



- 4. **Employers Group Renewal Contract – July 1, 2020 to June 30, 2023** A p. 92  
*The Committee will be asked to approve the renewal of the Employers Group contract for an additional three years.*
- 5. **Carl Warren & Company Third Party Liability Claims Amendment No. 2 – Addition of Subrogation Pricing** A p. 148  
*The Committee will be asked to approve the revision to the current contract to add pricing for subrogation services.*
- 6. **CSURMA AORMA Policies and Procedures – Biennial Review** A p. 150  
*The Committee will be asked to review the AORMA Policies and Procedures and approve revisions as appropriate.*
- D. STANDING COMMITTEE REPORT**
- 1. **CSURMA AORMA Benefits Program Report** I p. 208
- E. CLOSED SESSION Pursuant to California Government Code Section 11126(e)(1) & 1126(f)(1)** A  
*Action may be taken per Government Code Section 11126(e)(1) & 1126(f)(1). Please refer to the below list of claims that may be discussed. The Committee may assess and evaluate pending claims and related issues and take action or provide direction to Staff regarding the litigation described below.*
  - 1. Rafael Souza Haz v. Northridge, University Corp
  - 2. Marleny Aranda v. University Enterprises CSUB
  - 3. Monique Bennett v San Diego, ASI
  - 4. Sakiko Katagiri/Azusa Makita v. San Diego, Research Foundation
  - 5. Rudolph Debellis v. Sacramento, ASI
  - 6. Connor Richardson v. Los Angeles, Auxiliary Services
  - 7. Gabriela Saucedo vs. Long Beach, ASI
  - 8. Angela Espinoza v San Luis Obispo, ASI
  - 9. Kierstin Stickney v Long Beach, Forty-Niner Shops
  - 10. Jean Robensin v San Diego, Aztec Shops
  - 11. Shantelle Bledshoe v San Luis Obispo, Cal Poly Corp
  - 12. Gabriel Avila v. San Marcos, ASI
  - 13. AB 218 Revised Liability Funding Plan
- F. GENERAL ADMINISTRATION**
- 1. **Excess Insurance Renewals and Underwriter Meetings Report** I p. 218  
*The Committee will receive a verbal report on the Underwriters Meetings report.*
- 2. **FY 2019/20 CSURMA Midterm Budget Amendments** I p. 221  
*The Committee will hear an overview of the FY 19/20 CSURMA Midterm Budget Amendments that was reviewed by the Executive Committee.*

3.	<b>CSURMA AORMA Unemployment Insurance Program (UIP)</b> <i>The Committee will be asked to discuss the anticipated UI claims for the next several quarters as well as opening the program to members who do not currently participate.</i>	A	p. 236
4.	<b>FY 19/20 and FY 20/21 AORMA Coverage Program Costs</b> <i>The Committee will be asked to discuss the current and future program costs with respect to reduction in rating exposures.</i>	A	p. 242
5.	<b>CSURMA AORMA Committee Election Results</b> <i>The Committee will hear the results of the election for the two-year term beginning on July 1, 2020 to June 30, 2022.</i>	I	p. 247
6.	<b>CSAC-EIA Workers' Compensation Renewal Options</b> <i>The Committee will hear a summary of the revised PRISM primary workers' compensation program proposal for FY 20/21 and FY 21/22.</i>	I	p. 249
7.	<b>Insurance Considerations for Watercraft</b> <i>The Committee will review the watercraft matrix which outlines the coverage available through the watercraft program vs. the AORMA liability, property and workers' compensation programs.</i>	I	p. 251
8.	<b>AORMA Recommended Waiver and Handbook – Legal Review</b> <i>The Committee will discuss legal counsel's review of the AORMA recommended waiver and handbook.</i>	I	p. 253
<b>G.</b>	<b>INFORMATION ITEMS</b>		
1.	FY 2019/20 AORMA Long Range Action Plan	I	p. 267
2.	CSURMA AORMA FY 19/20 and FY 20/21 Meeting Calendars	I	p. 271
3.	CSURMA AORMA Program Administrator Contact Lists	I	p. 274
4.	CSURMA AORMA Committee Members Contact List	I	p. 277
5.	AORMA's Travel Reimbursement Policy	I	p. 288
<b>H.</b>	<b>ADJOURNMENT</b>		

*The next AORMA Committee meeting is scheduled for September 9 and 10, 2020 at 11:00 AM in TBD.  
Please contact Mimi Long [mlong@alliant.com](mailto:mlong@alliant.com) or Tevea Him [thim@alliant.com](mailto:thim@alliant.com) with questions.*

**APPROVAL OF THE AGENDA**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**INTRODUCTION OF THE NEW CARL WARREN & COMPANY CLAIMS  
ADVOCATE**

**ISSUE:** Yumi Augustus, the AORMA liability claims administrator, has left Carl Warren & Company (CWC) for an exciting opportunity to be the director of claims at a California joint powers of authority. Fortunately, CWC has acted swiftly and designated Shari Huff as AORMA's new claims manager. Shari will be our primary contact for all AORMA liability claims.

**RECOMMENDATION:** This is an information item only; no action is required.

**FISCAL IMPACT:** None.

**BACKGROUND:** Shari will be in attendance and will be available to answer questions.

**PUBLICATION:** Members have already been notified of this change via email. Our internal documents will be updated and posted on the website.

**ATTACHMENT(S):**

- a. Shari Huff's Bio
- b. CWC's Litigation Manager Change Letter

# Sharon 'Shari' Huff

Litigation Manager | Tustin, California  
Carl Warren & Company | Employee Since 2008

## EXPERIENCE & WORK HISTORY

Shari has over 20 years of professional and supervisory insurance experience to include 12 years of public entity claims management. Shari has a proven track record of managing the successful resolution of multi-line, high severity and complex losses for Government Pool and School District clients. She handles multi-jurisdictional litigated claims for a wide range of business lines to include non-profit social services, sexual abuse, general liability, product liability, professional liability, employment liability, public entity, tort, class action, pollution, auto and heavy equipment and property.

As Carl Warren's Litigation Manager, Shari will create and maintain efficient workflow amongst her team to provide consistent claims service to our clients. She communicates with brokers, agents, clients and external business partners to improve profitability and deliver customer experience. Shari will be responsible for the following:

- Leading, coaching and developing a team of claim supervisors and adjusters.
- Executing on client/Carl Warren strategies in order achieve claims quality, customer service and operational objectives.
- Managing claim expenses for clients and the company.
- Preparing and developing presentations and stewardship reports for clients.
- Communicating regularly with staff regarding latest legislation, client changes and changes in claim practices and procedures to ensure compliance.
- Providing insurance carriers with coverage analysis and recommendations.
- Conducting internal company audits.
- Conducting investigations, attending settlement conferences and monitoring trials.

Shari was employed at Carl Warren for 10 years prior leaving to pursue an extraordinary limited-time opportunity with *Halo Claims Solutions* to excel her career within the industry. Prior to joining the Carl Warren team, Shari worked as a Claims Manager for *Permanent General Assurance Corporation* in Mission Viejo where she managed the Northern California and Southern California claims offices and a team of 75-100 personnel.

## EDUCATION & LICENSES

Shari is a licensed adjuster in California and holds an Associate in Claims Management (AIC-M). She attended Saddleback College in Mission Viejo and the University of California, Santa Barbara.

Shari also volunteers as an Action Team Member at Red Cross Disaster and a Disaster Relief Team Leader at Local, National & International CASA (Court Appointed Special Advocate) for Children.



March 30, 2020

Alliant Insurance Services Inc.  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, California 94111

Attention: Mimi Long, Vice President  
Regarding: Carl Warren's Litigation Manager Change on CSURMA's Account

Dear Mimi & CSURMA Members;

Carl Warren is pleased to introduce you to Sharon 'Shari' Huff, the new Litigation Manger representative for the California State University Risk Management Authority ("CSURMA")'s account, effective March 27, 2020.

Shari rejoined the Carl Warren team earlier this month and brings over 20 years of professional claims experience. She will be taking on Yumi Augustus's responsibilities. Shari has proven herself in her public entity experience, qualifications, and achievements. Her resume has been provided to both Alliant and CSURMA.

We want this transition to be seamless for you and CSURMA and our excellent working relationship will continue to be uninterrupted. Shari can be contacted at [shuff@carlwarren.com](mailto:shuff@carlwarren.com) or T: 657-622-4200. Both Shari and I are happy to answer any questions you may have.

Best Regards,



**Richard McAbee**  
Chief Marketing Officer  
Carl Warren & Company  
T: 602-485-8228 | C: 602-723-5610  
[rmcbaee@carlwarren.com](mailto:rmcbaee@carlwarren.com)

**APPROVAL OF MINUTES – DECEMBER 5, 2019**

**ISSUE:** The Committee will be asked to review and approve the draft minutes from its December 5, 2019 meeting.

**RECOMMENDATION:** It is recommended that the Committee approve the minutes from its December 5, 2019 meeting, including corrections as necessary.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA AORMA Committee Meeting Minutes – December 5, 2019

**MINUTES OF THE  
CSURMA AORMA COMMITTEE MEETING  
DECEMBER 5, 2019  
ALLIANT INSURANCE SERVICES, INC.  
100 PINE STREET, 11<sup>TH</sup> FLOOR, SAN FRANCISCO, CA  
11:00 AM**

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**MEMBERS PRESENT**

Dwayne Brummett, Associated Students, Inc. at San Luis Obispo  
Chuck Kissel, CSU Fullerton Auxiliary Services Corporation  
Starr Lee, The University Corporation at Monterey Bay (*arrived at 12pm*)  
Leslie Levinson, San Diego State University Research Foundation (*via Teleconference*)  
Dave Nakamura, Humboldt State University Center  
Bella Newberg, California State University San Marcos Corporation (*via Teleconference*)  
Bill Olmsted, University Union Operation of CSUS, Inc.

**MEMBERS ABSENT**

Trina Knight, University Enterprises, Inc., CSU Sacramento  
Cecilia Ortiz, Loker University Student Union, CSU Dominguez Hills (*via Teleconference; non-voting*)  
Russ Wittmeier, Chico State Enterprises

**STAFF, GUESTS AND CONSULTANTS**

Yumi Augustus, Carl Warren and Company  
Katie Brandt, Sedgwick (*via Teleconference*)  
Zachary Gifford, CSU Office of the Chancellor – Systemwide Risk Management  
Tevea Him, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
William Hsu, CSU Office of the Chancellor - General Counsel (*via Teleconference*)  
Susan Leung, Alliant Insurance Services, Inc.  
Mimi Long, Alliant Insurance Services, Inc.  
Brian Montagnese, Sedgwick CMS (*via Teleconference*)  
Beth Tavares, Carl Warren and Company (*via Teleconference*)  
Robin Webb, CSU Office of the Chancellor - General Counsel (*via Teleconference*)

**A. CALL TO ORDER**

The meeting was called to order by the Chair, Dwayne Brummett at 11:02 AM.

**A1. Approval of the Agenda**

Bella Newberg and Leslie Levinson expressed their desire to abstain from voting on all action items.

A motion was made to approve the agenda.

Motion: Chuck Kissel  
Second: Dave Nakamura

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee				X
Trina Knight				X

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

Tom Quirk, Chloe Smith and Emily Li provided an overview of the AORMA Benefits Program’s current activities.

**C. CONSENT CALENDAR**

**C1. Approval of Meeting Minutes – September 4-5, 2019**

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

Motion: Bill Olmsted  
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X

Starr Lee				X
Trina Knight				X

**MOTION CARRIED**

**D. CLOSED SESSION**

1. Apodaca v. San Marcos, ASI, et al.
2. Aranda v. San Bernardino, University Enterprises Corp
3. Lazar v. San Luis Obispo, Cal Poly Corp
4. Bennett vs. San Diego, ASI
5. Katagiri vs. San Diego, Research Foundation
6. Debellis vs. Sacramento, ASI
7. Fleischman vs. San Diego, Research Foundation
8. Richardson vs. Los Angeles, ASI
9. Saucedo vs. Long Beach, ASI
10. M. Davis vs. Long Beach, ASI
11. Espinoza vs. San Luis Obispo, ASI
12. Stickney vs. Long Beach, Forty-Niner Shops
13. Robensin vs. San Diego, Aztec Shops

A motion was made to enter closed session at 12:15 P.M.

Motion: Dave Nakamura  
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee				X
Trina Knight				X

**MOTION CARRIED**

The Committee came out of closed session at 1:42 PM. The Chair reported that action was taken on Lazar v. SLO Cal Poly Corp, Bennett vs. San Diego ASI, Debellis vs. Sacramento ASI, Stickney vs. Long Beach Forty-Niner Shops and Robensin vs. San Diego Aztec Shops during closed session.

**Motion:** Starr Lee  
**Second:** Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee				X
Trina Knight				X

**MOTION CARRIED**

**E. GENERAL ADMINISTRATION**

**E1. FY 19/20 CSURMA AORMA Long Range Action Plan**

The Committee heard an overview of the activity on the items within the FY 19/20 Long Range Action Plan:

1. Execute a retainer with an attorney to provide legal advice regarding complex contracts
2. Audit/review the Members’ current additional insureds
3. Create a whitepaper to aid Members in developing contracts involving minors
4. Create a whitepaper to aid Members in developing contracts with performing artists
5. Update the IRIC Manual to include an exhibit for Member’s chartering watercraft
6. Create a watercraft matrix which clearly outlines the difference between coverage available through the CSURMA Watercraft Program vs. coverage through the CSURMA AORMA liability, property and workers’ compensation programs
7. Develop the executive oversight policies and procedures for the CSURMA AORMA Benefits Program
8. Expand the Club Liability Insurance Program (CLIP) to include all of the CSU Alumni Associations
9. Create a Theatre Inspection Common Findings Report
10. Update the AORMA Recommended Waiver Handbook

A motion was made to approve the FY 19/20 Long Range Action Plan as presented.

Motion: Chuck Kissel

Second: Dave Nakamura

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E2. Workers’ Compensation Supplemental Actuarial Report (Experience Modification Factors)**

CSURMA’s retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2019, and (2) Projected Ultimate Limited Losses for FY 20/21. These reports were approved by the AORMA Committee in September, 2019. The actuary also calculates each member’s experience modification factor (EMF). The Committee reviewed the supplemental EMF report to be used in the FY 20/21 Workers’ Compensation Program Member Allocation.

The EMF’s are used in the FY 20/21 Workers’ Compensation Member Allocation. Each member’s EMF has the potential of increasing 20%; however, there is no limit on the percentage decrease.

The Workers’ Compensation Program Member Allocation formula incorporates an EMF for each Member which is a claims experience rating system intended to provide Members with a direct financial incentive to reduce work-related accidents. The EMF rating system objectively distributes the workers’ compensation program costs more equitably between the Members. An EMF less than 100% reflects better than average experience.

Each member will receive its EMF calculation once the Committee accepts this supplemental report. The EMF’s will also be included in the budgeting letter which will be sent to all members in January, 2020.

A motion was made to accept the Workers’ Compensation 20/21 EMF supplemental report dated December 2, 2019 to be used in the FY 20/21 Workers’ Compensation Program Member Allocation.

Motion: Chuck Kissel  
Second: Dave Nakamura

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E3. Workers’ Compensation Program Member Allocation for FY 20/21**

The Committee reviewed the AORMA Workers’ Compensation Program Member Allocation for FY 20/21. The AORMA Committee was asked to approve the FY 20/21 workers’ compensation rates as well as the allocation. Costs are allocated to the members based on their estimated payroll for FY 20/21 and their experience modification factor (EMF) as determined by the CSURMA actuary. The total funding required for the FY 20/21 program is \$4,633,607. As compared to the premium collected for FY 19/20 of \$5,022,175, the total premium costs have decreased by 8% (or \$388,568). This decrease is due primarily to the decrease in the actuarial recommend program rate for the pooled layer.

In order to establish rate stability, the AORMA workers’ compensation program rates are determined by starting with the corresponding WCIRB rate approved for use as the AORMA class code rate and then applying a normalization factor to develop the total amount of funding required.

A motion was made to the approved the FY 20/21 rates shown below, as well as the FY 20/21 Workers’ Compensation Program Member Allocation as presented, and to allow Staff to revise the allocation with updated member payroll information as appropriate.

AORMA Class Code	1001	1002	1004	1005	1006	1007
<b>FY 20/21 Rates</b>	.22	.64	1.22	1.55	2.82	4.56

Motion: Dave Nakamura  
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E4. Liability Program Supplemental Actuarial Reports**

CSURMA’s retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2019, and (2) Projected Ultimate Limited Losses for FY 20/21. These reports were approved by the AORMA Committee in September, 2019. The actuary also provides the following supplemental reports:

1. Experience Modification Factor (EMF)
2. Program Rates for EPL, Auto Liability, Premises Liability and All Other
3. Employment Practices Deductible Credits

The Committee reviewed the supplemental reports to be used in the FY 20/21 Liability Program Member Allocation.

In order to calculate the EMF’s, the actuary uses five years of exposure data and loss data. To stabilize the EMF’s, all losses are capped at \$100,000. The actuary first calculates each member’s portion of the total losses compared to its portion of the total risk exposures. The actuary then adds a credibility weight based on each member’s size. This assumes that the historical loss information of larger members is more predictive of future claim experience compared to that of small members. The two largest members were assigned a weight of 75%, and the remaining members were given proportionally lower weights.

To provide greater stability, the minimum and maximum EMF’s are limited to between .50 and 2.00. The factors within the supplemental reports will be included in the Liability Program Member Allocation, but will not be distributed to each member separately.

A motion was made to accept the FY 20/21 Rates and Experience Modification Factors, and the Employment Practices Liability Indicated Deductible Credits reports dated November 20, 2019.

Motion: Bill Olmsted  
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E5. Liability Program Member Allocation for FY 2020/21**

In September, 2019, the AORMA Committee approved the total costs for the Liability Program. The AORMA Committee must now approve the Liability Program Member Allocation and the allocation factors for FY 20/21. The total Liability Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure L-8.

The Committee reviewed the allocation factors:

1. **Four basic rates.** Table 1 includes the proposed rates for Auto, Premises, Other and Employment Practices Liability (EPL). Because the overall funding increase for the liability program was relatively low, Staff was able to adopt the actuary’s recommended rates. The actuary’s recommended rates have been normalized to include the size credit of 20% as well as the 80% confidence level funding for the pooled layer.

Exposure Category	19/20 Actuary's Recommended Rates	AORMA 19/20 Normalized Rates	Diff	20/21 Actuary's Recommended Rates	AORMA 20/21 Normalized Rates	Diff
Auto Liability	172	172	0%	150	204	36%
Premises Liability	41	40	-2%	29	40	36%
Other Liability	169	320	89%	224	304	36%
EPL	2,043	1,560	-24%	1,652	2,245	36%

1. **Maximum premium for calculating the size credit.** This was increased from \$60,000 to \$76,000 to allow ten Members to receive the maximum size credit of 20%.
2. **Maximum size credit rate percentage.** This size credit was lower from 25% to 20%.
3. **Maximum collared premium percentage increase.** The maximum collar increase was lowered from 33% to 20%. (Three members were not subject to the 20% maximum increase of 20% because their rating exposures increased significantly and their costs were calculated based on the new exposures. Note, other members had significant exposure changes as well, however, their costs as calculated did not exceed the maximum increase collar.)
4. **Maximum collared rate percentage decrease.** The maximum collar decrease was lowered from a plus 6% increase to a 21% decrease. (One member received a larger decrease due to a major change in operations.)
5. **Capped excess premium.** The maximum excess premium was increased from \$93,713 to \$98,398 (a 5% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017 and approved by the AORMA Committee.
6. **Minimum administrative costs.** This minimum administrative costs was increased from \$726 to \$799 (a 10% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017 and approved by the AORMA Committee.
7. **Maximum administrative costs.** This remains at \$60,000.
8. **Minimum premium.** The minimum premium was increased from \$2,845 to \$3,272 (a 15% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017 and approved by the AORMA Committee.

The total funding for the FY 20/21 program is \$4,758,296 which is a 5% increase (or \$218,141) as compared to FY 19/20. This increase is due to anticipated growth of the AORMA members as well as the overall hardening of the excess/reinsurance commercial market.

A motion was made to approve (1) the FY 20/21 Liability Program Member Allocation and (2) the allocation factors allowing Staff to revise the allocation with updated exposure information as appropriate.

Motion: Chuck Kissel  
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz		X		
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		

Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E6. Property Program Member Allocation for FY 2020/21**

In September, 2019, the AORMA Committee approved the total costs for the Property Program. The AORMA Committee will now be asked to approve the final member allocation and the allocation factors included within the FY 20/21 Property Program Member Allocation. The total Property Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure P-1.

The Committee discussed review the allocation factors:

1. **Basic rates:** .1629 for real property and business interruption/rents and .1955 for business personal property. TABLE 1 below notes the program’s historical rates.

**TABLE 1**

Property Program Historical Rates							
Coverage	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	% Diff
Real Property, Business Interruption and Rents	0.1424	0.1402	0.1340	0.1376	0.1424	0.1629	14%
Business Personal Property	0.1709	0.1682	0.1608	0.1651	0.1709	0.1955	14%

2. **Maximum premium for calculating the size credit:** \$600,000. This factor remains unchanged from the FY 19/20 allocation.
3. **Maximum size credit rate percentage:** 30%. This factor remains unchanged from the FY 19/20 allocation.
4. **Minimum premium:** \$600. This factor remains unchanged from the FY 19/20 allocation.
5. **Loss ratio surcharge schedule:** No change. See TABLE 2 below which shows the historical loss ratio surcharges.

**TABLE 2**

Loss Ratio Surcharge	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Less than 40%	None	None	None	None
Between 40% and 60%	None	5%	5%	5%
Between 60% and 100%	10%	10%	10%	10%
Between 100% and 150%	20%	20%	20%	20%
Between 150% and 300%	20%	30%	30%	30%
Excess of 300%	20%	40%	40%	40%

The FY 20/21 Property Program Member Allocation results in a total premium of \$2,813,631. This is a 14% (or \$346,326) increase compared to FY 19/20. As shown on Table 1 below, the basic property rate increased by 14%. The total property program premium also includes the premium for the limited earthquake, pollution, and cyber coverage.

A motion was made to approve (1) the FY 20/21 Property Program Allocation Factors as noted below and (2) the member allocation as presented on the attached spreadsheet allowing Staff to revise the allocation with updated property value information when received from the members.

Motion: Dave Nakamura  
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E7. Crime Program Member Allocation for FY 2020/21**

In September, 2019, the AORMA Committee approved the total cost for the Crime Program. The AORMA Committee will now be asked to approve the final member allocation and the allocation factors included within the FY 20/21 Crime Program Member Allocation. The total Crime Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure C-1.

The Committee reviewed the allocation factors:

1. **Basic rate:** .0004033. Even though the overall program premium increased slightly, the basic rate decreased. This is because the individual premium for five members increased due to loss activity. The rate for FY 19/20 was .000411.
2. **Maximum premium for calculating the size credit:** \$6,000. This factor remains unchanged from the FY 19/20 allocation. Eleven members receive the entire 30% size credit.

3. **Maximum size credit rate percentage:** 30%. This factor remains unchanged from the FY 19/20 allocation.
4. **Minimum premium:** See the minimum premium schedule (Table 1) below. The minimum premium schedule is unchanged from the FY 19/20 allocation.
5. **Loss ratio surcharge schedule:** See the Loss Rating Surcharge Schedule (Table 2) below. The loss rating schedule is unchanged from the FY 19/20 allocation.

TABLE 1	
Expenditures Less Than	FY 20/21 Minimum Premium
1,000,000	200
1,250,000	250
1,500,000	300
2,000,000	400
3,000,000	600
4,000,000	800
5,000,000	1,000
6,000,000	1,200
7,000,000	1,400
8,000,000	1,520
9,000,000	1,620
10,000,000	1,700
12,500,000	2,188
15,000,000	2,550
17,500,000	2,888
Over 17,500,000	3,200

TABLE 2	
Loss Rating Surcharge Schedule	
Surcharge Ratio	FY 19/20
Less than 50%	0%
Over 50%	0%
Over 100%	20%
Over 200%	40%
Over 300%	50%

The FY 20/21 total cost for the Crime Program is \$238,287 which represents a 3% (or \$7,729) increased over the FY 19/20 program costs.

A motion was made to approve (1) the FY 20/21 Crime Program Allocation Factors and (2) the member allocation as presented on the attached spreadsheet allowing Staff to revise the allocation with updated expenditure and/or payroll information as appropriate.

Motion: Bill Olmsted  
Second: Dave Nakamura

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			

Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E8. Unemployment Insurance Program Member Allocation for FY 2020/21**

The AORMA Unemployment Insurance Program (UIP) member allocation uses two factors – paid claims and administrative costs – in order to calculate each member’s annual deposit. Each member must maintain a minimum fund balance of two times its average annual losses. If the member’s fund balance is below the minimum, annually, the member will be assessed an amount not to exceed 20% of the additional funding required to achieve the minimum fund balance. The FY 20/21 UIP member allocation has been calculated in accordance with Policy and Procedure UI-1.

In accordance with Policy and Procedure UI-1, Staff has applied the member’s excess funds (if any) to reduce the FY 20/21 UIP annual deposit. For those members with additional excess funds remaining, Staff will provide the option to;

1. Transfer the funds to another program (the workers’ compensation program only for those members with federal sponsored programs),
2. Keep the funds on account; or,
3. Receive a refund (only for those members without federal sponsored programs).

The UIP member allocation results in an annual deposit of \$809,956 for FY 20/21. The annual deposit for FY 19/20 was \$788,791.

A motion was made to approve the FY 20/21 UIP member allocation as presented.

Motion: Bill Olmsted  
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		

Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E9. Liability and Workers’ Compensation Dividends**

At its September, 2019 meeting, the AORMA Committee approved the following dividends to be distributed in July, 2020:

- a. Liability - \$782,985
- b. Workers’ Compensation - \$544,190

The dividends have been allocated to the members based on the formula outlined in Policy and Procedure A-4 – Dividends and Assessments.

The Committee reviewed the liability and workers’ compensation dividend allocation calculation. Dividends are allocated to those members currently participating in the liability and workers’ compensation program (and who will be participating on July 1, 2020) based on each member’s total percentage of contributions during the following fiscal years: 15/16, 16/17, 17/18, 18/19 and 19/20. Members will be notified of the approved dividend amount at the end of January, 2020.

A motion was made to approve the liability and workers’ compensation dividends to be paid in July, 2020. The total dividend payable in July, 2020 is \$1,327,175.

Motion: Bill Olmstead  
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E10. AORMA Committee Election for Officer Positions**

The three current officers, shown below, were each nominated for a second two-year term beginning on July 1, 2020.

**Current Officers:**

Member	Position	Type of Auxiliary	Term	1st, 2nd or Final Term
Dwayne Brummett	Chair	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	7/1/18 - 6/30/20	First
Dave Nakamura	First Vice Chair	Humboldt State University Center	7/1/18 - 6/30/20	First
Starr Lee	Second Vice Chair	The University Corporation at Monterey Bay	7/1/18 - 6/30/20	First

The Chair asked for additional nominations. Hearing none, the Chair asked for a motion to close the nominations.

A motion was made to close nominations.

Motion: Chuck Kissel  
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

A motion was made to elect the three current officers for a second two-year term beginning on July 1, 2020.

Motion: Bill Olmsted  
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		

Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**E11. Policy and Procedure A-1 - AORMA Committee Composition, Elections and Term Limits**

Because the AORMA Committee will no longer hold a meeting in October, Policy and Procedure A-1 has been revised to update the AORMA Committee nomination and election timeline. Also, the announcement in January (at the AOA Conference) regarding changes to the AORMA Committee officers as well as open upcoming open seats, is completed by the Chair during AOA business meeting, so this section was revised as well.

A motion was made to approve the revisions to Policy and Procedure A-1.

Motion: Chuck Kissel  
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**E12. Rating Plans Task Group**

Policy and Procedure A-5 - Annual Calendar of Reports, Audits and Filings, requires that the AORMA Committee review its allocation formulas for its coverage programs every three years to verify that they are still fair and equitable.

The Chair appointed Cecelia Ortiz, Bill Olmsted, Dave Nakamura and Leslie Levinson to serve on the rating plans task group.

### **E13. White Paper to Aid Members in Developing Contracts Involving Minors**

The FY 19/20 AORMA Long Range Action Plan includes the goal of creating a whitepaper to aid members in developing contracts with non-CSU entities when minors are involved. A whitepaper has been created with the assistance of Praesidium and CSU Systemwide Risk Management. It includes suggested insurance requirements as well as contract stipulations to validate that the Contractor has policies and procedures in place to keep minors safe while conducting its operations on, or in, your premise. The suggested contract stipulations and insurance requirements can be used when drawing up agreements with non-CSU entities who will be bringing minors onto campus or into a campus or auxiliary managed premise.

The whitepaper has been posted on the CSURMA website as well as distributed to all CSURMA members.

### **E14. Retainer with Legal Counsel for Complex Contract Questions**

The FY 19/20 AORMA Long Range Action Plan includes the goal of putting into place an agreement with an attorney to be available to the AORMA members to provide legal advice regarding complex contracts. The Committee reviewed Byrne Conley's resume. Byrne is active with several different associations and frequently provides educational sessions regarding law and how it relates to indemnity agreements.

Staff was directed to provide Members with Byrne's contact information on an as needed basis.

### **E15. Proposal for AORMA Recommended Waiver and Handbook Legal Counsel Review and Update**

The AORMA Committee's long range action plan includes the task of reviewing the AORMA recommended waiver and handbook by legal counsel. This review includes updated guidelines regarding;

- Electronic signature and storage
- Electronic signature vs. wet signature for minors
- Group waivers
- Duration of the waiver

The Committee reviewed the proposal from Byrne Conley to complete the review and update. He estimates no more than three to five hours.

The Committee added additional questions / areas of review.

- Electronic signature and storage (for adults and minors) ... what are the current rules and acceptable practices?
- Electronic signature vs. wet signature for minors ... what are current rules and acceptable practices?
- Group waivers ... can the Member have a single waiver that all participants sign at the bottom?
- Duration of the waiver ... can the waiver be signed for a period exceeding one year?
- Should the waiver include a separate “known risks” section where the AORMA member can add risks specific to the activity?
- Currently the waiver is only available in English. Should AORMA consider additional languages? If so, would this then compel AORMA to translate the waiver into any and all languages as requested?
- When receiving a signed waiver for a minor, is the AORMA member required to verify that the signature is from the authorized parent or guardian?

A motion was made to approve a cost of not to exceed \$1,050 for the review of the AORMA recommended waiver handbook.

Motion: Bill Olmsted  
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight	X			

**MOTION CARRIED**

**E16. AORMA Liability Program Claims Administration Audit Report**

CSURMA engaged Bickmore Risk Services to conduct a liability claims administration audit of Carl Warren and Company. The purpose of the audit is to:

1. Verify that Carl Warren’s claims administration practices meet industry best practices and comply with state law, the claims administration contract and its internal procedures
2. Evaluate adjuster experience, competence and staffing levels

3. Identify opportunities for program improvement and make recommendations to ensure improvement

Bickmore finds the overall performance of Carl Warren at 92%, indicating a **Commendable** performance level (down from 95% in 2017).

Staff recommends that the Committee accept the report as presented.

Motion: Chuck Kissel

Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz				X
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson		X		
Russell Wittmeier				X
Starr Lee	X			
Trina Knight				X

**MOTION CARRIED**

**F. INFORMATIONAL ITEMS**

- F1. CSURMA AORMA 2019/20 & 2020/21 Meeting Calendars**
- F2. CSURMA AORMA Program Administrator’s Contact Lists**
- F3. AORMA’s Travel Reimbursement Policy**
- F4. AORMA Committee Members - Effective 7/01/19**
- F5. CSURMA Administrative Service Calendar**

The Committee reviewed the informational items, but there was no discussion.

**G. ADJOURNMENT**

The meeting was adjourned at 2:37 PM.

## **FY 2020/21 CSURMA OPERATING BUDGET**

**ISSUE:** CSURMA’s next fiscal year begins on July 1, 2020. The FY 2020/21 operating budget is to be approved by the Board of Directors at its May 8, 2020 meeting. The Chancellor’s Office Enterprise Accounting Services and the Program Administrators worked together to develop a draft FY 2020/21 budget for the AORMA Committee to review at today’s meeting.

Major features of the proposed AORMA budget include:

- 7.0% decrease in Total Operating Revenues from \$9,291,783 to \$8,643,740.
- 1.4% increase in Total Operating Expenses from \$10,903,015 to \$11,059,067.
- Net Deficit increase from (\$1,416,850) to (\$2,225,791).
- Retained Earnings decrease from \$16,630,274 to \$14,404,483 at June 30, 2021.

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

**RECOMMENDATION:** The AORMA Committee is asked to review the draft proposed budget for FY 2020/21 and make a recommendation to the Executive Committee for adoption with changes as appropriate.

**FISCAL IMPACT:** The proposed budget is estimated to produce a Net Deficit of (\$2,225,791). Retained Earnings is estimated to decrease from \$16,630,274 to \$14,404,483 at June 30, 2021.

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

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Draft FY 2020/21 CSURMA Budget of Revenues and Expenses

# **CSURMA**

**Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2020 to June 30, 2021**

## **OPERATING BUDGET**

**AORMA**

**May 7, 2020**

**PROPOSED**

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2020 to June 30, 2021

OPERATING BUDGET  
**PROPOSED**

**TOTAL: AORMA PROGRAMS**

	<i>Final</i> <b><u>FY 19/20</u></b> <b><u>Budget</u></b>	<i>Proposed</i> <b><u>FY 20/21</u></b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	12,803,934	12,919,598	115,664	0.9%
Reinsurance Premiums	-3,512,151	-4,275,858	-763,706	21.7%
<b>Total Operating Revenues</b>	<b><u>9,291,783</u></b>	<b><u>8,643,740</u></b>	<b><u>-648,042</u></b>	<b><u>-7.0%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	5,148,118	4,923,671	-224,447	-4.4%
Deductible Recoveries	-100,000	-100,000	0	0.0%
Claims Administrators	271,429	272,849	1,420	0.5%
Management Information System	12,486	12,723	237	1.9%
Program Administrators	1,371,548	1,396,262	24,714	1.8%
Brokerage Commissions & Fees	300,721	300,794	73	0.0%
Insurance Premiums (net of brokerage)	4,503,502	4,831,351	327,849	7.3%
Taxes, Assessments & Fees	67,465	69,489	2,024	3.0%
Actuarial Services	12,434	12,608	174	1.4%
Claims Audit	6,500	6,500	0	0.0%
Coverage Counsel	5,000	5,000	0	0.0%
Program Legal	2,500	2,500	0	0.0%
Miscellaneous Program Services	1,254	1,175	-80	-6.3%
Workshop/Training Expenses	39,402	47,848	8,445	21.4%
Loss Control Expenses	208,557	308,641	100,084	48.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-2,088,554	-2,088,554	0	0.0%
Program Committee	5,356	5,356	0	0.0%
Dividend Distributions	1,135,297	1,050,854	-84,443	-7.4%
<b>Total Direct Program Expenses</b>	<b><u>10,903,015</u></b>	<b><u>11,059,067</u></b>	<b><u>156,052</u></b>	<b><u>1.4%</u></b>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2020 to June 30, 2021

OPERATING BUDGET  
**PROPOSED**

**TOTAL: AORMA PROGRAMS**

	<i>Final</i> <b><u>FY 19/20</u></b> <b><u>Budget</u></b>	<i>Proposed</i> <b><u>FY 20/21</u></b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	4,416	4,171	-246	-5.6%
Executive Committee & Board Expenses	4,025	3,801	-224	-5.6%
JPA Insurance	1,892	2,310	418	22.1%
Memberships, Associations & Dues	5,091	4,808	-283	-5.6%
Chancellor's Office Accounting Services	45,486	42,900	-2,587	-5.7%
Chancellor's Office Risk Management Service	128,014	136,606	8,593	6.7%
JPA Accreditation	0	0	0	0.0%
JPA Legal	12,667	11,963	-704	-5.6%
Miscellaneous Expenses	3,251	3,132	-119	-3.7%
<b>Total General &amp; Administrative Expenses</b>	<b><u>204,844</u></b>	<b><u>209,691</u></b>	<b><u>4,847</u></b>	<b><u>2.4%</u></b>
<b>Total Operating Expenses</b>	<b><u>11,107,859</u></b>	<b><u>11,268,757</u></b>	<b><u>160,899</u></b>	<b><u>1.4%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	399,226	399,226	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>399,226</u></b>	<b><u>399,226</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-1,416,850</u></b>	<b><u>-2,225,791</u></b>	<b><u>-808,941</u></b>	<b><u>-57.1%</u></b>
<b>Beginning Retained Earnings</b>	<b>18,047,124</b>	<b>16,630,274</b>	<b>-1,416,850</b>	<b>-7.9%</b>
<b>Ending Retained Earnings</b>	<b>16,630,274</b>	<b>14,404,483</b>	<b>-2,225,791</b>	<b>-13.4%</b>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2020 to June 30, 2021**

**OPERATING BUDGET**  
**PROPOSED**

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Final</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 20/21</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	4,479,810	4,758,066	278,256	6.2%
Reinsurance Premiums	-1,586,492	-1,965,066	-378,575	23.9%
<b>Total Operating Revenues</b>	<b><u>2,893,319</u></b>	<b><u>2,793,000</u></b>	<b><u>-100,319</u></b>	<b><u>-3.5%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	1,250,814	1,326,233	75,419	6.0%
Deductible Recoveries	-100,000	-100,000	0	0.0%
Claims Administrators	15,000	16,000	1,000	6.7%
Management Information System	4,139	4,263	124	3.0%
Program Administrators	627,482	650,000	22,518	3.6%
Brokerage Commissions & Fees	73,977	73,977	0	0.0%
Insurance Premiums (net of brokerage)	222,084	306,000	83,916	37.8%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	5,794	5,781	-13	-0.2%
Claims Audit	6,500	6,500	0	0.0%
Coverage Counsel	5,000	5,000	0	0.0%
Program Legal	2,500	2,500	0	0.0%
Miscellaneous Program Services	439	433	-6	-1.4%
Workshop/Training Expenses	13,786	17,622	3,836	27.8%
Loss Control Expenses	94,399	151,806	57,407	60.8%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	2,575	2,575	0	0.0%
Dividend Distributions	942,030	782,984	-159,046	-16.9%
<b>Total Direct Program Expenses</b>	<b><u>3,166,518</u></b>	<b><u>3,251,672</u></b>	<b><u>85,154</u></b>	<b><u>2.7%</u></b>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2020 to June 30, 2021

OPERATING BUDGET  
**PROPOSED**

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Final</i> FY 19/20 <u>Budget</u>	<i>Proposed</i> FY 20/21 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	1,545	1,536	-9	-0.6%
Executive Committee & Board Expenses	1,408	1,400	-8	-0.6%
JPA Insurance	662	658	-4	-0.6%
Memberships, Associations & Dues	1,781	1,771	-11	-0.6%
Chancellor's Office Accounting Services	15,915	15,820	-94	-0.6%
Chancellor's Office Risk Management Service	44,789	50,310	5,521	12.3%
JPA Accreditation	0	0	0	0.0%
JPA Legal	4,432	4,406	-26	-0.6%
Miscellaneous Expenses	1,138	1,131	-7	-0.6%
<b>Total General &amp; Administrative Expenses</b>	<b><u>71,670</u></b>	<b><u>77,031</u></b>	<b><u>5,361</u></b>	<b><u>7.5%</u></b>
<b>Total Operating Expenses</b>	<b><u>3,238,188</u></b>	<b><u>3,328,703</u></b>	<b><u>90,515</u></b>	<b><u>2.8%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	148,072	148,072	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>148,072</u></b>	<b><u>148,072</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-196,797</u></b>	<b><u>-387,631</u></b>	<b><u>-190,834</u></b>	<b><u>97.0%</u></b>
<b>Beginning Retained Earnings</b>	<b>5,960,436</b>	<b>5,763,639</b>	<b>-196,797</b>	<b>-3.3%</b>
<b>Ending Retained Earnings</b>	<b>5,763,639</b>	<b>5,376,008</b>	<b>-387,631</b>	<b>-6.7%</b>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2020 to June 30, 2021**

**OPERATING BUDGET**  
**PROPOSED**

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Final</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 20/21</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	4,778,732	4,298,564	-480,168	-10.0%
Reinsurance Premiums	0	0	0	0.0%
<b>Total Operating Revenues</b>	<b><u>4,778,732</u></b>	<b><u>4,298,564</u></b>	<b><u>-480,168</u></b>	<b><u>-10.0%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	2,513,153	2,213,287	-299,866	-11.9%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	242,429	242,429	0	0.0%
Management Information System	4,586	4,586	0	0.0%
Program Administrators	404,179	404,179	0	0.0%
Brokerage Commissions & Fees	245	245	0	0.0%
Insurance Premiums (net of brokerage)	3,898,698	4,093,633	194,935	5.0%
Taxes, Assessments & Fees	67,465	69,489	2,024	3.0%
Actuarial Services	6,335	6,525	190	3.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	468	391	-77	-16.5%
Workshop/Training Expenses	14,706	15,920	1,214	8.3%
Loss Control Expenses	99,363	143,848	44,485	44.8%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-2,088,554	-2,088,554	0	0.0%
Program Committee	0	0	0	0.0%
Dividend Distributions	193,267	267,870	74,603	38.6%
<b>Total Direct Program Expenses</b>	<b><u>5,356,340</u></b>	<b><u>5,373,847</u></b>	<b><u>17,507</u></b>	<b><u>0.3%</u></b>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2020 to June 30, 2021

OPERATING BUDGET  
**PROPOSED**

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Final</i> FY 19/20 <u>Budget</u>	<i>Proposed</i> FY 20/21 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	1,648	1,388	-261	-15.8%
Executive Committee & Board Expenses	1,502	1,265	-238	-15.8%
JPA Insurance	706	595	-112	-15.8%
Memberships, Associations & Dues	1,900	1,600	-300	-15.8%
Chancellor's Office Accounting Services	16,977	14,292	-2,684	-15.8%
Chancellor's Office Risk Management Service	47,778	45,451	-2,327	-4.9%
JPA Accreditation	0	0	0	0.0%
JPA Legal	4,728	3,980	-748	-15.8%
Miscellaneous Expenses	1,214	1,022	-192	-15.8%
<b>Total General &amp; Administrative Expenses</b>	<b><u>76,453</u></b>	<b><u>69,592</u></b>	<b><u>-6,860</u></b>	<b><u>-9.0%</u></b>
<b>Total Operating Expenses</b>	<b><u>5,432,792</u></b>	<b><u>5,443,439</u></b>	<b><u>10,647</u></b>	<b><u>0.2%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	109,875	109,875	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>109,875</u></b>	<b><u>109,875</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-544,185</u></b>	<b><u>-1,035,000</u></b>	<b><u>-490,815</u></b>	<b><u>90.2%</u></b>
<b>Beginning Retained Earnings</b>	<b>4,365,448</b>	<b>3,821,263</b>	<b>-544,185</b>	<b>-12.5%</b>
<b>Ending Retained Earnings</b>	<b>3,821,263</b>	<b>2,786,263</b>	<b>-1,035,000</b>	<b>-27.1%</b>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2020 to June 30, 2021**

**OPERATING BUDGET**  
**PROPOSED**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Final</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 20/21</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	2,526,617	2,814,725	288,108	11.4%
Reinsurance Premiums	-1,925,660	-2,310,792	-385,132	20.0%
<b>Total Operating Revenues</b>	<b><u>600,957</u></b>	<b><u>503,933</u></b>	<b><u>-97,024</u></b>	<b><u>-16.1%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	250,000	250,000	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	1,956	2,015	59	3.0%
Program Administrators	266,680	266,680	0	0.0%
Brokerage Commissions & Fees	210,048	210,048	0	0.0%
Insurance Premiums (net of brokerage)	199,087	238,904	39,817	20.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	218	221	3	1.4%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	248	256	8	3.4%
Workshop/Training Expenses	7,775	10,424	2,649	34.1%
Loss Control Expenses	14,795	12,987	-1,808	-12.2%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	1,339	1,339	0	0.0%
Dividend Distributions	0	0	0	0.0%
<b>Total Direct Program Expenses</b>	<b><u>952,146</u></b>	<b><u>992,874</u></b>	<b><u>40,729</u></b>	<b><u>4.3%</u></b>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2020 to June 30, 2021

OPERATING BUDGET  
**PROPOSED**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Final</i> FY 19/20 <u>Budget</u>	<i>Proposed</i> FY 20/21 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	871	909	37	4.3%
Executive Committee & Board Expenses	794	828	34	4.3%
JPA Insurance	373	389	16	4.3%
Memberships, Associations & Dues	1,005	1,048	43	4.3%
Chancellor's Office Accounting Services	8,976	9,229	253	2.8%
Chancellor's Office Risk Management Service	25,261	29,762	4,501	17.8%
JPA Accreditation	0	0	0	0.0%
JPA Legal	2,500	2,606	107	4.3%
Miscellaneous Expenses	642	669	27	4.3%
<b>Total General &amp; Administrative Expenses</b>	<b><u>40,422</u></b>	<b><u>45,440</u></b>	<b><u>5,018</u></b>	<b><u>12.4%</u></b>
<b>Total Operating Expenses</b>	<b><u>992,568</u></b>	<b><u>1,038,314</u></b>	<b><u>45,746</u></b>	<b><u>4.6%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	33,901	33,901	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>33,901</u></b>	<b><u>33,901</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-357,709</u></b>	<b><u>-500,480</u></b>	<b><u>-142,770</u></b>	<b><u>39.9%</u></b>
<b>Beginning Retained Earnings</b>	2,142,087	1,784,378	-357,709	-16.7%
<b>Ending Retained Earnings</b>	1,784,378	1,283,899	-500,480	-28.0%

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2020 to June 30, 2021

OPERATING BUDGET  
**PROPOSED**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Final</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 20/21</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	229,984	238,287	8,303	3.6%
Reinsurance Premiums	0	0	0	0.0%
<b>Total Operating Revenues</b>	<b><u>229,984</u></b>	<b><u>238,287</u></b>	<b><u>8,303</u></b>	<b><u>3.6%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	41,877	41,877	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	212	219	6	3.0%
Program Administrators	26,146	26,930	784	3.0%
Brokerage Commissions & Fees *	16,451	16,451	0	0.0%
Insurance Premiums	183,633	192,814	9,182	5.0%
Taxes, Assessments & Fees *	0	0	0	0.0%
Actuarial Services	20	19	-1	-5.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	23	22	-1	-3.8%
Workshop/Training Expenses	708	882	175	24.7%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	206	206	0	0.0%
Dividend Distributions	0	0	0	0.0%
<b>Total Direct Program Expenses</b>	<b><u>269,275</u></b>	<b><u>279,420</u></b>	<b><u>10,145</u></b>	<b><u>3.8%</u></b>

CSURMA  
 Cash Flow Budget of Revenues and Expenses  
 Fiscal Year July 1, 2020 to June 30, 2021

OPERATING BUDGET  
**PROPOSED**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Final</i> FY 19/20 <u>Budget</u>	<i>Proposed</i> FY 20/21 <u>Budget</u>	Budget <u>Change</u>	Percent <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	79	77	-2	-3.0%
Executive Committee & Board Expenses	72	70	-2	-3.0%
JPA Insurance	34	84	50	147.1%
Memberships, Associations & Dues	91	89	-3	-3.0%
Chancellor's Office Accounting Services	817	865	48	5.9%
Chancellor's Office Risk Management Service	2,299	2,520	220	9.6%
JPA Accreditation	0	0	0	0.0%
JPA Legal	228	221	-7	-3.0%
Miscellaneous Expenses	58	57	-2	-3.0%
<b>Total General &amp; Administrative Expenses</b>	<b><u>3,679</u></b>	<b><u>3,982</u></b>	<b><u>302</u></b>	<b><u>8.2%</u></b>
<b>Total Operating Expenses</b>	<b><u>272,954</u></b>	<b><u>283,401</u></b>	<b><u>10,447</u></b>	<b><u>3.8%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	7,496	7,496	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>7,496</u></b>	<b><u>7,496</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-35,474</u></b>	<b><u>-37,619</u></b>	<b><u>-2,144</u></b>	<b><u>6.0%</u></b>
<b>Beginning Retained Earnings</b>	434,196	398,722	-35,474	-8.2%
<b>Ending Retained Earnings</b>	398,722	361,103	-37,619	-9.4%

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

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2020 to June 30, 2021

OPERATING BUDGET  
**PROPOSED**

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Final</i> FY 19/20 <u>Budget</u>	<i>Proposed</i> FY 20/21 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	788,791	809,956	21,165	2.7%
Reinsurance Premiums	0	0	0	0.0%
<b>Total Operating Revenues</b>	<b><u>788,791</u></b>	<b><u>809,956</u></b>	<b><u>21,165</u></b>	<b><u>2.7%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	1,092,274	1,092,274	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	14,000	14,420	420	3.0%
Management Information System	1,593	1,641	48	3.0%
Program Administrators	47,061	48,473	1,412	3.0%
Brokerage Commissions & Fees	0	73	73	0.0%
Insurance Premiums (net of brokerage)	0	0	0	0.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	68	63	-5	-7.4%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	77	74	-4	-4.7%
Workshop/Training Expenses	2,427	3,000	572	23.6%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	1,236	1,236	0	0.0%
Dividend Distributions	0	0	0	0.0%
<b>Total Direct Program Expenses</b>	<b><u>1,158,737</u></b>	<b><u>1,161,253</u></b>	<b><u>2,516</u></b>	<b><u>0.2%</u></b>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2020 to June 30, 2021

OPERATING BUDGET  
**PROPOSED**

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Final</i> FY 19/20 <u>Budget</u>	<i>Proposed</i> FY 20/21 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	272	261	-11	-3.9%
Executive Committee & Board Expenses	248	238	-10	-3.9%
JPA Insurance	117	584	467	401.0%
Memberships, Associations & Dues	314	301	-12	-3.9%
Chancellor's Office Accounting Services	2,802	2,693	-109	-3.9%
Chancellor's Office Risk Management Service	7,886	8,564	678	8.6%
JPA Accreditation	0	0	0	0.0%
JPA Legal	780	750	-30	-3.9%
Miscellaneous Expenses	200	254	54	26.8%
<b>Total General &amp; Administrative Expenses</b>	<b><u>12,619</u></b>	<b><u>13,646</u></b>	<b><u>1,027</u></b>	<b><u>8.1%</u></b>
<b>Total Operating Expenses</b>	<b><u>1,171,356</u></b>	<b><u>1,174,899</u></b>	<b><u>3,543</u></b>	<b><u>0.3%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	99,882	99,882	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>99,882</u></b>	<b><u>99,882</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-282,684</u></b>	<b><u>-265,062</u></b>	<b><u>17,622</u></b>	<b><u>-6.2%</u></b>
<b>Beginning Retained Earnings</b>	<b>5,144,956</b>	<b>4,862,273</b>	<b>-282,684</b>	<b>-5.5%</b>
<b>Ending Retained Earnings</b>	<b>4,862,273</b>	<b>4,597,211</b>	<b>-265,062</b>	<b>-5.5%</b>

**AMENDMENTS TO THE AORMA  
LIABILITY PROGRAM MEMORANDUM OF COVERAGE**

**ISSUE:** The Committee reviewed the proposed changes to the Liability Program memorandum of coverage (MOC) at its meeting in September, 2019. During that meeting, Robin Webb from the Office of General Counsel suggested a few additional amendments. Staff has incorporated those changes into the MOC and is presenting it today for the Committee's approval. The MOC will become effective July 1, 2020.

**RECOMMENDATION:** The AORMA Committee will be asked to approve the revisions to the AORMA Liability Program memorandum of coverage to become effective July 1, 2020.

**FISCAL IMPACT:** There is no cost expected from the recommended action at today's meeting.

**BACKGROUND:** Coverage provided under the AORMA Liability Program is governed by a memorandum of coverage (MOC) that serves in place of an insurance policy. Effective July 1, 2016, the AORMA Committee adopted revisions to the current MOC. In July, 2019, CSURMA contracted with Byrne Conley from Gibbons & Conley to review all of CSURMA's liability MOC's and provide recommends for amendments based on his experience working with numerous JPA's and public entities in California.

**PUBLICATION:** The approved Memorandum of Coverage will uploaded to the CSURMA website.

**ATTACHMENT(S):**

- a. DRAFT AORMA Liability Program Memorandum of Coverage



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
LIABILITY PROGRAM**

**MEMORANDUM OF COVERAGE  
MOC # AORMALIAB~~2021~~1920**

**DECLARATIONS**

This Memorandum of Coverage is issued under and pursuant to the terms, conditions, covenants and stipulations of the California State University Risk Management Authority (CSURMA) Joint Powers Agreement, Bylaws, and CSURMA and CSURMA Auxiliary Organizations Risk Management Alliance (CSURMA AORMA) Policies and Procedures. All terms and conditions of these documents are incorporated herein by reference. In the event that any provision of this Memorandum of Liability Coverage is in conflict with or is inconsistent with these documents, the terms and conditions of such documents shall prevail and take precedence to the extent of such conflict or inconsistency. CSURMA AORMA agrees with the **Member**, in consideration of the payment of contribution and in reliance upon statements in the Declarations and subject to the limits of liability, exclusions, conditions, and other terms of this memorandum and the abovementioned documents, to provide the coverage as stated in this memorandum.

**Item 1: Member**

See the **Member** listing attached.

**Item 2: Coverage Period:**

July 1, ~~2019-2020~~ to July 1, ~~2020~~2021

**Item 3: Limits of Liability:**

- 1. Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts ..... \$5,000,000
- 2. Aggregate Policy Limit during each Policy Period.....\$20,000,000 - each Member
- 3. Non-Salaried Employees (of the California State University) Auto Liability ..... \$5,000,000 - each occurrence
- 4. Mold ..... \$600,000 - each occurrence for each Member
- 5. Mold ..... \$850,000 - annual aggregate for each Member

**Item 4: Sub-Limits / Coverage Extensions** *(Provided through the CSURMA AORMA Liability Program pooled layer):*

- 1. Medical Payments ..... \$5,000 - per any one person
- 2. California Uninsured or Underinsured Motorists (bodily injury only): ..... \$250,000 - bodily injury only



3. Domestic Hired Automobile Physical Damage..... \$50,000 - each accident
4. Fiduciary Liability Coverage (Claims Made Basis):.....\$350,000 - each occurrence
5. Funds, Grants or Appropriations (defense only).....\$250,000 - each occurrence
6. Land Use (defense only).....\$250,000 - each occurrence
7. Nuclear Materials (limited coverage):.....\$250,000 - each occurrence

**Item 5: Member’s Deductible**

1. Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences of Wrongful Acts (*except Employment Practices Liability*): ..... \$0
2. Employment Practices Liability (*all Members except as noted below*): .....\$25,000 - each occurrence
3. Employment Practices Liability .....\$50,000 - each occurrence
  - a. Chico State Enterprises
  - ~~a. California State University, Dominguez Hills Foundation~~
  - b. Associated Students, California State University, Long Beach
  - ~~b-c. California State University, Long Beach Research Foundation~~
  - ~~e-d. The Cal Poly Pomona Foundation, Inc.~~
  - ~~d. Associated Students, San Diego State University~~
  - e. California State University, San Marcos Corporation
4. Employment Practices Liability .....\$100,000 - each occurrence
  - a. San Diego State University Research Foundation
  - ~~b. San Jose State University Research Foundation~~
5. Non-Salaried Employees (of the California State University) Auto Liability ..... \$1,000,000 - each occurrence/accident
6. Domestic Hired Automobile Physical Damage – Comprehensive and Collision ..... \$1,000 - each accident
7. Domestic Hired Automobile Physical Damage – Comprehensive and Collision (*when the use of the hired vehicle on a non-paved road violates the rental car agreement*)..... \$5,000 - each accident

**Item 6: Retroactive Dates:**

**Fiduciary Liability, including Employee Benefits Liability Coverage:**

1. Associated Students of California State University, Chico..... July 1, 2005
2. California State University, Long Beach Research Foundation..... July 1, 2008
3. Associated Students, California State University, Los Angeles, Inc. .... July 1, 2007
4. The University Corporation, CSU Northridge ..... October 1, 1991
5. University Student Union of California State University, Northridge..... October 1, 1999
6. Capital Public Radio, Inc., CSU Sacramento .....April 14, 2010
7. San Jose State University Research Foundation ..... July 1, 2002
8. Spartan Shops, Inc., San Jose State University .....February 1, 1998
9. Auxiliaries Multiple Employer VEBA..... July 1, 2010



10. All other Named Members ..... July 1, 2010

**Item 7: Claims Administrator:**

Carl Warren & Company  
CSURMA@carlwarren.com

To be valid, this agreement must be signed by ~~our Program Administrator~~ the CSURMA Secretary-Auditor.

\_\_\_\_\_  
Authorized Signature



**Item 1: Member**

**Member Listing**

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



California State University Risk Management Authority  
Auxiliary Organizations Risk Management Alliance

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



California State University Risk Management Authority  
 Auxiliary Organizations Risk Management Alliance

#	Campus	Auxiliary Organization
68.	San Francisco	San Francisco State University Foundation, Inc.
69.	San Francisco	The University Corporation, San Francisco State
70.	San Jose	Associated Students San Jose State University
71.	San Jose	San Jose State University Research Foundation
72.	San Jose	Spartan Shops, Inc.
73.	San Jose	The Student Union of San Jose State University
74.	San Jose	The Tower Foundation of San Jose State University
75.	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo
76.	San Luis Obispo	Cal Poly Corporation
77.	San Luis Obispo	California Polytechnic State University Foundation
78.	San Marcos	Associated Students, Inc. of California State University San Marcos
79.	San Marcos	California State University San Marcos Corporation
80.	San Marcos	The California State University San Marcos Foundation
81.	Sonoma	Associated Students of Sonoma State University
82.	Sonoma	Sonoma State Enterprises, Inc.
83.	Sonoma	Sonoma State University Foundation
84.	Stanislaus	Associated Students Incorporated of California State University, Stanislaus
85.	Stanislaus	California State University, Stanislaus Auxiliary and Business Services
86.	Stanislaus	California State University, Stanislaus Foundation
87.	Stanislaus	University Student Union of California State University, Stanislaus
88.	N/A	Auxiliary Organization Associations
89.	N/A	Auxiliaries Multiple Employer VEBA
90.	N/A	Humboldt State University Real Estate Holdings



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
COVERAGE TERMS AND CONDITIONS FOR  
CSURMA AORMA LIABILITY PROGRAM**

Throughout this Memorandum, words and phrases that appear in boldface type have special meanings. They are defined in SECTION I – DEFINITIONS and/or with respect to Covered Parties in SECTION IV – COVERED PARTIES.

The California State University Risk Management Authority is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500 *et seq.* The Auxiliary Organizations Risk Management Alliance (hereinafter called AORMA) is a group of programs that operate within the California State University Risk Management Authority representing the California State University Auxiliary Organizations. Within this Memorandum the California State University Risk Management Authority will be called CSURMA AORMA recognizing that this is an AORMA Liability Program document with separate terms and conditions.

This Memorandum does not provide insurance, but instead provides for pooled self-insurance. This Memorandum is a negotiated agreement among the **Members** of the CSURMA AORMA, and none of the parties to the document is entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This document shall be applied according to the principles of contract law, giving full effect to the intent of the **Members** of the CSURMA AORMA, acting through the Board of Directors in adopting this document. As the CSURMA AORMA is not an insurer, it has no obligation to issue reservation of rights letters, nor does it have an obligation to provide “*Cumis*” counsel to a **Covered Party** in disputed coverage situations under Civil Code 2860. Finally, failure to provide notice to a **Covered Party** of any coverage dispute shall not operate to waive any of the provisions of this document.

**SECTION I – COVERAGES**

Subject to the **Member’s Deductible**, CSURMA AORMA agrees:

To pay on behalf of the **Member** those sums for **Ultimate Net Loss** in excess of the **Member’s Deductible** which the **Member** shall become obligated to pay as **Damages**;

1. By reason of liability assumed by the **Member** by contract because of **Bodily Injury** or **Property Damage, Personal Injury, Errors and Omissions, Employee Benefits Liability, Employment Practices Liability** or **Media Wrongful Acts** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence** or **Wrongful Act**, or
2. By reason of liability imposed by law because of **Bodily Injury, Property Damage, Personal Injury, Errors and Omissions, Employment Practices Liability** or **Media Wrongful Acts** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence** or **Wrongful Act**.



3. By reason of liability imposed by law because of **Employee Benefits Liability** claims made during the **Coverage Period** to which this Memorandum applies caused by an Occurrence or **Wrongful Act**.

**SECTION II - DEFINITIONS**

1. **Additional Covered Party** means any person(s), entity(ies) or organization(s) to whom the **Member** is obligated by virtue or any written contract to provide coverage solely with respect to **bodily injury, property damage and personal injury** arising out of and during the **Member's** operations or premises owned, rented or used by the **Member**; and

For which a certificate of coverage has been issued to such person(s); entity(ies) or organization(s) and is on file with CSURMA AORMA evidencing their status as an **additional covered party** under this coverage.

The limit and scope of coverage afforded to the **Additional Covered Party** shall be no broader than that which is required by such contract and shall in no event be broader than the coverage afforded by this Memorandum.

**The coverage does not extend**, either with respects to defense or indemnity to the sole negligence, or to the willful misconduct of any **Additional Covered Party**.

2. **Administration**, with respect to **Employee Benefits Liability**, means:
  - A. Providing information to **Employees**, including their dependents and beneficiaries, with respect to eligibility for or scope of **Employee Benefit Programs**;
  - B. Handling records in connection with the **Employee Benefit Program**; or
  - C. Effecting, continuing or terminating any **Employees'** participation in any benefit included in the **Employee Benefit Program**.

However, **Administration** does not include handling payroll deductions.

3. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air, but including **Unmanned Aerial Vehicle**.
4. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment.
5. **Bodily Injury** means **Bodily Injury**, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the **Coverage Period**. **Bodily Injury** includes **Damages** claimed by any person or organization for care, loss of services or death resulting at any time from the **Bodily Injury**.
6. **Claim** means:

- A. ~~A written demand to a **Member** for payment of **Damages** received by the CSURMA AORMA Secretary Auditor or by the chief executive, Risk Manager, or general counsel of a **Member**; and/or~~

**Commented [A1]:** This is circular. A "Claim" means a demand to a Member for payment of Damages; and "Damages" means compensation the Member is required to pay as a result of a Claim.



B.A. A civil proceeding against a **Member** in which **Damages** are sought on account of

- 1) **Bodily Injury or Property Damage,**
- 2) **Personal Injury,**
- 3) **Errors and Omissions,**
- 4) **Employee Benefits Liability,**
- 5) **Employment Practices Liability**
- 6) **Media Wrongful Acts,**

arising from an Occurrence or Wrongful Act to which this insurance applies, including an arbitration or other alternative dispute resolution proceeding in which monetary **Damages** are sought and to which the **Member** must or does submit with our written consent.

7. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **Member**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following time:

- A. When all operations to be performed by or on behalf of the **Additional Covered Party** at the site of the operations have been completed.
- B. When all operations to be performed by or on behalf of the **Additional Covered Party** under the contract have been completed; or
- C. When the portion of the work out of which the injury or **Damages** arise has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed. The **Completed Operations Hazard** does not include **Personal Injury** or **Property Damage** arising out of:

- A. Operations in connection with the transportation of property unless the **Personal Injury** or **Property Damage** arises out of a condition in or on a vehicle created by the loading or unloading of that vehicle by any **Member**; or
- B. The existence of tools, uninstalled equipment or abandoned or unused materials.

8. **Coverage Period** means the period of coverage provided under this Memorandum as shown on the Declarations Page.



9. **Covered Individual(s)** means persons who are past or present elected or appointed officials, **Employees, whether or not compensated**, or authorized volunteers of the **Member**, while acting within the scope of their duties, office or employment for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include **Employees** of nonmember organizations, including, but not limited to alumni associations and volunteer university support groups.
10. **Dam** means any artificial barrier together with appurtenant works which:
- A. Is twenty-five feet or more in height from the foot of a natural bed of stream or watercourse; or
  - B. Has water impounding capacity of fifty acre feet or more.

Except, any such barrier which is not in excess of twenty-five (25) feet in height regardless of storage capacity, or which has a storage capacity not in excess of fifteen (15) acre feet regardless of height, shall not be considered a **Dam**; and, no structure specifically exempted from jurisdiction by the applicable state agency overseeing **Dams** shall be considered a **Dam**, unless such structure is under the jurisdiction of any agency of the federal government.

~~11. **Damages** means compensation in money which a **Covered Party** is legally obligated to pay as a result of a **Claim**. **Damages include: (1) attorney fees not based on any contract awarded against the Covered Party, (2) pre judgment interest and interest on judgments, or (3) costs, for which the Covered Party is liable either by adjudication or by compromise with the prior, written consent of the CSURMA AORMA, if the fees, interest or costs arise from an Occurrence or Wrongful Act to which this coverage applies.**~~

**Commented [A2]:** Suggest removal of this and instead make attorneys' fees part of what is covered when CSURMA defends, Section III.3.B. Interest and costs are already in that Section III.3.B.

11. **Damages** shall not include those sums determined to be owed by a **Covered Party** as contract **Damages**, including, but not limited to retroactive or prospective benefits, severance payments or any **Damages** determined to be owed for breach of an express contract of employment or under an express obligation to make payments in the event of termination of employment. **Damages shall also not include any wages, salary or benefits owed for work actually performed.**

**Damages with respect to Employment Practices Liability shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement.**

**Damages** shall not include sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

**Damages** shall not include fines, penalties, sanctions, taxes or fees assessed against any **Covered Party**.



- 12. **Deductible** means the amount of each **Ultimate Net Loss** which the **Member** is obligated to pay. The deductible is stated in the Declarations. Any deductible amount paid by CSURMA AORMA shall be promptly reimbursed to CSURMA AORMA by the **Member**.
- 13. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion, transfer, suspension, or termination of any **Employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy. **Discrimination**, other than as respects **Employment Practices Liability**, means **Bodily Injury, Personal Injury** and/or **Errors and Omissions** arising from alleged acts, errors or omissions showing favor, prejudice or bias for or against a person because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.
- 14. **Employee** means:
  - A. Any person who has an assigned work schedule for the **Member** and is on the **Member's** regular payroll; and
  - B. Any person who is leased to the **Member** through a staffing or temporary agency and is working for the **Member** under the **Member's** supervision, including a **Leased Worker**.
  - C. **Employee** does not include independent contractors.
  - D. As respects **Employment Practices Liability** and **Employee Benefit Liability** and when appearing in boldface type in this Memorandum, means any present or former **Employee** of the **Member**; and
  - E. Solely as respects **Employment Practices Liability** arising from alleged **Discrimination** with respect to negligent hiring, only, **Employee** includes an applicant for employment.
  - F. Solely as respects **Employment Practices Liability**, independent contractors and/or persons working on retained, while acting for or on behalf of the Member.An **Employee's** status as a **Covered Party** will be determined as of the date of the **Occurrence** or **Wrongful Act** upon which a **Claim** involving the **Employee** is based.
- 15. **Employee Benefits Liability** means liability for actual or alleged Errors and Omissions in the Administration of a Member's Employee Benefit Program.
- 16. **Employee Benefit Program** means a program providing some or all of the following benefits to Employees:
  - A. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts;



- B. Profit sharing plans, Employee savings plans, Employee stock ownership plans, pension plans and stock subscription plans; and
  - C. Unemployment insurance, social security benefits, workers' compensation and disability benefits.
17. **Employment Practices Liability** means any circumstance relating to a past, present or prospective **employee** of the Member (and the child, parent, brother or sister of that person) as a consequence of the following **Wrongful Acts** or alleged **Wrongful Acts**: wrongful dismissal, discharge, or termination, either actual or constructive, of employment; employment related misrepresentation; retaliation; wrongful failure or refusal to employ or promote; wrongful deprivation of career opportunity or reassignment; wrongful discipline; failure to grant tenure or negligent **Employee** evaluation; **Sexual or Workplace Harassment** or humiliation of any kind, including, but not limited to, the alleged operation of a harassing workplace environment; negligence resulting in **Damages** to a person that is a whistle-blower; unlawful **Discrimination**, whether direct, indirect, intentional or unintentional; failure to provide adequate **Employee** policies and procedures. **Employment Practices Liability** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:
- A. Americans With Disabilities Act of 1992 (ADA)
  - B. Civil Rights Act of 1991
  - C. Age **Discrimination** In Empowerment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990
  - D. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
  - E. Civil Rights Act of 1866, Section 1981; and
  - F. Fifth and Fourteenth Amendments of the U.S. Constitution.
18. **Errors and Omissions** means a **Wrongful Act** by **Covered Individuals** individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
19. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
20. **Leased Worker** means any **Employee** who is under contract to the **Member** while performing duties defined under the contract with the Member.

21. **Loss Adjustment Expense** means all costs and expenses incurred by the **Member** in connection with the investigation, appraisal, negotiation, adjustment, settlement, litigation, defense or appeal of a specific **Claim** or loss, including but not limited to CSURMA AORMA approved defense attorney fees, court costs, costs of superseded and appeal bonds, monitoring counsel expenses, ~~post judgment interest, pre judgment interest (unless included as part of an award),~~ subrogation, salvage and recovery expense, ~~costs and expenses in connection with coverage questions and legal actions and other associated costs and expenses.~~ Loss Adjustment Expense shall include any allocated **Claims** expenses, salaries or overhead incurred by attorneys who are **Employees** of the California State University's Office of General Counsel. However, such expenses shall be limited at \$250 per hour. **Loss Adjustment Expense** shall also include fees and expenses of outside adjusters, including Third Party Administrators (TPA), associated with specific **Claims**, but excluding any **Loss Adjustment Expense** and fees paid to a TPA that are not allocable to a specific **Claim**. **Loss Adjustment Expense** does not include salaries and expense of **Member's Employees** except as provided above as well as office and other overhead expenses.
22. **Member** means the **Member** named on the Declarations Page.
- ~~23.1. **Mold(s)** means to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces **Molds**.~~
- 24.23. **Media Wrongful Act Occurrence** means any error or omission arising out of the gathering, recording, collection, writing, editing, advertising, publication, dissemination, exhibition, broadcast, display on an internet site, or release, including but not limited to any actual or alleged:
- A. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
  - B. Wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
  - C. Libel, slander, disparagement, or publicity, false light, public disclosure or private facts, appropriation of name, persona or likeness, or any other form of defamation or harm to the character or reputation of any person or entity;
  - D. Outrage, infliction of emotional distress or prima facie tort;
  - E. Infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name, domain name, deep linking or framing, including unfair competition in connection with such conduct;
  - F. Copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
  - G. Breach of a promise of confidentiality or anonymity;

- H. Error or omission in content;
- I. Unfair competition or conspiracy, but only when the allegation of unfair competition or conspiracy is based entirely upon one or more Media Wrongful Acts falling within sections A-H above;
- J. Breach of an indemnification or hold harmless agreement relating to **Claims** arising out of the media, but only when such **Claims** allege a **Media Wrongful Act** falling within sections 1-9 above;

solely when committed or allegedly committed by a **Covered Party** in is, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media.

25. **Mold(s)** means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to mold, mildew, mycotoxins, spores, bacterial pathogens, or any biogenic aerosols to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces **Molds**.

25-26. **Occurrence** means an accident, act, error, offense, omission or event **Media Wrongful Act** or **Wrongful Act** during the **Coverage Period**, including continuous or repeated exposure, which results in damages, neither expected nor intended by the **Member**. An **occurrence** taking place over more than one **Coverage Period** shall be deemed to have taken place during the **Coverage Period** when the **occurrence** ended and shall be treated as a single **occurrence** in that **Coverage Period**.

26-27. **Personal Injury** means any of the following offenses:

- A. False arrest, detention, or imprisonment or malicious prosecution;
- ~~B. Shock, mental anguish, mental injury or humiliation~~
- ~~C.~~ Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
- ~~D.~~ Wrongful entry or eviction or other invasion of the right of private occupancy;
- ~~E.~~ **Discrimination** or violation of civil rights other than **Employment Practices Liability**, not intentionally committed by or at the direction of the **Member**;

27-28. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **Waste**. **Waste** includes materials to be recycled, reconditioned or reclaimed. The term **Pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users. Pollutants includes any material defined as hazardous in Sections 66261.10 through 66261.126 of Title 22 of the California Code of Regulations.



28-29. **Property Damage** means:

- A. Physical injury to or destruction of tangible property which occurs during the Coverage Period, including the loss of use thereof at any time resulting therefrom;
- B. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an Occurrence or Wrongful Act during the Coverage Period.

29-30. **Sexual or Workplace Harassment** shall mean any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or person acting in concert, which causes physical and/or mental injuries. **Sexual or Workplace Harassment** also includes the above conduct when:

- A. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment, or a basis for employment decisions affecting a person; or
- B. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

**Sexual or Workplace Harassment** does NOT include **Sexual Misconduct** as defined in this Memorandum.

30-31. **Sexual Misconduct** means:

- A. The actual, attempted or alleged abuse or molestation of a person by another person, or persons acting in concert which causes physical and/or mental injuries. Sexual molestation includes: sexual abuse, sexual assault, sexual exploitation or sexual injury; or
- B. The negligent employment, investigation, supervision, reporting to the proper authorities or failure to report the above of a Covered Person.

31-32. **Territory** means an **Occurrence** or a **Wrongful Act** that takes place during the **Coverage Period**, anywhere in the world as well as **Claims** brought anywhere in the world.

32-33. **Ultimate Net Loss** means the amount of paid **Claims** liability for **Damages** for which the **Member** is liable on a per **Occurrence** or **Wrongful Act** basis, either by (1) adjudication, or (2) compromise with the prior written consent of the CSURMA AORMA, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** includes ~~defense attorney fees and costs of the Member in defense of the Claim and also includes court costs,~~ **Loss Adjustment Expenses,** ~~and other associated costs and expenses, but does not include any salaries of the Member's regular Employees. Ultimate Net Loss includes retrospective benefit ("back wages"), but does not include prospective benefits ("forward wages"), payable as part of a Claims for Employment Practices Liability covered under this Memorandum.~~



**Ultimate Net Loss** shall not include any of the above-described expenses for **Damages** against a **Member** or defense expenses incurred because of liability excluded by this Memorandum.

~~33.~~34. The following definitions are applicable only to **Exclusion T – Nuclear Material**:

- A. **Hazardous Properties** include radioactive, toxic or explosive properties;
- B. **Nuclear Material** means source material, special **Nuclear Material** or byproduct material;
- C. Source material, special **Nuclear Material** and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- D. **Spent Fuel** means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**;
- E. **Waste** means any **Waste** material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any **Nuclear Facility** included within the definition of **Nuclear Facility** under paragraph a. or b. thereof;
- F. **Nuclear Facility** means:
  - 1) Any **Nuclear Reactor**;
  - 2) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **Spent Fuel**, or (3) handling, processing or packaging **Waste**;
  - 3) Any equipment or device used for the processing, fabricating or alloying of special **Nuclear Material** if at any time the total amount of such material in the custody of the **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
  - 4) Any structure, basin, excavation site premises or place prepared or used for the storage or disposal of **Waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- G. **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a supporting chain reaction or to contain a critical mass of fissionable material.

With respect to injury to or destruction of property, the word injury or destruction includes all forms of radioactive contamination of property.

~~34.~~35. **Unmanned Aerial Vehicle** means any vehicle without a human pilot aboard capable of flight principally in the air that is designed for the transport of equipment.



~~35.~~36. **Wrongful Act Occurrence** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance and nonfeasance by the **Member**.

~~36.~~37. **Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between an **Employee** and a **Member** in a manner and/or a reason which is contrary to applicable law.

### SECTION III - DEFENSE AND SETTLEMENT

CSURMA AORMA shall assume charge of the control, negotiation, investigation, settlement, defense or appeal of any claims made, or suits brought, or proceedings instituted against the **Covered Party**, which in the opinion of the CSURMA AORMA is or may be covered by CSURMA AORMA under the terms of this Memorandum.

In accordance with the CSURMA AORMA Legal Counsel Selection Memorandum and Procedure, CSURMA AORMA shall appoint, through its' claims administrator, all legal counsel to represent the **Covered Parties** in defense of a covered claim. The **Covered Party** has the right to recommend legal counsel from the approved legal counsel list; however, CSURMA AORMA shall make the final selection of legal counsel. If the **Covered Party** disapproves of the selection as outlined in the CSURMA AORMA Legal Counsel Selection Memorandum and Procedure, the **Covered Party** may submit an appeal in writing.

In the event of an **occurrence** which involves more than one **Covered Party**, all **Covered Parties** involved agree to joint legal representation as selected by CSURMA AORMA.

The **Covered Party** may select and engage, at its own expense, monitoring counsel in addition to the legal counsel selected and engaged by CSURMA AORMA. However, legal counsel selected by CSURMA AORMA shall manage and control the litigation.

If there is a conflict of interest between CSURMA AORMA and a **Covered Party** which would be considered a "conflict of interest" between an insured and its insurer within the meaning of California Civil Code Section 2860, the **Covered Party** has the same rights to select and engage independent counsel as would an insured under Section 2860. CSURMA AORMA has all of the rights reserved to an insurer under Section 2860.

The **Covered Party** shall fully cooperate with the CSURMA AORMA in all matters pertaining to such claim, suit or proceeding. CSURMA AORMA shall have the right to settle any claim that in the CSURMA AORMA's sole opinion may create indemnification obligations for the CSURMA AORMA under this Memorandum.

No claim, suit or proceeding shall be settled, whether by out of court settlement, stipulated judgment or otherwise, by a **Covered Party** wherein the **Ultimate Net Loss** exceeds the **deductible**, without the prior written consent of the CSURMA AORMA.

### SECTION IV - LIMITATIONS UPON CSURMA AORMA'S LIABILITY

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CSURMA AORMA Liability Program Memorandum of Coverage - July 1, 2020-2019-07-01



Regardless of the number of (1) persons or entities covered under this Memorandum, or (2) persons or organizations who sustain injury or damage, or (3) **Claims** made or suits brought because of injury or damage, the CSURMA AORMA’s liability for **Damages** is limited as follows:

The CSURMA AORMA’s liability for **Damages** shall be only for the **Ultimate Net Loss** less the **Member’s Deductible** not to exceed the Limits of Liability shown in the Declarations, as the result of any one **Occurrence** or **Wrongful Act** or the amount shown in the Declarations because of all occurrences for any one **Member** during each **Coverage Period**. There is no limit to the number of **Occurrences** or **Wrongful Acts** during the **Coverage Period** for which **Claims** may be made.

The **Member’s Deductibles** as shown in the Declarations applies to each such **Occurrence** or **Wrongful Act** without regard to exclusions, limitations or exhaustion of aggregate limits in underlying or contributing coverage, insolvency of any insurance carrier or insurance pool, or any circumstances wherein underlying or contributing coverage is uncollectible.

~~For the purpose of determining the CSURMA AORMA Limit of Liability and the Member’s Deductible, all Damages arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one Occurrence or Wrongful Act.~~

This Memorandum applies to **Occurrences** or **Wrongful Acts**, which take place anywhere in the world during the specified **Coverage Period** stated in the Declarations of this Memorandum.

The term **Covered Party** is used severally and not collectively. The Limit of Liability and **Member’s Deductibles** as stated in the Declarations apply separately to each **Covered Party**. In the event of an **Occurrence** for which more than one **Covered Party** is or may be held liable, one **Member** Deductible and one Limit of Liability coverage will apply to all Covered Parties. CSURMA AORMA’s liability for all Covered Parties shall not exceed the Limit of Liability set forth in Declarations. An **Occurrence** or **Wrongful Act** involving more than more than one **Member** shall be treated as a single **Occurrence** or **Wrongful Act** and a single Limit of Liability and a single **Member’s Deductible** will apply to the **Occurrence** or **Wrongful Act**.

~~For the purpose of determining the CSURMA AORMA Limit of Liability and the Member’s Deductible, all Damages arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one Occurrence or Wrongful Act. An Occurrence or Wrongful Act with a duration of more than one Coverage Period shall be treated as a single Occurrence or Wrongful Act arising during the Coverage Period when the Occurrence or Wrongful Act ends and under no circumstances shall the fact that said Occurrence or Wrongful Act have a duration of more than one Coverage Period entitle a Covered Party to more than one Limit of Liability or to coverage under more than one Memorandum.~~

**Bodily Injury** or **Personal Injury** damages resulting from **Sexual Misconduct** will be deemed to have occurred at the time of the last **Sexual Misconduct** and all such **Bodily Injury** or **Personal Injury** will be deemed to be a single occurrence whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of (1) incidents of **Sexual Misconduct** taking place thereafter, (2) victims of **Sexual Misconduct**, or (3) locations



where the **Sexual Misconduct** took place. Only the Memorandum of Coverage in effect during which such **Sexual Misconduct** last occurred will apply to such single occurrence of **Sexual Misconduct**. Coverage does not apply to any **Covered Party** who is found by a court of law to have committed a criminal act of **Sexual Misconduct**.

#### SECTION V - COVERED PARTIES

The parties covered by the CSURMA AORMA:

1. The **Member**.
2. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the **Member**:
  - A. Governing Board.
  - B. Officers.
  - C. **Employees**.
  - D. Non-compensated individuals, while acting for or on behalf of the **Member**.
3. Additional Covered Parties as defined in Section II, 1. of this document.
4. **Covered Individuals** as defined in Section II, 9. of this document.
5. Any person while using an owned **Automobile**, or non-owned **Automobile**, or a hired **Automobile**, or mobile equipment and any person or organization legally responsible for the use thereof, including garage operations, provided the actual use of the **Automobile** is by or with permission of the **Member**.

Coverage provided by this Memorandum with respect to any person or organization other than the **Member** does not apply under this paragraph:

- A. To any person or organization, or to any agent or **Employee** thereof, engaged in selling, repairing, servicing, delivering, testing, road testing, parking or storing **Automobiles**, with respect to any **Occurrence** or **Wrongful Act** arising out of any such occupation, if there is other valid and collectible insurance available to such person as a named insured or as an agent or **Employee** of the named insured under that other insurance Memorandum with limits at least equal to the requirements of the applicable Financial Responsibility Laws; or;
  - B. With respect to any hired **Automobile**, to the owner, or a lessee thereof other than the **Member**, or to any agent or **Employee** of such owner or lessee.
6. Any **Employee** pension benefits or **Employee** welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a **Member** participates, provided the trust only serves auxiliary organizations who are **Members**.



6.7. Attorney fees awarded against the Member and Additional Covered Party, provided the fees are attributable to a claim for compensatory damages covered by the Memorandum and not based on any contract.

The board of trustees of the trust are covered parties, when acting solely within the scope of their duties, office, or employment for the trust.

Coverage provided by this Memorandum with respect to covered trusts will not extend to any third party service provider to the covered trust.

Fraternal organizations are not covered parties under this Memorandum of Coverage.

### SECTION VI – EXCLUSIONS

This Memorandum shall not apply to and CSURMA AORMA shall not be obligated to make any payment or defend any lawsuit in connection with any **Claim** or liability or **Damages with respect to:**

1. Aircraft

The ownership, maintenance, loading or unloading, use or operation of any **Aircraft** or **Unmanned Aerial Vehicle** capable of flight. This exclusion does not apply to static **Aircraft**.

2. Asbestos

The presence of, or installation or removal of, asbestos or any product containing asbestos material.

3. Assault and Battery

Arising out of assaults and batteries, except for assault and battery committed by or directed for the purpose of protecting persons or property or where same are not committed by or at the direction of the **Member**.

4. Aviation Activities

The ownership, maintenance, loading or unloading, use or operation of any:

- A. **Aircraft**
- B. **Unmanned Aerial Vehicle;**
- C. Airfields;
- D. Runways;
- E. Hangars; or
- F. Buildings of other properties in connection with aviation activities.



This exclusion shall not apply, however, to those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots and garages).

This exclusion shall not apply, however, to the maintenance and operations of permanently stationary **Aircraft** used for instructional purposes only.

5. Bid Specifications / Cost Overruns

Claims arising out of:

A. Estimates of probable cost of cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans.

B. Mechanic's lien claims, stop notice claims, change order claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims or breach of oral written contract, third-party beneficiary claims, quantum meruit claims, and/or open count claims.

6. Bodily Injury

To **Bodily Injury** to any of the **Member's Employees** arising out of and in the course of employment by the **Member**, but this exclusion does not apply to Workers' Compensation Coverage B, Employers Liability, or Stop Gap Liability, as defined by the National Council on Workers' Compensation Insurance or Employment Practice Liability.

With respect to **Employment Practices Liability, Bodily Injury**, to any **Employee** of the **Member** arising out of and in the course of his/her employment by any **Member**; but this exclusion does not apply to liability assumed by any **Member** under any written contract.

7. Contractual Obligations

The actual or alleged failure to perform or breach of any contract, agreement or other guarantee or promise, except this exclusion does not apply to any employment related contracts as provided under **Employment Practices Liability**. This exclusion does not apply to liability for **damages** that the **Member** would have in the absence of the contract or agreement or contractually assumed liability from the **Member's** operations; however, the agreement must arise out of or be incidental to the **Member's** operations and must be in place before the **Occurrence** and does not extend to professional liability of engineers.

8. Eminent Domain, Condemnation Proceedings or Inverse Condemnation

The **Claims** for loss or **Damage** or any liability arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, or by whatever name used whether such **Claims** are made directly against you or by virtue of any agreement entered into, by or on your behalf.

9. Dams



To any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any **Dam**.

10. Employee Benefits Liability

- A. Arising out of an insufficiency of funds to meet any obligations under any plan included in the Employee Benefits Program
- B. Failure of any investment to perform;
- C. Errors in providing information on past performance of investment vehicles; or
- D. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the Employee Benefits Program.
- E. For any **Employee Benefits Liability** Claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **Covered Party**, from the applicable funds accrued or other collectible insurance.
- F. For taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

Except as provided within the Fiduciary Liability Coverage endorsement.

11. ERISA

For the violation of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, and any rules or regulations of the foregoing promulgated thereunder, and amendments thereto, or any similar federal, state, local, or foreign statutory law or common law; provided, however, this exclusion shall not apply to **Employment Practices Liability** for an alleged violation of the Equal Pay Act.

Except as provided within the Fiduciary Liability Coverage endorsement.

12. Fiduciary Liability

To liability arising out of;

- A. The purchase, or sale, or offer of sale, or solicitation of any security, or decline in price or value of any security, debt, bank deposit or financial interest or instrument;
- B. Any representation made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument; or
- C. Any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument;

Except as provided within the Fiduciary Liability Coverage endorsement.



13. Funds, Grants or Appropriations

For the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations for the return of such funds, grants, or appropriations for any reason. However, CSURMA AORMA will defend any action or suits brought against any **Covered Party** for the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations or for the return of such funds, grants or appropriations for such causes of action, unless their alleged conduct was outside the scope of employment, subject to the CSURMA AORMA sublimit of \$250,000 per **Occurrence**.

14. Insolvency

Arising by contract, operation of law, or otherwise, from **Covered Party's** participation or membership, whether voluntary or involuntary, in any insolvency fund. "Insolvency Fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, which provides for any assessment of or payments or assumption by CSURMA AORMA or any **Covered Party** of part or all of any **Claim**, debt, charge, fee or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any **Claim**, debt, charge, fee or other obligation in whole or in part.

15. Intentional Conduct

For any liability based on the Member's obtaining of financial gain to which to Member was not legally entitled.

Arising out of any intentional, dishonest, fraudulent, criminal or malicious act, committed by any **Covered Party**, including the willful or reckless violation of any statute.

This exclusion shall not apply to any vicarious liability that any **Member** has with regards to the managerial, advisory, supervisory, or controlling obligations over the action of another.

Defense coverage will be provided until a **Covered Party** is proven to have engaged in fraudulent, criminal or dishonest conduct, through final adjudication or judgment.

16. Lack of Occurrence or Wrongful Act

For injuries or **Damages** which do not arise out of an **Occurrence** or **Wrongful Act** as defined in this Memorandum;

17. Land Use

To any liability for **Damages** arising from any **Claim**, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA AORMA shall defend the **Covered Party** up to an amount not exceeding \$250,000 **Ultimate Net Loss** for such liability.



This exclusion shall not apply, however, to any land use litigation where suits or **Claims** for land use litigation are a result of negligence proven on the part of a **Covered Party**. Nothing herein shall act to increase the limit of liability.

18. Member vs. Member

Claims by any Member against its own past or present elected or appointed officials, employees or volunteers, where such claim seeks damages or restitution payable to the Member.

19. Lead

Arising out of, resulting as a consequence of, or related to lead whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

20. Medical Malpractice

To any liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Member**. This includes, but is not limited to:

A. The rendering or failure to render:

- 1) Medical, surgical, dental, x-ray or nursing service or treatment, or furnishing of food or beverages in connection therewith;
- 2) Any service or treatment related to physical or mental health or of a professional nature;
- 3) Any cosmetic or tonsorial service or treatment.

B. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to liability arising out of;

A. Ambulance operations, occupational physical examinations, student nursing programs, infirmaries, on-clinic nursing services or services of the Insured's **Employees** who are nurses, physician assistants, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, phlebotomist or physical therapists;

B. **Employment Practices Liability;**

C. First aid to any person. For the purposes of this exception, first aid means the immediate and emergency care given to an ill or injured person before regular medical aid can be obtained.

D. Any medical services clinic that does not perform invasive surgery of any kind; or

E. Operations performed by coroners.



- F. Volunteer medical personnel while attending an activity sponsored by the Member or while on school premises under the **Member's** control.

21. Mold

Arising from **Mold**, moss, mildew, fungi, spores, bacterial infestation or any similar organism, wet or dry rot and extremes of temperature or humidity. This includes, but is not limited to, the cost for investigation, testing, and remediation services. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Except as provided as a sub-limit and aggregate limit per **Member**, as shown on the Declarations Page.

22. Non-Compensatory Amounts and/or Damages

For any non-monetary equitable redress or form of relief other than the payment of monetary **Damages**, including but not limited to, declaratory, injunctive or administrative relief or specific performance award, or any cost to defend or cost or expense to comply with any declaratory, injunctive or administrative relief or specific performance award.

23. Nuclear Material

To any liability for **Damages** arising out of injury, sickness, disease, death or destruction:

- A. For any loss or liability accruing to the **Covered Party** as a **Member** of, or subscriber to, any association of insurers or reinsurers formed for the purpose of covering nuclear energy risks or as a direct or indirect reinsurer of any such **Member**, subscriber or association.

- 1) It is agreed that this Memorandum does not apply under any liability coverage, to Injury, sickness, disease, death or destruction, **Bodily Injury** or **Property Damage** with respect to which a **Covered Party** under the Memorandum is also an **Covered Party** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability. The **Member** is, or had such coverage not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- B. Resulting from the **Hazardous Properties** of **Nuclear Material**, if:

- 1) The **Nuclear Material** is at any **Nuclear Facility** owned by, or operated by or on behalf of a **Member**, or has been discharged or dispersed therefrom;
- 2) The **Nuclear Material** is contained in **Spent Fuel** or **Waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a **Member**; or
- 3) The injury, sickness, disease, death or destruction arises out of the furnishing by a **Member** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any **Nuclear Facility**, but if such facility is located within the United States of America, its territories or



possessions or Canada, this part c. applies only to injury to or destruction of property at such **Nuclear Facility**.

However, this Exclusion shall not apply to liability arising from the use of radioactive materials in instructional laboratories operated by the **Member** and/or research activities sponsored by the **Member**, but only to a sublimit of \$250,000 each **Occurrence**.

24. Office of Foreign Assets Control (OFAC)

For any liability for premium or loss under this Memorandum if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.

25. Pollution

For any loss, cost, or expense:

- A. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;
- B. Arising out of any **Claim**, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **Pollutants**:
  - 1) At any premises owned, rented or occupied by the **Covered Party**;
  - 2) At or from any site or location used by or for the **Covered Party** or others for the handling, storage, dispersal, processing or treatment of **Waste**;
  - 3) Which are at any time transported, handled, stored, treated or disposed of; or processed as **Waste** by or for the **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
  - 4) At or from any site or location on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations:
    - a) If the **Pollutants** are brought on or to the site or location in connection with such operation; or
    - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **Pollutants**.

Subparagraph (a) and (d.1.) do not apply to **bodily injury ~~or~~ property damage** arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one, which becomes uncontrollable or breaks out from where it was intended to be.



Provided, however, that this exclusion does not apply to:

- A. Discharge, dispersal, release or escape directly caused by hostile fire, explosion, lightning, windstorm, vandalism or malicious mischief; or
- B. ~~Personal-Bodily Injury~~ or **Property Damage** which is within the product hazard of the **Completed Operations Hazard**; or
- C. Loss or Damage caused by the collision, upset or overturn of any **Automobile**; or
- D. A discharge, dispersal, release or escape of **Pollutants** that meets all of the following conditions:
  - 1) It was accidental and was neither expected nor intended by the **Covered Party**.
  - 2) It was instantaneous and was demonstrable as having commenced at a specific time and date during the term of this coverage.
  - 3) Its commencement became known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party** within ten (10) calendar days.
  - 4) Its commencement was reported in writing within forty (40) calendar days of becoming known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party**.
  - 5) Reasonable effort was expended by the **Covered Party** to terminate the situation as soon as conditions permitted.

Nothing contained in this exclusion shall operate to provide any coverage with respect to:

- A. Any site or location used by others on the **Covered Party's** behalf, principally for the handling, storage, disposal, dumping, processing or treatment of **Waste** material.
- B. Any fines, penalties or exemplary **Damages**.
- C. Any clean-up costs ordered by the Superfund program, or any federal, state or local governmental authority. However, this specific exclusion (3) shall not serve to deny coverage for third party clean-up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;
- D. Acid rain;
- E. Clean up, removal, containment, treatment, detoxification or neutralization of **Pollutants** situated on premises the **Member** currently owns, rents or occupies or owned, rented or occupied at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **Pollutants**; or
- F. Water Pollution caused by oil or by its derivatives.

26. Property Damage

For the cost to modify any building or property in order to make said building or property more accessible or accommodating to any disable or incapacitated person.



Arising from **Property Damage** to:

- A. Property owned by a **Covered Party**; or
- B. Property rented or leased to a **Covered Party** where the **Covered Party** had assumed liability for damage to or destruction of such property unless the **Covered Party** would have been liable in the absence of such assumption of liability or contractual liability

27. Silica

Arising out of, in whole or in part, the injurious properties of silica or any product or material containing or composed of silica in any form, under any theory of liability whatsoever. "Silica" means silica occurring in any form, including silicon dioxide, silica particles, silica fibers, silica sand, silica dust or silica compounds, including a mixture or combination of any of the foregoing and any other mineral, dust, particle or any substance or material of any kind or origin.

28. Subsidence

For any **Property Damage** arising from or related to **Land Subsidence** for any reason whatsoever.

29. Terrorism

For any loss, damage, cost or expense directly or indirectly caused by, contributed by, resulting from, or arising out of: (i) an Act of Terrorism as defined under the Terrorism Risk Insurance Act of 2002 or any amendments, renewals or successor legislation thereto in connection with biological, chemical, radiological or nuclear explosion, pollution or contamination; and (ii) any act, whether or not related to terrorism or any act of terrorism in connection with biological, chemical, radiological or nuclear explosion, pollution, contamination; whether in time of peace or war, and regardless of who commits the act, regardless of any other cause or event contributing concurrently or in any other manner.

30. War

Arising from war. War, as utilized herein, shall mean war whether or not declared, civil war, martial law, insurrection, revolution, invasion, bombardment or any use of military force, usurped power or confiscation, nationalization or damage of property by any government, military or other authority. This exclusion applies regardless of whether or not there is any other cause or event that in any way contributes concurrently or in any sequence to a loss, cost or expense.

31. Watercraft

Arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any **Covered Party**, but this exclusion does not apply to:

- A. Watercraft while ashore on premises owned or rented by **Covered Party**;
- B. Watercraft less than fifty-one (51) feet in length at the waterline.
- C. Watercraft with no self-propulsion capabilities, regardless of length.

32. Wrongful Acts



- A. Arising from any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations. This exclusion shall not apply to a **Claim** brought by (i) an **Employee** alleging **Wrongful Termination** or retaliation as a result of strike activity or union involvement, or (ii) a law enforcement officer responding within the scope of his or her duties to any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations.
- B. For injunctions, equitable relief, or any other form of relief other than the payment of money **Damages**.
- C. Liability arising out of an alleged willful commission of a crime by **Member** or other dishonest fraudulent, or malicious act. At CSURMA AORMA's discretion, however, CSURMA AORMA will pay for **Loss Adjustment Expense** until final adjudication, judgment, or settlement to which CSURMA AORMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA AORMA for all costs associated with the defense.
- D. Liability arising out of a **Member's Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled. At CSURMA AORMA's discretion, however, CSURMA AORMA will pay **Loss Adjustment Expense** for any **Claim** or Suit arising from an alleged willful commission of a crime by a **Member** or other dishonor, fraudulent or malicious act, for any **Claim** or Suit arising out of the Members **Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled until final adjudication, judgment, settlement to which CSURMA AORMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA AORMA for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **Member** has with regards to the managerial, advisory, supervisory, or controlling obligations over the action of another **Member**.

33. Under Errors and Omissions Liability:

- A. Based on **Covered Party's** obtaining of financial gain to which the Covered Parts was not legally entitled.
- B. Arising out of the willful violation of a penal code or ordinance committed by or with knowledge of consent of any **Covered Party**; except that any act pertaining to any one **Covered Party** shall not be imputed to any other **Covered Party** for the purpose of determining the application of this exclusion.

34. Under Media Wrongful Acts:

- A. Based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any actual or alleged infringement, contributing to the infringement, or inducing the infringement of any patent.
- B. Actual or alleged violation of any federal, state or local statute, law or regulation regarding the dissemination of unsolicited communications, including but not limited to unsolicited telephone calls, facsimiles and electronic mail; or
- C. Liability of any **Member** arising in whole or in part, out of any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled;



- D. Liability arising out of the willful violation of a penal statute, code or ordinance committed by or with the knowledge or consent of any **Member**; except that any act for which a **Covered Party** is responsible shall not be imputed to any other **Covered Party** for purposes of this subpart 3.
- E. Refund or restitution of taxes, fees, or assessments.
- F. Arising out of oral written publication of material, if done by or at the direction by you with knowledge of its falsity.

This exclusion does not apply to liability arising from the managerial, advisory, supervisory, or controlling obligations of any **Covered Party** over the action of another **Covered Party**;

35. Uninsured/Underinsured Motorists

For any **Claim** under any Uninsured Motorists, Underinsured Motorists, or No-Fault Law, or any similar federal, state, local or municipal law, and to any sums the **Covered Party** may be legally entitled to recover as **Damages** from the owner or operator of any uninsured or underinsured **Automobile** because of **Bodily Injury** or **Property Damage** sustained by any **Covered Party**.

**SECTION VII - COVERAGE EXTENSIONS**

**Medical Payments** - Subject to the limit of liability stated in the Declarations. CSURMA AORMA will pay medical expenses as described below for **Bodily Injury** caused by an accident:

- 1. On premises the **Member** owns or rents,
- 2. On ways next to premises the **Member** owns or rents, or
- 3. Because of the **Member's** operations;
- 4. Provided that:
  - A. The accident takes place in the covered **territory** and during the **Coverage Period**;
  - B. The expenses are incurred and reported to CSURMA AORMA within one (1) year or the date of the accident; and
  - C. The injured person submits to examination, at CSURMA AORMA's expense, by physicians of the CSURMA AORMA's choice as often as CSURMA AORMA reasonably require.
    - 1) CSURMA AORMA will make these payments regardless of fault. These payments will not exceed the applicable limit of coverage. CSURMA AORMA will pay reasonable expenses for:
      - a) First aid administered at the time of an accident;
      - b) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and



- c) Necessary ambulance, hospital, professional nursing and funeral services.
- 2) The Program will not pay expenses for **Bodily Injury**:
  - a) To any **Member**;
  - b) To a person hired to do work for or on behalf of any **Member** or a tenant of any **Member**;
  - c) To a person injured on that part of premises the **Member** owns or rents that the person normally occupies;
  - d) To a person, whether or not an **Employee** of any **Member**, if benefits for **Bodily Injury** are payable or must be provided under workers' compensation or disability benefits law or a similar law;
  - e) To a person injured while taking part in athletics;
  - f) To a person who is a student of the California State University or a participant enrolled in a CSU sponsored program;
  - g) Included with the products- **Completed Operations Hazard**; and
  - h) Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**Domestic Hired Automobile Physical Damage** - Subject to the limit of liability stated in the Declarations, CSURMA AORMA will pay for physical damage **Loss** to a **Hired Automobile** or its equipment. The coverage provided by this endorsement is excess over any other collectible coverage. CSURMA AORMA will pay expenses for which a **Covered Party** becomes legally responsible to pay for loss of use of a Hired Automobile under a written rental contract or agreement. However, the most CSURMA AORMA will pay for any expenses for loss of use is \$60 per day, to a maximum of \$1,800. CSURMA AORMA will pay up to the limits shown in the Declarations Page for towing and labor costs incurred each time a covered Hired Automobile of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

A **Hired Automobile** is defined as a land motor vehicle designed for travel on public roads that the **Covered Party** may hire, lease, rent or borrow for no more than thirty (30) days by execution of a contract within the Coverage Territory. **Hired Automobile** does not include;

1. Those types of **Hired Automobiles** excluded under Exclusions A and B below, or to Mobile Equipment.
2. A **Hired Automobile** a **Covered Party** may hire, lease, rent or borrow from a **Member** of his/her household.
3. A **Hired Automobile** a **Covered Party** may hire, lease, rent or borrow with a driver.



**Loss** as used in this extension means direct and accidental loss or damage.

The most CSURMA AORMA will pay for Loss in any one accident is the lesser of:

1. The actual cash value of the damaged or stolen property at the time of the Loss; or
2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
3. \$50,000.

For each **Hired Automobile**, CSURMA AORMA’s obligation to pay for repair, return or replace damaged or stolen property will be reduced by the applicable deductible of \$1,000. A deductible of \$5,000 will apply to all losses covered subject to the add-back of coverage detailed in Exclusions ~~G and N F~~.

This coverage extensions applies to losses occurring in the United States of America; and the territories and possessions of the United States of America; and Puerto Rico.

CSURMA AORMA shall not be obligated to make any payments in connection with;

1. Loss to any Expensive, Exotic or Antique **Hired Automobile**; semi-trailer trucks; motorcycles, mopeds, or motorbikes. Antique **Automobile** is defined as any vehicle over twenty (20) years old or any vehicle that has not been manufactured for ten (10) years or more. Examples of excluded Expensive or Exotic vehicles include but are not limited to those manufactured by Aston Martin, Bentley, Bricklin, Daimler, DeLorean, Excalibur, Ferrari, Jensen, Lamborghini, Lotus, Maeserati, Porsche and Rolls Royce. However, selected models of BMW, Mercedes-Benz, Cadillac and Lincoln are covered.
2. Loss to any **Hired Automobile** while used in any professional or organized racing or demolition contest or stunt activity, or while practicing for such contest or activity. CSURMA AORMA will also not pay for Loss to any covered **Hired Automobile** while that covered **Hired Automobile** is being prepared for such contest or activity.
3. Loss caused by or resulting from any of the following unless caused by other Loss that is covered by this coverage:
  - A. Wear and tear, freezing or mechanical or electrical breakdown; or
  - B. Blowouts, punctures or other road damage to tires.
4. Loss to any of the following:
  - A. Tapes, records, discs, or other similar audio, visual data electronic devices designed for use with audio, visual or data electronic equipment.
  - B. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.



- C. Any electronic equipment, without regard to whether the equipment is permanently installed, that receives or transmits audio, visual, or data signals and that is not designed solely for the reproduction of sound.
- D. Any accessories used with the electronic equipment described in Exclusion ~~4.ii~~C above do not apply to:
  - 1) Equipment designed solely for the reproduction of sound and accessories, provided such equipment is permanently installed in the covered **Hired Automobile** at the time of the loss or such equipment is removable from a housing unit which is permanently installed in the covered **Hired Automobile** at the time of loss, and such equipment is designed to be solely operated by use of the power from the covered **Hired Automobile's** electrical system, in or upon the covered **Hired Automobile**.
  - 2) Any other electronic equipment that is:
    - a) Necessary for the normal operation of the covered **Hired Automobile** or the monitoring of the covered **Hired Automobile's** operating system
    - b) An integral part of the same unit housing any sound reproducing equipment described above in i. above and permanently installed in the opening of the dash or console of the covered **Hired Automobile** normally used by the manufacturer for installation of a radio.
- E. CSURMA AORMA will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provisions of this Endorsement.
- F. Loss arising out of any violation of the rental car agreement. This exclusion does not apply to operation of a **Hired Automobile** on non-paved roads when the off-road operation is authorized by a **Covered Party** for an appropriate business operation and the **Hired Automobile** is appropriate for the conditions of the non-paved road.
- G. Damage to **Hired Automobile's** that are hired, rented or borrowed for more than thirty (30) consecutive days.
- H. Loss or theft of personal belongings.
- I. **Damages** resulting from any **Covered Party's** personal liability.
- J. Loss due to intentional acts, or due to the driver(s) being under the influence of alcohol, intoxicants, or drugs, or due to contraband or illegal activities.
- K. CSURMA AORMA will not pay for confiscation by authorities.
- L. CSURMA AORMA will not pay for losses reported more than forty-five (45) days from the date of loss.



## SECTION VIII – CONDITIONS

1. Action Against CSURMA AORMA - No action shall lie against CSURMA AORMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA AORMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA AORMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability. Under no circumstance shall CSURMA AORMA be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under Section I – Coverages, plus interest at the same rate as the CSURMA earned on investments for the time period involved.
2. Arbitration:
  - A. In the event that a question or dispute arises between CSURMA AORMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an **Occurrence** or **Wrongful Act** or **Claim** against the **Covered Party**, either the **Covered Party** or CSURMA AORMA may make a written request for arbitration. Where such a request is made, arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.
  - B. If a **Covered Party** and CSURMA AORMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.
  - C. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).
3. Assignment: No assignment of interest under this Memorandum shall bind CSURMA AORMA without its written consent to endorse hereon.
4. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Member** or any **Covered Party** shall not relieve CSURMA AORMA of any of its obligations hereunder nor shall such bankruptcy or insolvency increase CSURMA AORMA'S obligations hereunder.
5. Cancellation and Termination:

Coverage provided under this Memorandum may be terminated at any time in accordance with the terms set forth in the CSURMA Joint Powers Agreement and Bylaws and the Policies and Procedures.



6. Changes to the Memorandum: This Memorandum may not be amended or changed in any respect, nor shall any provision of this Memorandum be deemed to have been waived by CSURMA AORMA, unless and until a written endorsement which expressly amends this Memorandum or waives a provision thereof has been duly issued by CSURMA AORMA and made a part of this Memorandum, unless the CSURMA AORMA policies and procedures regarding claims reporting and claims administration and litigation management have been amended by CSURMA AORMA.
7. Claims Settlement: As stated in the CSURMA AORMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management:
8. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA AORMA's rules and rates. CSURMA AORMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
9. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit: The following provisions and the provisions of the CSURMA AORMA Memorandum and Policy and Procedure on claims reporting and Claims Administration and Litigation Management are conditions precedent to coverage under this Memorandum. The **Covered Party's** failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA AORMA.
  - A. In the event of any **occurrence** or an offense which may result in a claim, suit or proceeding against a **Covered Party**, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the **Member** to the Third Party Claims Administrator (TPA) as soon as practicable.
  - B. When the **Member** submits the first claim report, the following information shall be included, if available and applicable:
    - 1) How, when and where the **occurrence** or offense took place;
    - 2) The names and addresses of any injured persons and witnesses;
    - 3) The nature and location of any injury or damage arising out of the **occurrence** or offense;
    - 4) Incident reports;
    - 5) Investigation reports;
    - 6) Police reports;
    - 7) Claim notices and **Member** and any other involved **Covered Party** response(s);
    - 8) Medical reports; and
    - 9) Other information helpful to CSURMA AORMA.
  - C. The **Member** and any other involved **Covered Party** shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the **Member**



or other involved **Covered Party** to the TPA and authorize CSURMA AORMA to obtain records and other information;

- 1) Late Reporting Penalties
  - a) If an **occurrence**, offense, claim, suit or proceeding is not reported by the **Member** to the TPA within the timeframes set below; the following late reporting schedule shall apply;
  - b) If an **occurrence**, offense, claim or suit is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
  - c) If an **occurrence**, offense, claim or suit is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply; or
  - d) If an **occurrence**, offense, claim or suit is reported more than 12 months late as determined by the TPA, no recovery will be available to the **Member** or other involved **Covered Party**.

D. The **Member** and any other involved **Covered Party** will cooperate with CSURMA AORMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA AORMA, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply.

- 10. **Inspection and Audit:** CSURMA AORMA shall have the right, but not the obligation, to inspect the **Member's** property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of the **Member** or others, to determine or warrant that such property or operations are safe or healthy.

The **Member** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to CSURMA AORMA at the end of the **Coverage Period** and at such times during the **Coverage Period** as we may direct. CSURMA AORMA may examine and audit **Member's** books and records as they related to this Policy at any time during the **Coverage Period** and extensions thereof and within three (3) years after the final termination of this Policy.

- 11. **No Voluntary Payments:** Except as stated below, no **Member** will, except at that **Member's** own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the consent of CSURMA AORMA.

With respect to **Employment Practices Liability**, as stated in CSURMA AORMA Policy and Procedure on **Claims** Reporting, in no event shall any payments be made by CSURMA AORMA for any costs incurred to defend a covered **Claim** more than thirty (30) days prior to written notification of an **Occurrence**, offense, **Claim** or suit to the TPA.

Moreover, no settlement of any **Claim** shall be paid by CSURMA AORMA without prior written authorization of the TPA.



As requested, CSURMA AORMA shall be entitled to complete access to the Member’s claim file, the defense attorney’s complete file, and all investigation material and reports, including all evaluations and information on negotiations. The Member shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to CSURMA AORMA, and to provide CSURMA AORMA with simultaneous copies of all correspondence provided to the Covered Party by its defense attorneys and/or agents.

12. **Other Coverage:** If other valid and collectible coverage is available to the **Covered Party** for a covered claim, CSURMA AORMA’s obligations are limited as follows:

A. **Primary Coverage**

This coverage is primary except when Paragraph 3 below applies. If this coverage is primary, CSURMA AORMA’s obligations are not affected unless any of the other coverage is also primary. Then, CSURMA AORMA will share with all other coverage by the method described in Paragraph 3 below.

B. **Excess Coverage:**

- 1) With respect to liability for damages of the Covered Party arising from the conduct or activities of a third party, as between the Member and the CSURMA AORMA, the amount of the Member's deductible as set forth in the Declarations of this Memorandum shall be satisfied in whole or in part (as applicable, depending on how much other coverage is available) by any insurance coverage of said third party/parties which is available and applicable to the liability for damages of the Covered Party. If such third-party insurance coverage exceeds the Member's deductible, all of such third-party insurance coverage (whether written on a primary or an excess basis, or written as reinsurance) shall apply to the loss before the CSURMA AORMA's limits hereunder shall attach.
- 2) When this coverage is excess, CSURMA AORMA will have no duty to defend the Covered Party against any suit if any other coverage provider has a duty to defend the Covered Party against that suit. If no other coverage provider defends, CSURMA AORMA will undertake to do so, but CSURMA AORMA will be entitled to the Covered Party’s rights against all those other coverage providers.
- 3) CSURMA AORMA will share the remaining ultimate net loss, if any, with any other coverage that is not described in this provision and was not bought specifically to apply in excess of the limits of liability shown in the Declarations.

C. **Method of Sharing:**

- 1) If all of the other coverage permits contribution by equal shares, CSURMA AORMA will also permit contribution by equal shares. Under this approach, each coverage provider contributes equal amounts until the applicable limit of liability has been paid or none of the ultimate net loss remains, whichever comes first; or



- 2) If any of the other coverage providers does not permit contribution by equal shares, CSURMA AORMA will contribute by limits. Under this method, each coverage provider's share is based on the ratio of its applicable limit of liability to the total applicable limits of liability of all coverage providers.

13. Contribution: The Contribution designated in the Declarations Page is flat and not adjustable, unless:

- A. A material exposure is added;
- B. The Limits of Liability are increased or decreased;
- C. Coverage is restricted or broadened by endorsement; or
- D. The Coverage Period is increased or shortened

14. Separation of Covered Parties: Except with respect to the Section III – Limitations Upon CSURMA AORMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:

- A. As if each Covered Party were the only Covered Party; and
- B. Separately to each Covered Party against whom the Claim is made or suit is brought.

15. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.

16. Subrogation/Transfer of Rights of Recovery Against Others to CSURMA AORMA: CSURMA AORMA shall be subrogated to the extent of any payment hereunder, to all of Member's rights of recovery and Member shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. Member may elect to waive their rights to subrogation prior to a loss. To the extent that Member elects to waive such rights, CSURMA AORMA shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

Any interest, including yours, having paid an amount in excess of Member's Deductible plus the Limit of Liability hereunder shall be reimbursed first to the extent of actual payment. CSURMA AORMA shall be reimbursed next, to the extent of actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse the Member. The expense of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries. If there is no recovery in proceedings conducted solely by Member, then Member shall bear the expenses thereof.



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE FOR  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)**

**CALIFORNIA UNINSURED OR UNDERINSURED MOTORISTS  
COVERAGE BODILY INJURY  
AMENDATORY ENDORSEMENT - #1**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

For a covered **Automobile** licensed or principally garaged in or with operations conducted in California this endorsement modifies the Memorandum provided under the following:

**Bodily Injury** to which this additional coverage applies.

With respect to the additional coverage provided by this endorsement, the provisions of the Memorandum apply unless modified by this endorsement. This endorsement changes the Memorandum effective on the inception date unless another date is indicated below.

SCHEDULE: Limit of Liability - \$250,000 per **Occurrence**

A. Coverage

1. CSURMA AORMA will pay all sums the **Covered Party** is legally entitled to recover as compensatory **Damages** from the owner or driver of an uninsured or underinsured motor vehicle. The **Damages** must result from “**Bodily Injury**” sustained by the **Covered Party** caused by an **Occurrence**. The owner’s or driver’s liability for these **Damages** must result from the ownership, maintenance or use of the uninsured or underinsured motor vehicle.
2. CSURMA AORMA will pay only after the limits of liability under any liability bonds or policies have been exhausted by payment of judgments or settlements.
3. Any judgment for **Damages** arising out of a **Claim**, suit or proceeding brought without the written consent of CSURMA AORMA is not binding.

B. Exclusions

This additional coverage does not apply to any of the following:

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CSURMA AORMA Liability Program Memorandum of Coverage - [July 1, 2020-2019-07-01](#)



1. Punitive or exemplary **Damages**.
2. Any **Claim** settled without consent of the CSURMA AORMA. However, this exclusion does not apply to a settlement made with the insurer of an auto described in Paragraph b. of the definition of uninsured or underinsured motor vehicle.
3. The direct or indirect benefit of any insurer or self-insurer under any worker's compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. **Bodily Injury** sustained by any **Covered Party** while occupying or when struck by any **Automobile** owned by that **Covered Party** that is not a covered **Automobile** for uninsured or underinsured motorists Coverage under this Coverage Form;

However, Exclusion 4 shall not apply to **Bodily Injury** sustained by any **Covered Party** when struck by an **Automobile** owned by the **Member** and operated or caused to be operated by a person without that **Member's** consent in connection with criminal activity that has been documented in a police report and to which that **Covered Party** is not a party to.

5. Anyone using an **Automobile** without a reasonable belief that the person is entitled to do so.
6. **Bodily Injury** sustained by a **Covered Party** while occupying any **Automobile** that is rented or leased to that **Covered Party** for use as a public or livery conveyance.
7. **Bodily Injury** arising directly or indirectly out of:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. Limit of Liability

1. Regardless of the number of covered **Automobiles**, the **Member**, premiums paid, **Claims** made or **Automobiles** involved in the **Occurrence**, the most CSURMA AORMA will pay for all **Damages** resulting from any one **Occurrence** is the limit of liability for Uninsured or Underinsured Motorists coverage shown in the schedule of Declarations Page.
2. For an **Automobile** described in Paragraph b. of the definition of Uninsured Motor Vehicle, our limit of liability shall be reduced by all sums paid because of **Bodily Injury** by or for anyone who is legally responsible, including all sums paid or payable under this policy's liability coverage.



3. No one will be entitled to receive duplicate payment under this coverage for any element of **Damages** for which payment has been made by or for anyone who is legally responsible.
4. CSURMA AORMA will not make a duplicate payment under this coverage for any element of **Damages** for which payment has been made by or for anyone who is legally responsible.
5. CSURMA AORMA will not pay for any element of **Damages** if a person is entitled to receive payment for the same element of **Damages** under any workers' compensation, disability benefits or similar law.

D. Changes in Conditions

The conditions are changed for California uninsured motorist's coverage – **Bodily Injury** as follows:

1. Duties in the Event of Accident, Claim, Suit or Proceeding is changed by adding the following:
  - a. Promptly notify the police if a hit-and-run driver is involved; and
  - b. Send CSURMA AORMA copies of the legal papers if a **Claim**, suit or proceeding is brought. In addition, a person seeking coverage under Paragraph b. of the definition of Uninsured Motor Vehicle must:
    - i. Provide CSURMA AORMA with a copy of the complaint by personal service or certified mail if the **Covered Party** brings an action against the owner or operator of such Uninsured Motor Vehicle;
    - ii. Within a reasonable time, make all pleadings and depositions available for copying by CSURMA AORMA or furnish CSURMA AORMA copies at the expense of CSURMA AORMA; and
    - iii. Provide CSURMA AORMA with proof that the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

2. Action Against CSURMA AORMA is replaced by the following:

No legal action may be brought against CSURMA AORMA under this endorsement until there has been full compliance with all the terms of this endorsement and with respect to Paragraphs a., c. and d. of the definition of uninsured motor vehicle unless within two (2) years from the date of the **Occurrence**:

- a. Agreement as to the amount due under this Memorandum has been concluded;
- b. The **Covered Party** has formally instituted arbitration proceedings against CSURMA AORMA. In the event that the **Covered Party** decides to arbitrate, the



**Covered Party** must formally begin arbitration proceedings by notifying CSURMA AORMA in writing, sent by certified mail, return receipt requested; or

- c. **Claim**, suit or proceeding, for **Bodily Injury** has been filed against the Uninsured Motorist in a court of competent jurisdiction.

3. Transfer of Rights of Recovery Against Others to CSURMA AORMA is replaced by the following:

- a. With respect to Paragraphs a., c. and d. of the definition of Uninsured or Underinsured Motor Vehicle, if CSURMA AORMA makes any payment, CSURMA AORMA is entitled to recover what CSURMA AORMA paid from other parties. Any person to or for whom CSURMA AORMA makes payment must transfer to CSURMA AORMA his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.
- b. With respect to Paragraph b. of the definition of Uninsured or Underinsured Motor Vehicle, if CSURMA AORMA makes any payment and the **Covered Party** recovers from another party, the **Covered Party** shall hold the proceeds in trust for CSURMA AORMA and pay back the amount CSURMA AORMA has paid.

4. Other Insurance is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all endorsements and the memorandum combined may equal but not exceed the highest applicable limit for any one **Automobile** under any endorsement and the memorandum providing coverage on either a primary or excess basis.
- b. Any coverage CSURMA AORMA provides with respect to an **Automobile** the **Member** does not own shall be excess over any other collectible Uninsured or Underinsured Motorists insurance providing coverage on a primary basis.
- c. If the coverage under this endorsement is provided:
  - i. On a primary basis, CSURMA AORMA will pay only the share of the **Damages** that must be paid under this Memorandum providing coverage on a primary basis. CSURMA AORMA's share is the proportion that the limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.

E. Additional Definitions

- 1. Occupying means in, upon, getting in, on, out or off.



2. Uninsured or Underinsured Motor Vehicle means a land motor **Automobile** or trailer:
- a. For which no liability bond or policy at the time of an **Occurrence** provides at least the amounts required by the applicable law where a covered **Automobile** is principally garaged;
  - b. That is an Underinsured Motor Vehicle. An Underinsured Motor Vehicle is a land motor vehicle or for which the sum of all liability bonds or policies at the time of an **Occurrence** provides at least the amounts required by the applicable law where a covered **Automobile** is principally garaged but that sum is less than the limit of liability for this coverage;
  - c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent;
  - d. That is a hit-and-run **Automobile** and neither the driver nor owner can be identified. The **Automobile** must make physical contact with a **Covered Party**, a covered **Automobile** or an **Automobile** a **Covered Party** is occupying; or
  - e. That is owned by the **Member** and operated or caused to be operated by a person without the owner's consent in connection with criminal activity that has been documented in a police report.

However, Uninsured Motor Vehicle does not include any **Automobile**:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed or modified primarily for use off public roads while not on public roads.

*All other terms and conditions in the Memorandum remain unchanged.*



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE FOR  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)**

**NON-SALARIED STATE EMPLOYEE AUTO LIABILITY  
AMENDATORY ENDORSEMENT - #2**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

The following is added to Section IV – COVERED PARTIES, Section C.

As respects motor vehicles operated by a Non-Salaried **Employee** of the California State University, CSURMA AORMA agrees to provide coverage directly in excess of the Motor Vehicle Liability Self-Insurance Program as defined by the State Administrative Manual of the State of California, section 2420 including any amendment or successor thereto, subject to all other terms and conditions of this Memorandum of Coverage. The coverage added does not involve the CSURMA AORMA pooling layer of liability.

The coverage provided herein includes liability arising from the use of any owned, non-owned or hired vehicle operated by a Non-Salaried Employee while on State business.

For the purpose of the coverage provided by this endorsement, the following definitions are added:

1. Non-Salaried Employee: Means anyone, including but not limited to a student assistant or volunteer, operating a motor vehicle while on State business.
2. State: Means the State of California; the Trustees of the California State University; the California State University, and its campuses.

**2420 MOTOR VEHICLE LIABILITY SELF-INSURANCE PROGRAM (Revised 3/14)**

The ORIM administers the State Motor Vehicle Liability Self-Insurance Program (VELSIP), which provides unlimited self-insured liability coverage for the state, agencies, and employees who operate covered self-propelled land vehicles on state business (California Vehicle Code Sections 17000 and 17001). Effective January 1, 2004, liability coverage is limited to \$1 million per occurrence/accident when the state vehicle is operated by a non-salaried employee (i.e. student assistant, volunteer, etc.) on state business. The driver's employing department/agency will be financially responsible for the payment of any claims, settlements, judgments or verdicts in excess of \$1 million. With the exception of peace officers as defined in Insurance Code Section 557.5, the VELSIP provides excess liability coverage for state employees on state business while driving non-state vehicles, but only after the vehicle owner's liability policy limits have been paid. The VELSIP does not provide coverage for injury to state employees nor for damage to state vehicles. Employee injuries are handled through Workers' Compensation coverage. Damage to state vehicles are handled through the budget of the owning state agency.



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE FOR  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)**

**FIDUCIARY LIABILITY  
AMENDATORY ENDORSEMENT - #3**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

This is claims made and reported coverage; therefore, the coverage is limited to Claims that are first made against the Member during the coverage period and are reported to CSURMA AORMA during the coverage period.

With respect to the additional coverage provided by this endorsement, the provisions of the Memorandum of Coverage apply unless modified by this endorsement.

**A. SUBJECT TO THE LIMIT STATED BELOW CSURMA AORMA AGREES:**

To pay on behalf of any **Member** those sums for loss including expenses incurred in the defense and settlement of any **Claim** first made against the **Member** and reported during the **Coverage Period**, alleging a **Wrongful Act(s)** of any **Covered Party**, first committed, or allegedly committed on or subsequent to the Retroactive Date shown herein, in the **Administration** of **Covered Party's Employee Benefit Plans** or **Covered Party's Trusts**.

**B. LIMIT OF LIABILITY: (As shown on the Declarations Page)**

**For the purpose of determining the limit of liability of CSURMA AORMA under this endorsement, all Damages arising out of continuous repeated exposure to substantially the same general conditions shall be considered as arising out of one loss.**

Loss, with duration of more than one **Coverage Period** shall be treated as a single loss arising during the **Coverage Period** when the **Claim** is first made, and under no circumstances shall the fact that said loss has duration of more than one **Coverage Period** entitle a **Covered Party** to more than one limit of coverage.

**C. EXCLUSIONS**

Exclusion 7 - Employee Benefits Liability Claim, Exclusion 9 – Employee Retirement Income Security Act (ERISA) and Exclusion 10 - Fiduciary Liability do not apply to the **Administration**



of the **Covered Party's** Employee Benefit Plans or **Covered Party's** Trusts, but only up to the limit of liability stated above for CSURMA AORMA.

Underwriters shall not be liable to make any payment for that part of Loss, other than Defense Expenses:

1. Which constitutes civil or criminal fines or penalties, taxes, or the multiple portion of any multiplied damage award;
2. Which constitutes payments due under the terms of the Benefit Plan or Trust, unless recovery is based upon a covered **Wrongful Act**;
3. Loss made against the **Covered Party**:
  - a. For libel, slander, **Bodily Injury**, emotional distress, disease, sickness or death of any person. Or any damage to or destruction of any tangible property including loss of use thereof;
  - b. For liability of others assumed by the **Covered Party** under any oral, written or implied contract or agreement; however, this exclusion shall not apply to the extent the **Covered Party** would have been liable in the absence of such contract or agreement; or the liability was assumed in accordance with or under the Benefit Plan or Trust agreement or equivalent document pursuant to which the plan was established;
  - c. Any Insured's gain of any profit, remuneration or advantage to which they were not legally entitled; or
  - d. For **Discrimination** in violation of any law.
4. CSURMA AORMA shall not be liable to make any payment for Loss in connection with any **Claim** based upon, arising out of, directly or indirectly resulting from or in consequence of:
  - a. Any fact, circumstance, situation, transaction event or **Wrongful Act** which was the subject to any notice given under any prior coverage for fiduciary liability or other similar insurance;
  - b. Any litigation or administrative or regulatory proceeding against any Insured pending on or before the effective date of this endorsement, or any actual, alleged fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein which was known to the **Covered Party** prior to the inception of this endorsement, or
  - c. Any deliberately fraudulent or dishonest act or omission or any willful violation of any statute or regulation by any Insured; however, this exclusion shall not apply unless a judgment or other final adjudication adverse to such Insured establishes such a deliberately fraudulent or dishonest act or omission or willful violation.



D. DEFINITIONS

For the purpose of the coverage provided by this endorsement, the following definitions are added:

1. **Administration** means:
  - a. Providing information, advice, counsel or notice to **Employees** or Trust beneficiaries, with respect to the Employee Benefits Plan or Trust;
  - b. Providing interpretations of the Employee Benefits Plan or Trust;
  - c. Handling records in connection with the Employee Benefits Plan or Trust, or
  - d. Effecting enrollment, termination or cancellation of **Employees**, participants, or beneficiaries under the Employee Benefit Plan.
  
2. **Claim** means:
  - a. A written demand for specific monetary, non-pecuniary, or injunctive relief;
  - b. A criminal or civil proceeding for monetary, non-pecuniary or injunctive relief which is commenced by;
    - i. Service of a complaint or similar pleading; or
    - ii. Return of an indictment (in the case of criminal proceeding); or
    - iii. Receipt or filing of a notice of changes; or
  - c. A formal agency or regulatory proceeding to which a **Covered Party** is subject  
Made against a **Covered Party** alleging a **Wrongful Act**.
  
3. **Claims Expenses** mean reasonable expenditures incurred by a **Covered Party** in defense of a **Claim** covered under this endorsement, including but not limited to, cost of investigations, experts, adjustment services, legal services, court costs and similar expenses; provided however that **Claims Expenses** does not include wages or salaries of a **Covered Party**, or cost of attachment or similar bonds.
  
4. **Covered Party** means any natural person who was, is now, or becomes:
  - a. A trustee, **Member** of the board of directors, officer, in-house general counsel or an **Employee** of the **Member** of an Employee Benefit Plan or Trust, while acting in his or her capacity as a fiduciary of an Employee Benefit Plan or Trust or as a person performing **Administration** for an Employee Benefit Plan or Trust, or who is;
  - b. Assigned to act as a trustee, or an agent for finances of an Employee Benefit Plan or Trust.



5. Employee Benefit Plan means a program providing some or all of the following benefits to **Employees**:
  - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an **Employee** may subscribe to such benefits and such benefits are made generally available to those **Employees** who satisfy the plan's eligibility requirements;
  - b. Pension plans, provided that no one other than an **Employee** may subscribe to such benefits and such benefits are made generally available to all **Employees** who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits; and
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family and civil leave, tuition assistance plans; transportation and health club subsidies.
  
6. Insured means:
  - a. **Member**
  - b. Elected/Appointed Officials: all past, present and future, including the **Member's** Designated Professional Fiduciary
  - c. **Employees**: all past, present, and future
  
7. Loss means the amount which a **Covered Party** is legally and personally liability to pay on account of a **Claim** first made or instituted during the **Coverage Period** covered under and not excluded by this additional coverage endorsement.
  
8. Retroactive Date shall mean any **Claim** or Loss reported pursuant to the terms and conditions herein and rendered on or after the date set forth herein:

For all **Members** other than those **Members** specifically listed below the retroactive date for this endorsement is: July 1, 2010. For all **Members** listed below the retroactive date is as stated.

<u>Campus</u>	<u>AORMA Member</u>	<u>Retroactive Date</u>
Chico	Associated Students of CSU Chico	July 1, 2005
Long Beach	CSU Long Beach Foundation	July 1, 2008
Los Angeles	Associated Students Inc. CSU Los Angeles	July 1, 2007
Northridge	The University Corp., CSU Northridge	October 1, 1991
Northridge	University Student Union, CSU Northridge	October 1, 1999
Sacramento	Capital Public Radio, CSU Sacramento	April 15, 2010
San Jose	San Jose University Research Foundation	July 1, 2002
San Jose	Spartan Shops, Inc.	February 1, 1998



9. Trust(s) means charitable remainder trusts, charitable lead trusts, pooled income funds, or any combination thereof, or any **Employee** pension benefits or **Employee** welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a **Member** participates, provided the trust only serves auxiliary organizations who are **Members**.
10. **Wrongful Act** means:
  - a. Any actual or alleged breach of the responsibilities, obligations or duties imposed upon **Covered Party** for the Trusts by common or statutory law or regulation of the United States or any state;
  - b. Any other actual or alleged matter claimed against a **Covered Party** solely because of his or her service as the designated fiduciary of any Employee Benefit Plans or Trusts; or
  - c. Any actual or alleged negligent act, error or omission solely in the **Administration** of any Employee Benefit Plan or Trust, and
  - d. Any actual or alleged breach of duties, obligations and responsibilities imposed by ERISA or by COBRA or by any similar or related federal, state or local law or regulation in the discharge of the **Covered Party's** duties with respect to any Employee Benefit Plans or Trust.

*All other terms and conditions in the Memorandum remain unchanged.*

**EMPLOYERS GROUP RENEWAL CONTRACT  
JULY 1, 2020 TO JUNE 30, 2023**

**ISSUE:** The current contract with the Employers Group for HR Consulting Services is due to expire on June 30, 2020. The Employers Group has proposed two three-year renewal options:

- Option 1: Terms and Conditions as Expiring, and
- Option 2: Terms and Conditions as Expiring, plus an annual Employee Opinion Survey per member.

**RECOMMENDATION:** During the AOA Conference, the AOA HR Committee discussed the services provided by the Employers Group. The HR Committee recommends continuing the services and they continue to find them to be valuable.

Staff recommends that the Committee renew the contract for an additional three-years with Terms and Conditions as Expiring (Option 1) and revisiting Option 2 at a later date.

**FISCAL IMPACT:** The Employers Group has agreed to a three-year contract – July 1, 2020 to June 30, 2023 with a per auxiliary price of \$530, or \$26,500 annually for Option 1 and \$580, or \$29,000 annually for Option 1.

Shown below is the historical pricing for this contract:

*Historical Pricing:*

- 3/01/11 to 2/29/12 - \$497 per auxiliary
- 3/01/12 to 6/30/13 - \$485 per auxiliary
- 7/01/13 to 6/30/14 - \$485 per auxiliary
- 7/01/14 to 6/30/17 - \$507 per auxiliary
- 7/01/17 to 6/30/20 - \$530 per auxiliary
- 7/01/20 to 6/30/23 - \$530 per auxiliary (proposed – Option 1)**
- 7/01/20 to 6/30/23 - \$580 per auxiliary (proposed – Option 2)**

**BACKGROUND:** A sample copy of the Employee Opinion Survey is attached for your review. Several members use this Employers Group service annually and pay for it outside of the AORMA contract.

**PUBLICATION:** If the services change, the members will be notified.

**ATTACHMENT(S):**

- a. EG-AORMA Service Agreement – 3 Year Contract – Option 1
- b. EG-AORMA Service Agreement – 3 Year Contract – Option 2
- c. Sample Employee Opinion Survey

# **Sponsored Membership Sales Agreement**

## **7/1/2020 – 6/30/2023**

This three-year Sponsored Membership Sales Agreement (“Agreement”) is between Employers Group, Inc. (“EG”), a California nonprofit mutual benefit corporation, and California State University Risk Management Authority (“CSURMA”) for the benefit of the Auxiliary Organizations who are members of CSURMA’s Auxiliary Organization Risk Management Alliance (“CSURMA AORMA”).

### **I. Nature of Agreement**

This Agreement provides for EG’s sale of sponsored, non-voting, annual EG memberships (“memberships”) to CSURMA for distribution to members of CSURMA AORMA (“CSURMA AORMA sponsored members”) subject to all of the terms and conditions specified herein. Upon activation, holders of these memberships will be entitled to all rights and benefits as EG members, except for the right to vote on matters submitted to a vote of EG members, for the duration of the memberships. This is a nonexclusive Agreement and the parties acknowledge that it does not preclude them from entering into other sponsored membership sales or other agreements with anyone. The effective date of the Agreement shall be July 1, 2020 until June 30, 2023.

### **II. Purchase and Renewal**

#### **A. Pricing and Payment**

##### **(1) Contract Preferred Rate**

- a. The applicable membership preferred annual rate will be \$530 each for the sponsored new or renewal memberships initiated by CSURMA based on a minimum of 50 active, sponsored memberships.
  - b. CSURMA will pay for memberships based on an annual invoice provided by EG, reflecting all entities to be included in the membership and reflecting the corresponding current per-member dues rate. A broker portal (described below) is available should CSURMA choose to utilize it at the time of future renewals. CSURMA may choose to purchase sponsored memberships through EG’s web-based broker portal page that will be built specifically for CSURMA. EG will accept all major credit cards through a secure online transaction process and membership will be activated (Section III.A). EG will support this process with its ServiceOne call center during normal business hours (8:00AM-5:00PM PST) for live assistance.
- (i) EG represents and warrants that it is compliant with and maintains certification of Payment Card Industry (“PCI”) compliance standards

regarding data security and that it is subject to independent third-party quarterly scans that audit for all known methods hackers use to access private information, in addition to vulnerabilities that would allow malicious software or “malware” to gain access to EG’s network devices. If during the term of this Agreement, EG undergoes, or has reason to believe that it will undergo, an adverse change in its certification or compliance status with PCI DSS standards and/or other material payment card industry standards, it will promptly notify CSURMA of that fact.

- (ii) At the request of CSURMA, EG will promptly provide CSURMA with evidence that is reasonably satisfactory to CSURMA that EG is compliant with current PCI DSS security standards.
- (iii) EG will maintain and protect in accordance with all applicable laws and PCI regulations the security of all cardholder data when providing or performing any service under this Agreement.

### **III. Terms of Membership**

#### **A. Activation**

Memberships for CSURMA sponsored members will be activated upon EG’s receipt of both the applicable annual membership dues payment and requisite new member information (“activated membership”). EG will not recognize or serve any CSURMA sponsored member until they have an activated membership.

#### **B. New Member Induction**

EG will work directly with CSURMA to contact and assign a Senior EG Client Service Specialist to each CSURMA sponsored member. The EG Client Service Specialist will provide comprehensive inductions (on-boarding) as well as regular member service updates, both of which will consist of customized strategic or informational emails, educational programs, webinars, personal calls, on-site meetings, and other initiatives as appropriate for each such member. CSURMA is not responsible for, and will not reimburse EG for, any out-of-pocket costs incurred by EG relating to the new member induction.

#### **C. Duration**

CSURMA acknowledges that activated memberships for CSURMA sponsored members are annual memberships and are provided for a full year from activation. Within the annual period of the agreement, memberships are transferable. CSURMA may cancel at any time, with or without cause, the membership of a CSURMA sponsored member. If CSURMA cancels a CSURMA sponsored member’s membership for any reason other than termination of this agreement **(Section V.B.2), EG will deactivate the**

**membership within two business days.** CSURMA understands that this does not preclude EG from directly and independently pursuing dropped members for regular membership. If a membership is deactivated during the annual term of the Agreement, CSURMA maintains the right to transfer that membership to another CSURMA sponsored member for the duration of the existing annual term. No refunds will be provided.

D. Compliance

CSURMA sponsored members must comply with all existing EG member rules. EG may terminate CSURMA sponsored members or otherwise enforce its member rules against sponsored members to the fullest extent allowed, including termination of membership.

#### **IV. Cross-Marketing**

A. EG Services

CSURMA AORMA representatives will work together with EG personnel under the guidance of the CSURMA AORMA executive management team to provide information about the needs of CSURMA AORMA sponsored members for EG services. To aid that process, EG will provide CSURMA AORMA representatives with information programs about EG service lines, products, and benefits so they can better assess the needs of CSURMA AORMA sponsored members. Such programs may be conducted in-person, by webinar or phone as may be appropriate for the level of participation, proximity, and other practical or logistical considerations. Subject to availability and reasonable scheduling, EG will be permitted to use CSURMA AORMA offices to host educational and training programs, new member receptions, legal updates, executive roundtables, and other pre-approved marketing efforts and activities.

B. CSURMA AORMA Services

Subject to availability and reasonable scheduling, EG Client Service Specialists will provide sales support to CSURMA, including, participation in presentations, follow-up with potential clients, and other pre-approved marketing efforts and activities.

## V. General Terms

### A. Notice

Any notice required to be given pursuant to this Agreement shall be either sent by email or fax and overnight delivery by any private mail carrier as follows:

CSURMA  
c/o CSU Office of the Chancellor  
Robert Eaton  
CSURMA Auditor-Secretary  
401 Golden Shore, 5<sup>th</sup> Floor  
Long Beach, CA90802-4210  
Email: [reaton@calstate.edu](mailto:reaton@calstate.edu)  
Phone: (562) 951-4580  
Fax: (562) 951-4859

Employers Group, Inc.  
Mark W. Wilbur  
President and CEO  
400 North Continental Blvd. Suite 300  
El Segundo, CA 90245  
Email: [mwilbur@EmployersGroup.com](mailto:mwilbur@EmployersGroup.com)  
Phone: (213) 765-3999  
Fax: (213) 742-0301

### B. Term and Termination

- (1) Termination. Either party shall have the right to terminate this Agreement for any reason and without penalty, upon sixty (60) days prior written notice to the other party. Termination shall be effective on the sixty-first day after the requisite notice is provided (“termination date”). Upon termination of the Agreement, each party agrees to return all restricted property belonging to the other and not to further use such restricted property except as necessary to fulfill any contractual obligations which may survive termination. If this Agreement is terminated during the course of an existing annual term, EG shall continue to provide all membership benefits and services for the duration of the existing annual term. No refunds will be provided.

### C. Restricted Property

- (1) Use. CSURMA and EG will not use the content, courseware, trademarks, service marks, logos or other intellectual property (“restricted property”) of each other without that party’s prior written consent and approval. The terms of that consent will be specified in writing when provided, except that the use of any restricted property will not be deemed to transfer any rights

in the restricted property other than the right to use it in accordance with the written instructions of the owner of the restricted property.

- (2) Warranty. CSURMA and EG each warrant, solely with respect to their own respective restricted property, that they possess all copyright, trademark, patent, trade secret and similar property and other rights in their own respective restricted property which they have made available for use to the other party under this Agreement, whether fully original or comprised of preexisting materials, necessary for them to fulfill their obligations under this Agreement, and that there is no pending or threatened litigation, including court, administrative or arbitration proceedings, which, if decided adversely to them or their licensors, would interfere in any material manner with any right to use the restricted property under this Agreement. Each party to this Agreement will defend, indemnify and hold the other harmless from any and all fees, costs, liabilities and expenses, including all reasonable legal fees and expenses that arise from breach of this warranty, provided that the party invoking this provision gives prompt notice to the party upon whom claim is made. The parties involved shall consult and cooperate in the settlement of any such claim or action. Any party being defended under this provision may, at its sole cost, appear separately in the defense of the claim or action.

D. Assignment

The parties may not assign or subcontract this Agreement or any interest therein, without the other party's express written consent.

E. Governing Law and Venue

This Agreement shall be governed by the laws of the State of California, without regard to its choice of law rules. The parties agree that any legal proceedings arising out of or relating to this Agreement shall be conducted solely and exclusively in Los Angeles County, California, or, if in federal court, in the United States District Court, Central District of California.

F. Cumulative Remedies

All remedies available to either party for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

G. Waiver

No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the duly authorized representative of the party which is claimed to have waived or consented.

H. Entire Agreement

The Agreement contains the entire understanding of the parties regarding its subject matter. All previous agreements or understandings concerning the subject matter of this Agreement, if any, whether written or oral, separate or contained in another agreement, are superseded. No amendment or modification of this Agreement shall be valid and binding on the parties unless made in writing, specifically referencing this Agreement, and signed by the parties' duly authorized representatives.

I. Severability

Should any term or provision herein be deemed invalid, void or unenforceable either in its entirety or in a particular application, the remainder of this Agreement shall nonetheless remain in full force and effect.

J. Successors

This Agreement shall be binding upon and inure to the benefit of the respective parties and their permitted assigns and successors in interest.

K. Indemnification

To the fullest extent allowable by law, EG shall indemnify, defend and hold harmless CSURMA, CSURMA AORMA and its Members and each of their officers, employees, elected and appointed officials, and volunteers (the "Indemnified Parties") from and against all claims, demands, causes of action, lawsuits (whether at law, equity or both), proceedings, liabilities, losses, damages, expense costs (including without limitation attorney's fees and costs and expert witness fees), judgments, penalties and liens or every nature resulting from injury to or death sustained by any person (including Contractor's employees), or damage to property of any kind, or any other injury or damage whatsoever, which injury, death or damage arises out of or is in any way connected with EG's performance of work hereunder, or its failure to comply with any of its obligations contained in this Contract, or its failure to comply with any current or prospective law, regardless of EG's fault or negligence, including any of the same resulting from the alleged or actual negligent act or omission of an Indemnified Party, except that said indemnity shall not be applicable to injury, death or damage to property arising from the sole negligence or willful misconduct of CSURMA, CSURMA AORMA, its officers, agents or servants.

This indemnification obligation shall survive this Contract and shall not be limited by any term of any insurance policy required under this Contract.

L. No Recovery of Attorneys' Fees

Should any court action or any other legal or administrative proceeding be filed by either party under this Agreement, each such party shall pay its own attorneys' fees and costs.

M. Counterparts

This Agreement may be executed in one or more counterparts and the several executed counterparts will be considered but one document.

N. Third Party Rights

This Agreement does not and shall not be construed to give any third party rights, except that CSURMA AORMA sponsored members shall be entitled to enjoy the benefits of their memberships for their duration as specified in Section III C.

O. Construction

This Agreement shall not be construed against either party as the preparer, but shall be construed as if both parties hereto jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one party as the preparer.

P. No Conflict of Interest

Each Party represents and warrants that it is not bound by any contract or agreement, nor will it enter into any contract or agreement during the term of this Agreement, which would prohibit its performance of this Agreement.

Q. Insurance Requirements

EG shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the provision of the services hereunder by EG, its agents, representatives, or employees.

Minimum Scope of Insurance - Coverage shall be at least as broad as:

- 1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).
- 2) Insurance Services Office Form Number CA 00 01 covering Automobile Liability, Code 1 (any auto).

- 3) Workers' Compensation insurance as required by the State of California and Employers' Liability insurance.
- 4) Errors & Omissions Liability insurance appropriate to the consultant's profession.

Minimum Limits of Insurance - EG shall maintain limits no less than:

General Liability: (Including operations, products and completed operations, as applicable.)	<b>\$2,000,000</b> per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
Automobile Liability:	<b>\$1,000,000</b> per accident for bodily injury and property damage.
Workers' Compensation	As required by the State of California
Employers' Liability:	<b>\$1,000,000</b> each accident, <b>\$1,000,000</b> policy limit bodily injury by disease, <b>\$1,000,000</b> each employee bodily injury by disease.
Errors & Omissions Liability:	<b>\$2,000,000</b> per occurrence.

Deductibles and Self-Insured Retentions- Any deductibles or self-insured retentions must be declared to and approved by CSURMA AORMA.

Waiver of Subrogation - EG hereby agrees to waive subrogation which any insurer of EG may acquire from EG by virtue of payment of any loss. EG agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Other Insurance Provisions - The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. CSURMA, CSURMA AORMA, its officers, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of services or operations performed by or on behalf of EG; or automobiles owned, leased, hired or borrowed by the EG.
2. For any claims related to the services provided, the EG's insurance coverage shall be primary insurance as respects CSURMA, CSURMA AORMA, its

officers, officials, employees and volunteers. Any insurance or self-insurance maintained by CSURMA, CSURMA AORMA, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

If any coverage, such as, Errors & Omissions coverage is written on a claims-made form:

- a) The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.
- b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, EG must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.
- d) A copy of the claims reporting requirements must be submitted to CSURMA for review.

Acceptability of Insurers - Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to CSURMA. Exception may be made for the California State Compensation Insurance Fund when not specifically rated.

Verification of Coverage - EG shall furnish CSURMA with endorsements effecting coverages required by this clause. The endorsements are to be signed by a person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by CSURMA before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

IN WITNESS WHEREOF, the parties have read, had the opportunity to discuss, and caused this Agreement to be executed and do each hereby warrant and represent that their respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate or its entity action to execute this Agreement.

CSURMA

Employers Group

By: \_\_\_\_\_  
Robert Eaton

By: \_\_\_\_\_  
Mark Wilbur

Title: CSURMA – Auditor-Secretary

Title: President and CEO

Date:

Date:

## **Sponsored Membership Sales Agreement**

### **7/1/2020 – 6/30/2023**

This three-year Sponsored Membership Sales Agreement (“Agreement”) is between Employers Group, Inc. (“EG”), a California nonprofit mutual benefit corporation, and California State University Risk Management Authority (“CSURMA”) for the benefit of the Auxiliary Organizations who are members of CSURMA’s Auxiliary Organization Risk Management Alliance (“CSURMA AORMA”).

#### **I. Nature of Agreement**

This Agreement provides for EG’s sale of sponsored, non-voting, annual EG memberships (“memberships”) to CSURMA for distribution to members of CSURMA AORMA (“CSURMA AORMA sponsored members”) subject to all of the terms and conditions specified herein. Upon activation, holders of these memberships will be entitled to all rights and benefits as EG members, except for the right to vote on matters submitted to a vote of EG members, for the duration of the memberships. This is a nonexclusive Agreement and the parties acknowledge that it does not preclude them from entering into other sponsored membership sales or other agreements with anyone. The effective date of the Agreement shall be July 1, 2020 until June 30, 2023.

In addition to full access to all EG member benefits and resources, effective with the July 1, 2020 renewal and continuing on an annual basis throughout the duration of this agreement, EG will conduct an Employee Engagement Survey - developing, deploying and providing individual and aggregated results to each auxiliary. The survey will be available to every auxiliary with the expectation that it will be provided to all employees (including student workers). Planning, in partnership with CSURMA and the auxiliaries, will take place in the fourth quarter of each year, with the survey open through the month of February and all individual (per-participating auxiliary) and aggregated reports provided by the end of April. Additionally, EG will conduct a live, webinar presentation of the results of the surveys each April.

#### **II. Purchase and Renewal**

##### **A. Pricing and Payment**

###### **(1) Contract Preferred Rate**

- a. The applicable membership preferred annual rate will be \$580 each for the sponsored new or renewal memberships initiated by CSURMA based on a minimum of 50 active, sponsored memberships.
- b. CSURMA will pay for memberships based on an annual invoice provided by EG, reflecting all entities to be included in the membership and reflecting the corresponding current per-member dues rate. A broker portal (described below) is available should

CSURMA choose to utilize it at the time of future renewals. CSURMA may choose to purchase sponsored memberships through EG's web-based broker portal page that will be built specifically for CSURMA. EG will accept all major credit cards through a secure online transaction process and membership will be activated (Section III.A). EG will support this process with its ServiceOne call center during normal business hours (8:00AM-5:00PM PST) for live assistance.

- (i) EG represents and warrants that it is compliant with and maintains certification of Payment Card Industry ("PCI") compliance standards regarding data security and that it is subject to independent third-party quarterly scans that audit for all known methods hackers use to access private information, in addition to vulnerabilities that would allow malicious software or "malware" to gain access to EG's network devices. If during the term of this Agreement, EG undergoes, or has reason to believe that it will undergo, an adverse change in its certification or compliance status with PCI DSS standards and/or other material payment card industry standards, it will promptly notify CSURMA of that fact.
- (ii) At the request of CSURMA, EG will promptly provide CSURMA with evidence that is reasonably satisfactory to CSURMA that EG is compliant with current PCI DSS security standards.
- (iii) EG will maintain and protect in accordance with all applicable laws and PCI regulations the security of all cardholder data when providing or performing any service under this Agreement.

### **III. Terms of Membership**

#### **A. Activation**

Memberships for CSURMA sponsored members will be activated upon EG's receipt of both the applicable annual membership dues payment and requisite new member information ("activated membership"). EG will not recognize or serve any CSURMA sponsored member until they have an activated membership.

#### **B. New Member Induction**

EG will work directly with CSURMA to contact and assign a Senior EG Client Service Specialist to each CSURMA sponsored member. The EG Client Service Specialist will provide comprehensive inductions (on-boarding) as well as regular member service updates, both of which will consist of customized strategic or informational emails, educational programs, webinars, personal calls, on-site meetings, and other initiatives as appropriate for each such

member. CSURMA is not responsible for, and will not reimburse EG for, any out-of-pocket costs incurred by EG relating to the new member induction.

C. Duration

CSURMA acknowledges that activated memberships for CSURMA sponsored members are annual memberships and are provided for a full year from activation. Within the annual period of the agreement, memberships are transferable. CSURMA may cancel at any time, with or without cause, the membership of a CSURMA sponsored member. If CSURMA cancels a CSURMA sponsored member's membership for any reason other than termination of this agreement (**Section V.B.2**), **EG will deactivate the membership within two business days**. CSURMA understands that this does not preclude EG from directly and independently pursuing dropped members for regular membership. If a membership is deactivated during the annual term of the Agreement, CSURMA maintains the right to transfer that membership to another CSURMA sponsored member for the duration of the existing annual term. No refunds will be provided.

D. Compliance

CSURMA sponsored members must comply with all existing EG member rules. EG may terminate CSURMA sponsored members or otherwise enforce its member rules against sponsored members to the fullest extent allowed, including termination of membership.

#### IV. Cross-Marketing

A. EG Services

CSURMA AORMA representatives will work together with EG personnel under the guidance of the CSURMA AORMA executive management team to provide information about the needs of CSURMA AORMA sponsored members for EG services. To aid that process, EG will provide CSURMA AORMA representatives with information programs about EG service lines, products, and benefits so they can better assess the needs of CSURMA AORMA sponsored members. Such programs may be conducted in-person, by webinar or phone as may be appropriate for the level of participation, proximity, and other practical or logistical considerations. Subject to availability and reasonable scheduling, EG will be permitted to use CSURMA AORMA offices to host educational and training programs, new member receptions, legal updates, executive roundtables, and other pre-approved marketing efforts and activities.

B. CSURMA AORMA Services

Subject to availability and reasonable scheduling, EG Client Service Specialists will provide sales support to CSURMA, including, participation in presentations,

follow-up with potential clients, and other pre-approved marketing efforts and activities.

## V. General Terms

### A. Notice

Any notice required to be given pursuant to this Agreement shall be either sent by email or fax and overnight delivery by any private mail carrier as follows:

CSURMA  
c/o CSU Office of the Chancellor  
Robert Eaton  
CSURMA Auditor-Secretary  
401 Golden Shore, 5<sup>th</sup> Floor  
Long Beach, CA90802-4210  
Email: [reaton@calstate.edu](mailto:reaton@calstate.edu)  
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Employers Group, Inc.  
Mark W. Wilbur  
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400 North Continental Blvd. Suite 300  
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Phone: (213) 765-3999  
Fax: (213) 742-0301

### B. Term and Termination

(1) Termination. Either party shall have the right to terminate this Agreement for any reason and without penalty, upon sixty (60) days prior written notice to the other party. Termination shall be effective on the sixty-first day after the requisite notice is provided (“termination date”). Upon termination of the Agreement, each party agrees to return all restricted property belonging to the other and not to further use such restricted property except as necessary to fulfill any contractual obligations which may survive termination. If this Agreement is terminated during the course of an existing annual term, EG shall continue to provide all membership benefits and services for the duration of the existing annual term. No refunds will be provided.

### C. Restricted Property

(1) Use. CSURMA and EG will not use the content, courseware, trademarks, service marks, logos or other intellectual property (“restricted property”) of

each other without that party's prior written consent and approval. The terms of that consent will be specified in writing when provided, except that the use of any restricted property will not be deemed to transfer any rights in the restricted property other than the right to use it in accordance with the written instructions of the owner of the restricted property.

- (2) Warranty. CSURMA and EG each warrant, solely with respect to their own respective restricted property, that they possess all copyright, trademark, patent, trade secret and similar property and other rights in their own respective restricted property which they have made available for use to the other party under this Agreement, whether fully original or comprised of preexisting materials, necessary for them to fulfill their obligations under this Agreement, and that there is no pending or threatened litigation, including court, administrative or arbitration proceedings, which, if decided adversely to them or their licensors, would interfere in any material manner with any right to use the restricted property under this Agreement. Each party to this Agreement will defend, indemnify and hold the other harmless from any and all fees, costs, liabilities and expenses, including all reasonable legal fees and expenses that arise from breach of this warranty, provided that the party invoking this provision gives prompt notice to the party upon whom claim is made. The parties involved shall consult and cooperate in the settlement of any such claim or action. Any party being defended under this provision may, at its sole cost, appear separately in the defense of the claim or action.

D. Assignment

The parties may not assign or subcontract this Agreement or any interest therein, without the other party's express written consent.

E. Governing Law and Venue

This Agreement shall be governed by the laws of the State of California, without regard to its choice of law rules. The parties agree that any legal proceedings arising out of or relating to this Agreement shall be conducted solely and exclusively in Los Angeles County, California, or, if in federal court, in the United States District Court, Central District of California.

F. Cumulative Remedies

All remedies available to either party for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

G. Waiver

No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the duly authorized representative of the party which is claimed to have waived or consented.

H. Entire Agreement

The Agreement contains the entire understanding of the parties regarding its subject matter. All previous agreements or understandings concerning the subject matter of this Agreement, if any, whether written or oral, separate or contained in another agreement, are superseded. No amendment or modification of this Agreement shall be valid and binding on the parties unless made in writing, specifically referencing this Agreement, and signed by the parties' duly authorized representatives.

I. Severability

Should any term or provision herein be deemed invalid, void or unenforceable either in its entirety or in a particular application, the remainder of this Agreement shall nonetheless remain in full force and effect.

J. Successors

This Agreement shall be binding upon and inure to the benefit of the respective parties and their permitted assigns and successors in interest.

K. Indemnification

To the fullest extent allowable by law, EG shall indemnify, defend and hold harmless CSURMA, CSURMA AORMA and its Members and each of their officers, employees, elected and appointed officials, and volunteers (the "Indemnified Parties") from and against all claims, demands, causes of action, lawsuits (whether at law, equity or both), proceedings, liabilities, losses, damages, expense costs (including without limitation attorney's fees and costs and expert witness fees), judgments, penalties and liens or every nature resulting from injury to or death sustained by any person (including Contractor's employees), or damage to property of any kind, or any other injury or damage whatsoever, which injury, death or damage arises out of or is in any way connected with EG's performance of work hereunder, or its failure to comply with any of its obligations contained in this Contract, or its failure to comply with any current or prospective law, regardless of EG's fault or negligence, including any of the same resulting from the alleged or actual negligent act or omission of an Indemnified Party, except that said indemnity shall not be applicable to injury, death or damage to property arising from the sole negligence or willful misconduct of CSURMA, CSURMA AORMA, its officers, agents or servants.

This indemnification obligation shall survive this Contract and shall not be limited by any term of any insurance policy required under this Contract.

L. No Recovery of Attorneys' Fees

Should any court action or any other legal or administrative proceeding be filed by either party under this Agreement, each such party shall pay its own attorneys' fees and costs.

M. Counterparts

This Agreement may be executed in one or more counterparts and the several executed counterparts will be considered but one document.

N. Third Party Rights

This Agreement does not and shall not be construed to give any third party rights, except that CSURMA AORMA sponsored members shall be entitled to enjoy the benefits of their memberships for their duration as specified in Section III C.

O. Construction

This Agreement shall not be construed against either party as the preparer, but shall be construed as if both parties hereto jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one party as the preparer.

P. No Conflict of Interest

Each Party represents and warrants that it is not bound by any contract or agreement, nor will it enter into any contract or agreement during the term of this Agreement, which would prohibit its performance of this Agreement.

Q. Insurance Requirements

EG shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the provision of the services hereunder by EG, its agents, representatives, or employees.

Minimum Scope of Insurance - Coverage shall be at least as broad as:

- 1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).
- 2) Insurance Services Office Form Number CA 00 01 covering Automobile Liability, Code 1 (any auto).

- 3) Workers' Compensation insurance as required by the State of California and Employers' Liability insurance.
- 4) Errors & Omissions Liability insurance appropriate to the consultant's profession.

Minimum Limits of Insurance - EG shall maintain limits no less than:

General Liability: (Including operations, products and completed operations, as applicable.)	<b>\$2,000,000</b> per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
Automobile Liability:	<b>\$1,000,000</b> per accident for bodily injury and property damage.
Workers' Compensation	As required by the State of California
Employers' Liability:	<b>\$1,000,000</b> each accident, <b>\$1,000,000</b> policy limit bodily injury by disease, <b>\$1,000,000</b> each employee bodily injury by disease.
Errors & Omissions Liability:	<b>\$2,000,000</b> per occurrence.

Deductibles and Self-Insured Retentions- Any deductibles or self-insured retentions must be declared to and approved by CSURMA AORMA.

Waiver of Subrogation - EG hereby agrees to waive subrogation which any insurer of EG may acquire from EG by virtue of payment of any loss. EG agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Other Insurance Provisions - The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. CSURMA, CSURMA AORMA, its officers, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of services or operations performed by or on behalf of EG; or automobiles owned, leased, hired or borrowed by the EG.
2. For any claims related to the services provided, the EG's insurance coverage shall be primary insurance as respects CSURMA, CSURMA AORMA, its

officers, officials, employees and volunteers. Any insurance or self-insurance maintained by CSURMA, CSURMA AORMA, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

If any coverage, such as, Errors & Omissions coverage is written on a claims-made form:

- a) The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.
- b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, EG must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.
- d) A copy of the claims reporting requirements must be submitted to CSURMA for review.

Acceptability of Insurers - Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to CSURMA. Exception may be made for the California State Compensation Insurance Fund when not specifically rated.

Verification of Coverage - EG shall furnish CSURMA with endorsements effecting coverages required by this clause. The endorsements are to be signed by a person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by CSURMA before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

IN WITNESS WHEREOF, the parties have read, had the opportunity to discuss, and caused this Agreement to be executed and do each hereby warrant and represent that their respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate or its entity action to execute this Agreement.

CSURMA

Employers Group

By: \_\_\_\_\_  
Robert Eaton

By: \_\_\_\_\_  
Mark Wilbur

Title: CSURMA – Auditor-Secretary

Title: President and CEO

Date:

Date:

## ABC Company

The responses included in this report were collected in an online Employee Opinion Survey from March 10, 2015 to March 24, 2015.

Published: March 27, 2015

**Reported by:**

Employers Group Research Services  
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### [Contact Employers Group Research Services](#)

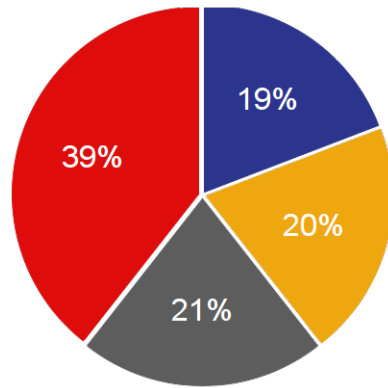
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### Section 1: Survey Participants, Profile

The profile of the employees that took part in the survey were grouped under the following breakouts:

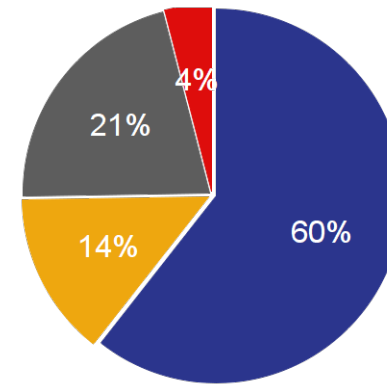
**Breakout #1**

■ Texas ■ Connecticut ■ California ■ Virtual



**Breakout #2**

■ Managers & Directors ■ Service Providers ■ Support ■ Client Facing



Answer	Response	%
California	76	21%
Texas	70	19%
Connecticut	74	20%
Virtual	143	39%
Total	363	100%

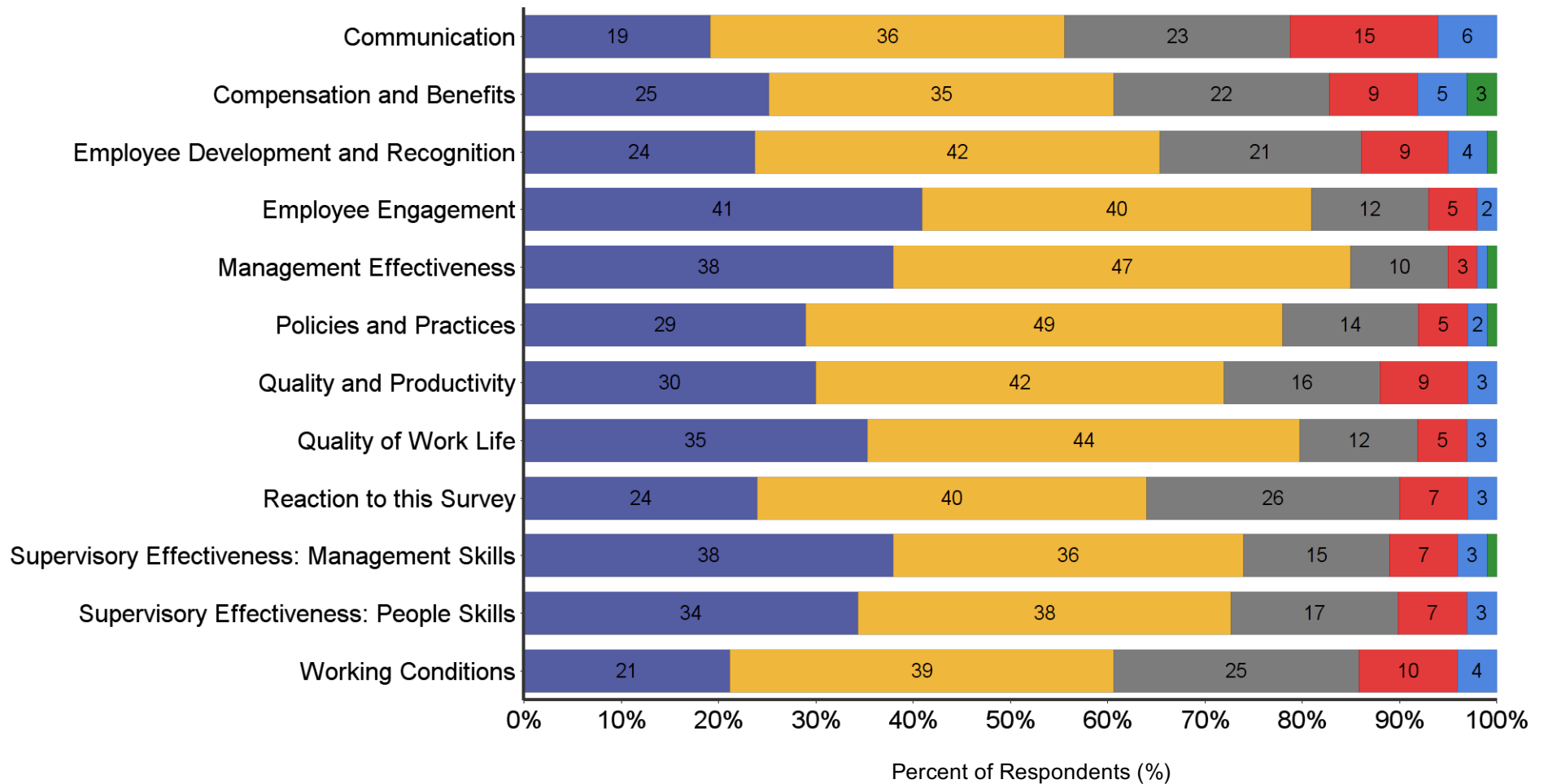
Answer	Response	%
Managers & Directors	219	60%
Service Providers	52	14%
Support	78	21%
Client Facing	14	4%
Total	363	100%

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### Section 2: Dimension Summary Top Findings

In all, the percentage (%) of the scores to each of the survey dimensions - presented alphabetically - are as follows:

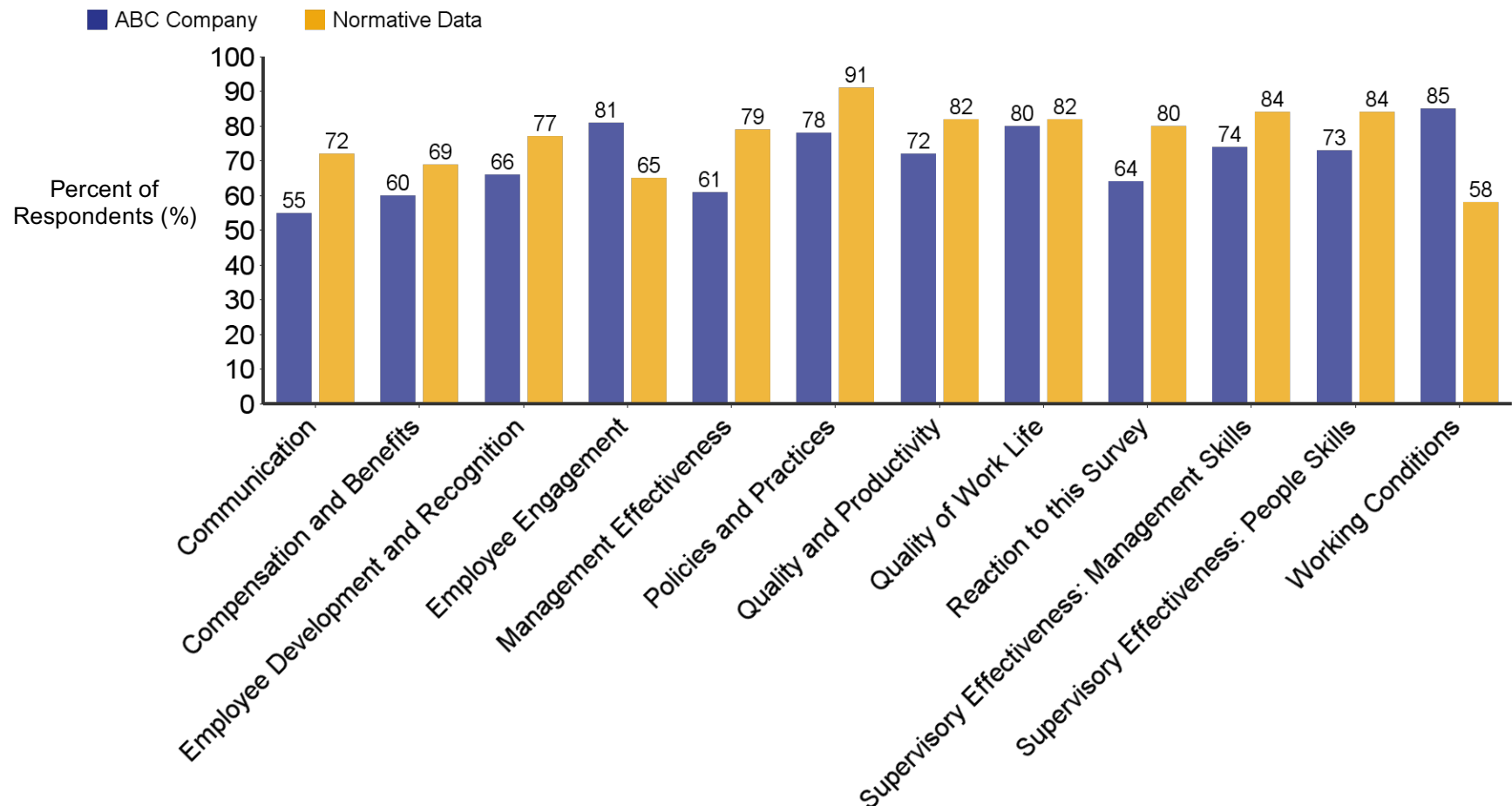
■ Strongly Agree   
 ■ Agree   
 ■ Neither Agree nor Disagree   
 ■ Disagree   
 ■ Strongly Disagree   
 ■ N/A



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## Section 2: Dimension Summary Favorable Responses

The scores are represented as percentages (%) of the number of favorable responses ("Strongly Agree" and "Agree") over the total number of responses for that dimension. Your company scores are compared to normative data from Employers Group's own reference population, comprised of all industries, that establishes a baseline measurement against which the EOS dimension score can be compared.



## Section 3: Dimensions Communication

Employees' freedom to express their ideas and feelings and the opportunity they have to learn about organization plans and what, in general, is going on in the organization are measures of effective communication. In addition, there are usually negative reactions to management communication when there is lack of confidence in management.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
I am informed about changes in a timely manner.	13%	30%	26%	22%	9%	0%
I feel comfortable expressing my opinions.	21%	39%	21%	12%	6%	-
I am rarely confused by conflicting instructions.	16%	41%	23%	13%	7%	0%
Management keeps us informed about new plans and developments.	15%	31%	28%	17%	9%	1%
I learn more from official communication than I do through other employees.	7%	18%	33%	29%	11%	1%
This organization communicates well with employees.	16%	34%	28%	16%	6%	0%
I understand how my job contributes to the success of the organization.	42%	50%	5%	2%	1%	-
I am kept informed about the performance of the business.	21%	45%	22%	9%	3%	0%

### Section 3: Dimensions Compensation and Benefits

The equity of pay, both internal and external to the organization, is covered in this component. Employees are also asked about their satisfaction with employee benefits, how well they are understood and how they compare to benefits offered by other firms.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
Compared with other organizations in this area, pay here is good.	23%	41%	25%	8%	2%	1%
I understand how my pay is determined.	25%	32%	21%	15%	7%	-
Our retirement plan(s) are good.	43%	38%	14%	2%	0%	3%
I understand this organization's benefits program.	29%	52%	12%	2%	1%	3%
In this organization, better performers receive better pay.	19%	26%	30%	13%	9%	2%
Our paid time-off benefits (holidays, vacations, etc.) are good.	24%	33%	19%	11%	7%	6%
I am paid fairly compared to other people in this organization.	18%	35%	31%	6%	6%	4%
Compared with other organizations in this area, our benefits package is good.	21%	30%	26%	11%	5%	6%
Our health benefits are good.	20%	29%	23%	14%	7%	7%

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## Section 3: Dimensions Employee Development and Recognition

Here employees assess their contentment in terms of advancement, promotions and learning opportunities, changes that are made within the organization, and they consider their worth to the organization as measured by management's recognition of their contributions to the organization.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
There are opportunities for advancement in this organization.	26%	36%	25%	9%	4%	0%
My performance is discussed to help me improve.	18%	42%	21%	11%	6%	1%
I am properly trained for my job.	28%	51%	13%	6%	2%	0%
This organization makes me feel that my contribution is important.	28%	43%	17%	10%	2%	0%
This organization provides employees with opportunities to develop their skills.	29%	47%	15%	7%	2%	1%
Promotions generally are given to the people who deserve them.	16%	31%	33%	9%	7%	3%

## Section 3: Dimensions Employee Engagement

This component covers elements that determine employee's overall engagement in their jobs and the organization: perceived value of the work, future career growth, optimism about the future, work-life balance, and interactions with management. These measurements suggest employees' commitment—their willingness to stay with the organization and to give full effort to the goals of the organization and the tasks of the individual job.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
I have the flexibility to arrange my work so that I can meet my business objectives and balance my family and personal needs.	45%	35%	11%	6%	2%	0%
I am proud to be part of this organization.	61%	30%	8%	1%	-	-
I am involved with decisions that affect my work.	27%	37%	17%	11%	7%	1%
I believe my career aspirations can be achieved at this organization.	31%	37%	20%	7%	5%	-
I am doing something I consider satisfying and worthwhile in my job.	35%	44%	14%	6%	1%	0%
I am satisfied with the level of balance between my work and personal life.	25%	44%	19%	11%	2%	0%
I am committed to seeing this organization succeed.	68%	27%	4%	-	0%	-
Considering everything, I am satisfied working for this organization at the present time.	44%	40%	10%	4%	1%	0%
I see myself working for this organization three years from now.	58%	27%	10%	3%	1%	-
I am treated with dignity and respect.	39%	41%	13%	6%	2%	-
I am confident we can face the business challenges of the future.	39%	43%	13%	4%	0%	-
I have the freedom I need to do my job.	45%	43%	9%	3%	1%	-
The work I do is very important to the success of my organization.	40%	47%	10%	1%	1%	-
My job is challenging and interesting.	40%	47%	8%	3%	2%	-
I am expected to produce significant but reasonable results.	37%	53%	6%	3%	1%	-
I am satisfied with my opportunity for growth and development.	27%	44%	17%	9%	4%	-

## Section 3: Dimensions Management Effectiveness

Employees know management primarily by its reputation for integrity, fairness, sound personnel policies and - very importantly - a willingness to really listen. In general, employees want to respect management. The loss of this respect always has a serious effect on the attitudes toward working for the organization. Most unfortunately, it also creates insecurity among employees and causes them to exaggerate existing problems.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
Management is doing what it takes to make our organization successful.	26%	39%	25%	7%	3%	-
Management is open to new ideas and ways of doing things.	20%	39%	23%	12%	5%	1%
Management follows through with decisions.	20%	38%	28%	9%	4%	1%
Management effectively responds to employee needs.	20%	41%	24%	10%	5%	0%
Management is fair and honest.	25%	42%	22%	8%	3%	-
Management does consider employee interests when making decisions.	18%	38%	28%	11%	4%	1%



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## Section 3: Dimensions Policies and Practices

The reasonableness and the consistent enforcement of company policies are evaluated here. Also addressed is the organization's sensitivity to employee matters.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
Policies and guidelines are applied fairly.	17%	51%	18%	8%	5%	1%
This organization does not tolerate any type of harassment or discrimination.	37%	42%	12%	6%	3%	0%
I understand this organization's policies and practices.	39%	48%	9%	3%	1%	-
This organization has reasonable policies.	24%	60%	14%	2%	0%	0%
Sensitive matters are treated confidentially.	29%	43%	19%	4%	1%	3%

## Section 3: Dimensions Quality and Productivity

Here employees appraise the general efficiency in operations. This includes the effectiveness of management. Employees rate the efficiency of the organization's internal systems and management's efforts to improve them. Also addressed are the organization's efforts to improve the quality of its products and/or service.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
This organization is working hard to improve productivity and quality.	26%	43%	18%	10%	2%	1%
This organization is making the changes necessary to compete effectively.	22%	43%	23%	9%	3%	0%
In this organization, people can't get away with poor performance.	12%	25%	28%	25%	9%	1%
Our organization provides good service to our customers.	44%	48%	5%	1%	1%	1%
Quality is important to my supervisor.	44%	40%	13%	3%	1%	-
I understand the level of quality expected of me.	42%	49%	6%	3%	0%	-
I am provided with what I need to do my job effectively.	34%	47%	13%	6%	1%	-
This organization operates smoothly and efficiently.	17%	41%	25%	13%	3%	-

## Section 3: Dimensions Quality of Work Life

This component deals with overall satisfaction toward the organization. Employees are asked for their opinions on their work schedule and workload, if they are proud of the company, and if there is someone to go to with problems. How their job makes use of their skills and abilities and other job-related issues are addressed here as well.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
An adequate amount of work is expected from me.	29%	52%	10%	4%	3%	2%
I am interested in the future of this organization.	65%	30%	5%	-	0%	-
My job makes good use of my knowledge, skills and abilities.	31%	50%	9%	6%	4%	-
Taking everything into consideration, this is a good place to work.	45%	45%	9%	1%	0%	-
Departments in this organization work well together.	14%	44%	25%	12%	5%	1%
My work schedule is satisfactory.	34%	49%	12%	3%	1%	0%
I have input into matters that affect my job.	29%	42%	17%	8%	2%	1%
The people in my department do work well together.	34%	43%	14%	6%	3%	-
There is someone here I feel comfortable going to with questions or problems.	37%	43%	10%	6%	5%	-



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## Section 3: Dimensions Reaction to this Survey

Here employees indicate their attitude toward the survey as a means of communication. Clearly shown is their belief in the organization's willingness to make changes based on the issues they have raised.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
I think management will use the results of this survey to improve our organization.	24%	39%	24%	9%	5%	-
This survey is a good way to let management know what I think.	23%	42%	28%	5%	2%	0%

## Section 3: Dimensions

### Supervisory Effectiveness: Management Skills

Employees' perceptions of their supervisor's ability to provide resources, guidance, direction, training, and above all, leadership are appraised here. How well the supervisor knows his or her job, including the ability to train employees, make decisions, organize work, issue instructions and see that employees have the facilities and equipment to do the job is reflected.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
My supervisor works well with other supervisors.	42%	31%	18%	6%	2%	1%
My supervisor manages our department effectively.	29%	32%	18%	12%	6%	1%
My supervisor supports the goals and objectives of the organization.	48%	39%	10%	2%	1%	0%
My supervisor does follow up on my questions and suggestions.	26%	43%	18%	9%	4%	1%
My supervisor has the knowledge required to do the job.	45%	36%	12%	5%	2%	-

## Section 3: Dimensions Supervisory Effectiveness: People Skills

In this component employees evaluate how their supervisors interact with them on a person-to-person basis. Fairness, consistency, follow-up and positive feedback are some of the issues examined. Employees react favorably to a supervisor's effectiveness, fairness, consistency, communications, training skill, respect, recognition, friendliness, firmness and organization.

Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
My supervisor treats me fairly.	42%	36%	13%	6%	3%	-
My supervisor lets me know what is expected of me.	26%	47%	17%	8%	2%	-
My supervisor is available when I need him/her.	37%	37%	16%	7%	3%	-
My supervisor gives me enough freedom to do my work.	50%	41%	7%	1%	1%	-
My supervisor has good people skills.	36%	36%	15%	7%	5%	-
My supervisor treats me with respect.	42%	39%	12%	3%	2%	-
My supervisor gives me credit and praise for the work I do.	27%	38%	22%	8%	5%	1%
My supervisor deals effectively with poor performance.	18%	30%	33%	11%	5%	3%
My supervisor provides me with feedback that helps me do my job.	32%	39%	16%	10%	3%	-

## Section 3: Dimensions Working Conditions

Employee judgments of working conditions and of management's interest in physical comfort, efficiency, safety and adequacy of equipment are probed. Employees usually respond with directness to the problem of working conditions. Sometimes employees regard poor working conditions as evidence of management's lack of concern for them as individuals.

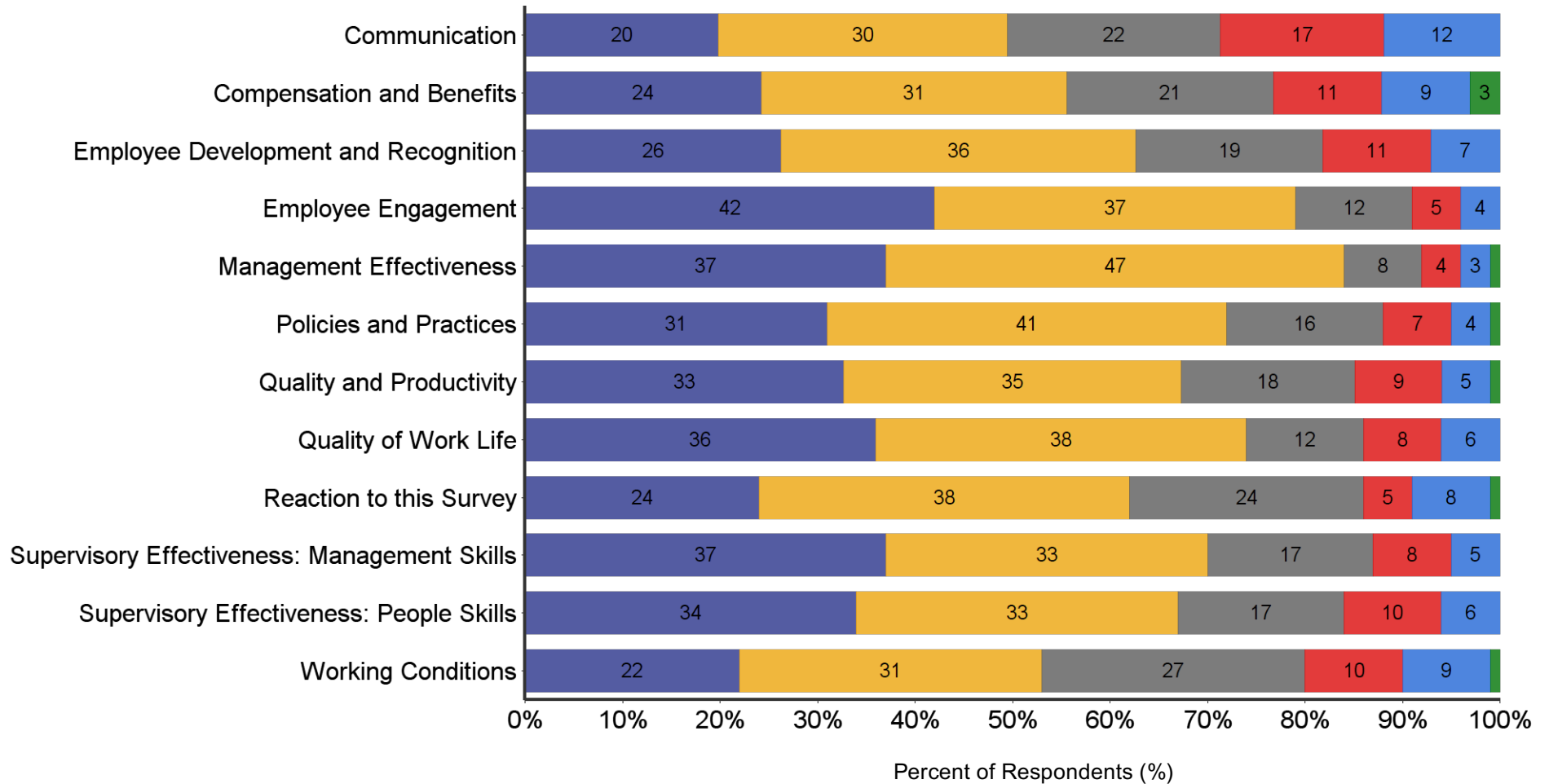
Question	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Disagree	Strongly Disagree	N/A
This organization provides a clean environment in which to work.	46%	46%	7%	1%	0%	-
Safety is important here.	52%	42%	4%	2%	0%	0%
My work area is well designed for my job.	23%	46%	18%	10%	3%	1%
For my kind of job, the physical working conditions are acceptable.	38%	50%	7%	2%	1%	1%
If I bring up a safety issue, I know it will be addressed.	31%	50%	12%	1%	1%	4%

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### Section 4: Dimension Summaries by Breakouts Top Findings for California

In all, the percentage (%) of the scores to each of the survey dimensions - presented alphabetically - are as follows:

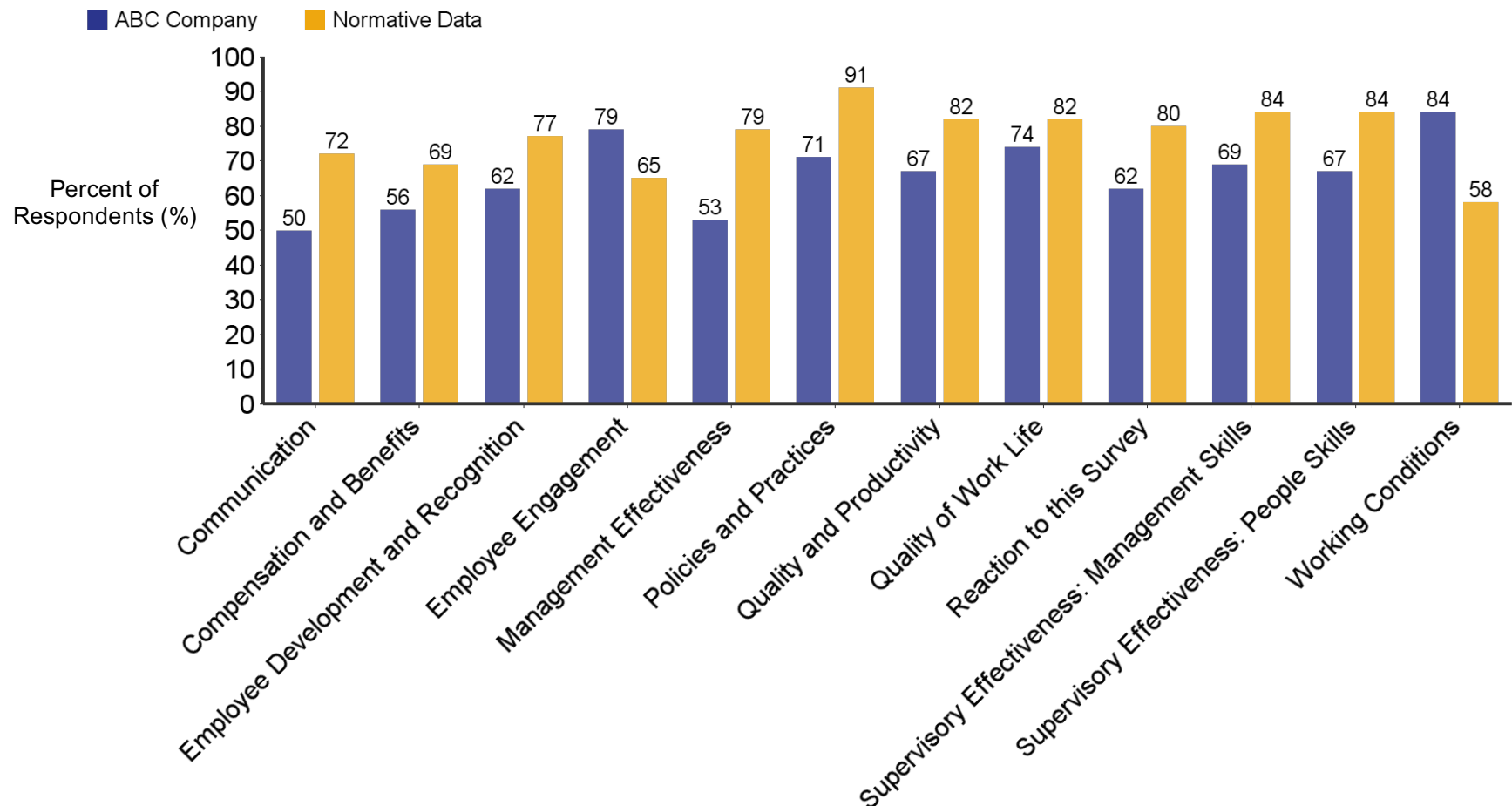
■ Strongly Agree   
 ■ Agree   
 ■ Neither Agree nor Disagree   
 ■ Disagree   
 ■ Strongly Disagree   
 ■ N/A



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## Section 4: Dimension Summaries by Breakouts Favorable Responses for California

The scores are represented as percentages (%) of the number of favorable responses ("Strongly Agree" and "Agree") over the total number of responses for that dimension. Your company scores are compared to normative data from Employers Group's own reference population, comprised of all industries, that establishes a baseline measurement against which the EOS dimension score can be compared.

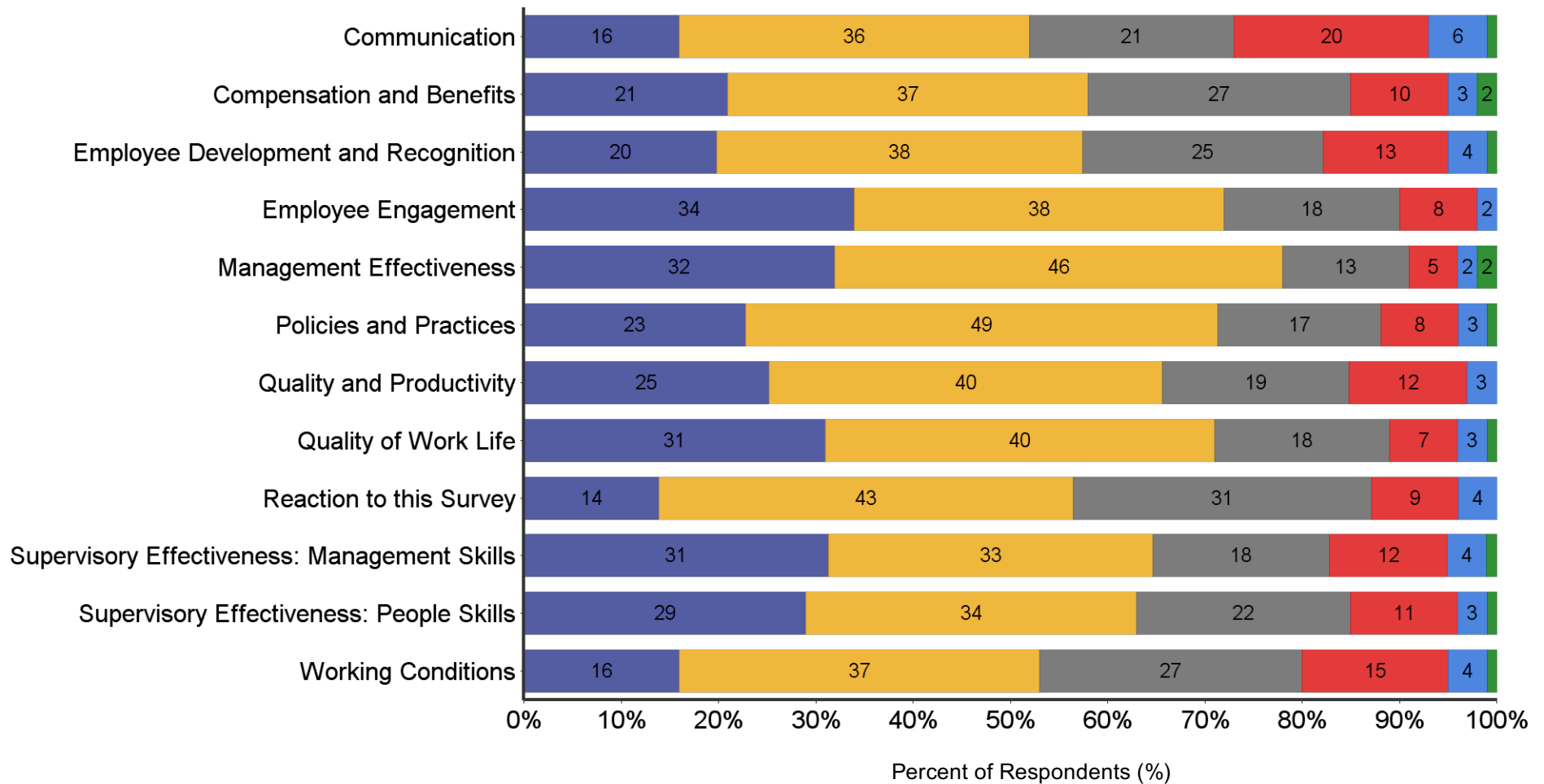


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### Section 4: Dimension Summaries by Breakouts Top Findings for Texas

In all, the percentage (%) of the scores to each of the survey dimensions - presented alphabetically - are as follows:

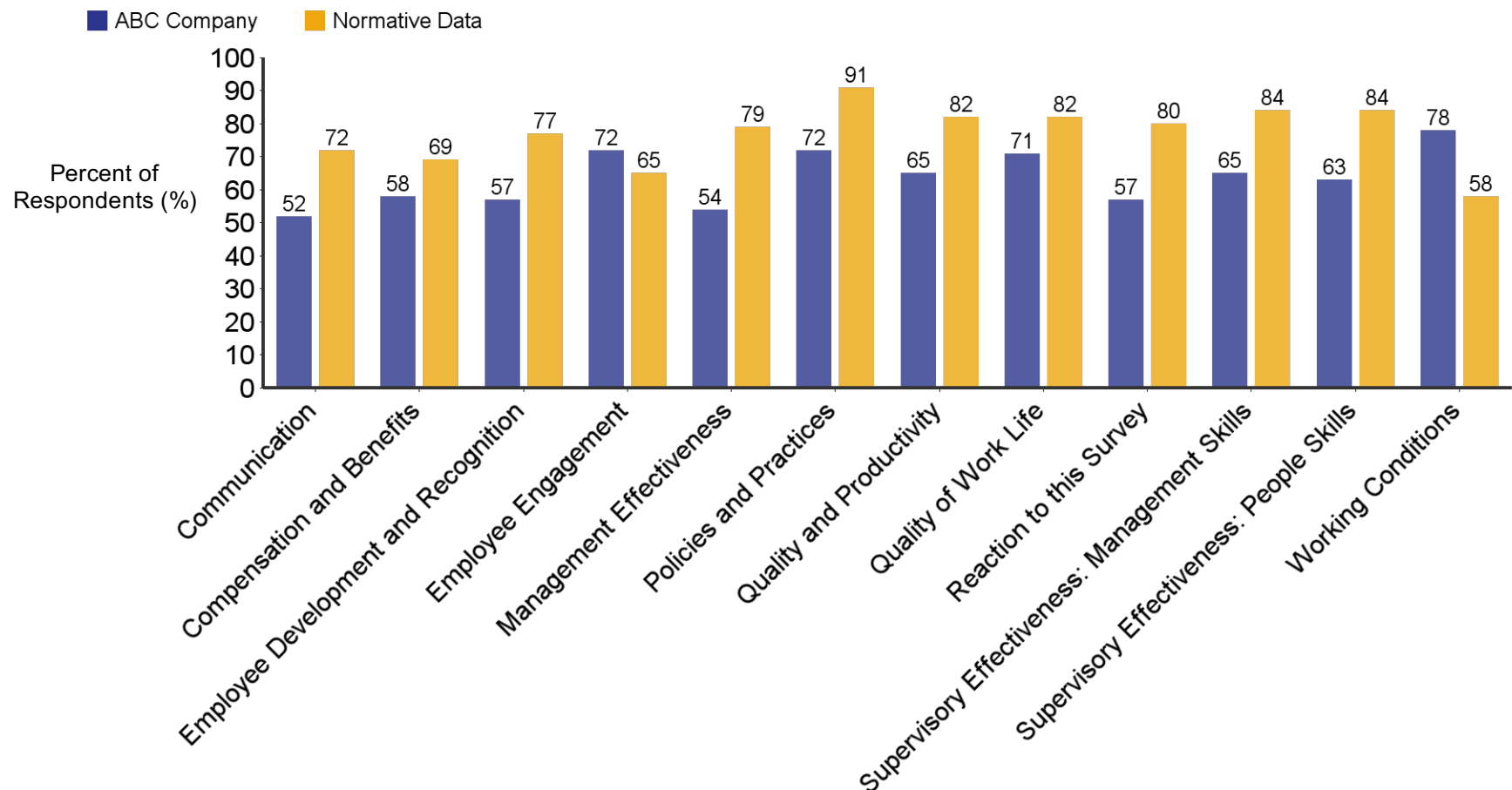
■ Strongly Agree   
 ■ Agree   
 ■ Neither Agree nor Disagree   
 ■ Disagree   
 ■ Strongly Disagree   
 ■ N/A



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### Section 4: Dimension Summaries by Breakouts Favorable Responses for Texas

The scores are represented as percentages (%) of the number of favorable responses ("Strongly Agree" and "Agree") over the total number of responses for that dimension. Your company scores are compared to normative data from Employers Group's own reference population, comprised of all industries, that establishes a baseline measurement against which the EOS dimension score can be compared.

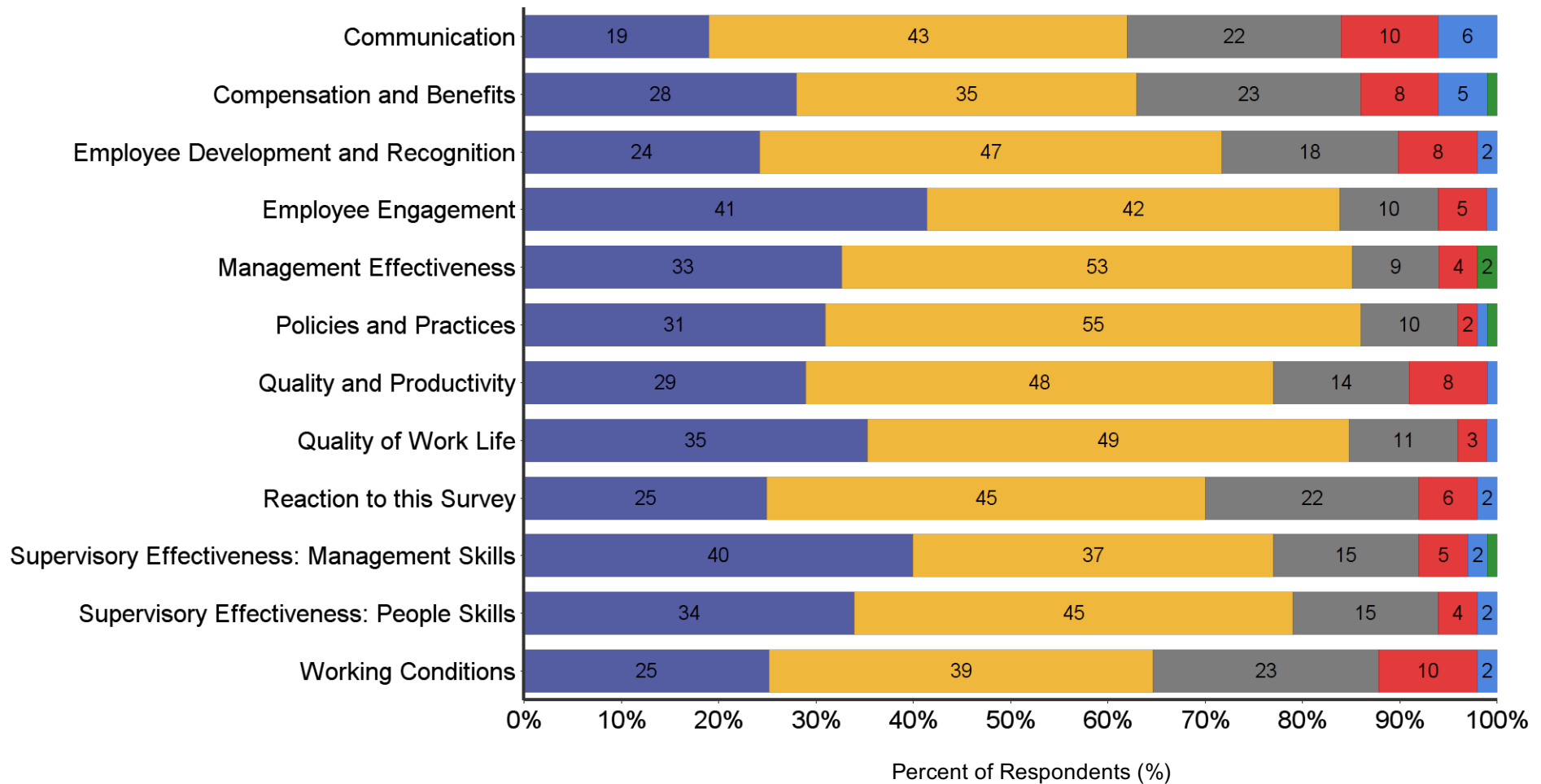


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### Section 4: Dimension Summaries by Breakouts Top Findings for Connecticut

In all, the percentage (%) of the scores to each of the survey dimensions - presented alphabetically - are as follows:

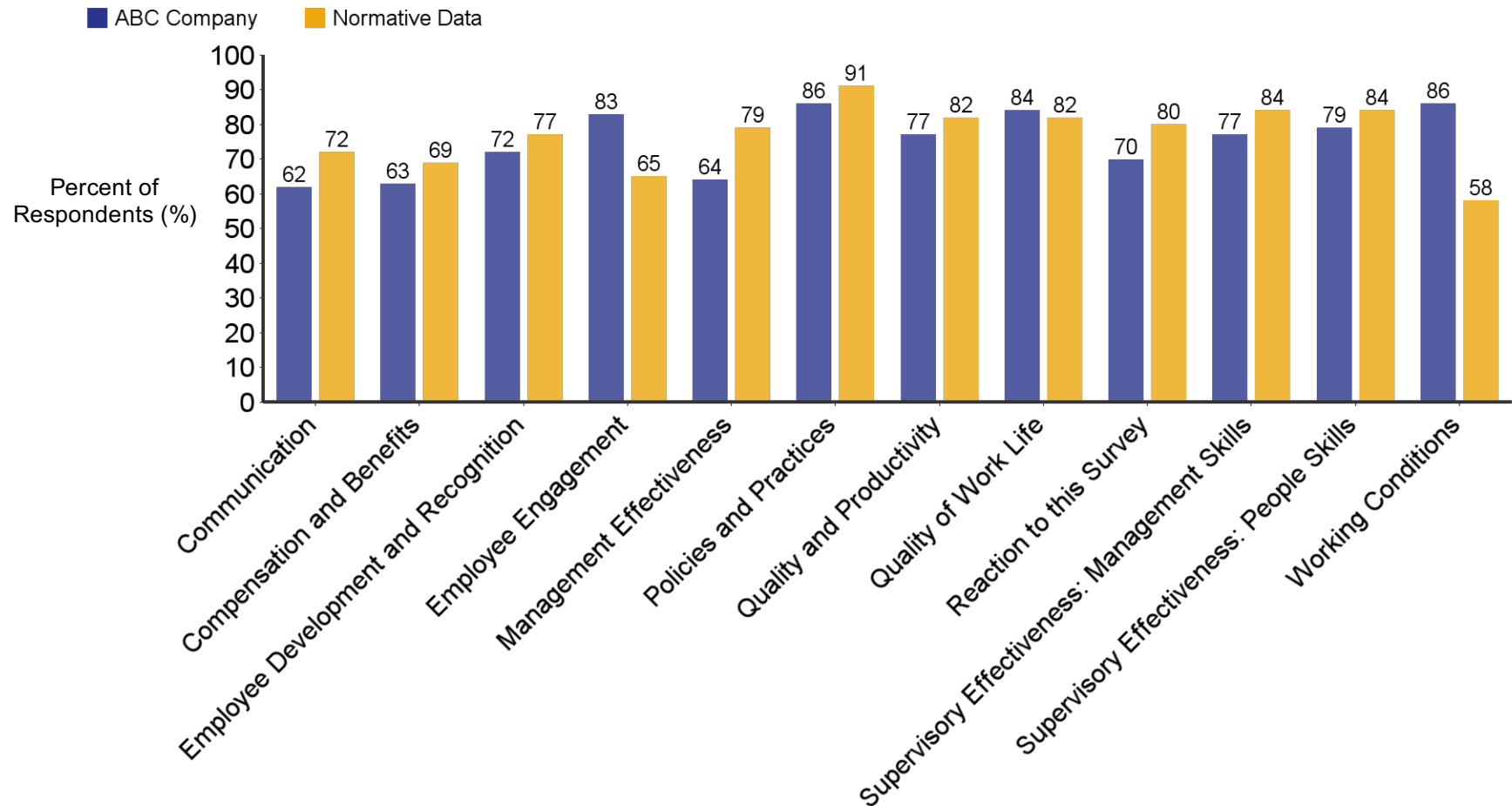
■ Strongly Agree   
 ■ Agree   
 ■ Neither Agree nor Disagree   
 ■ Disagree   
 ■ Strongly Disagree   
 ■ N/A



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## Section 4: Dimension Summaries by Breakouts Favorable Responses for Connecticut

The scores are represented as percentages (%) of the number of favorable responses ("Strongly Agree" and "Agree") over the total number of responses for that dimension. Your company scores are compared to normative data from Employers Group's own reference population, comprised of all industries, that establishes a baseline measurement against which the EOS dimension score can be compared.

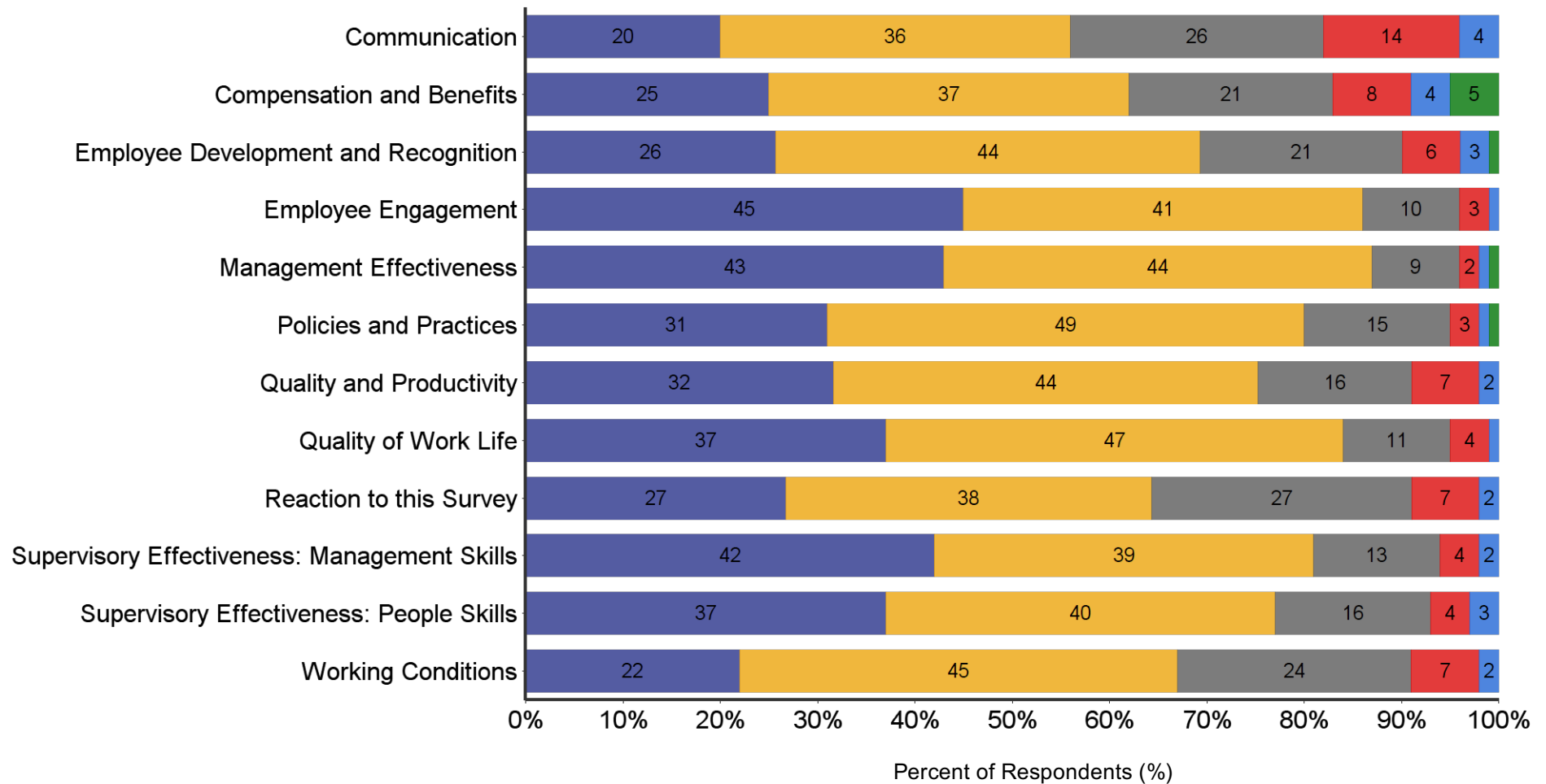


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### Section 4: Dimension Summaries by Breakouts Top Findings for Virtual

In all, the percentage (%) of the scores to each of the survey dimensions - presented alphabetically - are as follows:

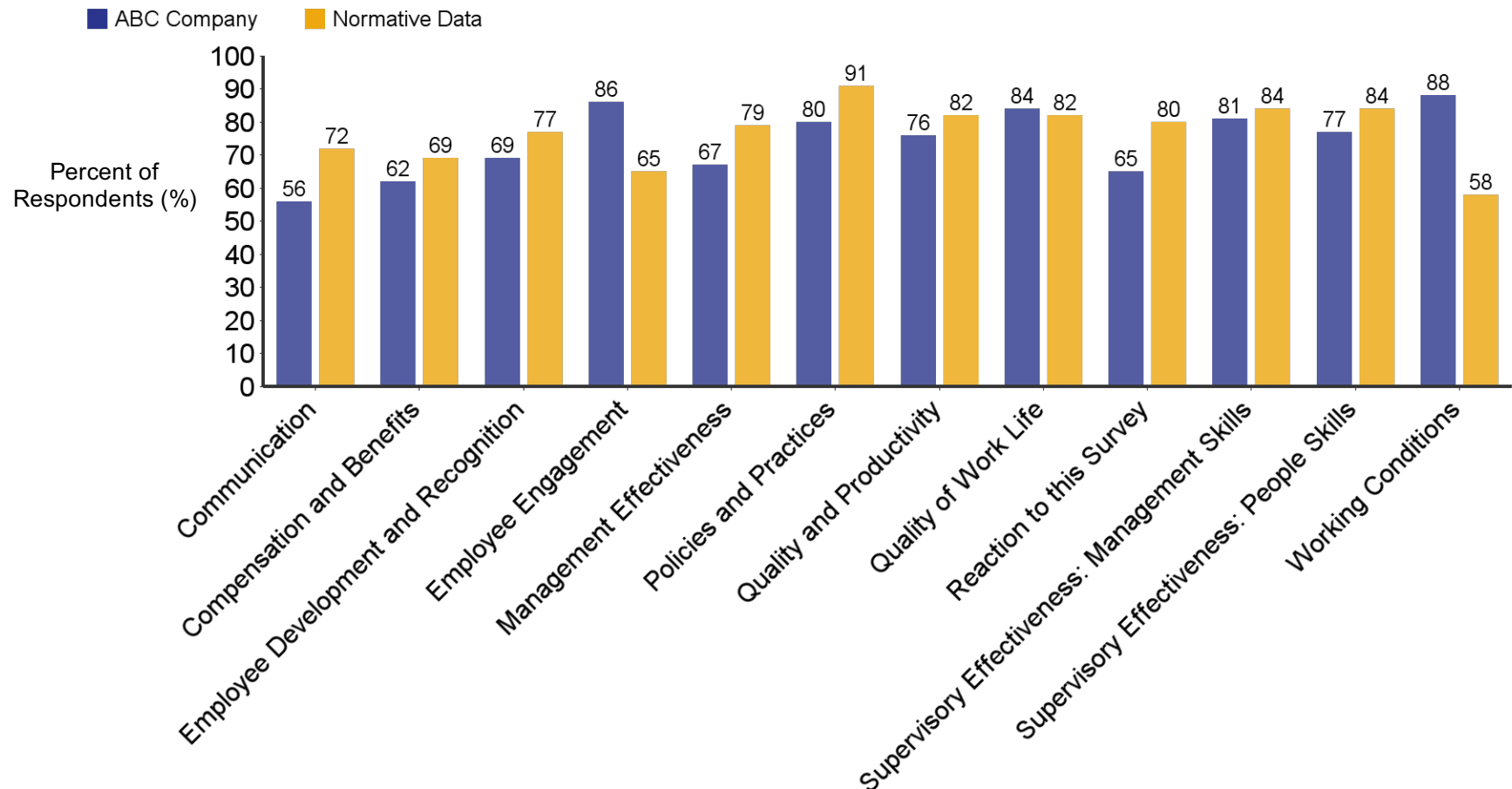
■ Strongly Agree   
 ■ Agree   
 ■ Neither Agree nor Disagree   
 ■ Disagree   
 ■ Strongly Disagree   
 ■ N/A



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## Section 4: Dimension Summaries by Breakouts Favorable Responses for Virtual

The scores are represented as percentages (%) of the number of favorable responses ("Strongly Agree" and "Agree") over the total number of responses for that dimension. Your company scores are compared to normative data from Employers Group's own reference population, comprised of all industries, that establishes a baseline measurement against which the EOS dimension score can be compared.

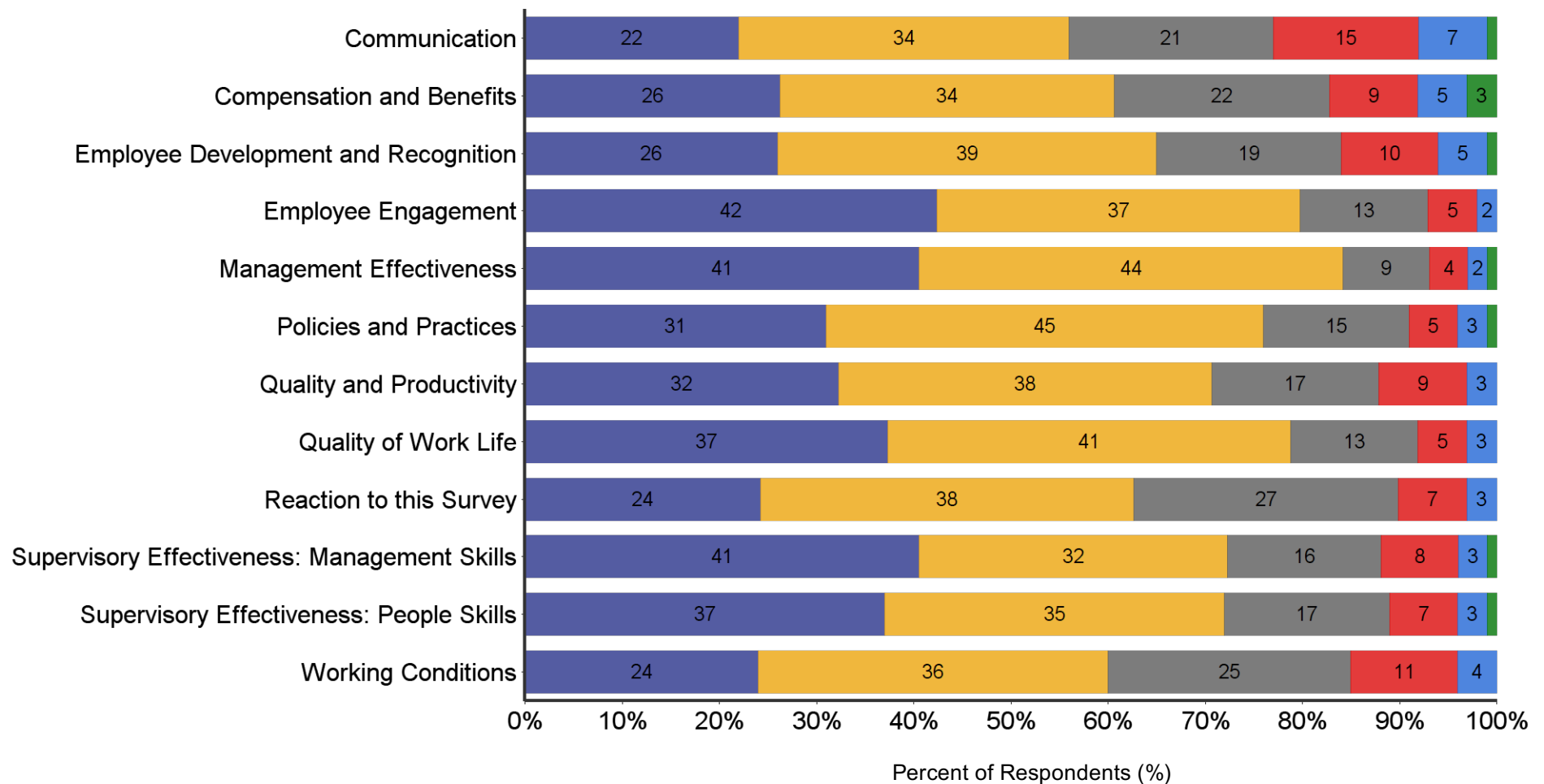


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### Section 4: Dimension Summaries by Breakouts Top Findings for Managers & Directors

In all, the percentage (%) of the scores to each of the survey dimensions - presented alphabetically - are as follows:

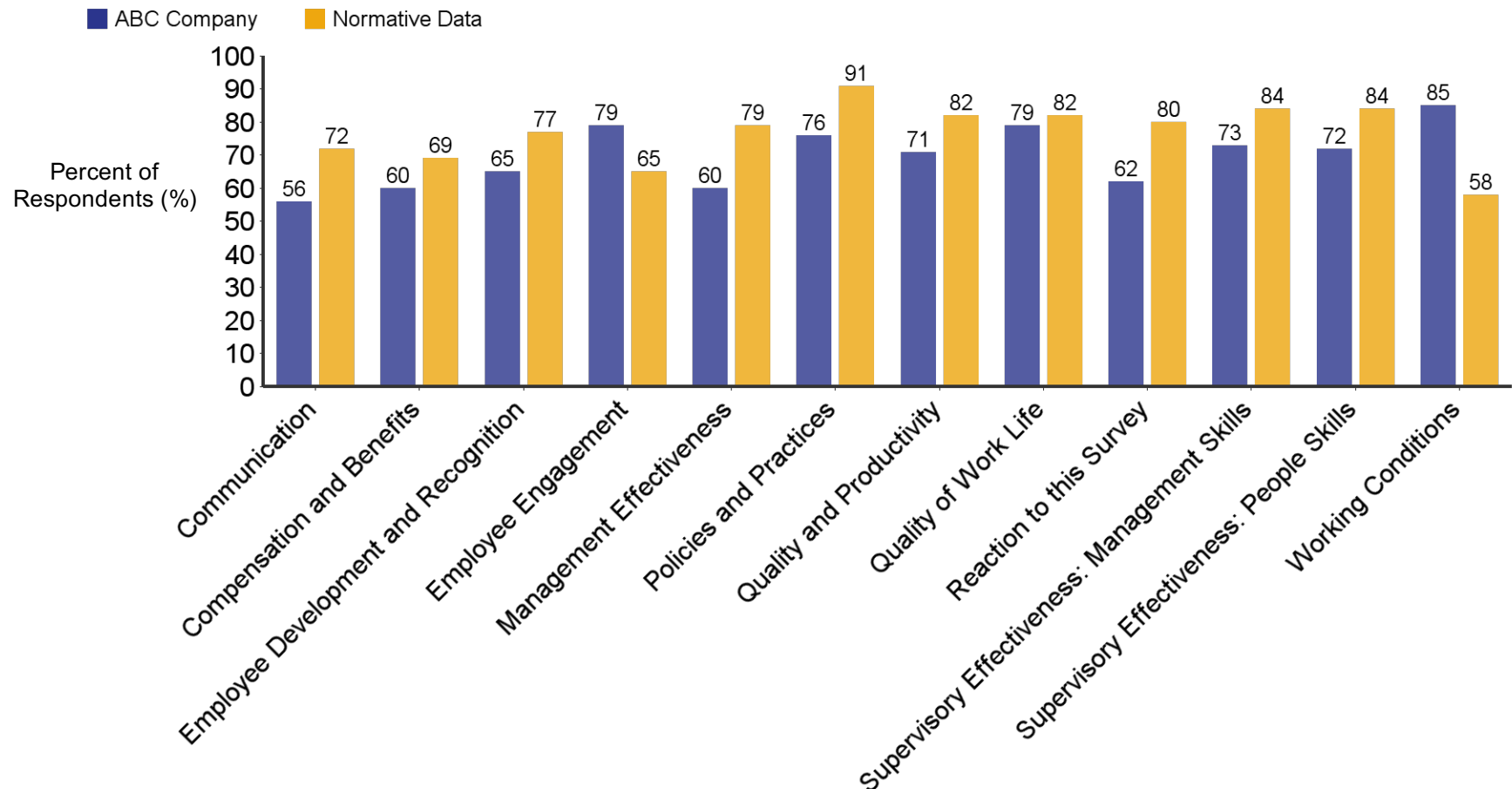
■ Strongly Agree   
 ■ Agree   
 ■ Neither Agree nor Disagree   
 ■ Disagree   
 ■ Strongly Disagree   
 ■ N/A



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## Section 4: Dimension Summaries by Breakouts Favorable Responses for Managers & Directors

The scores are represented as percentages (%) of the number of favorable responses ("Strongly Agree" and "Agree") over the total number of responses for that dimension. Your company scores are compared to normative data from Employers Group's own reference population, comprised of all industries, that establishes a baseline measurement against which the EOS dimension score can be compared.

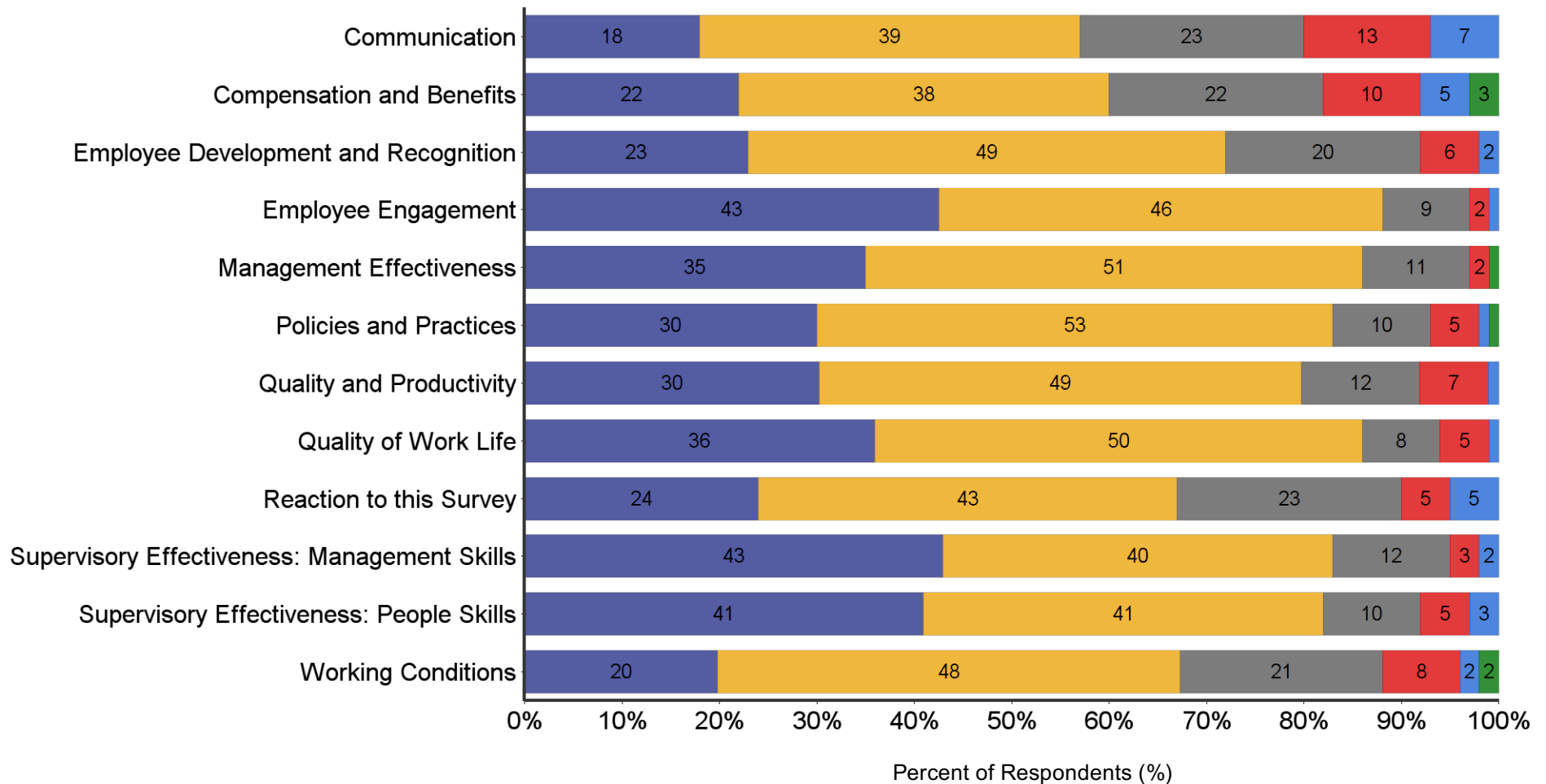


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### Section 4: Dimension Summaries by Breakouts Top Findings for Service Providers

In all, the percentage (%) of the scores to each of the survey dimensions - presented alphabetically - are as follows:

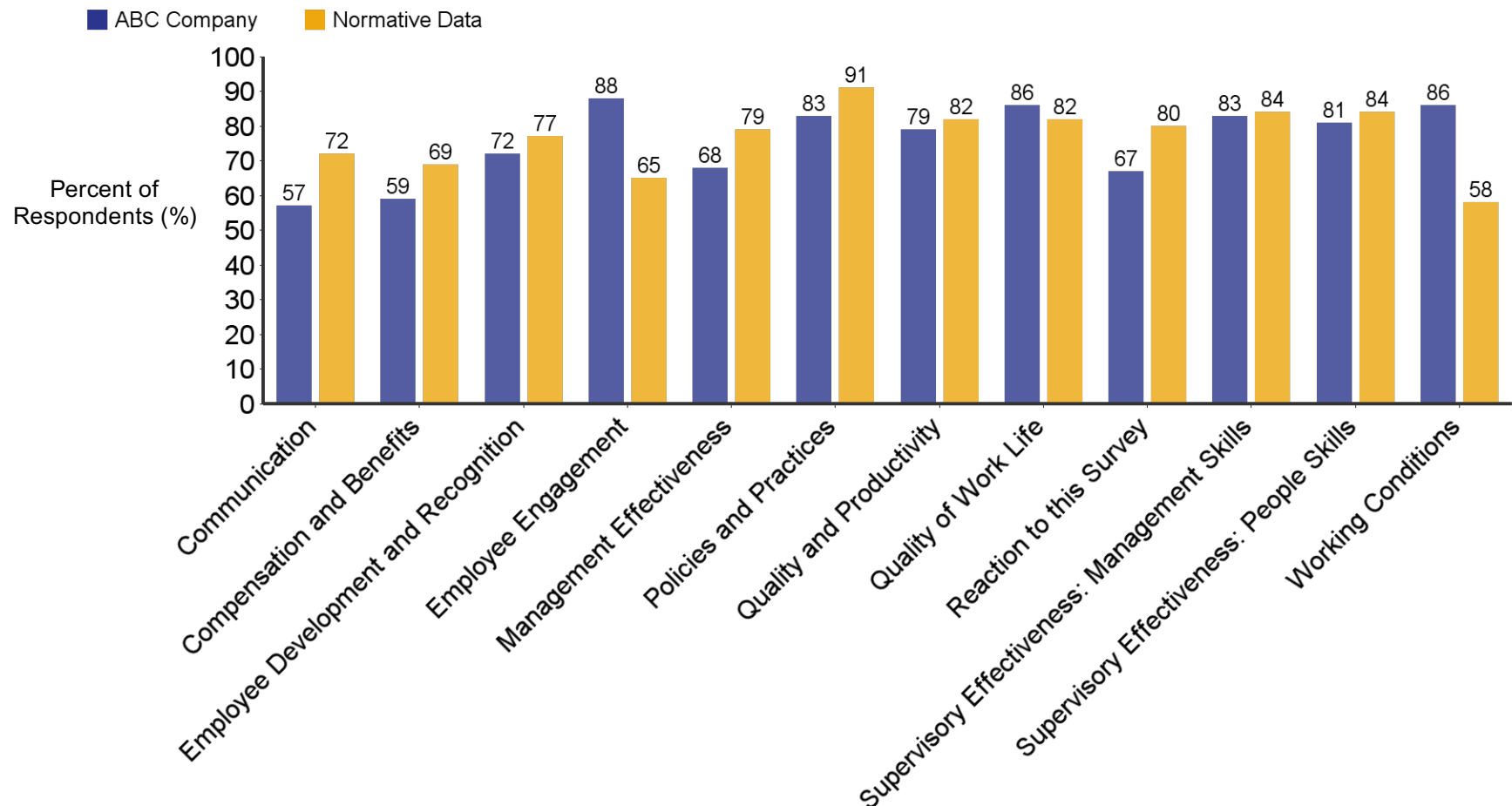
■ Strongly Agree   
 ■ Agree   
 ■ Neither Agree nor Disagree   
 ■ Disagree   
 ■ Strongly Disagree   
 ■ N/A



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## Section 4: Dimension Summaries by Breakouts Favorable Responses for Service Providers

The scores are represented as percentages (%) of the number of favorable responses ("Strongly Agree" and "Agree") over the total number of responses for that dimension. Your company scores are compared to normative data from Employers Group's own reference population, comprised of all industries, that establishes a baseline measurement against which the EOS dimension score can be compared.

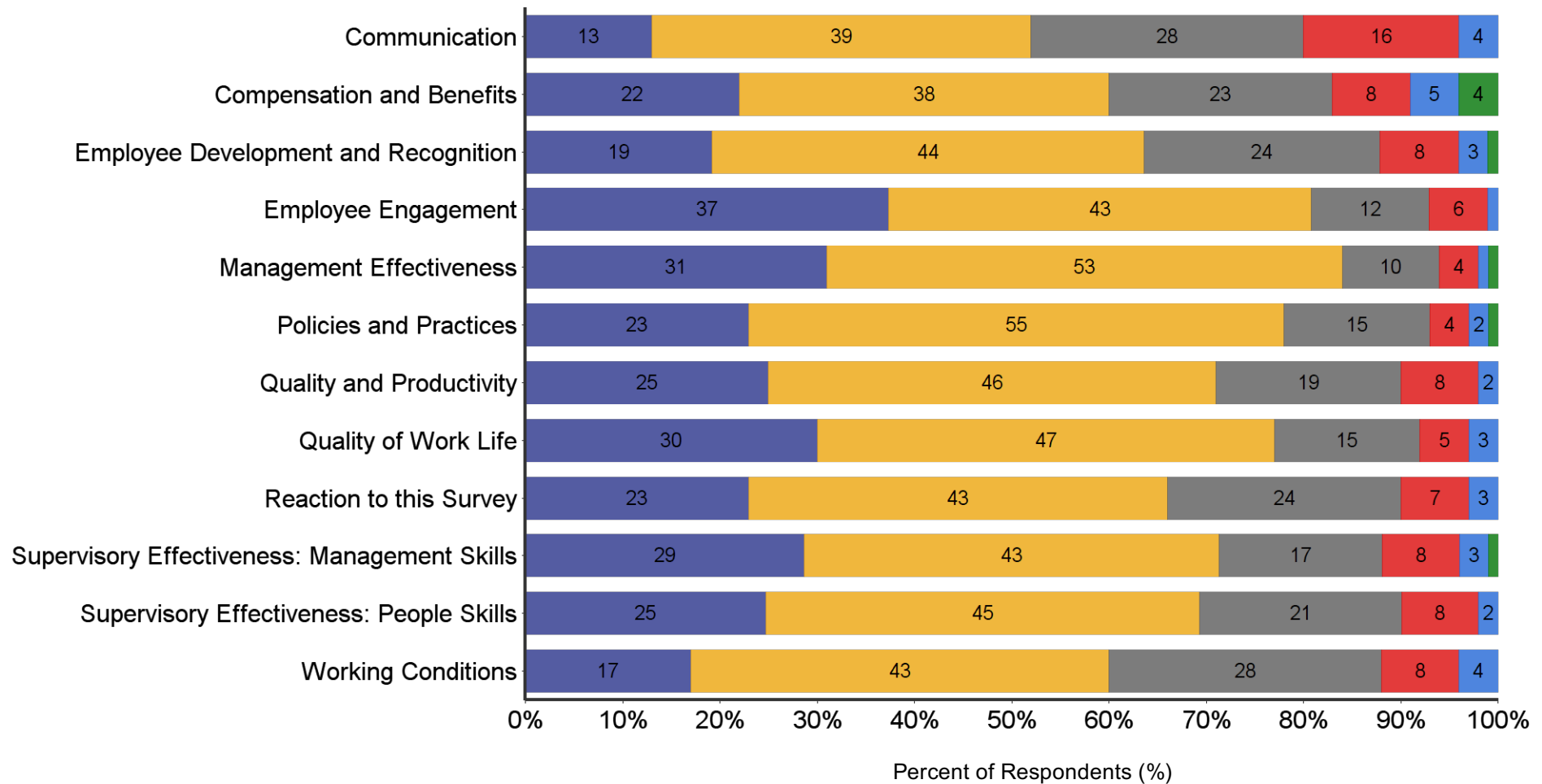


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### Section 4: Dimension Summaries by Breakouts Top Findings for Support

In all, the percentage (%) of the scores to each of the survey dimensions - presented alphabetically - are as follows:

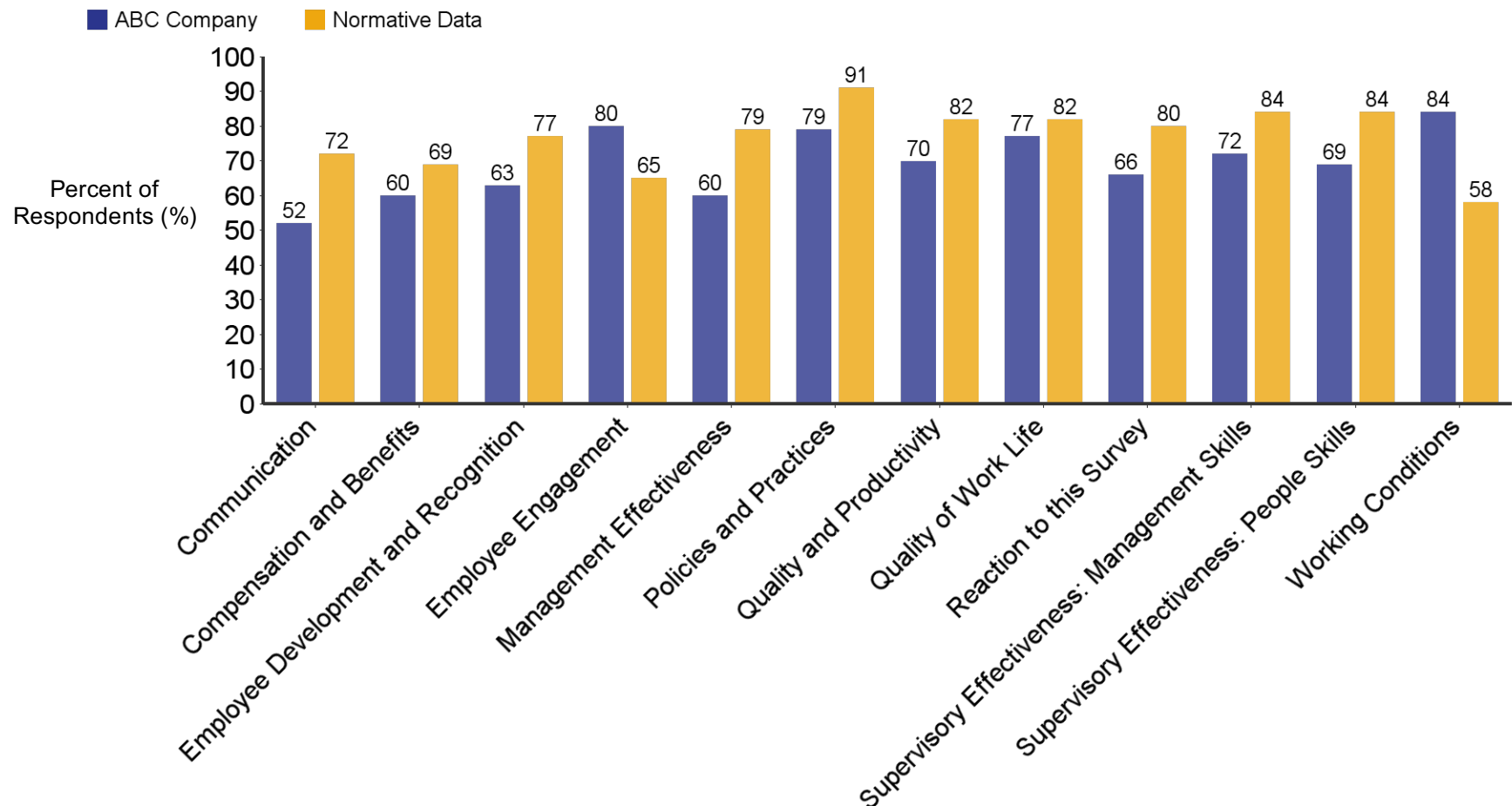
■ Strongly Agree   
 ■ Agree   
 ■ Neither Agree nor Disagree   
 ■ Disagree   
 ■ Strongly Disagree   
 ■ N/A



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### Section 4: Dimension Summaries by Breakouts Favorable Responses for Support

The scores are represented as percentages (%) of the number of favorable responses ("Strongly Agree" and "Agree") over the total number of responses for that dimension. Your company scores are compared to normative data from Employers Group's own reference population, comprised of all industries, that establishes a baseline measurement against which the EOS dimension score can be compared.

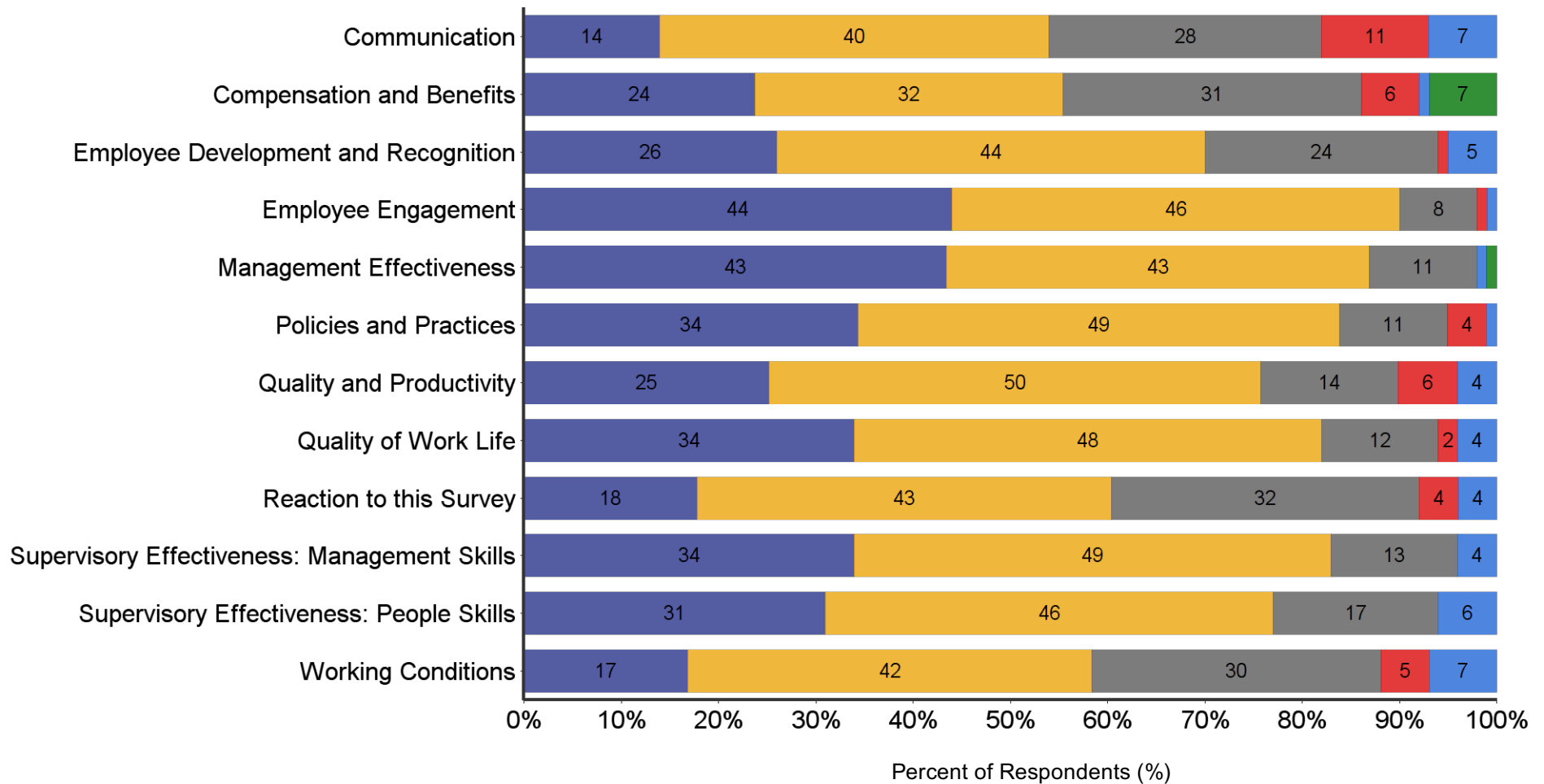


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### Section 4: Dimension Summaries by Breakouts Top Findings for Client Facing

In all, the percentage (%) of the scores to each of the survey dimensions - presented alphabetically - are as follows:

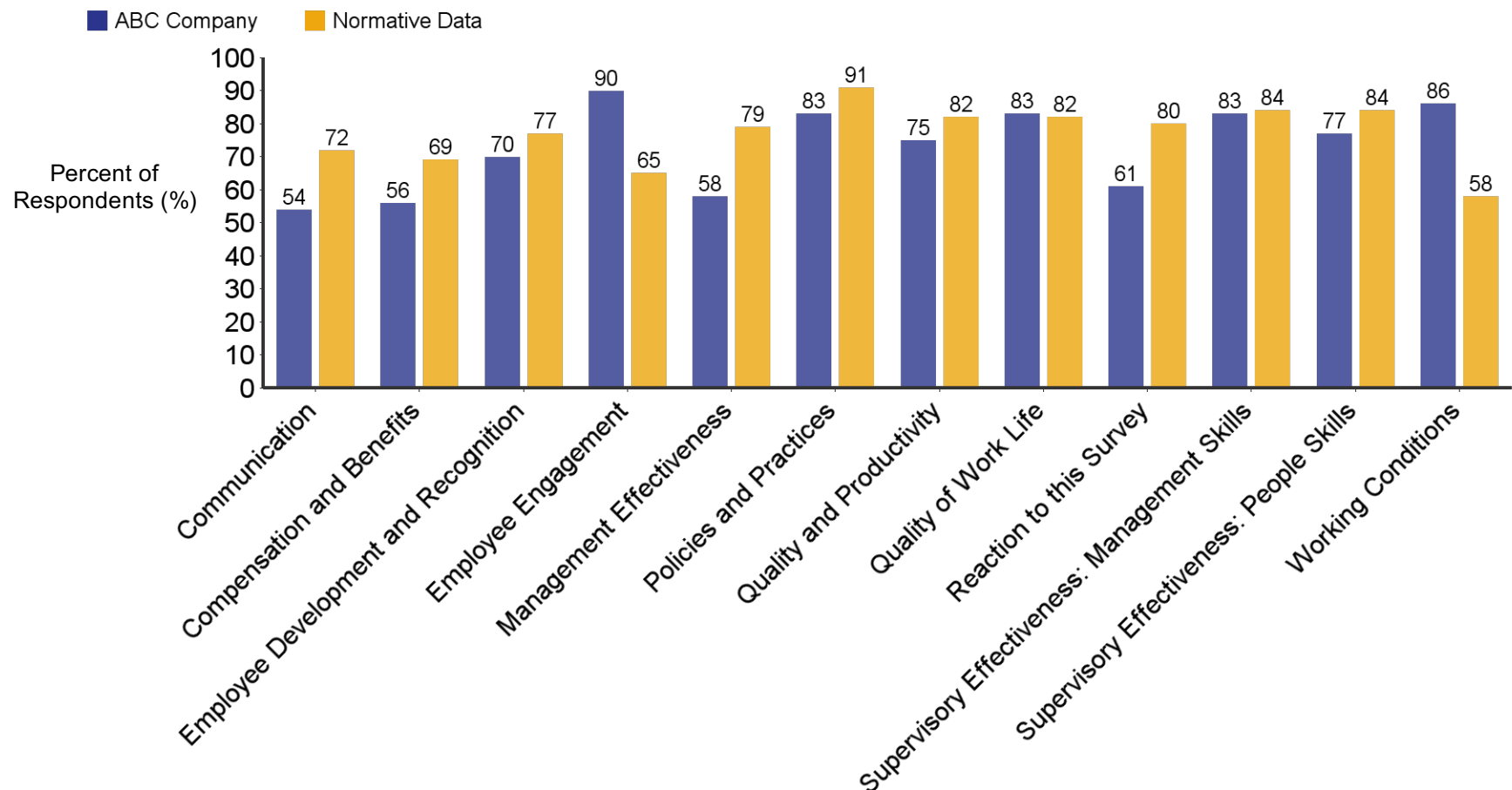
■ Strongly Agree   
 ■ Agree   
 ■ Neither Agree nor Disagree   
 ■ Disagree   
 ■ Strongly Disagree   
 ■ N/A



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### Section 4: Dimension Summaries by Breakouts Favorable Responses for Client Facing

The scores are represented as percentages (%) of the number of favorable responses ("Strongly Agree" and "Agree") over the total number of responses for that dimension. Your company scores are compared to normative data from Employers Group's own reference population, comprised of all industries, that establishes a baseline measurement against which the EOS dimension score can be compared.



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**Section 5: Open-Ended Questions**  
**Open-Ended Question #1**

**Table 1** - The most common words used by respondents to the question "Please tell us what you dislike most about your employment with this organization?" are as follows. The most popular words would be those at the largest font size.



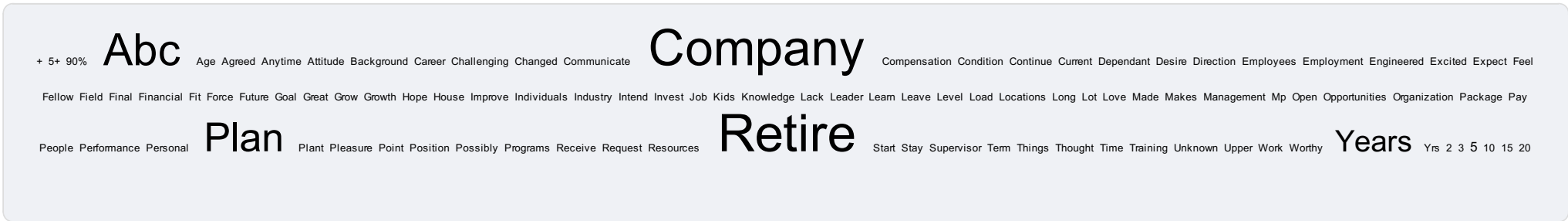
**Table 2** - Open-Ended Responses by respondents regarding the question "Please tell us what you dislike most about your employment with this organization?" Each cell represents a response by a respondent. To view all responses collected in the survey, click the "[Click here to view all responses](#)" below.

Text Entry
Work Locations close to their home.
Some people have no skills for the position that they are in and the ones that do end up doing all the work and ultimately either choose to leave or complain to the point that they just quit.
More flexibility when we request time off in advance. When hiring people for the service department, they need to let people know that they are not allowed time off on certain days of each month regardless of the reason and how far in advance they request it. It is also very difficult to move up in this company if you work for the service dept. Many of us feel like we are stuck in our position with no opportunity for advancement because we are good at what we do. Good performance should be rewarded not ignored.
Promote the ESOP. / Provide adequate training and resources to help employees be successful. Resources include qualified and skilled personnel for departments. / Create succession plans for key positions. This will give some employees an opportunity for advancement. / Management should observe and listen to the needs of the quality employees so that they do not leave. / Pay scales should be constantly evaluated to make sure we are competitive with others in the industry.
Don't take advantage people when they are willing to put in the extra time and energy. The best engineers left because they were overworked and stretched too thin. / Don't just throw more money at people to fix problems. / "Don't fix what isn't broken " is an old mentality that will leave this company in the dust. / /

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**Section 5: Open-Ended Questions**  
**Open-Ended Question #2**

**Table 1** - The most common words used by respondents to the question "What suggestions or comments do you have that would help us attract and retain quality employees?" are as follows. The most popular words would be those at the largest font size.



**Table 2** - Open-Ended Responses by respondents regarding the question "What suggestions or comments do you have that would help us attract and retain quality employees?" Each cell represents a response by a respondent. To view all responses collected in the survey, click the "[Click here to view all responses](#)" below.

Text Entry
More than 5.
I would like to stay and work until my retirement age. Yet I feel that the lack of work I have, the attitude I receive from fellow employees (some upper management), the request for more of a work load and some challenging work sometimes makes me want to look for other work. The open positions that have come up don't fit my background or are in other locations.
I plan to retire from ABC Company.
One to two years
I plan to be with ABC Company more than 5 years.
Plan to retire from ABC Company
More than 5 years
I plan to retire from ABC Company.
5 +
I hope to retire from ABC Company...I love this company I just dont think I am paid what I am worth and as far as my work performance goes
<a href="#">View More</a>



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For questions or comments please contact us at:

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El Segundo, CA 90245  
213-765-3920  
[surveys@employersgroup.com](mailto:surveys@employersgroup.com)

**CARL WARREN & COMPANY THIRD PARTY LIABILITY CLAIMS  
AMENDMENT NO. 2 – ADDITION OF SUBROGATION PRICING**

**ISSUE:** Carl Warren & Company noticed that the current contract is missing the pricing for subrogation claims. Amendment No. 2 attached was prepared to amend the current contract to include an 18% charge for subrogation claims. Staff verified the pricing of 18% with other similar pools and finds that the pricing is reasonable.

**RECOMMENDATION:** Staff recommends that the Committee approve Amendment 2 to the Carl Warren and Company contract and delegate authority to the CSURMA Secretary-Auditor to execute the contract amendment.

**FISCAL IMPACT:** Carl Warren & Company retain 18% of the subrogated claims recoveries.

**BACKGROUND:** Carl Warren & Company has provided the liability program third party claims administration since inception of the self-insured liability layer.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Carl Warren & Company Third Party Liability Claims Administration Contract Amendment No. 2.

AMENDMENT NO. 2  
TO AGREEMENT BETWEEN  
CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AND  
CARL WARREN & COMPANY  
FOR

THIRD PARTY CLAIMS ADMINISTRATION CONTRACT ENTERED INTO ON JULY 1, 2016

This Amendment No. 2 to the Agreement between CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (Principal) and CARL WARREN & COMPANY (Contractor) is agreed to as follows:

1. Section 9 – PRICING, is hereby amended as of May 7, 2020 to add the Subrogation to the Claim Type.

Services for July 1, 2016 through June 30, 2021 will be billed on a time and expense basis as follows:

Claim Type	Year 1	Year 2 & 3	Year 4 & 5
Services	\$58 per hour	\$60 per hour	\$62 per hour
Administrative Fee	\$14,000 per year	\$15,000 per year	\$16,000 per year
Telephone / Fax	10%		
Mileage (each way)	IRS rate		
Photocopies	Included		
Photographs	Included		
Office Expense	20%		
Set Up Fee	Included		
Index (ISO ClaimSearch and OFAC)	\$18 each	\$18 each	\$20 each
MMSEA Filing	\$4.85 each	\$4.85	\$5.00 each
<b>Subrogation</b>	<b>18%</b>	<b>18%</b>	<b>18%</b>

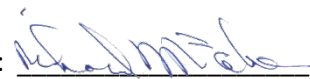
All other terms and conditions of the July 1, 2016 agreement and any amendments and addendums thereto shall remain in full force and effect.

California State University  
Risk Management Authority

By: \_\_\_\_\_

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

Carl Warren & Company

By: 

Date: April 22, 2020

## **CSURMA AORMA POLICIES AND PROCEDURES - BIENNIAL REVIEW**

**ISSUE:** Policy and Procedure A-5 states that in the absence of other reasons to review more frequently, all policies and procedures will be reviewed at least every two years. The Committee will be asked to review the following Policies and Procedures:

- A-2 AORMA Committee and Standing Committee Roles and Responsibilities
- A-6 Risk Reduction Matching Grant Program
- A-7 Travel Reimbursement Policy
- A-8 Closed Session
- L-1 Claims Reporting
- L-2 Liability Claims Administration and Litigation Management
- L-4 Employee Driving Standards
- L-6 Requirement to Purchase PAI for all Activities Involving Minors
- L-7 Employment Practices Deductible Options
- UI-1 Formula for Determining Unemployment Insurance Program Annual Contributions
- W-3 Claims Handling Procedures and Guidelines
- W-4 Workers' Compensation Coverage Claims Settlement Authority
- W-5 Volunteer Coverage

**RECOMMENDATION:** Staff reviewed the above Policies and Procedures and recommends that the AORMA Committee approve the suggested revisions as described below.

**FISCAL IMPACT:** No fiscal impact is expected based on action taken at today's meeting.

**BACKGROUND:** Shown below is a summary of the recommended revisions.

- A-2 AORMA Committee and Standing Committee Roles and Responsibilities  
*Major revisions:* The description of the AORMA Benefits Committee was added.
- A-6 Risk Reduction Matching Grant Program  
*Major revisions:* The process to submit a grant application was revised to remove the Programs Committee from the process.
- A-7 Travel Reimbursement Policy – *No revisions recommended*
- A-8 Closed Session – *No revisions recommended*
- L-1 Claims Reporting – *No revisions recommended*

- L-2 Liability Claims Administration and Litigation Management  
*Major revisions:* The Responsibilities of the Liability TPA section was updated to include the procedures regarding Member Deductible Recovery and Reinsurance Recovery.
- L-4 Employee Driving Standards  
*Major revisions:* The requirement that the Members provide the names of all Regular Drivers not meeting the Eligibility Standards was removed.
- L-6 Requirement to Purchase PAI for all Activities Involving Minors – *No revisions recommended.*
- L-7 Employment Practices Deductible Options – *Staff recommends tabling review of this policy and procedure until the September meeting so that the Rating Plan Task Group has a chance to review it.*
- UI-1 Formula for Determining Unemployment Insurance Program Annual Contributions – *Staff recommends tabling review of this policy and procedure until the September meeting so that the Rating Plan Task Group has a chance to review it.*
- W-3 Claims Handling Procedures and Guidelines – *No revisions recommended.*
- W-4 Workers' Compensation Coverage Claims Settlement Authority – *No revisions recommended.*
- W-5 Volunteer Coverage  
*Major revisions:* Removal of Programs Committee.

**PUBLICATION:** The revised Policies and Procedures will be uploaded to the CSURMA website.

**ATTACHMENT(S):**

- a. A-2 AORMA Committee and Standing Committee Roles and Responsibilities
- b. A-6 Risk Reduction Matching Grant Program
- c. A-7 Travel Reimbursement Policy
- d. A-8 Closed Session
- e. L-1 Claims Reporting
- f. L-2 Liability Claims Administration and Litigation Management
- g. L-4 Employee Driving Standards
- h. L-6 Requirement to Purchase PAI for all Activities Involving Minors
- i. L-7 Employment Practices Deductible Options
- j. UI-1 Formula for Determining Unemployment Insurance Program Annual Contributions
- k. W-3 Claims Handling Procedures and Guidelines
- l. W-4 Workers' Compensation Coverage Claims Settlement Authority
- m. W-5 Volunteer Coverage



## CSURMA AORMA

## POLICY AND PROCEDURE NO. A-2

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<b>SUBJECT:</b>	<b>AORMA COMMITTEE AND STANDING COMMITTEE ROLES AND RESPONSIBILITIES</b>
<b>ADOPTED:</b>	<b>AUGUST 19, 2003</b>
<b>EFFECTIVE:</b>	<b>JULY 1, 2003</b>
<b>AMENDED:</b>	<b>DECEMBER 7, 2005</b> <b>MAY 14, 2009</b> <b>OCTOBER 29, 2009</b> <b>JANUARY 11, 2010</b> <b>SEPTEMBER 16, 2010</b> <b>SEPTEMBER 13, 2012</b> <b>MAY 8, 2014</b> <b>DECEMBER 10, 2015</b> <b>SEPTEMBER 8, 2016</b> <b>SEPTEMBER 7, 2017</b> <b>SEPTEMBER 6, 2018</b> <b><u>MAY 7, 2020</u></b>

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

### **PURPOSE:**

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

### **POLICY:**

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

### **PROCEDURE:**

The AORMA COMMITTEE will conduct elections and appointments in accordance with the CSURMA Joint Powers Agreement, Bylaws and AORMA Policy and Procedure A-1. A copy of

Policy and Procedure A-1 describing roles and responsibilities of Committee members will be provided to Committee nominees and participants.

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

1. In person attendance at regularly scheduled AORMA COMMITTEE meetings is preferred. While teleconference attendance can be arranged, the Committee business is best conducted at in-person meetings. Any Committee member or Officer who is not present, either in person or via teleconference, at two or more AORMA COMMITTEE meetings in any one fiscal year, may be removed from the AORMA COMMITTEE upon a majority vote of the AORMA Officers unless that AORMA Officer is the subject of the vote and then that AORMA Officer will be recused.
2. AORMA COMMITTEE at-large member terms are for two years, with a maximum of three terms served before a member is either elected as the Chair, First Vice Chair or Second Vice Chair or termed out and must wait one year before again serving on the Committee. It is expected that members be prepared to serve for at least one complete term because the learning curve on CSURMA's coverage programs is steep.
3. Reasonable travel expenses associated with participation on the AORMA COMMITTEE are reimbursable as provided under CSURMA AORMA's Policy and Procedure A-7 Travel Reimbursement Policy.
4. Representatives elected to the AORMA COMMITTEE are individually elected, not as direct representatives of their respective auxiliary organizations. It is expected that AORMA COMMITTEE members will approach their responsibilities from the perspective of the good of the CSURMA Auxiliary Organizations programs as a whole, rather than just their individual organization's benefit.
5. AORMA COMMITTEE members are expected to attend two (2) CSURMA Board of Directors meetings annually (one in the fall; one in the spring). State law requires timely completion of appropriate paperwork, such as Fair Political Practices Commission Form 700.
6. Develop recommendations for the AORMA COMMITTEE and take action within delegated authority.

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

1. Representative of the AORMA Committee to the AOA Executive Committee and attendance at AOA Executive Committee meetings.

2. Attendance and participation in CSURMA Executive Committee meetings (approximately ~~four~~ five times per year).
3. Availability for regular communication with, and direction of CSURMA Program Administrator staff.
4. Availability to respond to CSURMA Auxiliary Organizations member questions and concerns.
5. A commitment toward professional development in the area of risk management and representation of CSURMA at conferences and meetings, such as the AOA Annual Conference, the CSURMA Fitting the Pieces Together Conference and other conferences as appropriate.
6. Authority to appoint an at-large AORMA Committee member or the First Vice Chair or Second Vice Chair if that seat on the AORMA Committee is vacated mid-term.
7. Authority to establish task groups / ad hoc committees as necessary.
8. Authority to appoint the Standing Committee Chair, members of the AORMA Standing Committee(s) and task groups (in consultation with the AORMA Standing Committee Chair(s)).
9. Service on Standing Committee(s), task groups and ad hoc committees as appropriate.
10. Attend and present at CSURMA Board of Directors meetings.
11. Authority to call meetings from time to time and in compliance with applicable open meeting regulations to conduct business and planning for the AORMA program including an AORMA Officer's Retreat.
12. Authority to invite additional attendees to meetings as the Chair deems appropriate and to authorize reimbursement of invitee travel expenses provided the expenses are within amounts budgeted for AORMA expenses and in compliance with AORMA travel expense reimbursement Policy and Procedure.
13. In accordance with Policy and Procedure L-2 and W-4, if time is of the essence in a specific matter, the AORMA COMMITTEE Chair, First Vice Chair and Second Vice Chair, on the advice of the liability or workers' compensation third party claims administrator, shall have authority to determine the terms of an emergency settlement up to the Pooled Layer Limit upon the agreement of a majority consisting of at least two officers, provided that no officers involved in the specific matter may participate in the determination.

**AORMA Committee First Vice Chair** - In addition to items 1 thru 5 and items 9 and 13 of the roles and responsibilities of the AORMA Committee Chair, it is expected that the AORMA Committee First Vice Chair will also;

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

2. Attend and participate in the CSURMA Executive Committee meetings.

**AORMA Committee Second Vice Chair** - In addition to items 1 thru 5 and items 9 and 13 of the roles and responsibilities of the AORMA Committee Chair, it is expected that the AORMA Committee Second Vice Chair will also;

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

### **AORMA Standing Committees**

1. The AORMA Committee reserves the right to create and dissolve any or all Standing Committees at any time. The AORMA Committee shall appoint Standing Committees to provide support to the AORMA Committee. These Standing Committees are as follows:

a. Executive Officers

~~a.b.~~ AORMA Benefits Committee

2. Standing Committee membership will be as follows:

- a. Executive Officers – The AORMA Committee Chair, First Vice Chair and Second Vice Chair.

3. Reasonable travel expenses associated with participation on AORMA Standing Committees are reimbursable as provided in CSURMA’s travel reimbursement policy.

4. Representatives are individually appointed, not direct representatives of their respective auxiliary organizations. It is expected that representatives will approach their responsibilities from the perspective of the good of the CSURMA Auxiliary Organizations programs as a whole, rather than just their individual organization’s benefit.

5. Standing Committee(s) shall develop recommendations for the AORMA Committee and take action within delegated authority.

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

7. Any Standing Committee member who is not present, either in person or via teleconference, at two or more Standing Committee meetings in any one fiscal year, may be removed from the Standing Committee upon a majority vote of the AORMA Officers unless that AORMA Officer is the subject of the vote and then that AORMA Officer will be recused.

## ADDENDUM

### AORMA STANDING COMMITTEE DESCRIPTIONS

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

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

#### **Executive Officers Committee**

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

#### **AORMA Benefits Committee**

The Benefits Committee will oversee the management of all benefits programs not otherwise assigned to another committee. The Committee will assist in the evaluation of benefit administration, employee benefits initiatives, CSURMA AORMA program offerings, guidelines and related services. Members will review the annual CSURMA AORMA Benefit Plan renewals, associated financials and alternatives. RFP development and selection will also be handled by this Committee.



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. A-6**

**SUBJECT:** RISK REDUCTION INNOVATION MATCHING GRANT INCENTIVE PROGRAM

**ADOPTED:** MAY 9, 2013

**EFFECTIVE:** JULY 1, 2013

**AMENDED:** SEPTEMBER 12, 2013  
MARCH 20, 2014  
DECEMBER 4, 2014  
MAY 5, 2016  
MAY 7, 2020

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

**PURPOSE:**

The Risk Reduction Innovation Matching Grant Program (PROGRAM) makes funds available to AORMA Members (MEMBERS). It funds original and inventive training programs, the purchase of cutting edge safety equipment, innovative modernization of the MEMBER’s premises or any other unique or creative safety related project that may lead to a documentable reduction in claims costs. The purpose of this type of *matching grant program* is to encourage MEMBERS to enhance existing risk reduction efforts and to inspire ingenious safety ideas that the other MEMBERS may employ.

**POLICY:**

- ~~1. Annually, the following activities will be completed~~
  - ~~a. The Programs Committee (PC) will propose to the AORMA Committee a budget amount for the PROGRAM.~~
  - ~~b. The PC will approve the maximum grant amount.~~
  - ~~c. The PC along with the Program Administrator will review the grant applications, and if found to be appropriate and consistent with the purpose of the PROGRAM may be approved by the PC.~~
  
- 2.1. To access funds under the PROGRAM, the MEMBER, must complete the grant application which is located on the CSURMA website and will include the following information;
  - a. A description of the proposed risk reduction project
  - b. The anticipated timeline for completion of the risk reduction project.
  - c. An estimate of the total costs for the proposed risk reduction project.

3.2. The MEMBER will be expected to complete the proposed risk reduction project within the timeline provided within the grant application. Upon review, the PC-AORMA Committee may rescind the grant if the MEMBER has not started, or completed, the risk reduction project within the timeframe proposed.

4.3. Fifty percent (50%) of the MEMBER's risk reduction project costs (up to the maximum grant amount approved for that MEMBER) will be reimbursed under the PROGRAM. The MEMBER will submit to the PC-AORMA Committee the final paid receipt to be used to calculate the PROGRAM reimbursement amount.

5.4. After the grant funds are utilized, the MEMBER will provide a brief report providing information that will assist the PC-AORMA Committee in monitoring this PROGRAM's effectiveness and the merits of future PROGRAM funds.



## **CSURMA AORMA**

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

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**SUBJECT:** CSURMA AORMA TRAVEL REIMBURSEMENT POLICY

**ADOPTED:** MARCH 21, 2013

**AMENDED:** MARCH 19, 2015

MARCH 9, 2017

SEPTEMBER 6, 2018

**EFFECTIVE:** MARCH 21, 2013

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### **PURPOSE:**

CSURMA AORMA members benefit from the work of their elected and appointed representatives who give their time to participate in the governance and development of CSURMA programs. Committee Member in person attendance at the AORMA Committee, standing committee meetings and task group meetings is preferred. This Policy and Procedure is intended to formalize the prior existing practices of CSURMA.

### **POLICY:**

It is the policy of the CSURMA AORMA Committee that reasonable and actual expenses incurred by AUTHORIZED TRAVELERS for COVERED PURPOSES related to operation of CSURMA's programs shall be reimbursed. The method of approving travel, and reporting and calculating the reimbursable amount shall be in accordance with the travel reimbursement policy of the California State University or the AUTHORIZED TRAVELER's member auxiliary organization at the time of the travel.

### **PROCEDURE:**

1. Reimbursement requests will be reported on the AUTHORIZED TRAVELER's completed State of California – Travel Expense Claim form or the form utilized by the AUTHORIZED TRAVELER's member auxiliary organization. The claim form should be forwarded to the AUTHORIZED TRAVELER's member auxiliary organization accounting department for reimbursement. The member auxiliary organization's accounting department should then seek reimbursement from CSURMA.
2. The AUTHORIZED TRAVELER's accounting department should send the following documents to CSURMA c/o the Systemwide Office of Risk Management:
  - a) Invoices for all reasonable expenses



- b) Completed State of California (or AUTHORIZED TRAVELER's member auxiliary organization) – Travel Expense Claim form
- c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the AUTHORIZED TRAVELER attended.

**DEFINITIONS:**

**AUTHORIZED TRAVELER** – includes AORMA Committee members and officers, standing committee members and participants in duly established task groups. Other persons traveling on CSURMA AORMA related travel shall be reimbursed pursuant to this Policy and Procedure No. A-7 as agreed under separate agreement in advance of the travel. Independent consultants shall not be considered AUTHORIZED TRAVELERS under this Policy and Procedure No. A-7 and any travel expenses incurred by independent consultants may be reimbursed as provided under separate consulting agreements.

**COVERED EXPENSES** – includes reasonable expenses incurred by the AUTHORIZED TRAVELER as provided under the travel reimbursement policy of the California State University or the AUTHORIZED TRAVELER's member auxiliary organization travel reimbursement policy requirements.

**COVERED PURPOSES** – covered purposes shall include attendance at meetings of the CSURMA AORMA Committee, standing committees, task group meetings, program presentations, member meetings, and approved professional development trainings. Any other COVERED PURPOSES must be approved for reimbursement by the AORMA Committee. The AORMA Committee Chair or designee is expected to attend the AOA Executive Committee meetings as the representative of the AORMA Committee and therefore reasonable expenses associated with travel to and from as well as participation in the AOA Executive Committee meetings are reimbursable by CSURMA. As directors on the CSURMA Board, AORMA Committee Members are expected to attend CSURMA Board of Directors meetings and therefore reasonable expenses associated with travel to and from as well as participation in the CSURMA Board of Directors meeting are reimbursable by CSURMA. If there is travel to an event that would otherwise be a COVERED PURPOSE in conjunction with another event the AUTHORIZED TRAVELER would otherwise attend such as the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference, the AUTHORIZED TRAVELER is eligible for reimbursement of COVERED EXPENSES to attend the COVERED PURPOSE meeting only and there will be no CSURMA reimbursement of the expenses the AUTHORIZED TRAVELER would have normally incurred to attend the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference.



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. A-8**

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**SUBJECT:** CSURMA AORMA CLOSED SESSION POLICY  
**ADOPTED:** OCTOBER 23, 2014  
**AMENDED:** MAY 5, 2016  
**EFFECTIVE:** OCTOBER 23, 2014

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

**POLICY:**

CSURMA AORMA conducts its meetings in compliance with the Bagley-Keene Open Meeting Act. The Act allows CSURMA AORMA to meet in closed session to confer with or receive advice from its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of CSURMA AORMA in the litigation.

From time to time, a MEMBER may be asked to recuse himself/herself from CLOSED SESSION discussions due to a potential conflict of interest.

**PROCEDURE:**

Prior to entering closed session, upon advice from the CSURMA Legal Counsel, Claims Administrator and/or Program Director, an AORMA COMMITTEE member may be asked to recuse himself/herself from the closed session discussion where a potential conflict of interest may exist.

**DEFINITIONS:**

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

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

**MEMBER** – The MEMBER is a signatory to the CSURMA Joint Powers Authority.

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



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. L -1**

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**SUBJECT: LIABILITY CLAIMS REPORTING**

**ADOPTED: DECEMBER 7, 2006**

**AMENDED: OCTOBER 8, 2009  
DECEMBER 4, 2014  
MAY 5, 2016  
MARCH 8, 2018**

**EFFECTIVE: JANUARY 1, 2007**

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

**POLICY:**

It is the policy of CSURMA AORMA that all MEMBERS will comply with the following conditions of the AORMA Liability Program MEMORANDUM OF COVERAGE.

- A. Duties in the Event of an Accident, OCCURRENCE, Offense, Claim, Suit or Proceeding: The following provisions are precedent to coverage under the AORMA Liability Program MEMORANDUM OF COVERAGE. The COVERED PARTY's failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA AORMA.
  - 1. In the event of any OCCURRENCE or offense which may result in a claim, suit or proceeding against a COVERED PARTY, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the MEMBER to the TPA as soon as practicable.
  - 2. When the MEMBER submits the first claim report, the following information shall be included, if available and applicable:
    - a. How, when and where the OCCURRENCE or offense took place;
    - b. The names and addresses of any injured persons and witnesses;
    - c. The nature and location of any injury or damage arising out of the OCCURRENCE or offense;
    - d. Incident reports;
    - e. Investigation reports;
    - f. Police reports;
    - g. Claim notice(s) and response(s)
    - h. Medical reports

- 
- i. Request for Assignment of “Non-Approved” Legal Counsel (See AORMA Legal Counsel Selection Policy & Procedure)
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3. The MEMBER and any other involved COVERED PARTY shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the MEMBER or other involved COVERED PARTY to the TPA and authorize CSURMA AORMA to obtain records and other information;
    - a. **Late Reporting Penalties.** If an OCCURRENCE, offense, claim, suit or proceeding is not reported by the MEMBER to the TPA within the timeframes set below, the following late reporting schedule will apply:
      - i. If an OCCURRENCE, offense, claim, suit or proceeding is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
      - ii. If an OCCURRENCE, offense, claim, suit or proceeding is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply;
      - iii. If an OCCURRENCE, offense, claim, suit or proceeding is reported more than 12 months late as determined by the TPA, no recovery will be available to the MEMBER or other involved COVERED PARTY.
  4. The MEMBER and any other involved COVERED PARTY will cooperate with CSURMA AORMA in the investigation or settlement of the claim, suit or proceeding and defense against and assist CSURMA AORMA, in the enforcement of any right against any person or organization which may be liable to the MEMBER because of injury to which this coverage may also apply.
- B. No Voluntary Payments: Except as stated below, no MEMBER will, except at that MEMBER’s own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without consent of CSURMA AORMA.

With respect to EMPLOYMENT PRACTICES LIABILITY, in no event shall any payments be made by CSURMA AORMA for any costs incurred to defend a covered claim more than thirty (30) days prior to written notification of any OCCURRENCE, offense, claim or suit to the TPA.

Moreover, no settlement of any claim shall be paid by CSURMA AORMA without prior written authorization of the TPA.



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**MEMBER APPEAL PROCESS:**

**First Level Appeal**

If a MEMBER wishes to appeal a decision resulting from the enforcement of this Policy and Procedure, the MEMBER must present an appeal in writing to the AORMA Committee within thirty (30) days of the disputed decision. The AORMA Committee will review the appeal at its next regularly scheduled meeting and inform the MEMBER within five (5) business days of its final decision.

**Second Level Appeal**

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



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**DEFINITIONS:**

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

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

**MEMBER** – The MEMBER is a signatory to the CSURMA Joint Powers Authority.

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

**OCCURRENCE** – As defined within the AORMA Liability Program MEMORANDUM OF COVERAGE.

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

**TPA** - Third party liability claims administrator whose responsibilities include claim handling, litigation management and excess liability carrier reporting.

**EMPLOYMENT PRACTICES LIABILITY** – As defined within the AORMA Liability Program MEMORANDUM OF COVERAGE.

**SUBJECT:** **LIABILITY CLAIMS ADMINISTRATION &  
LITIGATION MANAGEMENT**

**ADOPTED:** **DECEMBER 7, 2006**

**AMENDED:** **OCTOBER 8, 2009**  
**SEPTEMBER 16, 2010**  
**MAY 10, 2012**  
**OCTOBER 23, 2014**  
**MAY 7, 2015**  
**MARCH 10, 2016**  
**MARCH 8, 2018**  
**MAY 7, 2020**

**EFFECTIVE:** **JANUARY 1, 2007**

**POLICY & PROCEDURE NO.:** **(FORMERLY) 3B-LIAB**

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

**POLICY:**

1. It is the policy of AORMA that liability claims be handled in the most efficient and cost-effective manner possible. To that end, the AORMA COMMITTEE has retained the services of a TPA who has been designated the primary contact and control point for all liability claims management.
2. It is the policy of AORMA that there will be no coverage for any settlement negotiated or agreed to without involvement and prior approval of the TPA.
3. It is the policy of AORMA that (1) LEGAL COUNSEL engaged to defend a MEMBER shall be selected pursuant to AORMA Policy & Procedure L-3 - Legal Counsel Selection and that (2) such LEGAL COUNSEL shall be responsive to TPA and that (3) failure of LEGAL COUNSEL to be responsive to TPA may result in replacement of LEGAL COUNSEL.
4. It is the policy of AORMA that the TPA will analyze all CLAIMS for potential liability apportionment between the Campus and the MEMBER or two or more MEMBERS and will provide notification to the PROGRAM DIRECTOR.

**PROCEDURE:**

The purpose of this document is to outline the process of liability claims administration and litigation management by the TPA and the involvement of the AORMA COMMITTEE.

**1. LIABILITY CLAIMS ADMINISTRATION**

The TPA shall report its activities to the AORMA COMMITTEE pursuant to the Liability Claims Administration Service Agreement.

**2. RESPONSIBILITIES OF THE MEMBER**

The MEMBER shall assist the TPA in obtaining all necessary documentation to assist in efficient and comprehensive handling of a claim.

**3. RESPONSIBILITIES OF THE AORMA COMMITTEE**

A. The AORMA COMMITTEE shall meet as needed to review open claims.

B. The responsibilities of the AORMA COMMITTEE shall include, but are not limited to:

- 1) Review claims with the TPA as necessary.
- 2) Review the specific handling of reported losses.
- 3) Review adequacy of reserve levels in conjunction with the PROGRAM DIRECTOR and TPA.
- 4) Make decisions regarding rejection of coverage for claims, or the handling of claims under a reservation of rights, based on the MEMORANDUM OF COVERAGE.
- 5) Make recommendations to individual MEMBERS concerning the settlement or litigation of claims.
- 6) Report to the CSURMA EXECUTIVE COMMITTEE on claims related matters as appropriate.

**4. RESPONSIBILITIES OF THE LIABILITY THIRD PARTY CLAIMS ADMINISTRATOR (TPA)**

A. The TPA has general responsibility for performing or overseeing all necessary investigation of claims, as well as overseeing legal defense. The TPA is responsible for reporting claims to the excess liability insurers or reinsurers as appropriate. The TPA provides regular claims reports containing the status of claims and the projected reserves. The specific services to be provided and the responsibilities of the TPA are found in the Liability Claims Administration Service Agreement.

- B. The TPA shall perform an analysis of all CLAIMS and lawsuits for potential liability apportionment between either the Campus and the MEMBER or between two or more MEMBERS.
- 1) If the TPA believes there may be a basis for apportionment between the Campus and the MEMBER, the TPA will notify the PROGRAM DIRECTOR. The PROGRAM DIRECTOR will submit the matter to the MEMBER Executive Director and the Campus Vice President of Administration and Finance, or their designees, to determine whether apportionment is appropriate and, if so, what apportionment percentages should apply. In the event they are unable to reach agreement regarding apportionment and/or apportionment percentages, the matter will be submitted for decision to the CSURMA Secretary-Auditor who will review the matter with the Executive Vice-Chancellor/Chief Financial Officer of the California State University. The decision of the CSURMA Secretary-Auditor shall be final, non-appealable and binding.
  - 2) If the TPA believes there may be a basis for apportionment between two or more MEMBERS, the TPA will notify the PROGRAM DIRECTOR. The PROGRAM DIRECTOR will submit the matter to the Executive Directors of the MEMBERS, or their designees, to determine whether apportionment is appropriate and, if so, what apportionment percentages should apply. In the event they are unable to reach agreement regarding apportionment and/or apportionment percentages, the matter will be submitted for decision to the CSURMA Secretary-Auditor who will review the matter with the Executive Vice-Chancellor/Chief Financial Officer of the California State University. The decision of the CSURMA Secretary-Auditor shall be final, non-appealable and binding.
- C. The TPA shall perform a survey of the legal marketplace per Policy & Procedure No. L-3 to verify that approved LEGAL COUNSEL rates are in line with industry standards, and report their findings to the AORMA COMMITTEE.
- D. The TPA shall forward copies of its claim summary reports to the MEMBER and the PROGRAM DIRECTOR. In the event that a lawsuit or a CLAIM involves the MEMBER Executive Director, the Campus Vice President of Administration & Finance or his/her designee shall manage the claim with the TPA.
- E. At least ten days prior to every AORMA COMMITTEE meeting, the TPA will provide to the PROGRAM DIRECTOR a detailed listing of all claims requiring action by the AORMA COMMITTEE. The narrative will include at least the following information:

- 1) Date of Loss
- 2) Member
- 3) Fiscal Year
- 4) Simplified Description
- 5) Line of Coverage
- 6) Member retained limit
- 7) Report to Excess Status
- 8) Paid
- 9) Reserves
- 10) Total Incurred
- 11) Defense counsel name and firm
- 12) Plaintiff counsel name and firm
- 13) Legal counsel budget
- 14) Estimate of probable liability
- 15) Action requested

The TPA will also establish, and forward to the PROGRAM DIRECTOR, a Watch List for the following claims:

- 1) All claims with a total incurred value of \$25,000 or more.
- 2) Any claim that will be or has been reported to the excess carrier or reinsurer.
- 3) All employment practices liability claims.
- 4) Any other claim with a substantial potential exposure to AORMA.

F. ~~The Liability Third Party Claims Administrator~~ TPA may attend the AORMA COMMITTEE meetings in order to request settlement authority, discuss coverage issues and provide updates on those claims on the Watch List.

G. ~~Within fifteen (15) days after the end of each quarter, the TPA will review all claims which include a MEMBER deductible. For all closed claims or open claims with paid claims-related expenses and/or indemnity costs totaling \$25,000 or more, the TPA will prepare and forward to the PROGRAM DIRECTOR, the MEMBER deductible receivables invoice seeking reimbursement for all claims-related expenses and indemnity costs paid by the TPA within the MEMBER's deductible.~~

F.H. ~~Within fifteen (15) days after the end of each quarter, the TPA will review all open and closed claims for reinsurance receivables. For all receivables of \$50,000 or more, the TPA will prepare and forward to the PROGRAM DIRECTOR a copy of its reinsurance receivables invoice(s) showing the amount owed to CSURMA from the reinsurers for indemnity and claims-related expenses paid by the TPA with AORMA Liability Program funds.~~

**5. RESPONSIBILITIES OF LEGAL COUNSEL**

LEGAL COUNSEL selected as provided in AORMA Policy & Procedure L-3 - Legal Counsel Selection will be notified in writing by the TPA of assignment. LEGAL COUNSEL will be required to acknowledge and sign an engagement letter prior to beginning the defense of any AORMA claim. Assigned LEGAL COUNSEL are required to report claim status to the TPA every 90 days, or upon any activity that would significantly affect the value reserved for the claim.

**6. LIABILITY LITIGATION MANAGEMENT**

**A. Correspondence and Pleadings**

Copies of all correspondence and pleadings shall be provided to the TPA and the Member.

After a case has been reported to an excess coverage provider, LEGAL COUNSEL shall ensure that additional copies of all correspondence and pleadings are forwarded to such excess coverage provider or reinsurer.

Notification of depositions, trials, arbitrations, and hearing shall be sent to all parties specified above who are to receive copies of correspondence.

LEGAL COUNSEL will promptly respond to all letter or phone calls from the TPA, and keep them advised as to the progress of each case. LEGAL COUNSEL will cooperate with the TPA in all other aspects of this Litigation Management including providing copies of all motions and pleadings, and completing expert witness and plaintiff counsel evaluations as requested by the TPA.

**B. Case Analysis and Litigation Budget**

Within 30 days of retention in each case, selected LEGAL COUNSEL shall complete and return a case analysis and litigation budget in accordance with the Legal Counsel Engagement Letter appendixes to AORMA Policy & Procedure L-3 Legal Counsel Selection.

Unanticipated litigation activity may give rise to an under reserved litigation budget. As soon as it is reasonably foreseeable that the file is under budgeted, an updated litigation budget should be completed along with recommendation for a budget increase or decrease, where appropriate. The TPA will closely monitor the basis for budget increases. If the litigation budget has been exceeded, no further payment of fees will be made until a revised litigation budget has been submitted and approved. Significant deviations from the budget will be taken into account when evaluating LEGAL COUNSEL's performance.

Mandatory Status Reports – Status reports are mandatory every 90 days or as soon as possible following any significant event in the case. LEGAL COUNSEL shall

report only on new developments since the last report. The reporting diary can be extended if the TPA is notified of the Legal counsel's intention to put the file on an extended diary.

The attorney handling the case should prepare the status reports. Status reports should include the following:

- 1) The ongoing strategy for defense or resolution of the case, including a factual analysis of issues related to liability and damages;
- 2) A description of planned discovery with a time table for completion;
- 3) A brief synopsis of the discovery completed since the last report;
- 4) Court dates including, but not necessarily limited to, mandatory settlement conferences, trial setting conferences, arbitration and trial dates, hearings on discovery, etc.;
- 5) New settlement demands; and
- 6) Any anticipated changes in the litigation budget.

Furthermore, no later than 30 days prior to mediation, arbitration or trial or as requested by the TPA, the defense trial attorney will provide a trial/binding arbitration report, which shall include:

- 1) an assessment of the Member's liability;
- 2) an assessment of plaintiff's damages;
- 3) an assessment of legal defenses (and probability or prevailing);
- 4) an assessment of the chances of prevailing at trial;
- 5) the verdict value assuming full liability
- 6) as assessment of any other factors affecting the items above, including demeanor or credibility of important witnesses, evidentiary disputes, tendencies or local juries, the judge or opposing counsel, liability and solvency/coverage of co-defendants, or similar important issues;
- 7) an appraisal of settlement value, considering verdict value and chances of prevailing
- 8) the status of settlement discussions
- 9) estimated future fees and costs through trial (since last billing)

**C. Further Evaluations and Reserves**

Upon request by the excess coverage provider or reinsurer, LEGAL COUNSEL shall provide written or oral evaluations of the case. These evaluations shall disclose any weaknesses or strengths of the case that have been discovered, any increase or decrease in anticipated costs, any recommended change in reserves, and, if pertinent, settlement recommendations.

**D. Settlement Conferences**

Once the TPA receives notice that a MEMBER'S case has a settlement conference date scheduled, the following procedure will occur:

- 1) The TPA shall notify the MEMBER regarding the settlement conference and provide a comprehensive case review and/or documentation for review.
- 2) The TPA shall attend all settlement conferences as outlined in the Claims Administration Service Agreement and, if time permits, shall review the case with the AORMA COMMITTEE prior to the settlement conference or at the next regularly scheduled AORMA COMMITTEE meeting.
- 3) LEGAL COUNSEL shall not settle any litigation by way of any monetary offering without the prior approval of the TPA, in accordance with the Claims Settlement Authority noted in Item 7 below.

**E. Motions/Court Appearances (Excluding Settlements and Trial)**

Appearances shall be made by the selected LEGAL COUNSEL as outlined in the Claims Administration Services Agreement.

**F. Trials**

Appearances shall be made by LEGAL COUNSEL. Trials shall be attended by LEGAL COUNSEL (or designated representative of the MEMBER), and after notification to the PROGRAM DIRECTOR.

**G. Special Situations and Circumstances**

Should any MEMBER send or receive correspondence or documentation on a case in litigation, a copy of all such correspondence or documentation must be sent to the TPA.

Expenses incurred by LEGAL COUNSEL (or approved alternate representative) for duties outlined in Sections 5 and 6

-shall be reimbursed by AORMA and allocated directly to the case file. All travel expenses shall be in accordance with the CSURMA's travel policy.

**H. Audit of Defense Firms**

The TPA reserves the right to order an independent legal billing audit if in his or her discretion, the LEGAL COUNSEL billings do not comply with AORMA's Liability Litigation Management guidelines or are excessive and/or unwarranted. Payment of any LEGAL COUNSEL billings shall not constitute a waiver of AORMA's right to seek reimbursement of any excessive or unwarranted billings disclosed by an independent legal billing audit. If an independent legal billing audit is ordered, The AORMA Committee, with input from the TPA, shall determine who shall pay for the independent legal billing audit.

**7. LIABILITY CLAIMS SETTLEMENT**

**A. Claim Settlement Authority**

The following guidelines apply to settlement authority of the AORMA Self-Insured Retention Liability Fund policy:

**1) \$0 to 25,000 – Claims Administrator (TPA)**

The TPA has authority to settle each OCCURRENCE up to, and including, \$25,000 in indemnity payment or \$25,000 per claimant if more than one claimant is a party to the OCCURRENCE.

**2) \$25,001 to POOLED LAYER LIMIT – AORMA COMMITTEE**

The AORMA COMMITTEE has authority to authorize claims settlement up to the POOLED LAYER LIMIT per OCCURRENCE.

All of the foregoing notwithstanding, if time is of the essence in a specific matter, the AORMA Committee Chair, First Vice Chair, and Second Vice Chair, on the advice of the TPA, shall have authority to determine the terms of an emergency settlement up to the POOLED LAYER LIMIT upon the agreement of a majority consisting of at least two participants, provided that no member involved in the specific matter may participate in the determination. Any determination reached under this paragraph shall be reported to the AORMA COMMITTEE at the next regularly scheduled meeting.

The CSURMA Secretary-Auditor may participate in any legal proceeding and represent the interests of the AORMA Programs.

**B. Liability Claims Settlement Responsibility**

AORMA COMMITTEE shall have the primary responsibility to control and direct settlement negotiations and to determine the terms of any settlement. However, before effecting any settlement, the AORMA COMMITTEE shall comply with the

provisions of the MEMORANDUM OF COVERAGE, which pertain to settlement of claims, including provisions that require the AORMA COMMITTEE to give notice to the MEMBER of the terms of the proposed settlement and to request the MEMBER's consent. AORMA COMMITTEE's notice to the MEMBER shall refer specifically to any provisions by the MEMORANDUM OF COVERAGE which, in the absence of the MEMBER's consent to the proposed settlement, would require the MEMBER to assume all future responsibility for Defense of the claim and for any risk of loss which might ensue. The notice shall also inform the MEMBER that AORMA's obligation to pay for the Defense of the claim may terminate immediately if the MEMBER does not consent to the proposed settlement.

**C. Member Appeal Process**

**First Level Appeal** - If a MEMBER wishes to appeal a decision resulting from the enforcement of this policy & procedure, the MEMBER must present an appeal in writing to the AORMA COMMITTEE within 30 days of the disputed decision. The AORMA COMMITTEE will review the appeal at its next regularly scheduled meeting and inform the MEMBER within five business days of its final decision.

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

**DEFINITIONS:**

1. **AORMA** - The Auxiliary Organizations Risk Management Alliance, is a group of programs under the California State University Risk Management Authority representing the California State University auxiliary organizations.
2. **AORMA COMMITTEE** - The governing body of AORMA.
3. **CSURMA** - The California State University Risk Management Authority, a Joint Powers Authority comprised of the California State University and its Auxiliary Organizations.
4. **CSURMA EXECUTIVE COMMITTEE** - The California State University Risk Management Authority Executive Committee.
5. **LEGAL COUNSEL** - Any attorney selected to represent an AORMA member. Legal Counsel is selected from the approved legal counsel list maintained by the TPA.
6. **MEMBER** - Any Auxiliary Organization participating in AORMA.
7. **MEMORANDUM OF COVERAGE** – The **AORMA** Liability Program **MEMORANDUM OF COVERAGE** is a governing document which outlines the **AORMA** Liability Program’s definitions, coverages, exclusions and provisions. The **AORMA** Liability Program **MEMORANDUM OF COVERAGE** does not provide insurance, but instead provides for pooled-insurance. The **MEMORANDUM OF COVERAGE** is a negotiated agreement among the **MEMBERS** of **CSURMA AORMA**.
8. **OCCURRENCE** - As defined within the AORMA Liability Program **MEMORANDUM OF COVERAGE**.
9. **PARTICIPATION AGREEMENT** - A governing document of AORMA. Outlines the roles and responsibilities of AORMA and its membership.
10. **POOLED LAYER LIMIT** - The Self-Insured Retention Liability Fund’s maximum limit of liability. ~~Currently, the pooled layer limit is \$350,000 per OCCURRENCE.~~
11. **PROGRAM DIRECTOR** – The Program Director is under the direction of the AORMA and is responsible for the day-to-day administration and management of AORMA programs.
12. **TPA** - A Third Party Claims (TPA) claims administrator whose responsibilities include claim handling, litigation management and excess liability carrier reporting.



## CSURMA AORMA

## POLICY AND PROCEDURE NO. L-4

**SUBJECT:** EMPLOYEE DRIVING STANDARDS

**ADOPTED:** JULY 1, 2002

**AMENDED:** JANUARY 10, 2007  
NOVEMBER 5, 2007  
OCTOBER 8, 2009  
JUNE 17, 2010  
OCTOBER 23, 2014  
MAY 5, 2016  
MAY 7, 2020

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

### **POLICY:**

Each MEMBER shall institute and enforce the employee and volunteer driving eligibility standards as set forth in this policy and procedure. Employees and volunteers failing to meet these driving eligibility standards will be excluded from automobile liability coverage within the pooled layer of the AORMA LIABILITY COVERAGE PROGRAM, but not the Reinsurance and/or Excess Liability Insurance. In addition, if AORMA is required to make payments for any covered loss as a result of any MEMBER's failure to comply with these driving eligibility standards, AORMA will be entitled to recover the total amount of those payments from the MEMBER together with interest at the legal rate.

### **DRIVING ELIGIBILITY STANDARDS:**

1. Employees and volunteers must possess a valid California driver's license or equivalent to legally operate the class of vehicle(s) they operate in their employment.
2. Employees or volunteers driving on auxiliary organization business will have no more than 3 (three) VIOLATION POINTS in a 12 (twelve) month period or no more than 5 (five) VIOLATION POINTS in an 18 (eighteen) month period. Employees or volunteers accumulating 4 VIOLATION POINTS within a 12 (twelve) month period or six VIOLATION POINTS within an 18 (eighteen) month period will be excluded from the automobile liability coverage within the AORMA LIABILITY COVERAGE PROGRAM. These provisions apply regardless of whether or not the driving that resulted in acquiring the VIOLATION POINTS was or was not in the course of employment.

**PROCEDURE:** The following steps should be taken to enforce the policy:

## CSURMA AORMA

## POLICY AND PROCEDURE NO. L-4

1. MEMBERS will enroll all REGULAR DRIVERS in the Department of Motor Vehicles (DMV) Employer Pull Notice program. REGULAR DRIVERS is defined to be either an employee or volunteer whose job requires that ~~he or she~~they drive more than once a week or an employee or volunteer whose primary duty is driving-related. The MEMBER shall annually confirm compliance with this requirement. OCCASIONAL DRIVERS are exempt from Item 2 of the DRIVING ELIGIBILITY STANDARDS. Some examples of an OCCASIONAL DRIVER are as follows:
  - a. An employee or volunteer driving once a week or less to the store for office supplies.
  - b. An employee or volunteer driving a golf cart on campus, regardless of how often.
  - c. An employee or volunteer driving a rented vehicle while out of town at a business-related conference.
2. All REGULAR DRIVERS will be informed of the DRIVING ELIGIBILITY STANDARDS.
3. ~~Names of all REGULAR DRIVERS not meeting the DRIVING ELIGIBILITY STANDARDS will be provided to the Program Administrator within 15 calendar days upon the MEMBER's receipt of the DMV employers' notification of point assignment, resulting in a REGULAR DRIVER's failure to comply with the DRIVING ELIGIBILITY STANDARDS. The Program Administrator will acknowledge exclusion from coverage of such employee or volunteer by the issuance of an amendatory endorsement. The employee or volunteer shall be considered uninsured as of the date of such an endorsement from the Program Administrator. The Program Administrator should be notified when the MEMBER determines that the REGULAR DRIVER's driving record is in compliance with the DRIVING ELIGIBILITY STANDARDS.~~

~~The Program Administrator will, upon receipt of such notice as described in #3 above, issue an endorsement reinstating coverage for such employee or volunteer.~~

4. **Use of Personal Vehicles on Auxiliary Organization Business** - If an employee or volunteer uses a personal vehicle in the course and scope of AUXILIARY ORGANIZATION BUSINESS, the MEMBER shall verify that the employee or volunteer maintains personal automobile liability insurance and that the employee's or volunteer's personal vehicle is in safe mechanical. ~~condition as defined by State of California 2007 Vehicle Code, General Provisions, Division 12. A sample form is attached to this policy and procedure.~~

### MEMBER APPEAL PROCESS:

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



## **CSURMA AORMA**

## **POLICY AND PROCEDURE NO. L-4**

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



**DEFINITIONS:**

**AUXILIARY ORGANIZATION BUSINESS** – Performance by an employee, with the permission of the employer of those duties required by the employer for employment. This does not include employee travel to or from the place of employment.

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

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

**AORMA LIABILITY COVERAGE PROGRAM** – The AORMA Liability Program which is detailed in the Liability Program Memorandum of Coverage.

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

**EMPLOYER PULL NOTICE PROGRAM** – A program administered by the DMV which alerts an employer anytime an employee registered in the Program has any negativity of his or her driving record.

**EXECUTIVE COMMITTEE** – The CSURMA Executive Committee.

**MEMBER** – The MEMBER is a signatory to the CSURMA Joint Powers Authority.

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

**REGULAR DRIVER** – An auxiliary organization employee or volunteer whose job requires that ~~he or she~~they drive more than once a week or whose primary duty is driving-related.

**VIOLATION POINT** – As defined by the Department of Motor Vehicles’ Vehicle Code Violations at <http://www.dmv.ca.gov/dl/vioptct.htm>.

**OCCASIONAL DRIVER** – An auxiliary organization employee or volunteer who drives (1) once a week or less, (2) a golf cart on campus, regardless of how often.

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



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. L-4**

**AUTHORIZATION TO USE PRIVATELY-OWNED VEHICLES ON AUXILIARY BUSINESS**

Approval is requested to use a privately owned vehicle to conduct official Auxiliary Organization business.

*I hereby certify that*, whenever I drive a privately owned vehicle on Auxiliary business;

- I will have a valid driver's license
- I will maintain auto liability insurance with the minimum limits prescribed by State Law (\$15,000 for personal injury to, or death of one person; \$30,000 for injury to, or death of, two or more persons in one accident; \$5,000 property damage.)
- I will have evidence of auto liability insurance in the privately owned vehicle at all times
- The privately owned vehicle will be adequate for the work to be performed
- The privately owned vehicle will be equipped with safety belts in operating condition
- The privately owned vehicle, to the best of my knowledge, will be in a safe mechanical condition as required by law
- I understand that the mileage rate I receive is full reimbursement for the cost of operating the privately owned vehicle, including fuel, maintenance, repairs and both auto liability and physical damage insurance
- All accidents will be reported within 48 hours
- Should I get into an accident, I understand that the insurance policy covering the privately owned vehicle will respond to the accident - the Auxiliary will NOT provide primary insurance coverage**
- I understand that permission to drive a privately owned vehicle on Auxiliary business is a privilege which may be suspended or revoked at any time.

DRIVER'S LICENSE NUMBER	STATE	EXPIRATION DATE
EMPLOYEE'S SIGNATURE	PRINT NAME	DATE SIGNED

**II. APPROVAL**

*Use of a privately owned vehicle Auxiliary Organization business approved.*

APPROVING AUTHORITY SIGNATURE	TITLE	DATE APPROVED
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**III. RENEWAL**

*I have reviewed the above certification and approval and certify that the information provided is correct and valid.*

EMPLOYEE'S SIGNATURE	APPROVING AUTHORITY SIGNATURE	DATE APPROVED
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*I have reviewed the above certification and approval and certify that the information provided is correct and valid.*

EMPLOYEE'S SIGNATURE	APPROVING AUTHORITY SIGNATURE	DATE APPROVED
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**CSURMA AORMA**

**POLICY AND PROCEDURE NO. L-6**

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**SUBJECT:** **REQUIREMENT THAT PARTICIPANT ACCIDENT INSURANCE BE PURCHASED FOR ALL CHILD CARE AND CAMP OPERATIONS INVOLVING MINORS**

**ADOPTED:** **JUNE 17, 2010**

**AMENDED:** **OCTOBER 23, 2014**  
**MAY 5, 2016**

**EFFECTIVE:** **JUNE 17, 2010**

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

**POLICY:**

It is the policy of the AORMA that MEMBERS will protect the CSURMA program assets by purchasing a separate PARTICIPANT ACCIDENT INSURANCE policy for all child care and camp operations involving minors.

**PROCEDURE:**

MEMBERS will purchase PARTICIPANT ACCIDENT INSURANCE for all child care and camp operations involving minors. The each accident limit shall be no less than \$10,000; however, higher limits may be purchased. The coverage may be purchased on a primary or excess basis.

**MEMBER APPEAL PROCESS:**

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

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



**DEFINITIONS:**

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

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

**MEMBER** – The MEMBER is a signatory to the CSURMA Joint Powers Authority.

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

**PARTICIPANT ACCIDENT INSURANCE** – This coverage pays for medical and dental expenses incurred by a participant in a MEMBER sponsored activity as a result of bodily injury sustained without regard to negligence. The MEMBER has no requirement of legal liability in order for coverage to exist.

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



**CSURMA AORMA**

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

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

**ADOPTED: MAY 12, 2011**

**AMENDED: JULY 1, 2011  
DECEMBER 6, 2012  
DECEMBER 5, 2013  
MARCH 19, 2015  
SEPTEMBER 6, 2018**

**EFFECTIVE: JULY 1, 2011**

**POLICY:**

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

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

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

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

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

- 2. Each Member will have the option of electing an EPL deductible in excess of the minimum deductible.
- 3. Should a Member elect an EPL deductible in excess of the minimum EPL deductible, then that Member will be required to maintain the same EPL deductible for three full program years



## **CSURMA AORMA**

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

(July 1<sup>st</sup> to June 30<sup>th</sup>) before selecting a new EPL deductible. EPL deductibles can only be changed at the beginning of the coverage term – July 1<sup>st</sup> of each year. If, however, the formula for determining the minimum EPL deductible results in a deductible level higher than the EPL deductible level elected by the Member, the Member's EPL deductible will increase to the deductible level determined by the formula. Because the election of higher EPL deductibles can only be changed once per every three full program years, CSURMA AORMA strongly recommends a review of prior years' claims and consultation with the JPA Program Administrator before making any decisions regarding these higher EPL deductibles.

4. As outlined in Policy and Procedure L-1, Claims Reporting, it is the policy of CSURMA AORMA that written notice of any claim within the AORMA Liability Coverage Program be given to the Third Party Claims Administrator as soon as practicable. Failure to report a claim is cause for a reduction in or denial of coverage by AORMA.

### **PROCEDURE:**

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

### **DEFINITIONS:**

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

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

**EPL:** Employment Practices Liability.

## Consent to Change Employment Practices Liability Deductible

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

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

### CLAIMS REPORTING PROVISIONS

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

### LATE REPORTING PENALTIES

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

### DEFENSE COVERAGE PROVISIONS

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

### CLAIMS SETTLEMENT PROVISIONS

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

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

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

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

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



## CSURMA AORMA

## POLICY & PROCEDURE UI-1

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<b>SUBJECT:</b>	<b>FORMULA FOR DETERMINING THE UNEMPLOYMENT INSURANCE PROGRAM ANNUAL CONTRIBUTIONS</b>
<b>ADOPTED:</b>	<b>MAY 12, 2010</b>
<b>EFFECTIVE:</b>	<b>JULY 1, 2018</b>
<b>REVISED:</b>	<b>DECEMBER 6, 2012</b> <b>MAY 8, 2014</b> <b>MAY 5, 2016</b> <b>MARCH 9, 2017</b> <b>MAY 4, 2017</b> <b>DECEMBER 7, 2017</b> <b>DECEMBER 6, 2018</b>

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*Should there be any discrepancy between this document and the PARTICIPATION AGREEMENT between the AORMA COMMITTEE and the MEMBER, the PARTICIPATION AGREEMENT will govern.*

### **POLICY:**

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

### **PROCEDURE:**

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

At the end of each fiscal year, the AORMA UIP Fund Balance Report will be distributed to each MEMBER. The Fund Balance Report will include actual paid claims for the fiscal year



rather than estimates. If the MEMBER's fund balance exceeds the minimum fund balance required (two times annual average losses), the following procedures will be followed:

Excess funds will be used to lower contributions for the upcoming fiscal year. Any excess funds remaining after lowering contributions for the upcoming fiscal year can be used as follows;

- 1) The MEMBER can request a one-time transfer of funds to another AORMA Program (AORMA Liability, Workers' Compensation, Property or Crime) to be used to lower contributions for the upcoming fiscal year. For MEMBERS with federal sponsored programs, the MEMBER can request a one-time transfer of funds to the AORMA Workers' Compensation Program; or,
  - 2) The MEMBER can request to receive a refund of the funds in excess of the minimum required fund balance. For MEMBERS with federal sponsored programs, the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federal sponsored programs to determine what percentage of the refund will need to be returned to the federal government; or,
  - 3) The excess funds can remain on account.
3. **Minimum Contribution** - There is no minimum contribution based on paid claims. However, a minimum contribution for administrative costs will be applied according to the Minimum Administrative Costs Schedule approved by the AORMA Committee.
4. **Investment Income / Loss** - The total Investment Income or Loss is allocated to each MEMBER based on its percentage of the total AORMA UIP average fund balance for the preceding fiscal year. The AORMA Committee may decide to defer assessments resulting from unrealized investment losses. For the purpose of calculating the MEMBER's average fund balance, the following formula shall be used:

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

**MEMBER APPEAL PROCESS:**

If a MEMBER wishes to appeal any decision regarding the Formula for Determining Unemployment Insurance Program Annual Deposits Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary-Auditor within 30 days of the disputed decision. The Secretary-Auditor shall place the MEMBER's appeal on the AORMA COMMITTEE's agenda at



## **CSURMA AORMA**

## **POLICY & PROCEDURE UI-1**

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its next regularly scheduled meeting. The AORMA COMMITTEE will review the appeal and inform the MEMBER of the final decision within five (5) business days of the final decision.

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



**DEFINITIONS:**

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

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

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

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

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

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

**UIP** – AORMA Unemployment Insurance Program.



## CSURMA AORMA

## POLICY AND PROCEDURE NO. W-3

(Formerly W-4)

**SUBJECT:** **WORKERS' COMPENSATION CLAIMS  
HANDLING PROCEDURES AND GUIDELINES**

**ADOPTED:** **DECEMBER 8, 2009**

**EFFECTIVE:** **DECEMBER 8, 2009**

**AMENDED:** **SEPTEMBER 16, 2010  
MARCH 20, 2014  
SEPTEMBER 8, 2016  
MARCH 8, 2018**

### **PURPOSE:**

The purpose of this Policy & Procedure is to describe the roles and responsibilities of the Workers' Compensation Third Party Claims Administrator (**TPA**) and the participants in the CSURMA Auxiliary Organizations Risk Management Alliance (**AORMA**) in the reporting and handling of claims.

### **POLICY:**

It shall be the policy of the **AORMA** to ensure that Workers' Compensation claims are administered by the following general guidelines.

### **PROCEDURE:**

- In the event of a Workers' Compensation occurrence likely to involve **AORMA**, written notice regarding the occurrence shall be given by the Member to the **TPA** no later than five (5) calendar days from the date of the Member's knowledge. Such notice shall include the Employer's First Report of Occupational Injury or Illness (Form 5020). The form should include the circumstances of the occurrence, and the names and addresses of any injured parties, and witnesses. The five (5) day requirement to report injuries is a Labor Code requirement.
- The following will serve as the **AORMA** Workers' Compensation Program procedures and guidelines and are based upon the current contract with **TPA**.

### ***Claim Reporting Procedures***

The auxiliaries report all claims to **TPA** via e-mail or fax within five calendar days of notice as required by California Statute by completion of a Form 5020. The Claims Supervisor assigns new losses to appropriate handler for contact and investigation. After an initial investigation, the Claims Examiner makes a determination -as to the appropriate claim type.

Indemnity claims will be managed by the Claims Examiner. Medical First Aid Only claims will be managed by the Claims Support Associate. Medical First Aid Only claims are defined as claims estimated at less than \$3,000 in medical costs, no anticipated permanent disability and with no loss of work.

Record Only claims in the Juris (Sedgwick claims system) are considered “Incident Only” claims. This claim type does not have a claims status attached to it. It is neither open nor closed. It serves as a reporting function only.

All new indemnity claims will be reviewed by the Claims Supervisor within 5 (five) working days of receipt by **TPA** or within 5 (five) days of conversion to indemnity claim.

### ***Initial Investigation***

The Claims Examiner will conduct a thorough investigation to determine compensability immediately upon receipt of the claim. The Claims Examiner makes all the initial contacts necessary to make this determination and will follow the question format provided by **TPA** management which outlines the information to be requested for each of the contacts. The Claims Examiner **TPA** will contact the Auxiliary Organization Workers’ Compensation Claim Coordinator (**Coordinator**), the injured employee, and the injured employee’s supervisor and physician. Physician contact is not necessary if (1) a Doctor’s First Report of Occupation Injury or Illness (Form 5021) is in the file, (2) there is no lost time, and (3) there are no disputes.

### ***3-Point Contact – Employee, Employer and Physician***

The Claims Examiner will make 3-Point Contact on all “pending” claims within one business day after receiving notice of the claim. Communication with the injured employee will be available in the employee’s primary language or with translation upon request.

Notice of claim is defined as:

- Notice of a pending claim in Juris.
- Phone call, fax or e-mail from the **Coordinator** (Form 5020)
- Doctor’s First Report of Occupational Injury or Illness (Form 5021)
- Notice of Representation (no contact with injured employee)
- Application of Adjudication of Claim (no contact with injured employee)
- DWC-1 Claim Form

If the **TPA** receives the first notice of claim, **TPA** will notify the **Coordinator** of the details of the claim, request additional information from the **Coordinator** as needed and set up the claim in Juris. The **Coordinator** will complete the Form 5020.

If it is determined after initial contact that a claim is a First Aid, the claim will be closed. If later a bill is received, the file will be reopened for payment of the bill and closed.

If the Claims Examiner/Claims Support Assistant is unable to complete all the initial contacts, the Claims Examiner will continue contact attempts for three days. Should the contact attempts be unsuccessful a “Call Me Card” or e-mail will be sent to contact the respective party. All attempts at communication will be documented in Notepad. Documentation of a “Call Me Card” will be stored in Correspondence. Assistance from the **Coordinator** must be requested if contact with the injured employee cannot be made after three unsuccessful attempts. The work and home telephone number of the injured employee is a required field for a “pending” claim and therefore needs to be made available to the Claims Examiner. Alternative contact numbers, email addresses or a mailing address can be requested if the Claims Examiner is unable to make contact.

***No claim will be accepted without completion of the 3-point contact unless there is concurrence from the Coordinator.***

3-Point Contact will be documented in Juris on the day the contact occurs.

The **Claims Supervisor** review of all new claims at five days will ensure that contact is completed and documented. If contact is complete, the **Claims Supervisor** will so note in Notepad. If contact is not complete, the **Claims Supervisor** will document in Notepad the contacts that need completion and require that the Claims Examiner continue contacts until all have been completed. The **Claims Supervisor** will keep the file on close diary until all contacts are made.

### ***Acceptance/Denial Issues***

If the Claims Examiner determines that a claim should be denied, the Claims Examiner will notify the **Coordinator** of the investigation results and recommendation to deny benefits prior to notifying the injured employee. All recommendations for denials must be approved by the **Claims Supervisor** and documented in Notepad. All denied claims will have a reason for the denial entered in the claim system.

If the injured worker does not pursue a claim, **TPA** will not delete the claim. The Claims Examiner/Claims Support Assistant will notify the employee in writing of Sedgwick’s confirmation and understanding that the employee does not wish to pursue the claim. The claim will be coded with an appropriate claim type (e.g., Record Only, Medical Only, Indemnity, etc.)

The Claims Examiner has fourteen (14) days to determine if a claim will be delayed. Medical treatment will continue to be provided during the ninety (90) day discovery period up to a limit of \$10,000, per labor code statute, or until the case is denied.

The Claims Examiner has up to ninety (90) days to make a compensability decision. The ninety (90) days starts with the employer’s knowledge of injury.

### ***Initial Documents***

The DWC-1, 5020 and 5021 forms are required documents in the claim file. If the DWC-1 is not in the file, evidence of attempts to solicit the DWC-1 form must be in the file. All are required in every claim file prior to closure.

If the **Claims Examiner/Claims Support Assistant** does not have the DWC-1 form when completing set-up of the claim, a claim form will be forwarded to the employee's home address immediately upon receipt of the notice of injury unless it is noted that a DWC-1 claim form was not provided by the **Coordinator**.

If the DWC-1 is not received within sixty days, the **Claims Examiner/Claims Support Assistant** will notify the **Coordinator** via email. This process applies to accepted claims only.

A copy of the 5020 DWC-1, and the 5021 will be clearly documented in SIR (Scanned Information Retrieval system). If a 5021 has not been submitted, the file must contain a copy of a request for the 5021. The 5021 request will be saved to the claim in Juris Correspondence.

A claim must not be closed without these documents, or proof that the DWC-1 was provided to the employee, in the claim file.

### ***Medical Releases***

**TPA** will request Medical Releases within five (5) working days of file make-up on all files. If the signed release is not returned within fourteen (14) days, and the injury has not resolved (such as in a Medical Only claim), the **Claims Examiner/Claims Support Assistant** will contact the **Coordinator** and request assistance. The process applies to Indemnity files as well as Medical Only files where treatment is continuing beyond the fourteen days.

Upon receipt of the medical release, **TPA** will order appropriate medical records as needed.

### ***Medical Direction and Control***

The **Claims Examiner/Claims Support Assistant** is responsible for coordinating the provision of prompt, appropriate and effective medical treatment for auxiliary employees. The **Claims Examiner/Claims Support Assistant** will exercise all reasonable efforts to obtain current physician reports in accordance with CCR 9785 (California Code of Regulations concerning treating physicians) on all claims where medical treatment is active.

Within fourteen (14) calendar days of notification of change of treating physician, the **Claims Examiner/Claims Support Assistant** will send the complete medical file with CCR 9785 notification to the treating physician.

If the injured employee is absent from work, notification of the auxiliary organization's return to work policy, and the injured worker's job description, if necessary, will be sent to the treating physician. Notification will be by letter and available in Correspondence.



A copy of CCR 9785 will be sent to the treating physician within five (5) working days upon any request made by the workers' compensation auxiliary **Coordinator**.

The Claims Examiner will request updated medical reports on Future Medical (FM) claims where treatment is being sought. On non-active FM claims, the Claims Examiner will document a strategy for administrative closure.

The Claims Examiner will document requests for authorization of treatment procedures in the Juris Notepad. The **Claims Examiner/Claims Support Assistant** will respond to requests for authorization of treatment and surgery on accepted cases in accordance with Utilization Review guidelines and requirements.

The treatment plan will be documented in Juris Notepad including the next treatment date. The **Claims Examiner/Claims Support Assistant** will document any medication, by name, which has been authorized by the physician for the employee in Juris Notepad. Updates will be requested as medication changes.

No agreement to utilize an AME will be made without the approval of the Claims Examiner. In litigated cases, the Claims Examiner will notify the defense attorney of this requirement.

All bills will be paid or objected to within thirty (30) calendar days from date-stamp receipt.

### ***Documentation***

**TPA** will caption all Juris Notepad entries using appropriate Juris system-defined headings. All entries will contain documentation with appropriate detail, identify the issues of the claim, and describe the plan of action being taken to resolve these issues. An Action Plan will be documented in Juris Notepad every ninety (90) days on Indemnity files and every one hundred eighty (180) days on Future Medical files.

Medically authorized restrictions will be documented in the Juris Notepad and updated every time the restrictions are modified by the physician.

Medical records that are received via medical release or subpoena must be summarized in Juris Notepad.

### ***Diary***

#### **CLAIMS EXAMINER DIARY**

Every active indemnity file will be reviewed at least once every thirty (30) days. Diary activity will include contact with unrepresented injured employees, at minimum, every sixty (60) days. Claims with ongoing temporary disability benefits will be reviewed every fourteen (14) calendar days. Review includes a phone call to the treating physician to determine return to work capability. Documentation of the review and verification of disability will appear in Notepad.

Future medical diary is no less than one hundred eighty (180) days as warranted by activity on the claim. Future Medical cases are defined as claims where the only benefit obligations are the payment of awarded permanent disability and undisputed future medical care.

***Follow-up telephone contact will be made with unrepresented injured employees who are losing time from work every fourteen (14) calendar days. Follow-up telephone contact with all other unrepresented injured employees must occur at a minimum every sixty (60) days (Future Medical file excluded).***

#### CLAIMS SUPPORT ASSISTANT DIARY

Medical Only claims will be reviewed at minimum at sixty days. At ninety (90) days, the Claims Support Assistant will review for conversion to Indemnity or closure.

#### SUPERVISOR DIARY

Claims Supervisor will review all new indemnity claims five (5) days after receipt. The Claims Supervisor will re-set a diary on each new claim as appropriate depending on the severity of the issues or medical treatment but no less than one hundred eighty (180) days. Delayed claims will be reviewed at forty-five (45) and eighty (80) days within the first ninety (90) days. Acceptance after delay and denials will be reviewed and approved by the manager. These reviews will be documented under the Management Review heading in the claim Notepad.

Supervisors will effectively manage assignments of **Claims Examiner/Claims Support Assistant** personnel to ensure caseloads are meeting the claims handling standards. An inventory count by claim type will be kept for each Claims Examiner's caseload on a monthly basis.

#### ***Temporary Disability***

Temporary disability is paid every two weeks.

Verification of the employee's disability is the responsibility of the Claims Examiner. The Claims Examiner must verify with the treating physician that the employee is unable to work his/her customary job duties, or able to return to work either in a modified position, or at his/her regular job duties.

The Claims Examiner should contact the physician, if necessary, and/or confirm through medical reporting medical verification of disability every two weeks to coincide with the temporary disability check issuance. Potential for return to work must be discussed and documented. Restrictions will be clarified and discussed with the **Coordinator** for return to work possibilities.

#### ***Litigation***

**TPA** is to utilize approved auxiliary organization defense counsel in every case. The Claims Examiner will make the selection of counsel on each claim in coordination with the **Coordinator**. **TPA** recommends use of defense counsel as required by its defense counsel referral criteria.

However, referrals will be made at the request of the **Coordinator** as well. **TPA** requires that defense counsel adhere to **AORMA**'s Defense Counsel Guidelines. These guidelines will be included with each litigation referral.

**TPA** will notify the **Coordinator** upon receipt of an Application for Adjudication of Claim within five (5) working days. **TPA** will assign claims to Counsel within five days after receipt of notice of approval from the **Coordinator**. **TPA** will notify the **Coordinator** by telephone or email of assignment to Counsel on a claim, and confirm by sending the **Coordinator** a copy of the letter to the selected Counsel confirming engagement.

Case analysis is to be provided by counsel within thirty days of referral. A copy of the initial case analysis will be sent to the **Coordinator** and documented in the Juris Notepad. The Claims Examiner will follow up with the defense attorney if a case analysis is not received within thirty (30) calendar days from date of referral. Subsequent reports will be sent to **TPA** and the **Coordinator** depending on the activity of the claim, but no less frequently than ninety (90) days.

The Claims Examiner will continue to manage the file, including performing administrative tasks, such as setting medical appointments, appointment letters and medical record requests. These tasks are to be completed by **TPA** staff with few exceptions.

The Claims Examiner will audit all attorney bills for appropriateness of payment.

The Claims Examiner and the **Coordinator** will determine who should attend hearings.

#### ***Mandatory Settlement Conference at WCAB***

Upon notification of the Mandatory Settlement Conference (MSC) date, the following procedure will occur:

In litigated cases, a request for authority will be sent to **AORMA** thirty (30) days prior to defense counsel filing a Declaration of Readiness to proceed, or five (5) days after receipt of the Declaration of Readiness to proceed from applicant's counsel. Thirty (30) days prior to defense counsel filing a Declaration of Readiness to Proceed, **TPA** will provide **AORMA** and Member with a comprehensive case review and/or SAR (settlement authorization request).

**TPA** will attend an MSC as deemed necessary.

Subrogation will be pursued when appropriate unless otherwise indicated by the **Coordinator**. If any legal action must be filed in any court other than the Workers' Compensation Appeals Board on behalf of the auxiliary organization, **TPA** must have approval from the CSURMA **AORMA** Committee.

### ***Communications***

TPA Supervisor and Claims Examiner for TPA will utilize professional, courteous and effective communication skills at all times and will respond to telephone and email inquiries within one (1) working day. All e-mail communications that are pertinent to a particular claim should be placed in the Juris Notepad.

### ***Index System***

TPA will index all disputed or lost time injury claims at claim setup and annually thereafter relying on Sedgwick's account number with the Index System.

### ***Reserving***

The initial reserve will be set up within five (5) working days of the receipt of the claim. Claims are to be reserved on a "most probable ultimate cost" basis from the date the claim is set up. Reserve amounts will be evaluated and adjusted on a regular basis, but at a minimum, within thirty (30) days of any event or change in medical prognosis that will affect the ultimate outcome of the claim. Reserves should also be reviewed concurrent with Diary and Action Plan review. "Stair-stepping" is to be avoided. All reserve calculations will be clearly reflected in the claim file.

Sedgwick Claims Supervisors will review all reserve changes above the authority of each Claims Examiner.

Reserves will be reviewed with each action plan.

### ***Investigations***

TPA recommends use of outside investigators as required by their claim investigation criteria and best practices. In addition to manager or supervisor approval, assignment of an outside investigator requires prior contact, approval and coordination with the **Coordinator**.

***OSHA Reporting –The members bear the responsibility to complete a manual OSHA log as required by California law.***

### ***Resolution***

Upon receipt of any permanent and stationary report, the Claims Examiner will determine if the disability described in the report is appropriate for the circumstances of the injury. The Claims Examiner may self-rate if the disability is clear. However, **AORMA** prefers that the Claims Examiner solicit an independent rating prior to issuing advances. Based on what is learned from the rating, additional clarification may be needed from the physician. The Claims Examiner will seek clarification from the physician or object as appropriate.

Upon receipt of the supplemental report with the clarifying information, the Claims Examiner may need to solicit an additional independent rating in order to ensure that the Claims Examiner is confident of the total value of permanent disability. If the dollar amount of the rating and/or the



dollar value of the total amount of permanent disability advance to be made exceed(s) \$25,000, the Permanent Disability Benefit letter requires approval from a supervisor.

Within five (5) calendar days after the Claims Examiner has determined that the report is appropriate, the Claims Examiner will submit the report to the Disability Evaluation Unit (DEU) for a Summary Rating.

A Settlement Authority Request (SAR) must be submitted to the Operations Manager at TPA, the CSURMA AORMA Workers' Compensation Committee or the CSURMA AORMA Committee depending on the level of the settlement value requested in accordance with the Claims Settlement Policy and Procedure. This requires timeliness in getting the independent rating in order to avoid penalties for not issuing a timely permanent disability advance.

Upon receipt of the Summary Rating from the Disability Evaluation Unit (DEU), the Claims Examiner verify the rating used in the SAR and amend the SAR, if necessary.

If the claim is litigated, the Claims Examiner must notify the defense attorney that negotiations cannot begin without authority. The Claims Examiner is responsible for getting that authority to the attorney within two (2) working days of receipt of authority. If applicant's attorney files the Declaration of Readiness to Proceed (DOR) for settlement purposes, the SAR must be submitted within five (5) days of receipt of the notification.

### ***Settlement Authority***

Various levels of settlement authority have been established as respects this AORMA coverage under AORMA Policy & Procedure W-5. The Member has no authority to settle claims.

All settlement authority requests must be presented using the Settlement Authorization Request (SAR) form.

The SAR must be complete and thorough. It must include a brief history of the injury, a description of the permanent disability and its dollar value, the medical prognosis and its dollar value, and any other costs that are included in the proposed settlement. It must include a complete outline of all issues and defenses. All ratings, both applicant and defense must be stated. It must state the Claims Examiner opinion regarding settlement versus taking the case to trial.

Managers must approve all requests for authority.

If a response from the authorizing body is not received in thirty (30) days, the Claims Examiner will notify the Claims Consultant via email. If timing is ***urgent***, this will be indicated in the email along with a deadline date, as well as notifying the Claims Consultant by voicemail.

### ***Return to Work Issues***

The Claims Examiner will provide all information to the **Coordinator** regarding return to work restrictions and permanent modifications immediately upon knowledge.

### ***Excess Carrier Reporting and Settlement Requirements***

Any claim with a date of injury after May 1, 2004 must be reported by **TPA** to the respective excess carrier immediately, but in no event later than ten (10) calendar days from the date the **Coordinator** is notified or becomes reasonably aware of such accident or disease which may involve the excess carrier or includes any of the following:

- a. Injuries to spinal cord (including Cauda Equina), paraplegia, or quadriplegia;
- b. Fatality;
- c. Amputation of a major extremity;
- d. Blindness;
- e. Second degree burns on 25% or more of the body or third degree burns on 10% or more of the body
- f. Serious head or brain injuries (including skull fracture);
- g. Multiple fractures – involving more than one member or any non union of any part of the body;
- h. Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
- i. Massive internal injuries affecting body organs;
- j. Any occurrence which causes serious injury or death to two or more employees
- k. Any occurrence, which results in disability exceeding one (1) year.
- l. Any occurrence that results in permanent and total disability 100% - (including but not limited to 100% by statute: loss of both eyes/sight, loss of both hands (or the use thereof), “practically total paralysis,” brain injury resulting in incurable imbecility or insanity.
- m. Any occurrence that involves unusual exposure to the coverage—examples include sexual molestation, HIV, AIDS, rape, class actions and bad faith allegations, or other serious violation, which may involve excess;

Total incurred in excess of 50% of the Self Insured Retention or per Excess reporting requirements. Attachments to the first report will include:

- Face sheet to include summary of case, pertinent claimant information such as claim number, date of injury, date of birth, date of hire, average weekly wages, TTD, PD rate. The Claims Examiner must list all the issues and the plan of action recommended in order resolving these issues. Any subrogation aspects must be described and discussed.
- Reserve breakdown
- Printout of all payments, sorted by category
- AME, QME, P&S and/or current medical reports advising status of claim (AME = Agreed Medical Evaluator; QME = Qualified Medical Evaluator; P&S= Permanent and Stationary)
- Copies of all Applications filed, Workers’ Compensation Appeals Board (WCAB) Awards & Findings & Awards (F&As)

- Defense attorney evaluation
- Copies of investigation reports
- All notices and legal papers relating to the claim or suit
- Any other pertinent data

Subsequent reports will be made on a quarterly basis (unless excess carrier advises otherwise). Attachments to the subsequent reports will include:

- Face sheet to include summary of case, pertinent claimant information such as claim number, Date of Injury, Date of Birth, Date of Hire, Average Weekly Wage, Total Temporary Disability and Permanent Disability Rate. The report must provide the status of the case and the steps proposed to resolve all the remaining issues.
- Reserve breakdown
- Printout of all payments, sorted by category
- Current medical report(s)
- Any of the prior reporting requirements that occur subsequent to the initial excess report.

The Claims Manager and/or Supervisor will review and authorize all excess reports. The reports will be submitted to the Excess carrier with a hard copy of all attachments. The hard copy attachments are to be submitted only to Excess carrier.

The process is the same for interim status reports and final reporting.

Once confirmation is received from Excess carrier, the Claims Examiner will make a copy of the confirmation for the claim file and update the system that confirmation was received from the Excess Carrier.

If the employee files a Serious and Willful claim, defense costs are not reimbursable by the Excess Carrier. Requests for reimbursement must exclude these costs.

### ***Fraud Claims***

Suspected fraudulent activity (material misrepresentation by the employee) must be reviewed with the Claims Supervisor, the **Coordinator** and the **AORMA** Claims Consultant to determine the merits of the case. The case will also be discussed with the CSURMA SIU manager, J.D Wesson, who serves as the Investigation and SIU oversight manager for AORMA and CSU. The case will be prepared for submission to the District Attorney and Department of Insurance once a decision to refer the case to the authorities has been made. Fraud referral activity will be documented on the claim in Juris Management Review Notepad.

### ***Balance Sheet***

**TPA** will complete a Balance Sheet on all open files at one year from date of injury, annually at the anniversary of claim set up and annually thereafter on each file at SAR evaluation and at closing of the claim. The Balance Sheet will be kept in Correspondence or a hard copy in the claims file.



### ***Escrow Fund***

Changes have been made to the Trustee Account as a result of the transition to Sedgwick's Juris claims system effective July 1, 2016. Sedgwick Claims Management administers benefit payments and expense payments on behalf of AORMA. The account utilized is an AORMA owned account through Wells Fargo. Sedgwick will issue all payments on claims linked to this account. The Client Banking department located in Memphis, TN will prepare monthly reconciliations.

Checks issued over \$50,000.00 require funding verification. Such requests should be forwarded to the **AORMA** Accountant at the CSU Chancellor's Office, along with supporting documentation.

**TPA** will submit replenishment requests **biweekly**.

### ***Check Issuance***

All checks for claims that are linked to this account are issued by Sedgwick. Joey House, Managing Director Accounting and Financial Service and Kevin Hawkins, Sr. Vice President Finance are the facsimile signatures that will be used for all checks. There will be no manual checks under any circumstances.

### ***Reports***

The Claims Manager will provide a monthly report of **TPA** and **AORMA** penalties no later than the 10<sup>th</sup> of each month.

**TPA** will also provide reports to the **Coordinator** for each Member as follows:

Quarterly claim summary report - inception to date

- Claim summary report of all claims created in the last quarter
- Ad hoc reports by client request



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. W-4  
(FORMERLY W-5)**

**SUBJECT: WORKERS COMPENSATION COVERAGE  
CLAIMS SETTLEMENT AUTHORITY**

**ADOPTED: OCTOBER 27, 2005**

**EFFECTIVE: JULY 1, 2005**

**AMENDED: JANUARY 8, 2006  
DECEMBER 8, 2009  
SEPTEMBER 16, 2010  
MARCH 20, 2014  
MAY 5, 2016  
MAY 7, 2020**

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

**POLICY:**

It is the policy of CSURMA Auxiliary Organizations Risk Management Alliance (AORMA) that MEMBERS of the Workers’ Compensation Program shall have the opportunity to participate in the final claim settlement process (i.e. Stipulations with Findings and Award or a Compromise & Release with Findings and Award) as provided for by this policy and procedure. Though Workers' Compensation benefits are mandated and established by State law, the amount and actual settlement of a claim is the responsibility of the THIRD PARTY CLAIMS ADMINISTRATOR (TPA) and/or an attorney selected to negotiate such settlement. It shall be CSURMA AORMA policy that a MEMBER shall have input and be a part of the claim settlement process. Various levels of settlement authority have been established as CSURMA AORMA policy. These levels are as follows:

**WORKERS COMPENSATION CLAIMS SETTLEMENT AUTHORITY:**

1. \$0 to \$25,000 - The TPA shall have authority to settle claims up to, and including \$25,000 per occurrence claim and/or settlement, including liens. Only the Director for the Claims Administrator will hold this authority.
2. \$25,001 to \$50,000 – The CSURMA Secretary-Auditor has authority to authorize claims settlement up to and including \$50,000 per occurrence claim and/settlement, including liens.
3. \$50,001 to Pool Layer Limit – The AORMA COMMITTEE has authority to authorize claims settlement up to the pool layer limit per occurrence claim and/settlement, including liens. The



## CSURMA AORMA

## POLICY AND PROCEDURE NO. W-4 (FORMERLY W-5)

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excess carrier will be involved in accordance with the carrier policy reporting and settlement requirements.

All of the foregoing notwithstanding, if time is of the essence in a specific matter, the AORMA COMMITTEE Chair, First Vice Chair and Second Vice Chair, on the advice of the TPA, shall have authority to determine the terms of an emergency settlement up to the Pooled Layer Limit upon the agreement of a majority consisting of at least two participants, provided that no MEMBER involved in the specific matter may participate in the determination. Any determination reached under this paragraph shall be reported to the AORMA COMMITTEE at the next regularly scheduled meeting.

The CSURMA Secretary-Auditor may participate in any legal proceeding and represent the interests of the AORMA Programs.

### **MEMBER APPEAL PROCESS:**

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

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



## CSURMA AORMA

## POLICY AND PROCEDURE NO. W-4 (FORMERLY W-5)

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### DEFINITIONS:

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

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

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

**MEMBER** – The Member is a signatory to the CSURMA Joint Powers Authority as well as the AORMA Workers' Compensation Program Participation Agreement.

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

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

**TPA** - Third party claims administrator whose responsibilities include claim handling, litigation management and excess liability carrier reporting.



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. W-5  
(FORMERLY W-6)**

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**SUBJECT: VOLUNTEER COVERAGE**

**ADOPTED: JANUARY 12, 2005**

**EFFECTIVE: JANUARY 1, 2005**

**AMENDED: DECEMBER 8, 2009  
MARCH 20, 2014  
MAY 5, 2016  
MARCH 8, 2018  
MAY 7, 2020**

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

**POLICY:**

It is the policy of AORMA to adopt the procedures outlined in this document for purposes of determining AORMA’s exposure to Workers’ Compensation claims of volunteers from each MEMBER wishing to provide Workers’ Compensation coverage to its volunteers.

**PURPOSE:**

The CSURMA AORMA COMMITTEE agreed that coverage would be extended to volunteers per California Labor Code Section 3363.6. This Policy and Procedure describes the process by which an evaluation may take place to determine possible CSURMA AORMA exposures to those MEMBERS wishing to insure Worker’s Compensation claims involving volunteers.

**BACKGROUND:**

California Labor Code Section 3363.6 provides that a person who performs voluntary service without pay for a private, nonprofit organization, as designated and authorized by the board of directors of the organization, shall, when the board of directors of the organization, in its sole discretion, so declares in writing and prior to the injury, be deemed an employee of the organization for the purposes of Workers’ Compensation while performing such service.

Labor Code Section 3363.6 incorporates the following definition: “voluntary service without pay” shall include:

1. The performance of service by a parent, without remuneration in cash, when rendered to a cooperative parent participation nursery school if such service is required as a condition of participation in the organization.

2. The performance of services by a person who receives no remuneration other than meals, transportation, lodging or reimbursement for incidental expenses.

**PROCEDURES:**

The following steps will be taken by AORMA MEMBERS to affect the policy:

1. Each MEMBER electing to cover volunteers for Workers' Compensation claims shall provide the Program Administrator a copy of the MEMBER's board resolution declaring that its volunteers shall be deemed employees for the purposes of Workers' Compensation.
2. MEMBERS choosing not to cover volunteers shall file a written statement with AORMA stating that Workers' Compensation coverage shall not be provided to volunteers. This written statement shall also acknowledge that AORMA will not cover the MEMBER's volunteers for Worker's Compensation claims.
3. Beginning in January 2010, the Program Administrator may evaluate the actual losses from volunteers for each MEMBER for the prior Program Year and provide a report of AORMA's volunteer exposure to the AORMA ~~PROGRAMS~~ COMMITTEE at its next scheduled meeting for further information and direction as may be needed to ensure the rating integrity of the plan.

**MEMBER APPEAL PROCESS:**

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

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

**DEFINITIONS:**

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

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

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**MEMBER** – The Member is a signatory to the CSURMA Joint Powers Authority as well as the AORMA Workers’ Compensation Program Participation Agreement.

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

~~**PROGRAMS COMMITTEE**—The Programs Committee oversees the management of all programs not otherwise assigned to another committee, including, but not limited to, the Liability, Workers’ Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and Foreign Travel Liability Programs, as well as new program development. The Committee will assist in the review of annual actuarial reports and the development of rating plans for allocation of annual costs, policies and coverage documents. Training, service provider RFP development and selection will also be handled by this Committee. The Programs Committee will act as a liaison to the AOA Human Resources Committee.~~

**CSURMA AORMA BENEFITS PROGRAM REPORT**

**ISSUE:** The Committee Members will hear a verbal report on recent activities.

**RECOMMENDATION:** This is an information item only; no action is required.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA AORMA Employee Benefits Update

# CSURMA AORMA Employee Benefits Update

May 7, 2020

**Alliant**

Tom Quirk, Vice President

Chloe Smith, Account Executive



# Agenda

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- CSURMA AORMA Benefits Committee
- Compliance Resources - COVID-19
- CSURMA AORMA 2021 Benefit Initiatives
- CSURMA AORMA Benefits Program Membership

## CSURMA AORMA Benefits Committee

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- Benefits Committee will provide oversight of CSURMA AORMA Benefits Program including:
  - Program-level Strategy and Benefits Structure
  - Additional Benefit Offerings/Enhancements
  - Marketing & Communications Strategy
  - First Meeting May 8<sup>th</sup>, 2020
- Members to include:
  - Raven Tyson (Chair) – San Diego
  - Maddison Burton – Monterey
  - Stephanie Moreno – Long Beach
  - Daniela Moehlecke – San Marcos
  - Kathryn Weeks – Northridge
  - Rosa Hernandez – Long Beach
  - Jennifer Campbell - University Enterprises, Inc

# Compliance Resources – COVID-19

<https://alliantbenefits.com/covid-19-resources/>

## COVID-19 Resources

Alliant Employee Benefits' COVID-19 Resources page is your go-to resource for

Alliant Employee Benefits

Employer Options for Leave, Wages, and Benefits Based on COVID-19 Related Employee Circumstances

Alliant Employee Benefits

Coronavirus Compliance Guide

FAQs: Furloughs and Layoffs, New Paid Leave Requirements, Cost Containment and Carrier Enrollment Options, and Other Benefit Plan Issues



ALLIANT EMPLOYEE BENEFITS

## Alliant's Coronavirus Workplace Playbook

Alliant Employee Benefits

## Employee Benefits Plan Status Changes Related To COVID-19

April 6, 2020

Options for Benefits Changes due to COVID-19 Related Circumstances

Event	Group Health Plan	Health FSA	Dependent Care FSA	Short Term Disability	Comments
Mid-year cost increase to employee	(In the event that the employee has had a medical event if the cost change is "significant" cost change)	No change permitted.	Any time there is a change	Not applicable.	There is no specific guidance on

Alliant Employee Benefits

04/17/2020

## Relevant Federal, State, and Local Guidance on COVID-19

ALLIANT ALERTS & PODCASTS	ALLIANT ALERTS & PODCASTS	ALLIANT RESOURCE	THINKR RESOURCE	ALLIANT RESOURCE
3/24/2020 Podcast: Furloughs, COBRA, and WARN Act Implications	4/6/2020 Podcast: EFCRA Repeal, Clarifications & Changes	4/3/2020 Leave It to Friday	ThinkR Blog: When Business Threats are Contagious	SABES ACT - Changes to Your Retirement Plan
3/24/2020 Podcast: Practical Implications of the Families First Coronavirus Act	4/2/2020 QOL Releases: Comprehensive EFCRA Repeal	Tips for Managing the New Normal of Remote Work	Tips to Handle an Infectious Disease Outbreak	Cost Containment Checklist
3/23/2020 New York Passes Legislation Providing Sick Leave During COVID-19 Epidemic	4/2/2020 QOL Releases: FAQs on Employee Tax Credits for EFCRA Paid Leave and SABES Act Employee Retention	View, Retiree & Retirement Plans	Work from Home Agreement	Coronavirus Compliance Guide
3/19/2020 Podcast: Families First Coronavirus Response Act Alliant	4/2/2020 QOL Releases: FAQs on Employee Tax Credits for EFCRA Paid Leave and SABES Act Employee Retention	View, Retiree & Retirement Plans	Other Resources	COVID Employer Tax Credit and Loan Options Chart
3/18/2020 Congress Passes the Families First Coronavirus Response Act	3/31/2020 Podcast: Cost Containment and Permitted Carrier Changes	4/3/2020 Release: Managing Leaves in COVID and Beyond	Elms Communications Coronavirus Digital Postcard	COVID Related Leaves and Benefits Chart for Employee Status
3/11/2020 QOL Confirms COVID-19 Testing and Treatment Will not Impact Non-Productive Health Plan Status	3/30/2020 QOL Releases: FAQs on Families First Coronavirus Response Act	THINKR RESOURCE	Government & Other Resources for Workplace Issues	COVID Status Change Chart
3/04/2020 Coronavirus Update: States Implement Special Requirements for Insurance Carriers	3/30/2020 Podcast: SABES ACT, QOL, Supplemental Health Examination, and Paid Sick Leave Provisions	Acknowledgment of Receipt for Company Issued Promise		EFCRA Leave Policy Template
ALLIANT STATE BY STATE GUIDANCE	3/26/2020 Senate Passes the Coronavirus Aid, Relief, and Economic Security Act	Coronavirus (COVID-19) Sample Communication to Employees		EFCRA Leave Request Form
3/20/2020 Release: Federal, State, and Local Guidance on COVID-19	3/26/2020 QOL Releases: Posting on Families First Coronavirus Response Act (FFCRA) and FAQs on Posting	Furlough Letter (COVID-19)		4/10/2020: Leave It to Friday
OTHER RESOURCES		Sample Teleworking Agreement		
CDC Website - Interim Guidance for Businesses and Employers		Sample Work from Home Policy		
EEOC - What Steps Should We Take About the ADA, the Rehabilitation Act and the Coronavirus		Teleworking Checklist		

Jurisdiction	Government Department (with link included)	Overview (relevant details from resource)
Federal	Equal Employment Opportunity Commission (EEOC) - Title VII, ADA, etc. Updated March 24, 2020	<p>Q: Before an influenza pandemic occurs, may an ADA-covered employer ask an employee to disclose if he or she has a compromised immune system or chronic health condition that the CDC says could make him or her more susceptible to complications of influenza?</p> <p>A: No. An inquiry asking an employee to disclose a compromised immune system or a chronic health condition is disability-related because the response is likely to disclose the existence of a disability. The ADA does not permit such an inquiry in the absence of objective evidence that pandemic symptoms will cause a direct threat. Such evidence is completely absent before a pandemic occurs.</p> <p>Q: Are there ADA-compliant ways for employers to identify which employees are more likely to be unavailable for work in the event of a pandemic?</p> <p>A: Yes. Employers may make inquiries that are not disability-related. An inquiry is not disability-related if it is designed to identify potential non-medical reasons for absence during a pandemic (e.g., sheltered public transportation) on an equal footing with medical reasons (e.g., chronic illnesses that increase the risk of complications). The inquiry should be structured so that the employee gives one answer of "yes" or "no" to the whole question without specifying the factor(s) that apply to him. The answer need not be given anonymously.</p> <p>Q: May an employer require new entering employees to have a post-offer medical examination to determine their general health status?</p> <p>A: Yes, if all entering employees in the same job category are required to undergo the medical examination and if the information obtained regarding the medical condition or history of the applicant is collected and maintained on separate forms and in separate medical files and is treated as a confidential medical record.</p> <p>Q: May an ADA-covered employer send employees home if they display influenza-like symptoms during a pandemic?</p> <p>A: Yes. The CDC states that employees who become ill with symptoms of influenza-like illness at work during a pandemic should leave the workplace. Advising such workers to go home is not a disability-related action if the illness is akin to seasonal influenza or the 2009 spring/summer H1N1 virus. Additionally, the action would be permitted under the ADA if the illness were serious enough to pose a direct threat. Applying this principle to current CDC guidance on COVID-19, this means an employer can send home an employee with COVID-19 or symptoms associated with it.</p> <p>Q: During a pandemic, how much information may an ADA-covered employer request from employees who report feeling ill at work or who call in sick?</p> <p>A: ADA-covered employers may ask such employees if they are experiencing influenza-like symptoms, such as fever or chills and a cough or sore throat. Employees must maintain all information about employee illness as a confidential medical record with the ADA. If pandemic influenza is like seasonal influenza or spring/summer 2009 H1N1, these inquiries are not disability-related. If pandemic influenza becomes severe, the inquiries, even if disability-related, are justified by a reasonable belief based on objective evidence that the severe form of pandemic influenza poses a direct threat. Applying this principle to current CDC guidance on COVID-19, employers may ask employees who report feeling ill at work, or who call in sick, questions about their symptoms to determine if they have or may have COVID-19. Currently these symptoms include, for example, fever, chills, cough, shortness of breath, or sore throat.</p> <p>Q: During a pandemic, may an ADA-covered employer take its employees' temperatures to determine whether they have a fever?</p> <p>A: Generally, measuring an employee's body temperature is a medical examination. If pandemic influenza symptoms become more severe than the seasonal flu or the H1N1 virus in the spring/summer of 2009, or if pandemic influenza becomes widespread in the community as assessed by state or local health authorities or the CDC, then employers may measure employee body temperature. However, employers should be aware that some people with influenza, including the 2009 H1N1 virus or COVID-19, do not have a fever.</p> <p>Because the CDC and state/local health authorities have acknowledged community spread of COVID-19 and issued attendant precautions as of March 2020, employers may measure employee body temperature. As with all medical information, the fact that an employer had a fever or other symptoms would be subject to ADA confidentiality requirements.</p> <p>Q: When an employee returns from travel during a pandemic, must an employer wait until the employee develops influenza symptoms to ask questions about exposure to pandemic influenza during the trip?</p> <p>A: No. These would not be disability-related inquiries. If the CDC or state or local public health officials recommend that people who visit specified locations remain at home for several days until it is clear they do not have pandemic influenza symptoms, an employer may ask whether employees are returning from these locations, even if the travel was personal. Similarly, with</p>

## CSURMA AORMA 2021 Benefit Initiatives

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- As the program grows we will work with the Benefits Committee to review and add options that add value and long term savings to the program; 2021 initiatives for consideration include:
  - Employee Self-Service Enrollment Capabilities
  - Life & Disability RFP
  - High Deductible Health Plans (HDHP)
  - Medicare PPO COB Plan
  - Financial Wellness
  - Voluntary Benefits

## CSURMA AORMA Benefits Program Membership

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Current auxiliaries participating in the medical program include:

- University Corp at Monterey Bay
- Aztec Shops, LTD (SDSU)
- Cal State Los Angeles University Auxiliary Services Inc.
- Associated Students of San Diego State
- Cal State University Dominguez Hills Foundation
- California State University San Marcos Corporation CSUSM
- Associated Students Inc., CSULB
- Cal State Fullerton University Auxiliary Services Corp.
- CSULB Research Foundation
- Forty-Niner Shops, Inc.
- NEW 7/1/20: University Enterprises, Inc., CSU Sacramento (UEI)

# CSURMA AORMA Benefits Program Membership

## Medical

Anthem Enrollment	1/1/2019	1/1/2020
<b>\$15 HMO</b>		
Actives	31	31
Non-Medicare Retirees	0	2
Medicare Retirees	<u>0</u>	<u>0</u>
<i>Subtotal</i>	31	33
<b>\$20 HMO</b>		
Actives	165	165
Non-Medicare Retirees	20	14
Medicare Retirees	<u>0</u>	<u>0</u>
<i>Subtotal</i>	185	179
<b>PPO 500-20-10</b>		
Actives	70	65
Non-Medicare Retirees	0	0
Medicare Retirees	<u>0</u>	<u>0</u>
<i>Subtotal</i>	70	65
<b>PPO 500-20-20</b>		
Actives	129	110
Non-Medicare Retirees	18	14
Medicare Retirees	<u>0</u>	<u>6</u>
<i>Subtotal</i>	147	130
<b>PPO Medicare COB EGWP</b>		
Actives	0	0
Non-Medicare Retirees	0	0
Medicare Retirees	<u>64</u>	<u>62</u>
<i>Subtotal</i>	64	62
<b>Anthem Total</b>	<b>497</b>	<b>469</b>

Kaiser Enrollment	1/1/2019	1/1/2020
<b>\$15 HMO</b>		
Actives	457	478
Non-Medicare Retirees	3	15
Medicare Retirees	<u>0</u>	<u>6</u>
<i>Subtotal</i>	460	499
<b>\$20 HMO</b>		
Actives	35	37
Non-Medicare Retirees	0	0
Medicare Retirees	<u>0</u>	<u>0</u>
<i>Subtotal</i>	35	37
<b>KPSA</b>		
Actives	0	0
Non-Medicare Retirees	0	0
Medicare Retirees	<u>39</u>	<u>29</u>
<i>Subtotal</i>	39	29
<b>Kaiser Total</b>	<b>534</b>	<b>565</b>

	1/1/2019	1/1/2020
<b>Medical Grand Total</b>	<b>1031</b>	<b>1034</b>

# CSURMA AORMA Benefits Program Membership

## Dental

Delta Dental DHMO Enrollment	1/1/2019	1/1/2020
DHMO Plan 10A	80	75
DHMO Plan 11A	0	0
DHMO Plan 12A	0	0
<b>Total</b>	<b>80</b>	<b>75</b>

Delta Dental DPPO Enrollment	1/1/2019	1/1/2020
DPPO Plan A	202	207
DPPO Plan B	469	477
DPPO Plan C	83	86
<b>Total</b>	<b>754</b>	<b>770</b>

	1/1/2019	1/1/2020
<b>Dental Grand Total</b>	<b>834</b>	<b>845</b>

## Vision

VSP Vision	1/1/2019	1/1/2020
Signature Enhanced Plan B	194	190
Signature Plan C	217	222
Choice A with Tints	319	329
Choice Plan C with Tints and CVC	115	115
<b>Total</b>	<b>845</b>	<b>856</b>

## Life and Disability

The Hartford	2020 Plan Year
Basic Life	1,396
Voluntary Life	142
Long Term Disability	1,202
Short Term Disability	107



**Thank you!**



**EXCESS INSURANCE RENEWALS AND UNDERWRITER MEETINGS  
 REPORT**

**ISSUE:** Most of CSURMA’s coverage programs renew on July 1. Chancellor’s Office and Program Administrator staff are actively marketing the programs and negotiating renewal terms. At this time the Program Administrator anticipates the major programs will renew as shown in Table 1 below.

Table 1  
**Projected Renewal Cost Change Estimates**

<b>Program</b>	<b>AORMA Percent Change</b>	<b>Campus Percent Change</b>
Excess Liability	+20%	+20%
Property	+20%	+25%
Worker’s Compensation	Flat to 5% decrease	Flat to 5% De
Builder’s Risk	N/A	+5%
Fine Arts	N/A	+10%
SPLIP & SAFECLIP	Flat Rate	Flat Rate
FTIP	Flat Rate	Flat Rate
Aviation	Flat Premium	Flat Premium
Medical Malpractice	N/A	Flat Rate to 10% Increase
Fidelity	+10%	+5%

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

**FISCAL IMPACT:** The cost of the insurance programs will be included in the proposed budget as projected in the rates published to the CSURMA Board and AORMA Committee. Renewals are expected to be within the budgeted amount.

**BACKGROUND:** CSURMA representatives were to meet with CSURMA’s program underwriters in London on April 1 and 2, 2020; however, meetings were cancelled due to travel restrictions related to the COVID-19 pandemic. Instead, conference meetings were held to discuss various renewals.

As a general statement, the pandemic has significant potential impact to the insurance industry depending on how claims are adjusted. Despite most property policies excluding losses caused by virus or disease, there is a legislative effort to force insurers to cover business interruption caused by the COVID-19 pandemic retroactively. Another legislative effort aims to establish a

prospective fund for pandemic caused business interruption backed up by the federal government, similar to the TRIA terrorism fund set up post the 9-11 attacks. As it stands, underwriters are expected to offer renewal terms similar to what was expected before the pandemic, but all policies will have an expanded “communicable disease” exclusion. The Program Administrators believe that even if most business interruption claims are excluded, there will be significant litigation in such lines as directors & officers, healthcare and employment practices that result in significant losses to the insurance industry and causing further price increases. California public entities were already bracing for substantial increases in the liability premiums due to very significant increases in losses from high cost jury verdicts and settlements, and sexual abuse and molestation claims.

Note that the California Commissioner of Insurance has directed insurers to refund premiums on certain lines where the exposure has decreased significantly. For example, personal auto liability exposures are reduced dramatically by the reduction in miles driven. It remains to be seen how this directive will apply across commercial lines and to the reinsurance and non-admitted insurance programs. The Program Administrator is working with underwriters on all lines and has already received indicated relief in the aviation, student placement, clubs, and service learning programs.

Following are comments on the status of programs:

- **Excess Liability** – This program has seen loss development in the first excess layers for both the AORMA and Campus programs. The Program Administrators anticipate rate increases in the lower layers and in the excess layers due to catastrophic losses impacting the entire marketplace. In addition, we anticipate changes in the availability of coverage related to sexual abuse and molestation and traumatic brain injuries. Several underwriters have indicated their intention to reduce limits offered or non-renew certain layers.
- **Property** – Property losses to both the AORMA and Campus programs have increased the past three years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years will likely be again eroded by increases this coming renewal.
- **Workers’ Compensation** – CSURMA has an existing two-year rate agreement. Considering favorable loss development identified by CSURMA’s actuary, the program reinsurer, PRISM (formerly known as CSAC EIA) agreed to reduced rates for a new two year term covering FY 20/21 - 21/22.
- **Builders Risk** – This program is stable and the Program Administrator expects flat rate renewal, though some recent claims activity and general market pressures may result in an increase. Rates are down 25% in recent years.
- **Fine Arts** – This program was launched in 2016 and has had flat rate renewals despite initial losses. The Program Administrator anticipates underwriters will require a rate increase due general market conditions.
- **SPLIP, SAFECLIP & CLIP** – This program continues to perform exceptionally well with no losses and rates will likely be stable.

- **FTIP** – The loss ratio has stabilized at a level acceptable to underwriters. The Program Administrator expects a flat rate renewal and efforts at a Systemwide level to streamline the program should result in administrative efficiency for the campuses.
- **Aviation** – This program has no losses but the market is firming. The Program Administrator expects a flat rate renewal.
- **Medical Malpractice** – This program is at minimum premiums and we expect a flat renewal; however, general market firming may come into play. Markets have general concerns about risks associated with student health services at institutions of higher education.
- **Fidelity** – Claims have come in recently and the Program Administrator expects a premium increase renewal unless loss recoveries are identified prior to renewal.

**PUBLICATION:** This item is for information in the agenda packet and no further publication is anticipated.

**ATTACHMENT(S):** None.

## **FY 2019/20 CSURMA MIDTERM BUDGET AMENDMENTS**

**ISSUE:** The Board of Directors adopted the FY 2019/20 budget at its meeting on May 3, 2019. Upon review of the financial statements at December 31, 2019 (*unaudited*), Staff recommended to the Executive Committee at its meeting in March amending the FY 2019/20 budget as described below:

### AORMA Funds

1. Increase Contributions by \$3,377 to \$12,807,311 for actual contributions.
2. Decrease Reinsurance Premiums by \$96,448 to \$3,415,704 for actual expenditures.
3. Decrease Claim Payments & Legal Expenses by \$224,447 to \$4,923,671 due to updated actuarial reports and loss trends.
4. Increase Insurance Premiums by \$90,342 to \$4,593,844 for actual costs projected to fiscal year end.
5. Increase Workshop/Training Expenses by \$9,985 to \$49,388 to include the additional funding for the AOA Conference

**RECOMMENDATION:** The Executive Committee, at its March meeting, decided to end the practice of amending the CSURMA budget mid-term. Instead, the Executive Committee and AORMA Committee will review a variance report at their meetings in May; however, because the budget for FY 19/20 was amended in March, Staff is providing an overview for the Committee's information only.

**FISCAL IMPACT:** The effect of the above adjustments increases Total Revenues by \$3,377; decreases Total Operating Expenses by \$118,674; Non-operating Revenue are unchanged; resulting in a Total Revenue of \$9,391,607; Total Expenses of \$10,989,871; and Non-Operating Income of \$399,226. The amended budget results in a Net Deficit of \$1,199,038. The Ending Balance at June 30, 2019 is projected to decrease from \$16,630,274 to 15,431,236.

**BACKGROUND:** Staff will be on hand to answer questions during the meeting.

**PUBLICATION:** The amended FY 2019/20 Budget will be uploaded onto the CSURMA website.

**ATTACHMENT(S):**

- a. FY 2019/20 CSURMA Midterm Budget Amendment

# **CSURMA**

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

## **MIDTERM BUDGET AMENDMENTS**

**Executive Committee  
Board of Directors**

**March 6, 2020**

**PROPOSED**

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

MIDTERM BUDGET AMENDMENTS  
**PROPOSED**

**TOTAL: AORMA PROGRAMS**

	<i>Adopted</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	12,803,934	12,807,311	3,377	0.0%
Reinsurance Premiums	-3,512,151	-3,415,704	96,448	-2.7%
<b>Total Operating Revenues</b>	<b><u>9,291,783</u></b>	<b><u>9,391,607</u></b>	<b><u>99,825</u></b>	<b><u>1.1%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	5,148,118	4,923,671	-224,447	-4.4%
Deductible Recoveries	-100,000	-100,000	0	0.0%
Claims Administrators	271,429	271,429	0	0.0%
Management Information System	12,486	12,464	-21	-0.2%
Program Administrators	1,371,548	1,372,960	1,412	0.1%
Brokerage Commissions & Fees	300,721	301,546	825	0.3%
Insurance Premiums (net of brokerage)	4,503,502	4,593,844	90,342	2.0%
Taxes, Assessments & Fees	67,465	67,465	0	0.0%
Actuarial Services	12,434	12,434	0	0.0%
Claims Audit	6,500	6,500	0	0.0%
Coverage Counsel	5,000	5,000	0	0.0%
Program Legal	2,500	2,500	0	0.0%
Miscellaneous Program Services	1,254	1,254	-1	-0.1%
Workshop/Training Expenses	39,402	49,388	9,985	25.3%
Loss Control Expenses	208,557	211,788	3,231	1.5%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-2,088,554	-2,088,554	0	0.0%
Program Committee	5,356	5,356	0	0.0%
Dividend Distributions	1,135,297	1,135,297	0	0.0%
<b>Total Direct Program Expenses</b>	<b><u>10,903,015</u></b>	<b><u>10,784,341</u></b>	<b><u>-118,674</u></b>	<b><u>-1.1%</u></b>

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

MIDTERM BUDGET AMENDMENTS  
**PROPOSED**

**TOTAL: AORMA PROGRAMS**

	<i>Adopted</i> FY 19/20 <u>Budget</u>	<i>Amended</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	4,416	4,412	-4	-0.1%
Executive Committee & Board Expenses	4,025	4,021	-4	-0.1%
JPA Insurance	1,892	2,408	516	27.3%
Memberships, Associations & Dues	5,091	5,086	-5	-0.1%
Chancellor's Office Accounting Services	45,486	45,754	268	0.6%
Chancellor's Office Risk Management Service	128,014	127,891	-122	-0.1%
JPA Accreditation	0	0	0	0.0%
JPA Legal	12,667	12,655	-12	-0.1%
Miscellaneous Expenses	3,251	3,302	51	1.6%
<b>Total General &amp; Administrative Expenses</b>	<b><u>204,844</u></b>	<b><u>205,530</u></b>	<b><u>687</u></b>	<b><u>0.3%</u></b>
<b>Total Operating Expenses</b>	<b><u>11,107,859</u></b>	<b><u>10,989,871</u></b>	<b><u>-117,987</u></b>	<b><u>-1.1%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	399,226	399,226	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>399,226</u></b>	<b><u>399,226</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-1,416,850</u></b>	<b><u>-1,199,038</u></b>	<b><u>217,812</u></b>	<b><u>-15.4%</u></b>
<b>Beginning Retained Earnings</b>	<b>18,047,124</b>	<b>16,630,274</b>	<b>-1,416,850</b>	<b>-7.9%</b>
<b>Ending Retained Earnings</b>	<b>16,630,274</b>	<b>15,431,236</b>	<b>-1,199,038</b>	<b>-7.2%</b>

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

**MIDTERM BUDGET AMENDMENTS**  
**PROPOSED**

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Adopted</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	4,479,810	4,482,612	2,802	0.1%
Reinsurance Premiums	-1,586,492	-1,490,044	96,448	-6.1%
<b>Total Operating Revenues</b>	<b><u>2,893,319</u></b>	<b><u>2,992,568</u></b>	<b><u>99,250</u></b>	<b><u>3.4%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	1,250,814	1,326,233	75,419	6.0%
Deductible Recoveries	-100,000	-100,000	0	0.0%
Claims Administrators	15,000	15,000	0	0.0%
Management Information System	4,139	4,139	0	0.0%
Program Administrators	627,482	627,482	0	0.0%
Brokerage Commissions & Fees	73,977	73,977	0	0.0%
Insurance Premiums (net of brokerage)	222,084	255,680	33,596	15.1%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	5,794	5,794	0	0.0%
Claims Audit	6,500	6,500	0	0.0%
Coverage Counsel	5,000	5,000	0	0.0%
Program Legal	2,500	2,500	0	0.0%
Miscellaneous Program Services	439	439	0	0.0%
Workshop/Training Expenses	13,786	17,286	3,500	25.4%
Loss Control Expenses	94,399	94,415	16	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	2,575	2,575	0	0.0%
Dividend Distributions	942,030	942,030	0	0.0%
<b>Total Direct Program Expenses</b>	<b><u>3,166,518</u></b>	<b><u>3,279,048</u></b>	<b><u>112,530</u></b>	<b><u>3.6%</u></b>

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

MIDTERM BUDGET AMENDMENTS  
**PROPOSED**

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Adopted</i> FY 19/20 <u>Budget</u>	<i>Amended</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	1,545	1,544	-1	-0.1%
Executive Committee & Board Expenses	1,408	1,407	-1	-0.1%
JPA Insurance	662	662	0	-0.1%
Memberships, Associations & Dues	1,781	1,780	-1	-0.1%
Chancellor's Office Accounting Services	15,915	15,905	-9	-0.1%
Chancellor's Office Risk Management Service	44,789	44,762	-27	-0.1%
JPA Accreditation	0	0	0	0.0%
JPA Legal	4,432	4,429	-3	-0.1%
Miscellaneous Expenses	1,138	1,137	-1	-0.1%
<b>Total General &amp; Administrative Expenses</b>	<b><u>71,670</u></b>	<b><u>71,628</u></b>	<b><u>-43</u></b>	<b><u>-0.1%</u></b>
<b>Total Operating Expenses</b>	<b><u>3,238,188</u></b>	<b><u>3,350,676</u></b>	<b><u>112,488</u></b>	<b><u>3.5%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	148,072	148,072	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>148,072</u></b>	<b><u>148,072</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-196,797</u></b>	<b><u>-210,036</u></b>	<b><u>-13,238</u></b>	<b><u>6.7%</u></b>
<b>Beginning Retained Earnings</b>	<b>5,960,436</b>	<b>5,763,639</b>	<b>-196,797</b>	<b>-3.3%</b>
<b>Ending Retained Earnings</b>	<b>5,763,639</b>	<b>5,553,604</b>	<b>-210,036</b>	<b>-3.6%</b>

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

**MIDTERM BUDGET AMENDMENTS**  
**PROPOSED**

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Adopted</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	4,778,732	4,778,732	0	0.0%
Reinsurance Premiums	0	0	0	0.0%
<b>Total Operating Revenues</b>	<b><u>4,778,732</u></b>	<b><u>4,778,732</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	2,513,153	2,213,287	-299,866	-11.9%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	242,429	242,429	0	0.0%
Management Information System	4,586	4,586	0	0.0%
Program Administrators	404,179	404,179	0	0.0%
Brokerage Commissions & Fees	245	245	0	0.0%
Insurance Premiums (net of brokerage)	3,898,698	3,900,699	2,001	0.1%
Taxes, Assessments & Fees	67,465	67,465	0	0.0%
Actuarial Services	6,335	6,335	0	0.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	468	468	0	-0.1%
Workshop/Training Expenses	14,706	18,428	3,722	25.3%
Loss Control Expenses	99,363	99,331	-32	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-2,088,554	-2,088,554	0	0.0%
Program Committee	0	0	0	0.0%
Dividend Distributions	193,267	193,267	0	0.0%
<b>Total Direct Program Expenses</b>	<b><u>5,356,340</u></b>	<b><u>5,062,164</u></b>	<b><u>-294,176</u></b>	<b><u>-5.5%</u></b>

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

MIDTERM BUDGET AMENDMENTS  
**PROPOSED**

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Adopted</i> FY 19/20 <u>Budget</u>	<i>Amended</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	1,648	1,646	-2	-0.1%
Executive Committee & Board Expenses	1,502	1,500	-2	-0.1%
JPA Insurance	706	705	-1	-0.1%
Memberships, Associations & Dues	1,900	1,898	-2	-0.1%
Chancellor's Office Accounting Services	16,977	16,956	-21	-0.1%
Chancellor's Office Risk Management Service	47,778	47,719	-58	-0.1%
JPA Accreditation	0	0	0	0.0%
JPA Legal	4,728	4,722	-6	-0.1%
Miscellaneous Expenses	1,214	1,212	-1	-0.1%
<b>Total General &amp; Administrative Expenses</b>	<b><u>76,453</u></b>	<b><u>76,359</u></b>	<b><u>-93</u></b>	<b><u>-0.1%</u></b>
<b>Total Operating Expenses</b>	<b><u>5,432,792</u></b>	<b><u>5,138,523</u></b>	<b><u>-294,269</u></b>	<b><u>-5.4%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	109,875	109,875	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>109,875</u></b>	<b><u>109,875</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-544,185</u></b>	<b><u>-249,916</u></b>	<b><u>294,269</u></b>	<b><u>-54.1%</u></b>
<b>Beginning Retained Earnings</b>	<b>4,365,448</b>	<b>3,821,263</b>	<b>-544,185</b>	<b>-12.5%</b>
<b>Ending Retained Earnings</b>	<b>3,821,263</b>	<b>3,571,347</b>	<b>-249,916</b>	<b>-6.5%</b>

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

**MIDTERM BUDGET AMENDMENTS**  
**PROPOSED**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Adopted</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 19/20</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Operating Revenues</b>				
Contributions	2,526,617	2,526,617	0	0.0%
Reinsurance Premiums	-1,925,660	-1,925,660	0	0.0%
<b>Total Operating Revenues</b>	<b><u>600,957</u></b>	<b><u>600,957</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	250,000	250,000	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	1,956	1,887	-69	-3.5%
Program Administrators	266,680	266,680	0	0.0%
Brokerage Commissions & Fees	210,048	210,800	752	0.4%
Insurance Premiums (net of brokerage)	199,087	246,173	47,086	23.7%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	218	218	0	0.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	248	247	0	-0.1%
Workshop/Training Expenses	7,775	9,743	1,968	25.3%
Loss Control Expenses	14,795	14,795	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	1,339	1,339	0	0.0%
Dividend Distributions	0	0	0	0.0%
<b>Total Direct Program Expenses</b>	<b><u>952,146</u></b>	<b><u>1,001,883</u></b>	<b><u>49,737</u></b>	<b><u>5.2%</u></b>

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

MIDTERM BUDGET AMENDMENTS  
**PROPOSED**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Adopted</i> FY 19/20 <u>Budget</u>	<i>Amended</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	871	870	-1	-0.1%
Executive Committee & Board Expenses	794	793	-1	-0.1%
JPA Insurance	373	373	0	-0.1%
Memberships, Associations & Dues	1,005	1,003	-1	-0.1%
Chancellor's Office Accounting Services	8,976	9,229	253	2.8%
Chancellor's Office Risk Management Service	25,261	25,230	-31	-0.1%
JPA Accreditation	0	0	0	0.0%
JPA Legal	2,500	2,497	-3	-0.1%
Miscellaneous Expenses	642	641	-1	-0.1%
<b>Total General &amp; Administrative Expenses</b>	<b><u>40,422</u></b>	<b><u>40,637</u></b>	<b><u>215</u></b>	<b><u>0.5%</u></b>
<b>Total Operating Expenses</b>	<b><u>992,568</u></b>	<b><u>1,042,520</u></b>	<b><u>49,952</u></b>	<b><u>5.0%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	33,901	33,901	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>33,901</u></b>	<b><u>33,901</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-357,709</u></b>	<b><u>-407,661</u></b>	<b><u>-49,952</u></b>	<b><u>14.0%</u></b>
<b>Beginning Retained Earnings</b>	<b>2,142,087</b>	<b>1,784,378</b>	<b>-357,709</b>	<b>-16.7%</b>
<b>Ending Retained Earnings</b>	<b>1,784,378</b>	<b>1,376,717</b>	<b>-407,661</b>	<b>-22.8%</b>

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

MIDTERM BUDGET AMENDMENTS  
**PROPOSED**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Adopted</i> FY 19/20 <u>Budget</u>	<i>Amended</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	229,984	230,559	575	0.3%
Reinsurance Premiums	0	0	0	0.0%
<b>Total Operating Revenues</b>	<b><u>229,984</u></b>	<b><u>230,559</u></b>	<b><u>575</u></b>	<b><u>0.3%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	41,877	41,877	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	212	212	0	0.0%
Program Administrators	26,146	26,146	0	0.0%
Brokerage Commissions & Fees *	16,451	16,451	0	0.0%
Insurance Premiums	183,633	191,292	7,659	4.2%
Taxes, Assessments & Fees *	0	0	0	0.0%
Actuarial Services	20	20	0	0.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	23	23	0	0.2%
Workshop/Training Expenses	708	889	181	25.6%
Loss Control Expenses	0	813	813	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	206	206	0	0.0%
Dividend Distributions	0	0	0	0.0%
<b>Total Direct Program Expenses</b>	<b><u>269,275</u></b>	<b><u>277,929</u></b>	<b><u>8,654</u></b>	<b><u>3.2%</u></b>

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

MIDTERM BUDGET AMENDMENTS  
**PROPOSED**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Adopted</i> FY 19/20 <u>Budget</u>	<i>Amended</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	79	79	0	0.1%
Executive Committee & Board Expenses	72	72	0	0.1%
JPA Insurance	34	84	50	147.1%
Memberships, Associations & Dues	91	92	0	0.1%
Chancellor's Office Accounting Services	817	865	48	5.9%
Chancellor's Office Risk Management Service	2,299	2,302	3	0.1%
JPA Accreditation	0	0	0	0.0%
JPA Legal	228	228	0	0.1%
Miscellaneous Expenses	58	58	0	0.1%
<b>Total General &amp; Administrative Expenses</b>	<b><u>3,679</u></b>	<b><u>3,781</u></b>	<b><u>102</u></b>	<b><u>2.8%</u></b>
<b>Total Operating Expenses</b>	<b><u>272,954</u></b>	<b><u>281,710</u></b>	<b><u>8,755</u></b>	<b><u>3.2%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	7,496	7,496	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>7,496</u></b>	<b><u>7,496</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-35,474</u></b>	<b><u>-43,655</u></b>	<b><u>-8,180</u></b>	<b><u>23.1%</u></b>
<b>Beginning Retained Earnings</b>	<b>434,196</b>	<b>398,722</b>	<b>-35,474</b>	<b>-8.2%</b>
<b>Ending Retained Earnings</b>	<b>398,722</b>	<b>355,067</b>	<b>-43,655</b>	<b>-10.9%</b>

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

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

MIDTERM BUDGET AMENDMENTS  
**PROPOSED**

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Adopted</i> FY 19/20 <u>Budget</u>	<i>Amended</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Operating Revenues</b>				
Contributions	788,791	788,791	0	0.0%
Reinsurance Premiums	0	0	0	0.0%
<b>Total Operating Revenues</b>	<b><u>788,791</u></b>	<b><u>788,791</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Operating Expenses</b>				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	1,092,274	1,092,274	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	14,000	14,000	0	0.0%
Management Information System	1,593	1,641	48	3.0%
Program Administrators	47,061	48,473	1,412	3.0%
Brokerage Commissions & Fees	0	73	73	0.0%
Insurance Premiums (net of brokerage)	0	0	0	0.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	68	68	0	0.0%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	77	77	0	-0.1%
Workshop/Training Expenses	2,427	3,042	614	25.3%
Loss Control Expenses	0	2,434	2,434	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	1,236	1,236	0	0.0%
Dividend Distributions	0	0	0	0.0%
<b>Total Direct Program Expenses</b>	<b><u>1,158,737</u></b>	<b><u>1,163,318</u></b>	<b><u>4,581</u></b>	<b><u>0.4%</u></b>

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

MIDTERM BUDGET AMENDMENTS  
**PROPOSED**

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Adopted</i> FY 19/20 <u>Budget</u>	<i>Amended</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>				
Financial Audit	272	272	0	-0.1%
Executive Committee & Board Expenses	248	248	0	-0.1%
JPA Insurance	117	584	467	401.0%
Memberships, Associations & Dues	314	313	0	-0.1%
Chancellor's Office Accounting Services	2,802	2,799	-3	-0.1%
Chancellor's Office Risk Management Service	7,886	7,877	-10	-0.1%
JPA Accreditation	0	0	0	0.0%
JPA Legal	780	779	-1	-0.1%
Miscellaneous Expenses	200	254	54	26.8%
<b>Total General &amp; Administrative Expenses</b>	<b><u>12,619</u></b>	<b><u>13,126</u></b>	<b><u>506</u></b>	<b><u>4.0%</u></b>
<b>Total Operating Expenses</b>	<b><u>1,171,356</u></b>	<b><u>1,176,443</u></b>	<b><u>5,087</u></b>	<b><u>0.4%</u></b>
<b>Non-Operating Revenues</b>				
Investment Income	99,882	99,882	0	0.0%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
<b>Total Non-Operating Revenues</b>	<b><u>99,882</u></b>	<b><u>99,882</u></b>	<b><u>0</u></b>	<b><u>0.0%</u></b>
<b>Net Surplus (Deficit)</b>	<b><u>-282,684</u></b>	<b><u>-287,771</u></b>	<b><u>-5,087</u></b>	<b><u>1.8%</u></b>
<b>Beginning Retained Earnings</b>	<b>5,144,956</b>	<b>4,862,273</b>	<b>-282,684</b>	<b>-5.5%</b>
<b>Ending Retained Earnings</b>	<b>4,862,273</b>	<b>4,574,502</b>	<b>-287,771</b>	<b>-5.9%</b>

## **CSURMA AORMA UNEMPLOYMENT INSURANCE PROGRAM (UIP)**

**ISSUE:** Associated Students, San Diego State University, has asked for assistance with their almost certainly larger than average UI claims. ASI reimburses the EDD for their claims on a quarterly basis and is not currently part of the AORMA UIP. During the meeting, the Committee will be asked to discuss ASI's probable UI claims as well as granting approval for them to join the AORMA UI Program effective immediately.

Other auxiliary organizations may need assistance with their UI claims. The Committee will be asked to discuss opening up the program to other Members as well.

**RECOMMENDATION:** Staff recommends that the Committee discuss the UI program and if appropriate allowing ASI SDSU to join the program effective immediately.

**FISCAL IMPACT:** To be determined. Staff will be on hand at the meeting to discuss possible lay-off scenarios and the resulting UI claim totals.

Staff will request historical UI claims information from ASI in order to calculate the deposit premium. As shown within Policy and Procedure UI-1 – Formula for Determining the Unemployment Insurance Program Annual Contributions, the Member's deposit is its average annual UI claims over a five-year period, plus an administrative charge. Also, Members must maintain a minimum fund balance of two times its average annual claims. The Member is allowed to build-up its fund balance over a five-year period by paying a 20% surcharge on top of the deposit premium.

**BACKGROUND:** Reviewing the last thirteen years, the average quarterly UI claims total is \$401,068 and the annual average is \$1,620,048. The UI claims for the quarter ending March 31, 2020 have not been received yet, but Staff expects that UI claims will increase as lay-offs began at the end of this quarter. Staff expects UI claims to increase dramatically for the quarter ending June 30, 2020. Should UI claims exceed the UIP fund balance, the UIP can borrow funds from one of the other AORMA programs.

Shown below are the AORMA UIP historical claim payments.

<b>AORMA Unemployment Insurance Program - Historical Claim Payments</b>					
<b>Fiscal Period</b>	<b>30-Sep</b>	<b>31-Dec</b>	<b>31-Mar</b>	<b>30-Jun</b>	<b>Total</b>
<b>FY 06/07</b>	367,981	270,346	277,667	224,405	1,140,399
<b>FY 07/08</b>	262,173	219,249	229,838	215,029	926,289
<b>FY 08/09</b>	407,144	472,420	488,840	464,792	1,833,196
<b>FY 09/10</b>	637,127	624,704	606,538	567,576	2,435,945
<b>FY 10/11</b>	739,608	651,043	595,146	533,832	2,519,629
<b>FY 11/12</b>	617,686	560,566	550,919	490,862	2,220,033
<b>FY 12/13</b>	609,459	913,147	895,731	434,655	2,852,992
<b>FY 13/14</b>	543,119	415,058	374,395	321,509	1,654,081
<b>FY 14/15</b>	353,115	303,805	260,738	221,382	1,139,040
<b>FY 15/16</b>	289,320	242,910	242,829	230,622	1,005,681
<b>FY 16/17</b>	285,623	271,990	328,168	244,524	1,130,305
<b>FY 17/18</b>	376,649	318,249	303,086	215,664	1,213,648
<b>FY 18/19</b>	255,275	249,982	261,707	222,426	989,390
<b>FY 19/20</b>	346,524	298,563			
<b>Average</b>	<b>435,057</b>	<b>415,145</b>	<b>416,585</b>	<b>337,483</b>	<b>1,620,048</b>

**PUBLICATION:** Members will be notified of all changes to the AORMA Unemployment Insurance Program.

**ATTACHMENT(S):**

- a. Policy and Procedure UI-1 – Formula for Determining Unemployment Insurance Program Annual Deposit



## CSURMA AORMA

## POLICY & PROCEDURE UI-1

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<b>SUBJECT:</b>	<b>FORMULA FOR DETERMINING THE UNEMPLOYMENT INSURANCE PROGRAM ANNUAL CONTRIBUTIONS</b>
<b>ADOPTED:</b>	<b>MAY 12, 2010</b>
<b>EFFECTIVE:</b>	<b>JULY 1, 2018</b>
<b>REVISED:</b>	<b>DECEMBER 6, 2012</b> <b>MAY 8, 2014</b> <b>MAY 5, 2016</b> <b>MARCH 9, 2017</b> <b>MAY 4, 2017</b> <b>DECEMBER 7, 2017</b> <b>DECEMBER 6, 2018</b>

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*Should there be any discrepancy between this document and the PARTICIPATION AGREEMENT between the AORMA COMMITTEE and the MEMBER, the PARTICIPATION AGREEMENT will govern.*

### **POLICY:**

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

### **PROCEDURE:**

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

At the end of each fiscal year, the AORMA UIP Fund Balance Report will be distributed to each MEMBER. The Fund Balance Report will include actual paid claims for the fiscal year



rather than estimates. If the MEMBER's fund balance exceeds the minimum fund balance required (two times annual average losses), the following procedures will be followed:

Excess funds will be used to lower contributions for the upcoming fiscal year. Any excess funds remaining after lowering contributions for the upcoming fiscal year can be used as follows;

- 1) The MEMBER can request a one-time transfer of funds to another AORMA Program (AORMA Liability, Workers' Compensation, Property or Crime) to be used to lower contributions for the upcoming fiscal year. For MEMBERS with federal sponsored programs, the MEMBER can request a one-time transfer of funds to the AORMA Workers' Compensation Program; or,
  - 2) The MEMBER can request to receive a refund of the funds in excess of the minimum required fund balance. For MEMBERS with federal sponsored programs, the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federal sponsored programs to determine what percentage of the refund will need to be returned to the federal government; or,
  - 3) The excess funds can remain on account.
3. **Minimum Contribution** - There is no minimum contribution based on paid claims. However, a minimum contribution for administrative costs will be applied according to the Minimum Administrative Costs Schedule approved by the AORMA Committee.
4. **Investment Income / Loss** - The total Investment Income or Loss is allocated to each MEMBER based on its percentage of the total AORMA UIP average fund balance for the preceding fiscal year. The AORMA Committee may decide to defer assessments resulting from unrealized investment losses. For the purpose of calculating the MEMBER's average fund balance, the following formula shall be used:

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

**MEMBER APPEAL PROCESS:**

If a MEMBER wishes to appeal any decision regarding the Formula for Determining Unemployment Insurance Program Annual Deposits Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary-Auditor within 30 days of the disputed decision. The Secretary-Auditor shall place the MEMBER's appeal on the AORMA COMMITTEE's agenda at



## **CSURMA AORMA**

## **POLICY & PROCEDURE UI-1**

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its next regularly scheduled meeting. The AORMA COMMITTEE will review the appeal and inform the MEMBER of the final decision within five (5) business days of the final decision.

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



**DEFINITIONS:**

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

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

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

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

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

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

**UIP** – AORMA Unemployment Insurance Program.

**FY 19/20 AND FY 20/21 AORMA COVERAGE PROGRAM COSTS**

**ISSUE:** The Committee will be asked to discuss cost reductions within the FY 19/20 and FY 20/21 coverage programs due to reduction in exposures.

**RECOMMENDATION:** Staff recommends that the Committee discuss cost reductions within the FY 19/20 and FY 20/21 coverage programs due to reduction in exposures and provide direction to Staff as appropriate.

**FISCAL IMPACT:** To be determined based on action taken at today’s meeting.

**BACKGROUND:** Shown below is a discussion regarding each relevant AORMA coverage program:

**LIABILITY PROGRAM:** *Fund Balance at 3/31/20 - \$6,584,978 (expected confidence level.)*

The AORMA Liability Program determines each member’s total costs based on the following:

- Pooled Layer (\$500,000 each and every occurrence) exposures (See tables 1 and 2 below)
- Reinsurance / Excess Insurance

**TABLE 1**

<b>FY 20/21 Rating Exposures / Premium</b>			
<b>Exposure Category</b>	<b>Exposure</b>	<b>Pooled Layer Rates</b>	<b>Pooled Layer Costs</b>
Payroll	\$510,668,619	\$1,652.18	\$843,716
Square Footage	15,853,565	\$29.44	\$466,729
Expenditures @ 6/30/19	\$1,563,258,152	\$223.85	\$349,935
Number of Autos	573	\$150.38	\$86,168
<b>Pooled Layer Costs:</b>			<b>\$1,746,549</b>

FY 20/21 Liability Program Discussion:

- The pooled layer for FY 20/21 liability program could be re-rated based on updated exposure information to be requested from the Members.

- The Excess Insurance / Reinsurance layers are being negotiated now, and therefore costs are still estimates.

**TABLE 2**

FY 19/20 Rating Exposures / Premium			
Exposure Category	Exposure	Pooled Layer Rates	Pooled Layer Costs
Payroll	\$488,750,296	\$2,042.62	\$998,331
Square Footage	13,039,301	\$40.99	\$534,481
Expenditures @ 6/30/19	\$1,502,838,724	\$168.96	\$253,920
Number of Autos	544	\$172.33	\$93,748
<b>Pooled Layer Costs:</b>			<b>\$1,880,479</b>

FY 19/20 Liability Program Discussion:

- The pooled layer for FY 20/21 liability program could be re-rated based on actual exposure information to be requested from the Members.
- Staff is in discussion with the Reinsurance / Excess Insurance insurers regarding decrease in premium due to reduction in exposure. We do not know at this point how this will all play out.

**WORKERS' COMPENSATION PROGRAM:** *Fund Balance at 3/31/20 - \$4,317,605 (expected confidence level.)*

The AORMA Workers' Compensation Program determines each member's total costs based on estimated / actual payroll. Currently, the pooled layer (\$750,000 per claim) is reinsured by PRISM and insurance is purchased excess of the \$750,000 pooled layer. See PRISM's cost for FY 19/20 and FY 20/21 below in Table 3.

**TABLE 3**

Workers' Compensation PRISM Costs Comparison			
Exposure Category	Payroll	PRISM Rate	PRISM Costs
FY 20/21 Estimated Payroll	\$414,771,315	0.8077	\$3,350,108
FY 19/20 Estimated Payroll	\$393,188,677	0.9407	\$3,698,726

FY 20/21 Workers' Compensation Discussion:

- The program could be re-rated based up updated estimated payroll.
- Staff may need to renegotiate the FY 20/21 program costs based on updated payroll estimates.

FY 19/20 Workers' Compensation Discussion:

- In July, Staff will request each member's actual payroll for FY 19/20 and some members may receive a return premium.

**PROPERTY PROGRAM:**

The AORMA Property Program has a \$250,000 aggregate pooled layer and also includes, Cyber Liability, Pollution, and Limited Earthquake coverage.

FY 19/20 and FY 20/21 Property Program Discussion:

- There is a legislative effort to force insurers to cover business interruption caused by the COVID-19 pandemic retroactively.
- Going forward, if the shelter-in-place order remains in effect, how should Members report their potential business interruption exposures.

**PUBLICATION:** The AORMA members will be notified immediately of any and all changes taking place.

**ATTACHMENT(S):**

- a. CSURMA Financial Statement at March 31, 2020

# California State University Risk Management Authority

## Balance Sheets - AORMA Programs as of 3/31/2020

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs As of 3/31/2020
<b>Assets:</b>						
Cash and Investments	2,889,123	2,275,823	473,156	155,269	1,281,309	7,074,680
Other long-term investments	6,852,703	4,321,202	1,574,873	362,411	4,258,465	17,369,653
Accounts receivable	16,351	8,133	1,283	1,744	1,860	29,371
Loans receivable	0	0	0	0	0	0
Reinsurance receivable	0	0	0	0	0	0
Prepaid insurance	0	0	0	0	0	0
Prepaid expense	150,000	155,000	0	0	0	305,000
<b>Total assets:</b>	<b>9,908,177</b>	<b>6,760,158</b>	<b>2,049,312</b>	<b>519,424</b>	<b>5,541,634</b>	<b>24,778,705</b>
<b>Liabilities:</b>						
Accounts payable	782,981	544,193	0	0	0	1,327,174
Unearned revenue	0	0	0	0	0	0
SELF assessment liability	0	0	0	0	0	0
Reported claims	1,531,069	1,111,364	0	0	0	2,642,433
Claims incurred but not reported	1,009,149	786,996	0	0	0	1,796,145
<b>Total liabilities:</b>	<b>3,323,199</b>	<b>2,442,553</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,765,752</b>
Fund balance	6,584,978	4,317,605	2,049,312	519,424	5,541,634	19,012,953
<b>Total liabilities and fund balance</b>	<b>9,908,177</b>	<b>6,760,158</b>	<b>2,049,312</b>	<b>519,424</b>	<b>5,541,634</b>	<b>24,778,705</b>

**California State University Risk Management Authority**  
**Income Statements - AORMA Programs as of 3/31/2020**

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs
<b>OPERATING REVENUES:</b>						
Contributions	4,518,410	3,987,225	2,541,636	230,559	621,428	11,899,258
Reinsurance premiums	(1,461,936)	0	(1,840,540)	0	0	(3,302,476)
<b>Total operating revenues:</b>	<b>3,056,474</b>	<b>3,987,225</b>	<b>701,096</b>	<b>230,559</b>	<b>621,428</b>	<b>8,596,782</b>
<b>OPERATING EXPENSES:</b>						
<b>DIRECT PROGRAM EXPENSES:</b>						
Claims payment & legal expenses	915,638	933,224	15,090	0	645,108	2,509,060
Deductible recoveries	0	0	0	0	0	0
Claims administrators	12,000	176,526	0	0	11,969	200,495
Claims management information system	3,210	3,812	1,887	179	535	9,623
Program administrator	458,639	395,615	261,030	25,591	46,064	1,186,939
Brokerage commissions	73,739	189	210,800	16,088	73	300,889
Insurance premiums	255,680	3,702,699	246,173	178,284	0	4,382,836
Taxes, assessments & fees	0	34,327	0	0	0	34,327
Actuarial services	5,000	5,500	0	0	0	10,500
Claims audit	6,500	0	0	0	0	6,500
Coverage counsel	0	0	0	0	0	0
Program legal	0	0	0	0	0	0
Miscellaneous program services	0	0	0	0	0	0
Workshops/training	41,075	44,041	23,211	2,117	7,215	117,658
Loss control	62,401	70,239	19,549	813	2,434	155,437
Reinsurance/excess recovery	0	(695,752)	0	0	0	(695,752)
Program committee	3,710	3,992	2,099	192	651	10,643
Dividend distributions	782,985	544,190	0	0	0	1,327,175
Change in claims losses and loss adjustment	0	0	0	0	0	0
<b>Total direct program expenses:</b>	<b>2,620,577</b>	<b>5,218,603</b>	<b>779,839</b>	<b>223,264</b>	<b>714,049</b>	<b>9,556,332</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>						
Financial audit	1,545	1,648	872	79	272	4,416
Executive committee & board expenses	121	132	68	19	20	361
JPA insurance	1,261	1,517	630	84	584	4,076
Memberships, associations & dues	50	2,808	28	3	9	2,897
Chancellor's office accounting services	16,439	17,510	9,229	865	2,884	46,927
Risk management expenses	28,615	30,560	16,137	1,457	5,081	81,850
Miscellaneous indirect services	1,135	1,221	615	58	256	3,285
<b>Total general &amp; administrative expenses:</b>	<b>49,166</b>	<b>55,396</b>	<b>27,579</b>	<b>2,565</b>	<b>9,106</b>	<b>143,812</b>
<b>Total operating expenses:</b>	<b>2,669,743</b>	<b>5,273,999</b>	<b>807,417</b>	<b>225,830</b>	<b>723,155</b>	<b>9,700,144</b>
<b>NON-OPERATING REVENUES:</b>						
Investment income	365,572	223,226	82,997	19,140	225,070	916,005
<b>Total non-operating revenues:</b>	<b>365,572</b>	<b>223,226</b>	<b>82,997</b>	<b>19,140</b>	<b>225,070</b>	<b>916,005</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>5,832,675</b>	<b>5,381,153</b>	<b>2,072,636</b>	<b>495,555</b>	<b>5,418,291</b>	<b>19,200,310</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>752,303</b>	<b>(1,063,548)</b>	<b>(23,324)</b>	<b>23,869</b>	<b>123,343</b>	<b>(187,357)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>6,584,978</b>	<b>4,317,605</b>	<b>2,049,312</b>	<b>519,424</b>	<b>5,541,634</b>	<b>19,012,953</b>

## **CSURMA AORMA COMMITTEE ELECTION RESULTS**

**ISSUE:** Currently, the AORMA Committee will one have one open seat for July 1, 2020 to June 30, 2022 term and two seats are up for reelection. The following individuals have been nominated to fill the three seats on the AORMA Committee:

**Chuck Kissel**  
Executive Director and CEO  
CSU Fullerton Auxiliary Services Corporation (ASC)  
*California State University, Fullerton*

**Leslie Levinson**  
Chief Financial Officer  
San Diego State University Research Foundation  
*San Diego State University*

**Raven Tyson**  
Human Resources Assistant Director  
Associated Students, San Diego State University  
*San Diego State University*

Ballots were sent out to all of the AORMA members. Staff will report on the election results at today's meeting.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** The AORMA Committee consists of seven at-large members and three Officers. These ten individuals also serve corresponding terms on the CSURMA Board of Directors.

**PUBLICATION:** The election results will be announced at the CSURMA Board meeting in May.

**ATTACHMENT(S):**

- a. AORMA Committee Term of Office

**CSURMA**

**AORMA COMMITTEE TERMS OF OFFICE**

*Election in April, 2019*

*Election in April, 2020*

<b>Position (election year)</b>	<b>July 1, 2017 to June 30, 2018</b>	<b>July 1, 2018 to June 30, 2019</b>	<b>July 1, 2019 to June 30, 2020</b>	<b>July 1, 2020 to June 30, 2021</b>
Chair - (even year)	Mumford/Brummett	Brummett	Brummett	Brummett
First Vice-Chair - (even year)	Brummett/Nakamura	Nakamura	Nakamura	Nakamura
Second Vice-Chair (even year)	Kiama/Lee	Lee	Lee	Lee
At Large Seat #1 - (odd year)	Newberg	Newberg	Newberg	Newberg
At Large Seat #2 - (even year)	Lee / Kissel	Kissel	Kissel	<b>Kissel</b>
At Large Seat #3 - (odd year)	Summer / Ortiz	Ortiz	Ortiz	Ortiz
At Large Seat #4 - (even year)	Nakamura / Wittmeier	Wittmeier	Wittmeier	<b>Tyson</b>
At Large Seat #5 - (odd year)	Knight	Knight	Knight	Knight
At Large Seat #6 - (even year)	Nirenberg / Levinson	Levinson	Levinson	<b>Levinson</b>
At Large Seat #7 - (odd year)	Olmsted	Olmsted	Olmsted	Olmsted

**Bold - Up for reelection in April**

**Bold/Red - Open seat(s)**

## CSAC-EIA WORKERS' COMPENSATION RENEWAL OPTIONS

**ISSUE:** *Note: Effective April 15, 2020, CSAC-EIA changed its name to PRISM (Public Risk Innovation, solutions, and Management).*

CSURMA has been participating in the PRISM Primary Workers' Compensation (PWC) program since January 1, 2015. CSURMA accepted terms last year to renew both the Campus WC and AORMA WC programs for a new two-year period (*i.e.*, 19/20 and FY 20/21) in return for a guaranteed rate on the primary layer and reduced cost from PRISM's captive investment pool. Upon review of CSURMA's collective loss experience and the actuary's projections for Campus WC and AORMA WC, staff asked PRISM to revise its renewal terms for FY 20/21, and extend the two-year plan to FY 21/22. PRISM's revised renewal terms are shown below.

The table below shows the projected costs for FY 20/21 based on the current and revised PRISM rates.

CSAC-EIA Workers' Compensation Coverage Program		
Cost Options for FY 20/21		
Campus	at Expected	at 70%
Estimated Payroll	4,124,759,000	4,124,759,000
Excess Insurance	3,118,318	3,118,318
Pooled Layer Funding (w/ XS insurance)	32,404,107	34,054,010
<b>Current</b> Two-Year Rate - CSAC-EIA Reinsurance (w XS insurance)	34,441,932	34,441,932
<b>(Current Savings) or additional costs above pool layer funding</b>	<b>2,037,825</b>	<b>387,922</b>
<b>Revised</b> Two-Year Rate - CSAC-EIA Reinsurance (w XS insurance)	32,913,509	32,913,509
<b>(Revised Rate Savings) or additional costs above pool layer funding:</b>	<b>509,402</b>	<b>(1,140,501)</b>
AORMA	at Expected	at 75%
Estimated Payroll	414,771,315	414,771,315
Excess Insurance	580,680	580,680
Pooled Layer Funding (w/ XS insurance)	3,318,171	3,815,896
<b>Current</b> Two-Year Rate - CSAC-EIA Reinsurance (w XS insurance)	3,901,725	3,901,725
<b>(Current Savings) or additional costs above pool layer funding</b>	<b>583,555</b>	<b>85,829</b>
<b>Revised</b> Two-Year Rate - CSAC-EIA Reinsurance (w XS insurance)	3,350,157	3,350,157
<b>(Revised Rate Savings) or additional costs above pool layer funding:</b>	<b>31,986</b>	<b>(465,739)</b>
<i>Actuarial Confidence Level (Present Value)</i>		

**RECOMMENDATION:** This item is for information only. At its meeting in March, the Executive Committee accepted the new two-year proposal for both the Campus and AORMA workers' compensation programs.

**FISCAL IMPACT:** PRISM lowered AORMA's primary workers' compensation rate from .9407 to .8077 which results in an estimated savings \$465,739 over 75% confidence level funding for FY 20/21.

**BACKGROUND:** Staff will be on hand to answer questions during the meeting.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **INSURANCE CONSIDERATIONS FOR WATERCRAFT**

**ISSUE:** During the AORMA Long Range Planning meeting, the officers discussed the need to review the potential coverages available for owned watercraft. Our goal is to demonstrate the coverages available and to follow this up with outreach to every Auxiliary to determine actual coverage needs.

**RECOMMENDATION:** No action is recommended as this is an information item; however, the Committee may want to provide direct.

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

**BACKGROUND:** Several of the AORMA policies could provide limited coverage for owned watercraft including the liability, property and workers compensation programs. Recognizing that marine exposures are unique and require specialized coverage, CSURMA created a watercraft program to address these exposures, such as pollution, protection & indemnity and towers liability.

**PUBLICATION:** None at this time.

**ATTACHMENT(S):**

- a. Considerations for Watercraft Memorandum

## Insurance Considerations for Watercraft

CSURMA provides limited coverage for watercraft within the Memorandum of Understanding (MOU) as shown here. If a third party claim of bodily injury or property damage against faculty, staff or duly appointed volunteers arose during the course and scope of their employment/volunteer duties, subject to the terms, conditions and exclusions of the policy, there would be liability coverage up to \$5 Million.

*Arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any Covered Party, but this exclusion does not apply to:*

- A. *Watercraft while ashore on premises owned or rented by Covered Party;*
- B. *Watercraft less than fifty-one (51) feet in length at the waterline.*
- C. *Watercraft with no self-propulsion capabilities, regardless of length.*
- D. *Rowing or sculling shells regardless of length.*

To address the unique coverage needs of owned vessels including waterborne activities, liability, damage to owned vessels and passengers on vessels, CSURMA developed a comprehensive Watercraft Program. The coverage is designed for owned vessels and usage within 15 miles of campus. Some of the specialized coverage parts are listed here.

- Hull & Machinery – Physical Damage to scheduled vessels
- Protection & Indemnity & Towing Liability – Coverage for property damage caused by the insured vessel that collides with any other vessel.
- Crew – Instructors/Teachers
- Passengers – Students
- Business Personal Property and/or Equipment – Covered while on board vessel and used in on-going operation of vessel (navigation equipment, rescue sled, radar, etc.).
- Pollution – Actual or potential discharge, emission, spillage or leakage upon or into seas, waters, land or air, of oil, petroleum products, chemicals or other substance.
- If use of rented watercraft takes place, the University/Auxiliary should procure liability and physical damage coverage through the rental agency. Same practice applies for chartering vessels.
- Employees and volunteers (as long as they are duly appointed volunteers) would have workers compensation benefits at their disposal. The workers compensation program is a California-based policy and if employees and/or volunteers are traveling outside of the state of California for campus related purposes for a limited amount of time (2 weeks or less) this policy could respond.

All vessels and trailers must be scheduled. Please refer to policy for definitions and limits/deductibles.

**AORMA RECOMMENDED WAIVER AND HANDBOOK  
LEGAL REVIEW**

**ISSUE:** The AORMA Committee’s long range action plan includes the task of reviewing the AORMA recommended waiver and handbook by legal counsel. The legal analysis has been completed and is attached for the Committee’s review.

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

**FISCAL IMPACT:** The cost for the legal review (not to exceed \$1,050) is included in the FY 19/20 CSURMA budget.

**BACKGROUND:** See the attached legal review summary completed by Byrne Conley of Gibbons & Conley. Staff will review Conley’s recommendations for change, update the waiver and waiver handbook accordingly, and obtain input from CSURMA’s legal counsel prior to final publication.

**PUBLICATION:** Staff will send out the revised waiver and handbook to all AORMA members once the CSURMA legal counsel review has been completed.

**ATTACHMENT(S):**

- a. Byrne Conley Legal Review
- b. AORMA Recommended Waiver
- c. Waiver Handbook

# GIBBONS & CONLEY

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## MEMORANDUM -- CONFIDENTIAL

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**To:** CSURMA Ad Hoc committee      **Date:** April 16, 2020  
**From:** A. Byrne Conley  
**Re:** *Memo re release agreements*

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I reviewed the AORMA Recommended Waiver – Handbook and did not have any changes to suggest, it is well written.

As to the Release of Liability language, it is fine as well, but I think in the first sentence “this Activities” should be “these Activities....” Also, where the bolded part occurs in the first sentence re the University’s or Auxiliary Organization’s negligence, I think we should add “, and/or dangerous condition of property, resulting in ....” I realize the second paragraph already refers to assuming the risk of “conditions of the Activity Location(s)” but think it would be a good idea to refer to this in the release paragraph just in case.

On to your specific questions:

1. What are the requirements for electronic signatures and storage of electronic records for adults and minors?

*A. Electronic Signatures and Agreements*

Electronic signatures are as enforceable as wet signatures, but proof of the authenticity of the electronic signature can require a more extensive showing. California has enacted the Uniform Electronic Transactions Act as Civil Code sections 1633.1 – 1633.17 (UETA). The four general rules governing the effect or enforceability of electronic signatures and records, which are that: (a) a record or signature may not be denied legal effect or enforceability solely because it is in electronic form; (b) a contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation; (c) if a law requires a record to be in writing, an electronic record satisfies the law and (d) if a law requires a signature, an electronic signature satisfies the law. Civ. Code § 1633.7.

There are several categories of documents excluded from electronic contracting, such as wills and trusts, certain transactions governed by the UCC, and certain records required to be separately initialed in specified locations, and so forth. Civ. Code, § 1633.3. None of these should prevent the use of an electronic waiver for recreational activities, as recommended by CSURMA. For purposes of this discussion, we assume that the waiver is not excluded by these specific exceptions to electronic agreements.

The net effect is that electronic agreements are effectively subject to all of the usual contract rules generally applicable to private agreements. The only unique requirements are that the parties to the contract must have agreed to conduct the subject transaction electronically, and the symbols or markings on the agreement seeking to be enforced as signatures must constitute electronic signatures as that term is defined in the UETA.

The agreement to contract electronically can be implied based on the context and surrounding circumstances, including the parties' conduct. Thus, the necessary agreement could be established by the fact that the parties are in fact doing the transaction in question electronically, according to the notes of the commission which created the UETA. California has created a slight exception, providing that the agreement to engage in an electronic transaction cannot be contained in a separate, non-electronic form agreement. Civ. Code, § 1633.5(b). Thus, the agreement to engage in an electronic transaction should appear in the electronic transaction itself.

Unsurprisingly, the most complex issue is establishing that the electronic signature is actually the authorized "signature" of the purported signor. The UETA's requirements in this regard are quite elaborate, as set forth in the Miller and Starr real estate treatise:

Under Cal UETA, an electronic signature is: (a) "an electronic sound, symbol, or process (b) attached to or logically associated with an electronic record and (c) executed or adopted by a person with the intent to sign the electronic record." Where these three elements are satisfied, the subject electronic signature is considered a legally enforceable equivalent of a handwritten signature.

(1) Sound, symbol, or process. The requirement of a sound, symbol, or process, is intentionally broad and general in order to accommodate the many various methods and technologies one can use to sign electronically. These include a name typed at the end of an email, a digitized image of a handwritten signature that is attached to an electronic document, a unique passcode, pin number or other code that specifically identifies the individual user, a click of a mouse, such as on an "I accept" button online, and a particular sound, such as the sound made by pressing a particular key on a telephone.

(2) Attachment to electronic record. The requirement that the electronic signature be attached to or logically associated with the electronic record in question, meaning that an electronic transaction must be implemented in a way that enables the parties to demonstrate that a specific signature was made with respect to a certain specific document. This is generally and most easily achieved by having the electronic signature incorporated into the actual stored document. However, this requirement could also be satisfied by a system in which the electronic signature is stored separately from the electronic record to which it is associated but in a way that allows the parties to reliably demonstrate that the two are correlated.

(3) Intention to sign. The requirement for an intent on the part of the signor to sign an electronic record, is often the most difficult element for a party seeking to enforce a purported electronic signature to satisfy and is frequently a key issue in disputes regarding the enforceability of electronic records. This difficulty stems from the fact that, in order to satisfy this requirement, a proponent of an electronic signature must show both (a) that the sound, symbol or process was in fact made by the claimed signor, something that is referred to as authenticating the signature, and (b) that the signor, in making the subject sound, symbol or process, intended that act to constitute the signor's signature of the electronic record for purposes of creating and binding him or her to an enforceable agreement.<sup>19</sup> Thus, in the absence of clear intent that a "signature" at the end of an email in fact was intended as an "electronic signature" of a contract, the "signed" email will not qualify as an "electronic signature."<sup>20</sup> These issues are further clarified by a section of the Cal UETA, which states that:

(a) An electronic record or electronic signature is attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of any security procedure applied to determine the person to which the electronic record or electronic signature was attributable.

(b) The effect of an electronic record or electronic signature attributable to a person under subdivision (a) is determined from the context and surrounding circumstances at the time of its creation, execution, or adoption, including the parties' agreement, if any, and otherwise as provided by law.

The absence of an explicit agreement to conduct a transaction electronically is relevant but not determinative.

Miller and Starr *California Real Estate* (4<sup>th</sup> ed. 2019) § 1:8. Electronic contracting, p.2-3.

#### B. *Application to Minors*

The general rules of contract are generally applicable to electronic agreements, with the exceptions noted above. Generally, California allows an agreement to waive liability claims, and this includes an allowance for the release of claims on behalf of a minor. *Santa Barbara v. Superior Court* (2007) 41 C4th 747, fn. 30. Such releases are allowed to the same extent as they are for adults, including the limitation against waiver of liability for gross negligence or for waivers against public policy. *Id.* at 777.

#### C. *Storage Requirements*

General public entity record retention requirements are found in Government Code §60200 *et seq.* Generally speaking, section 60201 provides that a legislative body may authorize the destruction of categories of records by determining that the destruction will not adversely

effect the interests of the entity or the public, as long as the entity maintains a list of destroyed records. However, there are certain categories subject to an exemption which could be applicable for waivers. Records subject to a pending claim or litigation or settlement must be kept for two years after the conclusion of the claim. Records subject to a pending Public Records Act request must be kept until the request is fulfilled.

2. What are the requirements for electronic signature v. wet signatures for minors?

As noted above, electronic and wet signatures can both be effective, and there is no particular distinction between waivers for adults v. minors based upon the signature being electronic or hard copy.

3. Can a waiver have multiple signatures, for all participants?

There are no particular restrictions on having multiple signatures on a single document contract. In this case, not all people signing are "joint" parties to the agreement. The people signing are not agreeing with each other, but only with the public entity provider. Therefore, it is not necessary to obtain all of the signatures on a single document. As a practical matter, it may be more cumbersome to try to get everyone in a large group to sign a single document. By the same token, it might be convenient for everyone in the same family to sign a single waiver, for convenience. Ultimately, this is a question of practicality rather than legal obligation.

4. Can a waiver be effective for more than one year?

Yes. Waivers can be effective for any length of time, under their own terms. In *Paralift v. Superior Court* (1993) 23 Cal.App.4<sup>th</sup> 748, the court enforced a waiver stating that it was effective "forever" on an accident occurring three years after the waiver was executed. Generally, the issue is whether the release adequately specifies the subject of the release. Thus, a release for one particular event may last for many years, but would have no application to a subsequent event not specified in the release. Gyms and ski resorts and similar recreational locations typically try to solve this problem by indicating that the release relates to any activities at the ski resort or gym or other location, rather than constituting a release relating to a specific event. See, e.g., *Solis v. Kirkwood Resort* (2001) 94 Cal.App.4<sup>th</sup> 354 [seasons ski lift pass good Monday through Friday with waiver not applicable to weekend skier not using the season pass, even though the accident was during the season in which the pass was applicable.]

5. Should the waiver include additional "known risks" in addition to general waiver language?

There are no "magic words" which will guarantee the effectiveness of a waiver or release. *Coats v. General Motors Corp.* (1934) 3 Cal.App.2d 340. Requirement for effectiveness is that the terms must be clear, unambiguous, and explicit in expressing the intent of the parties, when considered and read in whole with the entire agreement. Releases are generally read narrowly, and any ambiguity is read against the released party. So, for example, and ambiguously phrased release in a horse rental agreement which could be read to only release claims based upon the rider's negligence, rather than the horse owner's negligence, did not protect the owner against an

injury caused by a horse suddenly galloping, even though that was a specifically identified risk in the waiver. *Cohen v. Five Brooks Stable* (2008) 159 Cal.App.3d 1476, 1482. The court suggests that the release would have been affected if it had “unambiguously exempted (the owner) from liability for its own negligence or for any and all risks (the rider) encountered while using (the owner’s) facilities.” *Id.* at 1484, 1490.

If specific risks are identified, the release must emphasize that this is a nonexclusive list of specific risks, to avoid a court holding that only the (narrowly read) list as being the exclusive list. The inclusion of specific lists may improve the defensibility of the release, if the injuries caused by one of the identified risks, as it helps the argument that the release was a clear waiver. On the other hand, if the injury is not caused by the specifically identified risk, the list may be used as an argument that the release was not "clear" or "unambiguous" about whether the specific risk was covered. The release in *Cohen* extended to "other unknown or unanticipated risks" that were "not specifically identified" in the enumerated list, but that did not save the release because it could be read to apply only to risks caused by the rider’s negligence. *Id.* at 1487.

Ultimately, the key language is a release for any injury caused by the ordinary negligence of the agency or its agents, and for any injury arising out of the activity and any injury while using the agency's facilities. This broad language should encompass even claims such as "increasing the risk" of known risks, which might be excluded from release for a waiver limited only to "known risks."

#### 6. Should the waiver be translated into other languages?

There is a requirement to translate contracts into foreign languages under certain limited conditions. Civ. Code § 1632. This statute is limited to "trade or business" negotiated primarily in another language for specified types of transactions. The waivers in questions should not come within the scope of this statute. A waiver for recreational activity is not within in any of the specified transactional categories, public entities are generally not treated as a trade or business, and the waivers are not negotiated in any language, but simply offered as is. There are also some translation requirements for specialized industries, such as health insurers and state adoption agencies, but none appear to relate to general recreational activities.

Use of translated waivers is allowable, but should be used with some caution. The translation process could result in arguments about ambiguity and the "true meaning" of the release. The use of a certified court interpreter (Government Code § 68561) to perform the translation might help avoid arguments about ambiguity in the translation. It could also be helpful to have the translator sign a verification indicating the translator’s qualifications, and verifying the accuracy of the translation. Evid. Code § 751.

If translations are instituted, this raises a specter of an Equal Protection claim if they are translated into some, but not all, languages. Educational recreation is not considered a fundamental right (which might trigger some translation requirement). *Steffes v. California Interscholastic Federation* (1986) 176 Cal.App.3d 739, 746. However, once translations are

instituted, there is a risk of a claim of race discrimination by failure to provide the translation in to a specific language, although such a claim is apparently so far untested.

7. Is the agency required to verify the signature to be that an authorized parent or guardian?

The benefit of the signatures is that they are required to be verified by some type of evidence, such as an authentication program or so forth, intended to specifically identify the person executing the signature. See Civ. Code §1633.9. For wet signatures, the test of whether a signature is a forgery is essentially evidence of the circumstances and expert testimony. See Evid. Code § 1400 – 1402. Short of having the signature notarized, the best alternative is to obtain the signature in person, so that the agency has a witness to who signed the document. As a practical matter, there is no simple way verify every single signature, particularly if authorizations are signed at home and returned by the student.

It would also be in impractically cumbersome to try to require some proof of authority to act on the minor's behalf. If the entity has other documentation indicating the legal guardian, the waiver signature could be compared to those indicated names, to support the argument that the signator is estopped to deny their authority. The waiver could contain language stating that the person signing has the authority to do so, but this only effectively creates a right to make a claim against that person for misrepresentation of authority, and does not create the authority claimed. As a practical matter, comparing the signature to the agencies' other records indicating parental authority is likely the best that can be achieved in the circumstances.

8. When should a waiver be used?

For my risk management perspective, it should always be used for every activity whenever possible, regardless of the risk. As you observe, it is ultimately up to the individual member to decide when the risk is sufficient to justify the effort to obtain waivers. People play full-contact football games without injury, while others receive allegedly crippling injury by tripping on a sidewalk. Nevertheless, waivers should obviously be used when involved in any sporting or athletic activity, contact or not, and any activity involving uncontrolled outdoor and undeveloped spaces, such as hiking or camping. Essentially, the agency should look to whether someone else may be held responsible for controlling the area, equipment or activity. Since the spectrum of activities, and their associated risks, vary so widely, there is no simple, bright line rule.

**RELEASE OF LIABILITY, PROMISE NOT TO SUE, ASSUMPTION OF RISK AND AGREEMENT TO  
PAY CLAIMS**

Activity: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Activity Date(s) and Time(s): \_\_\_\_\_

Activity Location(s), Premises or Facility(ies): \_\_\_\_\_

In consideration for being allowed to participate in this Activities and/or use of the Premises or Facility, on behalf of myself and my next of kin, heirs and representatives, **I release from all liability and promise not to sue** the State of California, the Trustees of the California State University, California State University, [add Campus name], and their employees, officers, directors, volunteers and agents (collectively “University”) and the [add Auxiliary Organization name] and their employees, officers, directors, volunteers and agents (collectively “Auxiliary Organization”) from any and all claims, **including claims of the University’s or Auxiliary Organization’s negligence** resulting in any physical or psychological injury (including paralysis and death), illness, property damage or economic or emotional loss I may suffer because of my participation in this Activity, including travel to, from and during the Activity.

I am voluntarily participating in the Activity. I am aware of the risks associated with traveling to, from and participating in the Activity, which include but are not limited to physical or psychological injury, pain, suffering, illness, disfigurement, temporary or permanent disability (including paralysis), economic or emotional loss, death and/or property damage. I understand that these injuries or outcomes may arise from my own or other’s actions, inaction, negligence, conditions related to travel, or the condition of the Activity Location(s). **Nonetheless, I assume all related risks, both known or unknown to me, of my participation in this Activity, including travel to, from and during the Activity.**

I agree to hold the University and Auxiliary Organization harmless from any and all claims, including attorney’s fees or damage to my personal property that may occur as a result of my participation in this Activity, including travel to, from and during the Activity. If I need medical treatment, I agree to be financially responsible for any costs incurred as a result of such treatment. I am aware and understand that I should carry my own health insurance.

I am 18 years or older. **I understand the legal consequences of signing this document, including (a) releasing the University and the Auxiliary Organization from all liability, (b) promising not to sue the University and the Auxiliary Organization, (c) and assuming all risks of participating in the Activity, including travel to/from and during the Activity.**

I understand that this document is written to be as broad and inclusive as legally permitted by the State of California. I agree that if any portion is held invalid or unenforceable, I will continue to be bound by the remaining terms.

I have read this document, and I am signing it freely. No other representations concerning the legal effect of this document have been made to me.

Participation Signature: \_\_\_\_\_

Participant Name (Print): \_\_\_\_\_ Date: \_\_\_\_\_

***If Participant is under 18 years of age:***

I am the parent or legal guardian of the Participant. **I understand the legal consequences of signing this document, including (a) releasing the University and the Auxiliary Organization from all liability on my and the Participant's behalf, (b) promising not to sue on my and the participant's behalf, (c) and assuming all risks of the Participant's participation in this Activity, including travel to/from an during the Activity.** I allow Participant to participate in this Activity. I understand that I am responsible for the obligations and acts of Participant as described in this document. I agree to be bound by the terms of this document.

I have read this two-page document, and I am signing it freely. No other representations concerning the legal effect of this document have been made to me.

\_\_\_\_\_  
Signature of Minor Participant's Parent/Guardian

\_\_\_\_\_  
Name of Minor Participant's Parent/Guardian (Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Minor Participant's Name

# AORMA Recommended Waiver - Handbook

## 1. Introduction

Releases of liability (“release”) are legal forms designed to transfer responsibility for injuries and property damage from one party to another. A properly administered release can protect the Auxiliary Organization and its employees from liability for injuries that occur to students or other individuals who participate in auxiliary activities on and off campus. A release is a valid and reliable legal tool under California law and should be used to provide a level of protection from liability for accidents, activities carrying certain inherent risks, and in certain circumstances the negligence of the Auxiliary Organization’s employees.

Auxiliary Organizations are responsible for conducting programs and activities in a manner that does not impose an unreasonable risk of loss or injury. If an Auxiliary Organization sponsors activities which involve risks of injury or damage to property and does not obtain a signed release, the Auxiliary Organization may be unnecessarily exposing itself to costly claims or lawsuits. The Auxiliary Organization would also be missing an opportunity to inform participants about the risks associated with an activity or event. Although these agreements are primarily legal tools, they also serve an educational purpose by making participants aware of potential risks. Often providing participants with this information is all that is necessary to avoid preventable accidents.

## 2. Release of Liability, Promise Not to Sue, Assumption of Risk and Agreement to Pay Claims

### A. Purpose

The *Release of Liability, Promise Not to Sue, Assumption of Risk and Agreement to Pay Claims* signed prior to participation is considered a contract in which the participant agrees to excuse the Auxiliary Organization and CSU from fault or liability for losses associated with the activity in exchange for the opportunity to participate.

### B. Elements

The AORMA Committee has developed the *Release of Liability, Promise Not to Sue, Assumption of Risk and Agreement to Pay Claims* that contains the following elements:

- A *release of liability and promise not to sue* if any loss results from participation in the activity.
- An *express assumption of risk* where the participant acknowledges understanding the nature of the activity and the risks involved, and chooses voluntarily to accept those risks.

- A *hold harmless agreement* where the participant agrees not to hold the Auxiliary Organization or CSU responsible for any loss that may result from participation in the activity.
- An *indemnification* where the participant agrees to pay the Auxiliary Organization and CSU for any losses it may suffer as a result of the participant's participation in the activity.

### 3. Permission Slips

A permission slip requires a parent or guardian to give consent for a minor child to participate in an activity. Although permission slips provide a defense against claims that the Auxiliary Organization infringed upon the parent or guardian's authority over their child, permission slips do not absolve the Auxiliary Organization of liability if a loss occurs during the activity.

### 4. Informed Consent

The *Release of Liability, Promise Not to Sue, Assumption of Risk and Agreement to Pay Claims* developed by the AORMA Committee contains the elements found in an informed consent. An informed consent transfers liability from the Auxiliary Organization and CSU for risks identified in the consent. The participant, parent or guardian who signs the consent acknowledges that he or she has read and understood the risks and agrees not to hold the Auxiliary Organization or CSU responsible for any harm that results from the risks listed. However, because the Auxiliary Organization or CSU may not be protected if a loss occurs due to a risk not listed on the consent, it should not be used in lieu of the approved waiver.

### 5. Procedures/Strategies for Risk Management

While a release is an important risk management tool, it should not be relied upon solely to reduce the exposure to risk. The Auxiliary Organization bears responsibility for conducting its activities and events in a manner that reasonably protects the health and safety of students or other participants. For this reason, the following risk control measures should be utilized in addition to the use of a release:

- a. Conduct a risk assessment of the program/activity prior to the commencement of the activity.
- b. Inspect facilities and equipment for safety hazards frequently and take action to correct. Document actions taken.
- c. Train staff in emergency response procedures such as first aid and CPR.
- d. Train staff and participants on how to properly use facilities and equipment.
- e. Develop and enforce policies and procedures that minimize risk.
- f. Design programs that reflect the relevant safety standards of the given activity.
- g. Consider purchasing or requiring others to purchase appropriate insurance coverage as applicable.

## A. Instructions

Those responsible for organizing an auxiliary-sponsored activity for which the *Release of Liability, Promise Not to Sue, Assumption of Risk and Agreement to Pay Claims* is required should provide participants with the release sufficiently in advance of the activity to give each prospective participant a chance to read and consider the document. They should also inform participants if an alternative assignment is available and what steps to take to participate in the alternative assignment. Use a separate release for each participant.

Before distributing the release, insert the time, location and description of the activity. Be very detailed. For example, if the activity involves two or more locations, write down each location such as “the Getty Museum in Los Angeles and Angel Stadium in Anaheim.” If the event consists of two or more activities, include each activity such as “swimming, biking and mountain climbing.” Providing more details allows participants to better understand the risks involved and provides additional protection to the Auxiliary Organization and CSU. Although the preference is that releases should be signed on an event-by-event basis, participants may sign for multiple events over a period of time so long as each event is mentioned and described in the release and the risks presented by each event are similar.

Case law in California describes how releases should be printed, including their layout and font size. For this reason, do not change the format of the release in any way without prior legal review. Releases cannot be included as the “fine print” in a larger publication such as a brochure. They must be printed and viewed as a separate document. This separation makes it harder for participants to claim later on that they didn’t know what they were signing.

General language has been provided to inform the participant of the types of losses that may occur. Any additional information you wish to furnish about an activity such as expected weather conditions or any specific risks in addition to bodily injury, damage to property, liability to others, and/or damage to property of others associated with the activity should be presented separately from the release. However, do not make any representations to those signing the release concerning the legal effect of signing the document.

Anyone who refuses to sign a release shall not be allowed to participate in the activity. The opportunity to participate is exchanged for the agreement to release the Auxiliary Organization and CSU from liability for injury or property damage that may result from participation. Occasionally someone signs the release after crossing out certain portions that they do not like or adding words to modify the release. This is not acceptable.

## B. Electronic Signatures

Electronic signatures and acknowledgements can only be used if Government Code §16.5 and California Code of Regulations §22000 are adhered to and the student’s / participant’s

signature and acknowledgement can be authenticated and a copy of the authentication and process can be produced upon request. It is recommended that Auxiliary Organization utilize existing security applications and access protocol when establishing an electronic signature process.

Electronic signatures and acknowledgements cannot be used for minors. Waivers signed by parent/guardians, must be a hard copy with “wet” signatures.

The electronic signature or acknowledgement must be stronger than simply clicking “I Agree”. It should require the full name of the participant that is signing along with an acknowledgement by the participant that by clicking/checking the subject electronic signature button, that they have read, understood and are accepting the waiver.

If these additional electronic safeguards can’t be initiated, then the use of a paper waiver / release with a “wet” signature must be used.

Waivers sent with an electronic signature or acknowledgement should be stored in electronic form. It is sensible to regularly backup or store waivers that are in electronic form on other media (i.e. burning to a CD) in case of hard drive failure.

### **C. Minors and Foreign Language**

Participants under 18 years of age must obtain their parent/guardian’s signature prior to participating in an activity. Because the participant’s parent or guardian signs the release, there is no requirement to also have the participant sign the agreement, however a good practice would be to have the minor read and sign the waiver as well.

There is no legal requirement to provide releases in languages other than English. In general, California courts have held that releases written in English signed by adults who cannot read English are valid. If a potential participant advises that they do not understand the release document, they should not be allowed to participate until the release is understood, accepted and executed.

### **D. Retention and Storage**

Releases must be stored for at least three years after an activity ends. Documents signed by a parent or guardian on behalf of a minor must be retained for at least three years after an activity ends or until the minor turns twenty, whichever is longer. Departments or units who sponsor an activity requiring a release should store the release by activity date in alphabetical order by participant name. Doing so greatly expedites retrieval if a release is needed for a legal proceeding. If space becomes a problem, releases can be stored electronically in lieu of the signed original, but we recommend keeping wet signatures for two years if possible.

## 6. Conclusion

Releases of liability and informed consents represent a complex area of contract law. This handbook is general and is intended only to provide basic information. Your Auxiliary Organization should consult its counsel to respond to any questions or to assist in the use of releases and informed consents as part of the risk management process.

## **FY 2019/20 AORMA LONG RANGE ACTION PLAN**

**ISSUE:** A copy of the Long Range Action Plan is included in every agenda. Staff will provide a verbal update on the activity of those projects that are still open.

1. Execute a Retainer with an Attorney to Provide Legal Advice for Members with Complex Contract Questions
2. Audit and/or Review the Members' Current Additional Insureds
3. Create a Whitepaper to Aid Members in Developing Contracts Involving Minors
4. Create a Whitepaper to Aid Members in Developing Contracts with Performing Artists
5. Update the IRIC Manual to Include an Exhibit for Chartering Watercraft
6. Create a Watercraft Matrix which clearly outlines the difference between coverage available through the CSURMA Watercraft Program vs. coverage through the liability, property and workers' compensation programs
7. Develop the Executive Oversight Policies and Procedures for the CSURMA AORMA Benefits Program
8. Explore the Club Liability Insurance Program (CLIP) to Include all of the CSU Alumni Associations
9. Creation of a Theatre Inspection Common Findings Report
10. Update the AORMA Recommended Waiver Handbook to Include Additional Information Regarding Electronic Signatures

**RECOMMENDATION:** The Committee will be asked to hear a report and provide direction to Staff as appropriate.

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

**BACKGROUND:** None.

**PUBLICATION:** The Long Range Action Plan will be included in each agenda packet.

**ATTACHMENT(S):**

- a. FY 2019/20 AORMA Long Range Action Plan

## FY 2019/20 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
<b>LRP-1</b>	<b>Execute a Retainer with an Attorney to Provide Legal Advice for Members with Complex Contract Questions</b>				
	1	Receive proposal from attorney	PA	Oct-19	Completed
	2	Present proposal to the AORMA Committee for approval	AORMA	Dec-19	Completed
	3	Disseminate information to the AORMA Members	PA	Ongoing	Completed
<b>LRP-2</b>	<b>Audit and/or Review the Members' Current Additional Insureds</b>				
	1	Compile a listing of all current additional insureds (AI) included on the AORMA liability program MOC as well as the corresponding contracts or agreements.	PA	Mar-20	Completed
	2	Forward the AI listings to the Members and request confirmation that the AI endorsement is still valid as the contract or agreement is still current.	PA	Apr-20	In Process
	3	Update and issue the renewal AI endorsements as appropriate.	PA	Jun-20	
<b>LRP-3</b>	<b>Create a Whitepaper to Aid Members in Developing Contracts Involving Minors</b>				
	1	Work with Praesidium to final the whitepaper	PA	Oct-19	Completed
	2	Review the whitepaper with the AORMA Committee	PA, AORMA	Nov-19	Completed
	3	Upload contract best practices to the CSURMA website	PA	Nov-19	Completed
	4	Notify members	PA	Nov-19	Completed
<b>LRP-4</b>	<b>Create a Whitepaper to Aid Members in Developing Contracts with Performing Artists</b>				
	1	Create draft whitepaper	PA	Jan-20	Completed
	2	Review the whitepaper with the AORMA Committee	PA, AORMA	May-20	Completed
	3	Upload the best practices to the CSURMA website	PA	May-20	Completed
	4	Notify members	PA	May-20	Completed
<b>LRP-5</b>	<b>Update the IRIC Manual to Include an Exhibit for Chartering Watercraft</b>				
	1	Create new IRIC manual exhibit	PA	Feb-19	Completed
	2	Upload the best practices to the CSURMA website	PA	Mar-20	Completed
	3	Notify members	PA	Mar-20	Completed
	4	Review the whitepaper with the AORMA Committee	PA, AORMA	May-20	In Process
<b>LRP-6</b>	<b>Create a Watercraft Matrix which clearly outlines the difference between coverage available through the CSURMA Watercraft Program vs. coverage through the liability, property and workers' compensation programs</b>				
	1	Create the watercraft matrix	PA	Feb-20	Completed
	2	Upload on the CSURMA website	PA	Mar-20	In Process
	3	Send report directly to the Members	PA	Mar-20	In Process
	4	Update to AORMA Committee on completion of the project	PA, AORMA	May-20	In Process

**FY 2019/20 CSURMA AORMA LONG RANGE ACTION PLAN**

<b>Goal</b>	<b>#</b>	<b>Action / Task</b>	<b>Responsible Entity</b>	<b>Deadline</b>	<b>Status</b>
<b>LRP-7 Develop the Executive Oversight Policies and Procedures for the CSURMA AORMA Benefits Program</b>					
	<b>1</b>	Finalize formation of the CSURMA AORMA Benefits Committee	AORMA	Aug-19	Completed
	<b>2</b>	Appointment of the Chair to the CSURMA AORMA Benefits Committee	AORMA Chair	Aug-19	Completed
	<b>3</b>	Appointment of members to serve on the CSURMA AORMA Benefits Committee	PA, Chair	Jan-20	Completed
	<b>4</b>	Review draft roles and responsibilities	AORMA	May-20	In Process
	<b>5</b>	Approval revisions to AORMA's policies and procedures as applicable	AORMA	May-20	
	<b>6</b>	Upload on the CSURMA website	PA	May-20	
<b>LRP-8 Explore the Club Liability Insurance Program (CLIP) to Include all of the CSU Alumni Associations</b>					
	<b>1</b>	Gather exposure information for all CSU Alumni Associations	PA	Feb-20	Completed
	<b>2</b>	Submit exposure information and work with insurers to expand the CLIP to include coverage for all of the CSU Alumni Associations on a blanket basis	PA	Mar-20	Completed
	<b>3</b>	Review quote to expand coverage	PA	Apr-20	Completed
	<b>4</b>	Receive approval to bind the coverage expansion	PA, CO	May-20	In Process
	<b>5</b>	Notify all Alumni Associations	PA	May-20	
	<b>6</b>	Update to AORMA Committee on completion of the project	PA	May-20	
<b>LRP-9 Creation of a Theatre Inspection Common Findings Report</b>					
	<b>1</b>	Receive copies of all theatre inspection reports completed	PA	Aug-19	Completed
	<b>2</b>	Create a matrix to document the common findings within the theatre inspection reports	PA	Jan-20	Completed
	<b>3</b>	Review the theatre inspection reports and complete the matrix with specific information as shown on the member's report	PA	Jan-20	Completed
	<b>4</b>	Alliant Risk Control Consulting will review the reports and matrix for issuance of the final common findings report	PA, ARCC	Feb-20	Completed
	<b>5</b>	Upload on the CSURMA website	PA	Mar-20	Completed
	<b>6</b>	Send report directly to the Members	PA	Mar-20	Completed
	<b>7</b>	Update to AORMA Committee on completion of the project	PA, AORMA	May-20	In Process
<b>LRP-10 Update the AORMA Recommended Waiver Handbook to Include Additional Information Regarding Electronic Signatures</b>					
	<b>1</b>	Receive proposal from attorney	PA	Oct-19	Completed
	<b>2</b>	Present proposal to the AORMA Committee for approval	AORMA	Dec-19	Completed
	<b>3</b>	Receive outside legal counsel's review and recommendations report	PA	Jan-20	Completed
	<b>4</b>	Review the recommendations with CSURMA Legal Counsel	PA	Feb-20	In Process
	<b>5</b>	Publish the amended AORMA recommended Waiver and Handbook	PA	Mar-20	

## FY 2019/20 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	6	Upload on the CSURMA website	PA	Mar-20	
	7	Send notification directly to the Members	PA	Mar-20	
	8	Update to AORMA Committee on completion of the project	AORMA, PA	May-20	

**BOD:** CSURMA Board of Directors

**PC:** AORMA Programs Committee

**CABO:** CSU Chief Administrators and Business Officers

**CO:** Chancellor's Office

**AORMA:** AORMA Committee

**EC:** CSURMA Executive Committee

**OGC:** CSU Office of General Counsel

**PA:** CSURMA Program Administrator

**SRM:** CSU Systemwide Risk Management

**CSURMA AORMA FY 2019/20 AND FY 2020/21 MEETING CALENDARS**

**ISSUE:** The Program Administrator includes a current copy of the CSURMA AORMA meeting calendars in every agenda.

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA 2019/20 Meeting Calendar
- b. CSURMA 2020/21 Meeting Calendar



## FY 2020/21 CSURMA MEETING CALENDAR

JULY 2020				AUGUST 2020				SEPTEMBER 2020			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
13-14	11:00 AM	AORMA Officers Retreat	TBD	21		AOA EC	Long Beach	9	10:00 AM	AORMA New Member	TBD
								9	11:00 AM	AORMA LRP	TBD
								10	9:00 AM	AORMA	TBD
								10	4:00 PM	EC Orientation	TBD
								11	8:30 AM	EC	TBD
OCTOBER 2020				NOVEMBER 2020				DECEMBER 2020			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
12	10:30 AM	AIME	TBD	20		AOA EC	Long Beach	3	10:00 AM	AORMA	TBD
22	2:00 PM	BOD Orientation	Teleconference					4	8:30 AM	EC	TBD
<del>22</del>	<del>10:00 AM</del>	<del>AORMA</del>	<del>CANCELED</del>								
23	8:30 AM	EC	TBD								
23	10:30 AM	BOD	TBD								
JANUARY 2021				FEBRUARY 2021				MARCH 2021			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
	10:30 AM	AIME						4	2:30 PM	EC	TBD
TBD	3:30 PM	EC (AOA Conference)	TBD					5	8:30 AM	EC LRP	TBD
TBD		AOA Annual Conference	TBD								
APRIL 2021				MAY 2021				JUNE 2021			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
					2:00 PM	BOD Orientation	Teleconference	TBD		AOA EC	TBD
				6	1:30 PM	AORMA	TBD				
				7	8:30 AM	EC	TBD				
				7	10:30 AM	BOD	TBD				
					10:30 AM	AIME					

AORMA = Auxiliary Organizations Risk Management Alliance Committee  
 AIME = Athletic Injury Medical Expense Committee  
 AORMA LRP = AORMA Long Range Planning Meeting

AOA = CSU Auxiliary Organizations Association  
 BOD = CSURMA Board of Directors  
 EC = CSURMA Executive Committee

EC LRP = EC Long Range Planning Meeting

**CSURMA AORMA PROGRAM ADMINISTRATOR’S CONTACT LISTS**

**ISSUE:** Staff includes an updated AORMA Program Administrator contact list in each agenda.

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Program Administrator - Contact List
- b. Claims Reporting Contacts

## CSURMA Service Matix and Contact List

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
Certificate of Insurance Requests	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
	Roosh Rezaie	roosh.rezaie@alliant.com	415-855-8565	415-874-4810
General CSURMA Coverage Questions (CAMPUS only)	Amy Lightner	amy.lightner@alliant.com	415-403-1457	415-874-4810
	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
	Daniel Howell	dhowell@alliant.com	415-403-1426	415-874-4810
General CSURMA AORMA Coverage Questions (Auxiliary Organizations only)	Mimi Long	mlong@alliant.com	415-403-1423	415-874-4810
	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
	Daniel Howell	dhowell@alliant.com	415-403-1426	415-874-4810
AIME	Stacey Weeks	sweeks@alliant.com	415-403-1448	415-874-4810
	Amy Lightner	amy.lightner@alliant.com	415-403-1457	415-874-4810
Inland Marine	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
	Mimi Long	mlong@alliant.com	415-403-1423	415-874-4810
	Roosh Rezaie	roosh.rezaie@alliant.com	415-855-8565	415-874-4810
Participant Accident Insurance (PAI)	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
	Tevea Him	thim@alliant.com	415-403-1416	415-874-4810
Special Events Insurance	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
	Tevea Him	thim@alliant.com	415-403-1416	415-874-4810
Foreign Travel Program	Amy Lightner	amy.lightner@alliant.com	415-403-1457	415-874-4810
	Roosh Rezaie	roosh.rezaie@alliant.com	415-855-8565	415-874-4810
General Risk Management Questions (AORMA)	Mimi Long	mlong@alliant.com	415-403-1423	415-874-4810
	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
	Daniel Howell	dhowell@alliant.com	415-403-1426	415-874-4810
General Risk Management Questions (Campus)	Amy Lightner	amy.lightner@alliant.com	415-403-1457	415-874-4810
	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
	Daniel Howell	dhowell@alliant.com	415-403-1426	415-874-4810
Risk Pool Rating Plans (Campus)	Susan Leung	susan.leung@alliant.com	415-403-1435	415-874-4810
Risk Pool Rating Plans (AORMA)	Mimi Long	mlong@alliant.com	415-403-1423	415-874-4810
CSURMA Budget	Susan Leung	susan.leung@alliant.com	415-403-1435	415-874-4810
Workers' Compensation Claims Consultant	Jacki Graf	jgraf@alliant.com	415-403-1438	415-874-4810
Alliant Claims Consulting	Robert Frey	rfrey@alliant.com	415-403-1445	415-403-1466
	Diana Walizada	dwalizada@alliant.com	415-403-1453	415-403-1466
	Elaine (Kim) Tizon	elaine.tizon@alliant.com	415-403-1458	415-403-1466
Form 700	Tevea Him	thim@alliant.com	415-403-1416	415-402-0773
Website and Technology Questions	La Shaunda Gaines	lashaunda.gaines@alliant.com	415-403-1489	415-874-4810
	Tevea Him	thim@alliant.com	415-403-1416	415-874-4810
	Myron Leavell	mleavell@alliant.com	415-403-1404	415-874-4810

## CSURMA Service Matix and Contact List

Coverage	Contact	E-Mail Address	Office	Fax
<b>CSURMA AORMA Benefits Program</b>				
General Inquiries	General Inquiries	aoabenefits@alliant.com		
Account Manger	Emily Li	emily.li@alliant.com	415-403-1463	
Account Exective	Chloe Smith	chloe.smith@alliant.com	415-403-1437	
Benefits Consultant	Tom Quirk	tom.quirk@alliant.com	949-660-5952	
Benefits Consultant/Senior Vice President	Michael Menerey	mmenerey@alliant.com	213-270-0972	

### Loss Control Consultants – Alliant Risk Control Consulting

Northern California	John Owen	john.owen@alliant.com	916-643-2736	
<i>Chico, East Bay, Humboldt, Monterey, Sacramento, San Francisco, San Jose, San Luis Obispo, Sonoma, and Stanislaus</i>				
North LA and Central California	Tim Leech	tleech@alliant.com	949-260-5008	
North LA and Central California	Ray Machado	ray.machado@alliant.com	949-260-5081	
<i>Bakersfield, Channel Islands, Dominguez Hills, Fresno, Los Angeles, and Northridge</i>				
Southern California	Kristina Loiselle	kloiselle@alliant.com	949-260-5042	
<i>Fullerton, Long Beach, Pomona, San Bernardino, San Diego, and San Marcos</i>				

### CSU Chancellor's Office

CSU Chancellor's Office	Scott Bourdon	sbourdon@calstate.edu	562-951-4580	
	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	Steve Relyea	srelyea@calstate.edu	562-951-4600	562-951-4971
	Jody VanLeuven	jvanleuven@calstate.edu	562-951-4574	
Office of General Counsel	William Hsu	whsu@calstate.edu	562-951-4500	562-951-4956
	Robin Webb	rwebb@calstate.edu	562-951-4500	562-951-4956
Financial Services Division Systemwide Accounting & Reporting	Alice Kim	akim@calstate.edu	562-951-4627	562-951-4865
	Cindi Le	cle@calstate.edu	562-951-4651	
	Jessica Liu Tanaka	jliu@calstate.edu	562-951-4621	
	Sheralin Klinthong	sklinthong@calstate.edu	562-951-4548	
	Mary Ek	mek@calstate.edu	562-951-4540	
Systemwide Professional Development	David Kervella	dkervella@calstate.edu	562-951-4403	
	Chris Fondacaro	cfondacaro@calstate.edu	562-951-4403	

**CSURMA AORMA COMMITTEE MEMBERS CONTACT LIST**

**ISSUE:** Attached for the Committee's review is the AORMA Committee and Standing Committee Membership Roster Contact List.

**RECOMMENDATION:** It is recommended that the Committee Members review the contact information for accuracy and report any changes or corrections to Staff.

**FISCAL IMPACT:** None.

**BACKGROUND:** Contact lists are provided at every meeting.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Committee Roster - Effective at July 1, 2019

**AORMA Committee**  
**Effective at July 1, 2019**

Seat	Member	Position	Campus	Auxiliary Name	E-Mail	Telephone Number	Location
Chair	Dwayne Brummett	Associate Executive Director	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768	Central
First Vice Chair	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878	North
Second Vice Chair	Starr Lee	Associate Executive Director	Monterey Bay	The University Corporation at Monterey Bay	stlee@csumb.edu	831-582-3000	Central
Seat 1	Bella Newberg	Associate Vice President, Business Development & Executive Director	San Marcos	California State University San Marcos Corporation	newberg@csusm.edu	760-750-4700	South
Seat 2	Chuck Kissel	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	ckissel@fullerton.edu	657-278-4990	South
Seat 3	Cecilia Ortiz	Director	Dominguez Hills	Loker Student Union	cortiz@csudh.edu	310-243-3854	South
Seat 4	Russell Wittmeier	Human Resources Director	Chico	The CSU, Chico Research Foundation	rwittmeier@csuchico.edu	530-898-5731	North
Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003	North
Seat 6	Leslie Levinson	Chief Financial Officer	San Diego	San Diego State University Research Foundation	llevinson@mail.sdsu.edu	619-594-8941	South
Seat 7	Bill Olmsted	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-2242	North

**AORMA Benefits Committee - Roster**

Seat	Member	Position	Campus	Auxiliary Name	E-Mail	Telephone Number	Date Appointed
Chair	Raven Tyson	Human Resources Assistant Director	San Diego	Associated Students, San Diego State University	rtyson@sdsu.edu	619-594-3760	4/14/2020
Seat 1	Maddison Burton	Corporation HR Manager	Monterey Bay	The University Corporation at Monterey Bay	mburton@csumb.edu	831-582-4498	4/14/2020
Seat 2	Stephanie Moreno	Director HR Resources	Long Beach	California State University, Long Beach Research Foundation	stephanie.moreno@csulb.edu	562-985-7949	4/14/2020
Seat 3	Daniela Moehlecke	Payroll Specialist	San Marcos	California State University San Marcos Corporation	dmoehlecke@csusm.edu	760-750-4720	4/14/2020
Seat 4	Kathryn Weeks	Human Resources Manager	Northridge	The University Corporation, CSU Northridge	kathryn.weeks@csun.edu	818-677-5040	4/14/2020
Seat 5	Rosa Hernandez	Director of Human Resources Director of Marketing & Communications	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	rosa.hernandez@csulb.edu	562-985-7854	4/14/2020
Seat 6	Jennifer L. Campbell	Human Resources Specialist	Sacramento	University Enterprises, Inc., Sacramento State	jennc@csus.edu	916-278-7057	4/14/2020



## **LIABILITY – CLAIMS REPORTING CONTACT**

**In the event of a loss, please contact:**

**Shari Huff**  
**Litigation Manager**  
Carl Warren & Company  
PO Box 2411  
Tustin, CA 92781  
[csurma@carlwarren.com](mailto:csurma@carlwarren.com)

or

[shuff@carlwarren.com](mailto:shuff@carlwarren.com)  
Tel: 657-622-4200



## **POLLUTION – CLAIMS REPORTING CONTACT**

**(All pollution incidents must be reported within **seven** days of discovery)**

**Report the incident immediately to:**

ACE Environmental Risk  
casualtyriskenvironmental@acegroup.com  
888-310-9553

**AND:**

**Alliant Insurance Services, Inc.**  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101

Tel: 877-725-7695  
Fax: 415-403-1466

**OR**

**Diana Walizada, Claims Unit Manager**  
Alliant Insurance Services, Inc.  
E-mail: [dwalizada@alliant.com](mailto:dwalizada@alliant.com)  
Tel: 415-403-1453  
Fax: 415-403-1466  
Cell: 415-693-8714

**OR**

**Elaine (Kim) Tizon, Claims Advocate**  
Alliant Insurance Services, Inc.  
E-mail: [elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com)  
Tel: 415-403-1458  
Fax: 415-403-1466  
Cell: 415-609-2133

### **After hours claims reporting number**

**Robert Frey, First Vice President**  
Alliant Insurance Services, Inc.  
E-mail: [rfrey@alliant.com](mailto:rfrey@alliant.com)  
Tel: 415-403-1445  
Fax: 415-403-1466  
Cell: 415-518-8490



## CYBER LIABILITY – CLAIMS REPORTING CONTACT

**Report the incident immediately to:**

**Beazley Group**  
1270 Avenue of the America's, Suite 1200  
New York, NY 10020

bbr.claims@beazley.com  
Tel: 646-943-5900  
Fax: 546-378-4039

**AND COPY TO:**

<b>Elaine (Kim) Tizon, Claims Advocate</b>	<b>OR</b>	<b>Diana Walizada, Claims Unit Manager</b>
Alliant Insurance Services, Inc.		Alliant Insurance Services, Inc.
E-mail: elaine.tizon@alliant.com		E-mail: dwalizada@alliant.com
Tel: 415-403-1458		Tel: 415-403-1453
Fax: 415-403-1466		Fax: 415-403-1466
Cell: 415-609-2133		Cell: 415-693-8714

**After hours claims reporting number**

**Robert Frey, First Vice President**  
Alliant Insurance Services, Inc.  
E-mail: rfrey@alliant.com  
Tel: 415-403-1445  
Fax: 415-403-1466  
Cell: 415-518-8490



## **SPECIAL LIABILITY INSURANCE PROGRAM (SLIP) CLAIMS REPORTING CONTACT**

**Report the incident immediately to:**

**Elaine (Kim) Tizon, Claims Advocate** **OR**

Alliant Insurance Services, Inc.  
E-mail: [elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com)  
Tel: 415-403-1458  
Fax: 415-403-1466  
Cell: 415-609-2133

**Diana Walizada, Claims Unit Manager**

Alliant Insurance Services, Inc.  
E-mail: [dwalizada@alliant.com](mailto:dwalizada@alliant.com)  
Tel: 415-403-1453  
Fax: 415-403-1466  
Cell: 415-693-8714

**OR:**

**After hours claims reporting number:**

**Robert Frey, First Vice President**

Alliant Insurance Services, Inc.  
E-mail: [rfrey@alliant.com](mailto:rfrey@alliant.com)  
Tel: 415-403-1445  
Fax: 415-403-1466  
Cell: 415-518-8490



## **AUTO PHYSICAL DAMAGE (APD) CLAIMS REPORTING CONTACT**

**Report the incident immediately to:**

**Elaine (Kim) Tizon, Claims Advocate** **OR**

Alliant Insurance Services, Inc.  
E-mail: [elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com)  
Tel: 415-403-1458  
Fax: 415-403-1466  
Cell: 415-609-2133

**Diana Walizada, Claims Unit Manager**

Alliant Insurance Services, Inc.  
E-mail: [dwalizada@alliant.com](mailto:dwalizada@alliant.com)  
Tel: 415-403-1453  
Fax: 415-403-1466  
Cell: 415-693-8714

**OR:**

**After hours claims reporting number:**

**Robert Frey, First Vice President**

Alliant Insurance Services, Inc.

E-mail: [rfrey@alliant.com](mailto:rfrey@alliant.com)  
Tel: 415-403-1445  
Fax: 415-403-1466  
Cell: 415-518-8490



## PROPERTY / BOILER & MACHINERY CLAIMS REPORTING CONTRACT

**Report the incident immediately to Toll Free 877-725-7695:**

**OR**

**Diana Walizada, Claims Unit Manager**

Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101  
E-mail: [dwalizada@alliant.com](mailto:dwalizada@alliant.com)  
Tel: 415-403-1453  
Fax: 415-403-1466  
Cell: 415-693-8714

**OR**

**Robert Frey, First Vice President**

Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101  
E-mail: [rfrey@alliant.com](mailto:rfrey@alliant.com)  
Tel: 415-403-1445  
Fax: 415-403-1466  
Cell: 415-518-8490

**OR**

**Elaine (Kim) Tizon, Claims Advocate**

Alliant Insurance Services, Inc.  
E-mail: [elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com)  
Tel: 415-403-1458  
Fax: 415-403-1466  
Cell: 415-609-2133

**AND COPY TO:**

**Sandra Doig**  
McLaren's

180 Montgomery Street, Suite 2100  
San Francisco, CA 94104  
[Sandra.Doig@mclarens.com](mailto:Sandra.Doig@mclarens.com)  
Tel: 415-392-6034  
Fax: 949-757-1692

**After hours claims reporting number:**

**Robert Frey, First Vice President**

Alliant Insurance Services, Inc.  
E-mail: [rfrey@alliant.com](mailto:rfrey@alliant.com)  
Tel: 415-403-1445  
Fax: 415-403-1466  
Cell: 415-518-8490



## WORKERS' COMPENSATION – CLAIMS REPORTING CONTACT

In the event of a Workers' Compensation claim, please forward the Workers' Compensation Claim Form (DWC1) and the Employer's Report of Occupational Injury or Illness (Form 5020) to:

**Brian Montagnese - Supervisor**  
Sedgwick  
P.O. Box 14629  
Lexington, KY 40512-4629

E-mail: [brian.montagnese@sedgwick.com](mailto:brian.montagnese@sedgwick.com)  
Tel: 916-852-2944  
Fax: 916-851-8079

### YOUR CLAIM WILL BE ASSIGNED TO EITHER:

**Katie Brant, Adjuster**  
Sedgwick  
P.O. Box 14629  
Lexington, KY 40512-4629

E-mail: [katie.brant@sedgwick.com](mailto:katie.brant@sedgwick.com)  
Tel: 916-852-2953  
Fax: 916-851-8079

**OR**

**Tracy Corum**  
**Claims Assistant and Medical Only Examiner**  
Sedgwick

E-mail: [tracy.corum@sedgwick.com](mailto:tracy.corum@sedgwick.com)  
Tel: 916-852.2954

**Katie Brant**  
**Adjuster, Northridge Auxiliary Only**  
Sedgwick

E-mail: [katie.brant@sedgwick.com](mailto:katie.brant@sedgwick.com)  
Tel: 916-852-2953



## **PARTICIPANT ACCIDENT INSURANCE (PAI)**

In the event of a Participant Accident Insurance (PAI) claim, *please forward the completed HSR claim form directly to:*

**Health Special Risk, Inc.**  
HSR Plaza II  
4100 Medical Parkway  
Carrollton, TX 75007

E-mail: [CSRM@hsri.com](mailto:CSRM@hsri.com)  
Tel: 972-512-5600  
Fax: 972-512-5820  
Tel Toll Free: 866-523-3186



## UNEMPLOYMENT INSURANCE PROGRAM (UIP)

For Unemployment Insurance Program (UIP) claim, please contact Equifax Workforce Solutions directly at:

**Equifax Workforce Solutions**

P.O. Box 283  
St. Louis, MO 63166-0283

**Kevin Sullivan**

*Account Manager*  
kevin.sullivan@equifax.com  
(714) 421-8145

**Irene Wang**

*UI Consultant/Hearing Coordinator*  
irene.wang@equifax.com  
(314) 684-2885

**Trisha Milton**

*Claims Assistant Manager*  
trisha.milton@equifax.com  
(314) 214-7883

State Agency Response Center: (800) 829 -1510

Should you receive any calls from the state agencies directly, requesting information related to a claim, please provide them the above number.

UC Support: (866)723-4800 or  
ucsupport@equifax.com

Should you encounter any issues logging into the UC Web Manager (CaseBuilder, Insight) application, please reach out to UC Support.

## **AORMA'S TRAVEL REIMBURSEMENT POLICY**

**ISSUE:** Reasonable expenses associated with travel to and from the AORMA Committee meetings and CSURMA Board of Directors meetings are reimbursable by CSURMA. Attached is Policy & Procedure A-7 - CSURMA AORMA Travel Reimbursement Policy.

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** Please contact Mimi Long should you have any questions regarding your travel expenses.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Policy & Procedure A-7 - CSURMA AORMA Travel Reimbursement Policy



## **CSURMA AORMA**

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

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**SUBJECT:** CSURMA AORMA TRAVEL REIMBURSEMENT  
POLICY

**ADOPTED:** MARCH 21, 2013  
**AMENDED:** MARCH 19, 2015  
MARCH 9, 2017  
SEPTEMBER 6, 2018

**EFFECTIVE:** MARCH 21, 2013

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### **PURPOSE:**

CSURMA AORMA members benefit from the work of their elected and appointed representatives who give their time to participate in the governance and development of CSURMA programs. Committee Member in person attendance at the AORMA Committee, standing committee meetings and task group meetings is preferred. This Policy and Procedure is intended to formalize the prior existing practices of CSURMA.

### **POLICY:**

It is the policy of the CSURMA AORMA Committee that reasonable and actual expenses incurred by AUTHORIZED TRAVELERS for COVERED PURPOSES related to operation of CSURMA's programs shall be reimbursed. The method of approving travel, and reporting and calculating the reimbursable amount shall be in accordance with the travel reimbursement policy of the California State University or the AUTHORIZED TRAVELER's member auxiliary organization at the time of the travel.

### **PROCEDURE:**

1. Reimbursement requests will be reported on the AUTHORIZED TRAVELER's completed State of California – Travel Expense Claim form or the form utilized by the AUTHORIZED TRAVELER's member auxiliary organization. The claim form should be forwarded to the AUTHORIZED TRAVELER's member auxiliary organization accounting department for reimbursement. The member auxiliary organization's accounting department should then seek reimbursement from CSURMA.
2. The AUTHORIZED TRAVELER's accounting department should send the following documents to CSURMA c/o the Systemwide Office of Risk Management:
  - a) Invoices for all reasonable expenses



- b) Completed State of California (or AUTHORIZED TRAVELER's member auxiliary organization) – Travel Expense Claim form
- c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the AUTHORIZED TRAVELER attended.

**DEFINITIONS:**

**AUTHORIZED TRAVELER** – includes AORMA Committee members and officers, standing committee members and participants in duly established task groups. Other persons traveling on CSURMA AORMA related travel shall be reimbursed pursuant to this Policy and Procedure No. A-7 as agreed under separate agreement in advance of the travel. Independent consultants shall not be considered AUTHORIZED TRAVELERS under this Policy and Procedure No. A-7 and any travel expenses incurred by independent consultants may be reimbursed as provided under separate consulting agreements.

**COVERED EXPENSES** – includes reasonable expenses incurred by the AUTHORIZED TRAVELER as provided under the travel reimbursement policy of the California State University or the AUTHORIZED TRAVELER's member auxiliary organization travel reimbursement policy requirements.

**COVERED PURPOSES** – covered purposes shall include attendance at meetings of the CSURMA AORMA Committee, standing committees, task group meetings, program presentations, member meetings, and approved professional development trainings. Any other COVERED PURPOSES must be approved for reimbursement by the AORMA Committee. The AORMA Committee Chair or designee is expected to attend the AOA Executive Committee meetings as the representative of the AORMA Committee and therefore reasonable expenses associated with travel to and from as well as participation in the AOA Executive Committee meetings are reimbursable by CSURMA. As directors on the CSURMA Board, AORMA Committee Members are expected to attend CSURMA Board of Directors meetings and therefore reasonable expenses associated with travel to and from as well as participation in the CSURMA Board of Directors meeting are reimbursable by CSURMA. If there is travel to an event that would otherwise be a COVERED PURPOSE in conjunction with another event the AUTHORIZED TRAVELER would otherwise attend such as the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference, the AUTHORIZED TRAVELER is eligible for reimbursement of COVERED EXPENSES to attend the COVERED PURPOSE meeting only and there will be no CSURMA reimbursement of the expenses the AUTHORIZED TRAVELER would have normally incurred to attend the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference.