



## PROGRAMS COMMITTEE MEETING “This is an Open Public Meeting”

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

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

1. Guy Dalpe: Cesar Chavez Student Center, SFSU, 1650 Holloway Avenue Room C-134, San Francisco
2. Gigi Kiama: University Corporation at CSUMB, 100 Campus Center, Bldg. 201, Seaside
3. Haleh Minakary: Cal Poly Pomona Foundation, CSU Pomona, 3801 W. Temple Ave., Bldg. 55, Pomona
4. Mark Day: Santos Manuel Student Union, CSU San Bernardino, 5500 University Parkway, San Bernardino
5. Jun Reina: Capital Public Radio, Inc., CSU Sacramento, 7055 Folsom Boulevard, Sacramento

**Meeting Date:** January 7, 2015  
**Time:** 10:00 a.m. (Teleconference)

**Location:** Alliant Insurance Services, Inc.  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111

**Legend:** A – Action may be taken  
I – Information Only

**A. CALL TO ORDER**

**B. PUBLIC COMMENTS**

**C. GENERAL ADMINISTRATION**

1. **Approval of the Agenda Order** A p. 3  
*The committee will be asked to approve today’s meeting agenda order*
2. **Approval of Meeting Minutes – November 4, 2014** A p. 4  
*The Committee will be asked to review and approve the minutes from the last Programs Committee meeting on November 4, 2014*
3. **Approval of the FY 15/16 Revised Liability Program Member Allocation Formula** A p. 9  
*The committee will be asked to approve the final FY 15/16 liability program member allocation*
4. **Approval of the FY 15/16 Workers’ Compensation Program Member Allocation** A p. 21  
*The committee will be asked to approve the final FY 15/16 workers’ compensation member allocation*

- 5. **Approval of the FY 15/16 Property Program Member Allocation** A p. 27  
*The committee will be asked to approve the final FY 15/16 property program member allocation*
- 6. **Approval of the FY 15/16 Crime Program Member Allocation** A p. 37  
*The committee will be asked to approve the final FY 15/16 crime program member allocation*
- 7. **Approval of the FY 15/16 Employment Practices Liability Deductibles** A p. 47  
*The committee will be asked to review and approve the EPL deductible calculation for FY 15/16*
- 8. **Approval of the Dividend Distribution for the Liability and Workers' Compensation Programs** A p. 60  
*The committee will be asked to review and approve the allocation of the dividends to be paid in July, 2015*
- 9. **Approval of the FY 14/15 Long Range Action Plan for the Programs Committee** A p. 74  
*The committee will be asked to approve the long range action items that were assigned to the committee*
- 10. **Approval of the 2015 Meeting Dates for the Programs Committee** A p. 75  
*The committee will be asked to approve its meeting dates for 2015*

**D. INFORMATION ITEMS**

- 1. **2015 CSURMA AORMA Meeting Calendar** I p. 76
- 2. **FY 14/15 Long Range Action Plan** I p. 79
- 3. **CSURMA AORMA Committee and Standing Committee Roster** I p. 83

**E. ADJOURNMENT**

*The next PC meeting is scheduled for February 26, 2015 at 1:00pm via teleconference*

**APPROVAL OF THE AGENDA ORDER**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**APPROVAL OF MEETING MINUTES – NOVEMBER 4, 2014**

**ISSUE:** The Committee will be asked to review and approve the draft minutes from the November 4, 2014, Programs Committee meeting.

**RECOMMENDATION:** Staff recommends approving the minutes, with revisions as necessary.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Meeting Minutes – November 4, 2014

**MINUTES OF THE CSURMA AORMA  
PROGRAMS COMMITTEE MEETING  
NOVEMBER 4, 2014  
TELECONFERENCE MEETING  
1:00 PM**

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**MEMBERS PRESENT**

Guy Dalpe, Cesar Chavez Student Center (San Francisco State University)  
Mark Day, Santos Manuel Student Union (CSU San Bernardino)  
Gigi Kiama, University Corporation (CSU Monterey Bay)

**ABSENT MEMBERS**

Haleh Minakary, The Cal Poly Pomona Foundation, Inc. (Cal Poly Pomona)  
Jun Reina, Capital Public Radio, Inc. (CSU Sacramento)

**STAFF, GUESTS AND CONSULTANTS**

Tevea Him, Alliant Insurance Services, Inc.  
Mimi Long, Alliant Insurance Services, Inc.  
Frank Mumford, CSU Fullerton Auxiliary Services Corporation (CSU Fullerton)

**A. CALL TO ORDER**

The meeting was called to order by Guy Dalpe at 1:05 PM.

**B. PUBLIC COMMENTS**

There were no public comments.

**C. GENERAL ADMINISTRATION**

**C1. Approval of the Agenda Order**

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

**First:** Gigi Kiama  
**Second:** Mark Day

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	<b>X</b>			
Gigi Kiama	<b>X</b>			
Haleh Minakary				<b>X</b>

Mark Day	<b>X</b>			
Jun Reina				<b>X</b>

**Motion carried.**

**C2. Approval of Minutes – September 25, 2014**

A motion was made to approve the minutes of the September 25, 2014 meeting.

**First:** Gigi Kiama

**Second:** Mark Day

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
Guy Dalpe	<b>X</b>			
Gigi Kiama	<b>X</b>			
Haleh Minakary				<b>X</b>
Mark Day	<b>X</b>			
Jun Reina				<b>X</b>

**Motion carried.**

**C3. Liability Program Member Allocation Formula**

Mimi explained that since inception of the liability program, AORMA has used an ISO based rating allocation formula in order to allocate the total program costs to each member. Within the current AORMA ISO rating formula, most members are rated using the Schools and Colleges classification with the addition of maybe one to three supplementary classifications codes. Many ISO rates use square footage as the rating exposure basis. Therefore, the formula is heavily weighted on premises liability types of losses, i.e., slip, trip and fall, deck collapse, unsafe condition. Based on this formula, the members with the largest amount of square footage within their control or maintenance incur the highest premium costs. The current ISO rating formula caps all member increases to 10% even if the member has a major exposure change, i.e., construction of a new recreation center, or assuming responsibility for a day care center. The ISO formula allows for credits or debits for loss experience or changes in operations but only up to 10%, subject to the underwriter’s discretion.

This formula was adequate for many years. Now, however, after collecting several years of loss information, it is clear that AORMA’s losses do not track with the ISO rating statistical information. The CSURMA actuary has reviewed AORMA’s loss history for ten years and has provided recommended rates for AORMA’s four major loss categories – Auto Liability, Premises Liability, Employment Practices Liability and All Other. Based on the actuary’s report, it is abundantly clear that AORMA needs to increase its rate for employment practices liability and lower its rate for premises liability.

The Programs Committee reviewed the draft FY 15/16 Liability Program Member Allocation Formula. The allocation presented to the Committee collared the premium to a maximum 30% increase and a maximum decrease of 15%. The Committee reviewed the rate comparison exhibit shown below.

Exposure		FY 15/16 Actuary's Recommended Rating		FY 14/15 ISO Rating		FY 15/16 Collared Rating	
		Rate	Premium	Rate	Premium	Rate	Premium
Auto Liability	173	150	25,950	346	59,858	333	57,609
Premises Liability	10,431,924	37	385,981	139	1,450,037	50	521,596
Other Liability	1,403,301,129	132	185,236			564	791,462
EPL	403,618,333	2,566	1,035,685	661	266,792	1,015	409,673
<b>Total</b>			<b>1,632,852</b>		<b>1,776,687</b>		<b>1,780,340</b>

Mimi noted that ideally the premium collars would be phased out within five years. This way if a Member has a major change in exposure, its premium would increase or decrease accordingly. The rates recommended by the actuary will be reviewed annually and slowly incorporated into the allocation with rate collars as required.

The Committee requested the following changes to the draft FY 15/16 Liability Program Member Allocation spreadsheet:

1. FY 15/16 Collared Rating / Auto Liability Rate – Change rate from \$333 to \$150 per auto. \$150 per auto is the actuary’s recommended rate.
2. FY 15/16 Collared Rating / EPL – Change rate from \$1,015 to \$1,065 per \$1,000,000 in payroll. This change brings the rate closer to the actuary’s recommended rate.
3. Change the Collared Minimum Premium rate to .87 (or a 13% maximum reduction).
4. Change the Comparison Exhibits to include Column AM rather than AK or AJ).

A motion was made to recommend approval to the AORMA Committee of the FY 15/16 Liability Program Member Allocation Formula with the revisions noted above.

**First:** Mark Day  
**Second:** Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Haleh Minakary				X
Mark Day	X			
Jun Reina				X

**Motion carried.**

**D. INFORMATION ITEMS**

**D1. CSURMA AORMA 2014 Meeting Calendar**

The Committee reviewed the information item.

**E. ADJOURNMENT**

A motion was made to adjourn the meeting at 1:58 PM

**First:** Mark Day  
**Second:** Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Haleh Minakary				X
Mark Day	X			
Jun Reina				X

**Motion carried.**

**REVISED – December 9, 2014**  
**APPROVAL OF THE FY 15/16 REVISED LIABILITY PROGRAM**  
**MEMBER ALLOCATION FORMULA**

**ISSUE:** The AORMA Committee reviewed and approved revised liability program member allocation formula at its meeting on December 4, 2014. The Programs Committee will now be asked to approve the final member allocation as well as the;

1. Four basic rates
  - a. Basic - *\$488 per \$1,000,000 in expenditures*
  - b. EPL - *\$1,065 per \$1,000,000 in payroll*
  - c. Premises - *\$50 per 1,000 in square footage*
  - d. Auto - *\$150 per auto*
2. Maximum premium for calculating the size credit - *\$65,000 (seven members receive the full 30% credit)*
3. Maximum size credit rate percentage – 30%
4. Maximum collared rate percentage increase – *30% (20 members are collared)*
5. Maximum collared rate percentage decrease – *13% (45 members are collared)*
6. Capped excess premium - *\$85,000 (one member is capped)*
7. Minimum administrative costs - *\$600 (19 members are capped)*
8. Maximum administrative costs - *\$60,000 (one member is capped)*
9. Minimum premium - *\$2,000 (five members received the minimum premium)*

**RECOMMENDATION:** The AORMA Committee has approved the basic allocation formula; therefore, Staff recommends that the Programs Committee approve the FY 15/16 liability program member allocation as presented along with the allocation factors 1 – 9, as described above.

**FISCAL IMPACT:** Noted below is a comparison of the FY 15/16 rates recommended by the actuary, the rates used for the FY 14/15 calculation and the recommended collared rates for the FY 15/16 calculation.

**AORMA Pooled Layer – Rates and Premium**

Exposure		FY 15/16 Actuary's Recommended Rates		FY 14/15 ISO Rates		Recommended FY 15/16 Collared Rates	
		Rate	Premium	Rate	Premium	Rate	Premium
Auto Liability	173	150	25,950	346	59,858	150	25,950
Premises Liability	10,431,924	37	385,981	139	1,450,037	50	521,596
Other Liability	1,403,301,129	132	185,236		-	488	684,811
EPL	403,618,333	2,566	1,035,685	661	266,792	1,065	429,854
<b>Total</b>			<b>1,632,852</b>		<b>1,776,687</b>		<b>1,662,211</b>

**BACKGROUND:** The AORMA Committee has requested that Staff, with the assistance of the Programs Committee Chair and the AORMA Committee Chair, complete a detailed announcement letter which describes the revisions to the liability allocation formula and the necessity for these changes. Staff has also been directed to meet in person with those members receiving significant premium increases and that a separate specifically tailored letter is created for those members describing why their premium is increasing. Some of these meetings may be scheduled during the AOA conference in February, 2015.

**PUBLICATION:** The new rating plan and premium will be published in the “January” letter and a detailed explanation will be included in the campus member presentation along with the announcement letter noted above. A Policy and Procedure will be created for the AORMA Committee’s approval which outlines the allocation formula.

**ATTACHMENT(S):**

- a. The FY 15/16 Liability Program Member Allocation Rating Formula – Comparison Page
- b. Actuary’s FY 15/16 Liability Rate and Experience Modification Factors report
- c. FY 15/16 - Total Funding Approved

Member Information		Comparison					Employment Practices Liability Deductible Calculation						
Campus	Auxiliary Organization	FY 15/16	FY 14/15	\$ Diff	% Diff	\$ Diff w/ EPL Deductible Credit	% Diff w/ EPL Deductible Credit	\$50,000 EPL	FY 15/16	\$75,000 EPL	FY 15/16	\$100,000 EPL	FY 15/16
		Premium	Premium					Deductible	Premium w/ a \$50,000 EPL	Savings	Premium w/ a \$75,000	Savings	Premium w/ a \$100,000
Bakersfield	Associated Students Inc., California State University, Bakersfield	5,785	6,650	(865)	-13%			13%	5,785	25.5%	5,785	36%	5,785
Bakersfield	Student Union, Inc., California State University, Bakersfield	3,451	3,154	297	9%				3,451		3,451		3,451
Bakersfield	California State University, Bakersfield, Auxiliary for Sponsored Programs Administration	4,089	3,146	943	30%			294	3,795	576	3,513	813	3,276
Bakersfield	California State University, Bakersfield Foundation	17,976	20,663	(2,687)	-13%			79	17,897	155	17,821	219	17,757
Chancellor's Office	California State University Institute	2,706	2,082	624	30%			-	2,706	-	2,706	-	2,706
Chancellor's Office	California State University Foundation	2,000	1,522	478	31%			-	2,000	-	2,000	-	2,000
Channel Islands	Associated Students, Inc., CSU Channel Islands	2,127	1,636	491	30%			-	2,127	-	2,127	-	2,127
Channel Islands	California State University Channel Islands Foundation	2,258	2,168	91	4%			-	2,258	-	2,258	-	2,258
Channel Islands	University Glen Corporation, CSU Channel Islands	21,486	24,697	(3,211)	-13%			379	21,107	744	20,742	1,050	20,436
Chico	Auxiliary Organization Associations c/o CSU Chico Research Foundation	2,000	1,495	505	34%			-	2,000	-	2,000	-	2,000
Chico	The University Foundation, California State University, Chico	11,954	9,195	2,759	30%			-	11,954	-	11,954	-	11,954
Chico	The CSU, Chico Research Foundation	108,674	114,633	(5,960)	-5%			1,812	106,862	3,554	105,119	5,018	103,656
Chico	Associated Students of California State University, Chico	118,885	136,649	(17,764)	-13%			940	117,945	1,844	117,041	2,603	116,282
Chico	Associated Students Incorporated, California State University, Chico												
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	5,287	6,077	(790)	-13%			67	5,220	131	5,156	184	5,103
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State University, Dominguez Hills	15,862	18,232	(2,370)	-13%			-	15,862	-	15,862	-	15,862
Dominguez Hills	California State University, Dominguez Hills Foundation	29,688	27,594	2,094	8%			685	29,003	1,344	28,344	1,897	27,791
Dominguez Hills	Associated Students, Inc., California State University, East Bay												
East Bay	Associated Students, Inc., California State University, East Bay	25,192	28,956	(3,764)	-13%			67	25,125	132	25,060	186	25,006
East Bay	California State University, East Bay Foundation, Inc.	35,810	41,161	(5,351)	-13%	(5,351)	-13%	-	35,810	-	35,810	-	35,810
East Bay	Cal State East Bay, Educational Foundation, Inc.	2,000	2,079	(79)	-4%			-	2,000	-	2,000	-	2,000
Fresno	Fresno State Programs for Children	7,727	8,882	(1,155)	-13%			135	7,592	264	7,463	373	7,354
Fresno	The Agricultural Foundation of CSU Fresno	18,890	21,713	(2,823)	-13%			41	18,849	80	18,810	113	18,777
Fresno	The Athletic Corporation, CSU Fresno	180,773	207,785	(27,012)	-13%			697	180,076	1,366	179,407	1,929	178,844
Fresno	California State University, Fresno Association	191,204	219,775	(28,571)	-13%			899	190,305	1,763	189,441	2,489	188,715
Fresno	CSU Fresno Foundation	61,417	47,244	14,173	30%	9,665	20%	2,298	59,119	4,508	56,909	6,364	55,053
Fresno	Associated Students Inc., CSU Fresno	5,127	3,944	1,183	30%			27	5,100	53	5,074	75	5,052
Fresno	Associated Students, California State University, Fullerton, Inc.												
Fullerton	Associated Students, California State University, Fullerton, Inc.	41,144	35,086	6,058	17%			766	40,378	1,503	39,641	2,121	39,023
Fullerton	CSU Fullerton Housing Authority	17,228	19,802	(2,574)	-13%			-	17,228	-	17,228	-	17,228
Fullerton	Cal State Fullerton Philanthropic Foundation	8,790	6,855	1,935	28%			-	8,790	-	8,790	-	8,790
Fullerton	Cal State Fullerton Auxiliary Services Corporation	70,090	53,916	16,174	30%			2,170	67,920	4,256	65,834	6,009	64,081
Humboldt	Humboldt State University Advancement Foundation	2,000	1,581	419	27%			-	2,000	-	2,000	-	2,000
Humboldt	Humboldt State University Sponsored Programs Foundation	35,043	30,330	4,713	16%			903	34,141	1,771	33,273	2,500	32,544
Humboldt	Associated Students of Humboldt State University	5,774	6,637	(863)	-13%			18	5,756	35	5,739	50	5,724
Humboldt	University Center, Humboldt State University	48,627	55,893	(7,266)	-13%			458	48,169	899	47,728	1,269	47,358
Long Beach	CSULB 49er Foundation	2,450	2,816	(366)	-13%			-	2,450	-	2,450	-	2,450
Long Beach	Associated Students Inc., CSU Long Beach	71,954	82,705	(10,751)	-13%			796	71,158	1,560	70,394	2,203	69,751
Long Beach	Forty-Niner Shops, Inc. CSU Long Beach	55,443	42,649	12,794	30%			1,074	54,369	2,106	53,337	2,973	52,470
Long Beach	CSULB Research Foundation	151,226	173,823	(22,597)	-13%	(26,469)	-15%	1,974	149,252	3,872	147,354	5,466	145,760
Los Angeles	Associated Students Inc., CSU Los Angeles	6,138	7,056	(918)	-13%			-	6,138	-	6,138	-	6,138
Los Angeles	California State University, Los Angeles Foundation	3,322	3,818	(496)	-13%			-	3,322	-	3,322	-	3,322
Los Angeles	University Student Union, CSU Los Angeles	27,300	27,886	(586)	-2%			442	26,858	866	26,433	1,223	26,077
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	40,004	30,772	9,232	30%	8,043	26%	1,189	38,815	2,333	37,671	3,293	36,711
Maritime	Associated Students Inc., California Maritime Academy	3,102	3,566	(464)	-13%			-	3,102	-	3,102	-	3,102
Maritime	California Maritime Academy Foundation	3,097	3,560	(463)	-13%			-	3,097	-	3,097	-	3,097
Monterey	Foundation of California State University Monterey Bay	3,486	4,007	(521)	-13%			-	3,486	-	3,486	-	3,486
Monterey	The University Corporation at Monterey Bay	80,452	61,886	18,566	30%			1,129	79,323	2,214	78,238	3,126	77,326
Northridge	North Campus Park Development Corporation	4,739	5,447	(708)	-13%			-	4,739	-	4,739	-	4,739
Northridge	Associated Students Inc., CSU Northridge	21,290	16,583	4,707	28%			458	20,832	899	20,391	1,269	20,021

Member Information		Comparison				Employment Practices Liability Deductible Calculation							
Campus	Auxiliary Organization	FY 15/16 Premium	FY 14/15 Premium	\$ Diff	% Diff	\$ Diff w/ EPL Deductible Credit	% Diff w/ EPL Deductible Credit	\$50,000 EPL Deductible Savings	FY 15/16 Premium w/ a \$50,000 EPL Deductible	\$75,000 EPL Deductible Savings	FY 15/16 Premium w/ a \$75,000 Deductible	\$100,000 EPL Deductible Savings	FY 15/16 Premium w/ a \$100,000 Deductible
								13%		25.5%		36%	
Northridge	CSU Northridge Foundation	10,405	11,960	(1,555)	-13%			-	10,405	-	10,405	-	10,405
Northridge	University Student Union, CSU Northridge	105,919	83,504	22,415	27%			920	104,999	1,805	104,114	2,549	103,371
Northridge	The University Corporation, CSU Northridge	101,947	85,038	16,909	20%			2,492	99,455	4,888	97,059	6,901	95,046
Pomona	Associated Students Inc., Cal Poly Pomona	65,942	75,795	(9,853)	-13%			719	65,223	1,410	64,532	1,991	63,951
Pomona	Cal Poly Pomona Foundation	176,728	136,323	40,405	30%	34,759	25%	2,039	174,689	3,999	172,728	5,646	171,082
Sacramento	The University Foundation at Sacramento State	4,951	5,690	(739)	-13%			-	4,951	-	4,951	-	4,951
Sacramento	Associated Students Inc., CSU Sacramento	89,291	102,633	(13,342)	-13%			542	88,749	1,063	88,228	1,500	87,791
Sacramento	Capital Public Radio, CSU Sacramento	10,582	8,140	2,442	30%			498	10,084	978	9,604	1,380	9,202
Sacramento	University Union, CSU Sacramento	33,100	25,461	7,639	30%			-	33,100	-	33,100	-	33,100
Sacramento	University Enterprises, Inc., CSU Sacramento	182,607	155,172	27,435	18%	21,681	14%	2,933	179,674	5,754	176,853	8,123	174,484
San Bernardino	Associated Students Inc., CSU San Bernardino	8,564	9,844	(1,280)	-13%			47	8,517	93	8,471	131	8,433
San Bernardino	Santos Manuel Student Union, CSU San Bernardino	19,020	14,631	4,389	30%			282	18,738	553	18,467	781	18,239
San Bernardino	CSUSB Philanthropic Foundation	2,937	2,816	121	4%			-	2,937	-	2,937	-	2,937
San Bernardino	University Enterprises, Inc., CSUSB	48,529	55,781	(7,252)	-13%			1,220	47,309	2,393	46,136	3,379	45,150
San Diego	Associated Students of San Diego State University	163,163	187,544	(24,381)	-13%			1,118	162,045	2,192	160,971	3,095	160,068
San Diego	Aztec Shops, LTD, San Diego State University	124,562	133,432	(8,870)	-7%			1,749	122,814	3,430	121,132	4,842	119,720
San Diego	San Diego State University Research Foundation	305,364	234,895	70,469	30%	44,590	19%	9,345	296,019	18,331	287,033	25,880	279,485
San Francisco	San Francisco State University Foundation	3,235	3,719	(484)	-13%			-	3,235	-	3,235	-	3,235
San Francisco	Associated Students Inc., San Francisco State University	12,813	14,140	(1,328)	-9%			567	12,246	1,112	11,701	1,569	11,244
San Francisco	The University Corporation, San Francisco State	27,528	31,642	(4,114)	-13%			277	27,251	543	26,985	767	26,761
San Jose	Student Union of San Jose State University	111,781	128,484	(16,703)	-13%			331	111,450	649	111,132	916	110,865
San Jose	Associated Student Inc., San Jose State University	14,560	11,200	3,360	30%			392	14,168	769	13,791	1,085	13,475
San Jose	Spartan Shops, Inc., San Jose State University	76,459	87,884	(11,425)	-13%			990	75,469	1,942	74,517	2,742	73,717
San Jose	The Tower Foundation, San Jose State University	2,973	2,287	686	30%			838	2,135	1,644	1,329	2,321	652
San Jose	San Jose State University Research Foundation	42,528	32,714	9,814	30%	2,151	7%	3,907	38,621	7,663	34,865	10,818	31,710
San Luis Obispo	California Polytechnic State University Foundation	2,000	1,528	472	31%			-	2,000	-	2,000	-	2,000
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	84,671	97,323	(12,652)	-13%			774	83,897	1,518	83,153	2,143	82,528
San Luis Obispo	Cal Poly Corporation	156,676	180,087	(23,411)	-13%	(26,530)	-15%	3,119	153,557	6,117	150,559	8,636	148,040
San Marcos	Associated Students Inc, CSU San Marcos	8,518	9,791	(1,273)	-13%			-	8,518	-	8,518	-	8,518
San Marcos	Cal State San Marcos Foundation	4,827	5,549	(722)	-13%			-	4,827	-	4,827	-	4,827
San Marcos	The University Corporation of CSU San Marcos	19,824	15,250	4,574	30%			-	19,824	-	19,824	-	19,824
San Marcos	University Auxiliary & Research Services Corporation at Cal State University San Marcos	30,930	35,551	(4,621)	-13%			793	30,137	1,556	29,374	2,196	28,734
Sonoma	Sonoma State University Academic Foundation	19,999	15,384	4,615	30%			-	19,999	-	19,999	-	19,999
Sonoma	Associated Students Inc., Sonoma State University	13,780	15,839	(2,059)	-13%			73	13,707	143	13,637	202	13,578
Sonoma	Sonoma State Enterprises	32,013	36,796	(4,783)	-13%			-	32,013	-	32,013	-	32,013
Stanislaus	Associated Students Incorporated, California State University, Stanislaus	5,825	6,695	(870)	-13%			50	5,775	99	5,726	140	5,685
Stanislaus	University Student Union of CSU Stanislaus	3,292	3,661	(369)	-10%			72	3,219	142	3,150	201	3,091
Stanislaus	CSU Stanislaus Auxiliary & Business Services	13,897	15,974	(2,077)	-13%			-	13,897	-	13,897	-	13,897
Stanislaus	CSU Stanislaus Foundation	20,815	23,925	(3,110)	-13%			-	20,815	-	20,815	-	20,815
		87	3,747,622	3,741,885	5,737								



September 22, 2014

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CSU Auxiliary Organizations Risk Management Alliance  
c/o Alliant Insurance Services, Inc.  
600 Montgomery Street, Suite 900  
San Francisco, California 94111-2711

Attn: Ms. Amber Anderson  
JPA Program Coordinator

**CSU Auxiliary Organizations  
Risk Management Alliance  
Liability Program  
2015/16 Rates and Experience Modification Factors**

## Introduction

Aon Risk Consultants, Inc. (Aon) conducted an actuarial study of the CSU Auxiliary Organizations Risk Management Alliance Liability Program (AORMA) based on data valued as of June 30, 2014 (the "Actuarial Study", report dated September 15, 2014). We were subsequently asked to allocate the projected 2015/16 loss rate by coverage (automobile, premises, employment practices, and other liability) and to develop an experience modification plan. This letter presents the results of this additional analysis.

Each section and exhibit of the study is an integral part of the whole. We recommend a review of the entire study prior to reliance upon this study. No key personnel have a relationship with the AORMA that may impair our objectivity.

## Data

The exposure data provided for this study by Alliant Insurance Services, Inc. (Alliant) consisted of 2009/10 through 2015/16 vehicles, square feet, payroll, and expenditures by member. The square footage varied significantly by year for many members and in some cases appeared to be incomplete. As such, we relied only on the 2015/16 amount and estimated the prior years' square footage assuming a 0% annual trend. **The exposure used in this study materially affects the experience modification factors and projected premium for each member. Therefore, we highly recommend that the exposure on Exhibits LI-XMOD-2 through LI-XMOD-5 be carefully reviewed and any changes be communicated to us.**

We also relied on the claim data valued as of June 30, 2014 provided by Alliant for the Actuarial Study. In addition, Alliant mapped the coverage codes in the claim detail to the four requested coverages and provided the projected 2015/16 program expenses.

100 Bayview Circle, Suite 100  
Newport Beach, CA 92660  
tel: 949.608.6300 • fax: 949.608.6475 • [www.aon.com](http://www.aon.com)  
Aon Risk Solutions | Global Risk Consulting | Actuarial and Analytics



In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss data by the AORMA or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

## Conclusions

### 1. Loss Rates by Coverage

The projected 2015/16 loss rates by coverage are shown in Table 1.

**Table 1**  
**Projected Limited Loss Rates**  
**Gross of Deductibles**  
**2015/16**

Coverage (1)	Projected Exposure (2)	Full Value		Present Value	
		Projected Losses (3)	Loss Rate (4)	Projected Losses (5)	Loss Rate (6)
(A) Automobile Liability	438 Vehicles	\$65,730	\$150.07	\$62,755	\$143.28
(B) Premises Liability	14,682,014 Square Feet	544,620	37.09	519,970	35.42
(C) Employment Practices Liability	\$420,828,583 Payroll	1,079,850	2,566.01	1,030,975	2,449.87
(D) Other Liability	\$1,419,490,726 Expenditures	187,800	132.30	179,300	126.31
(E) Total		\$1,878,000		\$1,793,000	

Note: All amounts are from Exhibit LI-ALLOC-1.  
Automobile loss rates are per vehicle.  
Premises loss rates are per 1,000 square feet.  
Employment practices loss rates are per \$1 million of payroll.  
Other liability loss rates are per \$1 million of expenditures.

The foregoing total projected limited losses were developed in the Actuarial Study (Exhibit LI-14, page 2). We allocated the ultimate amounts by coverage based on the 2009/10 through 2013/14 reported claim experience valued as of June 30, 2014 and actuarial judgment, as shown in Exhibit LI-ALLOC-1, Section I. The amounts reflect an assumed self-insured retention of \$350,000 per claim and are gross of applicable EPL, D&O, and E&O member deductibles. The estimates are at the expected (i.e. approximately 50-55%) confidence level.

The present value of the projected ultimate limited losses is the amount of money, discounted for investment income, required to meet claims. It is calculated based on a 2.0% yield on investments, as provided by Alliant.



## 2. Experience Modification Plan

Experience modification factors are based on actuarial principles and incorporate some judgment that reflects a pool's philosophy on sharing and pooling of risks. The experience rating factor formula aims to balance responsiveness and stability. The proposed plan uses a five year experience period to provide responsiveness to each member's claims, while losses are capped at \$100,000 to dampen the annual change for each member and provide stability.

The experience rating factors are calculated in Exhibits LI-XMOD-1 through LI-XMOD-7. For each member, the indicated experience rating factor was based on its portion of the total losses compared to its portion of risk-adjusted exposure. The risk-adjusted exposure is a composite of each member's vehicle count, square footage, payroll, and expenditures. Compared to using only expenditures, the risk-adjusted exposure better reflects each member's true exposure to losses and thus provides a better basis for comparing the claim experience among members. The risk adjustment factors are shown in Exhibit LI-ALLOC-1, Section IV.

For example, member #15 accounted for 0.24% of all losses and 0.36% of all risk-adjusted exposure during the 2009/10 to 2013/14 experience period (Exhibit LI-XMOD-7, Columns 3 and 4), giving an indicated experience modification factor of 0.671 ( $= 0.24\% / 0.36\%$ ).

We then incorporated credibility weights to reflect the various member sizes. This method assumes that the historical claim experience of members with relatively large exposure is more predictive of future claim experience compared to that of smaller members. The two largest members were assigned a weight of 75%, and the remaining members were given proportionally lower weights. The balance of the credibility weight was assigned 1.000. Continuing the example from above, the credibility weight for member #15 was estimated to be 14.7%, resulting in a credibility-weighted experience modification factor of 0.952 ( $= 0.671 \times 14.7\% + 1.000 \times [1 - 14.7\%]$ ), as shown in Columns 6 and 7.

To provide greater stability to the members' premiums, we suggest setting minimum and maximum experience rating modification factors. In the attached exhibits, as an example, we limited the factors to be between 0.75 and 2.00.

## 3. Sample Premium Calculation

The 2015/16 premium for each member can then be calculated based on the projected loss rates, exposure, indicated experience modification factors, and projected program expenses. Doing so for each member was beyond the scope of this project; however, a sample member premium calculation is provided in Exhibit LI-XMOD-8. The projected losses are calculated as the product of the member's 2015/16 exposure and loss rate by coverage, as shown in Section A of the exhibit. Note that applicable deductible credits are applied to the employment practices liability amounts. The total projected losses are then adjusted by the credibility-weighted experience rating factor and adjusted for any off-balance, so that the total of the member projected losses equals the total for the program (net of deductibles). Program expenses are allocated to the member based on the projected losses, as directed by Alliant. The sample premium calculation includes minimum and maximum expense amounts, as discussed with Alliant. These caps are for illustrative and discussion purposes only and have not been confirmed by Alliant. Imposition



of such caps may require an additional off-balance adjustment, so that the premium collected equals the required funding amount. The sum of the projected losses and expenses yields the indicated premium by member.

◆ ◆ ◆ ◆ ◆

We appreciate the opportunity to be of service to AORMA, and are available to answer any questions.

Respectfully submitted,

*Aon Risk Consultants, Inc.*

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Mujtaba Dato, ACAS, MAAA, FCA  
Actuarial Practice Leader

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Tracy Fleck, ACAS, MAAA  
Consultant and Actuary

MD/TF

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Projected Ultimate Limited Losses and Loss Rates  
Allocated by Coverage

**I. Allocation of Losses by Coverage**

Claim Period (1)	Automobile Liability (2)	Premises Liability (3)	Employment Practices Liability (4)	Other Liability (5)	Total (6)
<b>A. Reported Limited Incurred Loss as of 6/30/14</b>					
2009/10	\$32,891	\$159,042	\$284,320	\$74,399	\$550,652
2010/11	36,619	116,071	1,019,957	42,097	1,214,744
2011/12	57,272	664,915	1,749,084	219,912	2,691,182
2012/13	18,645	15,827	86,981	204,488	325,941
2013/14	73,370	742,558	138,100	123,410	1,077,438
<b>Total</b>	<b>\$218,798</b>	<b>\$1,698,413</b>	<b>\$3,278,440</b>	<b>\$664,306</b>	<b>\$5,859,958</b>
<b>B. Percentage of Reported Limited Incurred Loss as of 6/30/14</b>					
2009/10	6.0%	28.9%	51.6%	13.5%	100.0%
2010/11	3.0%	9.6%	84.0%	3.5%	100.0%
2011/12	2.1%	24.7%	65.0%	8.2%	100.0%
2012/13	5.7%	4.9%	26.7%	62.7%	100.0%
2013/14	6.8%	68.9%	12.8%	11.5%	100.0%
<b>Total</b>	<b>3.7%</b>	<b>29.0%</b>	<b>55.9%</b>	<b>11.3%</b>	<b>100.0%</b>
<b>Selected</b>	<b>3.5%</b>	<b>29.0%</b>	<b>57.5%</b>	<b>10.0%</b>	

**II. Projected Ultimate Losses Allocated by Coverage**

Coverage (1)	Selected Allocation (7)	2015/16 Projected Ultimate Limited Losses (8)	Present Value of 2015/16 Projected Ultimate Limited Losses (9)
Automobile Liability	3.5%	\$65,730	\$62,755
Premises Liability	29.0%	544,620	519,970
Employment Practices Liability	57.5%	1,079,850	1,030,975
Other Liability	10.0%	187,800	179,300
<b>Total</b>	<b>100.0%</b>	<b>\$1,878,000</b>	<b>\$1,793,000</b>

**III. 2015/16 Loss Rates by Coverage**

Coverage (1)	Exposure (10)	Projected 2015/16 Exposure (11)	Projected 2015/16 Loss Rate (12)	Present Value of Projected 2015/16 Loss Rate (13)	Exposure Units in Loss Rate (14)
Automobile Liability	Vehicles	438	\$150.07	\$143.28	1
Premises Liability	Square Feet	14,682,014	37.09	35.42	1,000
Employment Practices Liability	Payroll	\$420,828,583	2,566.01	2,449.87	1,000,000
Other Liability	Expenditures	\$1,419,490,726	132.30	126.31	1,000,000

**IV. Exposure Risk Adjustment Factors**

Coverage (1)	2015/16 Loss Rate per \$Million Expenditures (15)	Risk Adjustment Factor (16)
Automobile Liability	\$46.31	0.113
Premises Liability	383.67	0.028
Employment Practices Liability	760.73	1.940
Other Liability	132.30	0.100
<b>Total</b>	<b>\$1,323.01</b>	

All amounts are gross of member deductibles.

(7) is based on Section I.

(8) = (7) x Total (8)

(9) = (7) x Total (9)

Total (8) and (9) are from the CSU AORMA Liability Actuarial Study dated September 15, 2014.

(11) was provided by Alliant Insurance Services, Inc.

(12) = (8) / [(11) / (14)]

(13) = (9) / [(11) / (14)]

(15) = (8) / [2015/16 Expenditures / 1,000,000]

(16) = Total (15) / (12)

AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
LIABILITY

2015/16 Experience Modification Factors

Member Number	Member Name	2009/10 - 2013/14 % of Total		Indicated Experience Modification Factor (5)	Credibility Weight (6)	Credibility-Weighted Experience Modification Factor (7)	Capped Experience Modification Factor (8)
		Reported Incurred Losses as of 06/30/14 - Capped at \$100,000 per Claim (3)	Total Risk-Adjusted Exposure (4)				
1	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.00%	0.28%	0.000	11.9%	0.881	0.881
2	Associated Students, California State University, Bakersfield, Inc.	0.00%	0.06%	0.000	2.7%	0.973	0.973
3	California State University, Bakersfield Foundation	0.00%	0.25%	0.000	10.8%	0.892	0.892
4	California State University, Bakersfield Student Union	0.00%	0.24%	0.000	10.2%	0.898	0.898
5	California State University Foundation	0.00%	0.02%	0.000	0.7%	0.993	0.993
6	California State University Institute	0.00%	0.02%	0.000	1.0%	0.990	0.990
7	Associated Students of California State University, Channel Islands	0.00%	0.03%	0.000	1.4%	0.986	0.986
8	California State University, Channel Islands Foundation	0.00%	0.03%	0.000	1.2%	0.988	0.988
9	University Glen Corporation, CSU Channel Islands	2.84%	0.47%	6.087	18.4%	1.935	1.935
10	Associated Students of California State University, Chico	0.57%	2.23%	0.254	51.9%	0.613	0.750
11	The University Foundation, California State University, Chico	0.05%	0.14%	0.381	6.2%	0.962	0.962
12	The CSU Chico Research Foundation	9.30%	2.38%	3.914	53.4%	2.556	2.000
13	Auxiliary Organization Associations c/o CSU Chico Research Foundation	0.00%	0.00%	0.000	0.2%	0.998	0.998
14	Associated Students, California State University, Dominguez Hills	0.01%	0.09%	0.068	4.2%	0.961	0.961
15	The Donald P. and Katherine B. Loker University Student Union, Inc.	0.24%	0.36%	0.671	14.7%	0.952	0.952
16	California State University, Dominguez Hills Foundation	0.26%	0.90%	0.285	30.2%	0.784	0.784
17	California State University, East Bay Foundation, Inc.	0.40%	0.73%	0.544	26.0%	0.881	0.881
18	Associated Students, California State University, East Bay	0.03%	0.39%	0.087	15.8%	0.856	0.856
19	Cal State East Bay, Educational Foundation, Inc.	0.00%	0.00%	1.000	0.0%	1.000	1.000
20	Associated Students, California State University, Fresno	0.00%	0.03%	0.000	1.4%	0.986	0.986
21	California State University, Fresno Association, Inc.	2.05%	3.30%	0.621	61.4%	0.767	0.767
22	California State University, Fresno Foundation	5.60%	2.51%	2.234	54.7%	1.676	1.676
23	Fresno State Programs for Children, Inc.	0.00%	0.13%	0.000	6.0%	0.940	0.940
24	The Agricultural Foundation of California State University, Fresno	0.00%	0.10%	0.000	4.6%	0.954	0.954
25	The California State University, Fresno Athletic Corporation	1.55%	2.37%	0.654	53.3%	0.816	0.816
26	Associated Students, California State University, Fullerton, Inc.	0.12%	1.24%	0.100	37.4%	0.664	0.750
27	CSU Fullerton Auxiliary Services Corporation	1.55%	3.72%	0.418	64.2%	0.626	0.750
28	Cal State Fullerton Philanthropic Foundation	0.00%	0.06%	0.000	2.7%	0.973	0.973
29	CSU Fullerton Housing Authority	0.02%	0.45%	0.056	17.8%	0.832	0.832
30	Associated Students, Humboldt State University	0.00%	0.06%	0.000	2.7%	0.973	0.973
31	Humboldt State University Advancement Foundation	0.00%	0.21%	0.000	9.4%	0.906	0.906
32	Humboldt State University Sponsored Programs Foundation	0.70%	0.91%	0.764	30.5%	0.828	0.928
33	Humboldt State University Center	0.07%	1.01%	0.074	32.9%	0.696	0.696
34	Associated Students, California State University, Long Beach	2.98%	1.837	1.837	43.9%	1.368	1.368
35	California State University, Long Beach Foundation	6.00%	3.01%	1.996	59.2%	1.590	1.590
36	Forty-Niner Shops, Inc., CSU Long Beach	0.50%	1.58%	0.317	43.3%	0.704	0.750
37	CSULB 49er Foundation	0.00%	0.01%	0.000	0.7%	0.993	0.993
38	Associated Students, California State University, Los Angeles, Inc.	0.42%	0.19%	2.186	8.5%	1.101	1.101
39	Cal State L.A. University Auxiliary Services, Inc.	0.46%	2.10%	0.217	50.4%	0.606	0.750
40	California State University, Los Angeles Foundation	0.00%	0.01%	0.000	0.5%	0.995	0.995
41	University Student Union Board, California State University, Los Angeles	0.00%	0.00%	0.000	22.7%	0.773	0.773
42	The Associated Students of the California Maritime Academy	0.00%	0.00%	0.000	0.0%	1.000	1.000
43	California Maritime Academy Foundation, Inc.	0.00%	0.00%	0.000	0.2%	0.998	0.998
44	Foundation of California State University, Monterey Bay	0.00%	0.00%	0.000	0.0%	1.000	1.000
45	The University Corporation at Monterey Bay	0.17%	5.91%	0.028	74.0%	0.281	0.750
46	Associated Students, California State University, Northridge, Inc.	1.08%	0.51%	2.133	19.6%	1.223	1.223
47	California State University, Northridge Foundation	0.00%	0.04%	0.000	2.0%	0.980	0.980
48	North Campus University Park Development Corporation	0.00%	0.01%	0.000	0.4%	0.996	0.996
49	The University Corporation, CSU Northridge	2.94%	3.30%	0.892	61.4%	0.894	0.934
50	University Student Union of California State University, Northridge	5.63%	1.01%	5.593	32.7%	2.502	2.000

AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
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2015/16 Experience Modification Factors

Member Number	Member Name	2009/10 - 2013/14 % of Total							
		Reported Incurred Losses as of 06/30/14 - Capped at \$100,000 per Claim	Total Risk-Adjusted Exposure	Indicated Experience Modification Factor	Credibility Weight	Credibility-Weighted Experience Modification Factor	Capped Experience Modification Factor		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
51	Associated Students Inc., California State Polytechnic University, Pomona	0.32%	0.69%	0.46%	24.9%	0.867	0.867		
52	The Cal Poly Pomona Foundation, Inc.	8.80%	5.46%	1.612	72.5%	1.443	1.443		
53	Associated Students of California State University, Sacramento	0.38%	0.75%	0.504	26.7%	0.868	0.868		
54	Capital Public Radio, Inc., CSU Sacramento	0.34%	0.48%	0.703	18.7%	0.944	0.944		
55	The University Foundation at Sacramento State	0.00%	0.01%	0.000	0.5%	0.995	0.995		
56	University Enterprises, Inc., CSU Sacramento	3.64%	6.22%	0.586	75.0%	0.689	0.750		
57	University Union Operation of CSUS, Inc.	0.40%	0.76%	0.521	26.8%	0.872	0.872		
58	Associated Students Inc., California State University, San Bernardino	0.00%	0.06%	0.000	3.0%	0.970	0.970		
59	Santos Manual Student Union of California State University, San Bernardino	0.01%	0.49%	0.021	19.0%	0.814	0.814		
60	University Enterprises Corporation at CSUSB	0.29%	1.23%	0.232	37.2%	0.714	0.750		
61	CSUSB Philanthropic Foundation	0.00%	0.33%	0.000	13.7%	0.863	0.863		
62	Associated Students, San Diego State University	4.86%	3.29%	1.476	61.4%	1.292	1.292		
63	Aztec Shops, Ltd., San Diego State University	1.34%	3.74%	0.357	64.3%	0.587	0.750		
64	San Diego State University Research Foundation	18.45%	14.07%	1.311	75.0%	1.234	1.234		
65	Associated Students, Inc., San Francisco State University	0.09%	0.43%	0.200	17.0%	0.864	0.864		
66	San Francisco State University Foundation	0.00%	0.11%	0.000	5.0%	0.950	0.950		
67	Cesar Chavez Student Center, San Francisco State University	4.39%	0.65%	6.754	23.9%	2.372	2.000		
68	The University Corporation, San Francisco State	0.46%	0.37%	1.252	15.1%	1.038	1.038		
69	Associated Student, San Jose State University	0.34%	0.51%	0.672	19.8%	0.935	0.935		
70	San Jose State University Research Foundation	4.47%	3.59%	1.245	63.4%	1.155	1.155		
71	Spartan Shops, Inc., San Jose State University	0.83%	1.32%	0.625	38.9%	0.854	0.854		
72	The Student Union of San Jose State University	0.35%	1.50%	0.236	41.9%	0.680	0.750		
73	The Tower Foundation, San Jose State University	0.00%	0.47%	0.000	18.8%	0.814	0.814		
74	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	2.28%	1.42%	1.600	40.7%	1.244	1.244		
75	Cal Poly Corporation	2.06%	4.46%	0.461	68.3%	0.632	0.750		
76	California Polytechnic State University Foundation	0.00%	0.13%	0.000	5.8%	0.942	0.942		
77	Associated Students of California State University, San Marcos	0.00%	0.03%	0.000	1.5%	0.985	0.985		
78	The California State University San Marcos Foundation	0.01%	0.01%	0.000	0.6%	0.994	0.994		
79	The University Corporation of CSU San Marcos	0.25%	0.03%	8.139	1.5%	1.104	1.104		
80	University Auxiliary and Research Services Corporation	0.00%	0.92%	0.000	30.7%	0.693	0.750		
81	Associated Students of Sonoma State University	0.10%	0.12%	0.834	5.6%	0.991	0.991		
82	Sonoma State Enterprises, Inc.	0.02%	0.29%	0.054	12.4%	0.882	0.882		
83	Sonoma State University Academic Foundation, Inc.	0.00%	1.05%	0.000	33.6%	0.664	0.750		
84	Associated Students, Inc., California State University, Stanislaus	0.00%	0.06%	0.000	3.0%	0.970	0.970		
85	California State University, Stanislaus Auxiliary and Business Services	0.00%	0.09%	0.000	4.1%	0.959	0.959		
86	California State University, Stanislaus Foundation	0.00%	0.08%	0.000	3.9%	0.961	0.961		
87	University Student Union of California State University, Stanislaus	0.00%	0.16%	0.000	7.0%	0.930	0.930		
Total		100.00%	100.00%						

(3) is from Exhibit LI-XMOD-1.

(4) is from Exhibit LI-XMOD-6.

(5) = (3) / (4)

(6) is based on (4). San Diego State University Research Foundation is the largest member based on expenditures and was given 75% credibility. The next largest member was given 75% weight and the remaining members proportionately less.

(7) = [(6) x (5)] + [(1 - (6))] x 1.0]

(8) = (7), subject to a minimum of 0.750 and a maximum of 2.000.

Approved on September 11, 2014 - Option 2 - total funding of \$3,747,378

**OPTION 2**

<b>Expense Item</b>	<b>Actual Program Costs FY 11/12 \$350,000 SIR</b>	<b>Actual Program Costs FY 12/13 \$350,000 SIR</b>	<b>Actual Program Costs FY 13/14 \$350,000 SIR</b>	<b>Forecasted Costs FY 14/15 \$350,000 SIR</b>	<b>Proposed FY 15/16 \$500,000 SIR</b>
Actuarial Recommended Estimated Pooled Layer - Funding	2,198,750	1,618,750	1,565,000	1,675,550	1,774,778
Claims Administration	12,600	12,600	12,600	12,600	12,600
Program Administration Fees	728,993	742,383	727,678	730,000	730,000
Reinsurance / Excess Liability Insurance	1,147,931	1,207,471	1,193,751	1,226,444	1,230,000
<b>Total Costs:</b>	<b>4,088,274</b>	<b>3,581,204</b>	<b>3,499,029</b>	<b>3,644,594</b>	<b>3,747,378</b>
<b>Difference from prior year:</b>	15.49%	-12.40%	-2.29%	4.16%	2.82%

Actuarial Recommended Estimated Pooled Layer Funding (based on the actuarial report dated July 31, 2014)

Claims Administration (an increase or decrease is not contemplated)

JPA Program Administration Fee (an increase or decrease is not contemplated)

Reinsurance / Excess Liability (a 10% increase is included to maintain the \$350,000 SIR / no increase to increase SIR to \$500,000)

**APPROVAL OF THE FY 15/16 WORKERS' COMPENSATION  
PROGRAM MEMBER ALLOCATION**

**ISSUE:** At its September 11, 2014 meeting, the AORMA Committee approved the FY 15/16 Workers' Compensation Program funding of \$4,486,750. The Programs Committee must now (1) approve the FY 15/16 workers' compensation rates and (2) approve the allocation of the total program costs to the workers' compensation members. Costs are allocated to the members based on their estimated payroll for FY 15/16 and their experience modification factor.

**RECOMMENDATION:** Staff recommends that the Committee;

1. Remove from the calculation the 25% surcharge for those members with an experience modification factor in excess of 1.25
2. Remove from the calculation the minimum and maximum collars
3. Approve the FY 15/16 rates shown below

<b>AORMA Class Code</b>	<b>FY 15/16 Rates</b>
1001	.39
1002	1.05
1004	1.58
1005	2.84
1006	4.01
1007	5.00

**FISCAL IMPACT:** The total program costs for FY 15/16 are \$4,486,750. This is a 2% increase over the contributions for FY 14/15.

**BACKGROUND:** Historically, the actuary reviews losses within each of AORMA's six class codes and provides an estimated rate for that class code. AORMA members do not have enough losses in anyone class code to make the rates stable; therefore, effective July 1, 2014, the Programs Committee approved the use of the WCIRB pure premium rates as a starting point when calculating AORMA's rates. The WCIRB rates are grossed up or down depending on the total program contributions required.

The exhibit below shows a comparison between the WCIRB and AORMA FY 15/16 rates and the AORMA FY 14/15 and FY 15/16 rates.

1	2	3	4	5	6	7	8
WCIRB	AORMA	WCIRB Pure Premium Rate	FY 15/16 Rates	% Diff	FY 14/15 Rates	FY 15/16 Rates	% Diff
8810	1001	.53	.39	-26%	0.56	.39	-30%
8868	1002	1.42	1.05	-26%	1.43	1.05	-27%
8071	1004	2.13	1.58	-26%	2.36	1.58	-33%
9053	1005	3.84	2.84	-26%	3.27	2.84	-13%
9079	1006	5.42	4.01	-26%	5.15	4.01	-22%
9101	1007	8.06	5.00	-38%	3.89	5.00	29%

The collars have been removed from the member allocation formula because the rates have been collared.

The WCIRB issues two different sets of rates – Pure Premium Rates and Insurer Rates. The Pure Premium Rates do not include administrative and other overhead costs that an insurer would incur. Something very important to note is that AORMA’s FY 15/16 rates are 26% and 38% lower than the WCIRB’s Pure Premium Rates.

All of the class code rates received a rate reduction, except class code 1007 which increased 29%. Because of this, the member’s combined rate within the allocation was not capped. Some members received premium increases in excess of 30%. The reason for the increase is;

- a. Increase in estimated payroll
- b. Increase in experience modification factor
- c. A greater percentage of payroll in class code 1007

Effective March 20, 2014, Policy and Procedure W-3 was revised to remove the termination clause for those members with an experience modification factor in excess of 1.25 for three consecutive years. The Policy and Procedure now states that the Program Administrator will assist members in creating a plan to reduce their experience modification factors and that the plan will be presented to the Programs Committee for review and approval. Staff is now suggesting that the Programs Committee remove the 25% surcharge penalty for those members with an experience modification factor in excess of 1.25. A 25% penalty is excessive and is not common practice within the commercial workers’ compensation market. Workers’ compensation insurers do not include penalties in their pricing but instead rely on the insured’s experience modification factor as the only surcharge to the insured’s premium.

**PUBLICATION:** The final approved premiums / rates will be sent out to the program members at the end of January, 2015.

**ATTACHMENT(S):**

- a. FY 15/16 Workers' Compensation Program – Comparison
- b. FY 15/16 – Total Funding Approved

**CSURMA AORMA**

**FY 15/16 Workers' Compensation Program**

**Comparison Exhibit - Prior Year vs. Current Year**

Campus	Auxiliary	FY 14/15 Exp Mod	FY 15/16 Exp Mod	Diff	FY 14/15 Est Payroll	FY 15/16 Est Payroll	Diff	FY 14/15 Premium	FY 15/16 Premium	Diff
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.74	0.95	28%	1,909,900	2,120,000	11%	21,471	22,827	6%
Bakersfield	California State University, Bakersfield Foundation	1.09	1.40	28%	560,000	570,000	2%	6,936	6,531	-6%
Channel Islands	University Glen Corporation, CSU Channel Islands	0.97	0.92	-5%	2,034,771	2,738,034	35%	43,667	50,966	17%
Chico	Associated Students of California State University, Chico	0.89	0.94	6%	7,434,935	6,788,262	-9%	161,743	150,430	-7%
Chico	The CSU, Chico Research Foundation	0.69	0.78	13%	13,357,000	13,088,215	-2%	136,807	133,243	-3%
Dominguez Hills	Associated Students, California State University, Dominguez	0.93	1.11	19%	466,720	480,720	3%	2,431	2,081	-14%
Dominguez Hills	California State University, Dominguez Hills Foundation	1.01	0.96	-5%	4,753,000	4,947,690	4%	63,468	51,832	-18%
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	0.87	1.07	23%	598,598	582,942	-3%	3,585	8,415	135%
East Bay	Associated Students, California State University, East Bay	1.12	1.21	8%	484,429	484,429	0%	4,075	3,329	-18%
Fresno	California State University, Fresno Association, Inc.	0.73	0.74	1%	6,322,000	6,492,000	3%	95,435	85,994	-10%
Fresno	The California State University, Fresno Athletic Corporation	0.61	0.67	10%	4,964,000	5,031,440	1%	80,883	80,535	0%
Fullerton	Associated Students, California State University, Fullerton,	0.85	1.03	21%	5,251,133	5,532,800	5%	86,375	114,105	32%
Fullerton	CSU Fullerton Auxiliary Services Corporation	0.80	0.91	14%	15,613,844	15,672,877	0%	154,079	137,748	-11%
Humboldt	Humboldt State University Center	1.15	1.09	-5%	3,350,000	3,310,000	-1%	83,784	81,069	-3%
Humboldt	Humboldt State University Sponsored Programs Foundation	1.60	1.52	-5%	6,600,000	6,520,000	-1%	209,961	137,064	-35%
Humboldt	Associated Students, Humboldt State University	1.00	0.95	-5%	141,000	130,500	-7%	2,419	2,071	-14%
Long Beach	Associated Students, California State University, Long Beach	0.71	0.91	28%	5,524,833	5,745,827	4%	85,090	119,185	40%
Long Beach	California State University Long Beach Research Foundation	0.78	1.00	28%	16,288,114	14,256,269	-12%	100,876	96,225	-5%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	1.12	1.44	29%	7,310,000	7,755,000	6%	192,822	217,793	13%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	0.77	0.88	14%	9,500,000	8,590,000	-10%	126,153	120,917	-4%
Los Angeles	University-Student Union Board, California State University, Los Angeles	0.90	1.01	12%	3,092,250	3,190,000	3%	42,633	56,336	32%
Monterey Bay	The University Corporation at Monterey Bay	0.82	1.05	28%	8,319,676	8,153,573	-2%	97,645	112,412	15%
Northridge	Associated Students, California State University, Northridge, Inc.	0.73	0.94	29%	3,032,500	3,310,000	9%	47,171	57,968	23%
Northridge	The University Corporation, CSU Northridge	1.04	0.99	-5%	17,325,000	18,000,000	4%	285,057	232,984	-18%
Northridge	University Student Union of California State University, Northridge	0.68	0.87	28%	6,279,733	6,647,254	6%	83,623	117,159	40%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	0.80	0.85	6%	4,615,981	5,191,999	12%	75,199	87,273	16%
Pomona	The Cal Poly Pomona Foundation, Inc.	1.07	1.37	28%	15,675,262	14,726,385	-6%	310,658	302,769	-3%
Sacramento	Associated Students of California State University, Sacramento	0.85	1.01	19%	3,798,645	3,912,604	3%	72,205	74,931	4%
Sacramento	University Enterprises, Inc., CSU Sacramento	1.26	1.20	-5%	20,569,000	21,186,070	3%	293,349	274,655	-6%
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.76	0.89	17%	325,535	341,568	5%	1,841	1,679	-9%
San Bernardino	University Enterprises Corporation at CSUSB	0.88	1.09	24%	7,600,000	8,813,224	16%	70,237	75,939	8%



Approved on September 11, 2014

<b>CSURMA AORMA</b> <b>FY 2015/2016 Workers' Compensation Program</b> <b>Total Estimated Funding</b> <b>80% Confidence Level</b>					
<b>Expense Item</b>	<b>Actual Program Costs FY 11/12 \$500,000 SIR</b>	<b>Actual Program Costs FY 12/13 \$500,000 SIR</b>	<b>Actual Program Costs FY 13/14 \$500,000 SIR</b>	<b>Forecasted Costs FY 14/15 \$500,000 SIR</b>	<b>Proposed FY 15/16 \$500,000 SIR</b>
Actuarial Recommended Estimated Pooled Layer - Funding	\$2,541,000	\$2,928,900	\$3,149,900	\$3,108,750	\$3,208,750
Claims Administration	\$207,089	\$207,089	\$207,089	\$208,000	\$208,000
JPA Program Administration Fee	\$503,866	\$538,104	\$539,787	\$540,000	\$540,000
Excess Insurance	\$441,617	\$477,508	\$467,704	\$483,420	\$530,000
<b>Total Expenses:</b>	<b>\$3,693,572</b>	<b>\$4,151,601</b>	<b>\$4,364,480</b>	<b>\$4,340,170</b>	<b>\$4,486,750</b>
<b>Difference from prior year:</b>	<b>-6.61%</b>	<b>12.40%</b>	<b>5.13%</b>	<b>-0.56%</b>	<b>3.38%</b>
Actuarial Recommended Estimated Pooled Layer - Rate	\$0.83	\$0.95	\$1.03	\$1.04	\$1.08

Actuarial Recommended Estimated Pooled Layer Funding (per the actuarial report dated July 31, 2014)  
 Claims Administration (no increase or decrease is contemplated)  
 JPA Program Administration Fee (no increase or decrease is contemplated)  
 Excess Insurance (includes a 10% increase)

**APPROVAL OF THE FY 15/16 PROPERTY PROGRAM  
MEMBER ALLOCATION**

**ISSUE:** The Programs Committee is responsible for approving the final member allocation and the allocation factors for FY 15/16 Property Program Member Allocation. The AORMA Committee approved the total property program costs for FY 15/16 of \$2,357,000. 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 following factors have been included in the allocation and require approval by the Programs Committee:

1. Basic rates – reduced 18% as compared to FY 14/15 rates
  - a. .1424 - real property and business interruption / rents
  - b. .1709 - business personal property
  - c. *The based rates for FY 14/15 were .1730 and .2076*
2. Maximum premium for calculating the size credit - \$600,000 – *no change from FY 14/15 calculation*
3. Maximum size credit rate percentage – 30% (one member received the entire 30% size credit) - *no change from the FY 14/15 calculation.*
4. Maximum collared rate percentage – *No members are collared.*
5. Minimum collared rate percentage – *No members are collared.*
6. Minimum premium – \$600 - *no change from FY 14/15 calculation.*
7. Loss ratio surcharge schedule – *no change from FY 14/15 calculation.*
  - a. Less than 20% - 0%
  - b. Between 20% and 40% - 5%
  - c. Between 40% and 60% - 10%
  - d. Between 60% and 80% - 15%
  - e. Between 60% and 80% - 20%
  - f. Excess of 100% - 25%

**RECOMMENDATION:** Staff recommends that the Programs Committee approve the FY 15/16 Crime Program Allocation Factors as noted above and the member allocation as presented on the attached spreadsheet.

**FISCAL IMPACT:** The AORMA Committee approved the overall FY 15/16 Property Program funding of \$2,357,000. This represents a decrease of \$688,779 or 23% as compared to premium collected for the FY 14/15 program

**BACKGROUND:** Due to the rate reduction, most members received a premium reduction of between 12% and 18%. An explanation of the premium change is noted below for those members outside of the average reduction.

1. CSU, Bakersfield Auxiliary for Sponsored Programs and Administration – For FY 15/16, only real property is scheduled which results in a lower rate
2. The CSU, Chico Research Foundation – The FY 14/15 rate was collared at the maximum reduction
3. The Agricultural Foundation of CSU Fresno - \$22MM in values were added to the FY 15/16 schedule
4. The University Corporation at Monterey Bay – The FY 14/15 rate was collared at the maximum reduction
5. University Enterprises, Inc. – The FY 14/15 rate was collared at the maximum reduction
6. Associated Students, Inc., CSU San Marcos – The member is subject to the minimum premium for FY 15/16
7. University Student Union of CSU Stanislaus – The FY 14/15 rate was collared at the maximum increase
8. San Diego State University Research Foundation – The FY 14/15 rate was collared at the maximum increase
9. Associated Students, Inc., San Francisco State University – The FY 14/15 rate was collared at the maximum reduction

**PUBLICATION:** The Property premiums will be sent out to the members in January, 2015.

**ATTACHMENTS:**

- a. FY 15/16 Property Rating – Member Allocation (*Comparison Section*)
- b. FY 15/16 Property Program Total Funding
- c. Policy & Procedures P-1 Property Program Member Allocation Formula

**CSURMA AORMA Property Program  
FY 15/16**

Campus	Auxiliary Organization	FY 14/15 TIV	FY 15/16 TIV	(\$) TIV Change From Prior Year	(%) TIV Change From Prior Year	FY 14/15 Rate	FY 15/16 Rate	Rate Change From Prior Year	FY 14/15 Premium	FY 15/16 Premium	Premium Change from Prior Year	% Premium Change from Prior Year
Bakersfield	Associated Students Inc., California State University, Bakersfield	77,370	77,370	-	0.00%	0.2076	0.1709	-17.68%	600	600	-	0.00%
Bakersfield	CSU, Bakersfield Auxiliary for Sponsored Programs and Administration	483,860	483,860	-	0.00%	0.2076	0.1424	-31.41%	1,004	689	(315)	-31.37%
Bakersfield	Student Union, Inc., California State University, Bakersfield	982,316	982,316	-	0.00%	0.2065	0.1700	-17.68%	1,988	1,670	(318)	-15.99%
Channel Islands	University Glen Corporation, CSU Channel Island	63,841	63,841	-	0.00%	0.2491	0.2136	-14.25%	600	600	-	0.00%
Chico	Associated Students of California State University, Chico	18,647,770	18,647,770	-	0.00%	0.1922	0.1580	-17.79%	35,202	29,463	(5,739)	-16.30%
Chico	The CSU, Chico Research Foundation	11,015,002	11,015,002	-	0.00%	0.2691	0.1734	-35.56%	36,555	19,100	(17,455)	-47.75%
Chico	The University Foundation, California State University, Chico	2,397,282	2,397,282	-	0.00%	0.1754	0.1531	-12.71%	8,984	3,670	(5,314)	-59.15%
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	449,568	449,568	-	0.00%	0.2064	0.1699	-17.68%	909	764	(146)	-16.01%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State	1,932,491	1,932,491	-	0.00%	0.2052	0.1689	-17.69%	3,888	3,264	(624)	-16.04%
Dominguez Hills	California State University, Dominguez Hills Foundation	429,375	429,375	-	0.00%	0.1738	0.1424	-18.07%	731	611	(120)	-16.37%
Fresno	The Agricultural Foundation of CSU Fresno	3,591,581	25,691,581	22,100,000	86.02%	0.2588	0.1654	-36.09%	9,119	42,494	33,375	366.00%
Fresno	Associated Students, Inc., CSU Fresno	122,532	122,532	-	0.00%	0.2076	0.1709	-17.68%	600	600	-	0.00%
Fresno	California State University, Fresno Association	195,005,339	195,005,339	-	0.00%	0.1436	0.1239	-13.72%	274,826	241,612	(33,214)	-12.09%
Fresno	The Athletic Corporation, CSU Fresno	18,253,398	18,253,398	-	0.00%	0.1906	0.1537	-19.36%	33,347	28,055	(5,291)	-15.87%
Fresno	CSU Fresno Foundation	2,305,550	2,305,550	-	0.00%	0.1804	0.1607	-10.92%	4,103	3,705	(398)	-9.70%
Fresno	Fresno - State Programs for Children	132,743	132,743	-	0.00%	0.2076	0.1709	-17.68%	600	600	-	0.00%
Fullerton	Associated Students, California State University, Fullerton, Inc.	18,833,698	18,833,698	-	0.00%	0.1933	0.1597	-17.38%	35,906	30,077	(5,829)	-16.23%
Fullerton	Cal State Fullerton Auxiliary Services Corporation	157,473,183	157,473,183	-	0.00%	0.1555	0.1286	-17.30%	259,802	202,511	(57,291)	-22.05%
East Bay	Associated Students, Inc., CSU East Bay	84,913	84,913	-	0.00%	0.2064	0.2136	3.49%	600	600	-	0.00%
East Bay	California State University, East Bay Foundation, Inc.	10,830,726	10,830,726	-	0.00%	0.1770	0.1458	-17.63%	18,800	15,791	(3,009)	-16.00%
Long Beach	Associated Students, Inc., CSU Long Beach	10,569,703	10,569,703	-	0.00%	0.1928	0.1598	-17.12%	20,238	16,890	(3,348)	-16.54%
Long Beach	Forty Niner Shops, Inc., CSU Long Beach	18,133,559	18,133,559	-	0.00%	0.1791	0.1474	-17.70%	31,838	26,729	(5,109)	-16.05%
Long Beach	CSULB Research Foundation	44,810,897	44,810,897	-	0.00%	0.1738	0.1462	-15.88%	76,347	65,514	(10,833)	-14.19%
Los Angeles	Associated Students, Inc., CSU Los Angeles	30,127	30,127	-	0.00%	0.2076	0.1709	-17.68%	600	600	-	0.00%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	8,401,215	8,401,215	-	0.00%	0.1987	0.1641	-17.41%	16,420	13,786	(2,634)	-16.04%
Los Angeles	University Student Union, CSU Los Angeles	2,354,334	2,354,334	-	0.00%	0.2040	0.1680	-17.65%	4,712	3,955	(757)	-16.06%
Maritime Academy	Associated Students Inc., California Maritime Academy	105,640	105,640	-	0.00%	0.2076	0.1709	-17.68%	600	600	-	0.00%
Monterey Bay	The University Corporation at Monterey Bay	454,912,154	454,912,154	-	0.00%	0.1482	0.1008	-31.98%	661,071	458,551	(202,519)	-30.64%
Northridge	Associated Students Inc., CSU Northridge	3,173,362	3,173,362	-	0.00%	0.1803	0.1485	-17.64%	5,606	4,712	(893)	-15.93%
Northridge	CSU Northridge Foundation	711,900	711,900	-	0.00%	0.2076	0.1709	-17.68%	1,478	1,217	(261)	-17.68%
Northridge	The University Corporation, CSU Northridge	31,236,038	31,236,038	-	0.00%	0.1788	0.1477	-17.39%	54,971	46,136	(8,835)	-16.07%
Northridge	University Student Union, CSU Northridge	7,237,953	7,237,953	-	0.00%	0.2061	0.1697	-17.66%	14,675	12,283	(2,392)	-16.30%
Pomona	Associated Students, Inc., CSU Pomona	1,832,207	1,832,207	-	0.00%	0.2010	0.1660	-17.41%	3,642	3,041	(600)	-16.48%
Pomona	Cal Poly Pomona Foundation	32,665,560	32,665,560	-	0.00%	0.1831	0.1518	-17.09%	57,038	49,586	(7,451)	-13.06%
Sacramento	Associated Students, Inc., CSU Sacramento	6,316,483	6,316,483	-	0.00%	0.2093	0.1724	-17.63%	12,937	10,890	(2,047)	-15.82%
Sacramento	University Union, CSU Sacramento	9,828,515	9,828,515	-	0.00%	0.2057	0.1694	-17.65%	19,801	16,650	(3,151)	-15.91%
Sacramento	University Enterprises, Inc.	154,506,148	154,506,148	-	0.00%	0.1825	0.1353	-25.86%	276,699	209,047	(67,653)	-24.45%
Sacramento	Capitol Public Radio, CSU Sacramento	9,402,926	9,402,926	-	0.00%	0.2052	0.1622	-20.96%	18,967	15,252	(3,715)	-19.59%

**CSURMA AORMA Property Program  
FY 15/16**

Campus	Auxiliary Organization	FY 14/15 TIV	FY 15/16 TIV	(\$ TIV Change From Prior Year	(% TIV Change From Prior Year	FY 14/15 Rate	FY 15/16 Rate	Rate Change From Prior Year	FY 14/15 Premium	FY 15/16 Premium	Premium Change from Prior Year	% Premium Change from Prior Year
San Bernardino	Associated Students Inc., CSU San Bernardino	1,522,919	1,522,919	-	0.00%	0.1785	0.1470	-17.65%	2,709	2,239	(471)	-17.37%
San Bernardino	University Enterprises Corporation at CSUSB	9,529,808	9,529,808	-	0.00%	0.1818	0.1473	-18.98%	16,676	14,037	(2,638)	-15.82%
San Bernardino	Santos Manual Student Union, CSU San Bernardino	5,584,881	5,584,881	-	0.00%	0.1987	0.1636	-17.66%	10,903	9,137	(1,766)	-16.20%
San Bernardino	CSUSB Philanthropic Foundation	4,806,006	4,806,006	-	0.00%	0.2064	0.1704	-17.44%	9,715	8,189	(1,525)	-15.70%
San Marcos	Associated Students, Inc., CSU San Marcos	310,306	310,306	-	0.00%	0.2065	0.1700	-17.68%	628	600	(28)	-4.45%
San Marcos	University Auxiliary and Research Services Corporation at Cal State University San Marcos	10,412,602	10,412,602	-	0.00%	0.1745	0.1445	-17.19%	17,926	15,046	(2,880)	-16.07%
San Marcos	University Corporation, CSU San Marcos	2,195,365	2,195,365	-	0.00%	0.2070	0.1704	-17.68%	4,451	3,741	(710)	-15.94%
Stanislaus	Associated Students, Incorporated, California State University, Stanislaus	188,394	188,394	-	0.00%	0.2076	0.1709	-17.68%	600	600	-	0.00%
Stanislaus	CSU Stanislaus Auxiliary & Business Services	4,085,778	4,085,778	-	0.00%	0.1967	0.1620	-17.64%	7,919	6,619	(1,300)	-16.42%
Stanislaus	University Student Union of CSU Stanislaus	1,339,744	1,339,744	-	0.00%	0.1687	0.1688	0.06%	2,217	2,261	45	2.01%
Humboldt	Associated Students of Humboldt State University	255,326	255,326	-	0.00%	0.2076	0.1709	-17.68%	600	600	-	0.00%
Humboldt	University Center, Humboldt State University	4,946,455	4,946,455	-	0.00%	0.2062	0.1702	-17.46%	9,990	8,419	(1,571)	-15.73%
Humboldt	Humboldt State University Sponsored Programs Foundation	1,654,209	1,654,209	-	0.00%	0.1650	0.1455	-11.82%	2,678	2,407	(271)	-10.13%
Humboldt	Humboldt State University Advancement Foundation	9,826,670	9,826,670	-	0.00%	0.1714	0.1415	-17.44%	15,765	13,905	(1,860)	-11.80%
San Diego	Associated Students of San Diego State University	30,159,096	30,159,096	-	0.00%	0.1603	0.1538	-4.05%	55,231	46,385	(8,846)	-16.02%
San Diego	Aztec Shops, LTD, San Diego State University	162,982,210	162,982,210	-	0.00%	0.1696	0.1365	-19.52%	270,583	222,471	(48,113)	-17.78%
San Diego	San Diego State University Research Foundation	164,337,642	164,337,642	-	0.00%	0.2495	0.1431	-42.65%	394,899	235,167	(159,732)	-40.45%
San Francisco	Associated Students, Inc., San Francisco State University	3,576,986	3,576,986	-	0.00%	0.2057	0.1446	-29.70%	7,236	5,172	(2,063)	-28.52%
San Francisco	The University Corporation, San Francisco State	839,495	839,495	-	0.00%	0.1853	0.1462	-21.10%	1,468	1,227	(240)	-16.38%
San Jose	Associated Students, Inc., San Jose State University	9,696,324	9,696,324	-	0.00%	0.1897	0.1561	-17.71%	18,044	15,136	(2,908)	-16.12%
San Jose	San Jose State University Research Foundation	22,130,515	22,130,515	-	0.00%	0.1828	0.1508	-17.51%	39,829	33,373	(6,456)	-16.21%
San Jose	Spartan Shops, Inc., San Jose State University	18,663,711	18,663,711	-	0.00%	0.1785	0.1488	-16.64%	33,266	27,772	(5,494)	-16.52%
San Jose	Student Union of San Jose State University	8,646,216	8,646,216	-	0.00%	0.1979	0.1635	-17.38%	16,836	14,137	(2,700)	-16.04%
San Jose	The Tower Foundation, San Jose State University	592,580	592,580	-	0.00%	0.1783	0.1468	-17.67%	1,053	870	(183)	-17.40%
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	6,884,557	6,884,557	-	0.00%	0.1870	0.1539	-17.70%	12,639	10,595	(2,043)	-16.17%
San Luis Obispo	Cal Poly Corporation	37,327,070	37,327,070	-	0.00%	0.1855	0.1602	-13.64%	67,794	59,798	(7,996)	-11.80%
San Luis Obispo	California Polytechnic State University Foundation	1,228,190	1,228,190	-	0.00%	0.2076	0.1709	-17.68%	2,536	2,099	(437)	-17.23%
Sonoma	Sonoma State University Academic Foundation	3,434,331	3,434,331	-	0.00%	0.1778	0.1422	-20.02%	5,988	4,884	(1,104)	-18.44%
Sonoma	Associated Students, Inc., Sonoma State University	409,422	409,422	-	0.00%	0.2595	0.2136	-17.69%	1,061	875	(186)	-17.55%
Sonoma	Sonoma State Enterprises	4,789,246	4,789,246	-	0.00%	0.1854	0.1524	-17.80%	8,713	7,299	(1,414)	-16.23%

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1,771,697,313 #####

3,045,754 2,356,974 (688,779)

Approved on September 11, 2014

<b>CSURMA AORMA</b> <b>FY 2015/2016 Property Program</b> <b>Total Estimated Funding</b> <b>\$100,000 SIR / \$250,000 Aggregate SIR</b>					
<b>Expense Item</b>	<b>Actual Program Costs FY 11/12</b>	<b>Actual Program Costs FY 12/13</b>	<b>Actual Program Costs FY 13/14</b>	<b>Forecasted Costs FY 14/15</b>	<b>Proposed FY 15/16</b>
Estimated Pooled Layer Funding	\$240,000	\$240,000	\$250,000	\$250,000	\$350,000
Excess Insurance Premium	\$2,481,083	\$2,717,248	\$2,849,135	\$1,566,584	\$1,700,000
Program Administrative Costs	\$345,411	\$303,307	\$306,692	\$307,000	\$307,000
<b>Total Expenses:</b>	<b>\$3,066,494</b>	<b>\$3,260,555</b>	<b>\$3,405,827</b>	<b>\$2,123,584</b>	<b>\$2,357,000</b>
<b>Difference from prior year:</b>	12.38%	6.33%	4.46%	-37.65%	10.99%

Estimated Pooled Layer Funding - no change is contemplated

Excess Insurance Premium - AORMA received a 45% decrease in premium for FY 14/15; most of the decrease was contemplated in the estimate for FY 15/16

Administrative costs - no increase or decrease is contemplated.



**SUBJECT:** PROPERTY PROGRAM MEMBER ALLOCATION FORMULA

**ADOPTED:** NOVEMBER 6, 2013

**EFFECTIVE:** JULY 1, 2014

**AMENDED:** N/A

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**POLICY:**

It shall be the policy of the CSURMA AORMA to determine each member’s allocation of the total property program costs as outlined in the Property Program Member Allocation Formula noted below:

**PROCEDURE:**

Annually, in September, the AORMA Committee will approve the Total Property Program Costs for the upcoming fiscal year.

Annually, in December, the Programs Committee will approve the following allocation criteria within the Property Program Member Allocation Formula and will approve the final member allocation for the upcoming fiscal year:

1. Basic rates
2. Maximum premium for calculating the size credit
3. Maximum size credit percentage
4. Minimum collared rate percentage
5. Maximum collared rate percentage
6. Minimum premium
7. Loss ratio surcharge schedule

**PROPERTY PROGRAM MEMBER ALLOCATION FORMULA:**

**Basic Rates:**

- *TIV = Total Insurable Values*
- *RP/BI = Real Property / Business Income and Rental Value*
- *BPP = Business Personal Property*

Two basic rates are included in the allocation formula; one for RP/BI and one for business BPP. The BPP rate is 20% higher than the RP/BI rate.

1. RP/BI TIV is multiplied by the RP/BI rate. *Result – RP/BI basic premium.*
2. BPP TIV is multiplied by the BPP rate. *Result – BPP basic premium.*

3. RP/BI basic premium and BPP basic premium are added together. *Result – basic premium.*
4. Basic premium is divided by the total TIV. *Result – basic rate.*

**\*\* Example \*\***

<b>1.</b>	<b>\$50,000,000</b> RP/BI TIV	*	<b>.2000</b> RP/BI Rate	=	<b>\$100,000</b> RP/BI Basic Premium
<b>2.</b>	<b>\$25,000,000</b> BPP TIV	*	<b>.2400</b> BPP Rate	=	<b>\$60,000</b> BPP Basic Premium
<b>3.</b>	<b>\$100,000</b> RP/BI Basic Premium	+	<b>\$60,000</b> BPP Basic Premium	=	<b>\$160,000</b> Basic Premium
<b>4.</b>	<b>\$160,000</b> Basic Premium	/	<b>\$75,000,000</b> Total TIV	=	<b>.2133</b> Basic Rate (per \$100 in TIV)

**Size Credit:**

1. Basic premium is divided by the **Maximum Premium for Calculating Size Credit**. *Result – percentage of total basic premium compared to the Maximum Premium for Calculating Size Credit.*
2. Percentage of total basic premium compared to **Maximum Premium for Calculating Size Credit** is multiplied by **Maximum Size Credit Percentage**. *Result – size credit percentage.*
3. Basic rate is multiplied by the size credit percentage. *Result – Basic rate with size credit.*

**\*\* Example \*\***

<b>1.</b>	<b>\$160,000</b> Basic Premium	/	<b>\$600,000</b> Maximum Premium for Calculating Size Credit	=	<b>27%</b> % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit
<b>2.</b>	<b>27%</b> % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit	*	<b>30%</b> Maximum Size Percentage Credit	=	<b>8%</b> Size Credit Percentage
<b>3.</b>	<b>.2133</b> Basic Rate	-	<b>8%</b> Size Credit Percentage	=	<b>.1962</b> Basic Rate w/ Size Credit

**Collared Rates:**

1. Prior year's final rate is multiplied by the **Minimum Collared Rate Percentage**. *Result – minimum collared rate.*
2. Prior year's final rate from the prior year is multiplied by the **Maximum Collared Rate Percentage**. *Result – maximum collared rate.*

- The basic rate w/ size credit is used if it is greater than the minimum collared rate and less than the maximum collared rate.

**\*\* Example \*\***

<b>1.</b>	<b>.2172</b> Prior year's final rate	*	<b>90%</b> Minimum Collared Rate Percentage	=	<b>.1955</b> Minimum Collared Rate
<b>2.</b>	<b>.2172</b> Prior year's final rate	*	<b>120%</b> Maximum Collared Rate Percentage	=	<b>.2606</b> Maximum Collared Rate
<b>3.</b>	<b>.1962 &gt; .1955 and .1962 &lt; .2606</b> The Basic Rate w/ Size Credit is used if it is greater than the Minimum Collared Rate and less than the Maximum Collared Rate			=	<b>.1962</b> Basic Rate w/ Size Credit and Collar

**Loss Rating:**

- Five years paid claims (minus deductible) is divided by total premium for five prior years. *Result – loss ratio.*
- Member's five-year loss ratio is reviewed against loss ratio surcharge schedule. *Result – loss ratio surcharge is assigned.*
- Basic rate w/ size credit and collar is increased by loss ratio surcharge. *Result – final rate.*
- Final rate is multiplied by total TIV. *Result – Final premium.*

**\*\* Example \*\***

<b>1.</b>	<b>\$125,000</b> Five Years Paid Claims	/	<b>\$500,000</b> Total Premium for Five Prior Years	=	<b>25%</b> Loss Ratio
<b>2.</b>	<b>25%</b> 25% Loss Ratio is reviewed against Loss Rating Surcharge Schedule and Surcharge is Assigned.			=	<b>5%</b> Loss Ratio Surcharge
<b>3.</b>	<b>5%</b> Loss Ratio Surcharge	+	<b>.1963</b> Basic Rate w/ Size Credit and Collar	=	<b>.2060</b> Final Rate
<b>4.</b>	<b>.2060</b> Final Rate	*	<b>\$75,000,000</b> Total TIV	=	<b>\$154,500</b> Final Premium

**Loss Ratio Surcharge Schedule**

Loss ratio less than 20%	=	No surcharge
Loss ratio between 20% and 40%	=	5% surcharge
Loss ratio between 40% and 60%	=	10% surcharge
Loss ratio between 60% and 80%	=	15% surcharge



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Loss ratio between 80% and 100%	=	20% surcharge
Loss ratio in excess of 100%	=	25% surcharge

**Minimum Premium:**

1. If the final premium is greater than the Minimum Premium, use the final premium. *Result – final premium w/ minimum premium if applicable.*

**\*\* Example \*\***

<b>1.</b>	<b>\$154,500</b>	<b>&gt;</b>	<b>\$600</b>	<b>=</b>	<b>\$154,500</b>
	If the Final Premium is greater than the minimum premium, use the Final Premium				Final Premium

**DEFINITIONS:**

1. **RP/BI - Real Property, Business Interruption and Rental Value Basic Rate** – This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year.
2. **BPP – Business Personal Property Basic Rate** - This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year. This rate will be 20% higher than the Real Property, Business Interruption and Rental Value Basic Rate.
3. **Maximum Premium for Calculating Size Credit** – The Maximum Premium for Calculating the Size Credit dollar amount will be approved annually by the Programs Committee. The Maximum Premium for Calculating Size Credit is used to calculate each member’s size credit. The member’s basic premium is divided by the Maximum Premium for Calculating Size Credit, as an example -  $\$300,000$  (member’s basic premium) /  $\$600,000$  (Maximum Premium for Calculating Size Credit) = 50% (member’s percentage of size credit). This member would be subject to 50% of the total **Size Credit Percentage**.
4. **Size Credit Percentage** – The Size Credit Percentage will be approved annually by the Programs Committee. The Size Credit Percentage represents the maximum size credit available to any one member. As an example – 50% (member’s percentage of size credit) \* 30% (Size Credit Percentage) = 15% member’s size credit.
5. **Minimum Collared Rate Percentage** – The Minimum Collared Rate Percentage will be approved annually by the Programs Committee. The Minimum Collared Rate Percentage is the maximum rate decrease percentage (compared to the member’s final property rate for the prior year) that any member can receive.



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## POLICY & PROCEDURE NO. P-1

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- 6. Maximum Collared Rate Percentage** - The Maximum Collared Rate Percentage will be approved annually by the Programs Committee. The Maximum Collared Rate Percentage is the maximum rate increase percentage (compared to the member's final property rate for the prior year) that any member can receive.

**APPROVAL OF THE FY 15/16 CRIME PROGRAM  
MEMBER ALLOCATION**

**ISSUE:** The Programs Committee is responsible for approving the final member allocation and the allocation factors for FY 15/16 Crime Program Member Allocation. The AORMA Committee approved the total crime program costs for FY 15/16 of \$310,000. 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 following factors have been included in the allocation and require approval by the Programs Committee:

1. Basic rate - .000733 multiplied by payroll – *the basic rate for FY 14/15 was .001025*
2. Maximum premium for calculating the size credit - \$15,000 – *no change from FY 14/15 calculation*
3. Maximum size credit rate percentage – 30% (four members receive the maximum 30% size credit) - *no change from the FY 14/15 calculation*
4. Maximum collared rate percentage – 30% increase (two members are collared) – *no change from FY 14/15 calculation*
5. Minimum collared rate percentage – *this has been removed from the calculation as no member hit the maximum 30% rate reduction maximum.*
6. Minimum premium – *no change from FY 14/15 calculation*
  - a. Expenditures less than \$2,000,000 - \$250
  - b. Expenditures between \$2,000,001 and \$6,000,000 - \$1,250
  - c. Expenditures between \$6,000,001 and \$10,000,000 - \$2,250
  - d. Expenditures between \$10,000,001 and \$20,000,000 - \$2,750
  - e. Expenditures greater than \$20,000,001 - \$3,250
7. Loss ratio surcharge schedule – *no change from FY 14/15 calculation*
  - a. Less than 50% - 0%
  - b. Between 50% and 100% - 10%
  - c. Excess of 100% - 20%

**RECOMMENDATION:** Staff recommends that the Programs Committee approve the FY 15/16 Crime Program Allocation Factors as noted above and the member allocation as presented in the attached spreadsheet.

**FISCAL IMPACT:** The AORMA Committee approved the overall FY 15/16 crime program funding of \$310,000. This represents an increase of \$11,379 compared to the FY 14/15 program costs of \$298,621. The overall funding was increased due to the anticipated increase to the excess insurance.

**BACKGROUND:** None.

**PUBLICATION:** The crime premiums will be sent out to the members in January, 2015.

**ATTACHMENTS:**

- a. FY 15/16 Crime Rating – Member Allocation – *Comparison Section*
- b. FY 15/16 Crime Program Total Funding
- c. Policy and Procedure C-1 – Crime Program Member Allocation Formula

AORMA Crime Coverage Program Rating: FY 2009-10

DRAFT

Program Member		Comparison						
Campus	Auxiliary	Total Premium for FY 14/15	Total Premium for FY 15/16	\$ Difference	% Difference	FY 14/15 Payroll	FY 15/16 Payroll	% Difference
Bakersfield	Associated Students Inc., California State University, Bakersfield	1,517	1,521	3	0%	-	-	0%
Bakersfield	Student Union, Inc., California State University, Bakersfield	1,517	1,521	3	0%	-	-	0%
Bakersfield	California State University, Bakersfield, Auxiliary for Sponsored Programs Administration	1,517	1,776	259	17%	1,500,000	2,120,000	29%
Bakersfield	California State University, Bakersfield Foundation	2,517	2,521	3	0%	929,710	570,000	-63%
Chancellor's Office	California State University Institute	1,517	1,521	3	0%	-	-	0%
Chancellor's Office	California State University Foundation	1,517	1,521	3	0%	-	-	0%
Channel Islands	Associated Students, Inc., CSU Channel Islands	517	521	3	1%	-	-	0%
Channel Islands	California State University Channel Islands Foundation	517	521	3	1%	-	-	0%
Channel Islands	University Glen Corporation, CSU Channel Islands	1,567	2,197	630	40%	2,034,771	2,738,034	26%
Chico	Auxiliary Organization Associations c/o CSU Chico Research Foundation	517	521	3	1%	-	-	0%
Chico	The University Foundation, California State University, Chico	2,517	2,521	3	0%	-	-	0%
Chico	The CSU, Chico Research Foundation	4,970	6,731	1,762	35%	13,357,000	13,088,215	-2%
Chico	Associated Students of California State University, Chico	6,727	4,751	(1,975)	-29%	7,434,935	6,788,262	-10%
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	741	620	(121)	-16%	466,720	480,720	3%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State University, Dominguez Hills	873	694	(179)	-21%	598,598	582,942	-3%
Dominguez Hills	California State University, Dominguez Hills Foundation	4,664	3,634	(1,030)	-22%	4,753,000	4,947,690	4%
East Bay	Associated Students, Inc., California State University, East Bay	2,280	1,521	(760)	-33%	2,050,000	484,429	-323%
East Bay	California State University, East Bay Foundation, Inc.	3,017	3,021	3	0%	2,832,300	-	0%
East Bay	Cal State East Bay, Educational Foundation, Inc.	517	521	3	1%	-	-	0%
Fresno	Fresno State Programs for Children	975	1,375	401	41%	700,000	973,328	28%
Fresno	The Agricultural Foundation of CSU Fresno	1,517	1,521	3	0%	250,000	295,000	15%
Fresno	The Athletic Corporation, CSU Fresno	4,838	3,687	(1,151)	-24%	4,964,000	5,031,440	1%
Fresno	California State University, Fresno Association	7,311	4,576	(2,734)	-37%	6,322,000	6,492,000	3%
Fresno	CSU Fresno Foundation	11,604	9,477	(2,127)	-18%	15,800,000	16,600,000	5%
Fresno	Associated Students Inc., CSU Fresno	517	521	3	1%	191,700	194,491	1%
Fullerton	Associated Students, California State University, Fullerton, Inc.	5,070	3,997	(1,073)	-21%	5,251,133	5,532,800	5%
Fullerton	Cal State Fullerton Philanthropic Foundation	2,517	2,521	3	0%	-	-	0%
Fullerton	Cal State Fullerton Auxiliary Services Corporation	11,470	10,889	(581)	-5%	15,613,844	15,672,877	0%
Humboldt	Humboldt State University Advancement Foundation	517	521	3	1%	-	-	0%
Humboldt	Humboldt State University Sponsored Programs Foundation	6,117	4,593	(1,524)	-25%	6,600,000	6,520,000	-1%
Humboldt	Associated Students of Humboldt State University	531	521	(11)	-2%	141,000	130,500	-8%
Humboldt	University Center, Humboldt State University	3,465	3,021	(445)	-13%	3,350,000	3,310,000	-1%
Long Beach	CSULB 49er Foundation	517	521	3	1%	-	-	0%
Long Beach	Associated Students Inc., CSU Long Beach	5,289	4,128	(1,161)	-22%	5,524,833	5,745,827	4%
Long Beach	Forty-Niner Shops, Inc. CSU Long Beach	6,637	5,309	(1,328)	-20%	7,310,000	7,755,000	6%
Long Beach	CSULB Research Foundation	11,954	8,536	(3,418)	-29%	16,288,114	14,256,269	-14%
Los Angeles	Associated Students Inc., CSU Los Angeles	517	521	3	1%	-	-	0%
Los Angeles	California State University, Los Angeles Foundation	1,517	1,521	3	0%	-	-	0%
Los Angeles	University Student Union, CSU Los Angeles	2,286	2,500	213	9%	3,092,250	3,190,000	3%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	8,108	5,774	(2,334)	-29%	9,500,000	8,590,000	-11%
Maritime	Associated Students Inc., California Maritime Academy	517	521	3	1%	-	-	0%
Maritime	California Maritime Academy Foundation	517	521	3	1%	-	-	0%
Monterey	Foundation of California State University Monterey Bay	517	521	3	1%	-	-	0%
Monterey	The University Corporation at Monterey Bay	7,216	5,533	(1,683)	-23%	8,319,676	8,153,573	-2%
Northridge	North Campus Park Development Corporation	517	521	3	1%	-	-	0%
Northridge	Associated Students Inc., CSU Northridge	3,182	2,579	(603)	-19%	3,032,500	3,310,000	8%
Northridge	CSU Northridge Foundation	2,517	2,521	3	0%	-	-	0%

AORMA Crime Coverage Program Rating: FY 2009-10

DRAFT

Program Member		Comparison						
Campus	Auxiliary	Total Premium for FY 14/15	Total Premium for FY 15/16	\$ Difference	% Difference	FY 14/15 Payroll	FY 15/16 Payroll	% Difference
Northridge	University Student Union, CSU Northridge	4,026	4,668	642	16%	6,279,733	6,647,254	6%
Northridge	The University Corporation, CSU Northridge	12,698	9,983	(2,715)	-21%	17,325,000	18,000,000	4%
Pomona	Associated Students Inc., Cal Poly Pomona	3,241	3,787	546	17%	4,615,981	5,191,999	11%
Pomona	Cal Poly Pomona Foundation	10,641	8,735	(1,907)	-18%	15,675,262	14,726,385	-6%
Sacramento	The University Foundation at Sacramento State	1,517	1,521	3	0%	-	-	0%
Sacramento	Associated Students Inc., CSU Sacramento	3,547	2,974	(573)	-16%	3,442,762	3,912,604	12%
Sacramento	Capital Public Radio, CSU Sacramento	2,804	2,770	(34)	-1%	3,400,000	3,600,000	6%
Sacramento	University Union, CSU Sacramento	2,517	2,521	3	0%	-	-	0%
Sacramento	University Enterprises, Inc., CSU Sacramento	15,026	11,141	(3,884)	-26%	20,569,000	21,186,070	3%
San Bernardino	Associated Students Inc., CSU San Bernardino	599	521	(78)	-13%	325,535	341,568	5%
San Bernardino	Santos Manuel Student Union, CSU San Bernardino	1,517	1,718	201	13%	1,972,039	2,035,905	3%
San Bernardino	CSUSB Philanthropic Foundation	1,517	1,521	3	0%	-	-	0%
San Bernardino	University Enterprises, Inc., CSU Sacramento	6,844	5,896	(948)	-14%	7,600,000	8,813,224	14%
San Diego	Associated Students of San Diego State University	7,017	6,531	(486)	-7%	7,847,578	8,072,077	3%
San Diego	Aztec Shops, LTD, San Diego State University	10,211	8,569	(1,642)	-16%	11,557,603	12,630,375	8%
San Diego	San Diego State University Research Foundation	34,862	41,832	6,970	20%	66,543,000	67,500,000	1%
San Francisco	San Francisco State University Foundation	517	521	3	1%	-	-	0%
San Francisco	Associated Students Inc., San Francisco State University	2,482	3,091	609	25%	2,266,000	4,092,890	45%
San Francisco	The University Corporation, San Francisco State	2,517	2,521	3	0%	2,000,000	2,000,000	0%
San Jose	Student Union of San Jose State University	2,517	2,521	3	0%	2,251,700	2,388,828	6%
San Jose	Associated Student Inc., San Jose State University	2,976	2,521	(456)	-15%	2,804,000	2,830,000	1%
San Jose	Spartan Shops, Inc., San Jose State University	5,549	4,963	(586)	-11%	5,855,801	7,150,839	18%
San Jose	The Tower Foundation, San Jose State University	3,017	4,193	1,176	39%	4,707,548	6,054,458	22%
San Jose	San Jose State University Research Foundation	11,302	14,749	3,447	30%	28,684,664	28,217,192	-2%
San Luis Obispo	California Polytechnic State University Foundation	3,017	3,021	3	0%	-	-	0%
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	3,017	4,032	1,015	34%	5,590,000	5,590,000	0%
San Luis Obispo	Cal Poly Corporation	15,765	11,828	(3,937)	-25%	21,600,000	22,525,000	4%
San Marcos	Associated Students Inc, CSU San Marcos	517	521	3	1%	-	-	0%
San Marcos	Cal State San Marcos Foundation	1,517	1,521	3	0%	-	-	0%
San Marcos	The University Corporation of CSU San Marcos	1,517	1,521	3	0%	-	-	0%
San Marcos	University Auxiliary & Research Services Corporation at Cal State University San Marcos	4,438	4,117	(321)	-7%	4,903,711	5,727,811	14%
Sonoma	Sonoma State University Academic Foundation	517	521	3	1%	-	-	0%
Sonoma	Associated Students Inc., Sonoma State University	517	653	136	26%	500,000	526,246	5%
Sonoma	Sonoma State Enterprises	1,517	1,521	3	0%	-	-	0%
Stanislaus	Associated Students Incorporated, California State University, Stanislaus	683	536	(147)	-22%	408,832	363,878	-12%
Stanislaus	University Student Union of CSU Stanislaus	734	651	(83)	-11%	459,990	523,365	12%
Stanislaus	CSU Stanislaus Auxiliary & Business Services	1,517	1,521	3	0%	-	-	0%
Stanislaus	CSU Stanislaus Foundation	1,517	1,521	3	0%	-	-	0%
<b>85</b>	<b>TOTALS</b>	<b>334,048</b>	<b>310,138</b>			<b>399,182,360</b>	<b>404,201,365</b>	

Approved on September 11, 2014

<b>CSURMA AORMA            FY 2015/2016 Crime Program            Total Estimated Funding            \$25,000 SIR / \$100,000 Aggregate SIR</b>					
<b>Expense Item</b>	<b>Actual Program Costs FY 11/12</b>	<b>Actual Program Costs FY 12/13</b>	<b>Actual Program Costs FY 13/14</b>	<b>Forecasted Costs FY 14/15</b>	<b>Proposed FY 15/16</b>
Estimated Pooled Layer Funding	\$75,000	\$75,000	\$75,000	\$50,000	\$50,000
Excess Insurance Premium	\$160,017	\$183,702	\$225,436	\$218,621	\$230,000
Program Administrative Costs	\$30,207	\$29,067	\$29,640	\$30,000	\$30,000
<b>Total Expenses:</b>	<b>\$265,224</b>	<b>\$287,769</b>	<b>\$330,076</b>	<b>\$298,621</b>	<b>\$310,000</b>
<b>Difference from prior year:</b>	6.68%	8.50%	14.70%	-9.53%	3.81%

Estimated Pooled Layer Funding - At June 30, 2014, the crime program has a fund balance of \$124,002 which is enough to fund the aggregate limit of \$100,000; \$50,000 is being proposed for the pooled layer funding in order to maintain a surplus in the program.

Excess Insurance Premium (a 5% increase is contemplated)

Administrative Costs (no increase or decrease is contemplated)



**SUBJECT:** **CRIME PROGRAM MEMBER ALLOCATION FORMULA**

**ADOPTED:** **NOVEMBER 6, 2013**

**EFFECTIVE:** **JULY 1, 2014**

**AMENDED:** **N/A**

**POLICY:**

It shall be the policy of the CSURMA AORMA to determine each member’s allocation of the total crime program costs as outlined in the Crime Program Member Allocation Formula noted below:

**PROCEDURE:**

Annually, in September, the AORMA Committee will approve the total crime program costs for the upcoming fiscal year.

Annually, in December, the Programs Committee will approve the following allocation criteria within the Crime Program Member Allocation Formula and will approve the final member allocation for the upcoming fiscal year:

1. Basic rate
2. Maximum premium for calculating the size credit
3. Maximum size credit percentage
4. Minimum collared rate percentage
5. Maximum collared rate percentage
6. Minimum premium schedule
7. Loss ratio surcharge schedule

**Basic Rates:**

The payroll used within this allocation is the estimated payroll for the upcoming fiscal year.

1. Payroll is multiplied by the **Basic Rate**. *Result – basic premium*

**\*\* Example \*\***

<b>1.</b>	<b>\$10,000,000</b>	*	<b>.0400</b>	=	<b>\$4,000</b>
	Payroll		Basic Rate		Basic Premium

**Size Credit:**

1. Basic premium is divided by the **Maximum Premium for Calculating Size Credit**. *Result – percentage of total basic premium compared to the Maximum Premium for Calculating Size Credit.*
2. Percentage of total basic premium compared to **Maximum Premium for Calculating Size Credit** is multiplied by **Maximum Size Credit Percentage**. *Result – size credit percentage.*
3. Basic rate is multiplied by the size credit percentage. *Result – Basic rate with size credit.*

**\*\* Example \*\***

<b>1.</b>	<b>\$4,000</b> Basic Premium	/	<b>\$10,000</b> Maximum Premium for Calculating Size Credit	=	<b>40%</b> % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit
<b>2.</b>	<b>40%</b> % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit	*	<b>30%</b> Maximum Size Percentage Credit	=	<b>12%</b> Size Credit Percentage
<b>3.</b>	<b>.0400</b> Basic Rate	-	<b>12%</b> Size Credit Percentage	=	<b>.0352</b> Basic Rate w/ Size Credit

**Collared Rates:**

1. Prior year's final rate is multiplied by the **Minimum Collared Rate Percentage**. *Result – minimum collared rate.*
2. Prior year's final rate from the prior year is multiplied by the **Maximum Collared Rate Percentage**. *Result – maximum collared rate.*
3. The basic rate w/ size credit is used if it is greater than the minimum collared rate and less than the maximum collared rate.

**\*\* Example \*\***

<b>1.</b>	<b>.0350</b> Prior year's final rate	*	<b>85%</b> Minimum Collared Rate Percentage	=	<b>.0298</b> Minimum Collared Rate
<b>2.</b>	<b>.0350</b> Prior year's final rate	*	<b>145%</b> Maximum Collared Rate Percentage	=	<b>.0508</b> Maximum Collared Rate
<b>3.</b>	<b>.0352 &gt; .0298 and .0352 &lt; .0508</b> The Basic Rate w/ Size Credit is used if it is greater than the Minimum			=	<b>.0352</b> Basic Rate w/ Size Credit and

Collared Rate and less than the Maximum Collared Rate	Collar
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**Loss Rating:**

- Five years paid claims (minus deductible) is divided by total premium for five prior years. *Result – loss ratio.*
- Member’s five-year loss ratio is reviewed against loss rating surcharge schedule. *Result – loss ratio surcharge is assigned.*
- Basic rate w/ size credit and collar is increased by loss ratio surcharge. *Result – final rate.*
- Final rate is multiplied by total payroll. *Result – Final premium.*

**\*\* Example \*\***

<b>1.</b>	<b>\$20,000</b> Five Years Paid Claims	/	<b>\$17,500</b> Total Premium for Five Prior Years		<b>114%</b> Loss Ratio
<b>2.</b>	<b>114%</b> 114% Loss Ratio is reviewed against Loss Rating Surcharge Schedule and Surcharge is Assigned.			=	<b>20%</b> Loss Ratio Surcharge
<b>3.</b>	<b>20%</b> Loss Ratio Surcharge	+	<b>.0352</b> Basic Rate w/ Size Credit and Collar	=	<b>.0422</b> Final Rate
<b>4.</b>	<b>.0422</b> Final Rate	*	<b>\$10,000,000</b> Total TIV	=	<b>\$4,220</b> Basic Premium w/ Size Credit, Collars and Loss Rating
<b><u>Loss Ratio Surcharge Schedule</u></b>					
	Loss ratio less than 50%			=	No surcharge
	Loss ratio between 50% and 100%			=	10% surcharge
	Loss ratio in excess of 100%			=	20% surcharge

**Minimum Premium:**

The expenditures used within this allocation are the expenditures documented in the member’s most recent financial audit.

- Using the Minimum Premium Schedule, each member is assigned a minimum premium based on their total expenditures. *Result – member’s scheduled minimum premium.*

- Member's final premium is compared to the member's scheduled minimum premium. *Result – the minimum premium will be applied if the member's final premium is less than the minimum premium.*

**\*\* Example \*\***

<b>1.</b>	<b>\$40,000,000</b>	=	<b>\$3,250</b>
	Expenditures are reviewed against the Minimum Premium Schedule and a Minimum Premium is assigned.		Loss Ratio
<b>2.</b>	<b>\$4,220 &gt; \$3,250</b>	=	<b>\$4,220</b>
	If Basic Premium is greater than Minimum Premium, use Basic Premium. If Basic Premium is less than Minimum Premium, use Minimum Premium		Basic Premium w/ Size Credit, Collars, Loss Rating and Minimum Premium
<b><u>Minimum Premium Schedule</u></b>			
	Expenditures less than \$2,000,000	=	\$250
	Expenditures between \$2,000,001 and \$6,000,000	=	\$1,250
	Expenditures between \$6,000,001 and \$10,000,000	=	\$2,250
	Expenditures between \$10,000,001 and \$20,000,000	=	\$2,750
	Expenditures greater than \$20,000,001	=	\$3,250

**Administrative Costs:**

- The crime program administrative costs will be divided evenly between all of the crime program members. *Result – member's crime program administrative costs.*
- Member's crime program administrative costs are added to the member's final premium or minimum premium, whichever applies. *Result – total crime program premium.*

**\*\* Example \*\***

<b>1.</b>	<b>\$25,000</b>	/	<b>87</b>	=	<b>\$287</b>
	Total crime program administrative costs		Number of crime members		Per member total crime program administrative costs
<b>2.</b>	<b>\$4,220</b>	+	<b>\$287</b>	=	<b>\$4,507</b>
	Basic Premium w/ Size Credit, Collars, Loss Rating and Minimum Premium		Per member total crime admin costs		Total Crime Premium

**DEFINITIONS:**

1. **Basic Rate** – This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total crime program funding required for the upcoming fiscal year.
2. **Maximum Premium for Calculating Size Credit** – The Maximum Premium for Size Credit dollar amount will be approved annually by the Programs Committee. The Maximum Premium for Size Credit is used to calculate each member's size credit. The member's basic premium is divided by the Maximum Premium for Size Credit, as an example -  $\$5,000$  (*member's basic premium*) /  $\$10,000$  (*Maximum Premium for Size Credit*) = 50% (*member's percentage of size credit*). This member would be subject to 50% of the total Size Credit Percentage.
3. **Size Credit Percentage** – The Size Credit Percentage will be approved annually by the Programs Committee. The Size Credit Percentage represents the maximum size credit available to any one member. As an example – 50% (*member's percentage of size credit*) \* 30% (*Size Credit Percentage*) = 15% *member's size credit*.
4. **Minimum Collared Rate Percentage** – The Minimum Collared Rate Percentage will be approved annually by the Programs Committee. The Minimum Collared Rate Percentage is the maximum rate decrease percentage (compared to the member's final crime rate for the prior year) that any member can receive.
5. **Maximum Collared Rate Percentage** - The Maximum Collared Rate Percentage will be approved annually by the Programs Committee. The Maximum Collared Rate Percentage is the maximum rate increase percentage (compared to the member's final crime rate for the prior year) that any member can receive.

**APPROVAL OF THE FY 15/16 EMPLOYMENT PRACTICES LIABILITY DEDUCTIBLES**

**ISSUE:** In accordance with Policy and Procedure L-7 – Employment Practices Liability Deductible (EPL) Options, shown below, the Programs Committee is responsible for approving each member’s minimum EPL deductible for FY 15/16.

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

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.

Based on this formula, the following members will be mandated an EPL deductible in excess of the standard \$25,000 deductible:

**RECOMMENDATION:** Staff recommends that the committee review and approve the EPL deductible schedule for FY 15/16.

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

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

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

Noted below are the calculated FY 15/16 EPL deductibles and the historical EPL deductibles since the change became effective July 1, 2013.

<b>Auxiliary Organization</b>	<b>FY 15/16</b>	<b>FY 14/15</b>	<b>FY 13/14</b>
California State University, East Bay Foundation, Inc.	\$50,000	\$50,000	\$50,000
California State University, Fresno Foundation	<b>\$75,000</b>	\$50,000	\$25,000
California State University, Long Beach Research Foundation	\$75,000	\$75,000	\$50,000
Cal State L.A. University Auxiliary Services, Inc.	\$50,000	\$50,000	\$50,000
The Cal Poly Pomona Foundation, Inc.	<b>\$100,000</b>	\$75,000	\$100,000
University Enterprises, Inc., CSU Sacramento	<b>\$75,000</b>	\$50,000	\$25,000
San Diego State University Research Foundation	<b>\$100,000</b>	\$75,000	\$50,000
San Jose State University Research Foundation	<b>\$75,000</b>	\$50,000	\$25,000
Cal Poly Corporation	\$50,000	\$50,000	\$50,000

**PUBLICATION:** In January, the members will be notified of their EPL deductible for FY 15/16.

**ATTACHMENT(S):**

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

## AORMA Liability Program - EPL Deductible Schedule

Campus	Auxiliary Organization	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bakersfield	California State University, Bakersfield Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chancellor's Office	California State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chancellor's Office	California State University Institute	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Channel Islands	California State University Channel Islands Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Channel Islands	University Glen Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chico	Associated Students of California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chico	Auxiliary Organization Associations	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chico	The CSU, Chico Research Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Chico	The University Foundation, California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
East Bay	Associated Students, California State University, East Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
East Bay	Cal State East Bay Educational Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
East Bay	California State University, East Bay Foundation, Inc.	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	Associated Students, Inc. of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	California State University, Fresno Association, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	California State University, Fresno Foundation	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	CSU Fresno Courtyard (Not a separate AO; an operating unit of CSU Fresno Association, Inc.)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	Fresno State Programs for Children, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	The Agricultural Foundation of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fresno	The California State University, Fresno Athletic Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fullerton	CSU Fullerton Housing Authority	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Humboldt	Associated Students, Humboldt State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Humboldt	Humboldt State University Advancement Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Humboldt	Humboldt State University Center Board of Directors	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Long Beach	Associated Students, California State University, Long Beach	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

## AORMA Liability Program - EPL Deductible Schedule

Campus	Auxiliary Organization	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
Long Beach	California State University, Long Beach Research Foundation	\$ 75,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
Long Beach	CSULB 49er Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
Los Angeles	California State University, Los Angeles Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Maritime Academy	The Associated Students of the California Maritime Academy	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Monterey Bay	Foundation of California State University, Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Monterey Bay	The University Corporation at Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	California State University, Northridge Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	North Campus University Park Development Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	The University Corporation, CSU Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northridge	University Student Union of California State University, Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 100,000	\$ 75,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 25,000
Sacramento	Associated Students of California State University, Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sacramento	The University Foundation at Sacramento State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sacramento	University Union Operation of CSUS, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Bernardino	CSUSB Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Bernardino	University Enterprises Corporation at CSUSB	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Diego	Associated Students, San Diego State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Diego	San Diego State University Research Foundation	\$ 100,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
San Diego	The Campanile Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Francisco	Associated Students, Inc., San Francisco State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Francisco	Cesar Chavez Student Center, San Francisco State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Francisco	San Francisco State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

AORMA Liability Program - EPL Deductible Schedule							
Campus	Auxiliary Organization	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
San Francisco	The University Corporation, San Francisco State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	Associated Student, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	San Jose State University Research Foundation	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	Spartan Shops, Inc., San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	The Student Union of San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Jose	The Tower Foundation, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Luis Obispo	Cal Poly Corporation	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
San Luis Obispo	California Polytechnic State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Marcos	California State University San Marcos Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Marcos	San Marcos University Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Marcos	The Associated Students of California State University, San Marcos	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
San Marcos	University Auxiliary and Research Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sonoma	Associated Students of Sonoma State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sonoma	Sonoma State Enterprises, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Stanislaus	California State University, Stanislaus Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Stanislaus	University Student Union of California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

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

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

**AORMA Liability Program - Employment Practices Liability Loss Information**  
**Employment Practices Liability Loss Information**  
**Paid Losses between July 1, 2009 and June 30, 2014**

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
Channel Islands	CSU CHANNEL ISLANDS UNIVERSITY GLEN CORP	1597956	155,755	155,755
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
Chico	CHICO RESEARCH FOUNDATION	1881293	1,537	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Dominguez Hills	CSU DOMINGUEZ HILLS FOUNDATION	1755087	3,083	-
Dominguez Hills	CSU DOMINGUEZ HILLS FOUNDATION	1846619	6,181	-
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Dominguez Hills	CSU DOMINGUEZ HILLS LOKER STUDENT UNION, INC.	1593281	4,547	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
East Bay	CSU EAST BAY FOUNDATION	1492625	99,091	99,091
East Bay	CSU EAST BAY FOUNDATION	1496159	1,201	-
East Bay	CSU EAST BAY FOUNDATION	1505817	17,837	-
East Bay	CSU EAST BAY FOUNDATION	1507297	9,695	-
East Bay	CSU EAST BAY FOUNDATION	1517494	7,924	-
East Bay	CSU EAST BAY FOUNDATION	1517601	20,826	-
East Bay	CSU EAST BAY FOUNDATION	1548055	4,697	-
	<b>Number of Claims</b>	<b>7</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
<b>Total for claims in excess of \$25,000:</b>				<b>99,091</b>
<b>Minimum EPL deductible for FY 15/16 (w/o one level limitation):</b>				<b>50,000</b>
<b>Minimum EPL deductible for FY 15/16 (w/ one level limitation):</b>				<b>50,000</b>
<b>Minimum EPL deductible for FY 14/15:</b>				<b>50,000</b>
Fresno	CSU FRESNO ASSOCIATION	1888278	583	-
Fresno	CSU FRESNO ASSOCIATION (This loss is excluded from the calculation while it is being reviewed)	1603788	40,134	
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Fresno	CSU FRESNO FOUNDATION	1632425	140,464	140,464
Fresno	CSU FRESNO FOUNDATION	1743848	99,840	99,840
Fresno	CSU FRESNO FOUNDATION	1854811	3,192	-
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
<b>Total for claims in excess of \$25,000:</b>				<b>240,304</b>
<b>Minimum EPL deductible for FY 15/16 (w/o one level limitation):</b>				<b>75,000</b>
<b>Minimum EPL deductible for FY 15/16 (w/ one level limitation):</b>				<b>75,000</b>
<b>Minimum EPL deductible for FY 14/15:</b>				<b>50,000</b>

**AORMA Liability Program - Employment Practices Liability Loss Information**  
**Employment Practices Liability Loss Information**  
**Paid Losses between July 1, 2009 and June 30, 2014**

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
Fullerton	CSU FULLERTON AUXILIARY SERVICES CORPORATION	1882328	892	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Humboldt	CSU HUMBOLDT SPONSORED PROGRAMS FOUNDATION	1565127	25,219	25,219
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
Long Beach	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758506	378,473	378,473
	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758388	463	-
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
Long Beach	LONG BEACH RESEARCH FOUNDATION	1515384	77,425	77,425
Long Beach	LONG BEACH RESEARCH FOUNDATION	1581787	123,679	123,679
Long Beach	LONG BEACH RESEARCH FOUNDATION	1598220	376	-
Long Beach	LONG BEACH RESEARCH FOUNDATION	1856078	5,550	-
	<b>Number of Claims</b>	<b>4</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>201,104</b>
	<b>Minimum EPL deductible for FY 15/16 (w/o one level limitation):</b>			<b>75,000</b>
	<b>Minimum EPL deductible for FY 15/16 (w/ one level limitation):</b>			<b>75,000</b>
	<b>Minimum EPL deductible for FY 14/15:</b>			<b>75,000</b>
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1483401	107,496	107,496
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1499878	22,824	-
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1500354	422	-
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1582137	16,548	-
	<b>Number of Claims</b>	<b>4</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>107,496</b>
	<b>Minimum EPL deductible for FY 15/16 (w/o one level limitation):</b>			<b>50,000</b>
	<b>Minimum EPL deductible for FY 15/16 (w/ one level limitation):</b>			<b>50,000</b>
	<b>Minimum EPL deductible for FY 14/15:</b>			<b>50,000</b>
Northridge	CSU NORTHRIDGE ASSOCIATED STUDENTS, INC.	1547624	5,552	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1498773	12,412	-
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1593276	16,252	-
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1600567	4,579	-
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1862493	16,914	-
	<b>Number of Claims</b>	<b>4</b>		

**AORMA Liability Program - Employment Practices Liability Loss Information**  
**Employment Practices Liability Loss Information**  
**Paid Losses between July 1, 2009 and June 30, 2014**

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Pomona	CPSU POMONA FOUNDATION	1734312	104,877	104,877
Pomona	CPSU POMONA FOUNDATION	1735120	187,962	187,962
Pomona	CPSU POMONA FOUNDATION	293884	400	-
Pomona	CPSU POMONA FOUNDATION	293886	891	-
	<b>Number of Claims</b>	<b>4</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>292,839</b>
	<b>Minimum EPL deductible for FY 15/16 (w/o one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 15/16 (w/ one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 14/15:</b>			<b>75,000</b>
Sacramento	CSU SACRAMENTO CAPITOL PUBLIC RADIO, INC.	1734620	12,153	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1613613	81,069	81,069
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1634228	47,673	47,673
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1755960	51,951	51,951
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1879642	548	-
	<b>Number of Claims</b>	<b>4</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>3</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>180,694</b>
	<b>Minimum EPL deductible for FY 15/16 (w/o one level limitation):</b>			<b>75,000</b>
	<b>Minimum EPL deductible for FY 15/16 (w/ one level limitation):</b>			<b>75,000</b>
	<b>Minimum EPL deductible for FY 14/15:</b>			<b>50,000</b>
San Bernardino	CSU SAN BERNARDINO UNIVERSITY ENTERPRISES CORP	1515165	335	-
San Bernardino	CSU SAN BERNARDINO UNIVERSITY ENTERPRISES CORP	1515165	10,014	-
	<b>Number of Claims</b>	<b>2</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
San Diego	CSU SAN DIEGO ASSOCIATED STUDENTS	1812963	65,987	65,987
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1459277	73	-
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1460958	74,379	74,379
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1492624	7,208	-
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1524874	515,754	515,754
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1542001	65,908	65,908
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1549214	191,279	191,279
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1598936	26,388	26,388

**AORMA Liability Program - Employment Practices Liability Loss Information**  
**Employment Practices Liability Loss Information**  
**Paid Losses between July 1, 2009 and June 30, 2014**

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1600832	313,777	313,777
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1733219	227,298	227,298
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1763201	7,611	-
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1768697	20,140	-
	<b>Number of Claims</b>	<b>11</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>7</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>#####</b>
	<b>Minimum EPL deductible for FY 15/16 (w/o one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 15/16 (w/ one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 14/15:</b>			<b>75,000</b>
San Francisco	CSU SAN FRANCISCO CESAR CHAVEZ STUDENT CENTER	1506997	58,542	58,542
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>1</b>		
San Francisco	CSU SAN FRANCISCO THE UNIVERSITY CORPORATION	1522876	10,087	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1506767	32,641	32,641
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1614600	510,911	510,911
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1879863	44,437	44,437
	<b>Number of Claims</b>	<b>3</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>3</b>		
	<b>Total for claims in excess of \$25,000:</b>			<b>543,552</b>
	<b>Minimum EPL deductible for FY 15/16 (w/o one level limitation):</b>			<b>100,000</b>
	<b>Minimum EPL deductible for FY 15/16 (w/ one level limitation):</b>			<b>75,000</b>
	<b>Minimum EPL deductible for FY 14/15:</b>			<b>50,000</b>
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1494425	5,764	-
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1502347	1,391	-
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1521031	4,606	-
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1596850	2,981	-
	<b>Number of Claims</b>	<b>4</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
San Jose	CSU SAN JOSE STUDENT UNION, INC.	1565299	3,249	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1483955	96,818	96,818
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1498821	50,214	50,214
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1502492	6,671	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1597354	11,163	-

**AORMA Liability Program - Employment Practices Liability Loss Information**  
**Employment Practices Liability Loss Information**  
**Paid Losses between July 1, 2009 and June 30, 2014**

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1601806	889	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1622290	10,018	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1537083	8,745	-
	<b>Number of Claims</b>	<b>7</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>2</b>		
			<b>Total for claims in excess of \$25,000:</b>	<b>147,033</b>
			<b>Minimum EPL deductible for FY 15/16 (w/o one level limitation):</b>	<b>50,000</b>
			<b>Minimum EPL deductible for FY 15/16 (w/ one level limitation):</b>	<b>50,000</b>
			<b>Minimum EPL deductible for FY 14/15:</b>	<b>50,000</b>
San Marcos	CSU SAN MARCOS RESEARCH SERVICES CORP.	1503450	473	-
	<b>Number of Claims</b>	<b>1</b>		
	<b>Number of Claims in excess of \$25,000</b>	<b>0</b>		



**CSURMA AORMA**

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

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

**ADOPTED: MAY 12, 2011**

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

**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

Annually, based on the formula above, the JPA Program Administrator will determine the minimum EPL deductible for each Member. To assist Members in budget forecasting, the minimum EPL deductible will be limited to one EPL deductible level increase per year, regardless of the minimum EPL deductible calculated based on the schedule above.

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

2. Each Member will have the option of electing an EPL deductible in excess of the minimum deductible.
3. Should a Member elect an EPL deductible in excess of the minimum EPL deductible, then that Member will be required to maintain the same EPL deductible for three full program years (July 1<sup>st</sup> to June 30<sup>th</sup>) before selecting a new EPL deductible. EPL deductibles can only be changed at the beginning of the coverage term – July 1<sup>st</sup> of each year. If, however, the formula for determining the minimum EPL deductible results in a deductible level higher than the EPL deductible level elected by the Member, the Member’s EPL deductible will increase to the deductible level determined by the formula. Because the election of higher EPL deductibles can only be changed once per every three full program years, CSURMA AORMA strongly recommends a review of prior years’ claims and consultation with the JPA Program Administrator before making any decisions regarding these higher EPL deductibles.

4. As outlined in Policy and Procedure L-1, Claims Reporting, it is the policy of CSURMA AORMA that written notice of any claim within the AORMA Liability Coverage Program be given to the Third Party Claims Administrator as soon as practicable. Failure to report a claim is cause for a reduction in or denial of coverage by AORMA.

**PROCEDURE:**

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



### 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

**APPROVAL OF THE DISTRIBUTION FOR THE LIABILITY AND  
WORKERS' COMPENSATION PROGRAM**

**ISSUE:** At its September 11, 2014 meeting, the AORMA Committee reviewed and approved the following dividends to be distributed July, 2015:

- a. Liability – 25% of maximum dividend available - \$464,087
- b. Workers' Compensation – 33% of maximum dividend available - \$715,802

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

**RECOMMENDATION:** The committee is being asked to review and approve the liability and workers' compensation dividends to be payable in July, 2015.

**FISCAL IMPACT:** The total dividend payable in July, 2015 is \$1,179,889.

**BACKGROUND:** Dividends are allocated to those members currently participating in the liability or workers' compensation program (and who will be participating on July 1, 2015) based on each member's total percentage of contributions during the following fiscal years: 09/10, 10/11, 11/12, 12/13 and 13/14.

**PUBLICATION:** Members will be notified of the approved dividend amount at the end of January, 2015.

**ATTACHMENT(S):**

- a) AORMA Liability Program – Dividend Allocation for July, 2015 Distribution
- b) AORMA Workers' Compensation – Dividend Allocation for July, 2015 Distribution
- c) FY 15/16 Target Surplus Funding Analysis
- d) Policy & Procedure A-3 – Target Surplus Funding Policy
- e) Policy & Procedure A-4 – Dividends and Assessments

**AORMA Liability Program  
July 1, 2015 Dividend Allocation**

**\$ 464,087**

<b>Campus</b>	<b>Auxiliary Organization Member</b>	<b>7/1/09 - 6/30/10 Premium Contribution</b>	<b>7/1/10 - 6/30/11 Premium Contribution</b>	<b>7/1/11 - 6/30/12 Premium Contribution</b>	<b>7/1/12 - 6/30/13 Premium Contribution</b>	<b>7/1/13 - 6/30/14 Premium Contribution</b>	<b>Total Premium Contributions for Five Years</b>	<b>Dividend Allocation</b>
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 4,091	\$ 5,464	\$ 7,186	\$ 6,369	\$ 6,524	\$ 29,634	\$ 869
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 1,000	\$ 3,000	\$ 3,408	\$ 3,021	\$ 3,089	\$ 13,518	\$ 397
Bakersfield	California State University, Bakersfield Foundation	\$ 1,940	\$ 2,591	\$ 3,408	\$ 3,021	\$ 20,270	\$ 31,230	\$ 916
Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 12,711	\$ 16,977	\$ 22,327	\$ 19,789	\$ 3,094	\$ 74,898	\$ 2,197
Chancellor's Office	California State University Foundation	\$ 937	\$ 1,251	\$ 1,645	\$ 1,458	\$ 1,493	\$ 6,784	\$ 199
Chancellor's Office	California State University Institute	\$ 1,280	\$ 1,710	\$ 2,249	\$ 1,993	\$ 2,042	\$ 9,274	\$ 272
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 975	\$ 1,369	\$ 1,800	\$ 1,596	\$ 1,613	\$ 7,353	\$ 216
Channel Islands	California State University Channel Islands Foundation	\$ 1,358	\$ 1,814	\$ 2,386	\$ 2,114	\$ 2,136	\$ 9,808	\$ 288
Channel Islands	University Glen Corporation	\$ 14,057	\$ 19,158	\$ 25,196	\$ 22,330	\$ 23,183	\$ 103,924	\$ 3,049
Chico	Associated Students of California State University, Chico	\$ 84,035	\$ 108,806	\$ 143,097	\$ 126,822	\$ 131,662	\$ 594,422	\$ 17,439
Chico	Auxiliary Organization Associations	\$ 937	\$ 1,251	\$ 1,645	\$ 1,458	\$ 1,473	\$ 6,764	\$ 198
Chico	The CSU, Chico Research Foundation	\$ 66,972	\$ 91,276	\$ 120,042	\$ 106,388	\$ 110,449	\$ 495,127	\$ 14,526
Chico	The University Foundation, California State University, Chico	\$ 5,482	\$ 7,322	\$ 9,630	\$ 8,535	\$ 8,860	\$ 39,829	\$ 1,168
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 3,671	\$ 4,903	\$ 6,448	\$ 5,715	\$ 5,933	\$ 26,670	\$ 782
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 17,776	\$ 23,742	\$ 29,975	\$ 26,566	\$ 26,844	\$ 124,903	\$ 3,664
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 10,798	\$ 14,422	\$ 18,967	\$ 16,810	\$ 17,451	\$ 78,448	\$ 2,301
East Bay	Associated Students, California State University, East Bay	\$ 18,145	\$ 24,235	\$ 31,873	\$ 28,248	\$ 28,544	\$ 131,045	\$ 3,845
East Bay	Cal State East Bay Educational Foundation					\$ 2,042	\$ 2,042	\$ 60
East Bay	California State University, East Bay Foundation, Inc.	\$ 34,595	\$ 46,207	\$ 68,246	\$ 60,483	\$ 24,739	\$ 234,270	\$ 6,873
Fresno	Associated Students, Inc. of California State University, Fresno	\$ 2,471	\$ 3,300	\$ 4,340	\$ 3,846	\$ 3,887	\$ 17,844	\$ 523
Fresno	California State University, Fresno Association, Inc.	\$ 154,700	\$ 202,563	\$ 229,267	\$ 203,191	\$ 102,974	\$ 892,695	\$ 26,189
Fresno	California State University, Fresno Foundation	\$ 25,014	\$ 35,455	\$ 46,629	\$ 41,326	\$ 43,760	\$ 192,184	\$ 5,638
Fresno	Fresno State Programs for Children, Inc.	\$ 5,565	\$ 7,433	\$ 9,776	\$ 8,663	\$ 8,755	\$ 40,192	\$ 1,179
Fresno	The Agricultural Foundation of California State University, Fresno	\$ 13,606	\$ 18,173	\$ 23,900	\$ 21,182	\$ 21,404	\$ 98,265	\$ 2,883
Fresno	The California State University, Fresno Athletic Corporation	\$ 113,659	\$ 151,808	\$ 211,872	\$ 187,773	\$ 198,836	\$ 863,948	\$ 25,346
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 20,916	\$ 27,936	\$ 36,740	\$ 32,562	\$ 33,805	\$ 151,959	\$ 4,458
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 4,295	\$ 5,737	\$ 7,545	\$ 6,687	\$ 6,757	\$ 31,021	\$ 910
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 31,345	\$ 41,801	\$ 54,975	\$ 48,723	\$ 51,594	\$ 228,438	\$ 6,702
Humboldt	Associated Students, Humboldt State University	\$ 3,957	\$ 5,285	\$ 6,951	\$ 6,160	\$ 6,395	\$ 28,748	\$ 843
Humboldt	Humboldt State University Advancement Foundation	\$ 990	\$ 1,322	\$ 1,739	\$ 1,540	\$ 1,557	\$ 7,148	\$ 210
Humboldt	Humboldt State University Center Board of Directors	\$ 39,325	\$ 52,524	\$ 62,077	\$ 52,566	\$ 54,573	\$ 261,065	\$ 7,659
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 17,962	\$ 23,991	\$ 31,552	\$ 27,964	\$ 29,031	\$ 130,500	\$ 3,829
Long Beach	Associated Students, California State University, Long Beach	\$ 46,188	\$ 65,468	\$ 84,378	\$ 74,782	\$ 77,637	\$ 348,453	\$ 10,223
Long Beach	California State University, Long Beach Research Foundation	\$ 88,895	\$ 118,732	\$ 164,100	\$ 145,436	\$ 151,665	\$ 668,828	\$ 19,622
Long Beach	CSULB 49er Foundation			\$ 3,000	\$ 2,658	\$ 2,752	\$ 8,410	\$ 247
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 25,425	\$ 33,959	\$ 44,661	\$ 39,582	\$ 41,092	\$ 184,719	\$ 5,419
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 3,903	\$ 5,213	\$ 7,276	\$ 6,447	\$ 6,738	\$ 29,577	\$ 868
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 16,564	\$ 22,884	\$ 34,109	\$ 30,229	\$ 29,885	\$ 133,671	\$ 3,922
Los Angeles	California State University, Los Angeles Foundation	\$ 2,392	\$ 3,195	\$ 4,202	\$ 3,725	\$ 3,763	\$ 17,277	\$ 507
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 17,133	\$ 22,124	\$ 29,096	\$ 25,786	\$ 27,232	\$ 121,371	\$ 3,561
Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 2,244	\$ 2,751	\$ 3,942	\$ 3,493	\$ 3,566	\$ 15,996	\$ 469
Maritime Academy	The Associated Students of the California Maritime Academy	\$ 2,060	\$ 2,997	\$ 3,618	\$ 3,206	\$ 3,390	\$ 15,271	\$ 448
Monterey Bay	Foundation of California State University, Monterey Bay	\$ 1,000	\$ 3,157	\$ 4,152	\$ 3,680	\$ 3,838	\$ 15,827	\$ 464
Monterey Bay	The University Corporation at Monterey Bay	\$ 49,205	\$ 49,275	\$ 64,804	\$ 57,433	\$ 59,625	\$ 280,342	\$ 8,224

**AORMA Liability Program  
July 1, 2015 Dividend Allocation**

**\$ 464,087**

<b>Campus</b>	<b>Auxiliary Organization Member</b>	<b>7/1/09 - 6/30/10 Premium Contribution</b>	<b>7/1/10 - 6/30/11 Premium Contribution</b>	<b>7/1/11 - 6/30/12 Premium Contribution</b>	<b>7/1/12 - 6/30/13 Premium Contribution</b>	<b>7/1/13 - 6/30/14 Premium Contribution</b>	<b>Total Premium Contributions for Five Years</b>	<b>Dividend Allocation</b>
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 8,613	\$ 11,504	\$ 16,367	\$ 14,505	\$ 15,360	\$ 66,349	\$ 1,947
Northridge	California State University, Northridge Foundation	\$ 6,923	\$ 9,247	\$ 12,161	\$ 10,778	\$ 11,164	\$ 50,273	\$ 1,475
Northridge	North Campus University Park Development Corporation	\$ 3,250	\$ 4,559	\$ 5,996	\$ 5,315	\$ 5,370	\$ 24,490	\$ 718
Northridge	The University Corporation, CSU Northridge	\$ 43,218	\$ 57,724	\$ 84,474	\$ 74,866	\$ 79,276	\$ 339,558	\$ 9,962
Northridge	University Student Union of California State University, Northridge	\$ 49,174	\$ 65,679	\$ 84,650	\$ 75,023	\$ 77,887	\$ 352,413	\$ 10,339
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 43,035	\$ 60,352	\$ 79,372	\$ 70,344	\$ 73,029	\$ 326,132	\$ 9,568
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 96,797	\$ 129,286	\$ 151,062	\$ 135,157	\$ 142,332	\$ 654,634	\$ 19,205
Sacramento	Associated Students of California State University, Sacramento	\$ 61,184	\$ 81,720	\$ 107,474	\$ 95,251	\$ 98,886	\$ 444,515	\$ 13,041
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 4,729	\$ 6,316	\$ 8,307	\$ 7,361	\$ 7,642	\$ 34,355	\$ 1,008
Sacramento	The University Foundation at Sacramento State	\$ 3,565	\$ 4,762	\$ 6,263	\$ 5,550	\$ 5,609	\$ 25,749	\$ 755
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 91,092	\$ 124,121	\$ 163,238	\$ 143,069	\$ 148,529	\$ 670,049	\$ 19,657
Sacramento	University Union Operation of CSUS, Inc.	\$ 14,262	\$ 20,215	\$ 26,586	\$ 23,563	\$ 24,463	\$ 109,089	\$ 3,200
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 6,168	\$ 8,238	\$ 10,834	\$ 9,603	\$ 9,704	\$ 44,547	\$ 1,307
San Bernardino	CSUSB Philanthropic Foundation			\$ 3,000	\$ 2,658	\$ 2,752	\$ 8,410	\$ 247
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 8,665	\$ 11,573	\$ 15,220	\$ 13,490	\$ 14,004	\$ 62,952	\$ 1,847
San Bernardino	University Enterprises Corporation at CSUSB	\$ 32,820	\$ 43,836	\$ 57,651	\$ 51,095	\$ 53,045	\$ 238,447	\$ 6,995
San Diego	Associated Students, San Diego State University	\$ 99,201	\$ 132,497	\$ 184,920	\$ 163,888	\$ 172,850	\$ 753,356	\$ 22,101
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 77,228	\$ 108,412	\$ 139,727	\$ 123,835	\$ 128,561	\$ 577,763	\$ 16,950
San Diego	San Diego State University Research Foundation	\$ 95,841	\$ 144,631	\$ 215,573	\$ 191,056	\$ 191,547	\$ 838,648	\$ 24,604
San Diego	The Campanile Foundation						\$ -	\$ -
San Francisco	Associated Students, Inc., San Francisco State University	\$ 8,430	\$ 11,259	\$ 14,807	\$ 13,124	\$ 13,625	\$ 61,245	\$ 1,797
San Francisco	San Francisco State University Foundation	\$ 1,000	\$ 6,747	\$ 3,843	\$ 3,406	\$ 3,606	\$ 18,602	\$ 546
San Francisco	The University Corporation, San Francisco State	\$ 29,643	\$ 40,811	\$ 53,673	\$ 29,115	\$ 30,271	\$ 183,513	\$ 5,384
San Jose	Associated Student, San Jose State University	\$ 6,787	\$ 9,250	\$ 12,165	\$ 10,782	\$ 10,896	\$ 49,880	\$ 1,463
San Jose	San Jose State University Research Foundation	\$ 17,928	\$ 23,213	\$ 32,083	\$ 28,434	\$ 30,109	\$ 131,767	\$ 3,866
San Jose	Spartan Shops, Inc., San Jose State University	\$ 52,047	\$ 70,935	\$ 91,425	\$ 81,027	\$ 84,120	\$ 379,554	\$ 11,135
San Jose	The Student Union of San Jose State University	\$ 76,150	\$ 101,709	\$ 131,088	\$ 116,178	\$ 120,612	\$ 545,737	\$ 16,010
San Jose	The Tower Foundation, San Jose State University	\$ 1,351	\$ 1,804	\$ 2,518	\$ 2,231	\$ 2,255	\$ 10,159	\$ 298
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 53,746	\$ 71,785	\$ 99,214	\$ 87,930	\$ 92,683	\$ 405,358	\$ 11,892
San Luis Obispo	Cal Poly Corporation	\$ 109,959	\$ 149,863	\$ 197,093	\$ 163,488	\$ 166,000	\$ 786,403	\$ 23,071
San Luis Obispo	California Polytechnic State University Foundation	\$ 924	\$ 1,234	\$ 1,623	\$ 1,438	\$ 1,492	\$ 6,711	\$ 197
San Marcos	California State University San Marcos Foundation	\$ 1,000	\$ 4,418	\$ 5,810	\$ 5,150	\$ 5,346	\$ 21,724	\$ 637
San Marcos	San Marcos University Corporation	\$ 24,493	\$ 32,714	\$ 43,024	\$ 9,940	\$ 10,045	\$ 120,216	\$ 3,527
San Marcos	The Associated Students of California State University, San Marcos	\$ 6,135	\$ 8,194	\$ 10,776	\$ 9,550	\$ 9,651	\$ 44,306	\$ 1,300
San Marcos	University Auxiliary and Research Services Corporation	\$ 6,385	\$ 8,528	\$ 11,216	\$ 38,130	\$ 39,058	\$ 103,317	\$ 3,031
Sonoma	Associated Students of Sonoma State University	\$ 9,925	\$ 13,256	\$ 17,434	\$ 15,451	\$ 15,613	\$ 71,679	\$ 2,103
Sonoma	Sonoma State Enterprises, Inc.	\$ 21,936	\$ 29,299	\$ 38,533	\$ 34,150	\$ 35,454	\$ 159,372	\$ 4,676
Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 9,330	\$ 12,462	\$ 16,389	\$ 14,525	\$ 14,677	\$ 67,383	\$ 1,977
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 4,045	\$ 5,403	\$ 7,106	\$ 6,298	\$ 6,537	\$ 29,389	\$ 862
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 10,010	\$ 13,370	\$ 17,584	\$ 15,584	\$ 15,747	\$ 72,295	\$ 2,121
Stanislaus	California State University, Stanislaus Foundation	\$ 14,993	\$ 20,025	\$ 26,336	\$ 23,340	\$ 23,585	\$ 108,279	\$ 3,177
Stanislaus	University Student Union of California State University, Stanislaus	\$ 2,308	\$ 3,083	\$ 4,055	\$ 3,593	\$ 3,631	\$ 16,670	\$ 489

**AORMA Workers' Compensation Program**  
**July 1, 2015 Dividend Allocation**

**\$ 715,802**

<b>Campus</b>	<b>Auxiliary Organization Member</b>	<b>7/1/09 - 6/30/10 Premium Contribution</b>	<b>7/1/10 - 6/30/11 Premium Contribution</b>	<b>7/1/11 - 6/30/12 Premium Contribution</b>	<b>7/1/12 - 6/30/13 Premium Contribution</b>	<b>7/1/13 - 6/30/14 Premium Contribution</b>	<b>Premium Contributions for Five Years</b>	<b>Dividend Allocation</b>
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ -	\$ 9,158	\$ 12,184	\$ 14,619	\$ 17,151	\$ 53,112	\$ 1,884
Bakersfield	California State University, Bakersfield Foundation	\$ 36,471	\$ 29,464	\$ 25,164	\$ 16,535	\$ 12,866	\$ 120,500	\$ 4,274
Channel Islands	University Glen Corporation	\$ 14,898	\$ 34,526	\$ 37,275	\$ 36,719	\$ 48,083	\$ 171,501	\$ 6,083
Chico	Associated Students of California State University, Chico	\$ 235,289	\$ 203,170	\$ 197,042	\$ 163,524	\$ 135,349	\$ 934,374	\$ 33,140
Chico	The CSU, Chico Research Foundation	\$ 88,476	\$ 114,346	\$ 146,943	\$ 137,421	\$ 128,610	\$ 615,796	\$ 21,841
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 2,349	\$ 2,505	\$ 2,147	\$ 2,799	\$ 3,542	\$ 13,342	\$ 473
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 70,930	\$ 74,675	\$ 83,656	\$ 64,377	\$ 83,479	\$ 377,117	\$ 13,376
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 7,686	\$ 6,368	\$ 6,370	\$ 6,617	\$ 7,132	\$ 34,174	\$ 1,212
East Bay	Associated Students, California State University, East Bay	\$ 36,712	\$ 40,641	\$ 59,326	\$ 10,407	\$ 25,321	\$ 172,407	\$ 6,115
East Bay	California State University, East Bay Foundation, Inc.	\$ 43,595	\$ 47,140	\$ 26,617	\$ 38,345	\$ 42,665	\$ 198,362	\$ 7,035
Fresno	California State University, Fresno Association, Inc.	\$ 154,955	\$ 142,964	\$ 133,902	\$ 108,308	\$ 108,920	\$ 649,049	\$ 23,020
Fresno	The California State University, Fresno Athletic Corporation	\$ 61,568	\$ 70,770	\$ 66,148	\$ 82,849	\$ 108,988	\$ 390,323	\$ 13,844
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 72,076	\$ 59,476	\$ 70,094	\$ 76,605	\$ 80,663	\$ 358,914	\$ 12,730
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 254,302	\$ 205,708	\$ 164,636	\$ 177,438	\$ 188,953	\$ 991,037	\$ 35,150
Humboldt	Associated Students, Humboldt State University				\$ 2,282	\$ 1,889	\$ 4,171	\$ 148
Humboldt	Humboldt State University Center Board of Directors	\$ 91,749	\$ 83,515	\$ 75,106	\$ 73,235	\$ 85,332	\$ 408,937	\$ 14,504
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 72,861	\$ 86,720	\$ 75,654	\$ 110,957	\$ 172,733	\$ 518,925	\$ 18,405
Long Beach	Associated Students, California State University, Long Beach	\$ 84,296	\$ 94,631	\$ 111,022	\$ 79,024	\$ 86,789	\$ 455,762	\$ 16,165
Long Beach	California State University, Long Beach Research Foundation	\$ 110,023	\$ 108,973	\$ 99,936	\$ 127,262	\$ 97,124	\$ 543,317	\$ 19,270
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 128,381	\$ 122,451	\$ 100,794	\$ 109,969	\$ 143,347	\$ 604,942	\$ 21,456
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 135,970	\$ 157,264	\$ 126,416	\$ 148,737	\$ 143,131	\$ 711,519	\$ 25,236
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 33,096	\$ 22,792	\$ 25,413	\$ 36,253	\$ 41,569	\$ 159,124	\$ 5,644
Monterey Bay	The University Corporation at Monterey Bay	\$ 117,932	\$ 80,277	\$ 91,577	\$ 114,164	\$ 107,880	\$ 511,830	\$ 18,154
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 48,974	\$ 51,824	\$ 40,867	\$ 50,074	\$ 54,590	\$ 246,329	\$ 8,737
Northridge	The University Corporation, CSU Northridge	\$ 247,405	\$ 328,929	\$ 317,237	\$ 256,789	\$ 330,140	\$ 1,480,500	\$ 52,510
Northridge	University Student Union of California State University, Northridge	\$ 62,136	\$ 61,699	\$ 95,805	\$ 72,852	\$ 81,842	\$ 374,334	\$ 13,277
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 52,751	\$ 44,039	\$ 45,945	\$ 44,403	\$ 52,064	\$ 239,203	\$ 8,484
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 216,652	\$ 198,531	\$ 212,240	\$ 200,972	\$ 245,176	\$ 1,073,571	\$ 38,077
Sacramento	Associated Students of California State University, Sacramento	\$ 67,154	\$ 68,904	\$ 67,967	\$ 61,591	\$ 74,345	\$ 339,962	\$ 12,058
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 136,244	\$ 121,598	\$ 202,676	\$ 197,996	\$ 206,632	\$ 865,146	\$ 30,685
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 2,001	\$ 2,432	\$ 2,020	\$ 2,721	\$ 2,564	\$ 11,737	\$ 416
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 25,795	\$ 18,205	\$ 25,670	\$ 28,523	\$ 27,130	\$ 125,324	\$ 4,445
San Bernardino	University Enterprises Corporation at CSUSB	\$ 76,212	\$ 85,688	\$ 69,535	\$ 77,535	\$ 94,555	\$ 403,525	\$ 14,312
San Diego	Associated Students, San Diego State University	\$ 151,525	\$ 149,218	\$ 160,218	\$ 172,442	\$ 183,380	\$ 816,784	\$ 28,970
San Francisco	Associated Students, Inc., San Francisco State University	\$ 14,837	\$ 15,765	\$ 23,716	\$ 11,131	\$ 27,636	\$ 93,085	\$ 3,302
San Francisco	The University Corporation, San Francisco State	\$ 13,447	\$ 23,321	\$ 18,287	\$ 33,923	\$ 33,526	\$ 122,503	\$ 4,345
San Jose	Associated Student, San Jose State University	\$ 34,137	\$ 35,621	\$ 33,767	\$ 41,410	\$ 52,921	\$ 197,856	\$ 7,018
San Jose	San Jose State University Research Foundation	\$ 178,017	\$ 187,088	\$ 215,498	\$ 285,278	\$ 270,838	\$ 1,136,719	\$ 40,317
San Jose	Spartan Shops, Inc., San Jose State University	\$ 116,099	\$ 82,234	\$ 102,782	\$ 118,758	\$ 156,891	\$ 576,764	\$ 20,457
San Jose	The Student Union of San Jose State University	\$ 31,665	\$ 19,477	\$ 23,529	\$ 32,025	\$ 41,716	\$ 148,412	\$ 5,264

**AORMA Workers' Compensation Program**  
**July 1, 2015 Dividend Allocation**

**\$ 715,802**

<b>Campus</b>	<b>Auxiliary Organization Member</b>	<b>7/1/09 - 6/30/10 Premium Contribution</b>	<b>7/1/10 - 6/30/11 Premium Contribution</b>	<b>7/1/11 - 6/30/12 Premium Contribution</b>	<b>7/1/12 - 6/30/13 Premium Contribution</b>	<b>7/1/13 - 6/30/14 Premium Contribution</b>	<b>Premium Contributions for Five Years</b>	<b>Dividend Allocation</b>
San Jose	The Tower Foundation, San Jose State University	\$ 9,589	\$ 14,825	\$ 24,261	\$ 27,189	\$ 32,930	\$ 108,794	\$ <b>3,859</b>
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 76,027	\$ 68,738	\$ 65,799	\$ 85,423	\$ 88,561	\$ 384,548	\$ <b>13,639</b>
San Luis Obispo	Cal Poly Corporation	\$ 528,981	\$ 466,866	\$ 478,596	\$ 322,904	\$ 304,769	\$ 2,102,116	\$ <b>74,558</b>
San Marcos	University Auxiliary and Research Services Corporation	\$ 47,426	\$ 52,417	\$ 48,284	\$ 56,873	\$ 61,919	\$ 266,919	\$ <b>9,467</b>
Sonoma	Associated Students of Sonoma State University	\$ 2,155	\$ 3,360	\$ 4,234	\$ 7,082	\$ 10,337	\$ 27,168	\$ <b>964</b>
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 6,153	\$ 3,825	\$ 3,645	\$ 4,206	\$ 4,868	\$ 22,697	\$ <b>805</b>
Stanislaus	University Student Union of California State University, Stanislaus	\$ 4,182	\$ 1,248	\$ 4,096	\$ 4,691	\$ 4,969	\$ 19,186	\$ <b>680</b>

**Total: \$ 4,003,179 \$ 3,903,387 \$ 4,024,096 \$ 3,935,237 \$ 4,315,819 \$ 20,181,718 \$ 715,802**

## AORMA SIR Liability Fund Program Target Surplus Funding Analysis at \$500,000 SIR

Gross Premium 2015/16 (at 80% CL)	\$3,336,715
Maximum Retention per loss:	\$500,000
O/S Reserves at 6/30/14:	\$1,745,719
*Surplus at 6/30/14:	\$4,356,346
Funding above 70% Conf Level:	\$4,101,214
Funding above 80% Conf Level:	\$3,733,109

\* Surplus at 6/30/14 reflects the Fund Balance from the 6/30/14 Balance sheet including the \$978,346 13/14 dividend

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$2,224,477	0.77
Surplus:Retention	>5:1	\$2,500,000	8.71
O/S Reserve:Surplus	≤1.5:1	\$1,163,813	0.40

<b>Maximum Dividend Available:</b>	<b>\$1,856,346</b>	
<b>Dividend 50%</b>	<b>\$928,173</b>	
<b>Dividend 33%:</b>	<b>\$612,594</b>	
<b>Recommended Dividend 25%</b>	<b>\$464,087</b>	<b>APPROVED ON 9/11/14</b>

Note: 2013 Dividend of \$978,346 was based on 33% of the Maximum Dividend Available

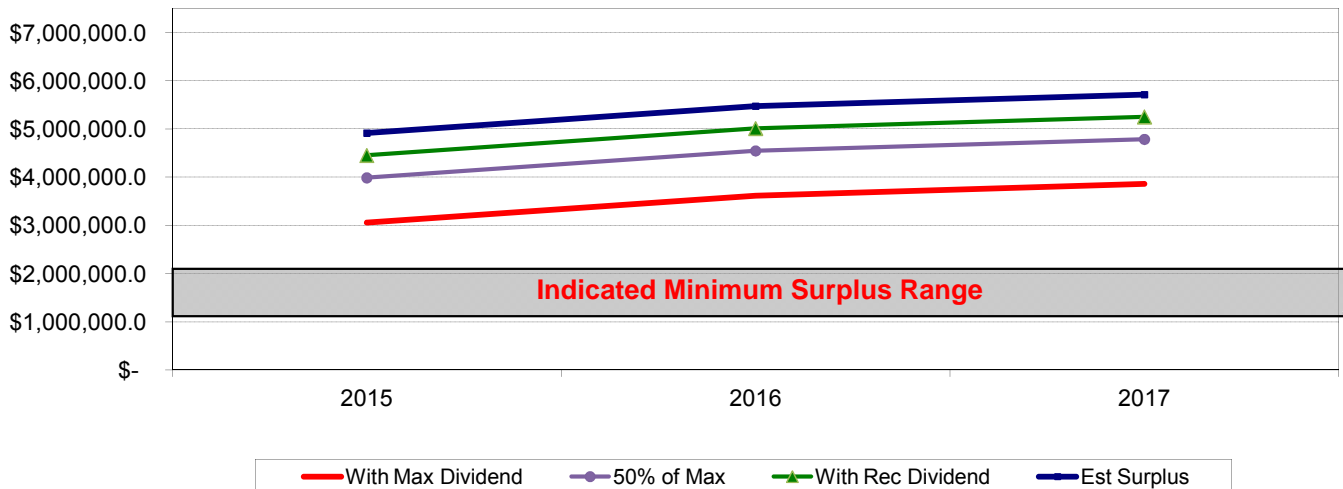
### 2015/16 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	1,535,275	-
60%	1.045	1,604,362	69,087
70%	1.156	1,774,778	239,503
80%	1.364	2,094,115	558,840

### Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Max Dividend	With Rec Dividend
Estimated Balance at 7/1/14	N/A	4,356,346	N/A	N/A
2015/16 - Collection @ 80% CL	558,840	4,915,186	3,058,840	4,451,100
2016/17 - Collection @ 80% CL	558,840	5,474,026	3,617,680	5,009,940
2017/18 - Collection @ 70% CL	239,503	5,713,529	3,857,183	5,249,443

### Three Year Funding Plan



## AORMA Workers' Compensation Program Target Surplus Funding Analysis at \$500,000 SIR

Gross Premium 2015/16 (at 80% CL)	\$3,946,750
Maximum Retention per loss:	\$500,000
O/S Reserves at 6/30/14:	\$3,803,264
*Surplus at 6/30/14:	\$4,800,263
Funding above 70% Conf Level:	\$4,489,379
Funding above 80% Conf Level:	\$3,861,899

\* Surplus at 6/30/14 reflects the Fund Balance from the 6/30/14 Balance sheet including the \$845,387 FY 14/15 dividend

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$2,631,167	0.82
Surplus:Retention	>5:1	\$2,500,000	9.60
O/S Reserve:Surplus	≤1.5:1	\$2,535,509	0.79

<b>Maximum Dividend Available:</b>	<b>\$2,169,096</b>
<b>Dividend 50%:</b>	<b>\$1,084,548</b>
<b>Recommended Dividend 33%:</b>	<b>\$715,802</b>
<b>Dividend 25%:</b>	<b>\$542,274</b>

APPROVED 9/11/14

Note: 2013 Dividend of \$845,387 was based on 33% of the Maximum Dividend Available

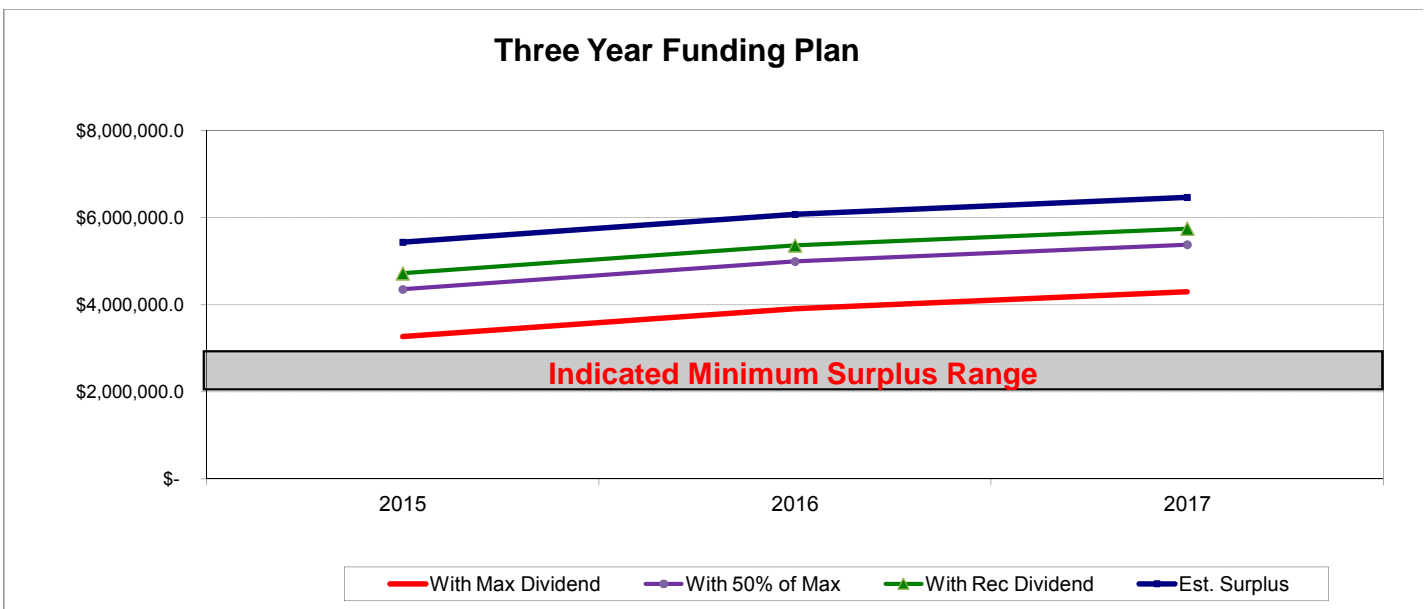
### 2015/16 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	2,567,000	-
70%	1.150	2,952,050	385,050
80%	1.250	3,208,750	641,750
90%	1.500	3,850,500	1,283,500

### Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Max Dividend	With Rec Dividend
Estimated Balance at 7/1/14	N/A	4,800,263	N/A	N/A
2015/16 - Collection @ 80% CL	641,750	5,442,013	3,272,917	4,726,211
2016/17 - Collection @ 80% CL	641,750	6,083,763	3,914,667	5,367,961
2017/18 - Collection @ 70% CL	385,050	6,468,813	4,299,717	5,753,011

### Three Year Funding Plan





**CSURMA AORMA**

**POLICY AND PROCEDURE NO. A-3**

**SUBJECT: TARGET SURPLUS FUNDING POLICY**

**ADOPTED: JANUARY 10, 2007**

**AMENDED: OCTOBER 29, 2009  
SEPTEMBER 16, 2010  
OCTOBER 23, 2014**

**EFFECTIVE: JANUARY 1, 2007**

**POLICY & PROCEDURE NO.: (FORMERLY) 7-AORMA**

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

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

**POLICY**

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

The AORMA Committee may take action to set higher or lower confidence levels based on AORMA goals to retain more or less risk.

**PROCEDURE**

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA's accredited independent actuary to perform an actuarial analysis of the Workers' Compensation and Liability Programs. This analysis shall include estimates of the outstanding losses (including IBNR) at various confidence levels as well as estimates of ultimate losses for the upcoming year(s). The analysis shall also compare the current program funding against the outstanding liabilities and determine the confidence level to which the program is currently funded. Because the Property and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.

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

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

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

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

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

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

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

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

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

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

4. **Dividends** – Dividends may be available from the amount of surplus exceeding the Target Surplus amount established by the AORMA COMMITTEE. The allocation of any dividend shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.
5. **Assessments** – Assessments may be required when the AORMA COMMITTEE determines that the amount of surplus is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.



## **CSURMA AORMA**

## **POLICY AND PROCEDURE NO. A-3**

### **MEMBER APPEAL PROCESS**

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

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



**DEFINITIONS:**

**AORMA COMMITTEE** - Auxiliary Organizations Risk Management Alliance Committee, a committee of the CSURMA providing management and oversight to the Auxiliary Organizations Risk Management Alliance. The AORMA COMMITTEE is comprised of the Chair, the Vice Chair, eight “At Large” members, and two non-voting members.

**AORMA** - AORMA - The Auxiliary Organizations Risk Management Alliance, a group of programs under the California State University Risk Management Authority.

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

**GROSS PREMIUM** - Includes pool premium and reinsurance/excess insurance premium but does not include administrative costs.

**IBNR** – Incurred but Not Reported losses

**OUTSTANDING RESERVES** - The sum total of unpaid case reserves in the pool layer as determined by the various claims examiners.

**POOL RETENTION** - The maximum amount of exposure to a single loss retained by the pool over the most recent 5 years.

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

**CONFIDENCE LEVEL:** A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. A-4**

**SUBJECT: DIVIDENDS & ASSESSMENTS**

**ADOPTED: MARCH 8, 2007**

**AMENDED: OCTOBER 29, 2009  
SEPTEMBER 16, 2010  
OCTOBER 23, 2014**

**EFFECTIVE: JULY 1, 2007**

**POLICY & PROCEDURE NO.: (FORMERLY) 8-AORMA**

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

**POLICY**

It is the policy of AORMA Committee that:

- Evaluation of the funding for each Self-Insured PROGRAM shall be made based on all coverage periods combined for that particular PROGRAM rather than on each coverage period on its own. The availability of any dividend or need for any assessment will be determined based on the PROGRAM's overall funding relative to the Target Surplus Funding Goal detailed in the separate Policy and Procedure No. A-3.
- Assessments and Dividends shall be allocated to the MEMBERS based on participation in "open" policy periods only.
- Unless the AORMA Committee takes specific action to the contrary, a coverage period shall be considered "closed" for dividend and assessment purposes five (5) years from the expiration of that period (i.e. 6/30/03 for FY 07/08).
- Assessments are a responsibility of membership and shall be allocated to all members who participated in the open policy periods which the assessment is based on, regardless of whether they are current members at the time the assessment is declared.
- Dividends are a privilege of membership and shall be allocated only to the current members in the PROGRAM at the time the dividend is declared who participated in one or more of the open policy periods which the dividend is based on.

**PROCEDURE**

**1. Annual Funding Analysis** – Each year the Program Director will analyze the current funding position of the PROGRAMS in accordance with the Target Surplus Funding Goal detailed in Policy and Procedure No. A-3. This analysis will, in part, determine whether the PROGRAM's overall funding is sufficient to consider a dividend or is depleted to the point of considering an assessment. The Program Director's analysis will be reviewed by the AORMA COMMITTEE.

2. **Closure of Policy Periods** - Upon reaching five (5) years of maturity after the end of a coverage period, that period shall be "closed" and there shall be no further dividends or assessments allocated with respect to those PROGRAM periods. Notwithstanding the above, the AORMA Committee may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last five (5) policy periods shall always remain "open" unless the AORMA Committee takes specific action to declare any of the last five (5) policy periods closed.
3. **Dividends and Assessments** - Dividends and assessments shall be allocated to the MEMBERS based upon the proportion of all premiums paid to the PROGRAM in all "open" periods only. For purposes of allocating dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered collectively.
4. **DECLARATION OF ASSESSMENTS** – Assessments will be declared as needed by the AORMA COMMITTEE, and will be collected from a MEMBER in accordance with its proportionate funding to the PROGRAM during all “open” policy periods, whether or not they currently participate in the PROGRAM at the time of the assessment.
5. **DECLARATION OF DIVIDENDS** – The AORMA COMMITTEE may declare dividends if overall funding is sufficient to support such action. Upon such a declaration, the dividend shall be allocated to those MEMBERS currently participating in the PROGRAM at the time the dividend is declared, based on the proportionate funding of all “open” policy periods.

#### **MEMBER APPEAL PROCESS**

If a MEMBER wishes to appeal any decision regarding the application of the Dividend/Assessment 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 appeal on the AORMA Committee agenda at its next regularly scheduled meeting. The AORMA COMMITTEE will review the appeal at its next regularly scheduled meeting and inform the MEMBER of the final decision within 5 business days of its 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, a group of PROGRAMSs of the California State University Risk Management Authority, a California Joint Powers Authority representing auxiliary organizations.

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

**MEMBER** – Any auxiliary organization participating in AORMA.

**PROGRAM** – For purposes of dividends and assessments, AORMA’s PROGRAMs are the Liability, Workers’ Compensation, Property and Crime.

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

**APPROVAL OF THE FY 14/15 LONG RANGE ACTION PLAN**

**ISSUE:** At the September 2014 Long Range Planning meeting, the AORMA Committee updated the FY 14/15 Long Range Action Plan. The following actions/responsibilities have been assigned to the Programs Committee to oversee, coordinate and take action on:

1. Liability Program Member Allocation Formula
2. Earthquake Coverage for Condominium Owners (when the HOA does not purchase earthquake coverage)

**RECOMMENDATION:** Staff recommends that the Programs Committee review the Long Range Action Plan, and approve the plan as presented and take action as necessary.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**APPROVAL OF THE 2015 MEETING DATES FOR THE CSURMA  
AORMA PROGRAMS COMMITTEE**

**ISSUE:** Noted below are the proposed 2015 AORMA Programs Committee meeting dates:

<b>Description</b>	<b>Date</b>	<b>Day</b>	<b>Time</b>	<b>Location</b>
Programs Committee	February 26	Thursday	1:00 pm	Teleconference
Programs Committee	June 25	Thursday	1:00 pm	Teleconference
Programs Committee	October 1	Thursday	1:00 pm	Teleconference
Programs Committee	December 10	Thursday	1:00 pm	Teleconference

**RECOMMENDATION:** Staff recommends approving the proposed 2015 meeting dates for the CSURMA AORMA Programs Committee, with changes as appropriate.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**2015 CSURMA AORMA MEETING CALENDAR**

**ISSUE:** The Program Administrator includes a current copy of the CSURMA AORMA meeting calendar in every agenda

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA AORMA – 2015 Meeting Calendar

## 2015 CSURMA • AORMA MEETING CALENDAR

JANUARY, 2015		FEBRUARY, 2015		MARCH, 2015	
26	AIME: Northridge: 10:30 a.m.	8	EC: Pasadena: 3:00 p.m.	19	AORMA: Newport Beach: 10:00 a.m.
		8	MSLCTC: Pasadena: 4:30 p.m.	19	EC: Newport Beach: 2:30 p.m.
		8-11	AOA Conference: Pasadena	20	EC LRP: Newport Beach: 8:00 a.m.
		26	PC: Teleconference: 1:00 p.m.		
APRIL, 2015		MAY, 2015		JUNE, 2015	
20	MSLCTC: Teleconference: 10:00 a.m.	7	AORMA: Long Beach; 10:00 a.m	25	PC: Teleconference: 1:00 p.m.
23	BOD Orientation: Teleconference: 2:00 p.m.	8	EC: Long Beach: 8:00 a.m	29	MSLCTC: Teleconference: 10:00 a.m.
27	BOD: San Diego: 4:00 p.m.	18	AIME: TBD – 10:30 a.m.		
28-29	Fitting the Pieces Conference: San Diego				

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AOUI = Auxiliary Organizations Unemployment Insurance Trust	AORMA LRP = AORMA Long Range Planning Meeting	EC LRP = EC Long Range Planning Meeting
MSLCTC = AORMA Member Services, Loss Control & Training Committee	AOA = CSU Auxiliary Organizations Association	BOD = CSURMA Board of Directors

## 2015 CSURMA • AORMA MEETING CALENDAR

JULY, 2015	AUGUST, 2015	SEPTEMBER, 2015
14-15 AORMA Officers Retreat, TBD		9 AORMA New Member Orientation: 9 AORMA LRP: Newport Beach: 10:00 a.m. 10 AORMA: Newport Beach: 9:00 a.m. 10 EC Orientation: Newport Beach: 4:00 pm 11 EC: Newport Beach: 8:30 a.m.
OCTOBER, 2015	NOVEMBER, 2015	DECEMBER, 2015
1 PC: Teleconference: 1:00 p.m. 5 MSLCTC: Teleconference: 10:00 a.m. 22 AORMA: Long Beach: 10:00 a.m. 22 BOD Orientation: Teleconference: 2:00 p.m. 23 EC: Long Beach: 9:00 a.m. 23 BOD: Long Beach: 10:30 a.m.  <i>AIME: TBD – 10:30 a.m.</i>		3 AORMA: Long Beach: 10:00 a.m. 4 EC: Long Beach: 8:30 a.m. 10 PC: Teleconference: 1:00 p.m.

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AOUIT = Auxiliary Organizations Unemployment Insurance Trust	AORMA LRP = AORMA Long Range Planning Meeting	EC LRP = EC Long Range Planning Meeting
MSLCTC = AORMA Member Services, Loss Control & Training Committee	AOA = CSU Auxiliary Organizations Association	BOD = CSURMA Board of Directors

**FY 14/15 AORMA LONG RANGE ACTION PLAN**

**ISSUE:** The Program Administrator includes a copy of the current AORMA Long Range Action Plan in every agenda.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 14/15 AORMA Long Range Action Plan

## CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>AORMA COMMITTEE</b>				
A-1	<b>WORKERS' COMPENSATION POLICIES AND PROCEDURES</b>			
	Staff (Alliant)	Review all workers' compensation policies and procedures and recommend revisions as necessary.	January, 2014	Completed
	PC	Review all workers' compensation policies and procedures and recommend approval to the AORMA Committee, with revisions as appropriate. All workers' compensation policies and procedures have been reviewed.	February 2, 2014	Completed
	AORMA Committee	Review and approve revisions to the workers' compensation policies and procedures.	March 20, 2014	Completed
	PC	The PC did not approve the recommended revisions to policy and procedure WC-1 at its July 2, 2014. The approval item has been tabled until the December 11, 2014 meeting.	December 11, 2014	
	AORMA Committee	Approval of the revisions to policy and procedure WC-1.	March, 2015	
A-2	<b>CLOSED SESSION POLICY AND PROCEDURE</b>			
	AORMA Committee	Review and approve the new policy and procedure	October 23, 2014	Completed
A-3	<b>MEMBER ALLOCATION FORMULA – RATING PLAN REVIEW POLICY AND PROCEDURE</b>			
	AORMA Committee	Review and approve the new policy and procedure	October 23, 2014	Completed

## CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>PROGRAMS COMMITTEE</b>				
P-1	<b>LIABILITY PROGRAM MEMBER ALLOCATION FORMULA (for FY 15/16 term)</b>			
	PC	Discuss current liability program member allocation formula and alternative allocation formulas	December 12, 2013	Completed
	PC	Review alternative member allocation formula (first review)	February 6, 2014	Completed
	PC	Review alternative member allocation formula (second review)	April 10, 2014	Completed
	AORMA Officers	Review alternative member allocation formula	July, 2014	Completed
	PC	Receipt of supplemental actuarial reports – based rates and experience modification factors. Review draft alternative member allocation formula with actuarial factors included.	August 28, 2014	Completed
	AORMA Committee	Discuss modifications to the liability program member allocation formula.	September 10, 2014	Completed
	PC	Approval of FY 15/16 liability program member allocation formula	November, 2014	Completed
	AORMA Committee	Approval of FY 15/16 liability program member allocation formula	December, 2014	
P-2	<b>EARTHQUAKE COVERAGE FOR CONDOMINIUM OWNERS (WHEN HOA DOES NOT PURCHASE EARTHQUAKE COVERAGE)</b>			
	Staff	Secure exposure information from the members	November, 2014	
	Staff	Obtain and review earthquake proposals	February, 2015	
	Programs Committee	Review and recommend revisions, as required	February, 2015	
	AORMA Committee	Review final earthquake proposals	March 19, 2015	

## CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>MEMBER SERVICES, LOSS CONTROL AND TRAINING COMMITTEE</b>				
<b>M-1 RISK REDUCTION INNOVATIVE MATCHING GRANT PROGRAM</b>				
	MSLCT Committee	Review revisions to grant criteria within policy and procedure A-6; recommend approval to the AORMA Committee	November, 2014	
	AORMA Committee	Review and approve revisions to grant criteria within policy and procedure A-6	December, 2014	
<b>M-2 AORMA INSURANCE HANDBOOK – IS THIS COVERED?</b>				
	Staff	Complete the AORMA – Is This Covered Handbook	January, 2015	
	MSLCT Committee	Review handbook and recommend revisions as appropriate	January, 2015	
	Staff	Present the handbook during the AOA Session – AORMA What’s Covered and What’s Not	February 9, 2015	
<b>M-3 REAL PROPERTY ACQUISITIONS - CHECKLIST</b>				
	Staff	Complete the AORMA Real Property Acquisitions - Checklist	January, 2015	
	MSLCT Committee	Review checklist and recommend revisions as appropriate	February, 2015	
	AORMA Committee	Review final checklist	March, 2015	
<b>M-4 KEEPING MINORS SAFE WHILE ON CAMPUS - HANDBOOK</b>				
	Staff	Complete the Keeping Minors Safe While on Campus Handbook	January, 2015	
	MSLCT Committee	Review handbook and recommend revisions as appropriate	February, 2015	
	AORMA Committee	Review final handbook	March, 2015	

**AORMA COMMITTEE AND STANDING COMMITTEE ROSTER -  
EFFECTIVE JULY 1, 2014**

**ISSUE:** Attached for the Committee's review is the AORMA Committee and Standing Committee Roster effective July 1, 2014.

**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 and Standing Committee Roster

**AORMA Committee**  
**Ten voting members - two alternates - twelve members total**  
**Effective at July 1, 2014**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	rdewit@csulb.edu	562-985-5549
AORMA	Vice Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA	Past Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	Ex Officio	Kurt Borsting	Director, Titan Student Centers	Fullerton	Associated Students, California State University, Fullerton, Inc.	kborsting@fullerton.edu	657-278-4214
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Research Foundation	Brian.Nowlin@csulb.edu	562-985-4690
AORMA	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
AORMA	At Large	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
AORMA	At Large	Haleh Minakary	General Business Manager	Pomona	The Cal Poly Pomona Foundation, Inc.	hminakary@csupomona.edu	909-869-2910
AORMA	At Large	Keith Kompsi	Director, Foundation Financial Services	Fresno	Fresno Association, Inc., CSU Fresno	kkompsi@csufresno.edu	559-278-0838
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslied@saclink.csus.edu	916-278-2904
AORMA	At Large	Mark Day	Executive Director	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	mday@csusb.edu	909-537-7201
AORMA	At Large	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	mcoil@foundation.sdsu.edu	619-594-1076

## Member Services, Loss Control & Training Committee

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
MSLCTC	Chair	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	mcoil@foundation.sdsu.edu	619-594-1076
MSLCTC	At Large	Arnecia Bryant	Associate Director, Operations	Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	abryant@csudh.edu	310-243-3854
MSLCTC	At Large	Debbie Adishian-Astone	Executive Director	Fresno	CSU Fresno Association, Inc.	debbiea@csufresno.edu	559-278-0802
MSLCTC	At Large	Dennis Miller	Director, Employment Services	Pomona	The Cal Poly Pomona Foundation, Inc.	dennismiller@csupomona.edu	909-869-2958
MSLCTC	At Large	Kristin Kelly	Associate Director	San Jose	The Student Union of San Jose State University	kristin.kelly@sjsu.edu	408-924-6315
MSLCTC	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslied@saclink.csus.edu	916-278-2904
MSLCTC	At Large	Raven Tyson	Contracts & Risk Management Coordinator	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760

## Programs Committee

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
PC	Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
PC	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
PC	At Large	Haleh Minakary	General Business Manager	Pomona	The Cal Poly Pomona Foundation, Inc.	hminakary@csupomona.edu	909-869-2910
PC	At Large	Mark Day	Executive Director	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	mday@csusb.edu	909-537-7201
PC	At Large	Jun Reina	Chief Operations Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925