



California State University Risk Management Authority

CSURMA EXECUTIVE COMMITTEE LONG RANGE PLANNING

“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.

Meeting Date: March 21, 2014
Time: 8:00 a.m.

Primary Location: Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660

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

8:00 a.m.

Time certain

- | | | | |
|----|--|----------|-------|
| 1. | Review of CSURMA 2013/2014 Long Range Action Plan | A | p. 3 |
| 2. | Campus Pooled Program Funding Status | A | p. 8 |
| 3. | Annual Review of: | A | p. 19 |
| | <ul style="list-style-type: none"> • Data security policies • Applicable ICSUAM policies | | |

9:00 a.m.

Time certain

- | | | | |
|----|--|----------|-------|
| 4. | Workers Compensation Program | A | p. 25 |
| | <ul style="list-style-type: none"> a) Claims Audit Presentation b) Approval of Proposed Claims Closure Initiative c) Evaluation of Restarting Primary Reinsurance Program | | |
| 5. | Rating Plans Task Groups | A | p. 44 |
| | <ul style="list-style-type: none"> a) Campus Risk Pool b) Student Programs | | |
| 6. | Review of Policies and Procedures (Even numbered) | A | p. 64 |
| | <ul style="list-style-type: none"> a) No. 2. Resolution of Coverage and Claim Disputes b) No. 4. Periodic Actuarial Studies c) No. 6. Payment Terms d) No. 8. Coverage Determination For Claims Designated “Systemwide | | |



California State University Risk Management Authority

- e) No. 10. Member Loans
- f) No. 12. CSURMA Committee Members Attendance of Conferences Professional Development
- g) No. 14. Campus Risk Pool Dividends & Assessments
- h) No. 16. Use of CSURMA Equipment
- i) No. 18. Board of Directors Participation and Executive Committee Nominations and Elections Process
- j) No. 20. OCIP & BRIP

10:00 a.m.

Time certain

- | | | | |
|----|---|----------|-------|
| 7. | Emergency Services Consulting Presentation | A | p. 88 |
| 8. | Development of New Programs and Services <ul style="list-style-type: none">• Consideration of Student Tenant Insurance Program (STIP)• Student Health Insurance Program• Unemployment Insurance Aggregate Stop Loss Coverage• Coverage for Unmanned Aerial Vehicles• Others? | A | p. 89 |

11:00 a.m.

Time certain

- | | | | |
|-----|--|----------|-------|
| 9. | CSURMA Rolling OCIP Status Report | A | p. 98 |
| 10. | Service Provider Performance Evaluation of CSURMA Vendors | V | p. 99 |

12:00 p.m.

Lunch

- | | | | |
|-----|--|----------|--------|
| 11. | Development of CSURMA Goals for next 1 to 3 years | A | p. 100 |
|-----|--|----------|--------|

2:00 p.m.

Adjournment

The next CSURMA Executive Committee meeting is scheduled for May 9, 2014 in Long Beach, please contact Myron Leavell, mleavell@alliant.com with any questions.

REVIEW OF 2013/14 LONG RANGE ACTION PLAN

ISSUE: The Executive Committee periodically reviews the Long Range Action Plan to gauge progress, re-evaluate where efforts should be focused, and annually establish 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 22, 2013 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 2013/14 Long Range Action Plan

FY 2013/14 CSURMA LONG RANGE ACTION PLAN

DRAFT

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1	ALTERNATIVE MEDICINES ON CAMPUS			
LRP #1 deleted; determined not to be a CSURMA issue.				
Draft Systemwide Policy regarding use of Alternative Medicines on Campus.	1. Research existing Systemwide policy regarding permissible usage of alternative medicines on campuses.	1. PA, SRM	1. July 2013	In Review.
	2. Research existing Campus policy regarding permissible usage of alternative medicines on campus.	2. PA, SRM	2. August 2013	In Review.
	3. Identify other types of alternative medicines that are used on campus and determine whether or not such usage shall be permitted on campus.	3. PA, SRM, OGC, Student Health Centers, Human Resources	3. September 2013	Deleted.
	4. Identify stake holders and enlist support.	4. PA, SRM, OGC, Student Health Centers, Human Resources		
	5. Draft Policy & Procedure regarding permissible usage of alternative medicines on campus.	5. PA, SRM, OGC, Student Health Centers, Human Resources		\
	6. Determine whether the draft Policy & Procedure should be an Executive Order, Technical Letter or other.	6. CO		
	7. Finalize draft Policy & Procedure.	7. PA, SRM		
	8. Obtain appropriate sign off.	8. CO		
	9. Roll out to campuses.	9. CO		
LRP-2	CSURMA WEBSITE ENHANCEMENTS			
Improve CSURMA website.	1. Draft goals for website enhancements: identify what is working well, how utilized, areas to improve.	1. PA	1. August 2013	Completed.
	2. Work with website administrator to program needed/desired changes/enhancements.	2. PA, Website Administrator	2. September - November 2013	Completed.
	3. Beta testing.	3. PA, Website Administrator	3. December 2013	Completed.
	4. Populate website.	4. PA, Website Administrator	4. December 2013	Completed.
	5. Develop demo presentation.	5. PA	5. January 2014	Completed.
	6. Present enhanced website to SRM, EC, BOD.	6. PA	6. January 2014	Completed.
	7. Roll out to CSURMA members.	7. PA	7. May 2014	
LRP-3	INTRAMURAL/RECREATIONAL SPORTS COVERAGE			
Develop coverage program for Intramural & Recreational Sports.	1. Develop coverage specification and proposed rating structure.	1. PA	1. May 2013	Completed.
	2. Market plan to underwriters.	2. PA	2. May 2013	Completed.
	3. Obtain and evaluate carrier quotes.	3. PA	3. May 2013	Completed.
	4. Draft coverage plan summary and rates.	4. PA	4. June 2013	Completed.
	5. Obtain necessary approvals from SRM, EC, BOD.	5. PA, SRM	5. July 2013	Completed.
	6. Roll out to CSURMA Members.	6. PA	6. August 2013	Completed.
LRP-4	STUDENT PERSONAL PROPERTY & LIABILITY INSURANCE			
Develop coverage program for	1. Develop coverage specification and proposed rating structure.	1. PA	1. July 2013	Deferred
	2. Market plan to underwriters.	2. PA	2. August 2013	In progress.

FY 2013/14 CSURMA LONG RANGE ACTION PLAN

DRAFT

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
Student Personal Property & Liability Insurance.	3. Obtain and evaluate carrier quotes.	3. PA		
	4. Draft coverage plan summary and rates.	4. PA		
	5. Obtain necessary approvals from SRM, EC, BOD.	5. PA, SRM		
	6. Roll out to CSURMA Members.	6. PA		
LRP-5	EARTHQUAKE COVERAGE PROGRAM	LRP #5 deleted; insufficient interest among members.		
Develop coverage program for Earthquake Insurance.	1. Develop coverage specification and proposed rating structure.	1. PA	1. September 2013	Deleted.
	2. Market plan to underwriters.	2. PA		
	3. Obtain and evaluate carrier quotes.	3. PA		
	4. Draft coverage plan summary and rates.	4. PA		
	5. Obtain necessary approvals from SRM, EC, BOD.	5. PA, SRM		
	6. Roll out to CSURMA Members.	6. PA		
LRP-6	SERVICE ANIMALS ON CAMPUS			
Draft Systemwide Policy regarding use of Service Animals on Campus.	1. Research existing Systemwide policy regarding permissible usage of service animals on campuses.	1. PA, SRM	1. July 2013	In Review.
	2. Research existing Campus policy regarding permissible usage of service animals on campus.	2. PA, SRM, Public Safety	2. August 2013	In Review.
	3. Draft Policy & Procedure regarding permissible usage of service animals on campus.	3. PA, SRM, OGC, Human Resources	3. September 2013	In Progress.
	4. Determine whether the draft Policy & Procedure should be an Executive Order, Technical Letter or other.	4. CO	4. October 2013	In Progress.
	5. Finalize draft Policy & Procedure.	5. PA, SRM	5. November 2013	In Progress.
	6. Obtain appropriate sign off.	6. CO	6. December 2013	
	7. Roll out to campuses.	7. CO	7. January 2014	
LRP-7	BICYCLES / SKATEBOARDS ON CAMPUS			
Draft Systemwide Policy regarding Bicycle & Skateboard Safety on Campus.	1. Research existing Systemwide policy regarding safety protocols for bicycles, skateboards, etc. on campuses.	1. PA, SRM	1. July 2013	In Review.
	2. Research existing Campus policy regarding safety protocols for bicycles, skateboards, etc. on campus.	2. PA, SRM, Public Safety	2. August 2013	In Review.
	3. Draft Policy & Procedure regarding safety protocols for bicycles, skateboards, etc. on campus.	3. PA, SRM, OGC	3. September 2013	In Progress.
	4. Determine whether the draft Policy & Procedure should be an Executive Order, Technical Letter or other.	4. CO	4. October 2013	In Progress.
	5. Finalize draft Policy & Procedure.	5. PA, SRM	5. November 2013	In Progress.
	6. Obtain appropriate sign off.	6. CO	6. December 2013	
	7. Roll out to campuses.	7. CO	7. January 2014	

FY 2013/14 CSURMA LONG RANGE ACTION PLAN

DRAFT

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-8 PERIODIC REVIEW OF CSURMA POLICIES & PROCEDURES				
Establish Plan for Regular Periodic Review of CSURMA Policies & Procedures.	1. Outline a timetable to review each CSURMA Policy & Procedure (P&P), at least one per month.	1. PA	1. July 2013	Completed.
	2. Outline a format to document P&P items to be reviewed.	2. PA	2. September 2013	Completed.
	3. Draft report of findings and recommendation for review and discussion with Systemwide Risk Management & Public Safety.	3. PA, SRM	3. March 2014	Pending.
	4. Present findings and recommendation as agreed with SRM to EC.	4. PA, SRM, EC	4. EC meetings	On going.
	5. Execute plan of action as directed by SRM and EC. This step may also require BOD approval if Memorandum of Coverage is to be amended.	5. PA, SRM, EC, BOD	5. After EC meetings	On going.
	6. Obtain appropriate sign off, and BOD approval if necessary.	6. PA, SRM, EC, BOD	6. BOD meetings	On going.
LRP-9 NEW MEMBER ORIENTATION FOR EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS				
Establish Plan for Regular Periodic Orientation to CSURMA for New Members	1. Establish regular time and site for CSURMA Orientation, usually the day before EC's September meeting.	1. PA	1. September 2013	Completed.
	2. Maintain log of EC and BOD members who have attended orientation, date, etc., and members who still need orientation.	2. PA	2. October 2013	Completed.
	3. Schedule teleconference or webinars for members who are unable to attend orientation in person.	3. PA, Members	3. April 2014	Completed.
	4. Report orientation attendance to SRM and EC.	4. PA, SRM, EC	4. May 2014	
LRP-10 THEATER RISK MANAGEMENT & SAFETY				
Develop Systemwide Policy and Training regarding Theater Safety on Campus.	1. Research existing Systemwide policy regarding public safety of theaters on campuses.	1. PA, SRM	1. July 2013	In Review.
	2. Research existing Campus policy regarding public safety of theaters on campus.	2. PA, SRM, Public Safety	2. Aug - Sep 2013	In Review.
	3. Research training programs and costs offered by UC.	3. PA, SRM, OGC	3. September 2013	Completed.
	4. Develop schedule to provide on-campus training on Theater Safety.	4. CO	4. November 2013	In progress.
	5. Engage service provider.	5. PA, SRM	5. January 2014	Completed.
	6. Obtain appropriate sign off.	6. CO	6. February 2014	
	7. Roll out to campuses.	7. CO	7. May 2014	
LRP-11 MINORS ON CAMPUS				
Develop Systemwide Policy and Training regarding Safety of Minors on Campus.	1. Research existing Systemwide policy on safety of minors on campuses.	1. PA, SRM	1. July 2013	In Review.
	2. Research existing Campus policy on safety of minors on campus.	2. PA, SRM, Public Safety	2. Aug - Sep 2013	In Review.
	3. Research training programs and costs offered by Praesidium, Inc.	3. PA, SRM, OGC	3. September 2013	Completed.
	4. Develop schedule to provide on-campus training on Safety of Minors.	4. CO	4. November 2013	In progress.
	5. Engage service provider.	5. PA, SRM	5. January 2014	In progress.
	6. Obtain appropriate sign off.	6. CO	6. February 2014	
	7. Roll out to campuses.	7. CO	7. May 2014	

FY 2013/14 CSURMA LONG RANGE ACTION PLAN

DRAFT

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-12 ENTERPRISE RISK MANAGEMENT				
Develop plan to promote Synergy among campuses in regards to Risk Management functions.	1. Establish baseline for minimum essential risk management operations on campuses.	1. PA, SRM	1. July 2013	In Review.
	2. Identify SRM and Campus resources, especially subject matter experts.	2. SRM	2. Aug-Sep 2013	In Review.
	3. Identify opportunities to synergize risk management among campuses, possibly creating regional spheres of influence.	3. SRM, Campus RMs	3. Oct-Nov 2013	In Review.
	4. Create network among campuses for risk management resources.	4. SRM	4. December 2013	
	5. Roll out to campuses.	5. SRM	5. January 2014	
LRP-13 SPONSORED TRAINING FOR EMPLOYEES				
Develop plan to provide Sponsored Training opportunities for Members.	1. Identify training opportunities that may be beneficial to members. These may include conferences, seminars, webinars, and programs leading to professional credentials (e.g., CPCU, ARM, CSP, AIC, AIS, CRM, etc.), and may include regional sessions on campus to economize learning opportunities.	1. PA, SRM	1. July 2013	In Review.
	2. Identify needed training subjects and prioritize.	2. PA, SRM, Campus RMs	2. August 2013	In Review.
	3. Establish funding for sponsored training.	3. PA, SRM, EC	3. September 2013	
	4. Establish criteria for sponsored training and application.	4. PA, SRM	4. October 2013	
	5. Draft schedule for training.	5. PA, SRM	5. November 2013	
	6. Roll out to campuses.	6. PA, SRM	6. December 2013	

Key:

BOD: CSURMA Board of Directors

CABO: CSU Chief Administrators and Business Officers

CO: Chancellor's Office

EC: CSURMA Executive Committee

OGC: CSU Office of General Counsel

PA: CSURMA Program Administrator

SRM: CSU Systemwide Risk Management & Public Safety

CAMPUS RISK POOLS FUNDING STATUS

ISSUE: In accordance with CSURMA's adopted funding policy for its self-funded pooling programs, Staff prepared an analysis of the pooled programs funding position relative to the actuary's projection for CSURMA's minimum funding requirements and expected cash expenditures for program administration through June 30, 2014. The Executive Committee, at its March meeting, reviews the pooled programs funding position and determines if there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures, if an assessment is necessary, or if there is ample surplus to consider a release of dividends to the members.

RECOMMENDATION: It is recommended that the Executive Committee review CSURMA's pooled programs funding position at December 31, 2013 in light of Policy & Procedure No. 7-JPA, and take action or direct Staff as appropriate.

FISCAL IMPACT: Dividends, if any, will reduce fund balances by the amount recommended by the Executive Committee in the fiscal period from which excess funds are distributed to members.

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 95/96, the campuses became accountable for these 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.

The CSURMA (successor to the *Risk Pool*) inherited prior years' claim liabilities when it was formed. The CSURMA Board of Directors adopted a policy of fully funding each year's 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. CSURMA Policy & Procedure No. 7-JPA
- b. Draft Full Funding Projections at December 31, 2013, projected to June 30, 2014
- c. Reference 2013 CSURMA Actuarial Reports dated September 18, 2013



CSURMA

POLICY AND PROCEDURE NO. 7

EFFECTIVE: JANUARY 1, 2000

SUBJECT: SELF-INSURED PROGRAM FUNDING

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. CSURMA recognizes that its self-insured programs are transitioning from a cash funding basis to an accrual funding basis. Adopted funding shall facilitate this transition by including 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.



Staff and the actuary shall perform the calculations needed to establish the funding elements described above. It is expected that all outstanding liabilities will be fully funded by July 1, 2009 and staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' progress toward achieving this funding policy.

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014 - Revised with Proposed Mid-Year Amendments

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)	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)
Revenue										
Contributions	13,670,600	29,448,933	13,500,000	9,500,000	2,932,489	3,665,132	4,444,743	3,539,254	351,104	2,293,452
Reinsurance Premiums	-165,000	0	0	0	0	-825,000	0	0	0	0
Total Operating Revenues	<u>13,505,600</u>	<u>29,448,933</u>	<u>13,500,000</u>	<u>9,500,000</u>	<u>2,932,489</u>	<u>2,840,132</u>	<u>4,444,743</u>	<u>3,539,254</u>	<u>351,104</u>	<u>2,293,452</u>
Operating Expenses										
<i>Direct Program Expenses</i>										
Claims Payments & Legal Expenses	19,451,425	21,671,122	12,000,000	3,363,266	2,533,328	1,318,479	2,293,988	250,000	75,000	1,677,237
Deductible Recoveries	-4,000,000	0	0	0	0	-50,000	0	0	0	0
Claims Administrators	81,909	4,132,886	60,000	0	130,000	15,000	205,000	0	0	32,100
Claims Management Information System	35,000	0	0	0	0	0	0	0	0	0
Program Administrators	182,633	393,424	180,354	198,145	9,635	557,137	293,581	254,983	25,295	82,000
Brokerage Commissions & Fees	316,000	160,000	0	442,500	2,000	60,000	40,000	181,250	17,500	0
Insurance Premiums (net of brokerage)	3,613,491	1,629,995	0	7,761,199	19,800	346,582	395,000	2,061,673	147,081	0
Taxes, Assessments & Fees	200,000	0	0	0	0	0	35,000	0	0	0
Actuarial Services	6,000	6,000	0	0	3,000	5,000	6,000	0	0	0
Claims Audit	10,000	2,000	0	0	0	5,000	5,000	0	0	0
Coverage Counsel	10,000	0	0	0	0	5,000	1,000	0	0	0
Program Legal	0	0	0	0	0	2,500	0	0	0	0
Miscellaneous Program Services	1,000	8,500	1,000	1,000	0	0	255	0	0	0
Workshop/Training Expenses	8,500	18,311	8,394	5,907	20,000	6,894	8,361	6,658	660	4,314
Loss Control Expenses	410,435	107,484	0	0	0	123,810	150,146	0	0	0
Appraisals	0	0	0	0	0	0	0	0	0	0
Reinsurance Recovery	0	-8,453,500	0	0	0	0	0	0	0	0
Program Committee	0	0	0	0	2,000	8,619	9,906	5,707	394	4,063
Dividend Distributions	7,097,512	0	0	0	0	1,403,847	815,343	0	0	0
Total Direct Program Expenses	<u>27,423,905</u>	<u>19,676,222</u>	<u>12,249,748</u>	<u>11,772,017</u>	<u>2,719,763</u>	<u>3,807,869</u>	<u>4,258,579</u>	<u>2,760,270</u>	<u>265,930</u>	<u>1,799,714</u>
General & Administrative Expenses										
Financial Audit	7,256	15,631	7,166	5,043	1,557	1,945	2,359	1,879	186	1,217
Executive Committee & Board Expenses	5,140	11,072	5,076	3,572	1,103	1,378	1,671	1,331	132	862
JPA Insurance	4,157	8,956	4,105	2,889	892	1,115	1,352	1,076	107	697
Memberships, Associations & Dues	794	1,710	784	552	170	213	258	205	20	133
Chancellor's Office Accounting Services	49,131	105,838	48,518	34,143	10,539	13,172	15,974	12,720	1,262	8,243
Chancellor's Office Risk Management Service	198,406	427,403	195,930	137,877	42,560	45,232	54,853	43,678	4,333	28,304
JPA Accreditation	0	0	0	0	0	0	0	0	0	0
JPA Legal	756	1,628	746	525	162	203	246	196	19	127
Miscellaneous Expenses	2,268	4,885	2,239	1,576	486	608	737	587	58	380
Total General & Administrative Expenses	<u>267,908</u>	<u>577,123</u>	<u>264,565</u>	<u>186,175</u>	<u>57,469</u>	<u>63,865</u>	<u>77,450</u>	<u>61,672</u>	<u>6,118</u>	<u>39,964</u>
Total Operating Expenses	<u>27,691,813</u>	<u>20,253,345</u>	<u>12,514,313</u>	<u>11,958,192</u>	<u>2,777,232</u>	<u>3,871,734</u>	<u>4,336,029</u>	<u>2,821,942</u>	<u>272,048</u>	<u>1,839,678</u>
Non-Operating Revenues										
Investment Income	1,009,595	2,588,728	484,565	119,676	164,099	205,705	284,878	48,584	2,402	85,449
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0
Total Non-Operating Revenues	<u>1,009,595</u>	<u>2,588,728</u>	<u>484,565</u>	<u>119,676</u>	<u>164,099</u>	<u>205,705</u>	<u>284,878</u>	<u>48,584</u>	<u>2,402</u>	<u>85,449</u>
Net Surplus (Deficit)	<u>-13,176,618</u>	<u>11,784,316</u>	<u>1,470,252</u>	<u>-2,338,516</u>	<u>319,355</u>	<u>-825,897</u>	<u>393,591</u>	<u>765,896</u>	<u>81,458</u>	<u>539,224</u>
Beginning Retained Earnings (at 7/1/13 est.)	29,115,759	11,517,309	1,868,809	7,280,870	593,599	5,185,702	5,432,470	747,091	110,667	1,912,952
Ending Retained Earnings (at 6/30/14 est.)	15,939,141	23,301,625	3,339,061	4,942,354	912,954	4,359,805	5,826,061	1,512,987	192,125	2,452,176

California State University Risk Management Authority
Balance Sheet - Campus Programs as of 6/30/13
(UNAUDITED)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP
Assets:										
Cash and Investments	8,868,043	14,169,662	824,522	1,336,883	465,124	1,607,827	2,582,052	133,197	20,963	483,232
Other long-term investments	40,171,374	63,638,315	3,523,706	5,869,294	2,093,403	7,220,246	11,619,450	616,585	90,227	2,156,412
Accounts receivable	198,266	6,057	336	14,145	200	55,431	1,107	351	9	205
Loan receivable	0	0	0	0	0	0	0	0	0	0
Reinsurance receivable	0	716,738	0	0	0	0	0	0	0	0
Accrued interest receivable	963	1,640	200	148	80	181	275	18	3	65
Prepaid insurance	11,858	0	0	64,076	2,492	0	0	0	0	0
Prepaid expense	17,903	2,115,668	5,466	13,772	94,450	243,753	251,149	1,324	127	838
Fixed asset	3,138	7,404	2,209	2,767	644	965	931	759	0	0
Accumulated Depreciation	-1,098	-2,592	-773	-968	-225	(338)	(326)	(266)	0	0
Total assets:	49,270,446	80,652,894	4,355,665	7,300,117	2,656,166	9,128,064	14,454,638	751,969	111,329	2,640,752
Liabilities:										
Accounts payable	80,071	900,002	2,480,563	16,187	4,806	1,073,001	797,732	4,398	421	726,784
Unearned revenue	10,500	0	0	0	0	2,989	0	13	153	0
SELF assessment liability	0	13,632,062	0	0	0	0	0	0	0	0
Reported claims	8,105,014	36,703,615	0	0	143,450	2,045,034	3,725,705	0	0	0
Claims incurred but not reported	9,938,159	17,863,429	0	0	1,912,662	817,895	4,493,819	0	0	0
Total liabilities:	18,133,744	69,099,108	2,480,563	16,187	2,060,918	3,938,919	9,017,256	4,411	574	726,784
Fund balance	31,136,702	11,553,786	1,875,102	7,283,930	595,249	5,189,145	5,437,382	747,557	110,755	1,913,968
Total liabilities and fund balance	49,270,446	80,652,894	4,355,665	7,300,117	2,656,166	9,128,064	14,454,638	751,969	111,329	2,640,752
Est Funding at 6/30/13 (Cash+Inv+A/R+PP) - (A/P+U/E Rev+SELF)	49,177,835	66,116,017	1,873,666	7,282,132	2,650,942	8,051,447	13,656,300	747,064	110,755	1,913,968
Est Surplus (Deficit) at 6/30/14	-13,176,618	11,784,316	1,470,252	-2,338,516	319,355	-825,897	393,591	765,896	81,458	539,224
Est Funding at 6/30/14	36,001,216	77,900,333	3,343,919	4,943,616	2,970,298	7,225,550	14,049,892	1,512,960	192,213	2,453,192

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	CSURMA													
2	Fund Balance at June 30, 2013 (unaudited)													
3		Campus	Campus	Campus	Campus	Campus	AORMA	AORMA	AORMA	AORMA	AORMA	CAMPUS	AORMA	
4		Liability	WC	IDL/NDL/UI	Property	AIME	Liability	WC	Property	Crime	UIP	TOTAL	TOTAL	TOTAL
5		Actuary	Actuary			Actuary	Actuary	Actuary						
6	Net Fund Balance at 6/30/13	49,177,835	66,116,017	1,873,666	7,282,132	2,650,942	8,051,447	13,656,300	747,064	110,755	1,913,968	125,159,382	25,433,806	150,593,188
7														
8	Estimated Outstanding Liabilities at 6/30/13 (20132 Actuarial Reports)													
9	Expected	16,163,643	50,760,042	871,757	500,000	1,912,662	2,878,554	7,646,069	200,000	100,000	1,000,000	85,546,373	11,502,905	97,049,278
10	Loss & ULAE @ Expected	17,375,916	54,567,045	937,139	537,500	2,056,112	3,094,446	8,219,524	215,000	107,500	1,075,000	75,473,712	12,711,470	88,185,181
11	Reserve Funds @ Expected	31,801,919	11,548,972	936,528	6,744,632	594,831	4,957,001	5,436,776	532,064	3,255	838,968	51,626,880	11,768,065	63,394,945
12	Campus (70%); AORMA (70%)	18,103,280	54,820,845	1,002,520	575,000	2,103,928	3,223,980	8,563,597	230,000	115,000	1,150,000	93,960,922	14,123,248	108,084,170
13	Loss & ULAE @ 70%	19,461,026	58,932,408	1,077,709	618,125	2,261,723	3,465,779	9,205,867	247,250	123,625	1,236,250	82,350,991	14,278,770	96,629,762
14	Reserve Funds @ 70%	29,716,809	7,183,608	795,957	6,664,007	389,220	4,585,668	4,450,434	499,814	-12,870	677,718	44,749,601	10,200,764	54,950,365
15														
16	Discounted Outstanding Liabilities at 6/30/13 (2%)													
17	Expected	15,600,848	46,909,617	854,322	490,000	1,882,986	2,799,956	7,062,665	196,000	98,000	980,000	80,595,259	10,819,191	91,414,450
18	Loss & ULAE @ Expected	16,770,912	50,427,838	918,396	526,750	2,024,210	3,009,953	7,592,365	210,700	105,350	1,053,500	70,668,106	11,971,868	82,639,973
19	Reserve Funds @ Expected	32,406,923	15,688,179	955,271	6,755,382	626,732	5,041,494	6,063,936	536,364	5,405	860,468	56,432,486	12,507,667	68,940,153
20	Campus (70%); AORMA (70%)	17,472,950	50,662,386	982,470	563,500	2,071,285	3,135,951	7,910,185	225,400	112,700	1,127,000	88,557,428	13,274,642	101,832,070
21	Loss & ULAE @ 70%	18,783,421	54,462,065	1,056,155	605,763	2,226,631	3,371,147	8,503,449	242,305	121,153	1,211,525	77,134,035	13,449,579	90,583,614
22	Reserve Funds @ 70%	30,394,414	11,653,952	817,511	6,676,369	424,311	4,680,300	5,152,852	504,759	-10,398	702,443	49,966,557	11,029,956	60,996,512

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	CSURMA													
2	Projected Fund Balance at June 30, 2014 (unaudited)													
3		Campus	Campus	Campus	Campus	Campus	AORMA	AORMA	AORMA	AORMA	AORMA	CAMPUS	AORMA	
4		Liability	WC	IDL/NDL/UI	Property	AIME	Liability	WC	Property	Crime	UIP	TOTAL	TOTAL	TOTAL
5		Actuary	Actuary			Actuary	Actuary	Actuary						
6	Net Fund Balance at 6/30/14	36,001,216	77,900,333	3,343,919	4,943,616	2,970,298	7,225,550	14,049,892	1,512,960	192,213	2,453,192	125,159,382	25,433,806	150,593,188
7														
8	Estimated Outstanding Liabilities at 6/30/14 (2013 Actuarial Reports)													
9	Expected	23,516,870	60,541,491	2,604,307	500,000	1,894,717	2,877,764	7,967,762	200,000	100,000	1,000,000	89,057,385	12,145,526	101,202,911
10	Loss & ULAE @ Expected	25,280,635	65,082,103	2,799,630	537,500	2,036,821	3,093,596	8,565,344	215,000	107,500	1,075,000	95,736,689	13,056,440	108,793,130
11	Reserve Funds @ Expected	10,720,581	12,818,230	544,289	4,406,116	933,477	4,131,953	5,484,548	1,297,960	84,713	1,378,192	29,422,693	12,377,366	41,800,058
12	Campus (70%); AORMA (70%)	26,338,894	65,384,810	2,994,953	575,000	1,981,443	3,223,096	8,923,893	230,000	115,000	1,150,000	97,275,100	13,641,989	110,917,089
13	Loss & ULAE @ 70%	28,314,311	70,288,671	3,219,575	618,125	2,130,051	3,464,828	9,593,185	247,250	123,625	1,236,250	104,570,733	14,665,138	119,235,871
14	Reserve Funds @ 70%	7,686,905	7,611,662	124,344	4,325,491	840,247	3,760,721	4,456,707	1,265,710	68,588	1,216,942	20,588,649	10,768,668	31,357,317
15														
16	Discounted Outstanding Liabilities at 6/30/13 (2%)													
17	Expected	22,684,920	56,044,678	2,552,221	490,000	1,865,402	2,800,817	7,356,424	196,000	98,000	980,000	83,637,221	11,431,241	95,068,462
18	Loss & ULAE @ Expected	24,386,289	60,248,029	2,743,638	526,750	2,005,307	3,010,878	7,908,156	210,700	105,350	1,053,500	89,910,013	12,288,584	102,198,597
19	Reserve Funds @ Expected	11,614,927	17,652,304	600,281	4,416,866	964,991	4,214,671	6,141,736	1,302,260	86,863	1,399,692	35,249,369	13,145,222	48,394,591
20	Campus (70%); AORMA (70%)	25,407,111	60,528,252	2,935,054	563,500	1,952,622	3,136,915	8,239,195	225,400	112,700	1,127,000	91,386,539	12,841,210	104,227,749
21	Loss & ULAE @ 70%	27,312,644	65,067,871	3,155,183	605,763	2,099,069	3,372,184	8,857,135	242,305	121,153	1,211,525	98,240,529	13,804,301	112,044,830
22	Reserve Funds @ 70%	8,688,572	12,832,462	188,736	4,337,853	871,229	3,853,366	5,192,757	1,270,655	71,060	1,241,667	26,918,852	11,629,505	38,548,358
23														
24				IDL/NDL/UI										
25			Avg- 5 Years	11,355,223	FY 09/10-FY 13/14									
26			Projected	13,959,530	FY 13/14									
27			Est O/S	2,604,307	FY 13/14									
28				UI	IDL/NDI	Total								
29			FY 07-08	5,702,010	3,098,557	8,800,567								
30			FY 08-09	7,957,340	3,149,608	11,106,948								
31			FY 09-10	14,164,977	416,588	14,581,565								
32			FY 10-11	12,144,047	3,729,667	15,873,714								
33			FY 11-12	10,625,425	3,712,345	14,337,770								
34			FY 12/13	9,406,429	3,931,297	13,337,726								
35		RS Est Pmts	FY 13/14	10,435,235	3,524,295	13,959,530								

CSURMA

Estimated Fund Balance at June 30, 2014 (unaudited)

Estimated Outstanding Liabilities (undiscounted)

CAMPUS	Liability 6/30/13	Liability 6/30/14	Work Comp 6/30/13	Work Comp 6/30/14
S Claims & ULAE @70% confidence	\$19,461,026	\$28,314,311	\$58,932,408	\$70,288,671
Reserve Funds	\$29,716,809	\$7,686,905	\$7,183,608	\$7,611,662

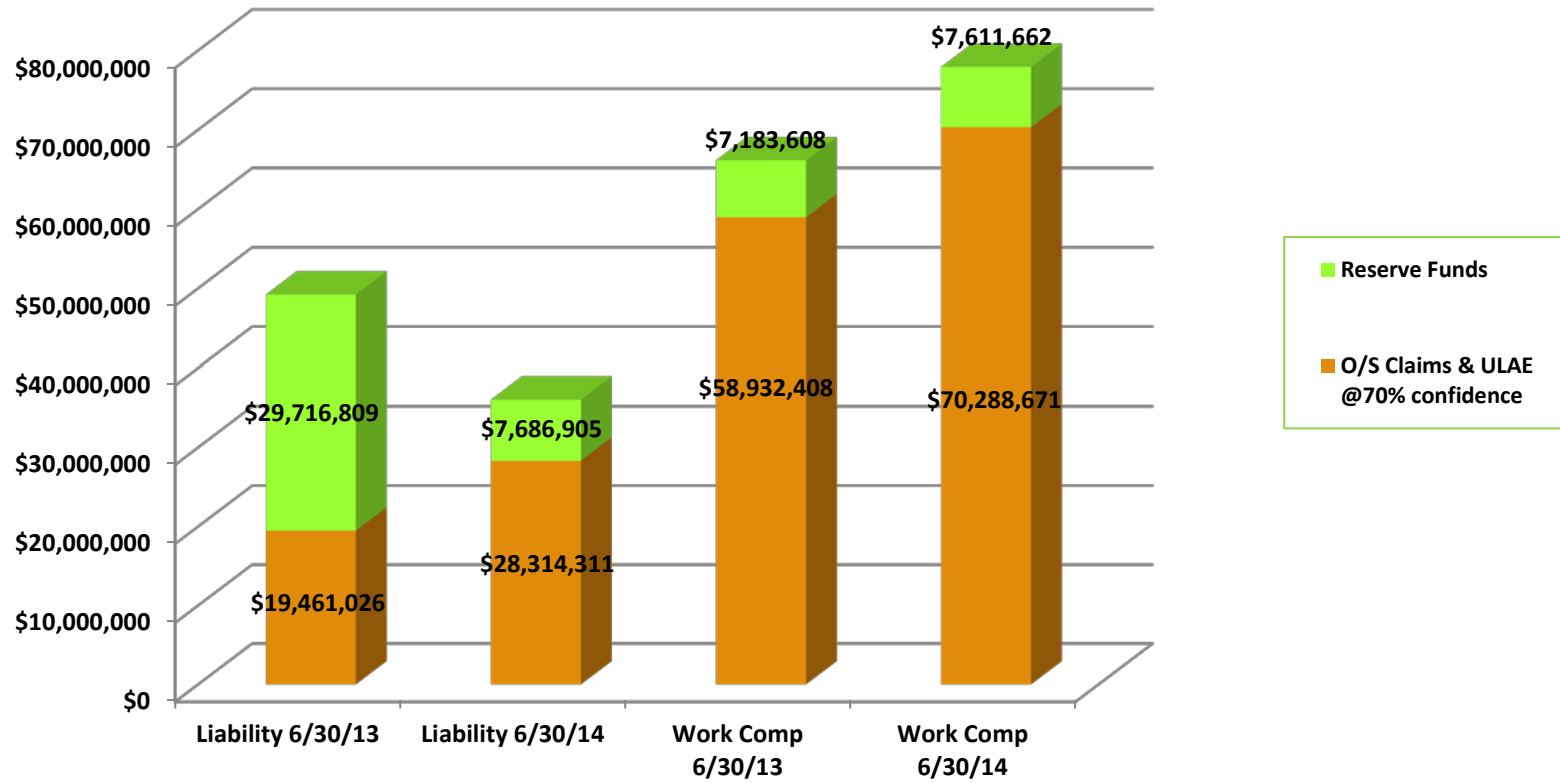
CAMPUS	IDL/NDL/UI 6/30/13	IDL/NDL/UI 6/30/14	AIME 6/30/13	AIME 6/30/14
S Claims & ULAE @70% confidence	\$1,077,709	\$3,219,575	\$2,261,723	\$2,130,051
Reserve Funds	\$795,957	\$124,344	\$389,220	\$840,247

AORMA	Liability 6/30/13	Liability 6/30/14	Work Comp 6/30/13	Work Comp 6/30/14
S Claims & ULAE @70% confidence	\$3,465,779	\$3,464,828	\$9,205,867	\$9,593,185
Reserve Funds	\$4,585,668	\$3,760,721	\$4,450,434	\$4,456,707

TOTAL	CAMPUS 6/30/13	CAMPUS 6/30/14	AORMA 6/30/13	AORMA 6/30/14
S Claims & ULAE @70% confidence	\$81,732,866	\$103,952,608	\$12,671,645	\$13,058,013
Reserve Funds	\$38,085,594	\$16,263,158	\$9,036,102	\$8,217,428

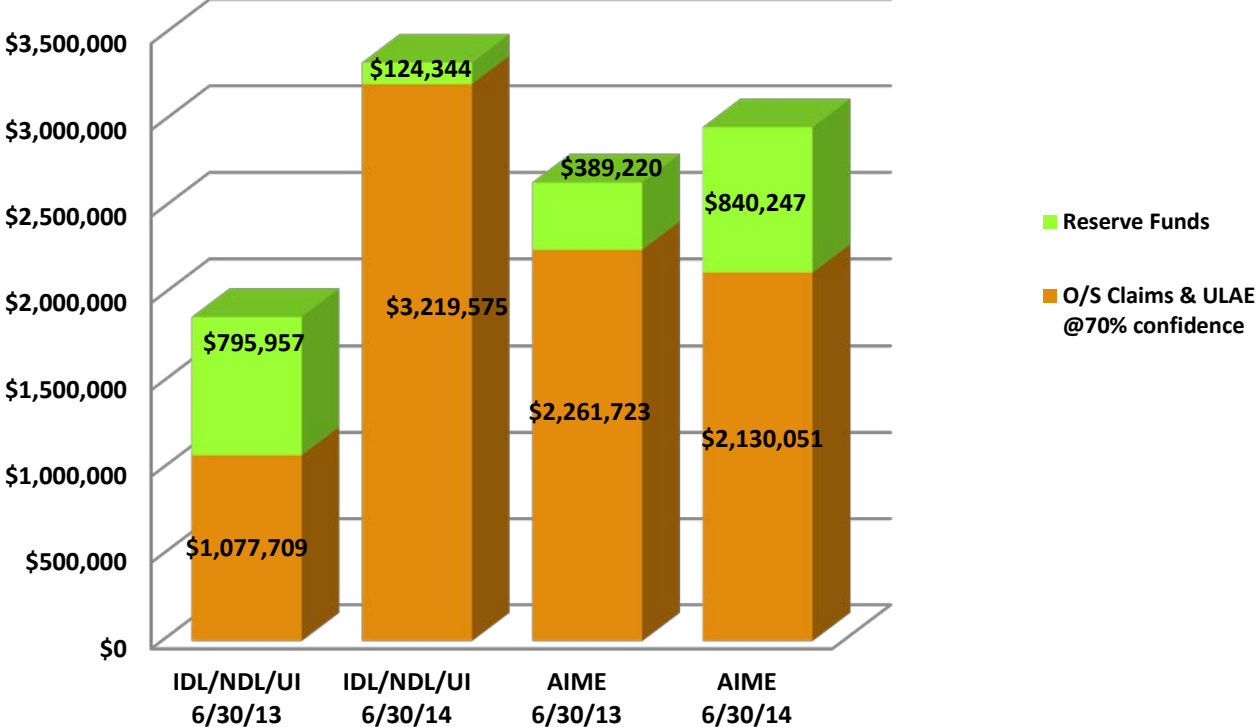
Campus Programs - Pools

Estimated Funding Projected to FYE 2014 (undiscounted)



Campus Programs - Other

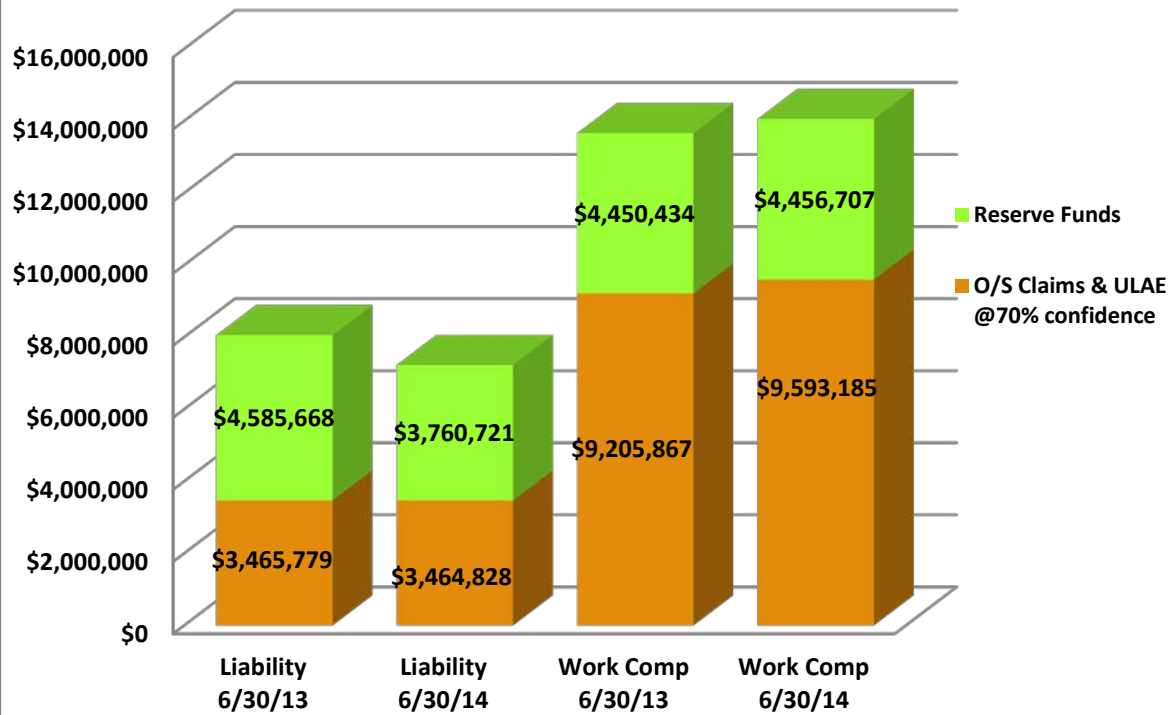
Estimated Funding Projected to FYE 2014 (undiscounted)



\$ 14,300,000

AORMA Programs

Estimated Funding Projected to FYE 2014 (undiscounted)



REVIEW OF DATA SECURITY AND APPLICABLE ICSUAM POLICIES

ISSUE: The Executive Committee is asked to review the Authority's data security policy and to review and adopt applicable sections of the Integrated CSU Administrative Manual (ICSUAM) of on an annual basis to ensure administrative tasks of the Authority remain relevant and effective for its operations. The plan is to review the respective policies at the Executive Committee's Long Range Planning sessions.

RECOMMENDATION: It is recommended that the Executive Committee review the iVos Data Security Policy, Further, in accordance with Resolution 06-13 (EC), the Executive Committee is asked to review the ICSUAM policy adopting applicable sections as it deems appropriate.

FISCAL IMPACT: None.

BACKGROUND: The recent University Auditor's report recommended that CSURMA determine which CSU policies and procedures should apply to operation of CSURMA. Management concurred and directed staff to evaluate what sections of the Integrated CSU Administrative Manual would be beneficial to operation of CSURMA.

ATTACHMENT(S):

- A) iVos User Policy
- B) Resolution No. 06-13 (EC)
- C) ICSUAM Compliance List - 2013

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)

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE
RESOLUTION NO. 06-13 (EC)**

Resolution Adopting Administrative Policies and Procedures

The Executive Committee of the California State University Risk Management Authority (“CSURMA”) finds and determines as follows:

1. CSURMA has engaged the Chancellor’s Office of the California State University to perform Accounting, General Counsel and Risk Management services.
2. The California State University has developed an Integrated CSU Administrative Manual that includes policies and procedures that will be beneficial to the operation of CSURMA for services provided by the Chancellor’s Office.

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:

1. Except as more specifically addressed in a duly adopted CSURMA Policy and Procedure, the California State University Risk Management Authority does hereby adopt the policies and procedures in Section 3000 *General Accounting*, Section 8000 *Information Security* and Policy 1301.00 *Hospitality, Payment or Reimbursement of Expenses* of the Integrated CSU Administrative Manual as the operating policies and procedures of the CSURMA for services provided by the CSU Chancellor’s Office.
2. CSURMA staff shall at least annually review with the Executive Committee the applicable Integrated CSU Administrative Manual sections and any updates thereto.

* * * * *

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 September 13, 2013 which was approved by the following votes:

AYES, and in favor thereof, members:

NOES, members: None.

ABSTAIN, members:

ABSENT, members:

ATTEST: Cynthia Teniente-Matson

Cynthia Teniente-Matson, Chair

MARodriguez

_____, Secretary-Auditor

22 Mary Ann Rodriguez



Integrated CSU Administrative Manual

Section & Policy	Should CSURMA Adopt? (yes/no)	Comments
CSURMA - ICSUAM		
http://www.calstate.edu/icsuam/sections/index.shtml		
<u>3101.01 – Central Management of Cash and Investment</u>	Yes	CSURMA is participating in CSU consolidated investment pool.
<u>3101.02 – Campus Administration of Systemwide Cash Management Policy</u>	Yes	CO General Accounting handles the function on behalf of CSURMA.
<u>3102.01 – Employee Hiring and Continuous Employment Requirements for Cash Handling Personnel</u>	Yes	CO General Accounting handles the function on behalf of CSURMA.
<u>3102.02 - Segregation of Cash Handling Duties</u>	Yes	CO General Accounting handles the function on behalf of CSURMA.
<u>3102.03 – Acceptance of Cash and Cash Equivalents</u>	Yes	CO General Accounting handles the function on behalf of CSURMA.
<u>3102.04 – Physical Protection of Cash and Cash Equivalents</u>	Yes	CO General Accounting handles the function on behalf of CSURMA.
<u>3102.05 – Debit/Credit Card Payment Policy</u>	Yes	CSURMA Accounting currently doesn't handle debit/credit cards, but may in the future.
<u>3102.06 – Returned Items</u>	Yes	CO General Accounting handles the function on behalf of CSURMA.
<u>3102.08 – Recording Deposits to the General Ledger</u>	Yes	CSURMA Accounting records deposits to Blackbaud General Ledger.
<u>3102.09 – Bank Reconciliations</u>	Yes	CSURMA Accounting performs monthly Bank Reconciliation.
<u>3102.10 – Change Funds</u>	Yes	CSURMA Accounting currently doesn't change funds, but may in the future.
<u>3102.11 – Deposits and Transfers to the Bank</u>	Yes	CO General Accounting handles the function on behalf of CSURMA.
<u>3103.01 – Disbursements - General</u>	Yes	CSURMA Accounting issues paper and electronic disbursements after received approval by ORM
<u>3103.02 – Outgoing Payments – Electronic and Paper</u>	Yes	CSURMA Accounting issues paper and electronic disbursements after received approval by ORM
<u>3103.03 – Procurement Cards</u>	Yes	CSURMA uses the CO's Procard program.
<u>3103.04 – Corporate Cards</u>	Yes	CSURMA uses the CO's Corporate Cards program.
<u>3103.05 – Advances, Deposits and Prepayments</u>	Yes	CSURMA Accounting records advance payments as prepaid expenses.
<u>3131.01 – Accounts Receivable Collections</u>	Yes	CSURMA Accounting handles AR recording and performs collection efforts of balances past due.
<u>3103.11 – Petty Cash</u>	Yes	CSURMA Accounting currently doesn't handle petty cash, but may in the future.
<u>3132.01 – Write Off of Uncollectible Accounts Receivable</u>	Yes	CSURMA adopted P&P No. 6
<u>3150.01 – Administration of University Property</u>	Yes	CO handles the function on behalf of CSURMA.
<u>3151.01 – Capital (Fixed) Assets Reporting to the State Controller's Office</u>	Yes	CSURMA does not set up a separate fund, but may in the future.
<u>3151.02 – Intangible Assets</u>	Yes	CSURMA does not carry intangible assets, but may in the future.
<u>3151.03 – Recording Gifts of Property</u>	Yes	CSURMA does not receive gifts of property.
<u>3151.04 – Equipment</u>	Yes	CSURMA adopted P&P No. 16
<u>3250.01 – Disposition of Lost, Unclaimed and Abandoned Property</u>	Yes	CSURMA has no disposition of lost, unclaimed and abandoned property.
<u>3552.01 – Cost Allocation / Reimbursement Plans for the CSU Operating Fund</u>	Yes	CSURMA's cost allocation/recovery does not use CSU Operating Fund, but Cost Recovery Fund instead.
<u>3601.01 – Travel Policy</u>	Yes	CSURMA adopted CSU Travel Policy at the May BOD meeting.
<u>3701.01 – Digital Signatures (renamed 8100.0 Electronic and Digital Signatures)</u>	Yes	CSURMA does not use digital signatures, but may in the future.
<u>3801.01 – Tax Administration</u>	Yes	CSURMA tax compliance follows direction under SW Tax Administration.
<u>8000.0 - Introduction and Scope</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8005.0 - Policy Management</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8010.0 - Establishing an Information Security Program</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8015.0 - Organizing Information Security</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8020.0 - Information Security Risk Management</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8025.0 - Privacy of Personal Information</u>	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases and certification on the confidential form is in place.
<u>8030.0 - Personnel Information Security</u>	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases and certification on the confidential form is in place.
<u>8035.0 - Information Security Awareness and Training</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8040.0 - Managing Third Parties</u>	Yes	CSURMA's third parties do not have access to Blackbaud.
<u>8045.0 - Information Technology Security</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8050.0 - Configuration Management</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8055.0 - Change Control</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8060.0 - Access Control</u>	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases and certification on the confidential form is in place.

Section & Policy	Should CSURMA Adopt? (yes/no)	Comments
<u>8065.0 - Information Asset Management</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8070.0 - Information Systems Acquisition, Development and Maintenance</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8075.0 - Information Security Incident Management</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8080.0 - Physical Security</u>	Yes	CO Public Safety handles the function on behalf of CSURMA.
<u>8085.0 - Business Continuity and Disaster Recovery</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8090.0 - Compliance</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8095.0 - Policy Enforcement</u>	Yes	CO IT handles the function on behalf of CSURMA.
<u>8100.0 - Electronic and Digital Signatures</u>	Yes	CSURMA does not use digital signatures, but may in the future.
<u>1301.00 – Hospitality, Payment or Reimbursement of Expenses</u>	Yes	CSURMA may have hospitality expenses in the future.

**WORKERS' COMPENSATION CLAIMS ADMINISTRATOR SERVICE
PERFORMANCE AUDIT PRESENTATION**

ISSUE: CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers' Compensation Risk Pool claims. Pursuant to CSURMA P&P No. 5, a regular performance audit is performed to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements outlined in the Service Agreement between CSURMA and Sedgwick CMS. A service performance audit for 2013 was completed by Jacki Graf, CSURMA's Senior WC Claims Consultant in August and September 2013. The draft report and Sedgwick CMS' response are attached for the Executive Committee's review and discussion. Jacki Graf will present the report and her findings at today's meeting.

RECOMMENDATION: No specific action requested; however, the Executive Committee may take action or provide direction as appropriate.

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

BACKGROUND: CSU is permissibly uninsured for Workers' Compensation. An agreement between CSURMA and Sedgwick CMS for Workers' Compensation claims administration was entered on July 1, 2003 following an RFP. It has been renewed following an RFP process in 2012. The agreement contains performance standards required by CSURMA and associated compliance measurement for each party. This report represents the fifth biennial audit conducted of Sedgwick CMS since the inception of the agreement.

PUBLICATION: The Audit is presented to the Executive Committee, and reviewed with the Chancellor's Office and claims administrator for action.

ATTACHMENT(S): CSU Workers' Compensation Claims TPA Audit - 2013 Report
Sedgwick CMS Response to the 2013 Claims TPA Audit

WORKERS' COMPENSATION CLAIMS CLOSURE INITIATIVE

ISSUE: The CSURMA Campus Workers' Compensation Risk Pool has 1,561 open indemnity and future medical claims files as of January 31, 2014. Many of these files are from years ago and have been difficult to close out. Claims files become more costly with age and result in higher actuarial loss estimates due to trending.

CSURMA engaged Sedgwick for an internal claims closure effort during FY 12/13. Staff is proposing a new project that involves engaging workers' compensation claims counsel in a focused claims closure project on targeted claims. The proposal includes engaging Ingber and Weinberg, LLP to implement their "Operation Doubleplay" program on claims files identified as good targets for closure. The cost of the project would be charged to the claim files as a normal claims expense.

RECOMMENDATION: It is requested that the Executive Committee approve implementation of the proposed claims closure project with quarterly reporting on progress.

FISCAL IMPACT: Staff recommends that the project be authorized on a pilot basis focused on Southern California files with a cost not to exceed \$50,000.00 prior to further review by the Executive Committee.

BACKGROUND: Please refer to the attached program description. The basic premise involves pulling together a claims closure team involving the campus, Sedgwick and special counsel to move to closure files that are not seeing progress.

PUBLICATION: No specific publication of this initiative is contemplated.

ATTACHMENT(S): Operation Doubleplay conceptual proposal

Workers'
Compensation

Litigation

Insurance Coverage

Advice

Consulting

Education

Main Office:
20335 Ventura Blvd.
Suite 418
Woodland Hills, CA 91364
Telephone: 818-539-7500
Fax: 818-671-1879

Orange County Office:
333 City Blvd West
17th Floor
Orange, CA 92868
Telephone: 714-937-2019
Fax: 714-938-3255

Ventura County Office:
300 e. Esplanade Drive
9th Floor
Oxnard, CA 93036
Telephone: 805-981-3900
Fax: 805-988-0750



Of Counsel:

Landegger Baron
Law Group



A Limited Liability Law Partnership
icomplaw.com

THE WORST CASE SCENARIO *Handling the Toughest Cases Ever*

OPERATION DOUBLEPLAY

The often repeated adage that bad cases only get worse, if otherwise left open, is illustrated by the observation that often, claims and legal folks are simply stymied over how best to advance a vexing claim to its ultimate closure. It also appears that often, the really “bad claims” originated with simple, admitted injuries, but with the passage of time, and with abundant failed treatment and even after surgery, these once controllable and outcome-predictable claims eventually migrated into lengthy and chronic medical “nightmares,” which effectively transformed a simple injury into a “worst case scenario.”

The concept of Doubleplay is borne from the thought that help should be provided and delivered within the framework of a collaborative, non-confrontational manner and within an environment which harnesses the best energy and skills from multiple discipline participants. The environment should also nurture learning and promote education and knowledge transfer. It isn't about “one claim at a time” but rather about having a program which provides not only claims oversight governance, but permits claims management to integrate the best resources from their “team,” including the claims examiners, supervisors, managers, nurses, return to work experts, medical management, UR, Medicare Professionals and yes even the attorneys.

One personal observation is that sometimes both claims examiners and attorneys are “stuck” on a particularly “bad” file, so rather than apply high energy and creative thinking, they sometimes just retreat from the claim and therefore allow the problems to simply evolve their way to a critical state. While it is often difficult to “un-spill the milk,” there are still many creative ways to attack these “worst case scenario” claims, and to get the best outcomes, circumstances considered.

Doubleplay is simply a program in which a group of passionate claim and legal professionals assemble as a committed leadership group, in order

to review difficult or problem claims, with the intention of fostering “action plans” and “ideas” which come from integrated thinking and collaborative dialogue. In turn, the Doubleplay group should be charged with the additional assignment of making sure that “knowledge nuggets” which often come from on-the-spot inspiration, can be captured and then exported across the organization so that everyone may benefit from these products.

The guiding underlying philosophy is the promotion of the considerable inherent value of providing collaboratively based claim specific help within a non-confrontational and supportive climate, in order to offer effective assistance on cases, which require a greater level of management oversight.

DOUBLEPLAY IN A NUT SHELL:

➤ **THE DOUBLEPLAY GROUP:** The Doubleplay group should consist of the Claims Examiner, Supervisor and/or Claims Manager, as well as the handling attorney. When appropriate, others should attend, including a Case Manager Nurse, MSA Expert, Structured Specialist and Investigator. It is important that the group meet on a regular and routine basis, so there is structure to the program. Also, there should be a standard by which claims are reviewed. Past experience has produced the idea that there should be a *menu of services which can be provided by the Doubleplay Group: This can span the gamut from “high exposure” cases, to cases where there have been multiple reserve increases of dollar sums thresholds within a certain time, claims where there has been chronic opioid treatment post surgery, old claims with no “action plan on the horizon,” and new claims, for which someone is seeking guidance, help or support.*

➤ **PRESENTATION FORMAT:** Agreed upon format for presentation: It is recommended that a short form or claim summary be provided to the group, at the time of presentation. This should contain enough to provide information but should not form a “barrier” by containing too much detail, so that the form effectively serves to discourage the seeking of help. The form should be “use friendly.” It is also recommended that the form set forth the type of help or assistance being sought.

➤ **PRESENTATION:** Presentation by Claims Examiner: Facts and issues are presented along with the essential call for help and assistance. It is suggested that the presentation generally follow the form, so that the group can follow along easily. The presentation should take place within an environment, where the presenter is assured that the purpose of the program is to get help rather than feel they are under “fire.”

➤ **GROUP DISCUSSION:** Following the presentation, the group discussion begins. This should be a healthy “give and take,” where questions are asked and thoughts are given freely and without fear of criticism. The discussion centers on the important issues, featuring “*out of the box thinking*” and “creative” solutions to move the matter forward and towards closure. It is generally thought that a single session should not extend more than 3 hours, nor

should the review cover more than 8-10 cases. Also, the discussion should take place within the context of how to export and therefore leverage the Doubleplay “knowledge nuggets” across the organization.

➤ **AGREED UPON ACTION PLAN:** Agreed Upon Doubleplay Action Items: This should be confirmed and placed into the Notes or other claims management system. The plan should include the strategy and the action items to support that strategy, who is responsible and the time frames applicable. A *Doubleplay staffing summary* is recommended on a file-by-file basis, in order to achieve and maintain claims handling continuity.

➤ **FOLLOW-UP:** The second element of Doubleplay is the follow up on the action items and if appropriate a second Doubleplay visit by the group. Everyone therefore knows that the group is continuing to monitor the progress of the claim and may call the file back for review.

➤ **DOUBLEPLAY TRACKING, DATA AND RETROSPECTIVE REVIEW:** The program should be reviewed periodically and data should be maintained in order to determine whether the D/P format is having success. Every organization will have its own goals and success “markers,” but one suggestion is to track closure of the case and another is to track the actual implantation of the agreed-upon action plans.

HANDLING OPEN MEDICAL CARE CLAIMS

MEDICAL TREATMENT

- Medical costs remain high as a relative percentage of total claim costs. It is estimated that medical costs were about 59% of total benefits for AY 2007 contrasted with 46% in AY 1987.¹
- In 9/2011, CWCI published its most recent study, reflecting upon loss data through dates of injury of September, 2010. The study showed some indication that medical inflation was slowing in the years post SB 899 reform, but that paid medical costs per claim are “*now significantly higher than they were before the implementation of the 2003-2004 reforms.*”²
- Ultimate projected workers’ compensation medical costs per claim increased 55% from 2002 to 2008.³

¹ NCCI Research Brief “Analyzing the Shift in Share of Total Benefits”

² CWCI Research Update; “Medical Development Trends in California Workers’ Compensation Accident Year 2—2-

- Medical inflation in workers' compensation remains higher than in group health and CPI (Interesting, Utilization Review costs are a significant portion of medical management costs –at 34.2% according to CWCI).
- Medical Treatment Utilization Schedule (MTUS) could be significantly impacted by the Chronic Pain Guidelines. Spanning some 133 pages, these guidelines could open up new opportunities for physicians to treat well beyond the boundaries of ACOEM. *These guidelines could significantly impact the treatment methods of many of the physicians who currently follow or consult with ACOEM.*

STIPULATED AWARDS FOR FUTURE MEDICAL CARE

- There are three overall types of awards for future medical care: (a) **A general award**--which is applicant "will need" future medical care and nothing further; (b) **A precautionary award** –applicant "may need" future medical treatment; and (c) **A specific award**—where the actual treatment is set forth various detail. All awards on future medical care must be based upon substantial medical evidence.
 - Future medical care awards therefore need not be opened ended.
 - Stipulated Findings and Award Form 10214(a); What effect does this have on future medical care awards? *Note this form changes the "may" option under revision which effectively eliminates the "may need" so the choice is "there is" there is not" a need for future medical care (see page 6, Item No. 4).*
 - Specific treatment limitations (e.g. type, duration and frequency may be specified within the future medical award).
 - Specific types of treatment may be set forth within the award. (E.g. chiropractic care consisting of 2 adjustments per month for 4 years). In the appropriate case, the WCAB is empowered to specifically prescribe the medical care and treatment which must be furnished in addition to making a general award.⁴
 - The award may set forth conditions precedent.
 - The award can be based upon the specific AME or QME findings.

³Q 2010 Claims," by John Ireland and Alex Swedlow.

⁴ CWCI, Alex Swedlow; Research findings 3/09

- Be very careful as to the body parts agreed to and those which are disputed. EVERY BODY PART SHOULD BE SPECIFICALLY DEALT WITH. Here is an example: In an unpublished decision, (not citable authority but for illustration purposes only), **Target Stores v. WCAB** [2008] F053581), the parties stipulated to future medical care to the “right elbow and arm.” The parties also had a paragraph that incorporated the AME report of Dr. Chittenden, which included an actual PD rating, which contained an 18.1 disability number (including the entire spine) and 7.3 for the upper extremity. The stipulation was otherwise silent as to the “neck.” After the period within which to petition to re-open passed, the defendant refused to provide the requested treatment for the neck, claiming it was not included within the stipulated award to the “right elbow and arm.” Applicant argued that the stipulated award had incorporated disability number 18.1 which *included the neck*” as part of the spine. The WCAB eventually found that the neck was included in the prior medical record and that Target had previously approved treatment for the neck. So, applicant’s petition to re-open, though untimely, was regarded by the WCAB as a Petition to Enforce a Medical Award. Ultimately, Target was deemed responsible for providing future medical care to the neck. Here, the litigation could have been avoided had the stipulations been drafted more clearly and consistently with the disability numbers set forth.

- In every stipulated award, obtain a “no injury” finding on any disputed body part or at least set forth that that body part is in dispute, remains in dispute and the defendant does not stipulate to that body part.

- Every award is subject to a Petition to Terminate Award by the defendant, under Lab C 4607, subject to exposure for hourly attorney fees if not successful.

- Every award is subject to a Petition for Enforcement.

- Every award could contain a potential penalty exposure under Lab C 5814.

- The WCAB retains continuing jurisdiction over all awards (Lab C 5803).

- But no award shall be altered, rescinded or amended after 5 years from the date of injury (Lab C 5804).

- Medical Treatment Utilization Guidelines, ushered in by the SB 899 reforms apply *regardless* of the date of injury⁵ (Lab C 4600((b) and 5307.27; 8 CCR 9792.21). These include the rebuttable presumption of correctness accorded to the Medical Treatment Utilization Schedule (“MTUS”) incorporating the ACOEM Guidelines (8 CCR 9792.22) and subsequently the Chronic Pain Guidelines adopted in July, 2009.

⁵ Kauffman v. WCAB (1969)273 Cal. App. 3d 829,838

- Remember, the **Tenet** decision applies to open awards for future medical care. (There can be only one primary treating physician at a time)
- Open awards for future medical care are therefore subject to further litigation activity
- Defendant may satisfy their treatment obligations by placing applicant into the MPN even on an award for future medical care (Babbitt. v. WCAB (2007))

UTILIZATION REVIEW, MEDICAL TREATMENT UTILIZATION SCHEDULE “MTUS” AND THE IMPACT OF SMITH/AMAR ON FUTURE MEDICAL CARE AWARDS

- A party may start proceedings to terminate a medical award but if unsuccessful, there is exposure for hourly attorney fees under Lab C 4607. ***“Where a party to a proceeding institutes proceedings to terminate an award made by the appeals board to an applicant for continuing medical treatment and is unsuccessful in such proceedings, the appeals board may determine the amount of attorney’s fees reasonably incurred by the applicant in resisting the proceedings to terminate the medical treatment, and may assess such reasonable attorney’s fees as a cost upon the party instituting the proceedings to terminate the award of the appeals board.”***

- The Smith and Amar cases put a potential “chilling effect” upon those defendants who were attempting to apply utilization review to open medical care awards, without denying care itself but applying standards of utilization review as permitted under the SB 899 reforms. This resulted in the Smith and Amar cases, where the applicant attorneys were seeking hourly attorney fees for cases where the defendant was applying utilization review, but without denying the existence of the medical award or taking steps to terminate that award.

- **SMITH/AMAR** (Supreme Court Case No.: S150528)

- ***On 5/11/09, the California Supreme Court ruled that attorney fees are not available under Lab C 4607, if a defendant is merely contesting the particular need for a specific type of treatment as opposed to the more narrow action of petitioning to actually terminate the entire underlying future medical care award.***

- Utilization Review and Future Medical Care –Smith/Amar will permit and therefore encourages the use of UR for any care which is being specifically contested, even under the auspices of an award, provided that the defendant is not refusing to provide care outright, which is another issue.

- **Smith:** Smith suffered injuries to his right shoulder, neck and psyche on a cumulative basis. He was awarded PD and future medical care. Eight years later, SCIF refused

to agree to authorize epidural injections. After UR and after using an AME, who agreed Smith needed the injections, applicant's attorney, filed a claim for hourly attorney fees. He asked for \$1,485.00, contending that SCIF's informal UR was the same as if they had petitioned the WCAB to terminate the medical award.

- **Amar:** SCIF had stipulated to an award for future medical care, which included treatment for weight loss and non-industrial diabetes. Based on UR, and without petitioning to terminate the medical award, SCIF simply denied the treatment. The WCAB thereafter ordered the weight loss program reinstated.

- The 2nd District Court of Appeals had decided in a published decision, that in both cases, the applicant attorneys were entitled to attorney fees, despite the fact that in neither case, did defendant file a formal petition to terminate future medical care, under Lab C 4607. However, this decision had been decertified as the Supreme Court had granted review.

- The concern was that an ultimately adverse decision would have encouraged applicant attorneys to litigate future medical care awards, even over specific types of treatment, thereby claiming entitlement to attorney fees under Lab C 4607. (and this would have been hourly fees) By this new decision, the Supreme Court holding in these cases will eliminate those prospects but the decision still permits the imposition of delay penalties for an unreasonable delay or refusal under Lab C 5814, together with potential attorney fees under Lab C 5814.5.

- This is settled for now. Therefore, we can apply UR to open medical care awards without facing hourly attorney fees under the auspices of Lab C 460

- **INDEPENDENT MEDICAL REVIEW:** SB 863 has ushered in a new era of resolution of medical necessity issues, by creating a mandate, under which for all UR requests initiating on or after 1/1/2013, regardless of the date of injury.⁶ For all injuries on and after 1/1/2013 as well as for all UR decisions taking place after 7/1/2013, regardless of the date of injury, all disputes over UR decisions to delay, modify or deny medical treatment requests shall be determined through the IMR process and no other, UR decisions which are not reviewed by an IMRO shall otherwise be deemed final.

- Medical necessity issues are now being taken out of the hands of the QME's and AME's and placed into the realm of an IMRO, whose Reviewer's(s) decision is essentially final, except under very limited circumstances

- **The IMR process pertains only to medical necessity issues.** Therefore, if the employer or Claims AD has other grounds upon which to deny a recommendation for medical

⁶ Sierra Pacific Industries v. WCAB (2006)140 Cal. App. 4th 1498

treatment, then the IMR process is, in effect, **deferred until 30 days** after the Claims AD serves the employee with a notice showing that the other dispute over liability has been resolved. In cases where there is a combination of both a medical necessity (UR) and a non-UR basis (e.g. disputed body part) then once the AD determines that IMR is appropriate at least in part, the process is deferred unless employer agrees to IMR **[9792.10.2(d)]**

- Determinations of the AD shall be presumed to be correct and are reviewable only upon verified appeal filed by a petition with the WCAB within **30 days** of mailing of determination and copies to all parties, including the AD: **[9792.10.7]**:. Limited grounds for appeal, include: The AD acted without or in excess of powers, the final determination was procured by fraud, independent medical reviewer subject to material conflict of interest, in violation of 139.5, determination was result of bias on basis of race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color or disability or determination was based upon plainly erroneous express or implied finding of fact, provided it was a matter of ordinary knowledge based on the information submitted for review and not a matter subject to expert opinion

ASSESSMENT OF FUTURE MEDICAL CARE

Often in the past, the assessment of future medical care within the context of a compromise and release was often either an “afterthought” or a product of “anecdotal” reasoning and calculation. This was probably acceptable when things were less complicated and when cases settled with less difficulty. But now, we have moved from a medical world where everything was driven by “pain” to a world of “of evidence based medicine” where the principal drivers are objective findings and medical protocols, guided by consensus-based, quality of evidence medical research.

Now, with permanent disability no longer always the dominant issue in a claim, the estimation of potential settlement value must now take on a higher priority factor given to the accurate valuation of future medical care. In past times, we might have simply factored in a “rough estimate.”

EVALUATION OF FUTURE MEDICAL CARE

Consider:

1. The type of treatment recommended
2. Duration of care
3. Frequency of care

4. Unit Cost within Fee Schedule
5. Likelihood of the potential need by percentage
6. Projected cost using present value / fee schedule

Some considerations:

- a) Will the future medical care likely extend the scope of treatment outside of ACOEM?
- b) Would that care extend under the proposed Chronic Pain Guidelines?
- c) Are we more than 5 years from the date of injury? Can the case be re-opened?

7. POTENTIAL “RED FLAG CASES”

- A. Co-morbidities -- These are very big “red flags.” These would include, among many other things, hypertension, morbid obesity, heart disease, diabetes, etc. *These tend not only to exacerbate treatment but they also make treatment more problematic, since there may be underlying non-industrial conditions, which interfere with or must be treated prior to treating the industrial condition.*
- B. Future medical care featuring another surgical procedure?
- C. Chronic pain and medication (addiction, dependence, tolerance and detoxification, hospitalization). The chronic pain cases are usually easily found since they have months to years of ongoing Schedule II narcotics, and no indication of relief. The pain is either the same or getting worse, which may be a sign of tolerance or the presence of neuropathic pain.
- D. Occurrence of spikes in treatment plan.
- E. High incidence of treatment pattern in existing case with poor outcomes.
- F. Frequent changes in treatment patterns.
- G. The treating physician is prescribing opioids every 30 days without (1) Baseline assessment of functional capacity; (2) Absence of “goals.” (2) no

ongoing monitoring of return to function (required under the Chronic Pain Treatment Guidelines);

- H. The pain doctor has ignored the Chronic Pain Treatment Guidelines or has failed to respond to requests for specific information directed by the claims examiner.
- I. The treating physician is treating “other” body parts not included within the award for future medical care.
- J. Frequent hospitalizations occurring.

SUMMARY EVALUATION OF FUTURE MEDICAL CARE^{vi}						
Type of Treatment	Description of:	Cost Per: ^{vii}	Frequency:	Duration:	Likelihood:	Cost of:
Medical visits	Physical therapy in two modalities	54.00	24/year	For 1 yr	100%	1,296.00
Medical visits	Psychotherapy	98.00	5/day	For 1 month	100%	490.00
Diagnostic Testing	MRI with Contrast	625.00	2/year	For 1 year	100%	1,250.00
Diagnostic Testing	EMG/NCV	117.00	1/day	1 day	100%	117.00
Durable Medical Equipment	Tens Unit	378.00	1/month	For 1 yr	100%	4,536.00
Drug	Muscle Relaxant	55.00	1/month	For 12 months	100%	660.00
Drug	Anti-Inflammatory	74.00	1/month	For 18 months	100%	1,332.00
Medical Visits	Physician Consultation	132.00	4/month	For 18 months	100%	9,504.00

ADVICE AND RECOMMENDATIONS

STIPULATED AWARDS:

➤ In any stipulated award, ***it is essential to effectively deal with each and every body part featured in the medical record*** and the pleadings. After reviewing each body part, be sure to obtain specific stipulations to “**no injury**” for any disputed body part or if this is not feasible or possible, then try and frame the issue so that you don’t accept any body part which for which you will be liable for ongoing treatment; otherwise we have the problem illustrated in the Target case (above.) [Under “other stipulations” this is where you stipulate to no injury for any contested body part –DWC-CA form 10214(a) page 7].

➤ You are permitted to be both very **specific and well detailed** as to what medical care will be provided and who the PTP is. Therefore, specifying particular types of treatment, including the frequency and duration thereof, is entirely proper. Also, consider incorporating the opinion of a specific physician, even by referring to dates and page numbers with the referenced medical report or specific quotes from that report. *The more detail that you insert the more control and predictability you will have on an ongoing basis*

➤ In light of **Smith/Amar**, I would also recommend inserting a paragraph under Section 9, under the heading “other stipulations: *“The defense fully reserves the right to determine the actual reasonableness and necessity of any future request for medical treatment consistent with Utilization Review (Lab C 4610), and the Medical Treatment Utilization Schedule under Lab C 5207.27, consistent with the Supreme Court decisions in Smith and Amar.*

➤ Remember, the more detail you include WITHIN THE AWARD the less likely you will have to deal with litigated issues, including penalties, post award.

COMPROMISE AND RELEASE:

➤ It is recommended that you work up settlement exposure to include the reasonable likelihood of future medical expenses by specific type, duration, unit and overall cost.

➤ Watch for the potential “red flag cases” including co-morbidities and chronic pain cases.

➤ It is recommended that you consider including the sums estimated for future medical care in an addendum to the compromise and release. This is important in terms of protecting Medicare interests and can therefore help to successfully shape any potential MSA, especially in cases where there are disputed body parts, so that monies allocated for future medical care should be calibrated to the admitted body parts and distinguished from those which are in dispute.

SAMPLE PROGRAM FOR HANDLING FUTURE MEDICAL CARE CASES

- ❖ Developing a strategy for the identification of open medical care awards which present prime settlement targets.
- ❖ Prime settlement targets identified first by criteria and then with specific data runs in order to produce a good working inventory of opportunity cases ripe for settlement.
- ❖ Using a team triage approach--deployment of a special settlement team dedicated to reducing this inventory and therefore closing those open medical awards, which could have the greatest impact upon the defendant.
- ❖ The triage team will deploy settlement efforts directed both to *unrepresented* and represented applicants, with special attention and care given to unrepresented workers.
- ❖ In those cases where applicant attorneys are non-responsive, applicant depositions may be initiated in order to create active settlement momentum, using the deposition sessions as informal settlement conferences.

INVENTORY AND DATA:

- Open awards by date of injury
- Open awards by region and venue, with initial emphasis upon venues within Los Angeles and Orange Counties⁷
- Open awards which cannot be re-opened for new and further
- Open awards by applicant age
- Open awards where unrepresented claimant no longer works for employer
- Open awards where represented applicant no longer works for employer
- Cases which have been re-opened for new and further disability
- Segmentation by data:
 - Cases in top 20 percentile for active treatment within 18 months
 - Cases with open awards for which there has been no treatment within 18 months

⁷ Per fee schedule

- Segmentation by cost: top 10% percentile
- Segmentation by cost: middle percentile
- Segmentation by cost: lowest 20% percentile
- Cases where there has been UR within 12 months
- Cases where there have been Lab C 5814 delay penalties within past 24 month

TEAM TRIAGE:

- Triage team to be assembled.
- Could include a lawyer and at least one or more examiners as the inventory warrants.
- Team will use data to identify **prime settlement targets**⁷ (“**PST**”). These targets will be “graded” or “weighted” by the Team. The priority will be to quickly find those files which can be closed the soonest and therefore resulting in maximum impact potential.
- Team will use a **Master Spreadsheet** which will contain not only the entire inventory but specifically those cases which are ranked or weighted as **prime settlement targets (“PST”)**.
- Team to implement a settlement strategy designed around identifying PST’s and then making aggressive efforts to initiate and conduct settlement discussions. Team to develop strategic **Plan of Action** for settlement of claims in which the unrepresented claimant or applicant’s counsel has failed to respond to settlement inquires.
- Team will initiate integrated and progressive settlement steps, each designed to facilitate settlement discussion and settlement of the claim.
- For unrepresented applicants, an interpreter should be available in order to facilitate good communications.
- Team to chart on a Master Spreadsheet, progress of **PST** claims until final resolution.
- Team to provide monthly reports to Albertsons, charting progress and resolution outcomes.

LITIGATION = SETTLEMENT?

- In claims where the case-in-chief cannot be re-opened for new and further disability and upon a very selective basis, the setting of applicant depositions in order to encourage attorneys to participate in our settlement discussions. *Here, there is an incentive for the attorney to obtain a fee on a compromise and release settlement, noting the issues of PD and TD have long ago resolved*

- In some cases, we can also consider noticing the deposition of the treating physician, especially when the treatment is on-going and without a plan or objective

⁷ Per fee schedule

^{vi} Micro Survival Guide 3.0. Page 30. By Corey A. Ingber

^{vii} This chart is for illustration only. Under SB 863, the maximum reasonable fees for medical treatment will be under a new fee schedule; For treatment on and after 1/1/2014, *and until the AD develops a new OMFS based upon **the resource-based relative value scale, "RBRVS"*** maximum fees for physician and non-physician services, including nurses, physical therapy and physician assistants, shall be in accord with Medicare payment system except an average statewide adjustment factor of 1.078 shall apply in lieu of Medicare's locality specific adjustment factors (note these are amounts which are to be factored under sub (g) which means the OMFS is to be adjusted within 60 days to conform to changes in Medicare and Medi-Cal payment systems)

	2014	2015	2016
Surgery	49.5313	46.6359	43.7405
Radiology	56.2329	51.1036	45.9744
Anesthesiology	30.0647	28.6067	27.1487
All other	37.1712	38.3958	39.6205

Four year transition to estimated aggregate and the **resource-based relative value scale** at 120 of Medicare conversation factors

Hospital fees for services performed in outpatient department not to exceed 120 percent of fee paid by Medicare and maximum facility fees for services performed at ambulatory surgical centers not to exceed 80 percent of fees paid by Medicare for same service

**EVALUATION OF RESTARTING PRIMARY REINSURANCE
PROGRAM FOR WORKERS COMPENSATION**

ISSUE: The Executive Committee authorized the purchase of a primary reinsurance program CSURMA Campus Workers' Compensation Risk Pool for the years FY 08/09, 09/10 and 10/11. After that time, the cost of reinsurance coverage significantly exceeded the CSURMA actuary's projection of the cost to retain the risk. Staff has received interest from the Excess Insurance Authority to offer a primary reinsurance program. It is expected that a conceptual proposal and pricing will be available for discussion at the long range planning session. If the Executive Committee finds the conceptual proposal of interest, staff will work with EIA to prepare a formal proposal for the May 9, 2013 meeting.

RECOMMENDATION: It is requested that the Executive Committee consider the conceptual proposal presented at the meeting and provide direction to staff.

FISCAL IMPACT: The cost of a primary reinsurance program would be paid from campus risk pool deposits that would otherwise be used to self-insure the claims to be transferred to the primary reinsurer.

BACKGROUND: In general, it is less costly to self-insure first dollar claims with high frequency. These savings are achieved by avoidance of the frictional costs of insurance transactions. In the case of workers' compensation claims, the frictional costs are reduced since claims are adjusted on statutory rules and regulations and the payments are processed with electronic feeds. As a result, large self-insureds can benefit from locking in their claims costs by purchasing primary layer reinsurance when a reinsurer can offer pricing that is close to or improves on the self-insured cost. Reinsurers may be able to offer better pricing options when their investment income outlook is strong since the claims will be paid over many years. Because workers' compensation claims costs have been rising, self-insureds have benefitted by locking in the cost of primary workers' compensation claims.

PUBLICATION: No publication is expected from consideration of this item at today's meeting.

ATTACHMENT(S): None.

RATING PLANS TASK GROUPS
Campus Risk Pools, Student Insurance Programs

ISSUE: The Executive Committee established Rating Plans Task Groups (RPTG) to review and recommend modifications, if any, to the cost allocation formulae for the Campus Risk Pools and the Student Insurance Programs. Campus Risk Pools RPTG met on November 6, 2013 and December 17, 2013. Student Insurance Programs RPTG met on December 19, 2013 and scheduled a second meeting on January 8, 2014. Task group members and Staff will provide a report on the RPTGs' meetings and activities at today's meeting.

RECOMMENDATION: The Executive Committee is asked to review the findings and recommendations of the Campus Risk Pools RPTG and take action to recommend the modifications to the Board of Directors at its May 9, 2014 meeting. The Executive Committee is also asked to hear a report from the Students Insurance Programs RPTG and provide direction as it deems appropriate.

FISCAL IMPACT: None.

BACKGROUND: The members of the rating plans task groups are:

Campus Risk Pools:

- Linda Hawk, CSU San Marcos – Campus Programs RPTG Chair
- Lisa Chavez, CSU Los Angeles
- Mike Lee, CSU Sacramento
- George Ashkar, CSU Chancellor's Office, CSURMA Treasurer
- Robert Eaton, CSU Chancellor's Office
- Zachary Gifford, CSU Chancellor's Office
- Daniel Howell, CSURMA Program Director
- Robert Leong, CSURMA Program Administrator

Student Insurance Programs:

- Mike Thorpe, CSU Chico – Student Programs RPTG Chair
- Lisa Kao, CSU Fresno
- Kirt Stout, CSU Sacramento
- Zachary Gifford, CSU Chancellor's Office
- Robert Leong, CSURMA Program Administrator
- Stacey Weeks, CSURMA Program Administrator

ATTACHMENT(S): Campus Risk Pools RPTG Report (draft)
Student Insurance Programs RPTG Timeline (draft)



Campus Programs Rating Plans Task Group Report

Draft Report

Match 3, 2014

A Public Entity Joint Powers Authority

c/o Alliant Insurance Services, Inc. • 100 Pine Street, 11th Floor, San Francisco, CA 94111-5101 • Phone: 415-403-1400 Fax: 415-402-0773



TABLE OF CONTENTS

I. EXECUTIVE SUMMARY

II. BACKGROUND

- A. Purpose
- B. Rating Plan Philosophy
- C. Fiscal Impact

III. FINDINGS and RECOMMENDATIONS

- A. Findings
- B. Recommendations:
 - 1. Potential Dividend
 - 2. Funding Policy
 - 3. Rating Plans

IV. GENERAL RECOMMENDATION

V. CONCLUSION

APPENDICES:

- A. Campus Programs RPTG Project Timetable
- B. CSURMA Program Funding Policy (Policy & Procedure No. 7 - JPA)
- C. September 13, 2013 EC - Evaluation of Potential Campus Risk Pool Dividends and Assessments (“Target Equity”)
- D. 2013 Final Campus Dividends

I. EXECUTIVE SUMMARY

A. Introduction

The Executive Committee established the Campus Programs Rating Plans Task Group (RPTG) to review and evaluate CSURMA's current rating plan formulas and funding policies for the Campus coverage programs, and to present its findings and recommendations for amendments to the rating plans and funding policies, if any, to the Executive Committee at its meeting on March 21, 2014.

The Campus Programs RPTG's recommendations for amendments to the rating plans and funding policies are to be used for calculating the annual contributions for each campus for the FY 2014/15, FY 2015/16, and FY 2016/17 coverage periods. As a matter of information, the Campus Programs RPTG's findings and recommendations may be presented to the CSU Chief Administrators & Business Officers (CABO) in Spring 2014, and will be presented to the Board of Directors for adoption at its meeting on May 9, 2014.

The Campus RPTG was directed to evaluate the rating plans for the following Campus coverage programs:

1. General and Errors & Omissions Liability Risk Pool
2. Workers' Compensation Risk Pool
3. Industrial Disability Leave / Non-Industrial Disability Insurance / Unemployment Insurance (IDL/NDI/UI) Risk Pool
4. Property and Boiler & Machinery Insurance Program
5. Auto Liability Self-Insurance Program (VELSIP)

The Campus RPTG did not consider rating plans for the Athletic Injury Medical Expense (AIME) program or the Auxiliary Organizations Risk Management Alliance (AORMA) programs because responsibility for those programs have been delegated to the AIME Committee and to the AORMA Committee respectively, who develop rating plans for those specific coverage programs.



B. Rating Plans Task Group Members

1. The Campus Programs Rating Plans Task Group consisted of:

Linda Hawk, Vice President Finance and Administrative Services
CSU, San Marcos, Task Group Chair,

Lisa Chavez, Vice President Administration / CFO
CSU, Los Angeles

Mike Lee, Vice President Administration & Business Affairs / CFO
CSU, Sacramento

2. The Campus Programs Rating Plans Task Group was supported by:

Robert Eaton, Senior Director, Finance & Treasury
CSU, Office of the Chancellor; CSURMA Secretary-Auditor

Zachary Gifford, Associate Director, Systemwide Risk Management
CSU, Office of the Chancellor

3. The Campus Programs Rating Plans Task Group was staffed by:

Daniel J. Howell, Senior Executive Vice President
CSURMA Program Director
Alliant Insurance Services

Robert Leong, First Vice President
CSURMA Campus Program Administrator
Alliant Insurance Services

II. BACKGROUND

A. Purpose

The Campus Programs RPTG was tasked with a thorough review of the rating plans and funding policies for the five Campus coverage programs identified; namely, General and Errors & Omissions Liability, Workers' Compensation, Industrial Disability Leave/Non-Industrial Disability Insurance/Unemployment Insurance (IDL/NDI/UI), Property and Boiler & Machinery, and Auto Liability. The current rating plans used by CSURMA were developed and adopted in 1994, and reviewed and modified in 1998, 2001, 2004, 2007, and 2010.

It had been agreed following the last rating plan review that the rating plans would be reviewed again in 2013. A review is appropriate at this time because campuses are eligible to change their Liability program deductibles every three years; the next deductible selection opportunity will be effective July 1, 2014.

B. Meetings

The Campus Programs RPTG held two meetings. A kick-off meeting was held on November 7, 2013 at Alliant, Sacramento to review the current rating plans and develop preliminary alternatives for further consideration by the task group. A second meeting was held on December 17, 2013 via a webinar hosted by the Program Administrator to review the impact of the suggested amendments to the rating plans and to finalize the task group's recommendations.

C. Rating Plans Philosophy

At its meeting on November 7, 2013, the Campus Programs RPTG reaffirmed the goal of the CSURMA rating plans to balance campus accountability for performance with the need for rate stability. Accountability is needed to encourage campus loss control efforts. Rate Stability is a goal so that campuses can predict annual costs for budget preparation and management purposes. Overall, the rating plans should fairly allocate the costs of the programs to the campuses.

D. Fiscal Impact

The Campus Programs RPTG's findings and recommendations *will not affect aggregate funding* of the CSURMA's programs. Aggregate funding is based on an independent actuarial analysis, which develops cost projections for the General and Errors & Omissions Liability and the Workers' Compensation coverage programs.



These projections, along with the funding policy adopted by the Board of Directors, are then reviewed annually by the Executive Committee and CABO, and referred to the Board of Directors with a recommendation for adoption by the Board.

The Campus Programs RPTG's recommendations, however, ***will affect how that aggregate funding is shared among the campuses.*** The rating plans define how the costs for each coverage program are allocated to each campus.

III. FINDINGS and RECOMMENDATIONS

A. FINDINGS

1. Pooled Programs Funding Status

At its September 12-13, 2013 meeting, the Executive Committee reviewed the pooled programs funding status at June 30, 2013 for the General and Errors & Omissions Liability and the Workers' Compensation risk pools with estimates of the funding positions for each program based on financial statements at June 30, 2013 prepared by the CSURMA Accountants, the independent actuarial studies completed for valuation of the estimated outstanding claim liabilities at June 30, 2013, and expected recoveries from reinsurance and member deductibles.

The Executive Committee found that the fund balance at June 30, 2013 exceed the amount necessary for funding at 70% actuarial confidence. Note: CSURMA's funding policy is to fund the programs at the actuary's Expected loss level, which ranges between 50% - 55% confidence, depending on the coverage program.

Based upon the financial statements at June 30, 2013, the Executive Committee took action on September 12-13, 2013 to approve a Campus Risk Pool Dividend in the amount of \$7,097,512. See Appendix D.

2. Rating Plans

The Campus Programs RPTG found that the current rating plans are fair and achieve program objectives. The task group has developed certain refinements to the General and Errors & Omissions Liability and the Workers' Compensation coverage programs as detailed below.

It should be noted that the rating plans were developed in 1994 and reviewed in 1998, 2001, 2004, 2007, and 2010. The Campus Programs RPTG recommended modifications in 1998, 2001 and 2004, which were approved by the Executive Committee and adopted by the Board of Directors. No modifications to the rating plans were recommended in the 2007 review nor the 2010 review.

As the CSURMA coverage programs gain additional experience, it is expected that the rating plans will be reviewed again in the future so that they will continue to achieve the goals of the University.

B. RECOMMENDATIONS

1. FUNDING POLICY

- FP-1.** The Campus Programs RPTG finds that the goals of the CSURMA Policy and Procedure No. 7 – “Self-Insured Program Funding” have been achieved. Upon review of the policy, no changes to the policy are recommended at this time.
- FP-2.** The Campus Programs RPTG recommends that future program years continue to be funded in accordance with Policy and Procedure No. 7.

2. RATING PLANS

LIABILITY

- L-1.** The Campus Programs RPTG recommends that the Liability Deductible credits should be adjusted per the Actuary’s recommendation dated November 1, 2013. The task group affirms that self supporting funds should continue to have a \$35,000 deductible regardless of the campus selected deductible. The effect of the new deductible credit factors would increase FY 2014/15 Liability program funding by \$552,738 – at present campus deductible selections.
- L-2.** As an assignment for the next rating plans review, the Campus Programs RPTG recommends a re-evaluation of the rating tiers used to determine Creditability Factors based on campus size. The assignment is to analyze and identify natural tiers among CSU campuses to define campus size into categories such as Small, Medium, Large which are, or may be, in use by Analytic Studies or others within the Chancellor’s Office for systemwide reports.

WORKERS’ COMPENSATION

- WC-1.** The Campus Programs RPTG recommends the elimination of funding for claims with industrial injury dates occurring prior to July 1, 1999 since the Workers’ Compensation Risk Pool is fully-funded per the actuary’s recommendation at the 70% confidence interval (which exceeds expected loss funding defined to be 50-55% confidence). The effect of this recommendation reduces total deposit by \$1,556,520.

IDL/NDL/UI

IDL-1. The Campus Programs RPTG recommends maintaining the current rating plan with no modification necessary.

PROPERTY

P-1. The Campus Programs RPTG discussed the addition of an Experience Modification factor to the Property program cost allocation formula, and recommends against implementation at this time. The relative loss rate of campuses should be monitored by the Systemwide Risk Management and acted upon in the future as the Executive Committee may deem appropriate.

P-2. The Campus Programs RPTG recommends maintaining the current rating plan with no modification necessary.

AUTO LIABILITY (VELSIP)

AL-1. The State of California Motor Vehicle Liability Self-Insurance Program cost has been included in CSURMA program costs based on the vehicle count reports tabulated by the state Department of General Services and rates established by the state Office of Risk & Insurance Management (ORIM). The Campus Programs RPTG recommends that this practice be continued and that the Systemwide Office of Risk Management observe the relative loss rates and recommend an experience modification factor if warranted.

AL-2. The Campus Programs RPTG recommends maintaining the current rating plan with no modification necessary.

IV. GENERAL RECOMMENDATION

G-1 The Campus Programs RPTG recommends that a comprehensive review of the rating plans be initiated in the **Spring 2016** so that appropriate changes can be considered before adoption of the rates for **FY 2017/18**.



V. CONCLUSIONS

The Campus Programs RPTG's evaluation of the rating plans has reaffirmed the plans' core appropriateness and effectiveness in determining each campus' fair share of the CSU's cost of risk. The recommended changes refine the existing rating plans to the benefit of the campuses in the long run. To the extent aggregate funding levels remain stable, it is expected that campuses will not see significant cost fluctuations except to the extent their own loss experience impacts their cost.

Appendix A

**CAMPUS PROGRAMS RATING PLANS TASK GROUP
Project Timetable**

DATE	GROUP	ACTIVITY
July 2013	Independent Actuary	Calculation outstanding liabilities and proposed funding for FY 14/15.
August 2013	Program Administrator	Calculation of preliminary FY 14/15 Campus Risk Pool Rates.
September 12, 2013	Executive Committee	Review of independent actuary's reports and staff calculations of proposed FY 14/15 rates.
November 7, 2013	Rating Plans Task Group	Review current rating plans. Develop alternatives for further review.
November 2013	Program Administrator	Perform calculations based on RPTG findings and recommendations.
December 17, 2013	Rating Plans Task Group	Review staff calculations with suggested rating plan modifications. Finalize recommendations.
March 21, 2014	Executive Committee	Review of Rating Plan Task Group Report. Take action as needed to recommend rating plan modifications to the Board of Directors for adoption.
.April 2014	CABO	Presentation to CABO as necessary of proposed changes to rating plans.
May 9, 2014	Board of Directors	Review of report and Executive Committee recommendation. Take action as needed to adopt changes to rating plans.
May 9, 2014	Board of Directors	Adopt funding and rates for FY 2014/15.
May 2014	Program Administrators	Notices to campuses of FY 2014/15 costs including Liability Deductible options.
July 1, 2014	CSURMA Accounting	Adopted rating plans become effective, campuses invoiced by CSURMA.



Appendix B

CSURMA POLICY & PROCEDURE No. 7

EFFECTIVE: JANUARY 1, 2000

SUBJECT: SELF-INSURED PROGRAM FUNDING

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. CSURMA recognizes that its self-insured programs are transitioning from a cash funding basis to an accrual funding basis. Adopted funding shall facilitate this transition by including 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.

Staff and the actuary shall perform the calculations needed to establish the funding elements described above. It is expected that all outstanding liabilities will be fully funded by July 1, 2009 and staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' progress toward achieving this funding policy.



Appendix C

Evaluation of Potential Campus Risk Pool Dividends and Assessments ("Target Equity")



Appendix D

2013 Final Campus Risk Pools Dividends

Campus Liability Coverage Fund Target Surplus Funding Analysis at \$5,000,000 SIR

Gross Premium (FY 14/15):	\$14,217,698
Maximum Retention:	\$5,000,000 <i>each Occurrence</i>
O/S Reserves at 6/30/13	\$16,163,643 <i>Expected, Discounted, Net of Deductibles</i>
O/S Reserves at 6/30/13	\$18,103,280 at 70% Confidence
Fund Balance at 6/30/13	\$49,177,835
Funded Loss & ULAE @ 6/30/13	\$19,982,811 <i>at 70% Confidence</i>
Funding above 70% Conf Level:	\$29,195,024

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$4,739,233	0.29
Surplus to Retention	> 1:1	\$5,000,000	9.84
O/S Reserve to Surplus	≤ 5:1	\$3,232,729	0.33

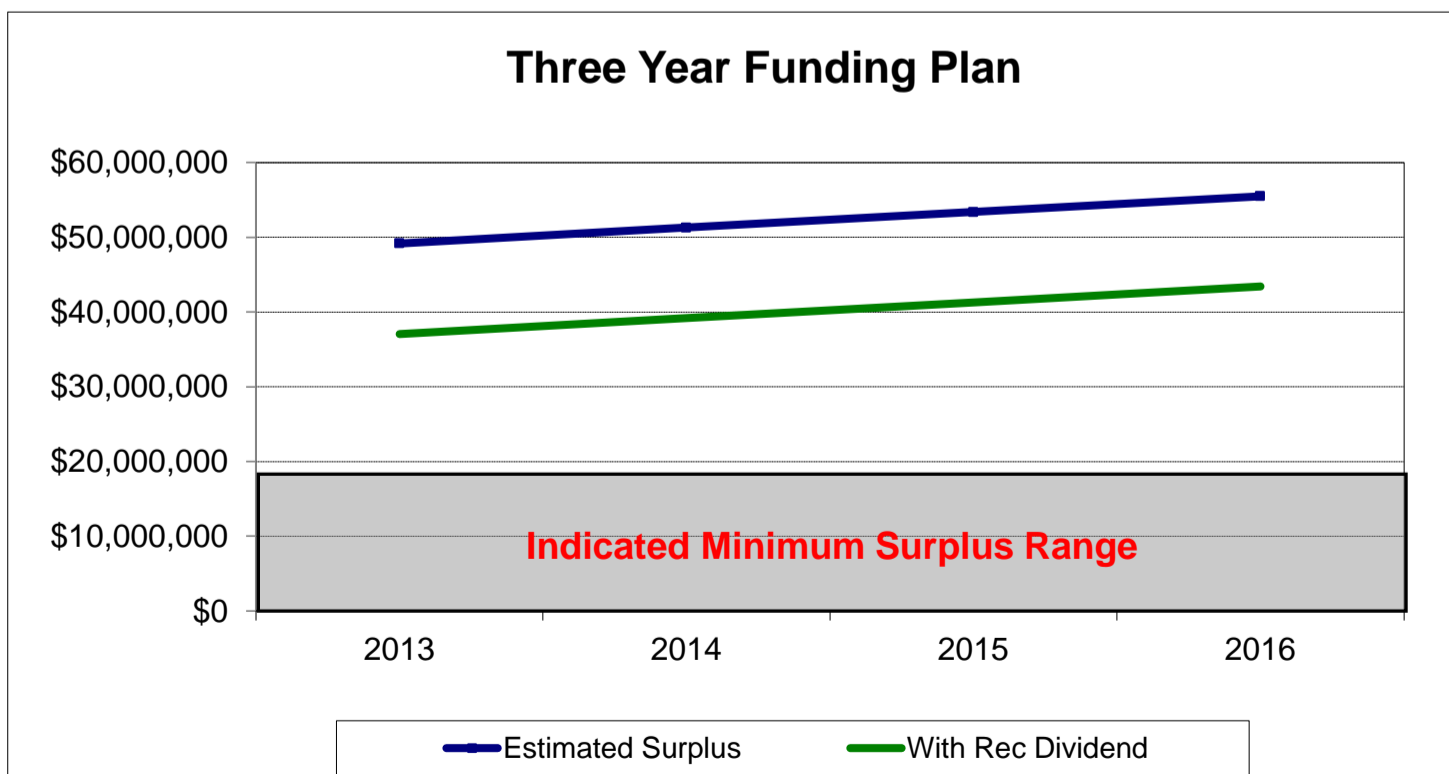
Maximum Dividend Available:	\$24,195,024
Recommended Dividend 50%:	\$12,097,512

2014/15 Pool Funding Options

Confidence Levels	Factor	Pool Premium	Surplus
Expected	1.000	\$10,560,000	-
70%	1.200	\$12,672,000	\$2,112,000

Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Rec Dividend
Estimated Balance at 6/30/13	N/A	\$49,177,835	\$37,080,323
2013/15 - Collection @ 70% CL	\$2,112,000	\$51,289,835	\$39,192,323
2014/16 - Collection @ 70% CL	\$2,112,000	\$53,401,835	\$41,304,323
2015/17 - Collection @ 70% CL	\$2,112,000	\$55,513,835	\$43,416,323



Campus Workers' Compensation Coverage Fund Target Surplus Funding Analysis at \$2,500,000 SIR

Gross Premium (FY 14/15):	\$34,752,679
Maximum Retention:	\$2,500,000 <i>each Occurrence</i>
O/S Reserves at 6/30/13	\$50,760,042 <i>Expected, Discounted</i>
O/S Reserves at 6/30/13	\$52,820,845 <i>at 70% Confidence</i>
Fund Balance at 6/30/13	\$66,116,017
Funded Loss & ULAE @ 6/30/13	\$58,627,848 <i>at 70% Confidence</i>
Funding above 70% Conf Level:	\$7,488,169

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$11,584,226	0.53
Surplus to Retention	> 2:1	\$5,000,000	26.45
O/S Reserve to Surplus	≤ 5:1	\$10,152,008	0.77

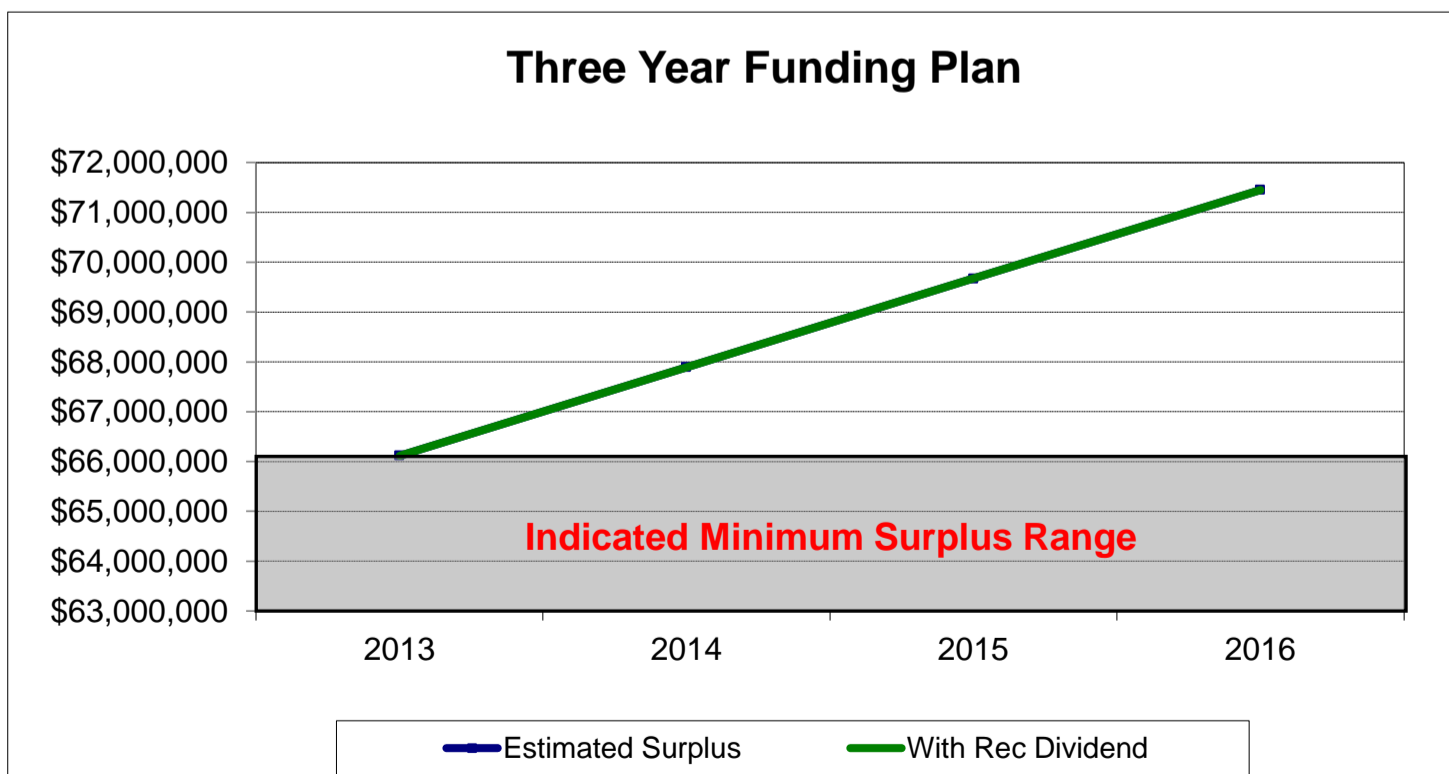
Maximum Dividend Available:	\$0
Recommended Dividend 50%:	\$0

2014/15 Pool Funding Options

Confidence Levels	Factor	Pool Premium	Surplus
Expected	1.000	\$17,781,000	-
70%	1.100	\$19,559,100	\$1,778,100

Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Rec Dividend
Estimated Balance at 6/30/13	N/A	\$66,116,017	\$66,116,017
2013/15 - Collection @ 70% CL	\$1,778,100	\$67,894,117	\$67,894,117
2014/16 - Collection @ 70% CL	\$1,778,100	\$69,672,217	\$69,672,217
2015/17 - Collection @ 70% CL	\$1,778,100	\$71,450,317	\$71,450,317



CSURMA

Recommended Campus Risk Pools Dividends/Assessments

FINAL

Campus	Liability	WC	IDL/NDL/UI	Liability	WC	IDL/NL/UI	Net
	% of Ttl Deposit	% of Ttl Deposit	% of Ttl Deposit	Dividend	Dividend	Assessment	Dividend
Bakersfield	2.94%	1.65%	1.53%	208,735	0	0	208,735
Channel Islands	1.52%	1.67%	2.09%	108,071	0	0	108,071
Chico	4.32%	3.62%	3.44%	306,788	0	0	306,788
Dominguez Hills	4.52%	3.49%	3.29%	320,476	0	0	320,476
East Bay	2.16%	5.00%	5.17%	153,250	0	0	153,250
Fresno	11.07%	4.17%	4.10%	785,414	0	0	785,414
Fullerton	4.28%	5.66%	4.75%	304,074	0	0	304,074
Humboldt	4.17%	2.43%	3.57%	295,698	0	0	295,698
Long Beach	8.57%	7.44%	6.83%	607,908	0	0	607,908
Los Angeles	4.21%	6.01%	3.63%	298,729	0	0	298,729
Maritime Academy	0.83%	0.60%	0.50%	58,701	0	0	58,701
Monterey Bay	3.04%	1.53%	1.68%	215,648	0	0	215,648
Northridge	4.51%	7.82%	6.96%	320,269	0	0	320,269
Pomona	3.96%	5.73%	3.85%	280,857	0	0	280,857
Sacramento	3.96%	4.57%	5.75%	280,726	0	0	280,726
San Bernardino	4.82%	3.34%	3.30%	342,396	0	0	342,396
San Diego	4.21%	7.60%	6.62%	298,793	0	0	298,793
San Francisco	7.51%	7.65%	9.95%	533,133	0	0	533,133
San Jose	4.87%	5.93%	7.34%	345,740	0	0	345,740
San Luis Obispo	3.29%	6.18%	4.72%	233,229	0	0	233,229
San Marcos	4.50%	1.49%	2.39%	319,466	0	0	319,466
Sonoma	3.24%	2.83%	4.34%	230,262	0	0	230,262
Stanislaus	1.77%	1.80%	3.01%	125,668	0	0	125,668
Chancellor's Office	1.74%	1.76%	1.18%	123,483	0	0	123,483
Total	100.00%	100.00%	100.00%	7,097,514	0	0	7,097,514

Dividend	\$7,097,512	\$0	\$0
(Assessment)			

Distribution based on percentage of Total Contribution by Fund in past 5 years (7/1/08 to 6/30/13).

**STUDENT INSURANCE PROGRAMS RATING PLANS TASK GROUP
Project Timetable**

DATE	GROUP	ACTIVITY
December 19, 2013	Rating Plans Task Group	<ol style="list-style-type: none"> 1. Define purpose and objectives. 2. Review Coverage Summary and current Rating Plans. 3. Provide initial direction to Program Administrator.
December 2013	Program Administrators	<ol style="list-style-type: none"> 1. Follow up on Task Group direction. 2. Prepare initial materials.
January 8, 2014	Rating Plans Task Group	<ol style="list-style-type: none"> 1. Review rating plan modifications. 2. Provide direction to Program Administrator on development of findings and recommendations.
January 12, 2014	Executive Committee	<ol style="list-style-type: none"> 1. Progress report on the Task Group's activity and preliminary recommendations.
February 2014	Program Administrators	<ol style="list-style-type: none"> 2. Calculation of proposed FY 2014/15 rates and premiums.
March 20-21, 2014	Executive Committee	<ol style="list-style-type: none"> 1. Progress report to Executive Committee. 2. Review of Task Group proposed modifications to the rating plans.
May 8, 2014	Executive Committee	<ol style="list-style-type: none"> 1. Presentation of Rating Plans to EC for recommendation to BOD.
May 9, 2014	Board of Directors	<ol style="list-style-type: none"> 1. Approve rating plans. 2. Adopt funding and rates for FY 2014/15
June 2014	Program Administrators	<ol style="list-style-type: none"> 1. Notices to campuses of FY 2014/15 costs.
July 1, 2014	CSURMA Accounting	<ol style="list-style-type: none"> 1. Adopted rating plans become effective. 2. Campuses invoiced by CSURMA.

REVIEW OF POLICIES & PROCEDURES
(even-numbered)

ISSUE: The Executive Committee adopted Resolution No. 04-13 (EC) to review the Authority's policies and procedures on a regular basis to ensure administrative tasks of the Authority remain relevant and effective for its operations. The resolution defines the process for the Executive Committee to review even-numbered policies and procedures in even-numbered calendar years, and odd-numbered policies and procedures in odd-numbered calendar years. The plan is to review the respective policies and procedures at the Executive Committee's Long Range Planning sessions.

RECOMMENDATION: In accordance with Resolution No. 04-13 (EC), the Executive Committee is asked to review the even-numbered policies and procedures at today's meeting, and provide direction to staff of its findings and recommendations.

FISCAL IMPACT: None.

BACKGROUND: To date, the Authority has adopted twenty-one (21) policies and procedures.

ATTACHMENT(S): Resolution No. 04-13 (EC) and even-numbered policies and procedures as follows:

- a) No. 2. Resolution of Coverage and Claim Disputes
- b) No. 4. Periodic Actuarial Studies
- c) No. 6. Payment Terms
- d) No. 8. Coverage Determination For Claims Designated "Systemwide
- e) No. 10. Member Loans
- f) No. 12. CSURMA Committee Members Attendance of Conferences Professional Development
- g) No. 14. Campus Risk Pool Dividends & Assessments
- h) No. 16. Use of CSURMA Equipment
- i) No. 18. Board of Directors Participation and Executive Committee Nominations and Elections Process
- j) No. 20. OCIP & BRIP

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE
RESOLUTION NO. 04-13 (EC)**

Resolution to Review CSURMA Policies and Procedures

The Executive Committee of the California State University Risk Management Authority ("CSURMA") finds and determines as follows:

1. CSURMA has adopted various policies and procedures necessary and beneficial to the operation of the Authority.
2. Periodic review of CSURMA's adopted policies and procedures is necessary to ensure they remain current and appropriate.
3. The Executive Committee and AORMA Committees each hold annual Long Range Planning Meetings at which a review of policies and procedures would be appropriate.

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:

1. The CSURMA Executive Committee and AORMA Committees shall each conduct an annual review of their respective policies and procedures at each Committee's annual Long Range Planning Meeting.
2. In the absence of other reasons to review a policy and procedure more frequently, odd numbered policies and procedures shall be reviewed in odd calendar years and even numbered policies and procedures shall be reviewed in even calendar years.
3. The CSURMA Program Administrator shall schedule the reviews in the annual administrative service calendar which shall be included in each Committee's agenda materials for regularly scheduled meetings, and cause the reviews required under this resolution to be included in the Long Range Planning agendas.

* * * * *

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 September 12-13, 2013 which was approved by the following votes:


AYES, and in favor thereof, members:

NOES, members: None.

ABSTAIN, members:

ABSENT, members:

ATTEST: 
Cynthia Teniente-Matson, Chair


Mary Ann Rodriguez, Secretary-Auditor



CSURMA

POLICY AND PROCEDURE NO. 2

EFFECTIVE: August 5, 1999; July 1, 2000; and revised March 26, 2009

SUBJECT: RESOLUTION OF COVERAGE DISPUTES FOR CAMPUS POOLED RISK COVERAGE PROGRAMS

SUPERSEDES: 2-JPA; 8-JPA REVISED

POLICY:

It is the policy of the CSURMA that campuses have an opportunity to communicate their position on coverage for claims in a way that gives them meaningful opportunities to interact with the CSURMA committees and staff. Acknowledging that the CSURMA has a fiduciary duty to make accurate coverage determinations, this Policy and Procedure is intended to provide campuses the broadest opportunity for input in the coverage determination process.

PROCEDURE:

The CSURMA Claims Manager is responsible for making initial coverage determinations for claims. Claims will either be accepted, determined as not recovered or provided coverage subject to a reservation of rights. The Claims Manager will notify the campus of any claim that is not covered or that is being covered subject to a reservation of rights in writing within 90 days of notice of the claim; however, the Claims Manager may request additional information to make a coverage determination.

If a campus disagrees with the Claims Manager's determination, the campus within 45 days of receipt of such determination shall send a written request to the Claims Manager for reevaluation of the coverage determination by the appropriate Program Committee (or Executive Committee, if no Program Committee exists) to which the matter pertains. The Program Committee (or Executive Committee) will make its determination based upon information provided by both the Claims Manager and campus at the Committee's next regularly scheduled meeting.

The Program Committee (or Executive Committee) shall deliberate the matter and communicate with the member and with the adjusting staff to gather information about the claim through the Chair or the Chair's designee. If the claim is reevaluated by a Program Committee, and after careful consideration, the Program Committee believes it cannot support the decision of the claims adjuster or assigned counsel, it shall forward the matter along with a recommendation to the Executive Committee. If the Program Committee does support the decision of the claim adjuster or assigned counsel, it shall communicate its opinion to the member and notify the member that it can appeal the opinion to the Executive Committee by sending a written request within 30 days of receipt of such determination to the Claims Manager asking that the Executive Committee evaluate the claim at the Committee's next regularly scheduled meeting.



On any matter forwarded to the Executive Committee for review, the Executive Committee may also communicate with the member through the Chair or its designee and the adjusting staff to formulate an opinion on the matter. The Executive Committee, the member, or the Program Committee may consult with the Program Administrator, claims adjuster, CSU Executive Vice Chancellor and Chief Financial Officer, CSU Office of General Counsel, and other appropriate parties. The Executive Committee shall make a determination of the matter and communicate its decision to the member. The Executive Committee's determination shall be final as respects the CSURMA's liability to cover the claim.

In all steps of the coverage determination process, the Claims Manager, Program Committee and Executive Committee shall take into consideration the Memorandum of Coverage, practices of the CSU and CSURMA, and the best interests of CSU. Note that the CSURMA coverage extends to its retained limits and CSURMA's excess insurers may provide coverage under different terms than CSURMA's coverage.

BACKGROUND:

It is the intent of the California State University Risk Management Authority (CSURMA) to adjust and manage claims properly and for standard adjusting practices and any adopted claims handling guidelines to be followed. It is understood that from time to time coverage and/or general claim disputes can arise between members and the Authority. When such a dispute or disputes arise, this Policy and Procedure shall be followed.



CSURMA

POLICY AND PROCEDURE NO. 4

EFFECTIVE: JULY 1, 1999

SUBJECT: PERIODIC ACTUARIAL STUDIES

POLICY:

It is the policy of the California State University Risk Management Authority (CSURMA) that its self-funded programs remain financially sound. To assist the CSURMA in projecting self-funded program funding requirements, the CSURMA will conduct periodic actuarial studies.

PROCEDURE:

The CSURMA shall engage the services of a professional actuary to perform actuarial studies on the following basis:

- **Pooled Liability Program** - An actuarial study for the Pooled Liability Program shall be prepared each year, calculating outstanding and projected liabilities as of June 30th of that year.
- **Workers' Compensation** - An actuarial study for the Pooled Workers' Compensation Program shall be prepared each year, calculating outstanding and projected liabilities as of June 30th of that year.
- **Other Programs** - Actuarial reports for other CSURMA programs shall be prepared as directed by the Executive Committee.



CSURMA

POLICY AND PROCEDURE NO. 6

EFFECTIVE: May 18 2007 and revised May 19, 2010

SUBJECT: PAYMENT POLICY

POLICY:

It is the policy of the California State University Risk Management Authority (the Authority) that all members fairly benefit from investment income accrued by the Authority. This policy is supported by prompt collection of member payments.

PROCEDURE:

The CSURMA Treasurer shall prepare or cause to be prepared transaction documents for premiums, fees, assessments, deductible recoveries and other moneys that are due the Authority from a member. The Authority will utilize Cash Posting Orders (CPO)¹ or invoices for each transaction. The use of a CPO will charge the member immediately while an invoice is a request for the member to remit payment. When CSURMA invoices are generated, they all shall be subject to the following payment terms:

- **Payment Due Date** - Member payments shall be due within thirty (30) days of the invoice date; and
- **Late Payment Penalty** - CSURMA Accounting will calculate and assess a late payment penalty fee of 1% on all receivable(s), outstanding beyond sixty (60) days, whose total program balance is over \$1,000 for each month that the receivable is outstanding.

Disputed Transactions - Disputed transactions must be reported to the CSURMA Accounting Department within sixty (60) days of the transaction date. Upon receiving notice from a member of a disputed invoice, the CSURMA Accounting Department will suspend late payment penalty assessment for the disputed transaction until further notice and refer the dispute to the CSURMA Program Administrator who shall attempt to resolve the dispute with the member. If the Program Administrator and member cannot resolve the dispute, the dispute shall be referred to the CSURMA Executive Committee for consideration at the Executive Committee's next regularly scheduled meeting. The CSURMA Treasurer shall recommend a proposed resolution of the dispute to the Executive Committee, and the Executive Committee's determination on the disputed transaction shall be final. The Executive Committee at its sole discretion may waive or include late payment penalties as it determines appropriate.

¹ A Cash Posting Order (CPO) is a mechanism to move Systemwide Investment Fund Trust (SWIFT) dollars between campuses, the Chancellor's Office (CO) and the Authority. Once the CPO is issued, funds will be transferred to the CSURMA SWIFT account from the campus member's SWIFT account.



Refunds/Adjustments– If the dispute resolution results in a reduction, the member can elect to:

1. Request a refund check to be issued within 2 business days of the approved request.
2. Request a CPO be issued within 2 business days of the approved request.
3. Request the adjustment be applied towards the next payment.

All requests should be communicated to CSURMA Accounting to ensure compliance with member's request.

Disputed Late Payment Penalties – Disputed late payment penalties must be reported in writing to the CSURMA Accounting Department. Upon receiving notice from a member of a disputed late payment penalty, the CSURMA Accounting Department shall refer the dispute to the CSURMA Program Administrator to research the dispute with the member. Based on this research, the CSURMA Program Administrator shall recommend a course of action to the CSURMA Treasurer. The CSURMA Treasurer shall have the discretion to waive late payment penalties for charges under \$1,000 as determined appropriate. Charges over \$1,000 will require Executive Committee approval.



CSURMA

POLICY AND PROCEDURE NO. 8

EFFECTIVE: JULY 1, 2009; OCTOBER 28, 2009; May 9, 2014

SUBJECT: COVERAGE DETERMINATIONS FOR CLAIMS DESIGNATED
"SYSTEMWIDE"

POLICY:

It is the policy of the CSURMA that certain claims covered under the Campus Liability Risk Pool may present matters with systemwide implication that should not be treated as campus specific claims that impact a campus' deductible and loss experience. Such otherwise covered claims that are designated as "Systemwide Claims" shall be funded by the Campus Liability Risk Pool but tracked separately from campus loss history.

PROCEDURE:

The campus or Chancellor's Office may identify claims that are nominated as "Systemwide Claims." Without regard to how a claim is filed or plead, Systemwide Claims are defined as those claims that:

- Raise matters of law that go beyond a single campus' operations;
- Have the potential to create precedent that impacts the University beyond a single campus' operations; or,
- Arise as a result of allegations that a campus has followed a directive of the Chancellor's Office.

A campus or the Chancellor's Office may nominate a claim for treatment as a Systemwide Claim by notifying the Claims Manager. The Claims Manager will work with the CSU's Chief Risk Officer and Office of General Counsel and/or campus to develop information on which a determination recommendation shall be made by the CSURMA Secretary-Auditor. The CSURMA Secretary-Auditor's determination and recommendation shall be presented to the CSURMA Executive Committee for action.

If a campus disagrees with the Executive Committee's determination action, the campus within 45 days of receipt of such determination will send a written request to the Claims Manager for reevaluation of the coverage determination by the ~~CSURMA Claims & Coverage Committee. The Claims & Coverage Committee will make its determination based upon information provided by both the Claims Manager and campus at the Committee's next regularly scheduled meeting.~~ CSU Executive Vice Chancellor, Business and Finance. The determination of the Executive Vice Chancellor, Business and Finance shall be communicated to the member and shall be final.



If the campus does not agree with the CSURMA Claims & Coverage Committee's determination, the campus within 30 days of receipt of such determination will send a written request to the Claims Manager asking that the CSURMA Executive Committee evaluate the claim at the Committee's next regularly scheduled meeting. The Executive Committee's determination shall be final as respects the CSURMA's liability to cover the claim.

In all steps of the coverage evaluation process, the Claims Managers, Claims & Coverage Committee and Executive Committee shall take into consideration the written Memorandum of Coverage, practices of the CSU and CSURMA and best interests of the CSU. Note that the CSURMA coverage extends to its retained limits. The CSURMA's excess insurers may not cover claims that are covered in the CSURMA's layer.



CSURMA

POLICY AND PROCEDURE NO. 10

ADOPTED: MAY 13, 2011 (AMENDED)
EFFECTIVE: JULY 1, 2011
SUBJECT: MEMBER LOANS

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

POLICY:

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

PROCEDURE:

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

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

- 3. Treasurer's Review and Recommendation** - The Treasurer shall review the Member Loan request and seek additional information as necessary to make a determination. If a favorable determination is made, the Treasurer shall recommend to the Executive Committee the proposed Member Loan including the Treasurer's recommended terms and conditions. Recommended terms shall require that the frequency of interest payments shall be at least quarterly in arrears and at an interest rate at least equivalent to the investment income rate that CSURMA would have earned if the funds had instead been invested during the same calculation period.
- 4. Executive Committee Action** – At duly noticed meeting, the Executive Committee shall take action on the Treasurer's recommendation. If the proposed Member Loan is to be approved, such approval shall be memorialized by resolution directing the Treasurer to prepared the loan note for review and approval by CSURMA's General Counsel.
- 5. 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.



CSURMA

POLICY AND PROCEDURE NO. 12

ADOPTED: March 24, 2011

EFFECTIVE: March 24, 2011, March 21, 2014

SUBJECT: CSURMA COMMITTEE MEMBERS ATTENDANCE OF PROFESSIONAL DEVELOPMENT CONFERENCES

POLICY:

~~It is in the~~ best interest of the Authority, ~~that~~ individuals who serve on the CSURMA Executive Committee are ~~expected to be~~ knowledgeable of the administrative workings of ~~the~~ Joint Powers Authority~~s~~ and risk management practices, procedures, and insurance ~~marketstrends~~. It shall be the policy of the CSURMA to annually fund 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. Approval of Professional Development conferences annually for each member of the Executive Committee.~~
2. ~~Attendance of Professional Development conferences funded annually as established and approved each year. Funds are allocated in the CSURMA budget for travel of the The Executive Committee member may submit to the Secretary-Auditor a request to attend a professional development program. Eligible programs shall include risk management related courses and attendance at conferences such as Executive Committee members to attend the PARMA, CAJPA, PRIMA, URMIA, ACUBO or other similar professional conferences as approved by the CSURMA Secretary.~~

Allowable Expenses

- a) **Registration** cost of registering for the Professional Development conference in the amount not to exceed ~~\$500.00~~ \$1,500.00.
- b) ~~Travel Expenses pursuant to CSURMA Policy and Procedure No. 17 – Travel Reimbursement. Lodging (not to exceed the Government or discount rate): Room service, movies and mini-bar charges are specifically excluded from reimbursement under this Policy and Procedure.~~

CSURMA

POLICY AND PROCEDURE NO. 12

- ~~e) **Meals** (not to exceed \$50 per day): When meals are provided by a conference or meeting, members will not be eligible for reimbursement if they choose to dine separately. Alcohol and/or corkage fees are not reimbursable expenses.~~
 - ~~d) **Airfare** (coach rates) and any *mandatory* baggage fees when attending Professional Development conferences.~~
 - ~~e) **Travel by other public conveyance** (train, bus, taxi), or by personal auto (reimbursement at current IRS rate): reimbursement for personal auto use shall not exceed the cost of roundtrip coach airfare.~~
 - ~~f) **Parking** reimbursable for attendance at Professional Development conferences.~~
- ~~3. Receipts are required for each of the items listed above.~~
- ~~4. The Expense Claim Form is to be signed by both the Member Representative and the CSURMA Secretary.~~
- ~~5.3. The Attendee will ~~to~~ provide the Executive Committee or Board of Directors with a verbal or written report of information gained from the Professional Development program ~~conference~~ attended.~~



CSURMA

POLICY AND PROCEDURE NO. 14

ADOPTED: OCTOBER 28, 2011

EFFECTIVE: OCTOBER 28, 2011

SUBJECT: CAMPUS RISK POOL DIVIDENDS & ASSESSMENTS

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

POLICY

It is the policy of Executive Committee that:

- Evaluation of the funding for each Campus Risk Pool Self-Insured Program (“PROGRAM”) shall be made based on all coverage periods combined for that particular program rather than on each coverage period on its own. The availability of any dividend or need for any assessment will be determined based on the program’s overall funding relative to the Target Reserve Funding Goal detailed in the separate Policy and Procedure No. 13.
- Assessments and Dividends shall be allocated to the MEMBERS based on participation in “open” policy periods only.
- Unless the Executive Committee takes specific action to the contrary, a coverage period shall be considered “closed” for dividend and assessment purposes five (5) years from the expiration of that period (i.e. 6/30/03 for FY07/08).
- Assessments are a responsibility of membership and shall be allocated to all members who participated in the open policy periods which the assessment is based on, regardless of whether they are current members at the time the assessment is declared.
- Dividends are a privilege of membership and shall be allocated only to the current members in the program at the time the dividend is declared who participated in one or more of the open policy periods which the dividend is based on.

PROCEDURE

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

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

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

MEMBER APPEAL PROCESS

If a MEMBER wishes to appeal any decision regarding the application of this Dividend/Assessment Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary within thirty (30) days of the disputed decision. The Secretary shall place the MEMBER appeal on the Executive Committee agenda at its next regularly scheduled meeting. The Executive Committee will review the appeal at its next regularly scheduled meeting and inform the MEMBER of the final decision within five (5) business days of its decision.



DEFINITIONS:

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

MEMBER – Any campus participating in Campus Risk Pool Programs

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

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



ADOPTED: MARCH 22, 2012
EFFECTIVE: MARCH 22, 2012
SUBJECT: USE OF CSURMA EQUIPMENT

PURPOSE:

This policy and procedure outlines the usage policy of Electronic Communication Equipment for the CSURMA Executive Committee members and the CSURMA AORMA Committee members. This policy and procedure addresses the desire of the CSURMA to control access to end users who have legitimate business requirements to access the hardware, the data contained therein and ensure responsible use.

POLICY:

It is the policy of the CSURMA that, in accordance with the Bylaws, the CSURMA shall adopt the procedure outlined in this document for purposes of granting access to Electronic Communication Equipment to facilitate the sharing of vital information related to the business of CSURMA while promoting continuity of leadership, encouraging opportunity for diverse committee representation and participation and continuing effective administration of established insurance programs and services.

PROCEDURE:

The following steps will be taken to affect this policy:

1. If desired by the individual Committee Member, the CSURMA Executive Committee Members and CSURMA AORMA Committee Members will be issued Electronic Communication Equipment for their exclusive use during their term on the Committee for the purpose of accessing information related to the business of the Committee.
2. The CSURMA Executive Committee Member and CSURMA AORMA Committee Member will return the CSURMA owned Electronic Communication Equipment within forty-five (45) days of the end of their term on the Committee. Electronic Communication Equipment will remain the property of the CSURMA unless the Committee Member exercises his/her option to purchase the used equipment at fair market value at the end of his/her term on the Committee.

3. Each CSURMA Executive Committee Member and CSURMA AORMA Committee Member must employ reasonable physical security measures. Users of the Electronic Communication Equipment are expected to secure all such devices used for this activity whether or not they are actually in use and/or being carried. This includes, but is not limited to, passwords, encryption, and physical control of such devices whenever they contain enterprise data. Any non-business computers used to synchronize with these devices will have installed anti-virus and anti-malware software deemed necessary by CSURMA. Anti-virus signature files on any additional client machines – such as a home PC – on which this media will be accessed, must be up to date.

4. Each CSURMA Executive Committee Member and CSURMA AORMA Committee Member agrees to responsible usage of the Internet to further the goals and objectives of the Committee. Individual Internet use shall not interfere with others’ productive use of Internet resources. Users will not violate the network policies of any network accessed through their account. Usage of Electronic Communication Equipment will comply with all Federal and State laws, all CSU and CSURMA policies.

The types of activities that are encouraged include:

- a. Communicating with colleagues within the context of an individual’s assigned responsibilities;
 - b. Acquiring or sharing information necessary or related to the performance of an individual’s assigned responsibilities; and
 - c. Participating in educational or professional development activities.
-
5. Equipment will be reviewed and refreshed on a three (3) year schedule, contingent upon resources available.



CSURMA

POLICY AND PROCEDURE NO. 18

ADOPTED: March 22, 2013

EFFECTIVE: March 22, 2013

SUBJECT: BOARD OF DIRECTORS PARTICIPATION AND EXECUTIVE COMMITTEE NOMINATIONS AND ELECTIONS PROCESS

PURPOSE: The purpose of this Policy and Procedure No. 18 is to describe the process by which members of the CSURMA Board of Directors are appointed and Executive Committee members are nominated and elected.

POLICY: It is the policy of the CSURMA that membership in the Board of Directors shall be adequately documented, and that nomination and election to the Executive Committee shall follow the process described in this Policy and Procedure No. 18. The AORMA Committee may adopt a separate policy and procedure applicable to auxiliary organization representation on the AORMA Committee and Board of Directors.

PROCEDURE: The following activities will be performed to effect the above stated policy.

1. Board of Directors Participation:
 - a. The CSU Executive Vice Chancellor, Business & Finance (EVC/CFO) will determine in writing to the Secretary-Auditor how to allocate CSURMA Board votes.
 - b. If votes are to be delegated to a campus, the EVC/CFO's campus designee will provide a written statement to the Secretary-Auditor of which person will be the primary representative of the campus and may designate one alternate representative. If the primary or alternate representative are to be replaced or are no longer eligible to serve, the campus designee will provide a written statement of the replacement.
 - c. The Program Administrator will maintain a list of primary and alternate representatives and will conduct orientations at least annually for new Board members.
2. Executive Committee Nominations and Elections:
 - a. Prior to the spring Board of Directors meeting the Chair will appoint a Nominating Committee to seek nominations for available positions on the Executive Committee.
 - b. The Nominating Committee will evaluate potential candidates and provide a report to the Board of Directors at the spring meeting.
 - c. The Board of Directors will conduct elections at the spring meeting for terms beginning July 1.
 - d. The Program Administrator will conduct orientations for new Board members.

ADOPTED: September 13, 2013

AMENDED: November 6, 2013

EFFECTIVE: January 1, 2012

SUBJECT: Owner Controlled Insurance Program and
Builder's Risk Insurance Program

PURPOSE:

CSURMA launched the Owner Controlled Insurance Program (OCIP) and Builder's Risk Insurance Program (BRIP) to realize a cost savings, improve coverage, and efficiently administer General Liability, Completed Operations Liability, Property, Workers' Compensation, and Course of Construction coverage for all contractors performing construction work on CSU's construction projects over \$10,000,000; and for the BRIP, all projects exceeding the threshold for Minor Capital Outlay Projects as established by the CSU Chancellor's Office Capital Planning, Design and Construction Office (CPDC). The purpose of this Policy and Procedure is to describe the operation of these two programs and provide a process for CSURMA and CPDC to collaborate on administering the programs efficiently and effectively.

POLICY:

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

PROCEDURE:

PART A: CSURMA OCIP

Section 1: General Procedures

1. CSURMA shall pay the insurance premiums and deductible collateral up front to the Program Administrator, and CSURMA will recover the advanced monies on a project-by-project basis, through CPDC, as described herein.
2. The Program 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 to invoice CPDC for 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
 - Estimated final value for reduced contractor insurance costs for each project
 - Claims & loss report with actual to date loss rate (provided separately).
3. For the initial Program Period (OCIP I), the Program Administrator's billings to CSURMA will be based on the programs' fixed premiums and a 68% loss rate of the maximum aggregate deductible, which equates to a 2.072% project billing rate relative to the Initial Construction Contract Value (a total of \$10,358,204.00 program cost).
 4. CSURMA's billings to CPDC will be based on a pro-rata portion of the fixed premiums at a 1.672% project billing rate relative to the Initial Construction Contract Value of projects as enrolled.
 5. For OCIP I, CPDC will provide a guarantee for \$1,519,400 of Deductible Collateral and Loss Adjusting Factor to cover the difference between the 68% loss rate CSURMA has billed for and the 100% loss rate. This guarantee will be backed by CPDC's seismic self-insured trust fund account. If OCIP I's loss rate exceeds a 68% loss rate, CPDC will reimburse CSURMA the actual cost difference up to \$1,519,400.
 6. For OCIP I, CSURMA will underwrite an additional \$2,000,000 to bring the total of the Deductible Collateral and Loss Conversion Factor costs down. This equates to a 25.5% Loss Rate and a total 1.672% billing rate relative to the Initial Construction Contract Value of projects as enrolled.
 7. When the Program Administrator reconciles the total program costs for OCIP I with CSURMA based on actual percentage loss of the deductible collateral, CSURMA shall reconcile its invoicing to CPDC to reflect those adjusted actual costs, and, if the loss rate is under 25%, CSURMA shall credit CPDC as appropriate for the actual program costs. Reconciliation of OCIP I is expected 18-24 months after the completion of the initial 5-year program, but may happen sooner.
 8. If there is a credit described in Paragraph 6 above, the credit may, upon agreement by CPDC, be applied to a second OCIP II program, and/or any unapplied funds shall be returned by CSURMA to CPDC for deposit in the system-wide seismic self-insured trust fund account.

Section 2: OCIP Enrollment and Invoicing

1. The Program Administrator shall enroll new projects in OCIP with an Initial Construction Contract Value of \$10,000,000 or more during the construction contract award process. 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. Projects with an Initial Construction Contract Value that is less than \$10,000,000 may enroll in OCIP upon the recommendation of CPDC and approval by the Program Underwriters.
3. The Program Administrator shall provide a quarterly report, adding new projects that have started construction during the quarter, along with the initial premium for each project. The Program Administrator will also provide updated information to the existing projects in the quarterly report.

The Program Administrator shall submit the quarterly report to Accounting and CPDC program administrators simultaneously for review and approval.

4. When CPDC and CSURMA approve the quarterly reports Accounting will use them as the basis to invoice CPDC for the initial insurance costs of the enrolled projects based on a 1.672% of Initial Construction Contract Value. CPDC will approve or reject CSURMA invoices via email within 10 business days of receipt.
5. All invoicing shall be done on templates as agreed upon by CPDC and CSURMA.
6. Upon approval of the invoices by CPDC, CSURMA shall collect the monies invoiced for the projects via Cash Posting Order (CPO).
7. CPDC shall maintain a separate account for OCIP, and CSURMA shall collect the monies invoiced from that account via CPO.

Section 3: OCIP Project Completion Activities

1. At the completion of a project The Program 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.
 - Other required information as described in “Procedure” Section #2.
2. As described above, the Program Administrator shall submit the quarterly report to Accounting and CPDC for review and approval.
3. The Program Administrator’s quarterly reports will be used as the basis for Accounting to invoice CPDC for the final additive or deductive reconciliation of insurance costs for the enrolled projects, based on final labor costs.
4. To benefit enrolled projects with predictable OCIP insurance costs, there shall be no premium adjustment for projects that are completed within five percent (5%) of their original projected premium cost. Projects that are completed with a final calculated premium cost exceeding 105% of their original projected premium cost shall be invoiced at 0.73% of the amount exceeding 105%. Projects that are completed with a final calculated premium cost lower than 95% of their original projected premium cost shall be credited the amount less than the original projected premium cost.
5. 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 Program Administrator shall continue to administer project claims.
2. Following completion of the initial OCIP I program term (expected to achieve program target enrollment by 36 months from January 1, 2012), CSU, acting through CPDC, may close out or re-enroll in a second CSURMA OCIP II program with the Program Administrator and the carrier(s). At that time premium dividends and deductible obligations will be subject to a final settlement based on

total construction value and actual loss rates. During and after this time the Program Administrator and the carriers may still be actively involved with outstanding claims, but the projects' premiums and dividends may be closed.

3. Any additive or deductive adjustments made to the total program costs based on the reconciliation(s) described above shall be passed through to CPDC via a CSURMA reconciliation billing. This is expected no later than 18-24 months after the CSURMA OCIP I program closeout.
4. In no case shall CPDC pay in excess of CSURMA's actual costs for OCIP I, as identified in Section 1 (3). These actual costs are anticipated to be \$10,358,204 as adjusted by actual loss rates and the total cost of enrolled projects.
5. Because the benefits of the OCIP apply systemwide, CSURMA shall not allocate a charge for missed investment income on advanced premiums.

PART B: CSURMA BRIP

Section 1: General Administration

1. Annually by the program anniversary date of July 1, the Program Administrator, the Program Underwriters, and CPDC shall develop a quarterly payment schedule based on anticipated project enrollment. A schedule of premium deposits would include: July 1 for new policy year deposit, October 1, first quarter premiums, January 1 for second quarter premiums, and April 1 for third quarter premiums. For subsequent years, the July 1 deposit would include all projects enrolled in the fourth quarter along with the new policy year deposit.
2. The quarterly payment schedule of premium deposits may be adjusted by mutual agreement with the underwriters if project starts or construction amounts vary from the information on which the anticipated payment schedule is based.
3. a) Premium Deposit Invoice.
The Program Administrator shall provide quarterly premium deposit invoices to CPDC based upon the agreed upon quarterly premium deposit payment schedule, and these invoices will include the project name and CPDC project number. CPDC will pay these premium deposit invoices within 30 business days of receipt.
- b) Reconciliation Invoice.
The Program Administrator shall also provide quarterly reconciliation invoices to CPDC, based on CPDC's quarterly reports. These reports shall contain, for the preceding quarter detail of initial premiums for actual new construction starts and final premium adjustments on completed projects that are deemed closed by CPDC. The quarterly reconciliation invoices shall also detail all CPDC payments of premium deposit invoices made and credit previous payment of premium deposit invoices from the actual amount due on each invoice. If the quarterly reconciliation invoice after the application of previously paid premium deposit invoices, is 1) a net credit, this credit shall be debited from the next quarterly premium deposit invoice due as identified in the premium deposit payment schedule, 2), if a net add, the amount shall be carried over to the following quarterly premium deposit invoice or year-end premium audit invoice calculation.
4. The Program Administrator will identify and include applicable premium taxes / fees to be added to each invoice at the rates established by the Department of Insurance. CPDC completed, closed projects exceeding \$5,000,000 in construction cost will pay the applicable final adjusted premium and tax /fee rate, when invoiced, based on the policy year when originally enrolled in BRIP.

-
5. The Program Administrator will provide the carrier's endorsements to CPDC naming each project enrolled with each reconciliation invoice. The endorsements will include each project's name and CPDC project number. Additionally The Program Administrator will prepare and send evidence of coverage certificates immediately as each project is enrolled as required by campuses for their contractors performing work on enrolled projects.

PART C: Definitions

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

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

BRIP Construction Cost – varies by procurement method as follows:

- o Design-Bid-Build: Construction Contract Value less 12% for OH&P.
- o CM at Risk: Construction Contract Value less Construction Phase Services/Site Management Fee, CM Contingency, and CM OH&P.
- o Design-Build: Contract Value less preconstruction and design services and 12% for OH&P.

Final Construction Cost –Construction Cost plus all construction contract change orders.

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 and the OCIP and BRIP programs are programs of the CSURMA.

CPDC: CSU's Department of Capital Planning, Design and Construction in the Chancellor's Office is the primary client for the OCIP and BRIP programs and the designated representative for managing the programs internal to the CSU.

OCIP 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

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

Program Underwriters: The insurance companies that underwrite the OCIP and BRIP insurance policies.

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

EMERGENCY SERVICES CONSULTING PRESENTATION
Witt Group Holdings, LLC

ISSUE: Witt O'Brien's (Consultant) provides emergency services consulting for the California State University System under an agreement between CSURMA and Witt Group Holdings, LLC dated July 1, 2012. Representatives from Witt O'Brien's will be in attendance at today's meeting to highlight their services provided to CSU over the past two years, and to present their service plan for the next two years beginning July 1, 2014.

The agreement outlines the tasks to be provided by Consultant during the initial term:

- Task A: Chancellor's Office Continuity of Operations Plan (COOP)
- Task B: CSU Presidents and Executive Leadership Training
- Task C: Chancellor's Office Tabletop Exercise
- Task D: Webinar Workshops for CSU Campuses
- Task E: CSU Systemwide Emergency Management Training & Exercise Program Guidebook
- Task F: Develop and Conduct Two Functional Exercises
- Task G: Strategic Advisory / Technical Services

RECOMMENDATION: The Executive Committee is asked to review the findings and recommendations of the Consultant and provide direction in regards to emergency planning for the next two years as it deems appropriate.

FISCAL IMPACT: The annual fee is included in the operating budget for FY 2013/14 and proposed for FY 2014/15.

BACKGROUND: Witt O'Brien's provides emergency services consulting for the California State University System under an agreement between CSURMA and Witt Group Holdings, LLC. The current term of the agreement is from July 1, 2012 to July 1, 2014, and renewable for successive two-year periods subject to adjustments of costs and fees to be agreed upon in writing.

ATTACHMENT(S): None

DEVELOPMENT OF NEW PROGRAMS AND SERVICES

ISSUE: At the annual Long Range Planning Meeting, the Executive Committee evaluates potential for developing new coverages and services. Staff has highlighted the following for discussion at today's meeting, and the Executive Committee may find other items for consideration.

- Student Tenant Insurance Program (STIP) – this provides coverage for loss to student personal property and also limited liability coverage for tenants in University housing. Staff has evaluated the Sallie Mae Insurance Services offering and it may be a good systemwide solution.
- Student Health Insurance Program (SHIP) – At previous meetings staff has presented information about the possibility of developing a systemwide program. Potential partners include WICHE's MHECare program and the University of California's SHIP. Staff will report on progress at today's meeting.
- Unmanned Aerial Vehicles (UAV) – Campus and auxiliary organization personnel are beginning to utilize UAV's in research projects and coursework. Traditional liability insurance does not cover aviation liability and CSU's non-owned aviation insurance does not cover them. Staff will discuss potential approaches to coverage.
- Unemployment Insurance Program Stop Loss Coverage – The insurance market has developed a product that caps an employer's exposure to unemployment insurance losses for a given fiscal year. Staff has received a conceptual proposal from AmTrust for the CSU; however, there may not be value in this kind of budget protection since CSURMA allows for interfund borrowing when the UI fund runs short. Staff will discuss the proposal at today's meeting.
- Primary reinsurance of the Campus Workers' Compensation Program – CSURMA reinsured the first \$2.5 million of each workers' compensation claim from 7/1/08 to June 30, 2012. After that, the cost of the reinsurance product became too expensive relative to the CSU actuary's projected self-insured cost. Staff has asked the Excess Insurance Authority JPA (EIA) to price the reinsurance coverage under EIA's Primary Workers' Compensation Program. Staff will discuss the status of a potential proposal at today's meeting.

RECOMMENDATION: It is recommended that the Executive Committee evaluate potential programs 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.



COLLEGE RENTERS INSURANCE

The George Washington University

INSURANCE SERVICES

Options for improving student participation

	Recommended	Alternative
	Direct Billed by Sallie Mae Insurance Services	Housing Policy Acknowledgement
Description	<i>Students are presented an opportunity to enroll in coverage during GW's housing registration. If they elect to enroll, SMIS will bill the student directly</i>	<i>Students are asked by GW to acknowledge receipt of the school's housing policy. During this process, students are presented opportunity to enroll in renters insurance</i>
Level of Student Participation	MEDIUM	MEDIUM
Level of Resources Required from School	MEDIUM Requires GW to add the opt-in language to the housing registration flow (see slide 3)	LOW SMIS will create and manage the Housing Policy Acknowledgment website (see slide 5)
Level of Transparency of Housing Policy	HIGH All housing residents are required to make a discrete choice on renters insurance	HIGH SMIS will provide back to GW a record of everyone that has completed the process
Student Experience	HIGH Seamless enrollment that is presented at a relevant time and as part of an existing process	MEDIUM Significantly better than a traditional direct mail offer, but still removed from the housing enrollment process
Summary	<i>Provides easy method for enrolling without adding anything additional to the tuition bill.</i>	<i>Enables GW to capture affirmation from students that they have reviewed the housing policy (and whether they are accepting responsibility by not purchasing the insurance)</i>

Direct Billed by Sallie Mae Insurance Services

GW would need to create a spot in the housing registration to prompt the student to enroll in Renters Insurance. GW would provide a file of a students that elected to enroll to Sallie Mae Insurance Services (SMIS). SMIS will follow-up with these students to provide them the option to pay for the coverage via the SMIS website, call center, or mail.

Sample language to be added to the GW housing registration

As indicated in your student's Housing Agreement, you are responsible for any damage to your personal property (including damage or theft) while on school premises. We recommend that all students consider student renters insurance to protect their possessions in the event personal property is stolen or damaged or if you causes damage to campus property or injures others.


George Washington is pleased to make available to our students the College Renters Insurance plan. This optional plan provides \$5,000 of personal property and \$25,000 of personal liability coverage for a premium of \$101.00 for the academic year. To enroll in this plan, please check the box below, or [click here](#) for more information.

I would like to enroll in the College Renters Insurance Plan. I understand that I will be billed separately by the product provider for the premium of \$101.00 and coverage will be effective on [move-in_date].

I do not wish to enroll in the College Renters Insurance Plan. By doing so, I understand that I will be responsible for any damage to my personal property (including damage or theft) while on school premises and that I will be liable for any damages caused to campus property or injury to others

Housing Policy Acknowledgment

- The George Washington University notifies parents/ students that they need to review the Housing Policy (via email or other appropriate communication)
- Provide “due date” of June 30th to allow for possible follow-up to students who don’t complete this step



**THE GEORGE
WASHINGTON
UNIVERSITY**
WASHINGTON, DC

[f](#) [t](#) [v](#) [i](#) [i](#)

2121 Eye Street, NW
Washington, DC 20052
Phone: (202) 994-1000

Dear [parent/student],

We understand that you plan on attending classes at The George Washington University this Fall. As indicated in your Housing Agreement, you are responsible for any damage to your personal property (including theft) while on school premises.

It is important that you review the Policy regarding personal property and personal liability while on campus property. We request that you acknowledge that you have read and understand the policy.

Please [click here](#) to view the Policy. Additional information can be found on the The George Washington University website at [URL].

It is important that you complete this acknowledgment by June 30, 2014.

There is also an optional Renters Insurance program available. We encourage you to review this Plan and thoughtfully consider whether you will benefit from this added protection.

www.gwu.edu

Housing Policy Acknowledgment

THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON, DC

Have Questions?
Call us at: (800) 123-4567
[Email Your Question](#)

Housing Policy Acknowledgement

You agree that, whether or not due to the negligence of the University, the University shall not be responsible for any of your property or the property of your visitor which may be lost, damaged, or stolen, or for any loss thereof occasioned by fire, the elements, or other casualty, including water damage. All of your property or your visitor shall be within the licensed space at your or your visitor's own risk. You acknowledge responsibility to obtain whatever insurance may be required to cover any loss or damage arising out of occupancy of the licensed space.

The George Washington University recommends that all students and their families consider Renters Insurance for protection for both personal property and liability.

We understand that choosing a Renters Insurance policy can be difficult. Therefore, The George Washington University is pleased to make available Renters Insurance from Sallie Mae Insurance Services®.

Features of Renters Insurance from Sallie Mae Insurance Services include:

- **Low \$100.00 Deductible** compared to \$500, \$1,000, or more for a typical homeowners insurance policy.
- **Personal Property Coverage.** With Renters Insurance your personal belongings are covered whether you are on-campus, off-campus, or traveling anywhere in the world.
- **Personal Liability Coverage.** If you cause damage to property or injure others, you may be liable for the damages. Renters Insurance provides personal liability coverage which will satisfy our Renters Insurance requirement.

Would you like to enroll in Renters Insurance? (Required)

Yes, I want Renters Insurance for [PRICE] the academic year. [Learn More](#)

No, I do not wish to enroll in Renters Insurance. I understand that I am accepting full responsibility for my personal property and any damages caused by myself or my guests while on university property

I have read and understand this housing policy. (Required)

Submit

This website is created and managed by SMIS. This information is captured and provided back to GW so that it can help resolve any disputes with property or liability issues.

An explanation of your housing policy is presented.

The student would be required to make a choice on whether to enroll in Renters Insurance.

The student would be required to check this box before continuing.

College Renters Insurance Enrollment

THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON, DC

Enroll in Renters Insurance | **Coverage and Billing** | Setup Your Account

Coverage and Billing

The George Washington University provides Renters Insurance from Sallie Mae Insurance Services®. The policy is underwritten by Markel American Insurance Company, an underwriter rated "A" (Excellent) by rating agency A.M. Best.

Some Coverage	More Coverage	Most Coverage
\$11.24 per Month* <small>Includes \$1.00 installment fee</small>	\$13.29 per Month* <small>Includes \$1.00 installment fee</small>	\$21.13 per Month* <small>Includes \$1.00 installment fee</small>
\$5,000 Contents Coverage	\$10,000 Contents Coverage	\$25,000 Contents Coverage
\$25,000 Liability Coverage	\$50,000 Liability Coverage	\$100,000 Liability Coverage
\$100 Deductible	\$100 Deductible	\$100 Deductible
<input type="radio"/> Select this Plan	<input type="radio"/> Select this Plan	<input type="radio"/> Select this Plan

Want a different coverage level? If a different coverage level is desired, speak to a licensed agent about your options at: (877) 445-0264

Coverage State Date: 08/02/2014

Credit Card Information

We promise that we won't sell your information to any other party and we'll use it only to bind your insurance policy.

First Name on card:

Card Number:

Parent Email Address: (optional)

Last Name on card:

Card Type:

Expiration Date (MM/YY):

Billing Address

Street Address:

City:

Unit Number:

State: **Zip:**

[Complete](#)

Features of the Renters Insurance include:

Low \$100.00 Deductible compared to \$500, \$1,000, or more for a typical homeowners insurance policy.

Personal Property Coverage up to \$25,000. With Renters Insurance your personal belongings are covered whether you are on-campus, off-campus, or traveling anywhere in the world.

Personal Liability Coverage. If you cause damage to property or injure others, you may be liable for the damages. Renters Insurance provides \$100,000 in personal liability coverage which will satisfy our Renters Insurance requirement.

Frequently asked questions

- Who provides and underwrites Renters Insurance?
- What's excluded from Renters Insurance?

Have Questions?
Call us at: (800) 123-4567

[Email Your Question](#)

If the student chooses to enroll in Renters Insurance, they will be given an opportunity to upgrade to a higher level of coverage before completing the process.

Student Housing Case Study



UC Davis is offering students the opportunity to enroll in renters insurance through their online enrollment portal. The results thus far show a greater participation rate due to it being embedded in the enrollment process.

Out of 3500 freshman students living on campus at UC Davis 47% selected yes to the question listed below

Out of 900 transfer students that were offered information to enroll 40% selected yes to the question below


Renters insurance

Are you interested in receiving additional information about Renters Insurance from GradGuard a University of California Partner?


UC Davis encourages all students to purchase Renters Insurance. UC Davis has partnered with GradGuard to offer a Renters Insurance product that is ideal for our students and offers competitive pricing. By checking yes, you agree that your contact information will be shared with GradGuard, who will send you specific information about Renters Insurance. GradGuard is a service of Next Generation Insurance Group, LLC.

Yes No

When given a choice, students choose protection



Get a quote now! Call (855) 234-9038



Cover your personal property and liability.

Have you ever thought about how much the stuff in your apartment or dorm is worth? If you lost it all, would you and your family be able to afford to replace it? Renters Insurance protects you from property losses and damages, as well as liability risks, like if someone slips and falls in your apartment.


[Get a Quote](#)

Why Renters Insurance from GradGuard™?	What's covered by Renters Insurance?	How much coverage can I get?	Frequently asked questions.
--	--	--	---

Why Renters Insurance from GradGuard™?

Renters Insurance from GradGuard™ is an ideal option for college students and young adults looking for personal property and liability protection from one product. GradGuard™'s Renters Insurance offers world wide coverage for your property with replacement cost, which ensures that you will be able to replace your belongings, not just what your old ones were worth. Plus, your electronics, such as your phone and tablet, are covered up to the property policy limits. With deductibles starting at just \$100 and our monthly payment plan, Renters Insurance from GradGuard™ is relevant, flexible and easy to afford.

[Get a Quote](#)



Renters Insurance is underwritten by Markel American Insurance Company, Waukesha, WI.
Copyright © 2009-2013 - GradGuard. All rights reserved. GradGuard is a service of Next Generation Insurance Group, LLC.
[Privacy Policy](#) | [Terms of Use](#) | [Licensing Information](#)

Renters Insurance from GradGuard™ is an ideal option for college students and young adults looking for personal property and liability protection from one product. The user interface is simple and easy to use and can be customized to fit the program partners branding.

CSURMA ROLLING OCIP STATUS REPORT

ISSUE: CSURMA launched the systemwide rolling Owner Controlled Insurance Program effective January 1, 2012. The program is designed to provide insurance coverage for construction of major capital projects with a construction cost of \$10 million or greater. “CSU OCIP I” covers projects breaking ground between January 1, 2012 and December 31, 2014 through their completion. The CSU CABO group has asked the CSURMA EC to monitor the program and develop a progress report on the program results, especially actual savings from contractor procured insurance.

Jim Holobaugh from Alliant’s Construction Services Group will be attending the meeting to present the program results.

RECOMMENDATION: It is recommended that the Executive Committee evaluate the presentation and provide direction to staff regarding further communications to CPDC, CABO and other CSU stakeholders.

FISCAL IMPACT: Action at today’s meeting is not expected to incur any cost to CSURMA. The OCIP program is funded from premiums paid from the construction project funds.

BACKGROUND: Traditionally, owners relied on contractors and their subcontractors to insure risks from construction projects. Over a decade ago, CSU assume responsibility for physical damage to major capital projects under the CSURMA Builder’s Risk Insurance Program (BRIP). Starting in the 1970’s with the initial construction of the Bay Area Rapid Transit System, public entity owners of large construction projects realized savings and coverage improvements by placing insurance on their projects. Over time the concept has grown to the point that most large public entities and major contractors use controlled insurance programs to cover their projects.

CSU’s rolling OCIP includes the following coverages:

- Workers’ Compensation
- General Liability
- Contractors Pollution Liability
- Owner’s Professional Protective Indemnity (excess professional liability)

PUBLICATION: The Executive Committee may provide direction on further publication of the report at today’s meeting.

ATTACHMENT(S): None. The presentation will be distributed at the meeting.

SERVICE PROVIDERS PERFORMANCE EVALUATIONS

ISSUE: CSURMA desires to maintain open and candid communications with its Campus and Auxiliary Organization members in all areas involving the services it provides. Periodic discussions seek comments from members concerning the management of CSURMA, the quality of services provided by its staff and vendors, and offers suggestions for program enhancements that may be beneficial for all members. The CSU Office of Risk Management contacted all CSURMA/AORMA members requesting comments on vendor performance. A representative from the Vendor Survey Committee will report on the evaluation process of the following service providers:

- A-G Administrators – AIME Claims Administrator
- Alliant – CSURMA Program Administrator
- Alliant – CSURMA Insurance Brokerage/Consulting
- Alliant – Workers’ Compensation Consulting
- Alliant – Property/Crime Claims Consulting
- AON e-Solutions – WC/Liability Claims System Software
- Belfor – Property Loss Mitigation & Restoration
- CSU Office of Risk Management – CSURMA Liability Claims Administrator
- CSU Office of Risk Management – Risk Consulting
- CSU Enterprise Accounting – Accounting Services
- Equifax Workforce Solutions – Unemployment Claims Administrator
- Har-Bro – Property Loss Mitigation & Restoration
- Sedgwick CMS – CSURMA Workers’ Compensation Claims Administrator
- Workplace Answers – Campus Web-based Training

RECOMMENDATION: The Committee is asked to review the Service Provider Performance evaluation process for the Service Providers and provide further direction as necessary.

FISCAL IMPACT: None.

BACKGROUND: The Service Provider Performance evaluation will assist CSURMA with information to address member service needs for strategic planning. The survey is designed to maintain respondent confidentiality in order to elicit candid comments.

PUBLICATION: None.

ATTACHMENT(S): None.

DEVELOPMENT OF CSURMA GOALS FOR NEXT 1 - 3 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 2013/14 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 2013/14 Long Range Action Plan and develop new a Long Range Action Plan for 2014/15.

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.) Refer to agenda item 1. CSURMA Long Range Action Plan 2013/14