance completion date of services; or
  - (ii) receipt of an undisputed invoice, whichever is later. Late payment penalties shall not apply to this Contract.
- (d) The consideration to be paid Contractor, as described within the Contract, shall be in full compensation for all of Contractor's expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided.

**21. Document Referencing**

All correspondence, invoices, bills of lading, shipping memos, packages, etc., must show the Contract number. If factory shipment, the factory must be advised to comply. Invoices not properly identified with the Contract number and Contractor identification number may be returned to Contractor and may cause delay in payment.

**22. Use of Data**

Contractor shall not utilize any non-public CSU information it may receive by reason of this Contract, for pecuniary gain not contemplated by this Contract, regardless whether Contractor is or is not under contract at the time such gain is realized. CSU specific information contained in the report, survey, or other product developed by Contractor pursuant to this Contract is the property of CSU, and shall not be used in any manner by Contractor unless authorized in writing by CSU.

### 23. Confidentiality of Data

- (a) Contractor acknowledges the privacy rights of individuals to their personal information that are expressed in the Information Practices Act (California Civil Code Section 1798 et seq.) and in California Constitution Article 1, Section 1. Contractor shall maintain the privacy of personal information and protected data as confidential information. Contractor shall not use, disclose, or release confidential information contained in CSU records without full compliance with applicable state and federal privacy laws, and this Contract. Contractor further acknowledges and agrees to comply with Federal privacy laws, such as the Gramm-Leach-Bliley Act (Title 15, United States Code, Sections 6801(b) and 6805(b)(2)) applicable to financial transactions, and the Family Educational Rights and Privacy Act (Title 20, United States Code, Section 1232g) applicable to student education records and information from student education records. Contractor shall maintain the privacy of confidential information and shall be financially responsible for any notifications to affected persons (after prompt consultation with CSU) whose personal information is disclosed by any security breach relating to confidential information resulting from Contractor's or its personnel's acts or omissions. Further, If so requested by CSU, Contractor shall be administratively responsible for providing such notification in the most expedient time possible consistent with the methods prescribed in California Civil Code 1798.29g and 1798.82g.
- (b) Contractor further agrees that all financial, statistical, personal, technical and other data and information relating to CSU's operation designated "confidential" by CSU, and not otherwise subject to disclosure under the California Public Records Act, and made available to Contractor to perform this Contract or which become available to Contractor while performing this Contract, shall be protected by Contractor using the same level of care it takes to protect its own information of a similar nature, but in no event less than reasonable care. If required by a court of competent jurisdiction or an appropriate administrative body with legal authority to order the disclosure of confidential information or protected data, Contractor will notify CSU in writing prior to any such disclosure to give CSU an opportunity to oppose any such disclosure. Prior to any disclosure of confidential information as required by legal process, Contractor shall: (1) Notify CSU of any actual or threatened legal compulsion of disclosure, and any actual legal obligation of disclosure, immediately upon becoming so obligated; and
- (c) Contractor shall cooperate with any litigation or investigation proceedings concerning protected data loss or other breach of Contractor's obligations under this Contract. Any access, transmission, or storage of protected data outside the United States must be approved in writing by CSU in advance. Contractor's failure to comply with any provision of this Section shall constitute a material breach of the Contract.

### 24. Information Security Requirements

- (a) Contractor is required to comply with CSU Information Security Requirements as described in Rider A, Supplemental Provisions for General Provisions for Service Acquisitions, attached hereto and by reference made a part of this agreement.
- (b) Information Security Plan  
Contractor is required to maintain an Information Security Plan sufficient to protect the sensitive and/or confidential CSU data to which they have access. Requirements for the Information Security Plan are described in Rider A.
- (c) Personal Security Requirements  
Contractor shall require all its affiliates and subcontractors, as a condition to their engagement, to agree to be bound by provisions substantially the same as those included in this Agreement related to information security matters only. Contractor shall not knowingly permit a representative or subcontractor to have access to CSU records, confidential data, or premises of the CSU when such representative or subcontractor has been convicted of a felony.

### 25. Patent, Copyright, and Trade Secret Indemnity

- (a) Contractor shall indemnify, defend, and hold harmless the State of California, Board of Trustees of the California State University, CSU, and their respective officers, agents, and employees (collectively referred to as CSU), from any and all third party claims, costs (including without limitation reasonable attorneys' fees), and losses for infringement or violation of any Intellectual Property Right, domestic or foreign, by any product or service provided hereunder. With respect to claims arising from computer Hardware or Software manufactured by a third party and sold by Contractor as a reseller, Contractor will pass through to CSU, in addition to the foregoing provision, such indemnity rights as it receives from such third party ("Third Party Obligation") and will cooperate in enforcing them; provided that if the third party manufacturer fails to honor the Third Party Obligation, Contractor will provide CSU with indemnity protection.
- (i) CSU will notify Contractor of such claim in writing and tender its defense within a reasonable time; and
- (ii) Contractor will control the defense of any action on such claim and all negotiations for its settlement or compromise, except when substantial principles of government or public law are involved, when litigation might create precedent affecting future CSU operations or liability, or when involvement of the CSU is otherwise mandated by law. In such case no settlement shall be entered into on behalf of CSU without CSU's written approval.
- (b) Contractor may be required to furnish CSU a bond against any and all loss, damage, costs, expenses, claims and liability for patent, copyright and trade secret infringement.

- (c) Should the Deliverables or Software, or the operation thereof, become, or in the Contactor's opinion are likely to become, the subject of a claim of infringement or violation of a Intellectual Property Right, whether domestic or foreign, CSU shall permit Contractor at its option and expense either to procure for CSU the right to continue using the Deliverables or Software or to replace or modify the same so they become non-infringing, provided they comply with Contract and performance requirements and/or expectations. If neither option can reasonably be practicable or if the use of such Deliverables or Software by CSU shall be prevented by injunction, Contractor agrees to take back such Deliverables or Software and use its best effort to assist CSU in procuring substitute Deliverables or Software at Contractor's cost and expense. If, in the sole opinion of CSU, the return of such infringing Deliverables or Software makes the retention of other Deliverables or Software acquired from Contractor under this Contract impracticable, CSU shall then have the option of terminating this Contract, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such Deliverables or Software and refund any sums CSU paid Contractor less any reasonable amount for use or damage.
- (d) Contractor certifies it has appropriate systems and controls in place to ensure State funds will not be used in the performance of this Contract for the acquisition, operation or maintenance of computer Software in violation of copyright laws.

## 26. Rights in Work Product

All inventions, discoveries, intellectual property, technical communications and records originated or prepared by Contractor pursuant to this Contract, including papers, reports, charts, computer programs, and other Documentation or improvements thereto, and including Contractor's administrative communications and records relating to this Contract (collectively, the "Work Product"), shall be Contractor's exclusive property. The provisions of this section may be revised in a Statement of Work. However, all finished product or deliverables required under this contract shall be the exclusive property of the CSU and may be used at CSU's discretion.

## 27. Examination and Audit

For contracts in excess of \$10,000, Contractor shall be subject to the examination and audit by

- (a) the Office of the University Auditor, and
- (b) the Bureau of State Audits, for a period of three (3) years after final payment under the Contract. The examination and audit shall be confined to those matters connected with the performance of the contract, including, but not limited to, the costs of administering the Contract. Note: Authority Cited: Government Code Section 8546.7; Education Code Section 89045(c&d), respectively.

## 28. Dispute

Any dispute arising under or resulting from this Contract that is not resolved within 60 days of time by authorized representatives of Contractor and CSU shall be brought to the attention of Contractor's Chief Executive Officer (or designee) and CSU's Chief Business Officer (or designee) for resolution. Either Contractor or CSU may request that the CSU Vice Chancellor, Business and Finance (or designee) participate in the dispute resolution process to provide advice regarding CSU contracting policies and procedures. If this informal dispute resolution process is unsuccessful, the parties may pursue all remedies not inconsistent with this Contract. Despite an unresolved dispute, Contractor shall continue without delay in performing its responsibilities under this Contract. Contractor shall accurately and adequately document all service it has performed under this Contract.

## 29. Conflict of Interest

CSU requires a Statement of Economic Interests (California Form 700) to be filed by any Consultant (or Contractor) who is involved in the making or participation in the making of decisions which may foreseeably have a material effect on any CSU financial interest.

## 30. Follow-On Contracts

No person, firm, or subsidiary thereof who has been awarded a contract for Consulting Services or providing Direction (as provided below) may submit be awarded a contract for the provision of services, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.

- (a) If Contractor or its affiliates provides Consulting and Direction, Contractor and its affiliates:
- (i) shall not be awarded a subsequent Contract to supply the service or system, or any significant component thereof, that is used for, or in connection with, any subject of such Consulting and Direction; and
- (ii) shall not act as consultant to any person or entity that does receive a Contract described in sub-section (i). This prohibition will continue for one (1) year after termination of this Contract or completion of the Consulting and Direction, whichever is later.
- (b) "Consulting and Direction" means services for which Contractor received compensation from CSU and includes:
- (i) development of, or assistance in the development, of work statements, specifications, solicitations, or feasibility studies;

- (ii) development or design of test requirements;
  - (iii) evaluation of test data;
  - (iv) direction of or evaluation of another Contractor;
  - (v) provision of formal recommendations regarding the acquisition of products or services; or
  - (vi) provisions of formal recommendations regarding any of the above. For purposes of this Section, "affiliates" are employees, directors, partners, joint venture participants, parent corporations, subsidiaries, or any other entity controlled by, controlling, or under common control with Contractor. Control exists when an entity owns or directs more than fifty percent (50%) of the outstanding shares or securities representing the right to vote for the election of directors or other managing authority.
- (c) Except as prohibited by law, the restrictions of this Section will not apply:
- (i) to follow-on advice given by vendors of commercial off-the-shelf products, including Software and Hardware, on the operation, integration, repair, or maintenance of such products after sale; or
  - (ii) where CSU has entered into a Contract for Software or services and the scope of work at the time of Contract execution expressly calls for future recommendations among the Contractor's own products.
- (d) The restrictions set forth in this Section are in addition to conflict of interest restrictions imposed on public Contractors by California law ("Conflict Laws"). In the event of any inconsistency, such Conflict Laws override the provisions of this Section, even if enacted after execution of this Contract.

### **31. Endorsement**

Nothing contained in this Contract shall be construed as conferring on any party, any right to use the other party's name as an endorsement of product/service or to advertise, promote or otherwise market any product or service without the prior written consent of the other party. Furthermore nothing in this Contract shall be construed as endorsement of any commercial product or service by the CSU, its officers or employees.

### **32. Covenant Against Gratuities**

Contractor shall warrant that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of CSU with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, CSU shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by CSU in procuring on the open market any items that Contractor agreed to supply shall be borne and paid for solely by Contractor. CSU's rights and remedies provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under the Contract.

### **33. Nondiscrimination**

- (a) During the performance of this Contract, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition, age, marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
- (b) Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- (c) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Contract.

### **34. Compliance with NLRB Orders**

Contractor declares under penalty of perjury under the laws of the State of California that no more than one final, unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court to comply with an order of the National Labor Relations Board. Note: Cite Authority: PCC 10296

### **35. Drug-Free Workplace Certification**

Contractor certifies that Contractor shall comply with the requirements of the Drug-Free Workplace Act of 1990 and shall provide a drug-free workplace by taking the following actions:

- (a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations
- (b) Establish a Drug-Free Awareness Program to inform employees about all of the following:
  - (i) the dangers of drug abuse in the workplace;
  - (ii) the person's or organization's policy of maintaining a drug-free workplace;
  - (iii) any available counseling, rehabilitation and employee assistance programs; and,
  - (iv) penalties that may be imposed upon employees for drug abuse violations.
- (c) Provide that every employee who works on the proposed or resulting Contract:
  - (i) will receive a copy of the company's drug-free policy statement; and,
  - (ii) will agree to abide by the terms of the company's statement as a condition of employment on the Contract. Note: Authority Cited: Government Code Section 8350-8357

### **36. Forced, Convict, Indentured and Child Labor**

By accepting a contract with CSU, Contractor:

- (a) certifies that no equipment, materials, or supplies furnished to CSU pursuant to this Contract have been produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Contractor further certifies it will adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at <http://www.dir.ca.gov/>, and Public Contract Code Section 6108.
- (b) agrees to cooperate fully in providing reasonable access to its records, documents, agents or employees, or premises if reasonably required by authorized officials of the State, the Department of Industrial Relations, or the Department of Justice to determine Contractor's compliance with the requirements under paragraph (A).

### **37. Recycled Content Certification**

To the extent that services involve the supply of post-consumer materials (see below) Contractor shall certify in writing the minimum, if not exact, percentage of post-consumer material, as defined in Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to CSU regardless whether the product meets the requirements of Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (PCC 12205).

### **38. Child Support Compliance Act**

For any contract in excess of \$100,000, Contractor acknowledges in accordance with Public Contract Code Section 7110, that:

- (a) Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
- (b) Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

### **39. Americans With Disabilities Act (ADA)**

Contractor warrants that it complies with California and federal disabilities laws and regulations. (Americans with Disabilities Act of 1990, 42 U.S.C. 12101 et seq). Contractor hereby warrants the products or services it will provide under this Contract comply with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, Part 1194. Contractor agrees to promptly respond to and resolve any complaint regarding accessibility of its products or services. Contractor further agrees to indemnify and hold harmless CSU from any claims arising out of Contractor's failure to comply with the aforesaid requirements. Failure to comply with these requirements shall constitute a material breach of this Contract.

### **40. Debarment and Suspension**

By accepting a contract with the CSU, Contractor certifies neither it nor its principals or its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency (*2 Code Federal Regulations [CFR] 180.220*, in accordance with the Office of Management and Budget guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235)).

**41. Expatriate Corporations**

Contractor declares and certifies that it is not an expatriate corporation, and is not precluded from contracting with CSU by The California Taxpayer and Shareholder Protection Act of 2003, Public Contract Code Section 10286, et seq.

**42. Citizenship and Public Benefits**

If Contractor is a natural person, Contractor certifies he or she is a citizen or national of the United States or otherwise qualified to receive public benefits under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193; 110 STAT.2105, 2268-69).

**43. Loss Leader**

Contractor certifies and declares it is not engaged in business within this State of California to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. Note: Authority Cite: (PCC 12104.5(b).)

**44. DVBE and Small Business Participation**

- (a) If Contractor has committed to achieve small business (SB) participation it shall, within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract), report to CSU: (1) the name and address of the SB(s) who participated in the performance of the Contract; (2) the total amount the prime Contractor received under the Contract; and (3) the amount each SB received from the prime Contractor. (Govt. Code § 14841.)
- (b) If Contractor has committed to achieve disabled veteran business enterprise (DVBE) participation, it shall, within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract), report to CSU:
- (1) the name and address of the DVBE(s) who participated in the performance of the Contract;
  - (2) the total amount the prime Contractor received under the Contract; and
  - (3) the amount each DVBE received from the prime Contractor. The Contractor shall also certify that all payments under the Contract have been made to the DVBE. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

**45. Contractor's Staff**

Contractor warrants that its staff assigned to performing work under this Contract are legally able to perform such duties in the country where the work is being performed.



## CONSULTING SERVICES AGREEMENT

This contract documents the agreement between California State University (hereinafter University), and The NCHERM Group LLC (hereinafter NCHERM), to be known collectively as “the parties.” This contract consists of a cover page, Standard Terms and Conditions, and no additional pages.

The parties agree to the following: Brian Van Brunt of NCHERM will provide University with a three-part BIT training series as follows:

- BIT Foundations Course on March 14-15 (tentatively at CSU Long Beach)
- BIT Foundations Course on March 28-29 (possibly at CSU Maritime)
- BIT Best Practices course at a campus TBD within the following 12 months

The University will pay NCHERM \$49,500 for up to 50 attendees per training. The University will cover up to \$4,500 of travel fees for the consultant, to be reimbursed in accordance with the CSU Travel Policy located at <https://cyou.calstate.edu/Policies/icsuam/FinalPDF/Section 3000 PDF/CSUTravelProcedures.pdf>. These expenses will cover six days of travel. Other Payment Terms: The University will make payment in full to The NCHERM Group LLC by March 14<sup>th</sup>, 2019.

Other terms: An itinerary will be agreed upon by the parties in advance and is incorporated into this agreement by reference. The University will return this contract signed on or before January 3<sup>rd</sup>, 2019. If this contract is not signed and returned 30 days prior to the visit, University forfeits the dates and the visit will need to be rescheduled. Please mail all cheques (deposit and balance) to 1109 Lancaster Avenue, Berwyn, PA 19312.

*“Note: Dangerousness and violence, from a student, faculty or staff member is difficult, if not impossible to accurately predict. Information in this email should not be seen as legal or psychological advice or as a guarantee or offer any assurance that violence will be prevented.”*

**The NCHERM Group • 1109 Lancaster Avenue • Berwyn, PA 19312**

**[www.ncherm.org](http://www.ncherm.org)**

**Tel. 610.993.0229 • Fax. 610.993.0228**

In witness of their acceptance of the terms of this agreement, the parties have had this Contract executed by their duly authorized representatives.

For NCHERM:



Signature

Brett A. Sokolow, J.D.  
Name and Title

1109 Lancaster Avenue

Berwyn, PA 19312

610-993-0229      610-993-0228  
Telephone Number      Fax

12/19/2018  
Date

For California State University:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Date

## Standard Terms and Conditions

1. This Contract may be modified only by a written amendment that has been executed and approved by the appropriate parties as indicated on the signature page of this Contract.
2. University may terminate this Contract without penalty by giving NCHERM written or emailed notice at least sixty (60) days prior to the date(s) of performance. If University terminates less than sixty (60) days prior to the date(s) of performance, NCHERM shall be entitled to receive equitable compensation for satisfactory work completed as of the termination date or loss of revenue incurred by the date(s) of performance and at minimum will retain any deposits rendered as liquidated damages.
3. University may reschedule the period of performance without penalty by giving NCHERM written or emailed notice at least sixty (60) days prior to the date(s) of performance. If University reschedules the period of performance less than sixty (60) days prior to the date(s) of performance, NCHERM shall be entitled to receive an additional \$1,500 per day contracted as a rescheduling fee.
4. If NCHERM fails to perform properly its obligations under this Contract or violates any term of this Contract, the University shall have the right to terminate this Contract immediately and withhold payments in excess of fair compensation for completed services.
5. University shall have no liability except as specifically provided in this Contract.
6. NCHERM shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.
7. This agreement represents the full and complete contract between the parties and is integrated on its face.
8. This contract supersedes and replaces any previous contracts between the parties with respect to the work to be performed under the terms of this contract.
9. In the event of an Act of God (e.g. inclement weather, destruction of facilities, illness, and the like), NCHERM and University will in good faith attempt to fully perform this agreement. However, in the event that an Act of God prevents performance by either or both parties, both parties agree to make good faith efforts to reschedule the consulting program at a mutually acceptable later date. University agrees to compensate NCHERM on the date of the originally scheduled consulting program as per the terms of this contract and at that time to compensate NCHERM for half the amount of any additional travel and/or expenses related to rescheduling.
10. The terms of this Agreement are independently valid. Any invalid term may be severed without invalidating the remaining clauses.
11. University agrees to indemnify, defend and hold harmless NCHERM and all of NCHERM's officers, directors, managers, employees, members, owners, agents, partners, consultants attorneys, representatives, successors and assigns (collectively "NCHERM Affiliates") and to

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release, absolve and forever discharge NCHERM and all NCHERM Affiliates from any and all claims, actions, causes of action, (including, without limitation, any and all legal actions arising out of University's reliance upon the advice given at any time by NCHERM or NCHERM Affiliates), demands, agreements, contracts, covenants, suits, obligations, controversies, costs, expenses, accounts, damages, judgments, lawsuits and liabilities of whatever kind or nature in law, equity or otherwise in any way arising out of the subject matter of or under this agreement (collectively "Claims"). University recognizes that under the terms of this agreement, NCHERM is not providing legal advice or acting in the capacity of legal counsel, and that University should consult its attorneys before acting upon any advice or suggestions made by NCHERM's employees in the course of their consulting programs. This indemnification includes all costs of defense and legal expenses regardless of insurance coverage. This indemnification does not extend to acts of gross negligence by NCHERM or any NCHERM Affiliate under the laws of the state by which this contract is governed. University will pay or reimburse NCHERM for all costs covered by this paragraph that are incurred by NCHERM directly, upon invoice, within 14 days.

12. Not all Consultants of The NCHERM Group, LLC are practicing attorneys. Some are college administrators, psychologists, or attorneys who function in consulting roles and do not maintain current bar admission. This agreement is for consulting services, not for retention of legal counsel. If a privileged relationship is desired, the agreement must be revised to expressly provide for it.
13. NCHERM Consultants are retained for the purpose of providing a training or presentation program and to provide expert consulting advice to clients. NCHERM does not control and is not responsible for the actions of presenters outside the training hours and/or beyond the expertise they are contracted to provide to clients. Consultants are not authorized to act as agents of NCHERM outside of the contracted hours, audiences and areas of expertise specified in the agreement.
14. Waiver of any term of this contract by NCHERM constitutes a single event of waiver of that term and shall not be construed to constitute waiver of that or any other term at any future date.
15. To provide our clients with the highest quality service, this presentation is limited to employees of University. Participants from other institutions are not included in contract cost and will be subject to separate registration fee as determined by The NCHERM Group. If you are interested in inviting colleagues from other institutions to participate in your contracted presentation, please contact Megan Birster to discuss details and any additional fees associated with an expanded presentation. This allows The NCHERM Group to better prepare for your presentation. If the client does not provide advance notice to The NCHERM Group that representatives from other institutions will attend the training, The NCHERM

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Group reserves the right to retroactively bill the contracted client for additional registration fees.

16. PRECONDITION OF PERFORMANCE. University must pay NCHERM on the date of the consulting program. NCHERM's agents will not perform unless this condition is met or waived at least 48 hours before the date of the consulting program. Please mail cheque to The NCHERM Group at 1109 Lancaster Avenue, Berwyn, PA 19312 by the date of the program.
17. TAXES. University is liable for payment to NCHERM of the total amount of our fee, irrespective of state entertainment taxes or other withholding. In the event University is required to withhold state income or entertainment taxes, amend the contract amount accordingly to reflect the addition of the state tax amount to our fee, and alert NCHERM if University is required to withhold or will be withholding state tax.

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## **CSURMA RENEWAL OF PARAMETRIC EARTHQUAKE INSURANCE**

**ISSUE:** CSURMA purchased a three-year parametric earthquake insurance policy which will expire on October 1, 2020. Swiss Re, the current insurer, has changed its underwriting approach from the Modified Mercalli Intensity Scale (MMI) to a new payout trigger based on Peak Spectral Acceleration (PSA). PSA is a reading of g-force at the shaking location which eliminates the less scientific aspects of MMI. MMI results include elements of how strongly felt by persons in the vicinity of the earthquake. Swiss Re prefers the purely mathematical approach of PSA.

Swiss Re is agreeable to allowing the program to continue to its natural expiration on October 1, 2020, but has also offered to extend the program at existing pricing using the new PSA trigger. This would avoid a pricing increase expected at the October 1, 2020 renewal. If the new approach is elected by the Executive Committee, Staff recommends rewriting the program for three years effective July 1, 2019 so that the anniversary date aligns with CSURMA's budget and other renewals.

Swiss Re will present both options at the meeting for the Committee's consideration.

**RECOMMENDATION:** Staff recommends that the Committee discuss the two program options and take action or provide direction to Staff as appropriate.

**FISCAL IMPACT:** \$1,550,000 is included in the FY 18/19 and FY 19/20 CSURMA Budget. Depending on the option selected, premium could increase to \$1,627,500 annually in FY 20/21.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Renewal of Parametric Earthquake Insurance proposal

# California State University



Renewal of 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.

## The Challenge and Need?

**I**t 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.



# Parametric Insurance (Recap)

# What Is A Parametric Insurance Product?\*

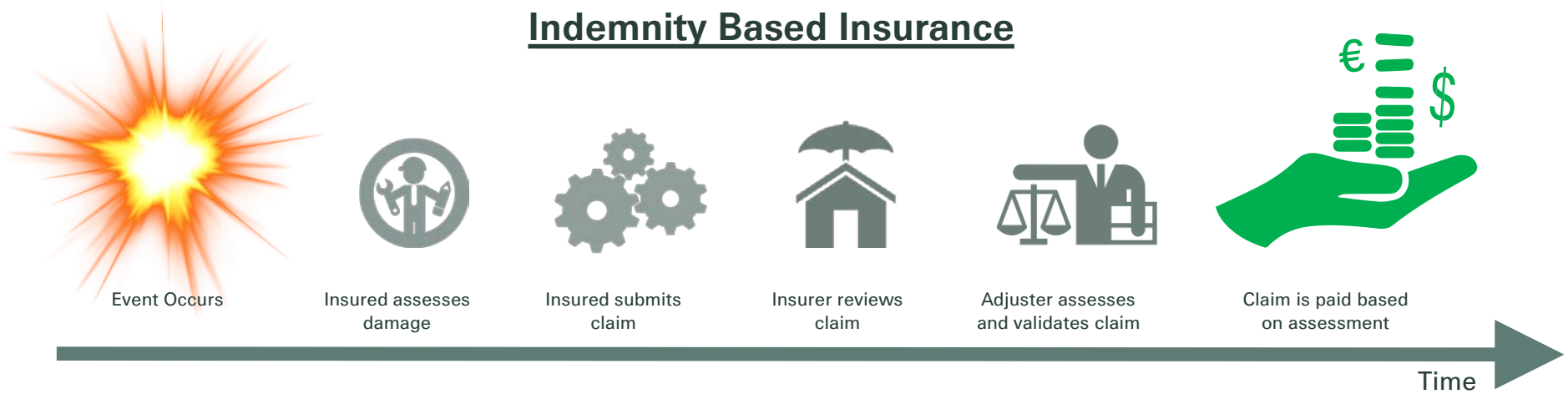
- Pre-defined **event triggers** and a table of payout factors are established
- A final **policy is agreed** to containing the details of the transaction and the requirements of the two parties (including trigger and payouts)\*
- If an event occurs that meets or exceeds the pre-defined event trigger, 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.



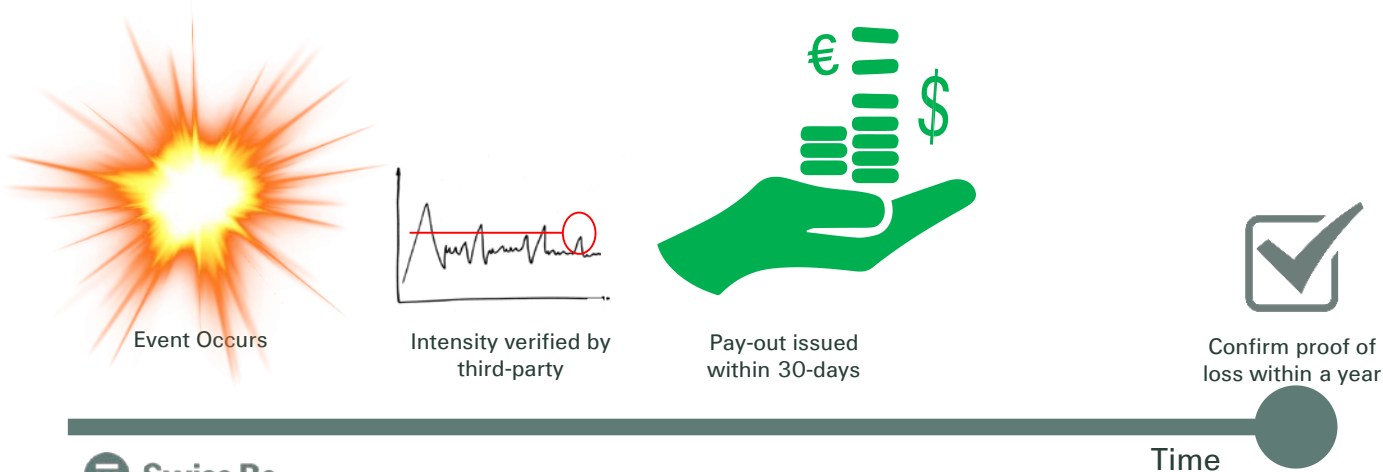
*\*Note: This slide is a simple explanation of the product, the full policy will have all stipulations and details of the contract.*

# Why parametric insurance?

## Indemnity Based Insurance



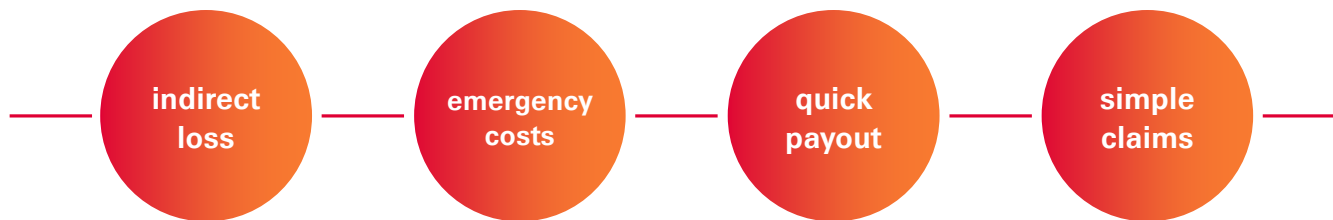
## Parametric Insurance



# Drivers For Parametric Insurance

- **Key drivers for buyers**

- Protect against indirect economic loss
- Supplement traditional insurance
- Cover underinsured or uninsurable risk
- Receive quick payout, improves liquidity
- Assist with post-event costs
- Adjust claims simply and transparently



# Swiss Re QUAKE

(Recap)

## How Does Swiss Re QUAKE Product Work?

- Pre-defined parameters are established, including:
  - Trigger location(s) (typically specific zip code center points or lat long points)
  - Payout amounts at agreed intensities at each trigger location
  - Policy term
  - Policy limit
- After an earthquake occurs, the USGS will publish a ShakeMap which has detailed shake intensities for the affected region.
- Based on the shake intensity at each pre-defined location the payout will be quickly calculated and paid (typically within 30 days).
- The Insured is given a pre-agreed amount of time (typically 12 months) to certify that the financial loss that the Insured incurred is greater than or equal to the payment received.

# Key Features of Proposed Solution

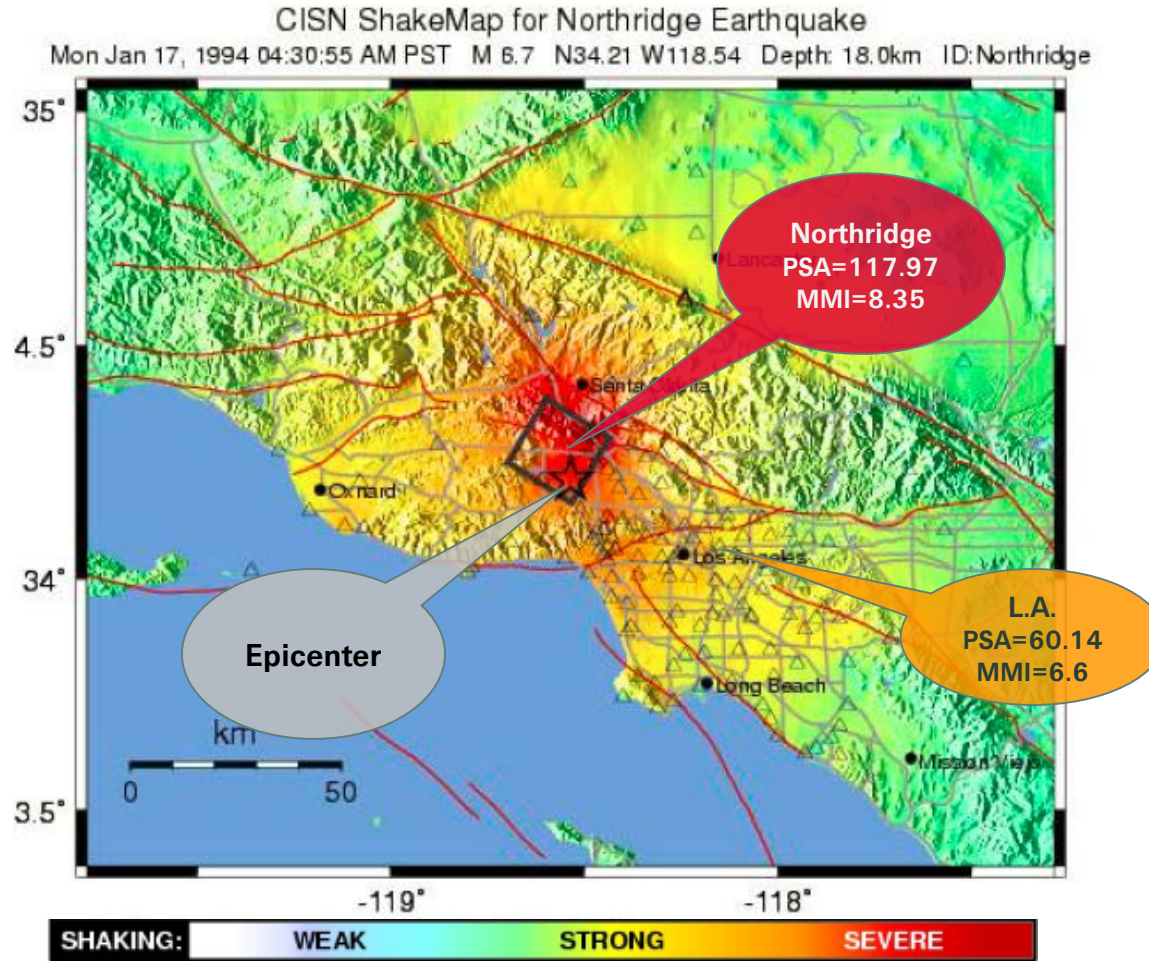
- **Broad Scope:** Limits available to all CA locations, large and small
- **Independent Data Provider:** Localized Shake Intensity from post-event ShakeMap provided by sound, independent 3<sup>rd</sup> party source (USGS)
- **Timing:** Fast payout to assist with immediate financial needs
- **Insurance 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:** No dollar deductible

# Sample ShakeMap

(Recap)

# 2014 Northridge Earthquake

Magnitude 6.7



\*USGS Peak Spectral Acceleration expressed as a percentage of gravity (%g) with a period of 0.3s ("PSA03")

# Current Policy:

## Limits / Payout Tables (Recap)

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

# Current: Detailed Limits and Payouts by zip code

LA Metro Area	Sum of Limit	Payouts			LA Metro Area	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 UNIV.</b>	<b>3,300,000</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	3,265,000	816,250	1,632,500	3,265,000	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>1,200,000</b>				91321	5,000	1,250	2,500	5,000
93012	1,200,000	300,000	600,000	1,200,000	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>4,400,000</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	4,140,000	1,035,000	2,070,000	4,140,000	92553	5,000	1,250	2,500	5,000
92837	5,000	1,250	2,500	5,000					

# Current: Detailed Limits and Payouts by zip code

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

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

# Current: 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 UNIV.</b>	<b>12,200,000</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	90,000	22,500	45,000	90,000
92102	5,000	1,250	2,500	5,000
92105	110,000	27,500	55,000	110,000
92109	30,000	7,500	15,000	30,000
92110	20,000	5,000	10,000	20,000
92113	5,000	1,250	2,500	5,000
92115	670,000	167,500	335,000	670,000
92117	5,000	1,250	2,500	5,000
92118	5,000	1,250	2,500	5,000
92120	40,000	10,000	20,000	40,000
92123	80,000	20,000	40,000	80,000

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

# Current: Detailed Limits and Payouts by zip code

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

# Insurance Industry Updates since 2017

# State Parametric Products and overall Natural Catastrophes

## Parametric Earthquake Insurance Developments

- **Location Intensities:** Generation 2.0 Parametric Earthquake triggers are solving insurance needs for clients in various industries.
- **MMI vs PSA:** Peak Spectral Acceleration (PSA) is a more quantitative metric than MMI and has become the preferred trigger.
- **PSA Steps:** Current PSA parametric deals have more payout steps in order to provide more refined payouts.
- **Multi-year Capacity:** Swiss Re continues to have appetite and capacity for multi-year policies with key partners.

## Large Events Creating Capital Potential Pressures

- **Hurricanes:** Five Making North American Landfall during 2017 and 2018
- **Wildfires:** Four Major Wildfires in California during 2017 and 2018
- **Earthquake:** M 7.0 Anchorage Earthquake

# Shaking Intensities

## PSA vs MMI

# How to relate PSA to MMI intensities

MMI*	PSA*	Shaking	Description/Damage
VI	29%g	Strong	Felt by all, many frightened. Some heavy furniture moved; a few instances of fallen plaster. Damage slight.
VII	50%g	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	88%g	Severe	Damage slight in specially designed structures; considerable damage in ordinary substantial buildings with partial collapse. Damage great in poorly built structures. Fall of chimneys, factory stacks, columns, monuments, walls. Heavy furniture overturned.
IX	153%g	Violent	Damage considerable in specially designed structures; well-designed frame structures thrown out of plumb. Damage great in substantial buildings, with partial collapse. Buildings shifted off foundations.
X	267%g	Extreme	Some well-built wooden structures destroyed; most masonry and frame structures destroyed with foundations. Rails bent.

\*MMI to PSA\_0.3s. Conversion based upon Worden et al. (2012)

# Sample Terms

# Summary of early renewal Terms

Confidential

Options	A	B
<b>Term</b>	From rewrite date until 24 months beyond current 10/1/2020 expiration Next expiration date: 10/1/2022	From rewrite date until 36 months beyond current 10/1/2020 expiration Next expiration date: 10/1/2023
<b>Limits by Zip Code</b>	<b>(as expiring)</b>	
<b>Payout Triggers and amounts per zip code allocation</b>	MMI Based (as expiring)  <u>MMI – Payout</u> 6.5 – 25% 7.5 – 50% 8.5 – 100%	PSA (Peak Spectral Acceleration) Expressed as a percentage of gravity (%g)  <u>PSA – Payout</u> 45 – 20% 60 – 40% 75 – 60% 90 – 80% 115 – 100%
<b>Term Limit</b>	(as expiring) \$25 million per occurrence; \$25 million per term	
<b>Annual Premium (Estimate)</b>	First 12 months \$1,550,000 (as expiring) Next 12 months \$1,627,500 Final 12 months \$1,627,500	Each 12 months \$1,550,000 (as expiring)

Indicative terms subject to final management approval.

Terms based on current market and expectation of renewal by 5/1/2019.

Premium figures are **per annum 215** including 7.5% parametric commission, **exclusive** of taxes and fees.

# Appendix

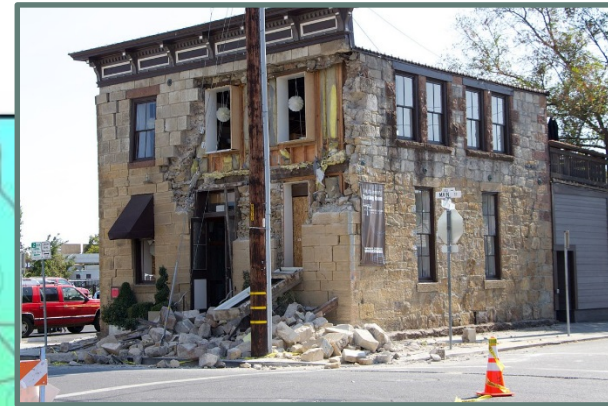
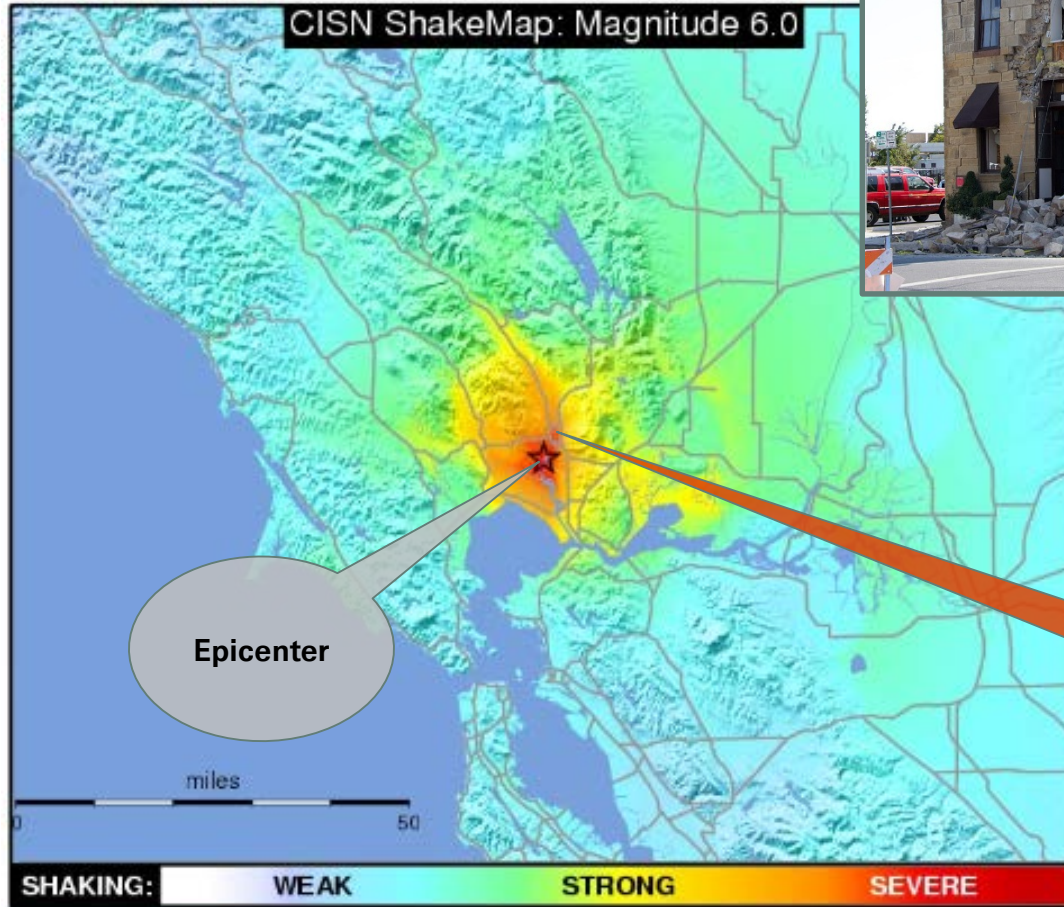
## Comparison of Traditional Insurance to Parametric Insurance Product

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

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

# 2014 Napa Earthquake

Magnitude 6.0



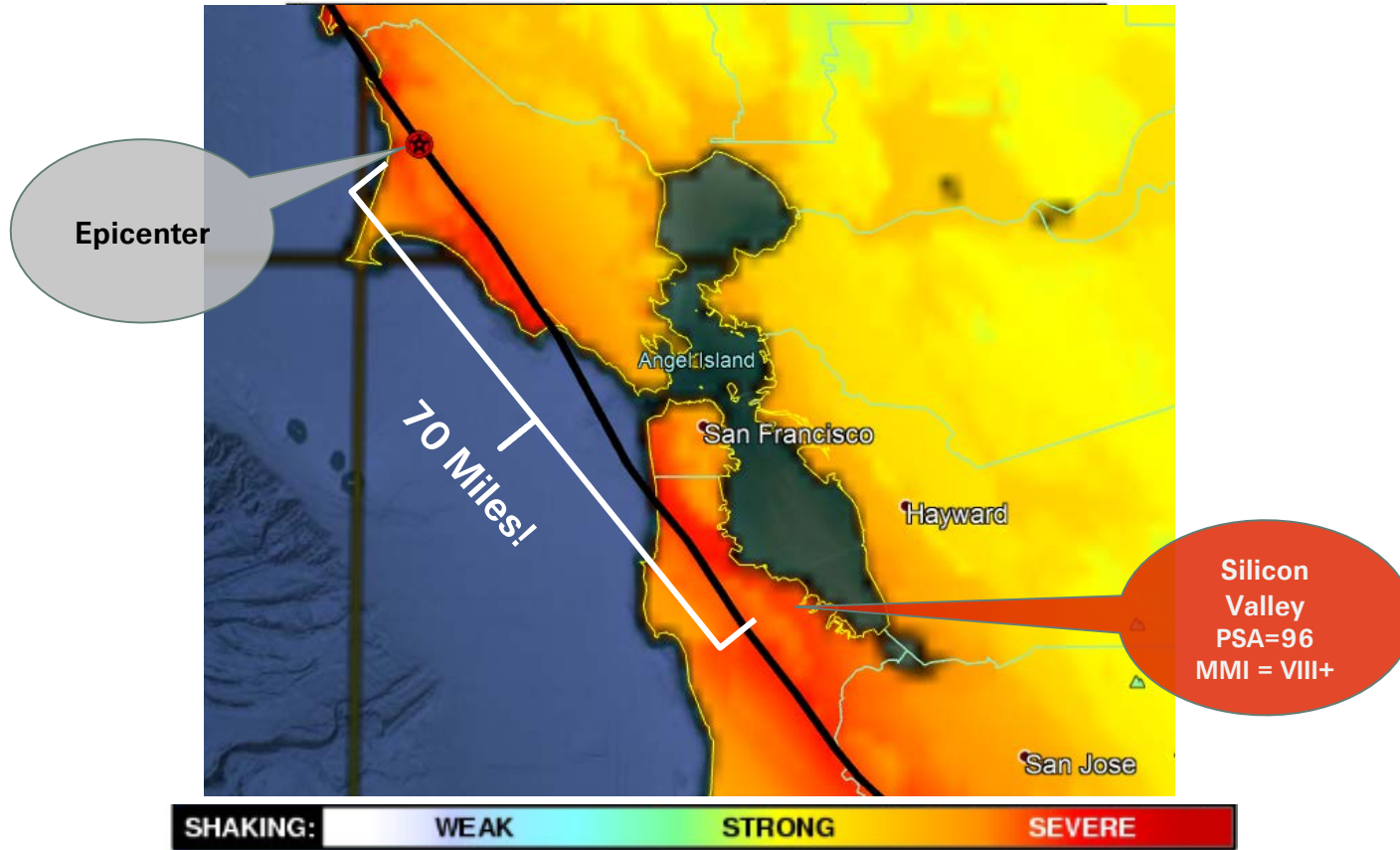
Downtown  
Napa  
PSA=80.67  
MMI = VIII

\*USGS Peak Spectral Acceleration expressed as a percentage of gravity (%g) with a period of 0.3s ("PSA03")

# USGS San Andreas SCENARIO Event

Magnitude 7.7

-- Earthquake Planning Scenario --  
ShakeMap for N. San Andreas: SAN+SAP - Median ground motions Scenario  
Scenario Date: Jun 30, 2017 10:03:43 AM MDT M 7.7 N38.15 W122.90 Depth: 6.6km



\*USGS Peak Spectral Acceleration expressed as a percentage of gravity (%g) with a period of 0.3s ("PSA03")

## 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:** <https://earthquake.usgs.gov/data/shakemap/>

# Shaking Intensity – PSA03 Explained

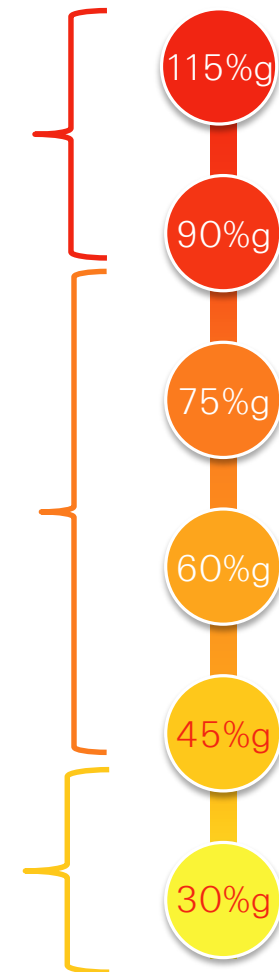
## Sample Experienced Shaking

**Severe:** Damage slight in specially designed structure; considerable damage in ordinary substantial buildings with partial collapse. Damage great in poorly build structures; Fall of chimneys, factory stacks, columns, monuments, walls. Heavy furniture overturned.

**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.

**Strong:** Felt by all, many frightened. Some heavy furniture moved; a few instances of fallen plaster. Damage slight.

## PSA03 Range



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**REVISIONS TO POLICY AND PROCEDURE NO. 20 –  
OWNER CONTROLLED INSURANCE PROGRAM (OCIP)**

**ISSUE:** At its last meeting on January 13, 2019, the Executive Committee received and reviewed a revisions to Policy and Procedure No. 20 from Capital Planning Design & Construction (CPDC), which was CPDC’s response to the interest charge desired by CSURMA for prefunding OCIP premium payments. The item was tabled to today’s meeting pending further discussion within the Chancellor’s Office.

On September 7, 2018, the Executive Committee heard a report from the OCIP Task Group and expressed the need to revisit how prefunding of OCIP costs impact CSURMA’s cash flow and loss of investment income. The Executive Committee believes CSURMA should be made whole by recovering for loss of investment income. Also, although only ten campuses currently have construction projects enrolled in OCIP 2, all campuses incur a loss of investment income because it is allocated to the entire program. In fairness to all members, the Executive Committee instructed staff to include an interest charge on enrolled projects. The interest charge is to be equal to CSURMA’s imputed rate of return on investments. The Executive Committee also desired to review the Memorandum of Understanding (MOU) that is being drafted by CPDC.

**RECOMMENDATION:** The Executive Committee is asked to approve amendments to Policy and Procedure No. 20 and the MOU between CPDC and CSURMA, making changes as it deems appropriate.

**FISCAL IMPACT:** The proposed amendments will have a significant impact on CSURMA’s operating budget in regards to cash flow, but should not impact CSURMA’s actual operating costs since direct costs for premium payments including premium adjustments are reimbursed by campus projects. The proposed timeline for reimbursements is at the project’s midpoint during construction and at final project completion. A cash flow projection is attached to this item.

**BACKGROUND:** On April 25, 2018, the Executive Committee formed a task group to review the proposed changes to Policy & Procedure No. 20 for CSURMA to pay insurance premiums for campus construction projects that are enrolled in the OCIP managed by CPDC. The changes in procedure enable projects enrolled in OCIP to realize the savings expected to be derived by OCIP. The changes also serve to facilitate premium payments, including project audits and premium adjustments. OCIP premiums paid by CSURMA are to be reimbursed by the projects

via CPDC. The new procedures are to apply beginning with OCIP 2. The Task Group met on July 25, 2018 with CPDC, OCIP broker, and CSURMA staff.

CSURMA established OCIP to insure the university's construction activities. OCIP provides General Liability and Workers' Compensation insurance for capital projects with construction values of \$10,000,000 and more. OCIP is supplemented by other insurance, namely Contractors Pollution Liability (CPL) and Owner's Protective Professional Indemnity (OPPI). Separately, CSURMA's Builder's Risk Insurance Program (BRIP) insures direct damage to all CSU construction projects that exceed the threshold for minor capital outlay. Policy and Procedure No. 20 (OCIP) and No. 24 (BRIP) were adopted by the Executive Committee on November 6, 2013 and revised on May 6, 2016. The Executive Committee approved amendments to P&P 24 at its April 25, 2018 meeting.

**ATTACHMENT(S):**

- a. CPDC's Proposed Amendment of P&P 20 (OCIP)
- b. CPDC\_CSURMA OCIP II Reimbursement
- c. CSU OCIP Funding Cash Flow Estimates 1.0
- d. OCIP Program Bid Credit Tracking Process 10\_15\_18 R1

**ADOPTED:** September 13, 2013

***DRAFT***

**AMENDED:** November 6, 2013  
December 5, 2014 (OCIP I Extension)  
September 7, 2018 (OCIP II)

**EFFECTIVE:** January 1, 2012 (OCIP I)  
December 31, 2014 (OCIP I Extension)  
January 31, 2018 (OCIP II)

**SUBJECT:** Owner Controlled Insurance Program

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**PURPOSE:**

CSURMA launched the Owner Controlled Insurance Program (OCIP) to realize a cost savings, improve coverage, and efficiently administer General Liability, Completed Operations Liability, Property, and Workers' Compensation coverage for all contractors performing construction work on CSU's construction projects over \$10M as established by the CSU Chancellor's Office Capital Planning, Design and Construction Office (CPDC). Additionally, CSURMA purchased insurance covering Contractor's Pollution Liability (CPL) and Owner's Protective Professional Indemnity (OPPI) to supplement OCIP. The purpose of this Policy and Procedure No. 20 is to describe the operation of the program and provide a process for CSURMA and CPDC to collaborate on administering the program efficiently and effectively.

Separately, CSURMA maintains a Builder's Risk Insurance Program (BRIP), which is addressed in Policy & Procedure No. 24.

**POLICY:**

It is the policy of CSURMA that the OCIP Administrator, Chancellor's Office Accounting Department (Accounting), and Systemwide Office of Risk Management will collaborate with CPDC to administer the OCIP as described in this Policy and Procedure.

**PROCEDURE:**

**PART A: CSURMA OCIP**

Section 1: General Procedures

1. CSURMA shall pay the insurance premiums for WC, GL, XS, CPL, OPPI, XS OPPI, Alliant Fee, and deductible collateral up front to the OCIP Administrator, and added premiums through audit; i.e., the quarterly report of new and ongoing projects enrolled during the quarter. CSURMA will recover the advanced monies from Campus Projects on a project-by-project basis, as described herein.
2. The recovered insurance premiums shall include the costs for WC, GL, ~~XS, CPL, OPPI, XS OPPI~~, and deductible collateral. CPDC, working with Alliant, shall transmit all bid credit tracking change orders

~~from each project to CSURMA to document the credit amounts.~~ CSURMA shall prepare invoices ~~for CPDC~~ for the amounts generated from the bid credit tracking change orders for Campus Projects. CPDC shall promptly review the invoices and upon agreement of the amount, shall remit the invoices ~~to Campuses and collect the amounts directly from the Campuses. amount via CPO directly to CSURMA.~~

3. The OCIP Administrator shall manage the OCIP carrier contracts, collect required data from the contractors directly each month, and develop and maintain a quarterly report which will be used by CSURMA and CPDC to determine the cost of the OCIP on a per-project basis. The quarterly report shall contain:
  - Projects started, continuing, or completed in each quarter.
  - Completed projects shall not drop off report.
  - Project start and completion dates.
  - CPDC project name and CPDC project number.
  - Initial Construction Contract Value, which varies by procurement method as follows:
    - For CM at Risk or Design-Bid-Build: Total construction contract award amount.
    - For Design-Build: Total contract award minus pre-construction and design costs
  - Initial premiums and deductible collateral for each project.
  - Updated, final / completed premiums and deductible collateral for each project based on final labor costs and loss rates.
  - Total premiums and deductible collateral for all projects.
  - Audited final labor costs.
  - Final labor costs as a percentage of the Initial Construction Contract Value for each project.
  - Contractor bid credits collected through deductive change orders.
  - Column to indicate which projects are subject to Bid Credit Tracking
  - Claims & loss report with actual to date loss rate (provided separately).
4. For OCIP II and any extension or renewal thereof, OCIP Administrator's billings to CSURMA will be based on the construction value enrolled in each quarter as reported on the quarterly report and approved by CPDC. The program's fixed premium and collateral will be calculated by the carrier based upon the construction values in the approved quarterly report. At program inception, the OCIP Administrator will invoice CSURMA the fixed deposit premium and the collateral.

### Section 2: OCIP Enrollment and Invoicing

*Payment Provisions* - All invoicing shall be done on templates as agreed upon by CPDC and CSURMA.

1. The OCIP Administrator shall enroll new projects in OCIP with an Initial Construction Contract Value of \$10 million or more during the construction contract award process (including projects that are in multiple phases with a cumulative value of at least \$10 million). There will be a pre-enrollment period for contractors and their subcontractors in the months leading up to a construction contract award. During this time the contractors will receive enrollment and safety information and will submit cost of insurance documentation for the policies the CSURMA OCIP will replace.
2. After CPDC and CSURMA approve the quarterly reports, OCIP Administrator will provide the carrier with the construction value enrolled in the quarter. The carrier will use those values as the basis to invoice CSURMA for the insurance costs. CPDC will review the invoices and the supporting information provided by OCIP Administrator and approve or reject the invoices.
3. Upon approval of the invoices by CPDC, OCIP Administrator will forward the invoices to CSURMA along with supporting documentation and CPDC's approval.

- 
4. CSURMA will receive all funds collected from bid credit tracking for the contractors' insurance costs by projects through change orders. Those costs will be identified by OCIP Administrator and provided to CSURMA. The funds transfer will take place via Cash Posting Order (CPO). OCIP Administrator will maintain an accounting of the identified funds each quarter and include the information in the quarterly report.

Section 3: OCIP Project Completion Activities

1. At the completion of a project the OCIP Administrator shall add to the quarterly report:
  - Final labor costs.
  - Project completion date.
  - Final premium amounts.
  - Confirmation that all contractor closeout materials have been submitted.
  - Within 30 days of completion the Program Administrator shall separately provide a clearance letter to CPDC for release of contractor retention.
  - Final value of change orders for contractors' insurance costs.
  - Other required information as described in Section #2.
2. As described above, the OCIP Administrator shall submit the quarterly report to CPDC for review and approval.
3. Upon CPDC's approval of the invoices, CSURMA shall collect the monies invoiced via CPO to recover, or credit as necessary, the final premiums from the project.

Section 4: OCIP Program Closeout

1. After completion of a project, and over the duration of OCIP policy coverage, the OCIP Administrator shall continue to administer project claims.
2. Because the benefits of the OCIP apply system wide, CSURMA shall not allocate a charge for missed investment income on advanced premiums.

Section 5: OCIP Program Savings (Dividends)

*Savings are derived from the payment of dividends in the future.*

In respect of savings that may be earned by the OCIP, CSURMA and CPDC agreed as follows:

1. Because actual savings are dependent on the actual loss experience of all projects insured by the OCIP, the loss amount (i.e., *expected losses*) used by the insurers to estimate the amount of savings will likely differ because *actual losses* will not be known until some time after the conclusion of the OCIP coverage period.
2. To enable CPDC to determine ultimate project insurance costs and to facilitate premium adjustments, CSURMA and CPDC agreed to a premium payment process such that all premium invoices will be paid by CSURMA, and CPDC will reimburse CSURMA the Net Insurance Cost based on the bid credit tracking process.
3. CSURMA and CPDC mutually agreed that actual savings paid under the Program will be retained by CSURMA, and CSURMA shall solely determine the disposition of any and all dividends. CPDC shall be reimbursed for administration costs per the Memorandum of Understanding between CPDC and CSURMA.

**PART B: Definitions**

As used in this Policy and Procedure, the following terms are defined:

**Accounting:** CSURMA has engaged the CSU Chancellor's Office Department of Financial Services to perform OCIP accounting duties on behalf of CSURMA.

**Campus Projects:** means CSU's construction projects that are enrolled in the Program.

**CSURMA:** CSURMA is the California State University Risk Management Authority which is a joint powers authority separate from the CSU and its participating auxiliary organizations. CSURMA has established various programs for insurance and self-insurance to serve the University, including OCIP.

**CPDC:** CSU's Department of Capital Planning, Design and Construction in the Chancellor's Office is the primary client for the OCIP and the designated representative for managing the program internal to the CSU. CPDC serves as the Program's administrative overseer to ensure the accuracy of all construction values, project insurance costs, bid-credit tracking and savings, and other information necessary for the Program's quarterly reports.

**Initial Construction Contract Value** - varies by procurement method as follows:

- For CM at Risk or Design-Bid-Build: total construction contract award amount.
- For Design-Build: total contract award less pre-construction and design costs.

**Net Insurance Cost:** means the final cost chargeable to Campus Projects for OCIP, OPPI, and CPL.

**OCIP Administrator:** CSURMA has appointed Alliant Insurance Services, Inc. as Program Administrator responsible for designing and implementing the OCIP serving the CSU and auxiliary organization participants.

**OCIP Program:** means the Owner Controlled Insurance Program (OCIP), Owner's Protective Professional Indemnity (OPPI), and Contractor's Pollution Liability (CPL) insuring the CSU's construction projects.

**Program Underwriters:** The insurance companies that underwrite the Program's insurance policies.

**Systemwide Office of Risk Management:** CSURMA has engaged the CSU Chancellor's Office Department of Risk Management to provide risk management consulting services to the CSURMA including oversight of the programs.

## MEMORANDUM

**Date:** January 5, 2019

**To:** CSURMA Executive Committee

**From:** Jim Hoffman (or Vi San Juan?)  
Chief of Construction Management  
Capital Planning, Design and Construction

**Re:** Reimbursement of CPDC OCIP II Administration Costs

---

Per ICSUAM 3552.01 it is the policy that costs incurred by one fund for providing services to another fund are recovered with cash or a documented exchange of value. In accordance with this policy and as approved by the CSURMA Executive Committee, CSURMA shall reimburse Capital Planning, Design and Construction (CPDC) for the services described below related to the administration of the OCIP II program.

### **Services Performed By CPDC**

1. Soliciting feedback about the OCIP program from Campuses.
2. Monitoring the OCIP II program for success and working with CSURMA and Alliant on reconfiguration and fine tuning of the program to best serve the needs of the CSU and the enrolled projects.
3. Education of Campus management and project teams regarding terms and conditions, coverage, claims, enrollment, etc. in formal trainings and management meetings.
4. Daily responses to questions from Campus project teams and contractors regarding coverage, enrollment, premiums, and claims.
5. Collect required data from contractors and Campuses and review a quarterly report which will be used by CSURMA and CPDC to determine the cost of the OCIP premium invoices to CSURMA. Compare BRIP and OCIP enrollments to assure accuracy of each.
6. CPDC and CSURMA shall approve the quarterly reports, OCIP Administrator will provide the carrier with the construction value enrolled in the quarter. The carrier will use those values as the basis to invoice CSURMA for the insurance costs. CPDC will review the invoices and the supporting information provided by OCIP Administrator and approve or reject the invoices.
7. CPDC, working with Alliant, shall transmit all bid credit tracking change orders from each project to CSURMA to document the project credit amounts for premium reimbursement.
8. CSURMA shall prepare invoices for Campus Projects for the amounts generated from the bid credit tracking change orders. CPDC shall promptly review the invoices and upon agreement of the amount, shall remit the invoices to Campuses and CSURMA shall collect the amounts directly from the Campuses amount via CPO.
9. All of these functions are the responsibility of CPDC for the BRIP and OCIP programs. The information regarding enrollments, contract times, project starts and completions, etc. from the BRIP management is used in the OCIP management, creating a synergy between the two programs in CPDC.

Memo to CSURMA EC  
January 5, 2019  
Page 2

The cost reimbursement was determined by evaluating CPDC employee's historic time and effort expended for these responsibilities, and the percentage received for these services on OCIP I. CPDC received .028% of the total enrolled project value on OCIP I. This is the delta between the 1.7% premium charged to each project and the 1.672% premium paid to Alliant in premiums.

JH:xx

Attachment

Expense	Amount
Workers' Compensation Premium Deposit	(522,759)
General Liability Premium Deposit	(500,000)
Excess Liability - \$25M xs Primary	(907,500)
Excess Liability - \$25M xs \$25M	(427,275)
Excess Liability - \$25M po \$50M xs \$50M	(411,480)
Collateral Deposit	(500,000)
Contractors Pollution Liability (CPL)	(263,993)
Owners Protective Professional Indemnity (OPPI)	(141,364)
<b>TOTAL UPFRONT PREMIUM &amp; DEPOSITS</b>	<b>(3,674,371)</b>

**Assumptions & Notes**

Projects assumed to average a 2 year term with a payment to CSURMA at project midpoint and at project end  
 Values do not include \$703M in OCIP I rollover costs  
 Fixed premium on OCIP I rollover projects should have already been paid to CSURMA by CPDC  
 This is a cash flow analysis only, and does not represent savings to the University from the OCIP  
 After year 1, the collateral pay-in is dropped from 100% of the loss aggregate to 66%  
 Because of upfront payments, XS premiums are not billed until newly enrolled CV reaches \$750M  
 There are no insurance credits for CPL & OPPI premiums  
 Only Q1 & Q2 2018 payments represent actual values. Others are estimates based upon simplified timing assumptions and uniform enrollment of projects  
 Enrollment of new projects ends after 3 years in order to allow 2 years for completion

Year	Quarter	Estimated Enrolled Project Value	Total Program Cost Including OCIP, XS, CPL, OPPI, Fees, Collateral	Estimated Bid Credits (2.0%)	2018				2019				2020				2021				2022				
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
2018	1Q	83,466,093	1,610,896	1,669,322	0	0	494,256	340,405	0	494,256	0	340,405	0	0	0	0									1,669,322
	2Q	77,741,042	1,500,402	1,554,821	(1,090,902)	0	0	0	0	0	777,410	0	0	0	777,410	0									(1,090,902)
	3Q	166,888,573	3,220,949	3,337,771	(1,419,093)	0	0	0	0	243,238	1,425,648	0	243,238	0	1,425,648	0									(1,419,093)
	4Q	100,000,000	1,930,000	2,000,000	(2,827,092)																				(2,827,092)
									(1,694,000)																
					(3,674,371)																				(3,674,371)
																									227,868
																									334,009
																									150,000
																									0
																									0
2019	1Q	100,000,000	1,710,000	2,000,000									1,000,000			1,000,000									2,000,000
	2Q	100,000,000	1,710,000	2,000,000					(1,694,000)					1,000,000			1,000,000								(1,694,000)
	3Q	100,000,000	1,710,000	2,000,000											1,000,000			1,000,000							2,000,000
	4Q	100,000,000	1,710,000	2,000,000																					(1,694,000)
																									1,500,000
																									350,000
																									522,759
																									500,000
																									0
2020	1Q	100,000,000	1,710,000	2,000,000												1,000,000									2,000,000
	2Q	100,000,000	1,710,000	2,000,000													1,000,000								(1,930,000)
	3Q	100,000,000	1,710,000	2,000,000														1,000,000							2,000,000
	4Q	100,000,000	1,710,000	2,000,000																					(1,930,000)
																									1,500,000
																									1,500,000
TOTAL		<b>1,228,095,708</b>		Cumulative	(4,765,273)	(1,419,093)	(2,332,837)	(641,718)	(1,450,762)	1,003,314	1,306,000	1,026,402	(930,000)	495,648	1,347,410	70,000	2,000,000	2,000,000	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,709,092
					(4,765,273)	(6,184,366)	(8,517,203)	(9,158,920)	(10,609,683)	(9,606,369)	(8,300,369)	(7,273,966)	(8,203,966)	(7,708,319)	(6,360,908)	(6,290,908)	(4,290,908)	(2,290,908)	(290,908)	1,709,092	2,709,092	3,709,092	4,709,092	5,709,092	

# OCIP Program

## Bid Credit Tracking Change Order Process

*January 10, 2019*

General Contractors and Sub-Contractors shall include in their proposals, bids and all change orders, all costs for all of their required insurance coverage as detailed in the Contract General Conditions, Insurance Requirements, Section a - Contractor provided insurance.

### ***Insurance Cost Worksheets***

Contractor shall enroll in the OCIP before the project NTP.

After the NTP, Alliant will set up meetings with the General Contractor and all subcontractors, who shall work with Alliant, complete the Insurance Cost Worksheets, *and agree upon the credits to be allocated the CSU*. Per the Contract General Conditions, in the event Trustees and Contractor or subcontractor cannot agree on the accuracy of the Insurance Credit, it shall be the calculated credit, or 2.5% of that contract, whichever is greater. *These credits shall represent the actual savings to Contractor's insurance as a result of enrolling in the OCIP.*

### ***Issuance of Credit Change Orders***

There will typically be two (2) Insurance Credit Deductive Change Orders, performed during the course of the project. These change orders will serve to transfer the Insurance credits to the University, which in turn will be used to reimburse CSURMA for the OCIP Insurance Premiums.

1. Initial Deductive Change Order:
  - a. The initial deductive Change Order is to occur at about 50% of project completion and accounts for initial Contract Values and is based upon Estimated Payroll that subcontractors submit along with enrollment.
  - b. The Insurance Costs that have been identified within this Change Order are based upon Initial Contract Value and Estimated Payroll (Payroll may have been adjusted to not be overly stated)
  - c. Based upon initial estimates, your company may owe additional monies or may receive a return credit.
2. Final Deductive Change Order:
  - a. The second, and final / true-up deductive Change Order is to occur at the very end of project as a part of the completion and closeout when all contract amounts are final. Subcontractors may owe additional monies, or may be due a credit depending on their initial identified insurance costs, and initial Change Order amounts.
  - b. For a True-Up, Contractors must include insurance costs with Additive Change Order Work and must utilize the initial insurance rates submitted at time of bidding.
  - c. The Insurance Costs that have been identified within this Change Order are based upon Final Contract Value and Actual CIP Payroll reported within WrapX.
3. For all Change Orders:
  - a. Change Orders shall be for the credit amounts identified by Alliant in the OCIP Wrap-up Credit worksheets.
  - b. All Bid Credit change orders shall be specific to insurance credits, with no other contract change order items included.
  - c. Multiple subcontractor and the general contractor's credits should be included in a single change order.
  - d. Use Alliant's wrap-up credit worksheet as backup to the change order.
  - e. Identify separately the contractor and each subcontractor and the credit amount for each on the face of the change order. The % credit, the current contract amount, and the current dollar value of each contract is identified in the Wrap-up Credit worksheets backup.
  - f. Please highlight each contractor included in the change order on the Wrap-up Credit worksheet backup.
  - g. Change Order language shall be: The insurance credits detailed herein are the {initial or final – *choose one*} for the {OCIP I or OCIP II – *choose one*} program as detailed in the Contract General Conditions.

# OCIP Program

## Bid Credit Tracking Change Order Process

January 10, 2019

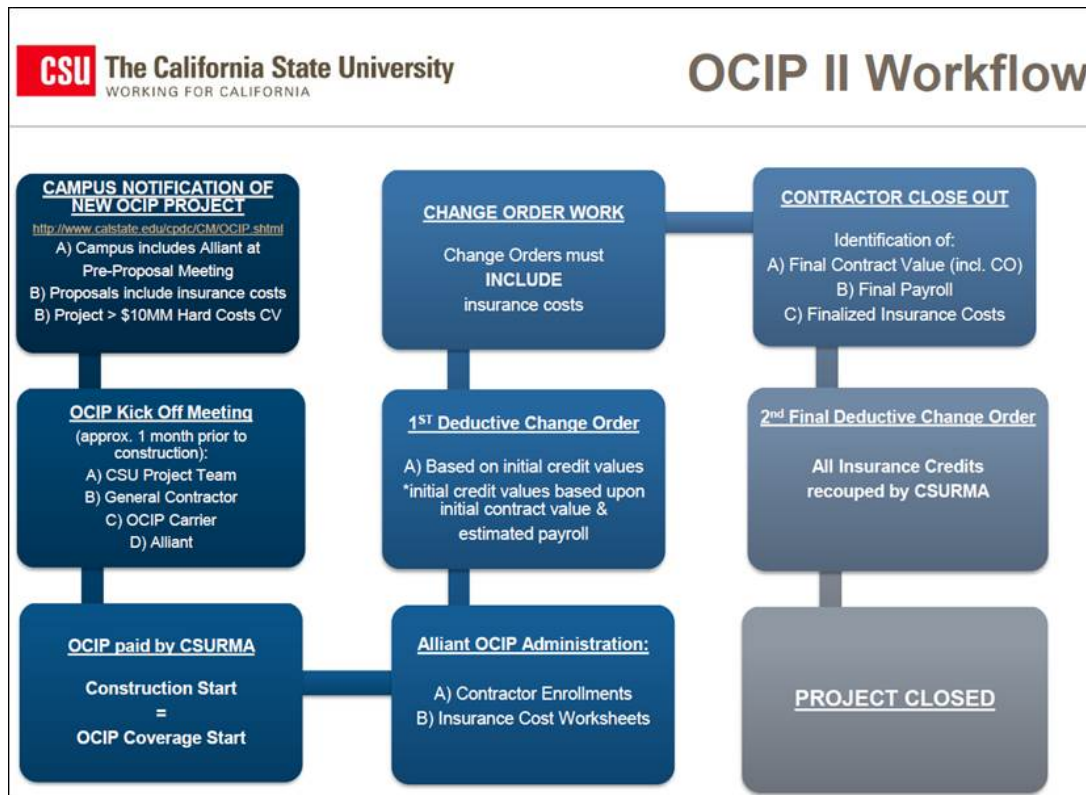
- h. Suggested Language for General Contractors to include in the credit change orders to their Subcontractors is as follows:
- The Insurance Costs that have been identified within this Change Order are based upon {Initial or Final (choose one)} Contract Value and ~~Estimated~~ Payroll (Estimated Payroll may have been adjusted to not be overly stated)
  - True-Ups will be performed at the end of the contract and/or project. These Finalized Insurance Costs are based upon:
    - ✓ Actual CIP Payroll submitted within WrapX
    - ✓ Final Contract Value (including Change Order work)
  - Based upon initial estimates, your company may owe additional monies or may receive a return credit.
  - To undergo a True-Up, Contractors must include insurance costs with Additive Change Order Work and must utilize the initial insurance rates submitted at time of bidding.

### **Credits and OCIP II Invoicing**

**OCIP I:** the credits from these change orders will accrue to the project. Nothing more needs to be done after the credit change orders are executed.

**OCIP II:** the credits from these change orders will accrue to CSURMA. These credits shall be treated as follows:

1. *For OCIP II:* After the change orders have been executed the project team shall copy Teri Car at CPDC with the covers sheets to the change orders identifying the credit amounts. CPDC shall log these in and copy CSURMA in anticipation of invoicing the project for these amounts.
2. CSURMA will invoice the project for the exact amounts of the proceeds of these change order(s), using the change order covers sheets as backup. These invoiced amounts will be used to reimburse CSURMA for the OCIP premiums they have advanced.



**CSU INTERNATIONAL PROGRAMS FUNDING**

**ISSUE:** CSU International Programs (*CSU IP*) joined the Foreign Travel Insurance Program (*FTIP*) in January 2012 to obtain broader coverage and to facilitate services provided to Participants. At the time, FTIP was more expensive than the insurance purchased directly by CSU IP, however it was determined FTIP offered significant advantages that reduce risk to the CSU. To ease the cost burden on Participants, the Executive Committee adopted a plan to moderately increase the rate charged to Participants over time. However, CSU IP’s claims unexpectedly increased, which necessitated further premium increases. As a result, actual costs escalated faster than the planned rate increases. This is recapped as follows:

**CSU INTERNATIONAL PROGRAMS**  
**Foreign Travel Insurance Program**

Coverage Period	Premium Expense	CSU IP Contribution	Deficit	# Participants	CSU IP Paid per Participant	Actual Cost per Participant
01/15/12 - 06/30/13	\$132,400	\$95,710	(\$36,690)	563	\$170	\$235
07/01/13 - 06/30/14	\$125,000	\$89,250	(\$35,750)	525	\$170	\$238
07/01/14 - 06/30/15	\$209,250	\$119,050	(\$90,200)	530	\$225	\$395
07/01/15 - 06/30/16	\$277,983	\$137,225	(\$140,758)	500	\$274	\$556
07/01/16 - 06/30/17	\$289,135	\$187,500	(\$101,635)	500	\$375	\$578
07/01/17 - 06/30/18	\$310,929	\$214,800	(\$96,129)	537	\$400	\$579
07/01/18 - 06/30/19	\$291,225	\$214,800	(\$76,425)	500	\$430	\$582
Total Deficits			(\$577,587)			
<i>Estimated Renewal Terms:</i>						
07/01/19 – 06/30/20	\$291,225	\$214,800	(\$76,425)	500	\$430	\$582

# Participants is total number of Staff (*Resident Directors*) and Students.

Beginning FY 2017/18, final costs are subject to a premium audit based on the actual number of Participants insured during the Coverage Period.

**RECOMMENDATION:** The Executive Committee is asked to review the funding deficits arising from CSU IP and provide direction to staff.

**FISCAL IMPACT:** CSU IP is estimated to bring a \$76,425 deficit in FY 2018/19, and which is estimated to be repeated in FY 2019/20. Action taken by the Executive Committee may result in a decrease or an increase by the amount of the action.

**BACKGROUND:** CSU International Programs (CSU IP) has a comprehensive travel insurance program for all staff and students in CSU IP sponsored Study Abroad programs. Coverages include: Primary General Liability, Contingent Auto Liability, Employer's Responsibility Voluntary Compensation, Employer's Liability, Primary Accident or Sickness, Emergency Medical, Emergency Medical Evacuation, Repatriation of Remains, Emergency Reunion, Accidental Death & Dismemberment, Trip Cancellation, Trip Interruption, and Travel Assistance.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **LIABILITY CLAIMS AUDIT SERVICES**

**ISSUE:** In accordance with Policy and Procedure No. 5, it is CSURMA's policy that its third-party claims administrators are audited periodically to ensure CSURMA members receive high quality claims services. P&P #5 also specify that the audits are to be conducted biennially such that Campus Liability, Campus Worker's Compensation, AIME, and AORMA Liability audits occur in odd-numbered calendar years; and AORMA Workers' Compensation audits occur in even-numbered calendar years.

Bickmore Risk Servicers (BRS) performed the last claim audits for Campus Liability and AORMA Liability in 2017, and has submitted a proposal to perform the 2019 audits.

**RECOMMENDATION:** The Executive Committee is asked to approve the proposals for the Campus and AORMA Liability Claims Audits, which are scheduled to be conducted by the selected auditor this Summer.

**FISCAL IMPACT:** The cost for the claims audits are included in the FY 2019/20 budget.

**BACKGROUND:** The Executive Committee took action on January 13, 2019 to defer an audit of AIME's third-party claims administrator to 2021 because CSURMA conducted an audit of HSR in 2018. Campus Workers' Compensation and AORMA Workers' Compensation programs are audited by Alliant per the Program Administration Services Agreement.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. BRS audit services proposal dated February 21, 2019 for AORMA Liability claims.
- b. BRS audit services proposal dated February 21, 2019 for Campus Liability claims.

# Bickmore



February 21, 2019

Mr. Robert Leong, ARM  
First Vice-President  
Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101

Via Email: [rleong@alliant.com](mailto:rleong@alliant.com)

**RE: California State University Auxiliary Organizations Risk Management Alliance  
Proposal for 2019 General and Errors & Omissions Liability Claims Audit**

Dear Rob,

The California State University's Auxiliary Organizations Risk Management Alliance (AORMA) seeks claims auditing services to ensure general liability and errors & omissions claims handling is in compliance with industry best practices, state law, and AORMA's procedures. The enclosed proposal details staff qualifications and an approach to complete this project with a final report by July 22, 2019.

Clients have turned to Bickmore for a full range of services related to pool management, including independent claims consulting, for over 30 years. We are pleased to submit our qualifications and demonstrate to AORMA how Bickmore is uniquely qualified for this project.

- **Related Project Experience:** Our experience managing risk retention pools led us to provide claim audits that ensure clients receive cost-effective services. We have completed similar projects for school JPAs, cities and counties, state agencies, and others. For each of these projects we provided a detailed assessment of performance and recommendations for improvement.
- **Staff Qualifications:** With over 30 years of experience, our claims team uses their knowledge of critical claims handling components and industry best practices to provide practical recommendations.
- **Valuable Long-Term Benefits:** Valuable insight doesn't end with our independent analysis and report. Bickmore reports are easy to understand and provide clear direction on how to *reduce costs* and *improve service* into the future. Reports improve management's understanding of claims administration, facilitate identification of improvement opportunities, and help make decisions to wisely spend risk dollars.

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

Dennis Mitchell, CPCU, SCLA, ARM  
Senior Claims Consultant  
(p) 916.290.4616 (c) 916.413.0066  
[demitchell@bickmore.net](mailto:demitchell@bickmore.net)

This proposal will remain valid for 90 days from February 21, 2019.

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

Respectfully submitted,



Catherine Wells  
Vice President, Risk Management Consulting

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## APPENDICES

- A. Resumes
- B. Data Request

# 1. Firm Background

*Bickmore is a leading independent risk management, insurance, and actuarial consulting firm. For over 30 years clients across the country have relied on us for solutions to a full range of risk management service needs, including claims audits.*

## A. Firm History

Formed in 1984, Bickmore is a C Corporation headquartered in California. Our professionals work together to provide clients with traditional risk management services such as coverage reviews, self-insured retention analysis, and claims consulting; and non-traditional services such as data collection, self-insured group administration, program structure evaluation, and underwriting.

## B. Independent and Objective

Our independent position in the industry assures our findings are objective, increases understanding of claim administration, and demonstrates how to best spend risk dollars.

Bickmore does not sell insurance, nor are we owned by or affiliated with any insurer, broker, or agent. This independence allows us to perform consulting activities free from conflicts of interest and keep client goals and satisfaction as our primary objectives.

## C. Experience and Qualifications

Bickmore has completed over 600 actuarial and risk management assignments for more than 150 entities in the last five years. We have full-time professionals who provide claims management consulting services for joint powers authority pools we administer, as well as our national public and private sector clients. Our claims team has worked with over 35 public entities throughout the nation. Bickmore's claims team has also provided biennial auditing services to AORMA and the California State University Risk Management Authority (CSURMA) since 2013.

## D. Your Team

The claims consultants on our team are based in the Sacramento office but work remotely from Orange County. Detailed resumes can be found in Appendix A.

### Lead Claims Consultant



**Dennis Mitchell, CPCU, SCLA, ARM**  
Senior Claims Consultant

Dennis, a Senior Claims Consultant at Bickmore, provided AORMA with audit services in 2013, 2015, and 2017 and will lead the onsite activity.

Dennis has over 30 years of experience in managing and auditing multi-line/multi-jurisdiction claims for public and private sector clients. Dennis has performed scores of claims audit projects involving workers' compensation, automobile, general liability, and property claims. He provides clients with a thorough analysis of their claims administration program. Dennis audits claims, analyzes results, and makes recommendations to help clients improve quality, provide better service, and realize savings. His service expertise encompasses claim audits, procedure and workflow analysis, litigation management, and auto, general liability, workers' compensation, and property claims handling.

### Claims Data Analyst



**Paul Cross, ARM**  
Senior Consultant

Paul, a Senior Consultant at Bickmore, will provide claims data analysis and benchmarking.

Paul focuses on data collection, management, and analysis for our projects. He provides unique data visualization tools to help organizations understand their claims cost drivers and develop an appropriate random sample claims selection. His experience includes evaluating risk management claims information systems and loss experience for insured and self-insured programs. He has also managed several benchmarking projects. Paul designed and developed compSTATS, an online workers' compensation benchmarking application for public entities.

**Project Coordinator**

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**Sandra Spiess, ARM, MBA****Senior Analyst**

Sandra, a Senior Analyst at Bickmore, will ensure timelines are met and services are rendered to AORMA's satisfaction. She will also coordinate tasks and communicate deadlines.

Sandra is an experienced project manager. She has served as Project Manager for large-scale projects involving multiple stakeholders and statewide agencies. Sandra is skilled at managing all the project components, providing communications support, and contributing to quality control and timely provision of deliverables.

## E. References

Bickmore has a wealth of experience working with California Joint Powers Authorities (JPAs). We have provided claims consulting services to over 10 JPAs for cities, schools, and special districts. In addition, we have provided claims auditing services to over 30 public entity clients across the country.

Figure 1.1 below lists information for references we encourage AORMA to contact regarding the quality of our team’s claims consulting work.

<b>Figure 1.1 References</b>		
References listed below represent clients and/or project needs similar in nature to AORMA.		
<b>Client Name and Address</b>	<b>Contact Information</b>	<b>Project Description</b>
<b>Alliance of Schools for Cooperative Insurance Programs (ASCIP)</b> 16550 Bloomfield Avenue Cerritos, CA 90703	Mr. Jonathan Lackey Director Liability/Property Programs 562.404.8029 <a href="mailto:lackey@ascip.org">lackey@ascip.org</a>	Liability and workers’ compensation claims audits, 2011 and 2014.
<b>County of Los Angeles Risk Management</b> 3333 Wilshire Boulevard Suite 1000 Los Angeles, CA 90010	Mr. Reginald Crowell Manager of Risk Management 213.351.5363 <a href="mailto:rcrowell@ceo.lacounty.gov">rcrowell@ceo.lacounty.gov</a>	Liability claims audit services, 2008 – 2015.
<b>Southern California Schools Risk Management JPA</b> 1950 South Sunwest Lane Suite 100 San Bernardino, CA 92408	Ms. Kharla Ray Chief Administrative Officer Mr. Javier Gonzalez Chief Financial Officer 909.763.4900 909.763.4910 <a href="mailto:krhay@scsjpa.org">krhay@scsjpa.org</a> <a href="mailto:jgonzales@scsjpa.org">jgonzales@scsjpa.org</a>	Liability and property claims audits, 2006 – 2015.
<b>State of Utah</b> 5120 State Office Building Salt Lake City, UT 84114	Mr. Brian Nelson Director of Risk Management 801.538.9576 <a href="mailto:benelson@utah.gov">benelson@utah.gov</a>	Liability claims audit services, 2005 – current.
<b>Texas Association of School Boards, Inc.</b> P.O. Box 400 Austin, TX 78767	Ms. Dubravka Romano Associate Executive Director 800.482.7276 <a href="mailto:dubravka.romano@tasb.org">dubravka.romano@tasb.org</a>	Liability and workers’ compensation claims audits, 2007 – 2011.

## 2. Work Plan and Technical Approach

*AORMA represents a group of campus service programs sanctioned by California State University (the University) and covered for liability under CSURMA. CSURMA is a joint powers authority established in 1997 to perform pooled group insurance and risk management-related activities for the University system and its 23 campuses.*

*AORMA is composed of 90 independent non-profit organizations serving the needs of the University. These separate legal entities include student unions, research foundations, student housing, bookstores, and others.*

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

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

### A. Claims Consulting Objective

Our work plan will accomplish AORMA's audit goals to:

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

### B. Data Request

To complete this project we request the data outlined in Appendix B.

## C. Work Plan



To provide a comprehensive review of AORMA’s claims administration program and meet its goals, we propose the following scope of work and activities.

**1. We will identify any changes to AORMA’s program since 2017 by:**

- Interviewing AORMA committee members and CW staff to identify changes to workflows and procedures guiding the reporting, setup, and administration of claims;
- Reviewing the claims administration contract; and
- Reviewing existing claims procedure manuals.

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

To meet AORMA’s objectives, we recommend the selection of claims shown in Figure 2.1 on the following page. The sample will include a random selection with focus on incurred levels exceeding \$5,000 and ensure diverse campus representation. Litigated claims and employment claims will represent 30% of the sample. This will allow us to:

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

**Figure 2.1 Claims Sample Size**

We will stratify the sampling across claim types and include a selection of claims closed subsequent to the prior audit, focusing on the last 12 months.

Status	Claim Type			Total
	BI	PI	PD	
Open	7	7	4	18
Closed	4	5	3	12
<b>Total</b>	11	12	7	40

**3. We will evaluate claims handling practices and workflows.**

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

**a. Intake Process**

- Claim reporting
- Claim setup

**b. Investigation**

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

**c. Plan of Action and Documentation**

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

**d. Reserve Management**

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

**e. Statutory Compliance**

- Administration of the California Government Code
- Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) compliance

**f. Communication**

- Communication between campus Risk Management and Chancellor's Office
- Communication between the University's Office of General Counsel (OGC) and Risk Management on litigated claims

**g. Claim Information System**

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

**h. Claim Disposition**

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

**i. Litigation and Recovery Management**

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

We will determine an **overall claims administration grade** by averaging grades for the components listed above to assess whether claims are handled in a timely and efficient manner. Claims handling components to be graded are also illustrated in Exhibit 2.1 on the following page.

**Exhibit 2.1 Claims Service Grading Summary**

We will evaluate sample claims based on nine measures of quality. The components below are critical to understanding claims administration successes and weaknesses.

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

Our sample claims review will compare claims handling practices to requirements of industry best practices, tort law, and AORMA’s Claim Procedure Manual. The analysis will assign a grade to each claim component for each claim. The grading scale is described in Figure 2.2.

**Figure 2.2 Grading Scale**

The scale is objective requiring an answer of “Yes” or “No” for criterion evaluated for each claims component, promoting consistency and easy comparison of results. Criteria not applicable are removed from grading calculations to prevent influencing results.

Evaluation	Grading Criteria
Yes	Complete compliance with industry best practices and internal procedures. File reflects active steps are taken to resolve claim.
No	Lack of compliance with industry best practices or internal procedures. Evidence of substandard claims handling, creating potential for overpayment of claims or increased expenses.
Not Applicable	The claim does not present a need for claims handling in the component area.

## D. Deliverables

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

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

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

A summary of findings will be included in our report in a format similar to Exhibit 2.1 along with narrative discussion. A listing of claims reviewed will be appended to the report.

The summary of findings will be included in tabular and narrative format with a listing of audited claims included as an addendum to the report. We will include recommended reserve changes in an exhibit, as shown in Figure 2.3 on the following page.

**Figure 2.3 Reserve Analysis**

Summary of Reserve Change Recommendations by claim

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

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

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

## E. Proposed Timing

Specific work steps will depend on the final scope of work selected by AORMA, and availability of AORMA staff to provide critical information. We anticipate the activities and timing shown in Figure 2.4 below will ensure successful completion of this project based on AORMA's desire to have the onsite audit in June 2019. We are flexible and can adjust timing.

**Figure 2.4 Proposed Timeline**

Timeline of anticipated activities can be adjusted to meet AORMA's needs.

Activity	Timing
1. Discuss proposal with AORMA and Alliant for potential revisions.	By April 24, 2019
2. Initial telephone discussion with AORMA to review: data requirements (see Appendix B), meeting schedules, individuals to interview, and related topics.	By May 3, 2019
3. Receive and analyze information listed in Appendix B of this proposal.	May 17, 2019
4. Select a sample of files to be reviewed. A listing of claims sample selected will be submitted to AORMA/Alliant contact for review and concurrence.	May 30, 2019
5. Interview appropriate parties, as identified by AORMA, to determine effectiveness of procedures in place, workflow, caseloads, reserving practices, and present issues.	Week of June 3, 2019
6. Examine the sample of AORMA claim files. We anticipate the claims file examination will require four onsite auditing days.	June 6 through June 11, 2019
7. Conduct a detailed analysis of all information received to date. We will identify any missing data and develop a plan to obtain it.	June 14, 2019
8. Organize, tabulate, and analyze information and develop findings and recommendations.	June 21, 2019
9. Prepare a draft report presenting our findings and conclusions.	July 8, 2019
10. Discuss draft report with AORMA and conduct any necessary follow-up activities to complete final report.	By July 18, 2019
11. Provide AORMA with a final report based on information obtained in the preceding steps and additional research, if necessary.	July 22, 2019
12. Present findings at a regularly scheduled AORMA meeting.	To be determined

### 3. Cost Schedule

*Bickmore proposes to perform the scope of service for a “not-to-be-exceeded fee” of \$6,500.*

#### **A. Fee Terms**

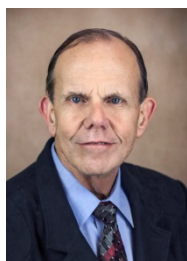
Fifty percent of the fee payment will be invoiced at submission of the claims audit list, with the balance invoiced upon delivery of our draft report. Invoice payments are due within 15 days.

The proposed fee for the claims audit includes all expenses, including travel and presentation of the report.



# Appendix A

Resumes



**Dennis Mitchell, CPCU, SCLA, ARM**

**Senior Claims Consultant**

<http://www.linkedin.com/in/dennismitchell3>

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

### EXPERIENCE

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

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

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

### EDUCATION

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

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

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

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

### PROFESSIONAL AFFILIATIONS

Society of Chartered Property and Casualty Underwriters (CPCU)

Insurance Educational Association – Instructor; Advanced Workers' Compensation Classes

Member, Claims and Litigation Management Alliance, Municipal Law Committee



**Paul Cross, MS, ARM**  
**Consultant**

<http://www.linkedin.com/in/pauledwardcross>

In his role as Senior Consultant at Bickmore, Paul Cross provides data analysis, database application development, and reporting activities for Risk Management Consulting projects. He has been with Bickmore since 2009.

### EXPERIENCE

From 1994 to 2009, Paul held positions as an actuarial analyst, information systems director, and risk management consultant at ARM Tech/Aon Global Risk Consulting. He designed and developed compSTATS, an online workers' compensation benchmarking application for public entities. Paul specialized in premium allocations, cost of risk benchmarking, and experience modification projects. He has demonstrated expertise in manipulating, converting, and parsing large, complex data sets and providing quick and flexible relational database applications, VBA programming, scripting, and web solutions.

### EDUCATION

Master of Science, Statistics – University of California, Davis  
 Bachelor of Arts, Human Ethology – Pomona College

### PROFESSIONAL CERTIFICATIONS

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

### TECHNICAL BACKGROUND

Databases – Microsoft SQL Server, MS Access  
 Programming – SQL, VBScript, CSS, ActionScript, VBA, ColdFusion  
 Development – MS SQL Server Integration (SSIS), MS Access, LogiStudio  
 Design – Adobe Creative Suite Design Premium applications, Cinema 4D

### PUBLICATIONS

*Compilation of Workers Compensation Data of Self-Insured California Public Entities*, California Institute for Public Risk Analysis

*Cost Allocation and Risk Management Information Systems*, (contributing author), International Risk Management Institute (IRMI)

### PROFESSIONAL CERTIFICATIONS

Actuarial Exam-P Probability – Casualty Actuarial Society



**Sandra Spiess, MBA, ARM, CRIS**

**Senior Analyst**

[www.linkedin.com/in/sandraspiess](http://www.linkedin.com/in/sandraspiess)

Sandra Spiess is a Senior Analyst in the Risk Management Consulting practice. She is responsible for coordinating all aspects of communication and project management from project inception to quality control and timely delivery of project deliverables.

### **EXPERIENCE**

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

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

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

### **EDUCATION**

Master of Business Administration – Golden Gate University

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

### **PROFESSIONAL CERTIFICATIONS**

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

Construction Risk Insurance Specialist (CRIS) – International Risk and Management Institute



# Appendix B

Data Request

## Claims Data Requirements

To complete this project, we should receive the following.

1. Copy of the current claims administration contract with CW.
2. Written procedures pertaining to handling of claims and settlement authority provided to CW.
3. CW claims procedure manual or written procedures applicable to administering AORMA claims.
4. AORMA current Committee-approved Policies and Procedures relating to:
  - Claims reporting requirements for members;
  - Procedures for resolving coverage disagreements, including member appeal procedures;
  - Litigation management guidelines and procedures; and
  - Other general claims administration procedures.
5. Personnel listing, curriculum vitae, job descriptions, and organization chart for CW staff involved in the administration of AORMA claims.
6. Listing of AORMA-approved defense panel, including primary partner, location, venues serviced, and current hourly rates.
7. Roster of AORMA Committee members.
8. Liability claims data by line of coverage from AORMA or CW via e-mail or on disk. This data is preferred in an Excel format. **An update to the report previously provided by Alliant in 2017 is acceptable.** These reports should include:
  - All open claims;
  - All closed claims with report date subsequent to January 1, 2014;
  - All claims closed in the prior 12 months, regardless of report date;
  - Claimant name (limit to first three letters of last name);
  - Claim number;
  - Claimant's year of birth;
  - Claimant's gender;
  - Assigned examiner;
  - Member name;
  - Date of loss;
  - Date of report;
  - Date of knowledge;

- Date of claim set up;
- Loss description;
- Injury/damage description;
- Date of denial, if any;
- Date of delay, if any;
- Litigation status;
- Subrogation status;
- Settlement status;
- Incurred reserves to date, separately for indemnity, legal expense, and other allocated expense, clearly indicating current outstanding reserve, amounts paid to date, and recoveries; and
- For sample selection only, printout of:
  - Diary and claim notes;
  - Reserve calculations and history; and
  - Payment records.

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

We request CW provide access to “My Carl Warren” and the “Carl Warren Cloud.” If additional documents are retained in a paper claim file, we require those files be provided.

As always, if system access is provided, we waive the above printing request.



# Bickmore



February 21, 2019

Mr. Robert Leong, ARM  
First Vice-President  
Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101

Via Email: [rleong@alliant.com](mailto:rleong@alliant.com)

**RE: California State University Risk Management Authority  
Proposal for 2019 General and Errors & Omissions Liability Claims Audit and Process Review**

Dear Rob,

The California State University Risk Management Authority (CSURMA) seeks auditing services to ensure general liability and errors & omissions claims handling is in compliance with industry best practices, state law, and CSURMA's procedures. The enclosed proposal details staff qualifications and an approach to conduct the onsite portion of this audit during August/September 2019.

Clients have turned to Bickmore for a full range of services related to pool management, including independent claims consulting, for over 30 years. We are pleased to submit our qualifications and demonstrate to CSURMA how Bickmore is uniquely qualified for this project.

- **Related Project Experience:** Our experience managing risk retention pools led us to provide claim audits that ensure clients receive cost-effective services. We have completed similar projects for school JPAs, cities and counties, state agencies, and others. For each of these projects we provided a detailed assessment of performance and recommendations for improvement.
- **Staff Qualifications:** With over 30 years of experience, our claims experts use their knowledge of critical claims handling components and understanding and observation of industry best practices to provide practical recommendations.
- **Valuable Long-Term Benefits:** Valuable insight doesn't end with our independent analysis and report. Bickmore reports are easy to understand and provide clear direction on how to *reduce costs* and *improve service* into the future. Reports improve management's understanding of claims administration, facilitate identification of improvement opportunities, and help make decisions to wisely spend risk dollars.

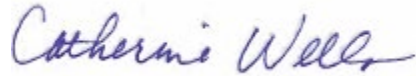
Dennis Mitchell is the contact person for all matters related to this proposal. He will direct the project, if we are selected. His contact information is:

Dennis Mitchell, CPCU, SCLA, ARM  
Senior Claims Consultant  
(p) 916.290.4616 (c) 916.413.0066  
[demitchell@bickmore.net](mailto:demitchell@bickmore.net)

This proposal will remain valid for 90 days from February 21, 2019.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Catherine Wells". The signature is written in a cursive, flowing style.

Catherine Wells  
Vice President, Risk Management Consulting

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## APPENDICES

- A. Resumes
- B. Data Request

# 1. Firm Background

*Bickmore is a leading independent risk management, insurance, and actuarial consulting firm. For over 30 years clients across the country have relied on us for solutions to a full range of risk management service needs, including claims audits.*

## A. Firm History

Formed in 1984, Bickmore is a C Corporation headquartered in California. Our professionals work together to provide clients with traditional risk management services such as coverage reviews, self-insured retention analysis, and claims consulting; and non-traditional services such as data collection, program structure evaluation, and underwriting.

## B. Independent and Objective

Our independent position in the industry assures our findings are objective, increases understanding of claim administration, and demonstrates how to best spend risk dollars.

Bickmore does not sell insurance, nor are we owned by or affiliated with any insurer, broker, or agent. This independence allows us to perform consulting activities free from conflicts of interest.

## C. Experience and Qualifications

Bickmore has completed over 600 actuarial and risk management assignments for more than 150 entities in the last five years. We have full-time professionals who provide claims management consulting services for joint powers authority pools we administer, as well as our national public and private sector clients. Bickmore's claims team has worked with over 35 public entities throughout the nation. Our claim's team has also provided biennial auditing services to CSURMA and California State University's Auxiliary Organizations Risk Management Alliance (AORMA) since 2013.

## D. Your Team

The claims consultants on our team are based in the Sacramento office but work remotely from Orange County. Detailed resumes can be found in Appendix A.

### Lead Claims Consultant



**Dennis Mitchell, CPCU, SCLA, ARM**  
Senior Claims Consultant

Dennis, a Senior Claims Consultant at Bickmore, provided CSURMA with audit services in 2013, 2015, and 2017 and will lead the onsite activity.

Dennis has over 30 years of experience in managing and auditing multi-line/multi-jurisdiction claims for public and private sector clients. Dennis has performed scores of claims audit projects involving workers' compensation, automobile, general liability, and property claims. He provides clients with a thorough analysis of their claims administration program. Dennis audits claims, analyzes results, and makes recommendations to help clients improve quality, provide better service, and realize savings. His service expertise encompasses claim audits, procedure and workflow analysis, litigation management, and auto, general liability, workers' compensation, and property claims handling.

### Claims Data Analyst



**Paul Cross, ARM**  
Senior Consultant

Paul, a Senior Consultant at Bickmore, will provide claims data analysis and benchmarking.

Paul focuses on data collection, management, and analysis for our projects. He provides unique data visualization tools to help organizations understand their claims cost drivers and develop an appropriate random sample claims selection. His experience includes evaluating risk management claims information systems and loss experience for insured and self-insured programs. He has also managed several benchmarking projects. He designed and developed compSTATS, an online workers' compensation benchmarking application for public entities.

**Project Coordinator**

---

**Sandra Spiess, ARM, MBA****Senior Analyst**

Sandra, a Senior Analyst at Bickmore, will ensure timelines are met and services are rendered to CSURMA's satisfaction. She will also coordinate tasks and communicate deadlines.

Sandra is an experienced project manager. She has served as Project Manager for large-scale projects involving multiple stakeholders and statewide agencies. Sandra is skilled at managing all the project components, providing communications support, and contributing to quality control and timely provision of deliverables.

## E. References

Bickmore has a wealth of experience working with California Joint Powers Authorities (JPAs). We have provided claims consulting services to over 10 JPAs for cities, schools, and special districts. In addition, we have provided claims auditing services to over 30 public entity clients across the country.

Figure 1.1 below lists information for references we encourage CSURMA to contact regarding the quality of our team’s claims consulting work.

<b>Figure 1.1 References</b>		
References listed below represent clients and/or project needs similar in nature to CSURMA.		
<b>Client Name and Address</b>	<b>Contact Information</b>	<b>Project Description</b>
<b>Alliance of Schools for Cooperative Insurance Programs (ASCIP)</b> 16550 Bloomfield Avenue Cerritos, CA 90703	Mr. Jonathan Lackey Director Liability/Property Programs 562.404.8029 <a href="mailto:lackey@ascip.org">lackey@ascip.org</a>	Liability and workers’ compensation claims audits, 2011 and 2014.
<b>County of Los Angeles Risk Management</b> 3333 Wilshire Boulevard Suite 1000 Los Angeles, CA 90010	Mr. Reginald Crowell Manager of Risk Management 213.351.5363 <a href="mailto:rcrowell@ceo.lacounty.gov">rcrowell@ceo.lacounty.gov</a>	Liability claims audit services, 2008 – 2015.
<b>Southern California Schools Risk Management JPA</b> 1950 South Sunwest Lane Suite 100 San Bernardino, CA 92408	Ms. Kharla Ray Chief Administrative Officer Mr. Javier Gonzalez Chief Financial Officer 909.763.4900 909.763.4910 <a href="mailto:krhay@scsjpa.org">krhay@scsjpa.org</a> <a href="mailto:jgonzales@scsjpa.org">jgonzales@scsjpa.org</a>	Liability and property claims audits, 2006 – 2015.
<b>State of Utah</b> 5120 State Office Building Salt Lake City, UT 84114	Mr. Brian Nelson Director of Risk Management 801.538.9576 <a href="mailto:benelson@utah.gov">benelson@utah.gov</a>	Liability claims audit services, 2005 – current.
<b>Texas Association of School Boards, Inc.</b> P.O. Box 400 Austin, TX 78767	Ms. Dubravka Romano Associate Executive Director 800.482.7276 <a href="mailto:dubravka.romano@tasb.org">dubravka.romano@tasb.org</a>	Liability and workers’ compensation claims audits, 2007 – 2011.

## 2. Work Plan and Technical Approach

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

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

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

### A. Claims Consulting Objective

Our work plan will accomplish CSURMA's audit goals to:

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

### B. Data Request

To complete this project we request the data outlined in Appendix B.

## C. Work Plan



To provide comprehensive a review of CSURMA’s claims administration program and meet its goals, we propose the following scope of work and activities.

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

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

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

To meet CSURMA’s objectives, we recommend the selection of claims shown in Figure 2.1 on the following page. The sample will include a random selection with total incurred greater than \$10,000 for 75% of the selection, and ensure diverse campus representation. Litigated claims will represent 50% of the sample. This will allow us to:

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

**Figure 2.1 Recommended Claims Sample Size**

We will stratify the sampling across claim types and include a selection of claims closed subsequent to the prior audit.

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

**3. We will evaluate claims handling practices and workflows.**

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

**a. Intake Process**

- Claim reporting
- Claim setup

**b. Investigation**

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

**c. Plan of Action and Documentation**

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

**d. Reserve Management**

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

**e. Statutory Compliance**

- Administration of the California Government Code
- Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) compliance

**f. Communication**

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

**g. Claim Information System**

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

**h. Claim Disposition**

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

**i. Litigation and Recovery Management**

- Assignment procedures
- Analysis and strategy
- Budgeting procedures

We will determine an **overall claims administration grade** by averaging grades for the components listed above to assess whether claims are handled in a timely and efficient manner. Claims handling components to be graded are also illustrated in Exhibit 2.1 on the following page.

**Exhibit 2.1 Claims Service Grading Summary**

We will evaluate sample claims based on nine measures of quality. The components below are critical to understanding claims administration successes and weaknesses.

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

Our sample claims review will compare claims handling practices to requirements of industry best practices, tort law, and CSURMA’s Claim Procedure Manual. Our analysis will assign a grade to each claim component for each claim. The grading scale is described in Figure 2.2.

**Figure 2.2 Grading Scale**

The scale is objective requiring an answer of “Yes” or “No” for criterion evaluated for each claims component, promoting consistency and easy comparison of results. Criteria not applicable are removed from grading calculations to prevent influencing results.

Evaluation	Grading Criteria
Yes	Complete compliance with industry best practices and internal procedures. File reflects active steps are taken to resolve claim.
No	Lack of compliance with industry best practices or internal procedures. Evidence of substandard claims handling, creating potential for overpayment of claims or increased expenses.
Not Applicable	The claim does not present a need for claims handling in the component area.

## D. Deliverables

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

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

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

A summary of findings will be included in a format similar to Exhibit 2.1 along with narrative discussion. A listing of claims reviewed will be appended to the report.

The summary of findings will be included in our report in tabular and narrative format. A listing of claims audited will be an addendum to the report. We will include recommended reserve changes in an exhibit, as shown in Figure 2.3 on the following page.

**Figure 2.3 Reserve Analysis**

Summary of Reserve Change Recommendations by claim

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

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

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

## E. Proposed Timing

Specific work steps will depend on the final scope of work selected by CSURMA and availability of CSURMA staff to provide critical information. We anticipate the activities and timing shown in Figure 2.4 will ensure successful completion of this project based on CSURMA’s desire to have the audit take place in August/September 2019.

**Figure 2.4 Proposed Timeline**

Timeline of anticipated activities can be adjusted to meet CSURMA’s needs.

Activity	Timing
1. Discuss this proposal with CSURMA and Alliant for potential revisions.	By July 8, 2019
2. Conduct an initial telephone discussion with CSURMA to review data requirements (see Appendix B), meeting schedules, individuals to interview, and related topics.	By July 15, 2018
3. Receive and analyze information listed in Appendix B of this proposal.	July 31, 2019
4. Select a sample of files to be reviewed. Listing of claims sample selected will be submitted to CSURMA contact for review and concurrence.	August 2, 2019
5. Interview appropriate parties, as identified by CSURMA, to determine effectiveness of procedures in place, workflow, caseloads, reserving practices, and present issues.	Week of August 12, 2019
6. Examine the sample of CSURMA claim files. We anticipate the claims file examination will require three to four onsite auditing days.	Week of August 12, 2019
7. Conduct a detailed analysis of all information received to date. We will identify any missing data and develop a plan to obtain it.	August 23, 2019
8. Organize, tabulate, and analyze information received and develop findings and recommendations.	August 30, 2019
9. Prepare a draft report presenting our findings and conclusions.	September 13, 2019
10. Discuss draft report with CSURMA and conduct any necessary follow-up activities to complete final report.	By September 19, 2019
11. Provide CSURMA with a final report based on information obtained in the preceding steps and additional research, if necessary.	September 27, 2019
12. Present findings at a regularly scheduled CSURMA meeting.	To Be Determined

### 3. Cost Schedule

*Bickmore proposes to perform the scope of service for a “not-to-be-exceeded fee” of \$5,000.*

#### **A. Fee Terms**

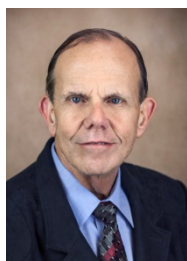
Fifty percent of the fee payment will be invoiced at submission of the claims audit list, with the balance invoiced upon delivery of our draft report. Invoice payments are due within 15 days.

The proposed fee for the claims audit includes all expenses, including travel and presentation of the report.



# Appendix A

Resumes



**Dennis Mitchell, CPCU, SCLA, ARM**

**Senior Claims Consultant**

<http://www.linkedin.com/in/dennismitchell3>

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

### EXPERIENCE

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

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

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

### EDUCATION

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

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

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

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

### PROFESSIONAL AFFILIATIONS

Society of Chartered Property and Casualty Underwriters (CPCU)

Insurance Educational Association – Instructor; Advanced Workers' Compensation Classes

Member, Claims and Litigation Management Alliance, Municipal Law Committee



**Paul Cross, MS, ARM**  
**Consultant**

<http://www.linkedin.com/in/pauledwardcross>

In his role as Senior Consultant at Bickmore, Paul Cross provides data analysis, database application development, and reporting activities for Risk Management Consulting projects. He has been with Bickmore since 2009.

### **EXPERIENCE**

From 1994 to 2009, Paul held positions as an actuarial analyst, information systems director, and risk management consultant at ARM Tech/Aon Global Risk Consulting. He designed and developed compSTATS, an online workers' compensation benchmarking application for public entities. Paul specialized in premium allocations, cost of risk benchmarking, and experience modification projects. He has demonstrated expertise in manipulating, converting, and parsing large, complex data sets and providing quick and flexible relational database applications, VBA programming, scripting, and web solutions.

### **EDUCATION**

Master of Science, Statistics – University of California, Davis  
Bachelor of Arts, Human Ethology – Pomona College

### **PROFESSIONAL CERTIFICATIONS**

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

### **TECHNICAL BACKGROUND**

Databases – Microsoft SQL Server, MS Access

Programming – SQL, VBScript, CSS, ActionScript, VBA, ColdFusion

Development – MS SQL Server Integration (SSIS), MS Access, LogiStudio

Design – Adobe Creative Suite Design Premium applications, Cinema 4D

### **PUBLICATIONS**

*Compilation of Workers Compensation Data of Self-Insured California Public Entities*, California Institute for Public Risk Analysis

*Cost Allocation and Risk Management Information Systems*, (contributing author), International Risk Management Institute (IRMI)

### **PROFESSIONAL CERTIFICATIONS**

Actuarial Exam-P Probability – Casualty Actuarial Society



**Sandra Spiess, MBA, ARM, CRIS**

**Senior Analyst**

[www.linkedin.com/in/sandraspiess](http://www.linkedin.com/in/sandraspiess)

Sandra Spiess is a Senior Analyst in the Risk Management Consulting practice. She is responsible for coordinating all aspects of communication and project management from project inception to quality control and timely delivery of project deliverables.

### **EXPERIENCE**

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

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

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

### **EDUCATION**

Master of Business Administration – Golden Gate University

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

### **PROFESSIONAL CERTIFICATIONS**

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

Construction Risk Insurance Specialist (CRIS) – International Risk and Management Institute



# Appendix B

Data Request

## Claims Data Requirements

To complete this project we should receive the following.

1. Liability claims administration procedure manuals – operations and procedures.
2. CSURMA claims reporting requirements for members.
3. Deductible listing for each CSU campus for each of the last **five** policy years.
4. Contracts and/or agreements between CSURMA and vendors regarding services contracted for claims administration.
5. Personnel listing, curriculum vitae, job descriptions, and organization chart for the in-house claims administration.

Update of claims data provided by Alliant Insurance Services, Inc. on January 29, 2019, to reflect current financial data. Please update “claimant” field to display only the first 3 letters of last name. ***If possible, please update the CSURMA excel claims listing with the following fields:***

- **Adjuster Name; and**
  - **Date claim reported to System wide Office of Risk Management.**
6. We request access to iVOS be provided to the auditor. For claims selected for audit, we require only a printed single page claims summary. This is usually available as the “iVOS Face Sheet.” Printout should be delayed until the start of the audit.

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

## **CSAC-EIA WORKERS' COMPENSATION RENEWAL OPTIONS**

**ISSUE:** CSURMA has been participating in the CSAC Excess Insurance Authority (*EIA*) Primary Workers' Compensation (*PWC*) program since January 1, 2015. CSURMA accepted terms last year to renew both the Campus WC and AORMA WC programs for a new two-year period (*i.e., 18/19 and FY 19/20*) in return for a guaranteed rate on the primary layer and reduced cost from EIA's captive investment pool. Upon review of CSURMA's collective loss experience and the actuary's projections for Campus WC and AORMA WC, staff asked EIA to revise its renewal terms for FY 19/20, and extend the two year plan to FY 20/21. EIA's revised renewal terms will be presented by EIA representative Gordon DesCombes at today's meeting.

**RECOMMENDATION:** The Executive Committee is asked to hear EIA's revised terms for the PWC program renewal, and if deemed favorable, take action to extend the commitment to participate in EIA's PWC program for FY 19/20 and FY 20/21.

**FISCAL IMPACT:** Action taken at today's meeting is expected to set the Campus and AORMA Workers' Compensation program rates for FY 19/20 and FY 20/21 (*other than the excess insurance cost which is dependent on market*).

**BACKGROUND:** EIA's present cost for CSU (*Campus*) is \$31,148,113 vs. \$31,950,173 (*expected*); \$33,102,223 (*70% c.i.*). Compared to self-funding, CSU savings were estimated to be \$802,060 (*expected*); \$1,954,110 (*70% c.i.*). EIA continued the strategy to mitigate the additional premium burden for Campus WC by increasing the payroll basis by 2.5%.

EIA's present cost for AORMA is \$3,998,076 vs. \$3,959,743 (*expected*); \$4,631,361 (*70% c.i.*). AORMA's cost was estimated to be \$38,333 more than self-funding at expected, but expected to save \$633,285 at 70% c.i.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. EIA's revised terms will be handed out at today's meeting.

**PROGRAM ADMINISTRATION STAFFING UPDATE**

**ISSUE:** During the meeting Staff will provide a verbal update regarding program administration staffing.

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

**FISCAL IMPACT:** None.

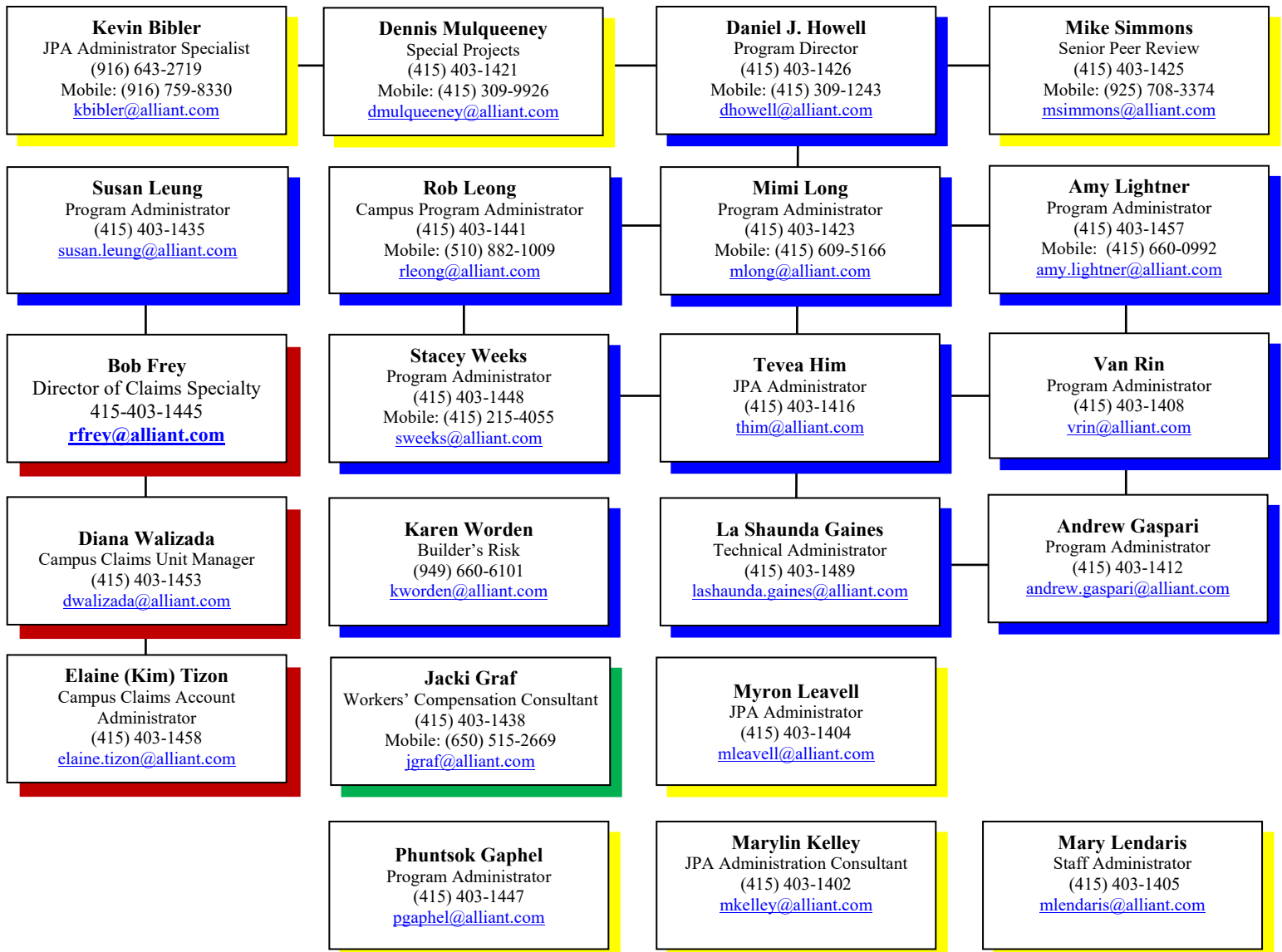
**BACKGROUND:** None.





**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Program Administration Team Chart

## CSURMA CORE SERVICE TEAM – ORGANIZATIONAL CHART



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

## **AIME PROGRAMS UPDATE**

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

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

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

**FISCAL IMPACT:** None.

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

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **AORMA PROGRAMS UPDATE**

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

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** The AORMA was first marketed to CSU Auxiliary Organizations in 1998. Since that time, the program has grown from 12 members to 86 members, and represents 100% participation.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **REVIEW OF CSURMA FY 2018/2019 LONG RANGE ACTION PLAN**

**ISSUE:** The Executive Committee will be asked to review the items on the FY 2018/19 Long Range Action Plan to gauge progress, re-evaluate where efforts should be focused, and to establish new goals for the next one to three years.

**RECOMMENDATION:** It is recommended that the Executive Committee review and discuss assigned responsibilities and deadlines of the Long Range Planning Goals, taking action as appropriate.

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

**BACKGROUND:** At its March, 2019 meeting, the Executive Committee adopted the CSURMA Long Range Planning Goals. The Committee will receive a report from Staff on the assigned responsibilities and timelines of the Long Range Planning Goals.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA's FY 2018/19 Long Range Action Plan

## FY 2018/19 CSURMA LONG RANGE ACTION PLAN

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

## FY 2018/19 CSURMA LONG RANGE ACTION PLAN

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

## FY 2018/19 CSURMA LONG RANGE ACTION PLAN

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

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

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

## **CAMPUS RISK POOLS FUNDING STATUS**

**ISSUE:** In accordance with the CSURMA's adopted funding policy for its self-funded pooling programs, Staff prepared an analysis of the risk pools funding position relative to the actuary's projection in accordance with CSURMA's minimum funding requirements and expected cash expenditures as of December 31, 2018 projected to June 30, 2019. At its Long Range Planning meeting, the Executive Committee reviews the risk pools' funding position and determines if there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures.

**RECOMMENDATION:** No action requested. The Executive Committee is asked to review the projected risk pools' funding position, and direct staff as it deems appropriate.

**FISCAL IMPACT:** None expected as no action is requested. However if the Executive Committee chooses to take action, the fund balances will be impacted by the amount of the action so taken.

**BACKGROUND:** Prior to FY 1995/1996, the CSU Chancellor's Office paid all Liability, Workers' Compensation and IDL/NDL/UI claims and related expenses. CSU funded these liabilities on a cash basis as the claims became payable. Beginning in FY 1995/1996, the campuses became accountable for these claims liabilities. The *Risk Pool* was developed as a funding mechanism so that campuses could share primary layer costs while simultaneously being encouraged to manage risks. Each campus' base budget was increased by a pro-rata share of the systemwide budget for these liabilities.

CSURMA (successor to the *Risk Pool*) inherited prior years' claim liabilities when it was established. CSURMA's Board of Directors adopted a policy to fully-fund each year's claims liabilities as they are incurred. That is, campuses will pay a premium to CSURMA for each fiscal year to cover all projected costs of claims attributed to that fiscal year, even though the claims will be paid over future years.

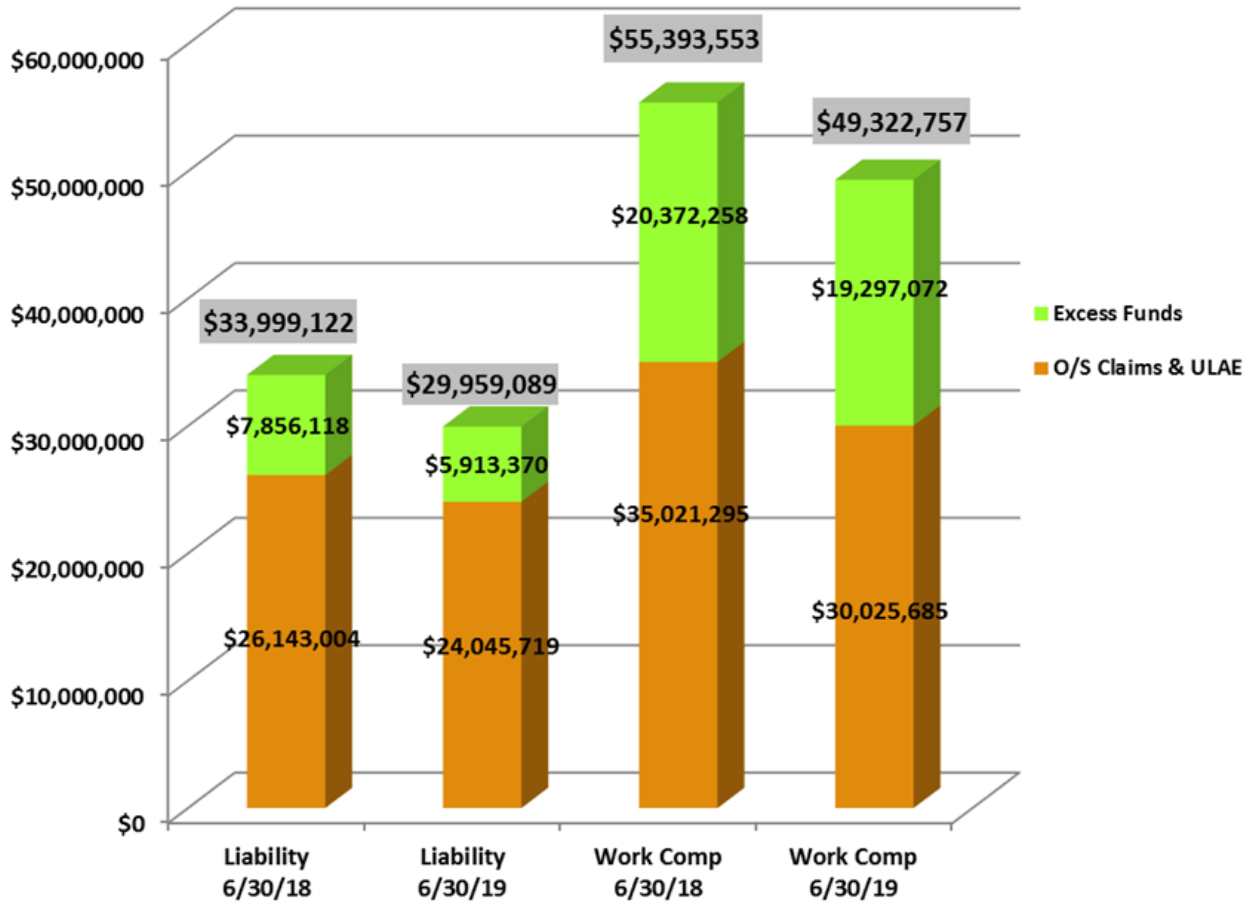
**PUBLICATION:** None.

**ATTACHMENTS:**

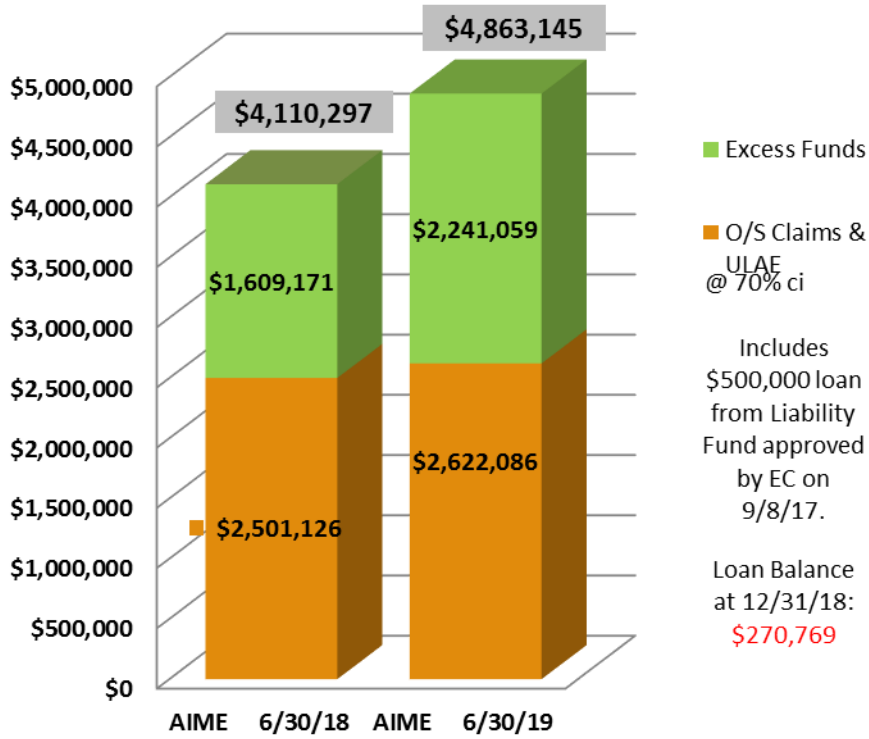
- a. Estimated Risk Pool Funding projected to June 30, 2019.
- b. CSURMA Policy & Procedure No. 7 – Self-Insured Program Funding
- c. CSURMA actuarial reports valued June 30, 2018 (*available at the meeting for reference*)

## Campus Risk Pools

Estimated Funding Projected to FYE 2019 (undiscounted)

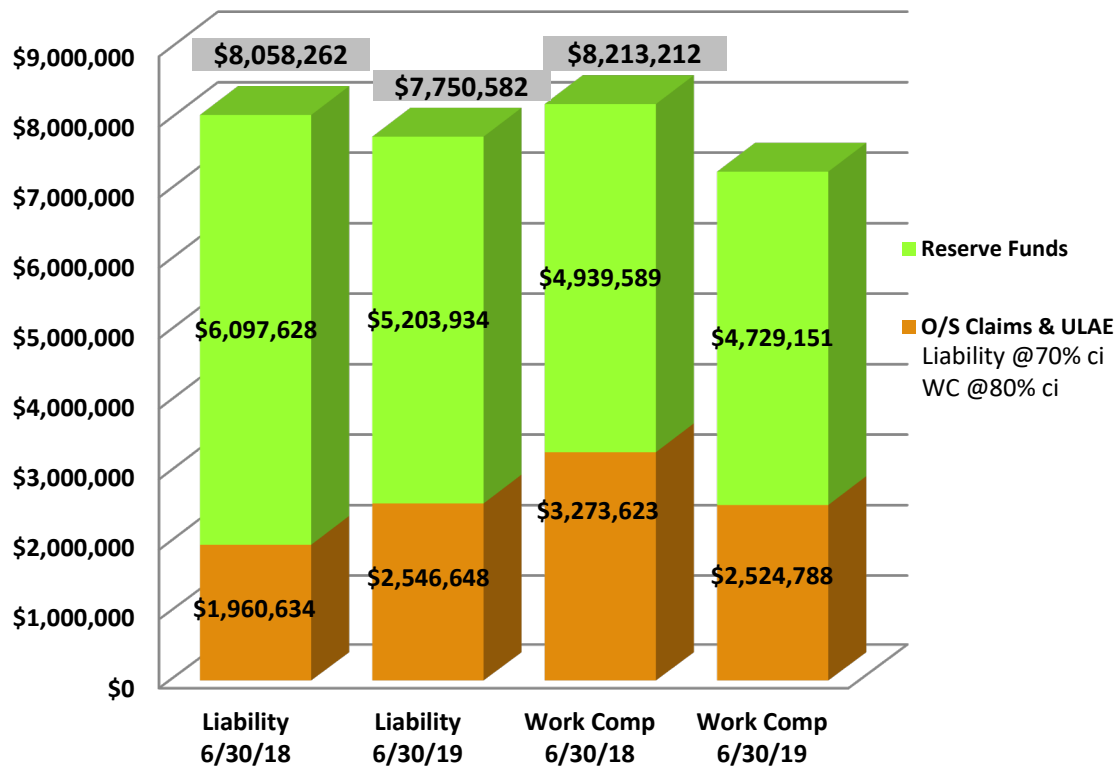


## Athletic Injury Medical Expense Estimated Funding Projected to FYE 2019 (undiscounted)



## AORMA Risk Pools

Estimated Funding Projected to FYE 2019 (undiscounted)





## **CSURMA**

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

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

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### **ISSUE:**

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

### **POLICY STATEMENT:**

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

### **PROCEDURE:**

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

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

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



## **CSURMA**

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

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

**DEVELOPMENT OF SCOOTERS ACCIDENTAL MEDICAL EXPENSE  
PROGRAM**

**ISSUE:** The Executive Committee will be asked to evaluate the development of a systemwide “no-fault” accidental medical expense program for students riding electric scooters on Campus. Electric scooters are becoming more commonplace and their usage on campus varies greatly. An informal online survey of Campuses finds that some do not allow use of scooters and some allow use with restrictions.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** The objective is to determine if an insurance solution for accidents to students while riding electric scooters on campus makes sense systemwide.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **DEVELOPMENT OF NEW PROGRAMS, SERVICES AND PROJECTS**

**ISSUE:** At the annual Long Range Planning Meeting, the Executive Committee evaluates potential for developing new coverages, services and projects.

**RECOMMENDATION:** It is recommended that the Executive Committee evaluate potential programs, services and projects and take action or provide direction as appropriate.

**FISCAL IMPACT:** Program development costs may be incurred at the direction of the Executive Committee. Costs will be allocated to the CSURMA fund as appropriate.

**BACKGROUND:** None.

**PUBLICATION:** No specific publication from action on this item is anticipated. Potential program development may result in published documents.

**ATTACHMENT(S):** None.

**DEVELOPMENT OF CSURMA GOALS FOR NEXT  
ONE TO THREE YEARS**

**ISSUE:** The Long Range Planning session offers the Executive Committee the opportunity to consider the direction CSURMA should take in the development of potential programs. The 2018/19 Long Range Action Plan developed last year is attached for the Committee's review.

**RECOMMENDATION:** It is recommended that the Executive Committee review the attached 2018/19 Long Range Action Plan and develop a new Long Range Action Plan for 2019/20. The Executive Committee and staff may have other ideas for potential CSURMA programs for discussion at today's meeting that will result new items.

**FISCAL IMPACT:** No fiscal impact is anticipated by action that may be taken at today's meeting.

**BACKGROUND:** The Long Range Action Plan establishes the Executive Committee's vision for CSURMA, and assigns responsibilities and tasks to staff in order to accomplish its vision.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA 2018/19 Long Range Action Plan

## FY 2018/19 CSURMA LONG RANGE ACTION PLAN

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

## FY 2018/19 CSURMA LONG RANGE ACTION PLAN

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

## FY 2018/19 CSURMA LONG RANGE ACTION PLAN

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

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

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

## **CSURMA COMMITTEE MEMBER PROFESSIONAL DEVELOPMENT**

**ISSUE:** Policy and Procedure No. 12 states, “it is in the best interest of the Authority that individuals who serve on the CSURMA Executive Committee are knowledgeable of the administrative workings of joint powers authorities and risk management practices, procedures, and insurance markets. It shall be the policy of the CSURMA to fund annually travel for Executive Committee Members who elect to attend professional development training and conferences ...” Eligible programs include risk management related courses and attendance at conferences such as PARMA, CAJPA, PRIMA, URMIA, NACUBO, WACUBO or other similar professional conferences.

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

**FISCAL IMPACT:** If the Board of Directors adopts a budget that includes travel expenses for Executive Committee professional development, then travel during the applicable fiscal year will be approved and reimbursed. Allowable expenses include registration costs up to \$1,500 and travel expenses.

**BACKGROUND:** Additional information can be found directly on the associations’ websites.

- [www.nacubo.org](http://www.nacubo.org) - National Association of College and University Business Officers
- [www.urmia.org](http://www.urmia.org) - University Risk Management and Insurance Association
- [www.parma.com](http://www.parma.com) - Public Agency Risk Management Risk Management Association
- [www.wacubo.org](http://www.wacubo.org) - Western Association of College and University Business Officers
- [www.primacentral.org](http://www.primacentral.org) - Public Risk Management Association
- [www.cajpa.org](http://www.cajpa.org) - California Association of Joint Powers Authorities
- [www.agrip.org](http://www.agrip.org) - Association of Governmental Risk Pools
- [www.cwcworkcomp.org](http://www.cwcworkcomp.org) - California Coalition on Workers’ Compensation

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Policy and Procedure No. 12 – CSURMA Committee Member Professional Development



**CSURMA** **POLICY AND PROCEDURE NO. 12**

**ADOPTED:** March 24, 2011, March 21, 2014, January 10, 2016

**EFFECTIVE:** January 10, 2016

**SUBJECT:** CSURMA COMMITTEE MEMBER PROFESSIONAL DEVELOPMENT

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

**POLICY:**

It is in the best interest of the Authority that individuals who serve on the CSURMA Executive Committee are knowledgeable of the administrative workings of joint powers authorities and risk management practices, procedures, and insurance markets. It shall be the policy of the CSURMA to fund annually travel for Executive Committee Members who elect to attend professional development training and conferences as described in this Policy and Procedure.

**PROCEDURE:**

1. If the Board of Directors adopts a budget that includes travel expenses for Executive Committee professional development, then travel during the applicable fiscal year will be approved and reimbursed pursuant to this Policy and Procedure.
2. The Executive Committee member may submit to the Secretary-Auditor a written request to attend a professional development program. Eligible programs shall include risk management related courses and attendance at conferences such as PARMA, CAJPA, PRIMA, URMIA, NACUBO, WACUBO or other similar professional conferences.

Allowable Expenses

- a) **Registration** cost of registering for the Professional Development conference in the amount not to exceed \$1,500.00.

**Travel Expenses pursuant to CSURMA Policy and Procedure No. 17 – Travel Reimbursement.**

3. The Attendee will provide the Executive Committee or Board of Directors with a verbal or written report of information gained from the professional development program attended.

**SERVICE PROVIDER PERFORMANCE EVALUATION OF  
CSURMA VENDORS**

**ISSUE:** CSURMA strives to provide consistency and reliability over time. One key component to accomplishing this goal is evaluating those organizations that provide services to CSURMA. On an annual basis CSU Systemwide Risk Management contacts CSURMA members who regularly use vendor services and asks them to complete an on-line vendor survey.

The complete 2018 Vendor Survey Report will be posted on the CSURMA website.

**RECOMMENDATION:** This is an information only item; no action is recommended at this time.

**FISCAL IMPACT:** None.

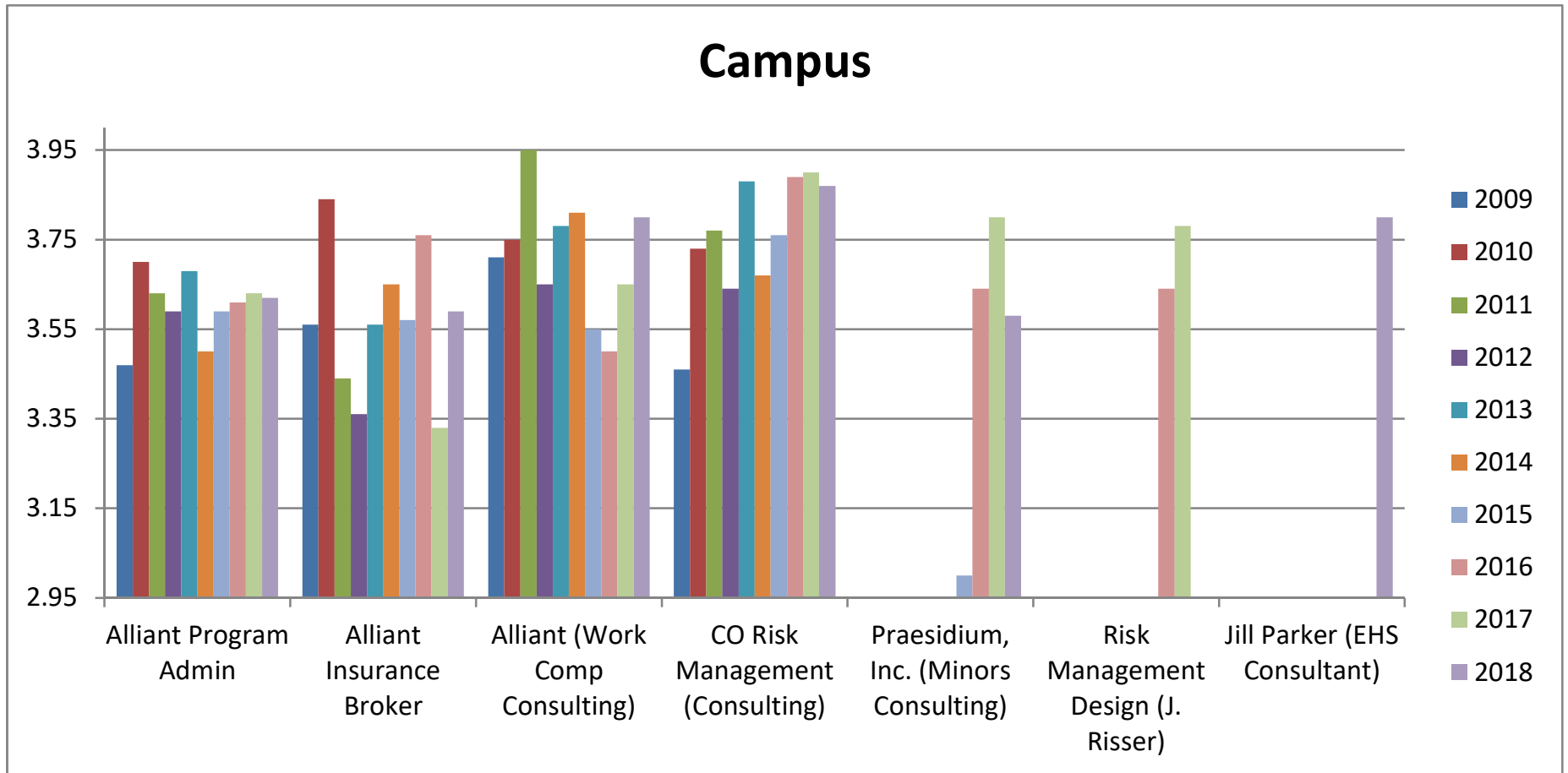
**BACKGROUND:** The Service Provider Performance evaluation will assist CSURMA with additional information to support strategic planning. The evaluation is tailored to meet the requirements of CSURMA members and maintain respondent confidentiality in order to elicit candid comments.

**PUBLICATION:** None.

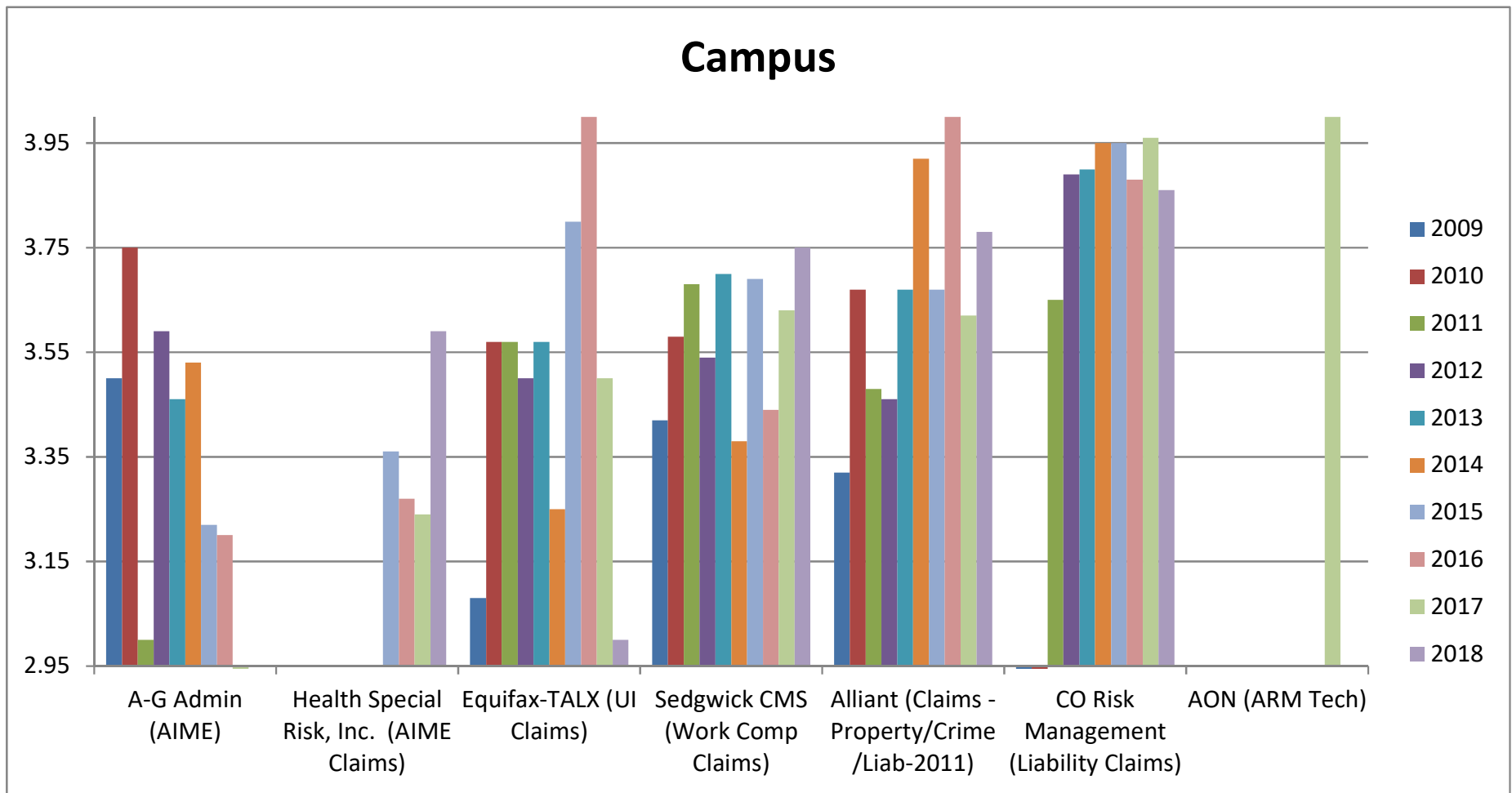
**ATTACHMENT(S):**

- a. CSURMA 2018 Annual Vendor Survey Report

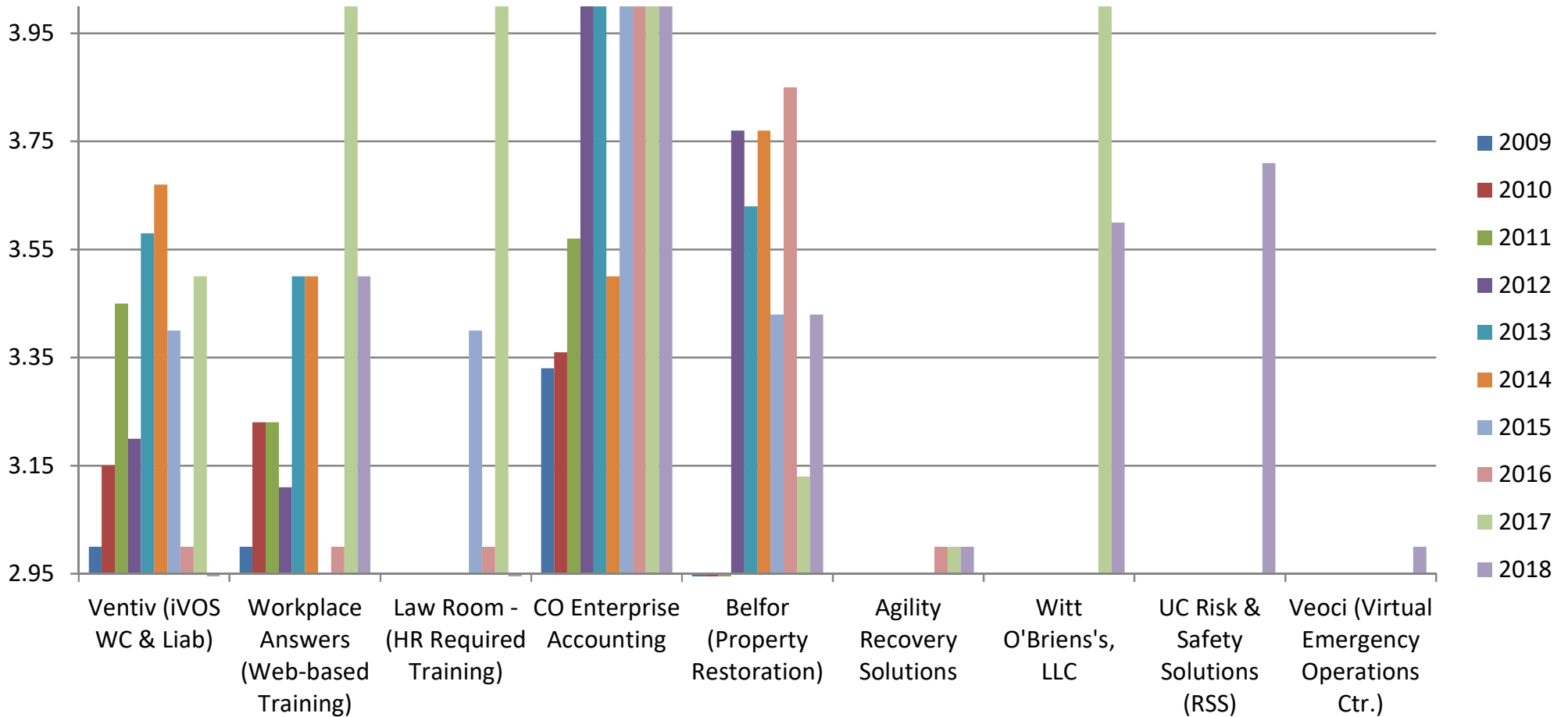
# Campus



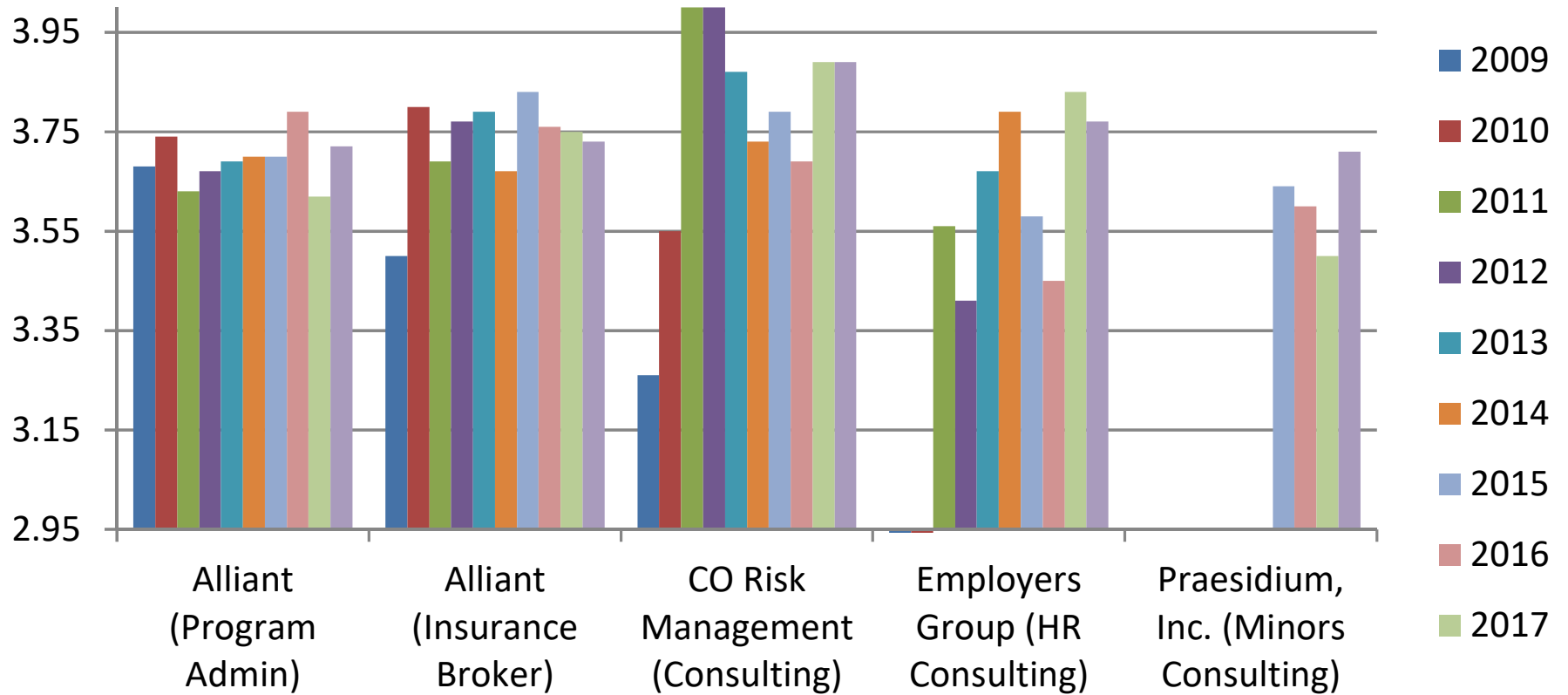
## Campus



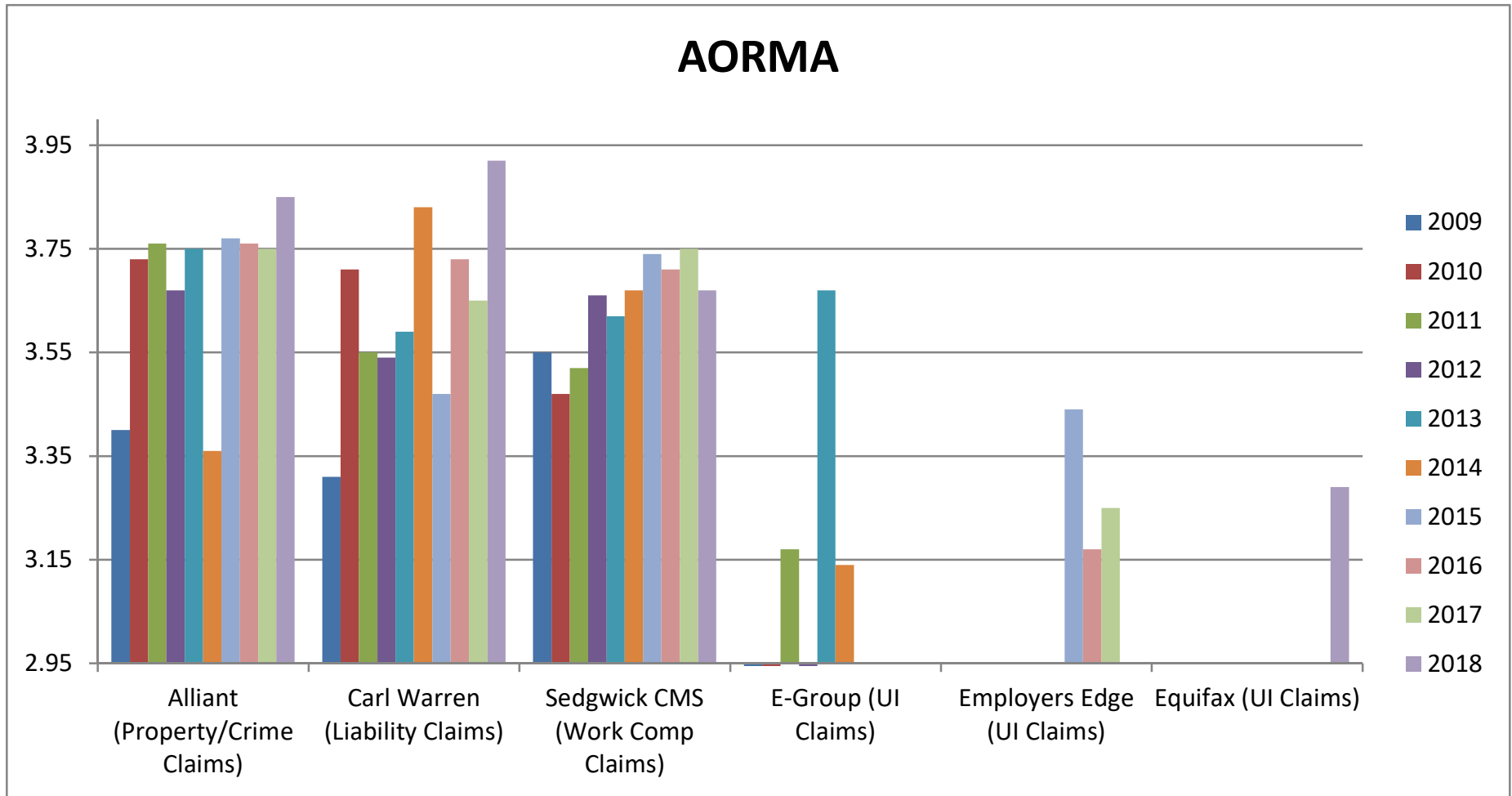
# Campus



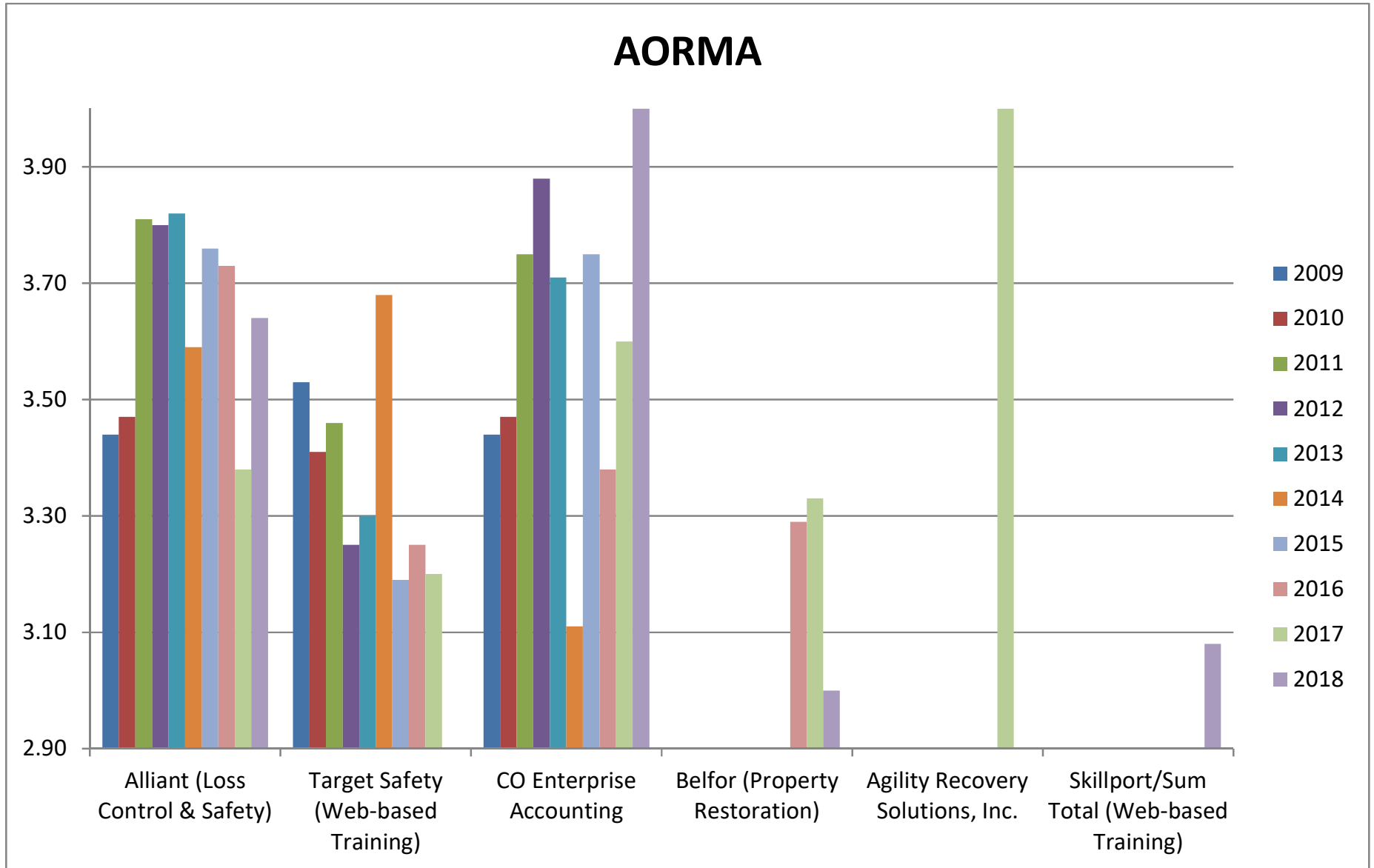
# AORMA



# AORMA



# AORMA



## **2019 CSURMA MEETING CALENDAR**

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

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA – 2019 Meeting Calendar



## 2019 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
13	3:30 PM	EC (AOA Conference)	Indian Wells					7	10:00 AM	AORMA	Newport Beach
13 - 16		AOA Annual Conference	Indian Wells					7	2:30 PM	EC	Newport Beach
14	10:30 AM	AIME	TBD					8	8:30 AM	EC LRP	Newport Beach
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
					2:00 PM	BOD Orientation	Teleconference	TBD		AOA EC	TBD
				2	10:00 AM	AORMA	Long Beach				
				3	8:30 AM	EC	Long Beach				
				3	10:30 AM	BOD	Long Beach				
				6	10:30 AM	AIME	TBD				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
TBD	11:00 AM	AORMA Officers Retreat	TBD	TBD		AOA EC	TBD	4	9:00 AM	AORMA New Member	San Diego
								4	10:00 AM	AORMA LRP	San Diego
								5	9:00 AM	AORMA	San Diego
								5	4:00 PM	EC Orientation	San Diego
								6	8:30 AM	EC	San Diego
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
14	10:30 AM	AIME	TBD	TBD		AOA EC	TBD	5	10:00 AM	AORMA	TBD
	2:00 PM	BOD Orientation	Teleconference	8	8:30 AM	EC	San Francisco	6	8:30 AM	EC	TBD
24	10:00 AM	AORMA	TBD	8	10:30 AM	BOD	San Francisco				
25	8:30 AM	EC	TBD								
25	10:30 AM	BOD	TBD								
				<b>*** The EC and BOD meetings will be held during FTPC ***</b> <b>*** Crowne Plaza SFO Airport Hotel ***</b>							

**AORMA** = Auxiliary Organizations Risk Management Alliance Committee  
**AIME** = Athletic Injury Medical Expense Committee  
**AORMA LRP** = AORMA Long Range Planning Meeting

**AOA** = CSU Auxiliary Organizations Association  
**BOD** = CSURMA Board of Directors  
**EC** = CSURMA Executive Committee

**EC LRP** = EC Long Range Planning Meeting

## **CSURMA ADMINISTRATIVE SERVICE CALENDAR**

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

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

**FISCAL IMPACT:** No direct fiscal impact is expected.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Administrative Service Calendar

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>JANUARY 2019</b>				
01/01/19	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
01/02/19	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed
01/06/19	State Filing - Statement of Facts – Roster of Public Agencies - file with Secretary of State	Alliant Staff	Tevea Him	
01/06/19	State Filing - Joint Powers Authority - file with Secretary of State - As Needed	Alliant Staff	Tevea Him	
01/06/19	State Filing - Financial Statement to the County Auditor and State Controller	Alliant Staff	Tevea Him	
01/06/19	State Filing - Treasurers' Bond	Alliant Staff	Tevea Him	
01/07/19	Announce the new AORMA Committee open seats on the AORMA Committee at the AOA Conference	Nominations Committee	Mimi Long	Completed
<b>1/13-16/2019</b>	<b>CSURMA AOA CONFERENCE</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>01/13/19</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>01/14/19</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	<b>Completed</b>
01/15/19	FORM 700 - JPA ADMIN sends Form 700 to CSURMA FILERS, including EC, BOD, AORMA, Standing Committees, and designated consultants, including identified Alliant personnel	Alliant Staff	Tevea Him	Completed
01/31/19	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed
01/31/19	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
<b>FEBRUARY 2019</b>				
02/01/19	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	
02/01/19	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long	
02/01/19	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Jacki Graf	
02/01/19	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	
02/01/19	AORMA Workers' Compensation program claims administration audit (every even year)	Alliant Staff	Jacki Graf	
<b>MARCH 2019</b>				
03/01/19	AORMA Liability Program - Reinsurance Recovery / EPL Deductible Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	
03/01/19	AORMA Liability Program - Reinsurance Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	
03/01/19	Chancellor's Office Services Budget Proposals	Alliant Staff	Mimi Long	
03/01/19	CSURMA Budget (EC and AORMA Approval)	Alliant Staff	Robert Leong	
03/01/19	Review of the CSURMA Master Investment Policy	Alliant Staff	Mimi Long	
03/01/19	CSURMA Mid-Term Budget Amendments	Alliant Staff	Robert Leong	
03/01/19	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
03/01/19	Review the Auxiliary Service Provider Report	Alliant Staff	Mimi Long	
03/01/19	Appointment of the Campus Programs RPTG - Spring 2018 (FY 2019/2020)	Alliant Staff	Robert Leong	Completed
<b>03/07/19</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>03/07/19</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>03/08/19</b>	<b>CSURMA EC LRP Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
03/20/19	Forward slate of nominees to fill the open seats on the AORMA Committee	Alliant Staff	Mimi Long	
03/31/19	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him	

# CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>APRIL 2019</b>				
04/01/19	Campus Risk Pool Administrator verifies Campus Primary and Alternate representative remain in place by contacting campus representatives ( i.e. ensure no leave of absence, retirement, change in duties, etc.)	Alliant Staff	Tevea Him	
04/01/19	Send out ballot for AORMA Committee term beginning on July 1, 2019	Alliant Staff	Tevea Him	
04/30/19	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
<b>MAY 2019</b>				
05/06/19	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	
05/02/19	<b>CSURMA BOD NMO Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
05/02/19	<b>AORMA Committee Meeting</b>	Alliant Staff	Mimi Long	
05/03/19	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
05/03/19	<b>CSURMA BOD Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
05/01/19	Approval by EC Resolution allowing Treasurer to invest or reinvest funds (annual approval required - see Res 01-15 BOD)	BOD and Alliant Staff	Tevea Him	
05/01/19	Approval of Conflict of Interest Code by BOD every even-number year - File with FPCC as required	BOD and Alliant Staff	Tevea Him	
05/04/19	Receive back all AORMA Committee ballots for the term beginning on July 1, 2019	Alliant Staff	Tevea Him	
05/11/19	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
05/15/19	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
05/30/19	Send out appointment letters to the newly appointed AORMA Standing Committee Chairs for the term beginning on July 1, 2019	AORMA Chair/Alliant Staff	Tevea Him	
05/30/19	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2019	AORMA Chair/Alliant Staff	Tevea Him	
05/30/19	Send out appointment letters to the newly elected Executive Committee members for the term beginning on July 1, 2019	AORMA Chair/Alliant Staff	Tevea Him	
05/30/19	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2019	Alliant Staff	Tevea Him	
05/30/19	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2019	Alliant Staff	Mimi Long	
<b>JUNE</b>				
06/01/19	AORMA Liability Program - Reinsurance Recovery / EPL Deductible Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	
06/01/19	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
06/30/19	<b>Expiring Contract: CO Enterprise Accounting / Financial Services - July 1, 2018 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: UC Office of Risk Services Performing Arts Center of Excellence - November 1, 2013 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: A-G Administrator (AIME) - July 1, 2009 to June 30, 2019.</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: Alliant Loss Control Services - July 1, 2017 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: CO OGC / Legal - July 1, 2017 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: CO Risk Management - July 1, 2017 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: Employers Risk - July 1, 2013 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: Agility - July 1, 2017 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: Sedgwick - July 1, 2013 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: Employers Group Service Corp - July 1, 2013 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: Sedgwick CMS - July 1, 2013 to June 30, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	<b>Expiring Contract: Witt O'Brien's, LLC (formally Witt Group Holdings, LLC) - July 1, 2014 to July 1, 2019</b>	Alliant Staff	Mimi Long	
06/30/19	Request COI from all vendor's contract	Alliant Staff	Andrew Gaspari	
<b>JULY</b>				

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
07/01/19	OCIP Renewal (5 year program)	Alliant Staff	Daniel Howell/ Mimi Long	
07/01/19	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin	
07/01/19	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	
07/04/19	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin	
07/05/19	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	
07/07/19	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	
07/14/19	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
07/15/19	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong	
07/15/19	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	
<b>07/TBD/2019</b>	<b>AORMA Officers Retreat – TBD</b>	<b>AORMA Officers</b>	<b>Mimi Long</b>	
07/21/19	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
07/28/19	FORM 700 - FORMS DUE TO FPCC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him	
07/31/19	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong	
07/31/19	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report - Present to EC in Sept	Alliant Staff	Robert Leong	
07/31/19	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	
07/31/19	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Tevea Him	
07/31/19	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate (every three years)	Liability TPA	Mimi Long	
07/31/19	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
07/31/19	Appointment of the Campus Programs RPTG - 2019 (FY 2021/2022)	Alliant Staff	Robert Leong	
07/31/19	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report	Alliant Staff	Robert Leong	
<b>AUGUST</b>				
08/01/19	FORM 700 - JPA ADMIN sends entering and leaving office notices to AORMA FILERS who will be taking office on AORMA and Standing Committees	Alliant Staff	Tevea Him	
08/01/19	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him	
08/01/19	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him	
08/01/19	Send out letter to regarding Foreign Travel Authority Confirmation	Alliant Staff	Tevea Him/ Stacey Weeks	
08/01/19	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long	
08/01/19	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	
08/11/19	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
08/15/19	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	
08/31/19	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff	Mimi Long	
08/31/19	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long	
08/31/19	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long	
08/31/19	Completion of Financial Audit	CSU Accounting	Mimi Long	
08/31/19	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff	Tevea Him	
Begin Task	Completion of the Public Self-Insurer's Annual Report for CSURMA (must be filed with the state by Oct 1st.)	Alliant Staff	Mimi Long	
Begin Task	AORMA Workers' Compensation Desk Audit	Alliant Staff	Mimi Long	
<b>SEPTEMBER</b>				

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
09/01/19	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long	
09/01/19	Stewardship Report	Alliant Staff	Mimi Long	
09/01/19	10/01 - EQ Renewal Anniversary	Alliant Staff	Daniel Howell	
<b>09/04/19</b>	<b>AORMA Long Range Plan meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/04/19</b>	<b>AORMA New Committee Member Orientation meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/05/19</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/05/19</b>	<b>CSURMA EC Orientation Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/06/19</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>TBD</b>	<b>CAJPA Fall Conference and Training Seminar -South Lake Tahoe</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
09/14/19	CAJPA Standards review (2017 and every 3 years thereafter)	Alliant Staff	Mimi Long	
09/15/19	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Van Rin	
09/15/19	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
09/30/19	CSURMA Quarterly EPL Deductible Recoverys ending September 30 (Begin Task)	Alliant Staff	Van Rin	
09/30/19	Completion of the AORMA Committee (September Letter) updating all AORMA members on the funding and dividends approved for the upcoming fiscal year	Alliant Staff/AORMA C	Mimi Long	
<b>OCTOBER</b>				
10/01/19	Request completion of the Liability applicator	Alliant Staff	Mimi Long	
10/01/19	Update the CSURMA Tri-Fold based on June 30 financials.	Alliant Staff	Mimi Long	
10/01/19	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long	
10/15/19	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
<b>10/14/19</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	
10/31/19	Government Compensation Report (request from CSU Accounting)	Accounting	Tevea Him	
10/31/19	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
<b>NOVEMBER</b>				
11/01/19	FORM 700 - Campus Risk Pool Administrator sends request to campus president to confirm appointments of primary and alternate representative to BOD (Note: AORMA Representatives are maintained through their election process)	Alliant Staff	Tevea Him	
<b>11/6-7/2019</b>	<b>Fitting the Pieces Together Conference, San Diego</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>11/08/19</b>	<b>CSURMA BOD Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>11/08/19</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
11/28/19	Send campus risk pool renewal budget (Budget)	Alliant Staff	Robert Leong	
11/28/19	Send campus risk pool renewal budget (Early Bird Renewal Letter)	Alliant Staff	Robert Leong	
11/28/19	Campus Risk Pool Deductible - Confirm (every 3 years - 2017, 2020)	Alliant Staff	Robert Leong	
11/30/19	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	
11/30/19	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30	Alliant Staff	Tevea Him	
<b>DECEMBER</b>				
12/01/19	2018 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Risk Management	
12/01/19	Appointment of the Club Sport Insurance Programs RPTG - Spring 2019 (FY 2019/2020)	Alliant Staff	Robert Leong	
12/01/19	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long	
<b>12/05/19</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
12/15/19	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff	Tevea Him	
12/15/19	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
12/30/19	Financial Audit - mail to Secretary of State and County Auditor	Alliant Staff/Accounting	Tevea Him	
12/31/19	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	
12/31/19	<i>Expiring Contract: Enterprises Rent A Car - January 1, 2018 - December 31, 2018</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	

## **CSURMA EXECUTIVE COMMITTEE AND STAFF CONTACT LIST**

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

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

**FISCAL IMPACT:** None.

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

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Executive Committee and Staff Contact List

**CSURMA EXECUTIVE COMMITTEE MEMBERS**  
**Effective at July 1, 2018**

Seat	Member	Position	Campus	Organization	E-Mail	Telephone Number
Chair	Lisa Chavez	Vice-President, Administration and Chief Financial Officer	Los Angeles	California State University Los Angeles	<a href="mailto:lisa.chavez@calstatela.edu">lisa.chavez@calstatela.edu</a>	323-343-3500
Vice Chair	Kevin Saunders	VP Administration & Finance	Monterey Bay	California State University Monterey Bay	<a href="mailto:kesaunders@csUMB.edu">kesaunders@csUMB.edu</a>	831-582-3397
CSU Seat #1	Thom Davis	Vice President for Business and Administrative Services	Bakersfield	California State University, Bakersfield	<a href="mailto:tdavis31@csUB.edu">tdavis31@csUB.edu</a>	661-654-2287
CSU Seat #2	Lisa Kao	Associate Director, EHS, Risk Management and Sustainability	Fresno	California State University Fresno	<a href="mailto:lisak@csUFresno.edu">lisak@csUFresno.edu</a>	559-278-6910
CSU Seat #3	Scott Apel	Associate Vice President, Human Resources	Long Beach	California State University Long Beach	<a href="mailto:scott.apel@CSULB.edu">scott.apel@CSULB.edu</a>	562-985-1658
CSU Seat #4	Amy Thomas	Director of Safety & Risk Management	Stanislaus	California State University, Stanislaus	<a href="mailto:althomas@CSUSTAN.edu">althomas@CSUSTAN.edu</a>	209-667-3035
AORMA Seat #5 - Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	<a href="mailto:dbrummet@CALPOLY.edu">dbrummet@CALPOLY.edu</a>	805-756-5768
AORMA Seat #6 - V Chair	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	<a href="mailto:dave.nakamura@HUMBOLDT.edu">dave.nakamura@HUMBOLDT.edu</a>	707-826-4878
Treasurer	Robert Eaton	Assistant Vice Chancellor, Financing, Treasury, and Risk Management	Chancellor's Office	California State University, Office of the Chancellor	<a href="mailto:reaton@CALSTATE.edu">reaton@CALSTATE.edu</a>	562-951-4572
Secretary Auditor	Zachary Gifford	Director of Systemwide Risk Management and Public Safety	Chancellor's Office	California State University, Office of the Chancellor	<a href="mailto:zgifford@CALSTATE.edu">zgifford@CALSTATE.edu</a>	562-951-4580



California State University Risk Management Authority

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
Certificate of Insurance Requests	Van Rin Andrew Gaspari	vrin@alliant.com andrew.gaspari@alliant.com	415-403-1408 415-403-1412	415-874-4810 415-874-4810
General CSURMA Coverage Questions	Robert Leong Van Rin Amy Lightner Daniel Howell Susan Leung	rleong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com susan.leung@alliant.com	415-403-1441 415-403-1408 415-403-1457 415-403-1426 415-403-1435	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
General AORMA Coverage Questions	Mimi Long Van Rin Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
AIME	Stacey Weeks Robert Leong	sweeks@alliant.com rleong@alliant.com	415-403-1448 415-403-1441	415-874-4810 415-874-4810
Inland Marine	Van Rin Mimi Long Andrew Gaspari	vrin@alliant.com mlong@alliant.com andrew.gaspari@alliant.com	415-403-1408 415-403-1423 415-403-1412	415-874-4810 415-874-4810 415-874-4810
Participant Accident Insurance (PAI)	Van Rin Tevea Him	vrin@alliant.com thim@alliant.com	415-403-1408 415-403-1416	415-874-4810 415-874-4810
Special Events Insurance	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Foreign Travel Program	Stacey Weeks Van Rin	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
General Risk Management Questions	Mimi Long Van Rin Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
Workers' Compensation Claims Consultant	Jacki Graf	jgraf@alliant.com	415-403-1438	415-874-4810
Alliant Claims Consulting	Robert Frey Diana Walizada Elaine (Kim) Tizon Sheila McClenaghan	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com sheila.mcclenaghan@alliant.com	415-403-1445 415-403-1453 415-403-1458 415-403-1492	415-403-1466 415-403-1466 415-403-1466 415-403-1466
Form 700	Tevea Him	thim@alliant.com	415-403-1416	415-402-0773
Website and Technology Questions	La Shaunda Gaines Tevea Him Myron Leavell	lashaunda.gaines@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1489 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

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**CONTACT LIST**

Coverage	Contact	E-Mail Address	Office	Fax
<b>CSU Chancellor's Office</b>				
CSU Chancellor's Office	Scott Bourdon Leona Ching Robert Eaton Zachary Gifford Martha Guiditta Audra Reed Steve Relyea Jody VanLeuven	sbourdon@calstate.edu lching@calstate.edu reaton@calstate.edu zgifford@calstate.edu mguiditta@calstate.edu areed@calstate.edu srelyea@calstate.edu jvanleuven@calstate.edu	562-951-4580 562-951-4580 562-951-4572 562-951-4568 562-951-4557 562-951-4564 562-951-4600 562-951-4574	562-951-4859 562-951-4971 562-951-4859 562-951-4859 562-951-4971 562-951-4971
CSU Chancellor's Office Office of General Counsel	William Hsu Robin Webb	whsu@calstate.edu rwebb@calstate.edu	562-951-4500 562-951-4500	562-951-4956 562-951-4956
CSU Chancellor's Office Financial Services Division Systemwide Accounting & Reporting	Alice Kim Cindi Le Jessica Liu Tanaka	akim@calstate.edu cle@calstate.edu jliu@calstate.edu	562-951-4627 562-951-4651 562-951-4621	562-951-4865
Chancellor's Office Systemwide Professional Development	David Kervella Chris Fondacaro	dkervella@calstate.edu cfondacaro@calstate.edu	562-951-4403 562-951-4403	

Coverage	Contact	E-Mail Address	Office	Fax
<b>Loss Control Consultants – Alliant Risk Control</b>				
Alliant Risk Control Consulting	John Owen <i>Northern California</i> Kristina Loiselle <i>Southern California</i> Tim Leech <i>Central California</i>	jowen@alliant.com kloiselle@alliant.com tleech@alliant.com	916-643-2736 949-260-5042 949-260-5008	

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