



# CSURMA EXECUTIVE COMMITTEE MEETING AGENDA

## “This is an Open Public Meeting”

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

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

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

Meeting Date: September 6, 2019                      Primary Location: Alliant Insurance Services  
Time: 8:30 AM    701 B Street, 6<sup>th</sup> Floor  
San Diego, CA 92101

Legend: A = Action  
I = Information  
V = Verbal

### A. CALL TO ORDER

- 1. Approval of the Agenda A p. 5

### B. PUBLIC COMMENTS

### C. CONSENT CALENDAR

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will be asked to take action on the consent calendar items as a group; however, a member may request that an item be withdrawn from the Consent Calendar for discussion and action.*

- 1. Approval of Minutes – May 3, 2019 A p. 6  
*The Committee will be asked to approve the minutes from its last meetings.*
- 2. Adoption of CSURMA Executive Committee and Board of Directors 2020 Meeting Calendar A p. 17  
*The Committee will be asked to take action to set the Committee’s meeting calendar for 2020*
- 3. Draft Financial Statements at June 30, 2019 A p. 19  
*The Committee will be asked to review and accept the unaudited Financial Statement as June 30, 2019*

### D. GENERAL ADMINISTRATION

- 1. Treasurer’s Report at June 30, 2019 A p. 32  
*The Committee will be asked to review and approve the Treasurer’s Quarterly Report as well as the revisions to the CSURMA Master Investment Policy.*



California State University Risk Management Authority

- 2. CSURMA Cash Flow Projection** A p. 67  
*The Committee will be asked to review the cash flow exhibit and may provide direction to Staff as appropriate.*
- 3. Excess Insurance Renewal Report** I p. 68  
*The Committee will receive a report on the completion of insurance renewal negotiations and may take action or provide direction as necessary*
- 4. Actuarial Reports for Campus Liability, Campus Workers' Compensation, and Athletic Injury Medical Expense Programs** A p. 70  
*The Committee will be asked to review and accept the Liability Program, Workers' Compensation, and AIME actuarial reports.*
- 5. Campus Risk Pools Funding** A p. 78

  - a. Risk Pools Funding Status at June 30, 2019**  
*The Committee will receive a report on the pooled program funding status at June 30, 2019.*
  - b. 2019 Proposed Campus Dividends and 2018 Corrections** p. 83  
*The Committee will be asked to review the 2019 dividend and 2018 dividend misallocation and take action as appropriate.*
- 6. FY 2020/21 Rates and Gross Funding Campus Coverage Programs** A p. 92  
*The Committee will be asked to recommend to the Board of Directors the campus program rates for the upcoming fiscal year.*
- 7. Campus Risk Pools Rating Plans Task Group** A p. 103  
*The Committee will be asked to review and approve recommended changes to the campus rating plans.*
- 8. Delegation of Authority to Negotiate and Execute Program Administration and Brokerage Service Agreements Extensions** A p. 201  
*The Committee will be asked to review the extensions to the current Program Administration and Brokerage Services Agreements, and if appropriate delegate authority to the Secretary-Auditor to negotiate and execute the extensions.*
- 9. Owner Controlled Insurance Program (OCIP) Policy and Procedure No. 20** A p. 203  
*The Committee will be asked to approve revisions to Policy and Procedure No. 20, with additional changes as appropriate.*
- 10. Continuation of Support for Visual Compliance Software** A p. 213  
*The Committee will be asked to approve financial support of the Visual Compliance Software for a three-year duration.*
- 11. Proposed Amendments to the Campus Liability Program Memorandums of Coverage** A p. 216  
*The Committee will be asked to review and approve, if appropriate, changes to the MOCs to be effective July 1, 2020.*

- 12. **CSU International Programs Funding** A p. 280  
*The Committee will be asked to approve IP rates for FY 20/21 and FY 21/20.*
  - 13. **Policy and Procedure No. 27 – Process for Approving New Programs, Services or Funding Support** A p. 282  
*The Committee will be asked to review the draft Policy and Procedure No. 27, and recommend to the Board of Directors for adoption. .*
  - 14. **Office of General Counsel Cost Adjustment** A p. 285  
*The Committee will be asked to approve the revised allocation resulting in the new annual cost.*
  - 15. **Risk Management Innovation Grant Program – Lab Safety Response Training** A p. 286  
*The Committee will be asked to review a proposed grant application and if appropriate provide approval.*
  - 16. **CSURMA Critical Events Toolkit** I p. 296  
*The Committee will hear an update on the new critical events toolkit which resides on the CSURMA website.*
  - 17. **Foreign Travel Program Review Update** I p. 297  
*The Committee will hear report summarizing the findings from the review of the FTIP insurance program coverages, costs and services.*
  - 18. **CSURMA Master Calendar for Upcoming Trainings, Conferences and Events** I p. 298  
*The Committee will hear a report on the new master CSURMA / Risk Management trainings calendar which resides on the CSURMA website.*
- E. OTHER PROGRAMS**
- 1. **AORMA Programs Update** I p. 299  
*The Committee will receive a verbal report on the AORMA programs*
  - 2. **AIME Program Update** I p. 300  
*The Committee will receive a verbal report on the AIME*
- F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1) – Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). The matters below may be discussed. The Committee may take action or provide direction to Staff regarding the matters.** A
- 1. Moed adv. CSU San Francisco
  - 2. John Doe (Class Action) v. CSU Fullerton
  - 3. Herington (Class Action) v. CSU Fresno
  - 4. Apodaca v. CSU San Marcos
  - 5. Jane Doe (K.G.) v. CSU Sonoma
  - 6. Freeman v. CSU San Bernardino
  - 7. Burns v. CSU San Diego



California State University Risk Management Authority

- 8. In re: SF Science Building Coverage Dispute
- 9. Chavez v. CSU Northridge

**G. INFORMATION ITEMS**

- 1. Witt O'Brien's Scope of Work and Project Outline – July 1, 2019 to June 30, 2020 **I p. 301**
- 2. Campus Workers' Compensation Program Aggregate Stop Loss Coverage Status (PARCEL) **I p. 308**
- 3. CSURMA Committee Member Professional Development **I p. 318**
- 4. FY 2019/20 Long Range Planning Goals – Update on Completion Status **I p. 320**
- 5. CSURMA Administrative Service Calendar **I p. 323**
- 6. 2019 CSURMA Meeting Calendar **I p. 329**
- 7. CSURMA Executive Committee & Staff Contact List **I p. 331**

**H. ADJOURNMENT**

**The next CSURMA Executive Committee meeting is scheduled for Friday, November 8, 2019, at the conclusion of the Fitting the Pieces Together Conference in San Francisco, CA.**

*If you have questions regarding the agenda package, please contact*

*Mimi Long at [mlong@alliant.com](mailto:mlong@alliant.com) / (415) 403-1423 or Tevea Him at [thim@alliant.com](mailto:thim@alliant.com) / (415) 403-1416*

**APPROVAL OF THE AGENDA**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**APPROVAL OF MINUTES – MAY 3, 2019**

**ISSUE:** The Executive Committee will be asked to review and approve the draft minutes of its May 3, 2019 meeting.

**RECOMMENDATION:** It is recommended that the Executive Committee approve the minutes from its May 3, 2019 meeting, including revisions as necessary.

**FISCAL IMPACT:** None.

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

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

**ATTACHMENT(S):**

- a. CSURMA EC Meeting Minutes - May 3, 2019

**MINUTES OF THE  
CSURMA EXECUTIVE COMMITTEE MEETING**

**MAY 3, 2019  
CSU CHANCELLOR'S OFFICE, MUNITZ ROOM  
401 GOLDEN SHORE • LONG BEACH, CA  
8:30 AM**

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**MEMBERS PRESENT**

Scott Apel, California State University, Long Beach  
Dwayne Brummett (AORMA Chair), Associated Students, Inc., San Luis Obispo  
Lisa Chavez (Chair), California State University, Los Angeles  
Thom Davis, California State University, Bakersfield  
Lisa Kao, California State University, Fresno  
Dave Nakamura (AORMA First Vice Chair), Humboldt State University Center (*via Teleconference; arrived at 9:18am*)  
Kevin Saunders (Vice-Chair), California State University, Monterey Bay  
Amy Thomas, California State University, Stanislaus

**MEMBERS ABSENT**

Thom Davis, California State University, Bakersfield  
Robert Eaton (Treasurer), CSU Financing, Treasury & Risk Management

**STAFF, GUESTS & CONSULTANTS**

Scott Bourdon, CSU Office of the Chancellor, Systemwide Risk Management  
Mary Ek, CSU Financial Services  
Andrew Gaspari, Alliant Insurance Services, Inc.  
Zachary Gifford, CSU Office of the Chancellor, Systemwide Risk Management  
Tevea Him, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
William Hsu, CSU Office of General Counsel  
Alice Kim, CSU Systemwide Financial Standards & Reporting  
Robert Leong, Alliant Insurance Services, Inc.  
Susan Leung, Alliant Insurance Services  
Amy Lightner, Alliant Insurance Services, Inc.  
Jessica Liu Tanaka, CSU Systemwide Financial Standards & Reporting  
Mimi Long, Alliant Insurance Services, Inc.  
Mike Thorpe, California State University, Chico  
Jody Van Leuven, CSU Office of the Chancellor, Systemwide Risk Management  
Robin Webb, CSU Office of General Counsel

**A. CALL TO ORDER**

The meeting was called to order by the CSURMA Chair, Lisa Chavez at 8:31 AM.

**A1. Approval of the Agenda**

Lisa Chavez noted that the AIME and AORMA Program Update will be removed from the agenda as the same update will be provided at the Board meeting later in the day. Daniel Howell noted that Item C2a and C2b should be moved out of the consent calendar as he will provide an update on recent activities.

A motion was made to approve the revised agenda.

**MOTION:** Kevin Saunders

**SECOND:** Scott Apel

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

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

There were no comments from the public.

Zachary Gifford introduced Scott Bourdon, the new Senior Manager of Risk and EH&S at Chancellor’s Office.

**C. CONSENT CALENDAR**

**C1. Approval of Minutes - March 7 and March 8, 2019**

The Chair noted that item C2a and C2b were removed from the consent calendar.

A motion was made to approve the remaining item within the consent calendar.

**MOTION:** Dwayne Brummett

**SECOND:** Scott Apel

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

**MOTION CARRIED**

**C2b. Financial Report – Treasurer’s Quarterly Investment Report at March 31, 2019**

**C2a. Financial Report – Draft Financial Statement at March 31, 2019**

Daniel Howell provided an update. Due to CSURMA’s deficit cash flow, \$35MM in long-term investments will be sold and added to CSURMA’s short-term cash and investments. Howell notes that CSURMA has a positive fund balance, but cash flow has become an issue due to the prefunding of the workers’ compensation reinsurance program and the OCIP II program.

A motion was made to accept the report presented.

**MOTION:** Kevin Saunders

**SECOND:** Lisa Kao

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

**MOTION CARRIED**

**D. GENERAL ADMINISTRATION**

**D1. Master Investment Policy and Related Investment Policies**

Daniel Howell stated that the Treasurer of CSURMA recommends adopting the current CSURMA Investment Policy and related policies, as the Master Investment Policy of the CSURMA with no revisions. As soon as the \$35MM in long-term investments are moved into cash and short-term investments, CSURMA will be back in compliance with its investment policy.

A motion was made to adopt the current CSURMA Master Investment Policy.

**MOTION:** Amy Thomas  
**SECOND:** Kevin Saunders

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

**MOTION CARRIED**

**D2. CSURMA Cash Flow Exhibit**

Daniel Howell noted that the CSURMA two-year cash flow projection has been updated to include information from the March 31<sup>st</sup> financial statement. The cash flow deficit keeps increasing year-over-year, and Staff speculates its due to; (1) the workers’ compensation reinsurance costs which are paid upfront, and therefore, CSURMA is prefunding potential workers’ compensation claims while at the same time paying off old claims, (2) CSURMA is funding the OCIP II and only receives reimbursement at the mid-point and completion of the projects, and (3) liability claim costs are trending up.

The Committee discussed solutions to its cash flow deficit concerns, and felt that continuing to front the money for the OCIP II projects was no longer feasible.

A motion was made to recommend to the Executive Vice Chancellor and Chief Financial Officer that effective October 1, 2019, CSURMA will be removed as the funding source for new projects with the OCIP II.

**MOTION:** Kevin Saunders  
**SECOND:** Scott Apel

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

**MOTION CARRIED**

**D3. FY 2019/20 Long Range Action Plan**

The Committee reviewed the draft FY 19/20 Long Range Action Plan and Daniel Howell provided an overview of each item.

**D4. Excess Insurance Renewals and Underwriter Meetings Report**

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

Dave Nakamura joined in the call at 9:18 AM and expressed his desire to abstain from voting on all action items.

**D5. Extension of the Veoci Agreement**

The Committee reviewed the Veoci utilization report and discussed the services and scheduled trainings.

A motion was made to extend the existing contract for one additional year to expire on June 30, 2020.

**MOTION:** Amy Thomas  
**SECOND:** Kevin Saunders

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

**MOTION CARRIED**

**D6. Agility Master Recovery**

The Committee reviewed the Agility utilization report and discussed the services available. The Committee agreed that the services were valuable, but that members needed additional training to fully utilize the services and to be prepared should a crisis on campus occur.

A motion was made to approve a one-year contract renewal.

**MOTION:** Kevin Saunders  
**SECOND:** Scott Apel

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

**MOTION CARRIED**

**D7. Revisions to Policy & Procedure No. 20 – Owner Controlled Insurance Program (OCIP)**

This item was tabled to the September 6, 2019 meeting.

**D8. Development of Scooters Accidental Medical Expense Program**

Willy Hsu recommends not creating a systemwide coverage program, but allowing each campus to decide independently how to treat the exposure.

A motion was made to not support a systemwide coverage program for scooters being ridden on campus.

**MOTION:** Kevin Saunders

**SECOND:** Scott Apel

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

**MOTION CARRIED**

**D9. CSURMA Renewal of Parametric Earthquake Insurance**

The Committee reviewed the revised earthquake proposal for the term July 1, 2019 to July 1, 2022 which uses the new payout trigger of Peak Spectral Acceleration.

A motion was made to approve the final Parametric Earthquake Insurance proposal as well as the limits and payouts within the proposal.

**MOTION:** Amy Thomas

**SECOND:** Dwayne Brummett

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

**MOTION CARRIED**

**D10. Proposed Amendment: FY 2019/20 Rates and Gross Funding Campus Coverage Programs**

Robert Leong noted that the Board of Directors adopted rates and funding for FY 2019/20 on October 26, 2018. However, after reviewing anticipated expenditures for FY 2019/20 along with the March 31, 2019 financial statements, Staff recommended amending the funding for IDL/NDI/UI and Campus Property.

Leong reviewed the proposed change:

**Campus Coverage Programs  
FY 2019/20 Amended Gross Funding**

Coverage Program	FY 19/20 Approved	FY 19/20 Proposed	\$ Change	% Change
Liability *	18,605,268	18,605,268	0	0.0%
Workers' Compensation **	40,781,992	40,781,992	0	0.0%
IDL/NDI/UI	15,316,000	16,800,000	1,484,000	9.7%
Property	10,388,000	11,381,659	993,659	9.6%
AIME	4,760,949	4,760,949	0	0.0%
Auto Liability	1,408,547	1,408,547	0	0.0%
<b>Total</b>	<b>91,260,756</b>	<b>93,738,415</b>	<b>2,477,659</b>	<b>2.7%</b>

\* Liability funding is undiscounted for anticipated investment income.

\*\* Workers' Compensation is discounted for anticipated investment income.

The proposed increase for IDL/NDI/UI is based on claims trends as defined by the average annual expenditures, which has been increasing every year since FY 2014/15. The proposed increase in Property results from an anticipated 20% rate increase due to market trend, and the need to fund Earthquake coverage that was added on October 1, 2017.

A motion was made to approve the Campus coverage programs funding for FY 2019/20 as amended above, and recommend adoption of the proposed amendments to the Board of Directors.

**MOTION:** Dwayne Brummett

**SECOND:** Amy Thomas

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

**MOTION CARRIED**

**F. CLOSED SESSION**

1. Freeman v. CSU (San Bernardino)
2. Summer v. CSU (San Diego)
3. Mackey v. CSU (San Marcos)
4. Sargent v. CSU (Sonoma)
5. Shepler v. CSU
6. Moed adv. CSU (San Francisco)
7. Marshall v. CSU (SLO)

A motion was made to enter closed session at 9:50 AM.

**MOTION:** Scott Apel

**SECOND:** Kevin Saunders

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

Amy Thomas	X			
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**MOTION CARRIED**

The Committee came out of closed session 10:20 AM. The Chair reported that no action was taken during the closed session.

- G. INFORMATION ITEMS**
- G1. CSURMA Committee Member Professional Development**
- G2. CSURMA Administrative Service Calendar**
- G3. 2019 CSURMA Meeting Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

This Committee review the information items.

**H. ADJOURNMENT**

The meeting was adjourned at 10:22 AM.

**ADOPTION OF CSURMA EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS 2020 MEETING CALENDAR**

**ISSUE:** Noted below are the proposed 2020 CSURMA Executive Committee (EC) and Board of Directors (BOD) meeting dates.

January 12, 2020 at 3:00 PM (AOA Conference, Coronado, CA) .....	EC
March 5, 2020 at 2:00 PM .....	EC
March 6, 2020 at 8:30 AM.....	EC LRP
May 8, 2020 at 8:30 AM .....	EC
May 8, 2020 at 10:30 AM.....	BOD
September 11, 2020 at 8:30 AM.....	EC
October 23, 2020 8:30 AM.....	EC
October 23, 2020 10:30 AM.....	BOD
December 4, 2020 at 8:30 AM.....	EC

**RECOMMENDATION:** Staff recommends approving the proposed 2020 CSURMA meeting calendar, with changes as appropriate.

**FISCAL IMPACT:** None.

**BACKGROUND:** The meeting locations will be established at a later date.

**PUBLICATION:** The approved calendar will be posted on the CSURMA website and will be included in all of the agenda packets.

**ATTACHMENT(S):**

- a. Draft 2020 CSURMA Meeting Calendar



## 2020 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
12	10:30 AM	AIME						5	10:00 AM	AORMA	TBD
	3:30 PM	EC (AOA Conference)	Coronado, CA					5	2:30 PM	EC	TBD
12 - 15		AOA Annual Conference	Coronado, CA					6	8:30 AM	EC LRP	TBD
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
					2:00 PM	BOD Orientation	Teleconference	TBD		AOA EC	TBD
				7	1:30 PM	AORMA	Long Beach				
				8	8:30 AM	EC	Long Beach				
				8	10:30 AM	BOD	Long Beach				
					10:30 AM	AIME					
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
TBD	11:00 AM	AORMA Officers Retreat	TBD	TBD		AOA EC	TBD	9	10:00 AM	AORMA New Member	TBD
								9	11:00 AM	AORMA LRP	TBD
								10	9:00 AM	AORMA	TBD
								11	4:00 PM	EC Orientation	TBD
								11	8:30 AM	EC	TBD
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
	10:30 AM	AIME	TBD	TBD		AOA EC	TBD	3	10:00 AM	AORMA	TBD
22	2:00 PM	BOD Orientation	Teleconference					4	8:30 AM	EC	TBD
22	10:00 AM	AORMA	Long Beach								
23	8:30 AM	EC	Long Beach								
23	10:30 AM	BOD	Long Beach								

*AORMA = Auxiliary Organizations Risk Management Alliance Committee*  
*AIME = Athletic Injury Medical Expense Committee*  
*AORMA LRP = AORMA Long Range Planning Meeting*

*AOA = CSU Auxiliary Organizations Association*  
*BOD = CSURMA Board of Directors*  
*EC = CSURMA Executive Committee*

*EC LRP = EC Long Range Planning Meeting*

**DRAFT FINANCIAL STATEMENT AT JUNE 30, 2019**

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

**RECOMMENDATION:** It is recommended that the Executive Committee review and accept the Draft Financial Statement at June 30, 2019 as a part of the Consent Calendar.

**FISCAL IMPACT:** None.

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

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Draft Financial Statement at June 30, 2019

**California State University Risk Management Authority**  
**Member Aged Accounts Receivable**  
**As of 08/26/2019**

	Client Name	Current	31-60	91-120	Over 121	Balance
a	Associated Students Inc, CSPU Pomona	\$ 354.00	\$ 1,260.00	\$ 33,165.00	\$ -	\$ 34,779.00
	Associated Students Inc, CSU Bakersfield	\$ 7,405.00	\$ -	\$ -	\$ -	\$ 7,405.00
	Associated Students Inc, CSU Long Beach	\$ 113,185.00	\$ -	\$ -	\$ -	\$ 113,185.00
	Associated Students Inc, CSU Sacramento	\$ 109,437.00	\$ -	\$ -	\$ -	\$ 109,437.00
	Associated Students Inc, CSU Stanislaus	\$ 9,178.00	\$ -	\$ -	\$ -	\$ 9,178.00
	Associated Students Inc, San Francisco State University	\$ 56,610.00	\$ -	\$ -	\$ -	\$ 56,610.00
	Associated Students of Humboldt State University	\$ 7,955.00	\$ -	\$ -	\$ -	\$ 7,955.00
	Associated Students of Sonoma State University	\$ 19,232.00	\$ -	\$ -	\$ -	\$ 19,232.00
	Associated Students, CSU Fullerton	\$ 134,674.00	\$ -	\$ -	\$ -	\$ 134,674.00
	Associated Students, CSU Los Angeles	\$ 7,603.00	\$ -	\$ -	\$ -	\$ 7,603.00
a	Cal Poly Corporation	\$ 245,841.00	\$ 480.00	\$ -	\$ -	\$ 246,321.00
	Cal Poly Foundation	\$ 10,426.00	\$ -	\$ -	\$ -	\$ 10,426.00
a	Cal Poly Pomona Foundation, Inc.	\$ -	\$ 544.00	\$ -	\$ -	\$ 544.00
	Cal Poly Pomona Philanthropic Foundation	\$ 3,445.00	\$ -	\$ -	\$ -	\$ 3,445.00
	Cal State East Bay Educational Foundation	\$ 3,844.00	\$ -	\$ -	\$ -	\$ 3,844.00
	Cal State Fullerton Philanthropic Foundation	\$ 10,436.00	\$ -	\$ -	\$ -	\$ 10,436.00
	Cal State LA University Auxiliary Services Inc	\$ 33,502.00	\$ -	\$ -	\$ -	\$ 33,502.00
	California Maritime Academy Associated Students	\$ 7,791.00	\$ -	\$ -	\$ -	\$ 7,791.00
	California Maritime Academy Foundation	\$ 3,788.00	\$ -	\$ -	\$ -	\$ 3,788.00
	California State University Institute	\$ 3,845.00	\$ -	\$ -	\$ -	\$ 3,845.00
a	California State University San Marcos Corporation	\$ 104,549.00	\$ -	\$ 14,597.00	\$ -	\$ 119,146.00
a	Capital Public Radio, Inc.	\$ 60,639.00	\$ -	\$ 4,154.00	\$ -	\$ 64,793.00
	Channel Islands Associated Students	\$ 4,740.00	\$ -	\$ -	\$ -	\$ 4,740.00
	Channel Islands University Auxiliary Services, Inc.	\$ 37,123.00	\$ -	\$ -	\$ -	\$ 37,123.00
	CSU Bakersfield, Auxiliary for Sponsored Programs Admin	\$ 18,085.00	\$ -	\$ -	\$ -	\$ 18,085.00
	CSU Channel Islands Foundation	\$ 3,862.00	\$ -	\$ -	\$ -	\$ 3,862.00
	CSU Dominguez Hills Philanthropic Foundation	\$ 4,144.00	\$ -	\$ -	\$ -	\$ 4,144.00
	CSU East Bay Foundation	\$ 57,251.00	\$ -	\$ -	\$ -	\$ 57,251.00
a	CSU Fresno Athletic Corporation	\$ 252,481.00	\$ 107.00	\$ -	\$ -	\$ 252,588.00
	CSU Fullerton Univ Auxiliary Services Corporation	\$ 385,116.00	\$ -	\$ -	\$ -	\$ 385,116.00
	CSU LB 49ers Foundation	\$ 10,224.00	\$ -	\$ -	\$ -	\$ 10,224.00
c	CSU Long Beach Research Foundation	\$ -	\$ 160.00	\$ -	\$ 60.00	\$ 220.00
	CSU Northridge Foundation	\$ 12,690.00	\$ -	\$ -	\$ -	\$ 12,690.00
	CSU Northridge North Campus Park Development	\$ 5,185.00	\$ -	\$ -	\$ -	\$ 5,185.00
	CSU Office of the Chancellor - Financing and Treasury	\$ 3,315.00	\$ -	\$ -	\$ -	\$ 3,315.00
	CSU San Marcos Foundation	\$ 6,272.00	\$ -	\$ -	\$ -	\$ 6,272.00
	CSUSB Philanthropic Foundation	\$ 14,739.00	\$ -	\$ -	\$ -	\$ 14,739.00
	Donald P. & Katherine B. Loker University Student Union, Inc.	\$ 21,733.00	\$ -	\$ -	\$ -	\$ 21,733.00
	HSU Real Estate Holdings	\$ 956.00	\$ -	\$ -	\$ -	\$ 956.00
a	Humboldt State Univ Sponsored Programs Foundation	\$ 29,859.00	\$ 260.00	\$ -	\$ -	\$ 30,119.00
	Humboldt State University Advancement Foundation	\$ 17,464.00	\$ -	\$ -	\$ -	\$ 17,464.00
	Otter Student Union at Monterey Bay	\$ 3,444.00	\$ -	\$ -	\$ -	\$ 3,444.00
	San Francisco State University Foundation	\$ 3,721.00	\$ -	\$ -	\$ -	\$ 3,721.00
c	San Jose State University Research Foundation	\$ 159,897.00	\$ -	\$ -	\$ 799.00	\$ 160,696.00
	Santos Manuel Student Union, CSU San Bernardino	\$ 56,397.00	\$ -	\$ -	\$ -	\$ 56,397.00
	Spartan Shops Inc., San Jose State University	\$ 114,968.00	\$ -	\$ -	\$ -	\$ 114,968.00
	Student Union Inc, San Jose State University	\$ 136,263.00	\$ -	\$ -	\$ -	\$ 136,263.00
	Student Union of CSU Bakersfield	\$ 13,137.00	\$ -	\$ -	\$ -	\$ 13,137.00
	The University Corporation, San Francisco State	\$ 37,436.00	\$ -	\$ -	\$ -	\$ 37,436.00
	The University Foundation of Sacramento State	\$ 6,591.00	\$ -	\$ -	\$ -	\$ 6,591.00
	University Corporation at Monterey Bay	\$ 698,465.00	\$ -	\$ -	\$ -	\$ 698,465.00
	University Enterprises Corporation at CSUSB	\$ 21,535.00	\$ -	\$ -	\$ -	\$ 21,535.00
	University Student Union, CSU Northridge	\$ 146,999.00	\$ -	\$ -	\$ -	\$ 146,999.00
	University Student Union, CSU Stanislaus	\$ 11,094.00	\$ -	\$ -	\$ -	\$ 11,094.00
	University Union, CSU Sacramento	\$ 58,578.00	\$ -	\$ -	\$ -	\$ 58,578.00
<b>Totals:</b>		<b>\$ 3,307,503.00</b>	<b>\$ 2,811.00</b>	<b>\$ 51,916.00</b>	<b>\$ 859.00</b>	<b>\$ 3,363,089.00</b>

- a Member has indicated that payment will be processed in September.
- b Payment was mailed but has not yet been received.
- c Will be adjusted on a future billing.

**California State University Risk Management Authority  
Outstanding Member Loan Status  
As of 6/30/2019**

**Loan Pool: 15% of the overall average cash and investments for the preceding 12 months (July 2018 - June 2019)** **\$ 19,665,279**

Member Name	Maturity Date	Original Issue Date	Original Issue Amount	Outstanding Loan Balance 6/30/2019	Outstanding Loan Balance 06/30/2018
CSU Sacramento	Jun 2019	May 2014	\$ 4,000,000	\$ -	\$ 489,378
Humboldt State University	Oct 2022	Jun 2017	\$ 1,800,000	\$ 1,637,923	\$ 1,800,000
<b>Total Loans</b>			<b>\$ 5,800,000</b>	<b>\$ 1,637,923</b>	<b>\$ 2,289,378</b>

**Remaining Amount Available for Member Loans** **\$ 14,027,356**  
*(The remaining amount reflects the CSU Sacramento line of credit balance \$4,000,000)*

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

Loans to a single Member Campus (and its associated Member Auxiliary Organizations) shall not exceed 5% of the overall average cash and investments for the preceding 12 months. **\$ 6,555,093**

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

Processed between July 1, 2018 and June 30, 2019

Travel Dates	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
3/5/2019	Scott Bourdon	San Diego	Campus visit to meet EHS teams and their key partners to understand campus EHS issues and programs.	\$ -	\$ -	\$ 83.52	\$ 83.52
3/13/2019	Scott Bourdon	San Francisco	Campus visit to meet EHS teams and their key partners to understand campus EHS issues and programs.	\$ -	\$ -	\$ 275.55	\$ 275.55
3/21 - 3/22/19	Scott Bourdon	Oakland, Vallejo (Maritime)	CWCI meeting with Alliant. Campus visit to meet EHS teams and their key partners to understand campus EHS issues and programs.	\$ 140.22	\$ 71.91	\$ 717.36	\$ 929.49
3/25 - 3/26/19	Jody Van Leuven	Fresno	IRIC Presentation at CSU Fresno Campus	\$ 170.73	\$ -	\$ 247.08	\$ 417.81
3/28/2019	Zachary Gifford	Sacramento	CSAC EIA Underwriting Committee meeting	\$ -	\$ -	\$ 302.27	\$ 302.27
3/29 - 4/3/2019	Zachary Gifford	London	CSURMA Underwriting Meetings	\$ 1,016.16	\$ 204.31	\$ 1,659.86	\$ 2,880.33
3/29 - 4/6/2019	Jody Van Leuven	London	CSURMA Underwriting Meetings	\$ 970.74	\$ 163.92	\$ 1,483.61	\$ 2,618.27
3/30 - 4/3/2019	Robert Eaton	London	CSURMA Underwriting Meetings	\$ 943.58	\$ 282.60	\$ 1,935.41	\$ 3,161.59
4/4 - 4/5/2019	Zachary Gifford	Oakland	Tappe Mediation	\$ 213.17	\$ 39.83	\$ 234.42	\$ 487.42
4/9/2019	Jody Van Leuven	San Francisco	EHS Policy (EO 1039) Presentation at Academic Affair Council Meeting	\$ -	\$ 10.22	\$ 263.33	\$ 273.55
4/12/2019	Zachary Gifford	Santa Ana	Wright Mediation at Judicate West	\$ -	\$ -	\$ 39.98	\$ 39.98
4/11/2019	Scott Bourdon	San Bernardino	On-boarding/Meet-n-Greet w/new RM Executive Director	\$ -	\$ -	\$ 91.68	\$ 91.68
4/12/2019	Scott Bourdon	Camarillo (Channel Islands)	Accompany CO contractor conducting performing arts facility safety inspections	\$ -	\$ -	\$ 97.98	\$ 97.98
4/9/2019	Scott Bourdon	Los Angeles	Meet-n-Greet with the RM Executive Director	\$ -	\$ -	\$ 25.64	\$ 25.64
4/23/2019	Zachary Gifford	Huntington Beach	EWC Conference	\$ -	\$ -	\$ 35.18	\$ 35.18
4/28 - 4/29/2019	Zachary Gifford	Oakland	WC DoublePlay Meeting @ Sedgwick	\$ 157.07	\$ 15.52	\$ 314.40	\$ 486.99
5/1/2019	Zachary Gifford	Sacramento	CSAC EIA UW Committee Meeting	\$ -	\$ -	\$ 263.69	\$ 263.69
5/8/2019	Scott Bourdon	Oakland	Cal OSHA Standards Board Meeting (Wildfire Smoke Regulations)	\$ -	\$ -	\$ 292.07	\$ 292.07
5/13 - 5/15/2019	Jody Van Leuven	New York	CSURMA UW Meetings	\$ 764.98	\$ 14.00	\$ 483.20	\$ 1,262.18
5/15 - 5/16/2019	Zachary Gifford	New York	CSURMA UW Meetings	\$ 764.98	\$ 24.18	\$ 1,765.93	\$ 2,555.09
5/13 - 5/17/2019	Robert Eaton	New York/Bermuda	CSURMA UW Meetings	\$ 1,663.50	\$ 100.00	\$ 1,238.86	\$ 3,002.36
5/20/2019	Zachary Gifford	Oakland	IRIC Presentation	\$ -	\$ -	\$ 275.51	\$ 275.51
5/21-5/22/2019	Scott Bourdon	Fresno	Meet-n-Greet with EHS/RM Team, a facilities manager, an agriculture operations manager, and Unit 6 shop stewards.	\$ 119.39	\$ 57.88	\$ 168.72	\$ 345.99
5/23/2019	Scott Bourdon	Fullerton	IRIC Presentation	\$ -	\$ -	\$ 63.76	\$ 63.76
6/5/2019	Zachary Gifford	Sacramento	CSAC EIA UW Committee Meeting	\$ 248.43	\$ 29.52	\$ 384.35	\$ 662.30
6/9-6/12/2019	Zachary Gifford	Orlando	PRIMA Conference & Session Presentation	\$ 752.28	\$ 77.77	\$ 789.84	\$ 1,619.89
<b>Travel Expenses Reported from 04/01/2019 to 06/30/2019</b>				<b>\$ 7,925.23</b>	<b>\$ 1,091.66</b>	<b>\$ 13,533.20</b>	<b>\$ 22,550.09</b>
12/7-12/8/2018	Jody Van Leuven	Los Angeles	Hudson mediation	\$ -	\$ -	\$ 83.68	\$ 83.68

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

**Processed between July 1, 2018 and June 30, 2019**

Travel Dates	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
1/10-1/11/2019	Zachary Gifford	Oakland	Sedgwick Double Play meeting at Ingber & Weinberg, LLP office	\$ 163.07	\$ 7.00	\$ 74.62	\$ 244.69
1/13/2019	Zachary Gifford	Indian Wells	CSURMA EC meeting at AOA Conference	\$ -	\$ -	\$ 145.00	\$ 145.00
1/13-1/16/2019	Jody Van Leuven	Indian Wells	CSURMA EC meeting and AOA Conference	\$ 689.76	\$ -	\$ 225.94	\$ 915.70
2/6/2019	Zachary Gifford	Folsom	CSAC EIA Underwriting Committee meeting at CSAC EIA office	\$ -	\$ -	\$ 255.69	\$ 255.69
2/11-2/15/2019	Scott Bourdon	Oakland, Monterey, Pacific Grove, Richmond, Santa Rosa, Cotati, Davis, Sacramento, Roseville	Campus visits to meet the EHS teams and key partners to understand campus EHS issues/programs	\$ 588.21	\$ 121.11	\$ 654.43	\$ 1,363.75
2/12/2019	Zachary Gifford	Anaheim	PARMA Underwriter meeting with Scion/Alliant/AmWINS/Great American/Liberty Mutual and Carl Warren Leadership	\$ -	\$ -	\$ 69.80	\$ 69.80
2/13/2019	Jody Van Leuven	Los Angeles	CABO Presentation on EO 1039 EHS Update at the Hyatt Regency LAX	\$ -	\$ -	\$ 40.52	\$ 40.52
2/17-2/22/2019	Scott Bourdon	Santa Ana, Valencia, Mohave, Bakersfield, SLO, Atascadero, Turlock, Chico, Sacramento,	Campus visits to meet the EHS teams and key partners to understand campus EHS issues/programs	\$ 555.41	\$ 148.20	\$ 471.85	\$ 1,175.46
2/24-2/26/2019	Scott Bourdon	San Diego	CSHEMA Symposium at UC San Diego	\$ 392.18	\$ 69.94	\$ 163.02	\$ 625.14
2/25-2/26/2019	Jody Van Leuven	La Jolla	CSHEMA Symposium at UC San Diego	\$ 196.09	\$ 30.34	\$ 222.48	\$ 448.91
3/7-3/8/2019	Jody Van Leuven	Newport Beach	CSURMA EC & LRP mtgs at Alliant Office in Newport Beach	\$ 306.61	\$ -	\$ 33.64	\$ 340.25
2/26/2019	Zachary Gifford	San Francisco	CSURMA WC & Praesidium meeting at Alliant office in San Francisco	\$ -	\$ -	\$ 179.44	\$ 179.44
2/27/2019	Zachary Gifford	Sacramento	CSAC EIA Underwriting Committee meeting at Hilton Arden West	\$ -	\$ -	\$ 258.94	\$ 258.94
3/7-3/8/2019	Zachary Gifford	Newport Beach	CSURMA EC & LRP mtgs at Alliant Office in Newport Beach	\$ 203.76	\$ -	\$ 33.54	\$ 237.30
3/12-3/13/2019	Zachary Gifford	Fresno, Stanislaus, Sacramento	CSURMA overview campus visits w/Daniel Howell	\$ 179.71	\$ 7.00	\$ 134.58	\$ 321.29
3/25/2019	Zachary Gifford	Riverside	Nunez mediation	\$ -	\$ -	\$ 71.28	\$ 71.28
			<b>Travel Expenses Reported from 01/01/2019 to 03/31/2019</b>	<b>\$ 3,274.80</b>	<b>\$ 383.59</b>	<b>\$ 3,118.45</b>	<b>\$ 6,776.84</b>
9/29-10/3/2018	Jody Van Leuven	Salt Lake City, UT	URMIA Annual Conference	\$ -	\$ 7.00	\$ 163.34	\$ 170.34
10/9-10/10/2018	Zachary Gifford	CSUDH, CSULA, CSUN, CSUCI	CSURMA Financial and Operational Overview for CABO VPs at CSU Dominguez Hills, CSU Los Angeles, CSU Northridge, and CSU Channel Islands campuses	\$ 196.54	\$ 7.00	\$ 7.39	\$ 210.93
10/29-10/31/2018	Zachary Gifford	Monterey	Presenter at the 2018 CSU Facilities Management Conference	\$ 550.58	\$ 64.75	\$ 550.49	\$ 1,165.82
11/6/2018	Zachary Gifford	Northridge	Presentation at CSUN Risky Business Workshop and meeting with campus Risk Manager	\$ -	\$ -	\$ 47.96	\$ 47.96
11/8-9/2018	Jody Van Leuven	Santa Cruz	UC Lab Safety Working Group meeting at UC Santa Cruz	\$ -	\$ 7.00	\$ 163.34	\$ 170.34
11/14-11/15/2018	Zachary Gifford	San Francisco	CSURMA meeting and DVICA WC Educational Luncheon	\$ 255.83	\$ 38.24	\$ 291.64	\$ 585.71
11/17-11/21/2018	Robert Eaton	London	CSURMA UW meeting with Steven Relyea, Timothy White, Lars Walton, and Daniel Howell (Alliant)	\$ 1,051.37	\$ 76.33	\$ 2,603.76	\$ 3,731.46
12/5/2018	Zachary Gifford	Folsom	CSAC EIA Underwriter Committee meeting	\$ -	\$ -	\$ 182.02	\$ 182.02
			<b>Travel Expenses Reported from 10/01/2018 to 12/31/2018</b>	<b>\$ 2,054.32</b>	<b>\$ 200.32</b>	<b>\$ 4,009.94</b>	<b>\$ 6,264.58</b>

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

Processed between July 1, 2018 and June 30, 2019

Travel Dates	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
7/8-7/11/2018	Zachary Gifford	Baltimore, MD	CSHEMA Conference	\$ 763.80	\$ 133.48	\$ 735.99	\$ 1,633.27
7/10-7/13/2018	Jody Van Leuven	San Diego	CSU Emergency Management Conference	\$ 729.39	\$ 43.21	\$ 180.18	\$ 952.78
7/20/2018, 7/22-7/24/2018	Zachary Gifford	San Francisco / Monterey	Ventiv Risk Console Dashboard Roll-out and CSURMA Team meeting at Alliant; AORMA Officers Retreat at The Hotel Pacific	\$ 504.36	\$ 171.44	\$ 392.94	\$ 1,068.74
7/31/2018	Zachary Gifford	East Bay	EHS Audit Presentation at EFO/DFO (Executive Facilities Officers/Directors Facilities Officers) meeting at CSU East Bay	\$ -	\$ 261.98	\$ 17.00	\$ 278.98
8/8-8/9/2018	Zachary Gifford	Sonoma / San Francisco	CSURMA Financial and Operational Overview for SFSU, CABO, VP, Phyllis Carter; Sonoma, CABO, VP, Joyce Lopez at their respective campuses	\$ 248.69	\$ 35.46	\$ 463.20	\$ 747.35
8/9/2018	Leona Ching	San Francisco	Fitting the Piece Together Conference site visit at the Crowne Hotel	\$ -	\$ -	\$ 205.41	\$ 205.41
8/9/2018	Martha Guiditta	San Francisco	Fitting the Piece Together Conference site visit at the Crowne Hotel	\$ -	\$ -	\$ 197.41	\$ 197.41
8/13-8/15/2018	Zachary Gifford	San Francisco / San Jose / Folsom	SFSU Science Building meeting and informal settlement discussion with carrier (AIG); CSURMA Update & Early Bird Rates for FY 2019-2020 Presentation to CABO at SJSU campus; CSAC Underwriting Committee meeting at EIA's Office	\$ 345.15	\$ 58.63	\$ 352.28	\$ 756.06
9/4-9/7/2018	Zachary Gifford	Sacramento	CSURMA AORMA and EC meetings at Alliant	\$ 327.21	\$ 59.52	\$ 376.35	\$ 763.08
9/6/2018	Jody Van Leuven	Beverly Hills	Mock trial for Hudson v. CSU	\$ -	\$ -	\$ 21.80	\$ 21.80
9/19/2018	Zachary Gifford	Oakland	Annual WC SIU Stewardship meeting at Sedgwick's Oakland office	\$ -	\$ 179.44	\$ -	\$ 179.44
9/24-9/25/2018	Zachary Gifford	Woodland Hills	CSU/Sedgwick Double Play meeting at Ingber & Weinberg, LLP office	\$ 234.88	\$ 7.00	\$ 68.04	\$ 309.92
			<b>Travel Expenses Reported from 07/01/2018 to 09/30/2018</b>	<b>\$ 3,153.48</b>	<b>\$ 950.16</b>	<b>\$ 3,010.60</b>	<b>\$ 7,114.24</b>
			<b>GRAND TOTAL</b>	<b>\$ 16,407.83</b>	<b>\$ 2,625.73</b>	<b>\$ 23,672.19</b>	<b>\$ 42,705.75</b>

# California State University Risk Management Authority

## Balance Sheets - Campus Programs as of 6/30/2019

(Unaudited)

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>IDL/NDI/UI</u>	<u>Property</u>	<u>AIME</u>	<u>Auto Liability</u>	<u>Total Campus Programs As of 6/30/2019</u>
<b>Assets:</b>							
Cash and Investments	2,823,127	9,243,192	(3,306,419)	809,191	(635,402)	(720,078)	8,213,612
Other long-term investments	25,645,861	49,421,061	6,000,099	2,503,945	4,717,967	0	88,288,933
Accounts receivable	1,568,171	1,542,007	0	0	0	0	3,110,178
Loans receivable	0	0	0	0	0	0	0
Reinsurance receivable	0	41,839	0	0	0	0	41,839
Prepaid insurance	14,077	83	34	909,739	2,585	0	926,518
Prepaid expense	798,894	1,064,430	20,141	82,281	887,385	0	2,853,130
<b>Total assets:</b>	<b><u>30,850,130</u></b>	<b><u>61,312,612</u></b>	<b><u>2,713,855</u></b>	<b><u>4,305,156</u></b>	<b><u>4,972,535</u></b>	<b><u>(720,078)</u></b>	<b><u>103,434,210</u></b>
<b>Liabilities:</b>							
Accounts payable	444,342	1,458,724	2,057,434	8,235	425,221	0	4,393,956
Unearned revenue	13,536	0	0	0	0	0	13,536
SELF assessment liability	0	5,454,649	0	0	0	0	5,454,649
Reported claims	9,137,924	17,804,358	0	0	122,455	0	27,064,737
Claims incurred but not reported	15,032,516	7,388,940	0	0	2,449,105	0	24,870,561
<b>Total liabilities:</b>	<b><u>24,628,318</u></b>	<b><u>32,106,671</u></b>	<b><u>2,057,434</u></b>	<b><u>8,235</u></b>	<b><u>2,996,781</u></b>	<b><u>0</u></b>	<b><u>61,797,438</u></b>
Fund balance	6,221,812	29,205,942	656,421	4,296,922	1,975,754	(720,078)	41,636,772
<b>Total liabilities and fund balance</b>	<b><u>30,850,130</u></b>	<b><u>61,312,612</u></b>	<b><u>2,713,855</u></b>	<b><u>4,305,156</u></b>	<b><u>4,972,535</u></b>	<b><u>(720,078)</u></b>	<b><u>103,434,210</u></b>

# California State University Risk Management Authority

## Balance Sheets - AORMA Programs as of 6/30/2019

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs As of 6/30/2019
<b>Assets:</b>						
Cash and Investments	2,033,023	2,778,524	358,113	119,043	1,221,992	6,510,695
Other long-term investments	7,098,531	4,476,217	1,631,369	375,412	4,411,229	17,992,758
Accounts receivable	9,079	303,407	0	0	4,141	316,626
Loans receivable	0	0	0	0	0	0
Reinsurance receivable	0	0	0	0	0	0
Prepaid insurance	10	11	65,382	1	4	65,408
Prepaid expense	171,497	165,852	17,888	1,110	3,386	359,732
<b>Total assets:</b>	<b>9,312,139</b>	<b>7,724,011</b>	<b>2,072,752</b>	<b>495,566</b>	<b>5,640,752</b>	<b>25,245,220</b>
<b>Liabilities:</b>						
Accounts payable	965,927	444,498	116	11	222,461	1,633,013
Unearned revenue	0	0	0	0	0	0
SELF assessment liability	0	0	0	0	0	0
Reported claims	1,531,069	1,111,364	0	0	0	2,642,433
Claims incurred but not reported	1,009,149	786,996	0	0	0	1,796,145
<b>Total liabilities:</b>	<b>3,506,145</b>	<b>2,342,858</b>	<b>116</b>	<b>11</b>	<b>222,461</b>	<b>6,071,591</b>
Fund balance	5,805,994	5,381,153	2,072,636	495,555	5,418,291	19,173,629
<b>Total liabilities and fund balance</b>	<b>9,312,139</b>	<b>7,724,011</b>	<b>2,072,752</b>	<b>495,566</b>	<b>5,640,752</b>	<b>25,245,220</b>

# California State University Risk Management Authority

## Balance Sheets - Miscellaneous Programs as of 6/30/2019

(Unaudited)

	<b>Misc Purchased</b>	<b>OCIP</b>	<b>Club Sports</b>	<b>Loans</b>	<b>Total Misc Programs As of 6/30/2019</b>	<b>Grand Total All Programs As of 6/30/2019</b>
<b>Assets:</b>						
Cash and Investments	(144,862)	(7,811,096)	408,654	(1,637,923)	(9,185,227)	5,539,080
Other long-term investments	0	0	146,852	0	146,852	106,428,543
Accounts receivable	2,978	5,433,646	0	0	5,436,624	8,863,428
Loans receivable	0	0	0	1,637,923	1,637,923	1,637,923
Reinsurance receivable	0	0	0	0	0	41,839
Prepaid insurance	0	7,688,686	16,509	0	7,705,196	8,697,122
Prepaid expense	0	826,009	74,643	0	900,651	4,113,514
<b>Total assets:</b>	<b>(141,884)</b>	<b>6,137,245</b>	<b>646,657</b>	<b>0</b>	<b>6,642,018</b>	<b>135,321,448</b>
<b>Liabilities:</b>						
Accounts payable	0	2,695,740	18	0	2,695,758	8,722,727
Unearned revenue	0	0	41,502	0	41,502	55,038
SELF assessment liability	0	0	0	0	0	5,454,649
Reported claims	0	0	0	0	0	29,707,170
Claims incurred but not reported	0	0	0	0	0	26,666,706
<b>Total liabilities:</b>	<b>0</b>	<b>2,695,740</b>	<b>41,520</b>	<b>0</b>	<b>2,737,260</b>	<b>70,606,289</b>
Fund balance	(141,884)	3,441,504	605,137	0	3,904,758	64,715,159
<b>Total liabilities and fund balance</b>	<b>(141,884)</b>	<b>6,137,245</b>	<b>646,657</b>	<b>0</b>	<b>6,642,018</b>	<b>135,321,448</b>

**California State University Risk Management Authority**  
**Income Statements - Campus Programs as of 6/30/2019**  
(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs
<b>OPERATING REVENUES:</b>							
Contributions	17,223,247	38,837,384	15,500,000	9,245,835	4,660,547	772,833	86,239,846
Reinsurance premiums	(2,184,709)	0	0	(6,009,511)	0	0	(8,194,220)
<b>Total operating revenues:</b>	<b>15,038,538</b>	<b>38,837,384</b>	<b>15,500,000</b>	<b>3,236,324</b>	<b>4,660,547</b>	<b>772,833</b>	<b>78,045,626</b>
<b>OPERATING EXPENSES:</b>							
<b>DIRECT PROGRAM EXPENSES:</b>							
Claims payment & legal expenses	19,126,080	17,138,883	14,318,571	1,725,614	4,027,932	0	56,337,080
Deductible recoveries	(4,832,190)	0	0	0	0	0	(4,832,190)
Claims administrators	0	3,849,166	76,795	0	205,000	0	4,130,961
Claims management information system	50,740	102,795	11,954	7,062	3,592	0	176,142
Program administrator	273,106	728,996	175,558	219,755	10,745	0	1,408,160
Brokerage commissions	379,680	1,723	711	656,003	2,657	0	1,040,774
Insurance premiums	3,458,796	31,845,798	0	2,749,941	19,398	1,408,547	39,482,480
Taxes, assessments & fees	235,229	0	0	0	0	0	235,229
Actuarial services	7,721	12,252	2,809	1,555	3,595	0	27,932
Miscellaneous program services	3,600	0	0	0	0	0	3,600
Workshops/training	49,582	88,576	35,852	20,658	0	0	194,669
Loss control	613,852	90,981	0	63,295	0	0	768,128
Reinsurance/excess recovery	0	(14,721,686)	0	0	0	0	(14,721,686)
Program committee	0	0	0	0	448	0	448
Appraisals	0	0	0	7,832	0	0	7,832
Dividend distributions	1,127,520	3,647,367	0	0	0	0	4,774,887
Change in claims losses and LAE	265,447	(8,542,811)	0	0	184,122	0	(8,093,242)
<b>Total direct program expenses:</b>	<b>20,759,164</b>	<b>34,242,039</b>	<b>14,622,251</b>	<b>5,451,714</b>	<b>4,457,489</b>	<b>1,408,547</b>	<b>80,941,204</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>							
Financial audit	6,394	15,353	6,128	3,340	1,842	0	33,057
Executive committee & board expenses	1,537	3,692	1,473	803	443	0	7,948
JPA insurance	5,725	12,268	5,064	3,015	1,521	0	27,593
Memberships, associations & dues	1,716	28,171	1,382	792	415	0	32,476
Chancellor's office accounting services	64,936	148,215	58,780	34,587	17,805	0	324,323
Risk management expenses	146,074	344,494	137,041	76,694	41,321	0	745,624
JPA legal	17,844	42,850	17,101	9,323	5,142	0	92,260
Miscellaneous indirect services	15,135	10,231	4,053	2,213	1,218	0	32,849
<b>Total general &amp; administrative expenses:</b>	<b>259,362</b>	<b>605,273</b>	<b>231,022</b>	<b>130,766</b>	<b>69,708</b>	<b>0</b>	<b>1,296,131</b>
<b>Total operating expenses:</b>	<b>21,018,526</b>	<b>34,847,311</b>	<b>14,853,273</b>	<b>5,582,480</b>	<b>4,527,197</b>	<b>1,408,547</b>	<b>82,237,335</b>
<b>NON-OPERATING REVENUES:</b>							
Investment income	1,878,421	3,558,425	471,103	182,982	348,776	0	6,439,707
Miscellaneous fee revenue	20	0	0	0	0	0	20
<b>Total non-operating revenues:</b>	<b>1,878,441</b>	<b>3,558,425</b>	<b>471,103</b>	<b>182,982</b>	<b>348,776</b>	<b>0</b>	<b>6,439,727</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>10,094,128</b>	<b>21,657,444</b>	<b>(461,410)</b>	<b>6,460,096</b>	<b>1,722,859</b>	<b>(84,364)</b>	<b>39,388,754</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(4,101,547)</b>	<b>7,548,497</b>	<b>1,117,831</b>	<b>(2,163,174)</b>	<b>482,126</b>	<b>(635,714)</b>	<b>2,248,018</b>
<b>ENDING RETAINED EARNINGS</b>	<b>6,221,812</b>	<b>29,205,942</b>	<b>656,421</b>	<b>4,296,922</b>	<b>1,975,754</b>	<b>(720,078)</b>	<b>41,636,772</b>

**California State University Risk Management Authority  
Income Statements - AORMA Programs as of 6/30/2019**

(Unaudited)

	<u>AORMA Liability</u>	<u>AORMA Workers' Comp</u>	<u>AORMA Property</u>	<u>AORMA Crime</u>	<u>AORMA UIP</u>	<u>Total AORMA Programs</u>
<b>OPERATING REVENUES:</b>						
Contributions	4,150,458	4,934,890	2,465,673	231,876	544,589	12,327,486
Reinsurance premiums	(1,442,265)	0	(1,582,731)	0	0	(3,024,996)
<b>Total operating revenues:</b>	<b>2,708,193</b>	<b>4,934,890</b>	<b>882,942</b>	<b>231,876</b>	<b>544,589</b>	<b>9,302,490</b>
<b>OPERATING EXPENSES:</b>						
<b>DIRECT PROGRAM EXPENSES:</b>						
Claims payment & legal expenses	910,404	1,860,917	395,793	0	894,054	4,061,168
Deductible recoveries	0	0	0	0	0	0
Claims administrators	15,000	235,368	0	0	14,000	264,368
Claims management information system	3,304	3,970	1,675	217	1,443	10,609
Program administrator	618,135	398,160	262,708	25,756	46,360	1,351,118
Brokerage commissions	71,822	237	206,256	15,972	91	294,378
Insurance premiums	215,616	4,220,444	233,394	178,284	0	4,847,738
Taxes, assessments & fees	0	63,467	0	0	0	63,467
Actuarial services	5,810	6,412	389	44	316	12,971
Miscellaneous program services	0	0	0	0	0	0
Workshops/training	16,558	19,221	8,379	957	6,025	51,141
Loss control	75,368	85,397	21,900	581	1,739	184,985
Reinsurance/excess recovery	(16,391)	(1,188,990)	0	0	0	(1,205,381)
Program committee	2,759	3,120	1,395	145	890	8,310
Appraisals	0	0	0	0	0	0
Dividend distributions	942,030	393,680	0	0	0	1,335,710
Change in claims losses and LAE	750,073	(990,131)	0	0	0	(240,058)
<b>Total direct program expenses:</b>	<b>3,610,489</b>	<b>5,111,272</b>	<b>1,131,889</b>	<b>221,956</b>	<b>964,918</b>	<b>11,040,523</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>						
Financial audit	1,786	1,978	844	92	688	5,387
Executive committee & board expenses	310	358	167	17	80	933
JPA insurance	1,404	1,688	701	93	650	4,536
Memberships, associations & dues	18	2,777	9	1	8	2,814
Chancellor's office accounting services	16,943	18,984	8,469	936	6,001	51,333
Risk management expenses	38,663	44,015	20,227	2,082	11,366	116,353
JPA legal	4,594	5,456	2,700	256	766	13,773
Miscellaneous indirect services	1,162	1,291	565	63	445	3,525
<b>Total general &amp; administrative expenses:</b>	<b>64,879</b>	<b>76,547</b>	<b>33,682</b>	<b>3,540</b>	<b>20,004</b>	<b>198,653</b>
<b>Total operating expenses:</b>	<b>3,675,367</b>	<b>5,187,819</b>	<b>1,165,571</b>	<b>225,496</b>	<b>984,922</b>	<b>11,239,176</b>
<b>NON-OPERATING REVENUES:</b>						
Investment income	505,050	309,362	118,224	26,560	313,909	1,273,105
Miscellaneous fee revenue						0
<b>Total non-operating revenues:</b>	<b>505,050</b>	<b>309,362</b>	<b>118,224</b>	<b>26,560</b>	<b>313,909</b>	<b>1,273,105</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>6,268,117</b>	<b>5,324,721</b>	<b>2,237,041</b>	<b>462,615</b>	<b>5,544,715</b>	<b>19,837,208</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(462,125)</b>	<b>56,433</b>	<b>(164,405)</b>	<b>32,940</b>	<b>(126,424)</b>	<b>(663,581)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>5,805,992</b>	<b>5,381,153</b>	<b>2,072,636</b>	<b>495,555</b>	<b>5,418,291</b>	<b>19,173,627</b>

**California State University Risk Management Authority**  
**Income Statements - Miscellaneous Programs as of 6/30/2019**

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Total Misc Programs	Grand Total All Programs
<b>OPERATING REVENUES:</b>					
Contributions	434,729	5,707,670	394,514	6,536,914	105,104,246
Reinsurance premiums	0	0	0	0	(11,219,217)
<b>Total operating revenues:</b>	<b>434,729</b>	<b>5,707,670</b>	<b>394,514</b>	<b>6,536,914</b>	<b>93,885,029</b>
<b>OPERATING EXPENSES:</b>					
<b>DIRECT PROGRAM EXPENSES:</b>					
Claims payment & legal expenses	0	0	77,822	77,822	60,476,070
Deductible recoveries	0	0	0	0	(4,832,190)
Claims administrators	0	943	8,000	8,943	4,404,271
Claims management information system	0	5,931	296	6,227	192,978
Program administrator	0	791,529	0	791,529	3,550,807
Brokerage commissions	89,054	54,926	22,240	166,220	1,501,372
Insurance premiums	510,816	5,825,310	195,419	6,531,546	50,861,764
Taxes, assessments & fees	0	0	0	0	298,696
Actuarial services	0	781	68	849	41,752
Miscellaneous program services	0	0	0	0	3,600
Workshops/training	0	0	0	0	245,809
Loss control	0	0	0	0	953,113
Reinsurance/excess recovery	0	0	0	0	(15,927,067)
Program committee	0	0	0	0	8,758
Appraisals	0	0	0	0	7,832
Dividend distributions	0	0	0	0	6,110,597
Change in claims losses and LAE	0	0	0	0	(8,333,300)
<b>Total direct program expenses:</b>	<b>599,870</b>	<b>6,679,421</b>	<b>303,845</b>	<b>7,583,136</b>	<b>99,564,862</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>					
Financial audit	0	1,408	148	1,556	40,000
Executive committee & board expenses	0	297	27	324	9,205
JPA insurance	0	2,617	126	2,743	34,872
Memberships, associations & dues	0	34	2	35	35,325
Chancellor's office accounting services	0	22,885	1,459	24,344	400,000
Risk management expenses	0	41,477	3,329	44,806	906,783
JPA legal	0	4,950	411	5,361	111,394
Miscellaneous indirect services	0	1,070	98	1,167	37,542
<b>Total general &amp; administrative expenses:</b>	<b>0</b>	<b>74,737</b>	<b>5,599</b>	<b>80,336</b>	<b>1,575,120</b>
<b>Total operating expenses:</b>	<b>599,870</b>	<b>6,754,158</b>	<b>309,444</b>	<b>7,663,472</b>	<b>101,139,982</b>
<b>NON-OPERATING REVENUES:</b>					
Investment income	0	0	4,393	4,393	7,717,205
Miscellaneous fee revenue	0	0	0	0	20
<b>Total non-operating revenues:</b>	<b>0</b>	<b>0</b>	<b>4,393</b>	<b>4,393</b>	<b>7,717,225</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>23,257</b>	<b>4,487,992</b>	<b>515,675</b>	<b>5,026,923</b>	<b>64,252,885</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(165,141)</b>	<b>(1,046,487)</b>	<b>89,462</b>	<b>(1,122,165)</b>	<b>462,272</b>
<b>ENDING RETAINED EARNINGS</b>	<b>(141,884)</b>	<b>3,441,504</b>	<b>605,137</b>	<b>3,904,758</b>	<b>64,715,157</b>

# California State University Risk Management Authority

## Income Statement as of 6/30/2019

(Unaudited)

	Budget vs. Actual			
	FY 2018/19 Amended Budget	Year-to-Date as of 06/30/2019	Variance	Percent of Budget
<b>OPERATING REVENUES:</b>				
Contributions	102,251,762	105,104,246	(2,852,484)	102.79 %
Reinsurance premiums	(11,241,201)	(11,219,217)	(21,984)	99.80 %
<b>Total operating revenues:</b>	<b>91,010,561</b>	<b>93,885,029</b>	<b>(2,874,468)</b>	<b>103.16 %</b>
<b>OPERATING EXPENSES:</b>				
<b>DIRECT PROGRAM EXPENSES:</b>				
Claims payment & legal expenses	60,712,337	60,476,070	236,267	99.61 %
Deductible recoveries	(3,555,499)	(4,832,190)	1,276,691	135.91 %
Claims administrators	4,401,422	4,404,271	(2,849)	100.06 %
Claims management information system	125,000	192,978	(67,978)	154.38 %
Program administrator	3,238,950	3,550,807	(311,857)	109.63 %
Brokerage commissions	1,439,858	1,501,372	(61,514)	104.27 %
Insurance premiums	52,569,511	50,861,764	1,707,747	96.75 %
Taxes, assessments & fees	301,450	298,696	2,754	99.09 %
Actuarial services	74,500	41,752	32,748	56.04 %
Claims audit	9,870	0	9,870	0.00 %
Coverage counsel	16,000	0	16,000	0.00 %
Program legal	24,500	0	24,500	0.00 %
Miscellaneous program services	10,000	3,600	6,400	36.00 %
Workshops/training	165,000	245,809	(80,809)	148.98 %
Loss control	1,044,614	953,113	91,501	91.24 %
Reinsurance/excess recovery	(17,416,942)	(15,927,067)	(1,489,875)	91.45 %
Program committee	11,000	8,758	2,242	79.61 %
Appraisals	0	7,832	(7,832)	0.00 %
Dividend distributions	6,176,475	6,110,597	65,878	98.93 %
Change in claims losses and loss adj. exp.	0	(8,333,300)	8,333,300	0.00 %
<b>Total direct program expenses:</b>	<b>109,348,046</b>	<b>99,564,862</b>	<b>9,783,184</b>	<b>91.05 %</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>				
Financial audit	36,400	40,000	(3,600)	109.89 %
Executive committee & board expenses	35,396	9,205	26,191	26.00 %
JPA insurance	16,640	34,872	(18,232)	209.57 %
Memberships, associations & dues	44,772	35,325	9,447	78.90 %
Chancellor's office accounting services	400,000	400,000	0	100.00 %
Risk management expenses	1,134,500	906,783	227,717	79.93 %
JPA legal	111,395	111,394	1	100.00 %
Miscellaneous indirect services	28,593	37,542	(8,949)	131.30 %
<b>Total general &amp; administrative expenses:</b>	<b>1,807,696</b>	<b>1,575,120</b>	<b>232,576</b>	<b>87.13 %</b>
<b>Total operating expenses:</b>	<b>111,155,742</b>	<b>101,139,982</b>	<b>10,015,760</b>	<b>90.99 %</b>
<b>NON-OPERATING REVENUES:</b>				
Investment income	2,500,000	7,717,205	(5,217,205)	308.69 %
Miscellaneous fee revenue	0	22	(22)	0.00 %
<b>Total non-operating revenues:</b>	<b>2,500,000</b>	<b>7,717,227</b>	<b>(5,217,227)</b>	<b>308.69 %</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(17,645,181)</b>	<b>462,274</b>	<b>(18,107,455)</b>	<b>(2.62)%</b>

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**TREASURER'S REPORT AT JUNE 30, 2019**  
**MASTER INVESTMENT POLICY AND RELATED INVESTMENT POLICIES**  
**QUARTERLY INVESTMENT REPORT**

**ISSUE:** The Treasurer of CSURMA is directed to adopt the CSURMA Investment Policy and related policies, as the Master Investment Policy of the CSURMA. Revisions to CSURMA's Master Investment Policy will be presented for the Committee's approval.

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

**RECOMMENDATION:** It is recommended that the Executive Committee review and approve the Treasurer's Report ending June 30, 2019 as well as the revisions to the CSURMA Master Investment Policy and Related Investment Policies.

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

**BACKGROUND:** None.

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

**ATTACHMENT(S):**

- a. CSURMA Master Investment Policy and related investment policies
- b. Certification of Funds Letter
- c. CSURMA Investment Report

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

**DRAFT -- MASTER INVESTMENT POLICY**

**March-September 619, 20159**

**I. PURPOSE**

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

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

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

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

**II. STRATEGIC OBJECTIVES**

The overall objective of the CSURMA investment program is to provide its stakeholders with an appropriate risk-adjusted return on assets available for investment. Because the primary source of CSURMA funding derives from the operations of the California State University (CSU) and because CSURMA has the authority to invest funds pursuant to California Government Code 6509.5, the EC has determined that CSURMA funds should be invested in a manner that draws from both the investment policy of the CSU, as well as California Government Code 6509.5 (specifically Section 53601) and California Government Code 16430. Investments allowed per either Government Code 16430 or 53601 are both permissible and neither section of the government code overrides the other.

~~Within the Master Investment Policy for the California State University (Attachment A) the specific ally, the sections labeled Section III Background and Investment Objectives and Sections IV Investment Portfolios [subsection Liquidity Portfolio (Systemwide Investment Fund Trust or “SWIFT”)] labeled “Investment Policy Statement” and “Investment Authority” of the California State University Investment Policy (Attachment A), which are incorporated by reference into this MIP, as well as California Government Code 6509.5, specifically Section 53601.~~

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

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

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

### III. INVESTMENT PORTFOLIOS

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

<u>Portfolio</u>	<u>Target Range</u>
CSU <del>Liquidity Portfolio (Systemwide Investment Fund Trust (SWIFT))</del>	<del>_____</del>
<del>1</del>	<del>25-4033%</del>
Fixed Income Portfolio (FIP)	<u>607-875%</u>
Loan Portfolio (to be included within the SWIFT allocation)	<u>0-15%</u>

The CSU Liquidity Portfolio (SWIFT) Investment Policy is attached as Attachment B  
 The FIP Investment Policy is attached as Attachment C  
 The Loan Portfolio Policy, titled “Member Loans Policy and Procedure No. 10”, is attached as Attachment D

The EC recognizes that the CSU Liquidity Portfolio (SWIFT) Portfolio and ~~its the SWIFT investment p~~Policy are under the control of the CSU and are not under the EC's ability to modify.

#### IV. RESPONSIBILITIES

~~A.~~ A.—The EC's responsibilities include, but are not limited to:

1. Acting as the investment committee for CSURMA.
2. Developing and adopting policies to achieve CSURMA's strategic objectives.
3. Reviewing policy recommendations made by the Treasurer and staff.
4. Periodically reviewing and amending the Policies, as appropriate.

~~B.~~ B.—The Treasurer's responsibilities include, but are not limited to:

1. Recommending policies for EC consideration.
2. Reviewing policy recommendations made by staff, investment consultants, and/or investment managers.
3. Periodically reviewing the Policies and recommending revisions, as appropriate.
4. Overseeing the engagement of CSU staff (to serve as CSURMA staff), investment consultants, investment managers, and other appropriate specialists.
5. Monitoring the portfolios' investments, risks, and performance.
6. Periodically, but at least annually, reporting to the EC on the portfolios' investments, risks, and performance.

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

Reviewed and Approved by the EC:

Revised on:

March 7, 2019

Mayreh September 6, 2015

Approved by the EC:

March 19, 2015

# Master Investment Policy For The California State University

Approved on November 8, 2017  
By The Board of Trustees of The California State University

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## **I. Scope and Purpose**

This California State University Master Investment Policy (“MIP”) governs the investment of California State University (“CSU”) funds. CSU investments are centrally managed on behalf of the CSU System and its campuses.

The purpose of the MIP, together with investment policies that govern individual Portfolios (as defined in Section IV) and are created pursuant to delegated authority contained herein, is to provide a framework for the investment of CSU funds consistent with the goals of the CSU Board of Trustees (the “Board”) and the educational mission of the CSU.

The MIP sets forth objectives, guidelines, and responsibilities that the Board deems to be appropriate and prudent in consideration of the needs of, and the legal requirements applicable to, the CSU’s investment program. The MIP is also intended to ensure that the Board, and any parties to whom the Board delegates authority, are fulfilling their fiduciary responsibilities in the oversight of CSU investments.

The MIP is a dynamic document and will be reviewed from time to time. The MIP will be modified, if necessary, to reflect the changing nature of the CSU’s assets and investment program, organizational objectives, and economic conditions.

## **II. Compliance with Law and Adherence to Policy**

CSU investments are to be managed in full compliance with all applicable laws, rules, and regulations from various local, state, federal, and international political entities that may impact the CSU’s assets, including but not limited to the provisions of the California Education Code and California Government Code applicable to the investment of CSU funds, and in accordance with the policy objectives, guidelines, and responsibilities expressed herein.

## **III. Background and Investment Objectives**

The investment objectives for the investment of CSU funds have been established in conjunction with a comprehensive review of current and projected financial requirements. The Board desires to provide the Chancellor, the Chancellor’s Staff, and the IAC (as defined in Section V) with the greatest possible flexibility to maximize investment opportunities. However, as agents of the Board, the Chancellor, the Chancellor’s Staff, and the IAC must recognize the fiduciary responsibility of the Board to conserve and protect the assets of the CSU investment program, and, by prudent management, prevent exposure to undue and unnecessary risk.

The following objectives shall govern the investment of CSU funds:

1. Safeguard the principal.
2. Meet the liquidity needs of the CSU.
3. Obtain the best possible return commensurate with the degree of risk the CSU is willing to assume in obtaining such return.

The Board acknowledges that these objectives may be weighted or prioritized differently for individual Portfolios depending upon the purpose of the Portfolio.

#### **IV. Investment Portfolios**

Consistent with its investment objectives, the Board has determined that CSU funds may be invested in three investment portfolios (individually, a “Portfolio” and together, the “Portfolios”) created by the CSU, with oversight by the Chancellor, the Chancellor’s Staff, and the IAC, and each with its own investment policy.

The three Portfolios and general purpose of each Portfolio are as follows:

##### **Liquidity Portfolio (Systemwide Investment Fund—Trust or “SWIFT”)**

The purpose of this Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives for this Portfolio shall be safety of principal and liquidity. The existing CSU Systemwide Investment Fund—Trust (SWIFT) shall serve as the Liquidity Portfolio and shall be comprised of investments authorized pursuant to California Government Code Sections 16330 or 16430.

##### **Intermediate Duration Portfolio (IDP)**

The purpose of this Portfolio is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives for this Portfolio shall be safety of principal, liquidity and return. The Intermediate Duration Portfolio shall be comprised of investments authorized pursuant to California Government Code Sections 16330 or 16430.

##### **Total Return Portfolio (TRP)**

The purpose of this Portfolio is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objectives for this

Portfolio shall be to achieve a prudent total return within a moderate risk level. The Total Return Portfolio shall be comprised of investments authorized pursuant to California Government Code Sections 16330, or 16430 or California Education Code Sections 89724 or 89725.

The acceptable allocations for the Portfolios are as follows:

<b><u>Portfolio</u></b>	<b><u>Min – Target – Max</u></b>
Liquidity – Systemwide Investment Fund Trust (“SWIFT”)	<b>5% - 20% - 100%</b>
Intermediate Duration Portfolio (“IDP”)	<b>0% - 52% - 95%</b>
Total Return Portfolio (“TRP”)	<b>0% - 28% - 30%<sup>1</sup></b>

In addition, the CSU may invest any amount (from 0% to 100%), in any California State Treasury investment option, available now, or in the future, that the IAC and the Staff deem prudent, including, but not limited to:

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

## **V. Roles and Responsibilities**

### **Board of Trustees**

The Board assumes fiduciary responsibility to conserve and protect the investment assets of the CSU, and by prudent management, to prevent exposure to undue and unnecessary risk. However, the Board also acknowledges investments are inherently risky with risk of loss and, as such, are viewed with a long-term time horizon.

As a fiduciary, the primary responsibilities of the Board are to:

1. Maintain and approve the MIP.

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<sup>1</sup> Percentage allocations to the TRP are subject to annual phase-in restrictions through June 30, 2020 per state law.

2. Ensure that CSU investments are prudently diversified in order to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume.
3. Report annually to the California state legislature and the California Department of Finance regarding the investment of CSU funds.

The Board shall have oversight responsibility for investment of the assets and has delegated investment authority to the Chancellor, the Chancellor's Staff, and the IAC.

### **Chancellor and Chancellor's Staff**

As agents of the Board, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor responsible for CSU investments, and their designees (the "Chancellor's Staff"), recognize the fiduciary responsibility of the Board to conserve and protect the investment assets of the CSU and, by prudent management, to prevent exposure to undue and unnecessary risk.

The Chancellor and the Chancellor's Staff are hereby authorized to establish policies and procedures to implement the provisions of this MIP, including, but not limited to, the following activities:

1. Overseeing and implementing general administrative and investment operations for the Portfolios.
2. Informing the IAC on the overall investments of the CSU and each of the Portfolios to assist the IAC in fulfilling its duties.
3. Developing and implementing policies that are suitable for achieving the strategic objectives for each Portfolio, including coordination with the IAC in developing and implementing policies for the TRP.
4. Selecting, contracting with, and monitoring third party service providers, including, but not limited to, investment advisors, investment managers, and custodians. For the TRP, such actions will be based on the recommendations of the IAC.
5. Directing the investment of funds, including the ordering of purchase and sale transactions to, from and between the Portfolios to meet investment objectives and strategic asset allocations.

6. Monitoring and reviewing the performance of the Portfolios to their stated objectives.
7. Reporting to the Board regarding the investment of CSU funds as requested, but no less than quarterly.
8. Controlling and accounting for all investment, record keeping, and administrative expenses associated with the Portfolios.
9. Identifying the need for updates, monitoring the Portfolios for legal and policy compliance, and acting on the recommendations of the IAC, as appropriate.
10. All other duties designated or delegated by the Board or the IAC.

### **Investment Advisory Committee**

As required by state law, the CSU has created an Investment Advisory Committee (the "IAC"), to provide investment advice and expertise to the Board, particularly with respect to the management of the TRP.

The IAC shall be an advisory body and shall make recommendations, as appropriate, to the Board for approval or to the Chancellor and the Chancellor's Staff for implementation. The IAC shall be responsible for overseeing all aspects of the TRP and is hereby authorized to recommend policies and procedures for the creation and implementation of the TRP, including, but not limited to, the following activities:

1. Understanding the overall investments of the CSU and each of the Portfolios as informed by the Chancellor's Staff, investment advisors and/or investment managers.
2. Developing and approving an IAC charter to establish guidelines for operations of the IAC.
3. Developing, approving, and overseeing the implementation of an investment policy statement for the TRP.
4. Reviewing and approving target asset allocations and ranges for the TRP.
5. Monitoring and reviewing the performance of the TRP to its stated objectives.
6. Prudently reviewing, selecting, monitoring, and replacing investment management firms engaged to manage the TRP's assets.

7. Monitoring and supervising all service vendors and fees for the TRP.
8. Any other investment or administrative duties deemed necessary to prudently oversee the investment program for the TRP.

### **Prudence, Ethics and Conflict of Interest**

All participants in the investment process shall act responsibly. The standard of prudence applied by the Board, the Chancellor, the Chancellor's Staff, and the IAC, as well as any external service providers, shall be the "prudent investor" rule. The "prudent investor" rule in part, states, "A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill and caution. A trustee's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the trust."

Furthermore, all participants in the investment process shall use the same care, skill, prudence, and due diligence under the circumstances then prevailing that a prudent person acting in a like capacity and fully familiar with such matters would use in the conduct of an enterprise of like activities for like portfolios with like aims and in accordance and compliance and all other applicable laws, rules and regulations.

All investment personnel shall refrain from personal business activity which could create a conflict with proper execution of the investment program, or which could impair the ability to execute impartial investment decisions. All investment personnel shall disclose to the Chancellor's Staff or the IAC any material financial interests in financial institutions which conduct business within the jurisdiction and shall disclose any material financial investment positions which could be related in a conflicting manner to the performance of the Portfolios. All investment personnel shall report any potential conflicts of interest consistent with Government Code Section 87200. Further, the Chancellor shall report to the Board in writing any issues that could reflect any conflict in the performance of the Portfolios.

### **Document Acceptance of the Investment Policy Statement**

The Chancellor's Staff shall provide a copy of this MIP, and the relevant Portfolio investment policy, to each firm retained to provide investment services to the CSU and each such firm shall acknowledge in writing receipt of the document and accept its content.

## **VI. Environmental, Social and Governance Framework**

The Board acknowledges the importance of understanding the potential risks and value that environmental, social, and governance (“ESG”) factors may have on CSU investments. Therefore, the Board expects that the consideration of ESG factors shall be integrated into the investment decision processes of the CSU.

Approved:

The California State University Board of Trustees  
November 8, 2017

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

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

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

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

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

***Adherence to Policy Guidelines***

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

***Discretionary Authority***

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

***Communication***

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

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

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

***Benchmark***

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

***Investment Authority***

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

Securities eligible for investment include;

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

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

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

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

### ***Duration Guidelines***

The maximum maturity of any security will be 5 years.

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

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

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

All maturity and duration constraints are measured from trade date.

***Concentration/Diversification Guidelines***

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

Concentration Limitations:

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

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

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

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

### ***Reporting***

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

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

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

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

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

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

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

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

***The Organization***

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

***History***

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

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

***Scope of This Investment Policy***

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

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

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

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

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

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

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

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

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

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

### ***Adherence to Policy Guidelines***

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

### ***Discretionary Authority***

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

### ***Communication***

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

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

### ***Benchmark***

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

### ***Rating***

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

### ***Quality***

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

### ***Investment Authority***

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

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

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

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

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

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

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

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

**Duration Guidelines**

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

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

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

All maturity and duration constraints are measured from trade date.

**Concentration/Diversification Guidelines**

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

Concentration Limitations:

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

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

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

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

**Reporting**

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

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

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

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

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

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

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

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

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



## CSURMA

## POLICY AND PROCEDURE NO. 10

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

**EFFECTIVE:** JULY 1, 2011

**SUBJECT:** MEMBER LOANS

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

### **POLICY:**

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

### **PROCEDURE:**

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

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

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



**Officers**

Lisa Chavez  
Chair - 323-343-3500

Kevin Saunders  
Vice Chair - 831-582-3000

Robert Eaton  
Treasurer - 562-951-4572

Zachary Gifford  
Secretary-Auditor - 562-951-4568

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

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

**Re:** Quarterly Investment Report  
Ending June 30, 2019

**Date:** August 26, 2019

Government Code Section 53646(b)(1) requires the Authority’s Treasurer to submit to the legislative body (Executive Committee), a quarterly investment report. Attached is the quarterly investment report ending June 30, 2019. The report contains a portfolio summary which includes market value, return, yield, weighted average maturity (WAM), and duration for each of CSURMA Investment Portfolios: the CSU’s SWIFT Portfolio and the Fixed Income Portfolio with TCW (Met West).

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

However, as of June 30, 2019, the investments are not in compliance with the Master Investment Policy of the Authority dated March 19, 2015 (the “MIP”), as duly authorized by the Executive Committee. Specifically, the combined amount of the CSU SWIFT Portfolio plus the balance of outstanding loans is 6.4% of total Authority investments, which is below the portfolio target range of 25-33% as outlined in Section III of the MIP, and the Fixed Income Portfolio is 93.6% of total Authority investments, which is greater than the portfolio target range of 67-75% as outlined in Section III of the MIP.

Robert Eaton  
Treasurer  
CSU Risk Management Authority

# CSURMA

## Quarterly Investment Report

April 1, 2019 - June 30, 2019

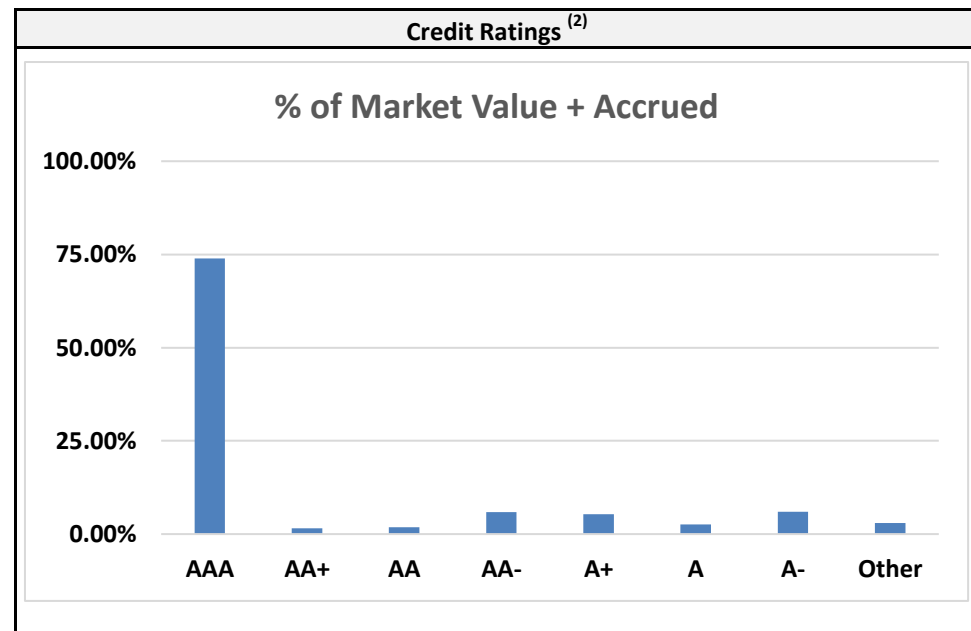
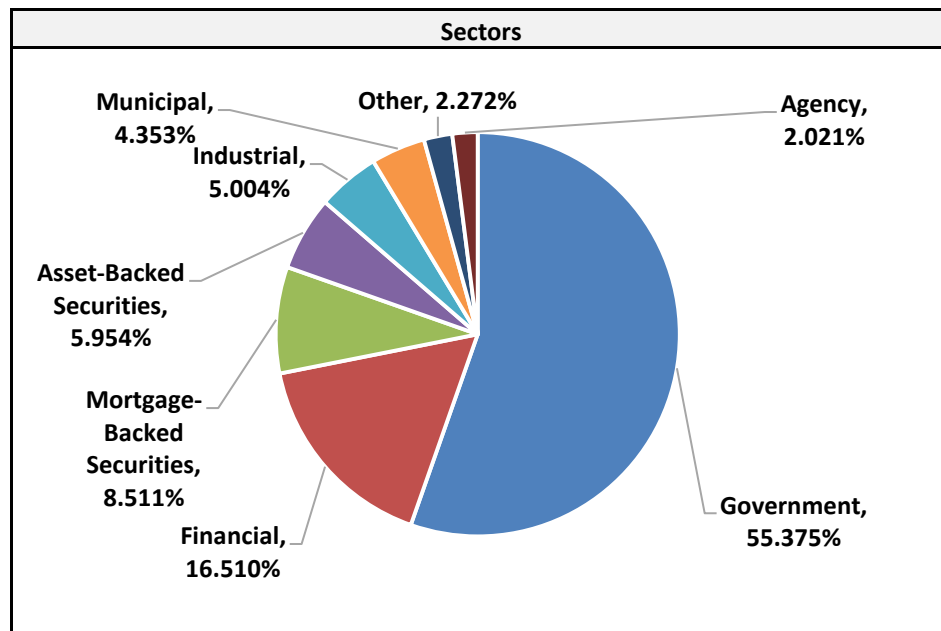
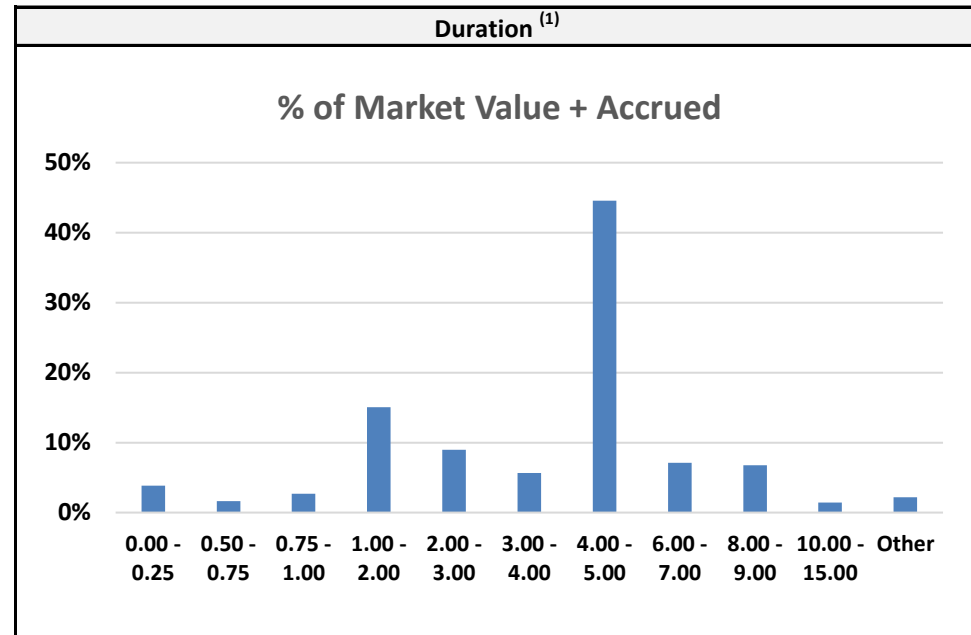
Prepared by Treasury

# California State University Risk Management Authority

## Fixed Income Portfolio (Auxiliary Investment Platform)

As of 06/30/2019

Portfolio Summary Total	
Total Assets	106,428,543
Duration	4.144
Yield	2.622
Avg Credit Rating	AA/Aa2
QE Performance	2.250%



<sup>(1)</sup> The Other category combines duration ranges and in aggregate equals 2.211% of the portfolio.

<sup>(2)</sup> The Other category contains assets that do not fall within the seven specific charted credit ratings. These assets make 3.008% of the portfolio and include the following ratings: BBB+, BBB-, A-1+, and NA.

# California State University Risk Management Authority

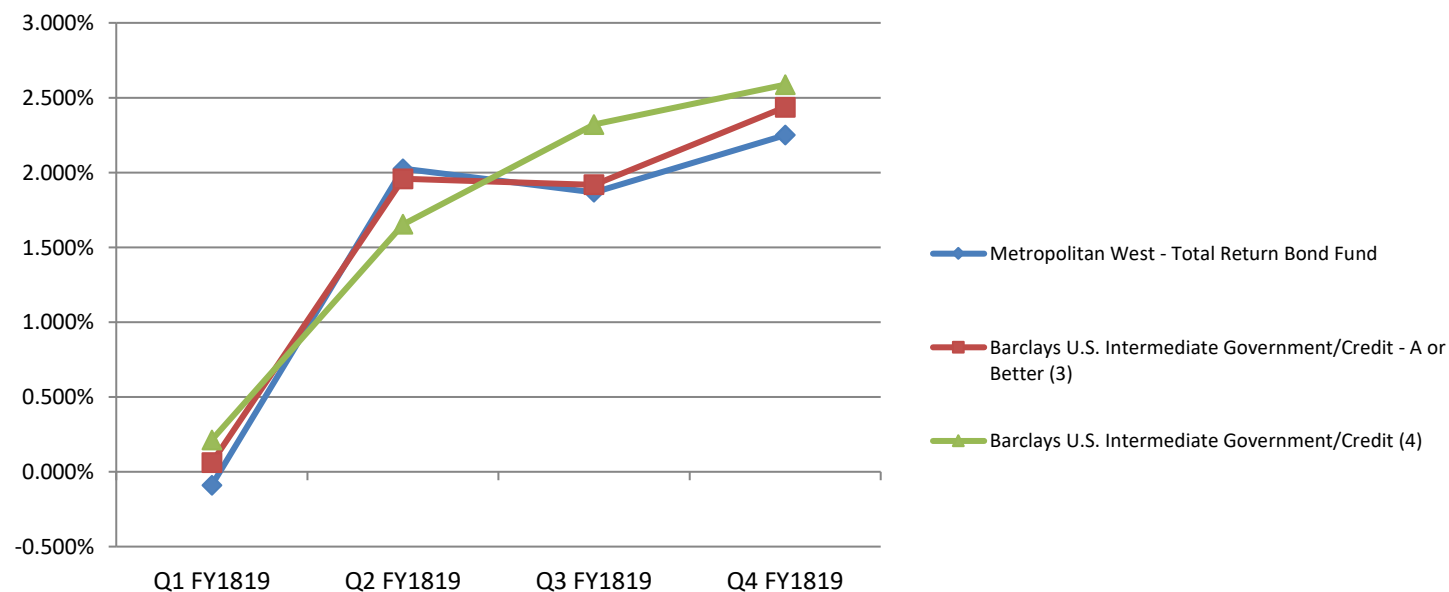
## Fixed Income Portfolio (Auxiliary Investment Platform)

### Performance Summary

Period Ending 06/30/2019

Account / Index	Market Value	3 Month <sup>(1)</sup>	Trailing 12 Month <sup>(1)</sup>	Trailing 3 Year <sup>(1)</sup>	Trailing 5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	06/30/2019	04/01/19 - 06/30/19	07/01/18 - 06/30/19	07/01/16 - 06/30/19	07/01/14 - 06/30/19	07/01/07 - 06/30/19			
Metropolitan West - Total Return Bond Fund	106,428,543	2.250%	6.174%	1.679%	1.852%	3.443%	2.622	7.087	4.144
Barclays U.S. Intermediate Government/Credit - A or Better <sup>(3)</sup>		2.437%	6.510%	1.631%	2.174%	2.878%	1.943	4.146	3.810
Barclays U.S. Intermediate Government/Credit <sup>(4)</sup>		2.587%	6.932%	1.989%	2.390%	3.245%	2.125	4.272	3.916

Account / Index	Q1 FY1819	Q2 FY1819	Q3 FY1819	Q4 FY1819	Trailing 12 Month <sup>(1)</sup>
	07/01/18 - 09/30/18	10/01/18 - 12/31/18	01/01/19 - 3/31/19	04/01/19 - 06/30/19	07/01/18 - 06/30/19
Metropolitan West - Total Return Bond Fund	-0.089%	2.025%	1.868%	2.250%	6.174%
Barclays U.S. Intermediate Government/Credit - A or Better <sup>(3)</sup>	0.061%	1.957%	1.918%	2.437%	6.510%
Barclays U.S. Intermediate Government/Credit <sup>(4)</sup>	0.214%	1.654%	2.321%	2.587%	6.932%



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

(2) Weighted Average Maturity

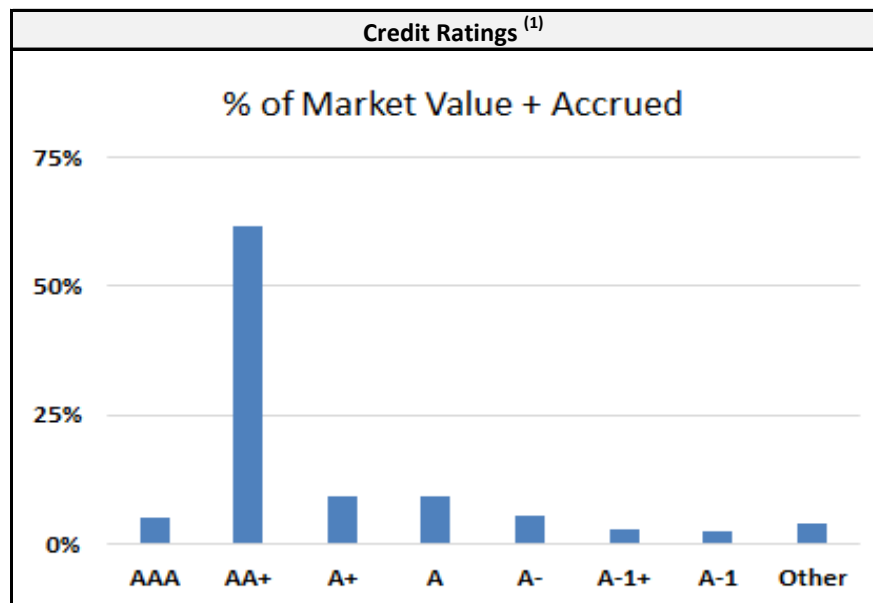
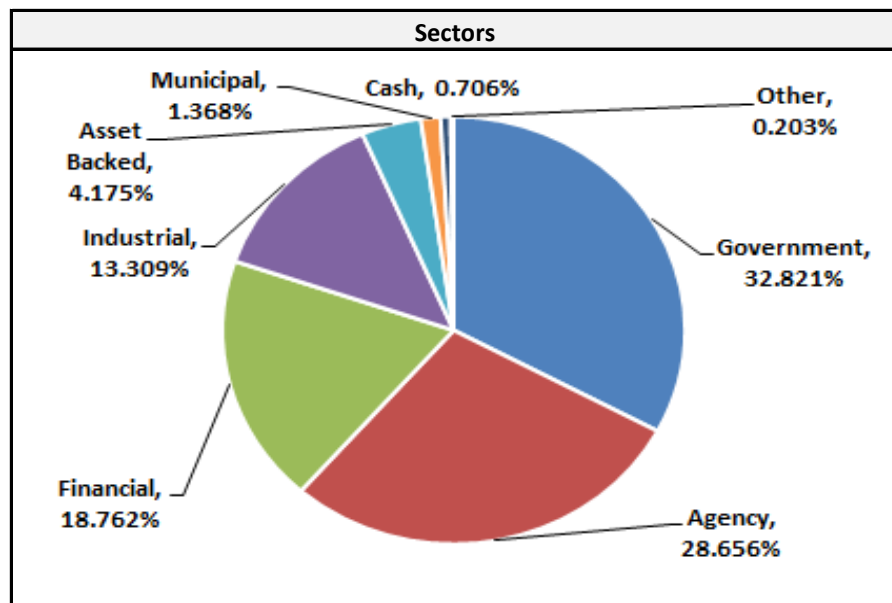
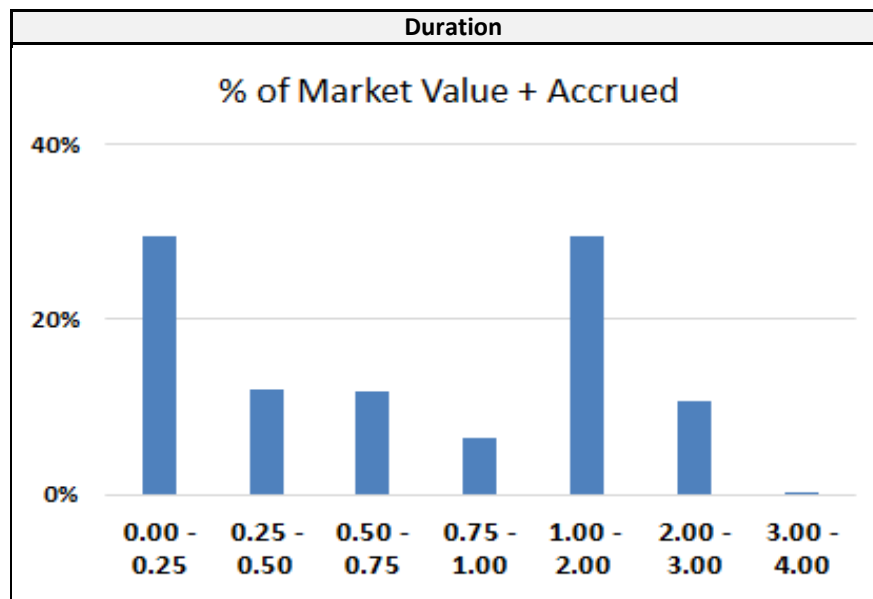
(3) Portfolio Benchmark as of 05/2014.

(4) Portfolio Benchmark prior to 05/2014.

# California State University SWIFT Portfolio

As of 06/30/2019

Portfolio Summary Total	
Total Assets	5,605,555
Duration	0.891
Yield	2.112
Avg Credit Rating	AA-/Aa3
QE Performance	0.973%



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

# California State University Risk Management Authority

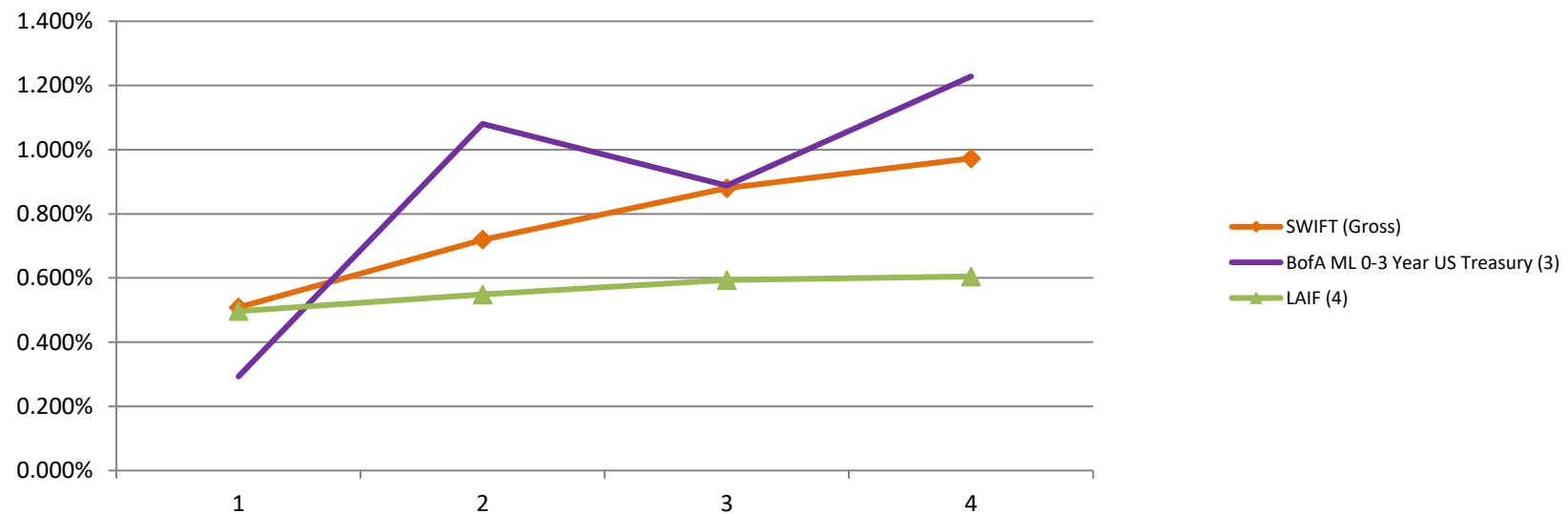
## SWIFT Portfolio

### Performance Summary

Period Ending 06/30/2019

Account / Index	Market Value	3 Month <sup>(1)</sup>	Trailing 12 Month <sup>(1)</sup>	Trailing 3 Year <sup>(1)</sup>	Trailing 5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	06/30/19	04/01/19 - 06/30/19	07/01/18 - 06/30/19	07/01/16 - 06/30/19	07/01/14 - 06/30/19	07/01/07 - 06/30/19			
SWIFT - CSU Systemwide Investment Fund Trust (Gross)	5,605,555	0.973%	3.115%	1.499%	1.275%	1.390%	2.112	1.185	0.891
BofA ML 0-3 Year US Treasury <sup>(3)</sup>		1.228%	3.533%	1.356%	1.145%	1.656%	1.897	1.487	1.442
LAIF - Local Agency Investment Fund <sup>(4)</sup>		0.605%	2.262%	1.459%	1.016%	1.145%	2.441		

Account / Index	Q1 FY1819	Q2 FY1819	Q3 FY1819	Q4 FY1819	Trailing 12 Month <sup>(1)</sup>
	07/01/18 - 09/30/18	10/01/18 - 12/31/18	01/01/19 - 03/31/19	04/01/19 - 06/30/19	07/01/18 - 06/30/19
SWIFT (Gross)	0.508%	0.719%	0.880%	0.973%	3.115%
BofA ML 0-3 Year US Treasury <sup>(3)</sup>	0.293%	1.081%	0.888%	1.228%	3.533%
LAIF <sup>(4)</sup>	0.497%	0.549%	0.593%	0.605%	2.262%



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

(2) Weighted Average Maturity

(3) SWIFT Portfolio Benchmark

(4) LAIF returns calculated by CSUCO Treasury

## **CSURMA CASH FLOW PROJECTION**

**ISSUE:** The CSURMA two-year cash flow projection has been updated to include information from the year-end financial statements at June 30, 2019.

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

**FISCAL IMPACT:** There is no direct fiscal impact from this projection. The projection will be used by the CSURMA Treasurer and the Executive Committee to guide cash management and investments.

**BACKGROUND:** The funding of OCIP as well as the purchase of reinsurance from CSAC-EIA have created cash flow concerns. Staff has developed the cash flow projection in collaboration with CPDC, CSURMA Accounting, CSURMA Treasurer, and claims administrators.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Cash Flow Projection (*will be distributed as a handout during the meeting*)

## EXCESS INSURANCE RENEWAL REPORT

**ISSUE:** Most of CSURMA’s coverage programs renewed on July 1. This year was even more challenging than expected as the property and casualty market became extremely firm during the second quarter. We say “firm” rather than “hard” because we still did receive quotes for coverage terms similar to the expiring programs, but pricing increased substantially. In a hard market, there may be no options available that are comparable to the expiring program. Table 1 below shows the renewal cost change rather than the rate change. Additional increases in exposure, such as payroll increase or new buildings add further to the increase in cost.

Table 1  
**Renewal Cost Change Estimates**

Program	AORMA % Change	Campus % Change
Excess Liability	3%	+19%
Property	+16%	+26%
Worker’s Compensation	-8.6%	+5.1%
Builder’s Risk	N/A	Flat Rate
Fine Arts	N/A	0%
SPLIP & SAFECLIP	N/A	-5%
FTIP	N/A	+30%
Aviation	N/A	+10%
Medical Malpractice	N/A	0%
Fidelity	0%	0%

**RECOMMENDATION:** No action is requested at today’s meeting; this item is for information only.

**FISCAL IMPACT:** The cost of the insurance programs is included in the proposed budget and renewals that exceed projected costs reduce retained funds in the specific program fund.

**BACKGROUND:** CSURMA representatives met with CSURMA’s program underwriters in London, New York, Bermuda, San Francisco and Los Angeles. It became clear that the property insurance and Excess Liability Insurance would be the most challenging of the renewals.

Following are comments on the status of programs:

- **Excess Liability** – This program has seen loss development in the first excess layers for both the AORMA and Campus programs. AORMA was spared an increase in the

primary layer; however, the general market for public entities has seen substantial increases mainly driven by employment practices and police professional exposures. Catastrophic verdicts have underwriters concerned about California public entity risks. We are going to be in the market early for the July 2020 renewal as we expect further fallout due to general loss development and underwriters may pull back, increase rates or reduce coverages – or all three.

- **Property** – Property losses to both the AORMA and Campus programs has increased the past three years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years were again partially eroded by increases at this renewal. The outlook for next year will not be known until the end of the calendar year.
- **Workers' Compensation** – CSURMA agreed to a two year rate agreement with EIA on favorable terms. Workers' Compensation has been a bright spot in the California market as a whole and especially for CSU due to improved loss experience.
- **Builders Risk** – This program is stable and the Program Administrator expects flat rate renewal, though general market pressures due to catastrophic property losses may result in an increase. Rates are down 25% in recent years; however, some claims reported by CSU after the renewal may impact next year's cost.
- **Fine Arts** – This program was launched in 2016 and the Program Administrator is pleased to report that underwriters did not increase rates this renewal as losses have stabilized.
- **SPLIP & SAFECLIP** – Perform exceptionally well with no losses and rates dropped by 5%
- **FTIP** – The loss ratio has stabilized at a level acceptable to underwriters. The Program Administrator reports a flat rate renewal with exposure (travel) increases. The overall FTIP program costs increased 30% because one of the coverage parts within FTIP is a three-year policy and it was renewed and invoiced this year.
- **Aviation** – This program has no losses but the market has firmed and we settled with a 10% rate increase.
- **Medical Malpractice** – This program is at minimum premium and we received a flat rate renewal despite a firming market.
- **Fidelity** – Claims have remained low but a claim in the fourth quarter resulted in a flat renewal rather than an expected reduction.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**ACTUARIAL REPORTS FOR CAMPUS LIABILITY,  
CAMPUS WORKERS' COMPENSATION AND  
ATHLETIC INJURY MEDICAL EXPENSE PROGRAMS**

**ISSUE:** CSURMA retains the services of an independent actuary to evaluate the liabilities of its major risk pools. The complete draft reports for Campus Liability, Campus Workers' Compensation and Athletic Injury Medical Expense programs are included separately with the agenda packet. Staff has highlighted in the attachments key findings and exhibits. The information provided by the actuary is used to establish fiscal year-end financial reports, and serves as the starting point to develop rates and funding for FY 2020/21, as well as evaluating potential dividends or assessments.

**RECOMMENDATION:** The Executive Committee is asked to review the draft actuarial reports and accept the reports for use in CSURMA's financial reporting, rate setting, and funding evaluations. The Executive Committee is also ask to approve amendments to the Liability Deductible Credit Factors for FY 20/21, FY 21/22 and FY 22/23 per the actuary's recommendations dated August 13, 2019.

**FISCAL IMPACT:** The action recommended will have the direct effect of establishing liabilities reported in CSURMA's financial statements. Information from the actuarial studies are used in rate setting and funding forecasts. The Board of Directors will take action on FY 2020/21 funding and rates at its meeting on November 8, 2019.

**BACKGROUND:** The complete actuarial reports include discussions on the methodology used by the actuary to establish the financial projections for the campus risk pools. Staff will be present at today's meeting to summarize and comment on the actuary's findings and recommendations.

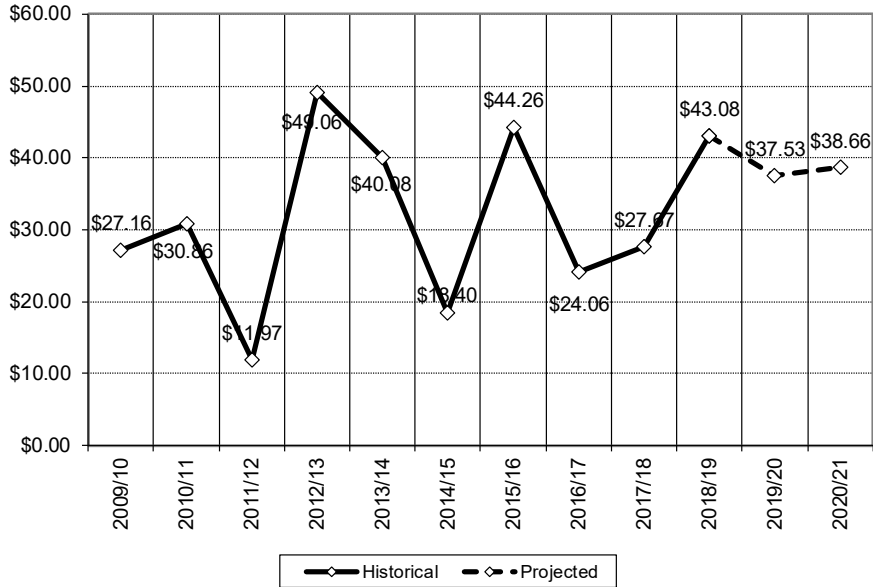
**PUBLICATION:** None.

**ATTACHMENT(S):**

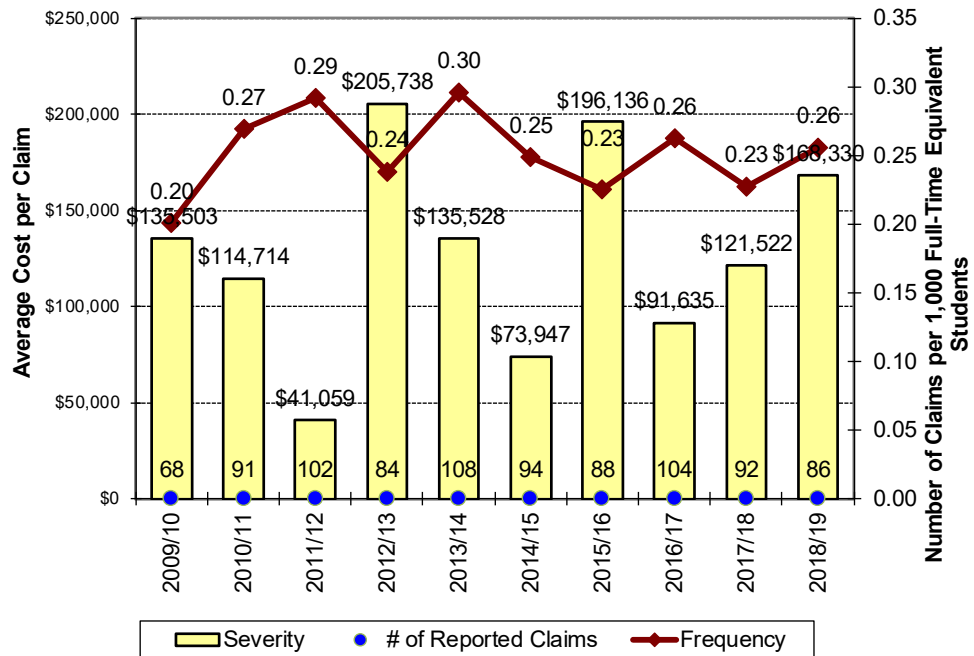
- a. Charts and graphs from the draft actuarial reports valued at June 30, 2019.
- b. Actuary's Recommended Liability Deductible Discount Factors.
- c. Complete copies of the draft actuarial reports dated August 2019 are included separately with the Agenda packet.

## CAMPUS LIABILITY

**Graph 1 – Loss Rate per Full Time-Equivalent Student**

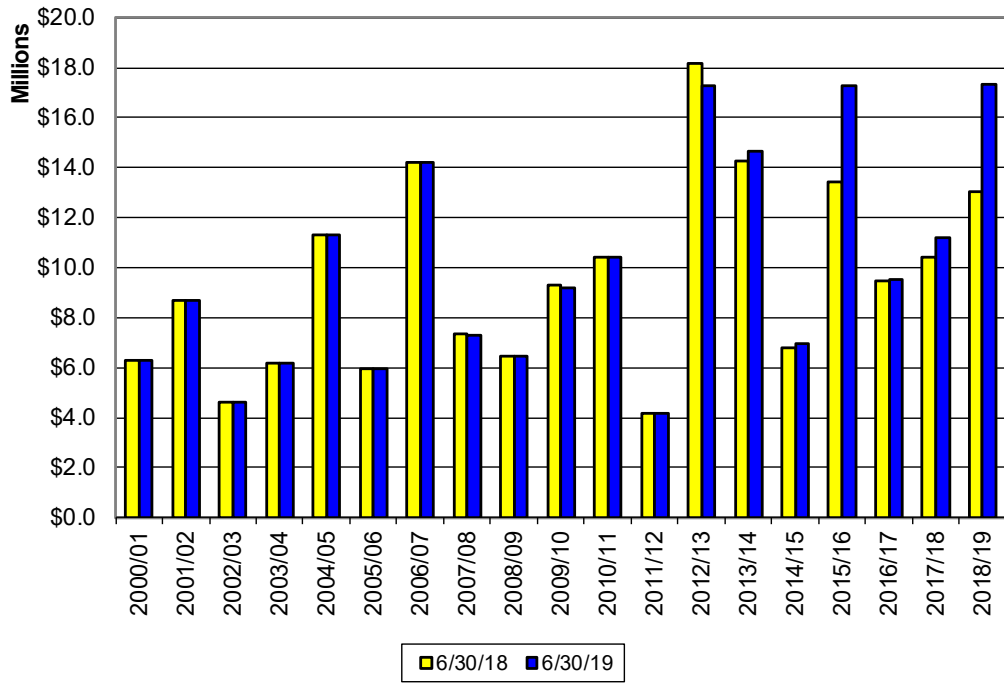


**Graph 2 – Frequency and Severity**

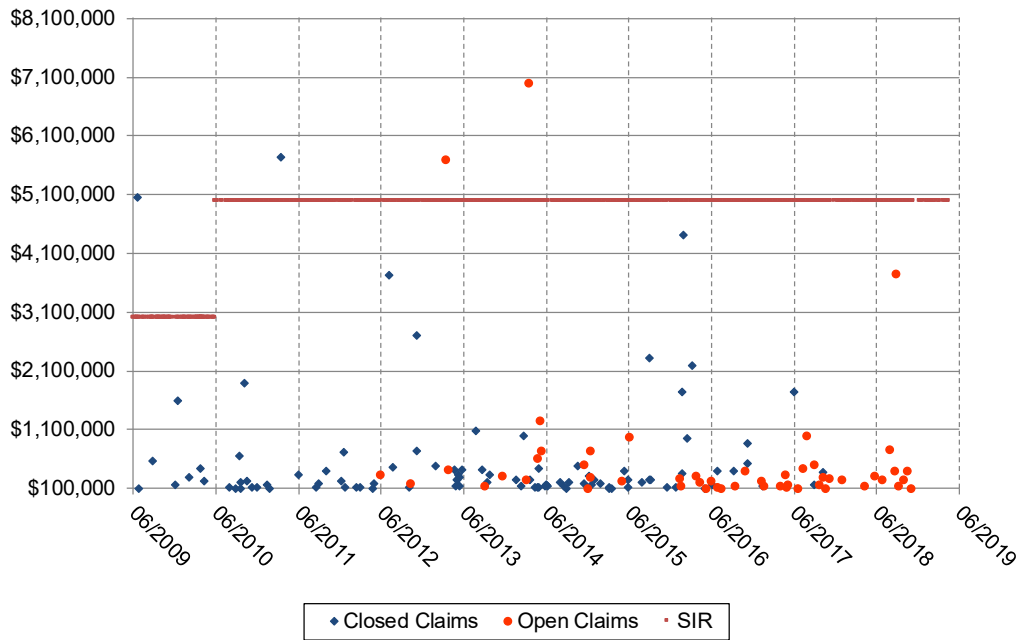


## CAMPUS LIABILITY

**Graph 3 – Projected Ultimate Limited Losses at June 30, 2018, June 30, 2019**

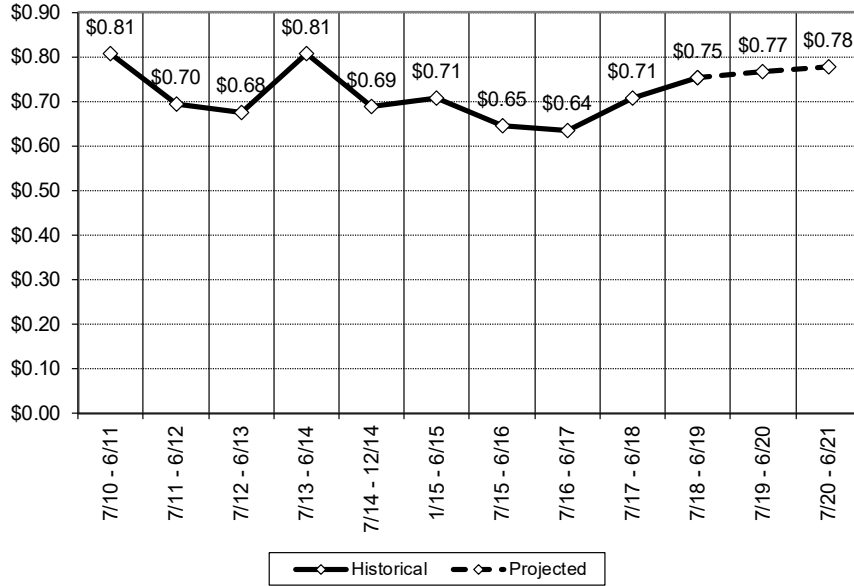


**Graph 4 - Claims with Incurred Amount above \$100,000**

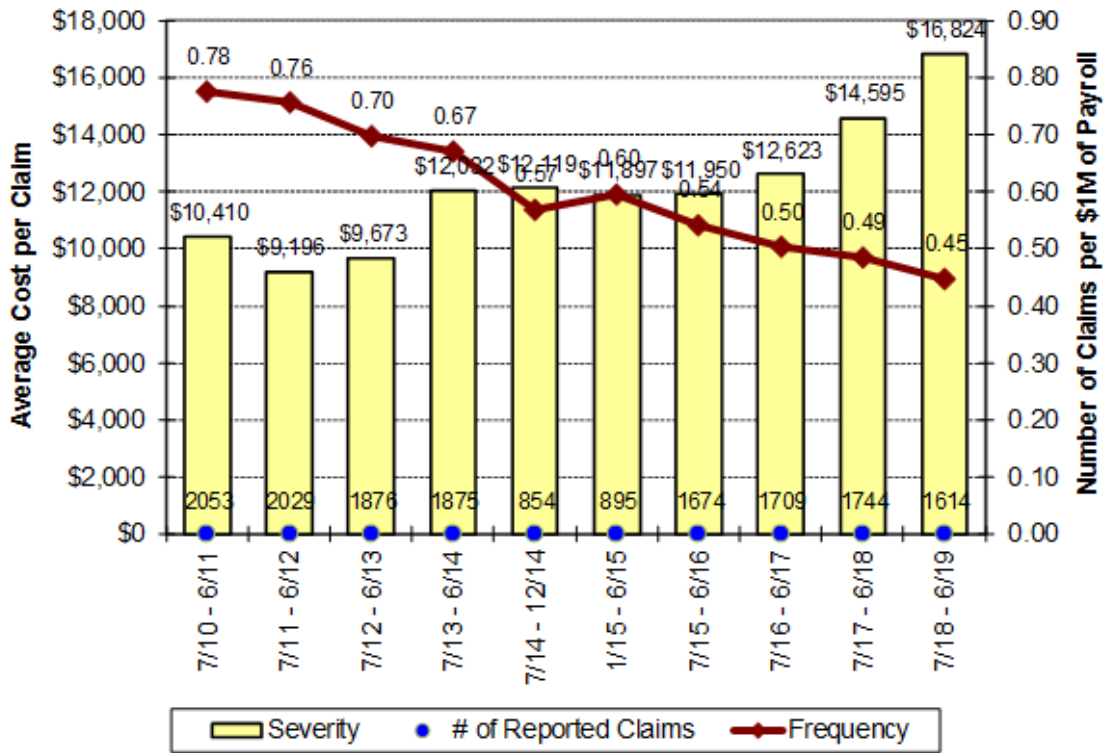


## WORKERS' COMPENSATION

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

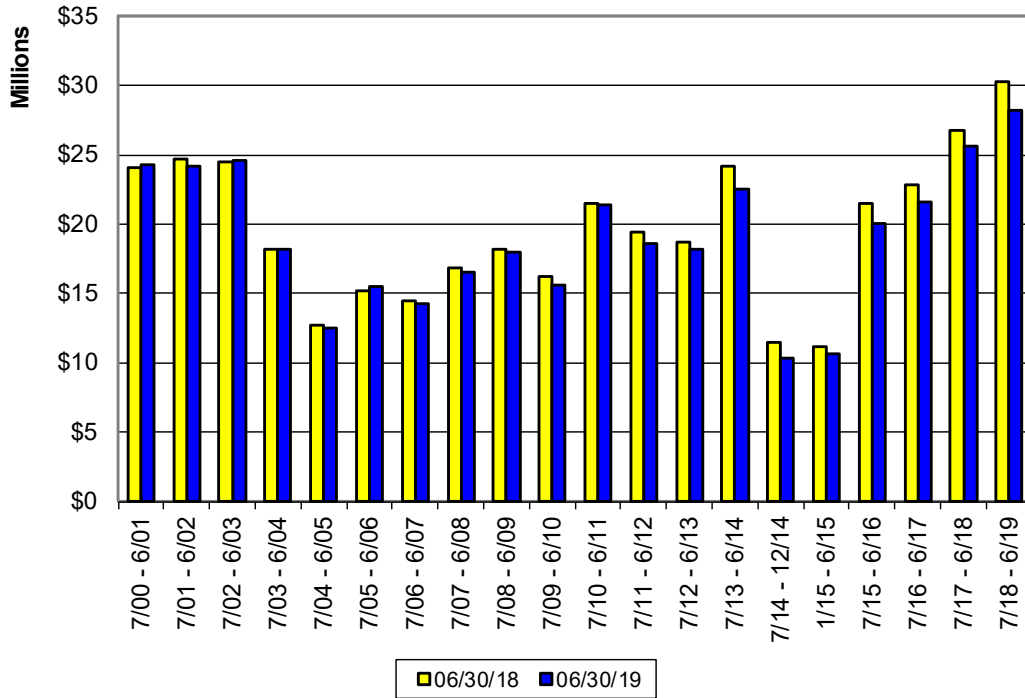


**Graph 2 - Frequency and Severity**

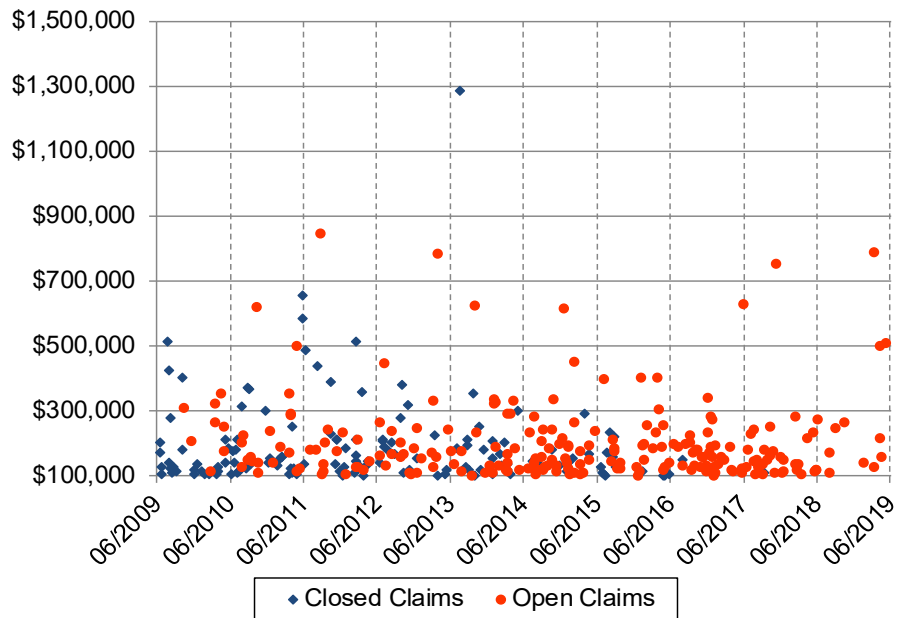


## WORKERS' COMPENSATION

**Graph 3 - Projected Ultimate Limited Losses at June 30, 2018, June 30, 2019**

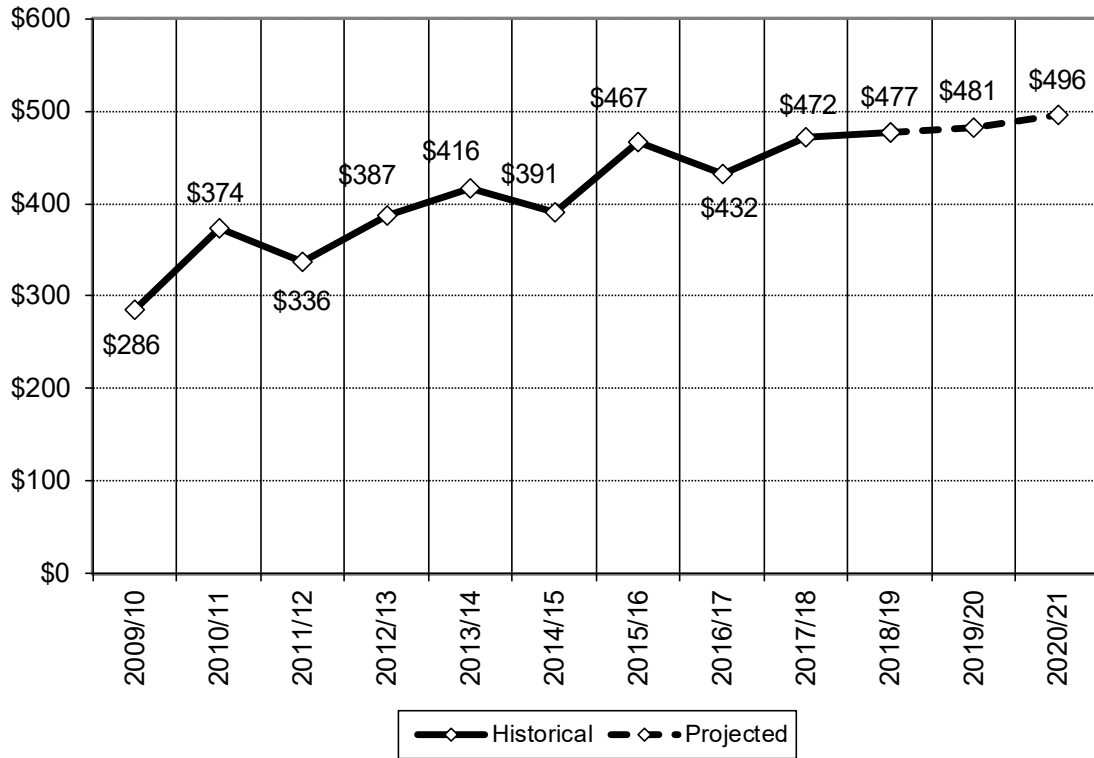


**Graph 4 - Claims with Incurred Amount above \$100,000**



**AIME**

**Projected Loss Rate per Athlete**





August 13, 2019

03031860

California State University Risk Management Authority  
c/o Alliant Insurance Services, Inc.  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, California 94111-5101

Attn: Mr. Daniel Howell  
Program Administrator

### Actuarial Study of the General Liability Program Indicated Deductible Credits

We have completed our analysis of the indicated deductible credits for the general liability program of the California State University Risk Management Authority (CSURMA). The indicated deductible credits are shown in Table 1. These credits are based on a \$5 million self-insured retention.

**Table 1**  
**Indicated Deductible Credits**

	<b>Deductible (1)</b>	<b>Previous Recommended Deductible Credit (2)</b>	<b>Closed Claims Deductible Credit (3)</b>	<b>All Claims Deductible Credit (4)</b>	<b>Recommended by Actuary (5)</b>
(A)	\$35,000	15.0%	12.6%	10.0%	13.0%
(B)	50,000	20.0%	16.5%	13.2%	17.0%
(C)	100,000	30.0%	25.7%	21.4%	25.0%
(D)	250,000	52.0%	40.9%	37.3%	45.0%
(E)	500,000	65.0%	53.4%	51.6%	58.0%
(F)	750,000	75.0%	60.1%	60.3%	70.0%
(G)	900,000	78.0%	63.8%	64.3%	73.0%
(H)	1,000,000	80.0%	66.2%	66.5%	75.0%

Note: (2) is from our August 25, 2016 letter, which was based on claim data valued as of June 30, 2016.  
(3) and (4) are based on the current actuarial study, which was based on claim data valued as of June 30, 2019. The indicated deductible credits reflect claims incurred during 2013/14 through 2018/19.



The recommended deductible credits are less than previously indicated, due to our increased reliance on more recent claim periods.

Please call with any questions you may have. Thank you for the opportunity to be of service.

Respectfully submitted,

*Aon Risk Consultants, Inc.*

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Mujtaba Datto, ACAS, MAAA, FCA  
Actuarial Practice Leader

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Tracy Fleck, ACAS, MAAA  
Senior Consultant and Actuary

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Ziruo Wang, FCAS, MAAA  
Consultant and Actuary

MD/TF:zw

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DRAFT

## **CAMPUS RISK POOLS FUNDING STATUS AT JUNE 30, 2019**

**ISSUE:** Each year, Staff evaluates the funding status of CSURMA’s major risk pool programs and presents its findings to the Executive Committee. In its evaluation, Staff uses the most recent actuarial reports, and the financial statements prepared by the Accountant. Staff has completed its evaluation of the funding status for Campus Liability, Campus Workers’ Compensation and Athletic Injury Medical Expense risk pools at June 30, 2019. Funding in excess of the Targeted Funding levels indicate an opportunity to return dividends to campus members.

**RECOMMENDATION:** Target Equity indicates a surplus of \$31,511,435 of which \$7,310,141 is eligible for dividends per the surplus funding policies. The Executive Committee is asked to review the risk pools funding status at June 30, 2019 and take action as it deems appropriate.

**FISCAL IMPACT:** The adopted 2019/20 budget includes funding for campus dividends in the amount of \$2,000,000 (*Liability*) and \$3,000,000 (*WC*). Dividend declaration or other action that may be taken will be updated in the midterm budget amendments for FY 2019/20 as appropriate.

**BACKGROUND:** The Executive Committee reviews the funding status of the Campus risk pools at December 31 and at June 30 each year. It has been the Executive Committee’s practice to consider dividends and/or assessments upon a review of the risk pools funding status in light of the audited year-end financial statements. Historically, the Executive Committee has declared dividends amounting to one-half of the available funds that are in excess of the target reserve funding goal.

**PUBLICATION:** None

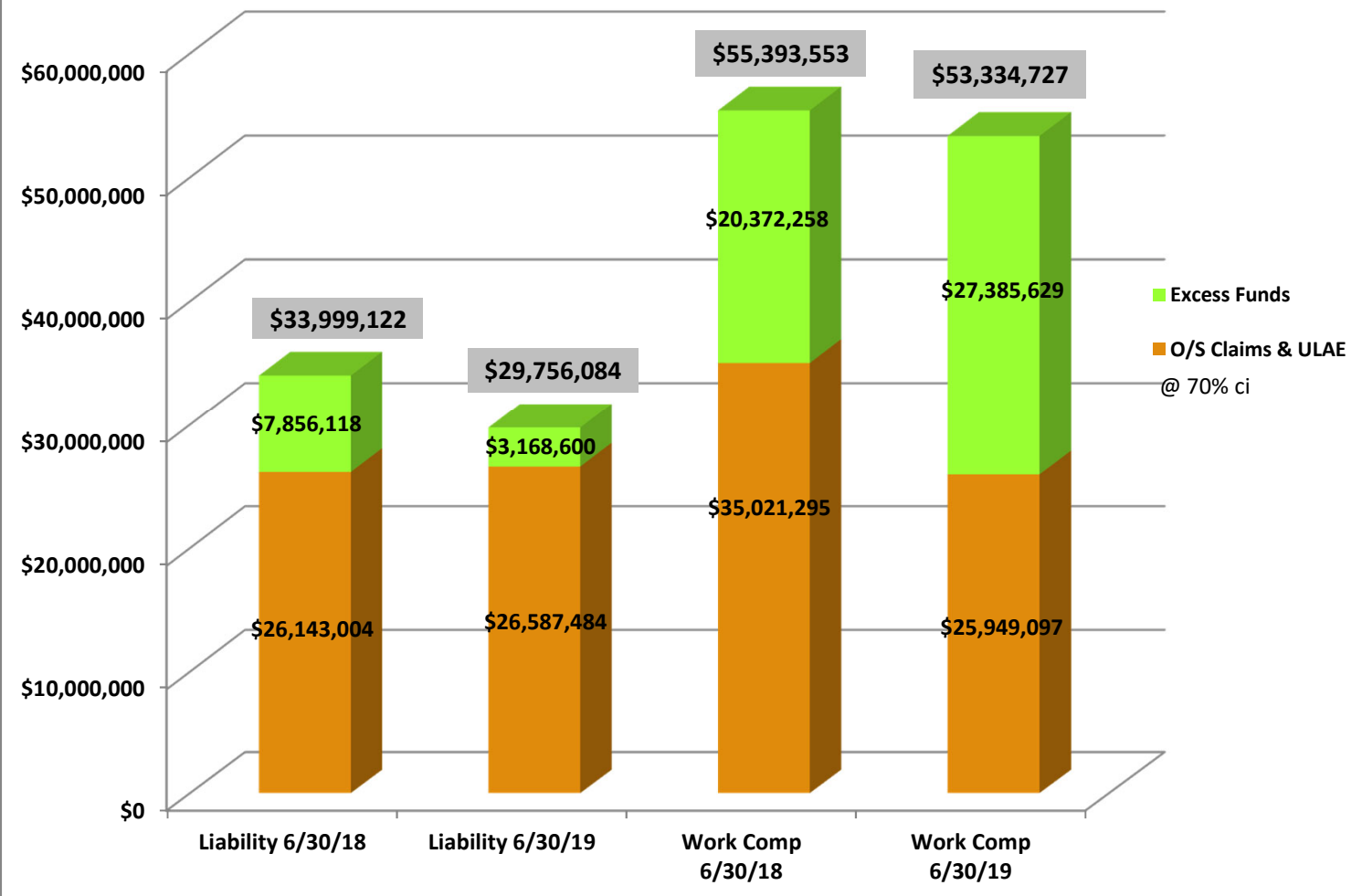
**ATTACHMENT(S):**

- a. Risk Pools Funding Status at 6/30/19 – *unaudited*
- b. Policy & Procedure No. 7 - Self-Insured Program Funding

## Campus Risk Pools

### Estimated Funding at FYE 2019

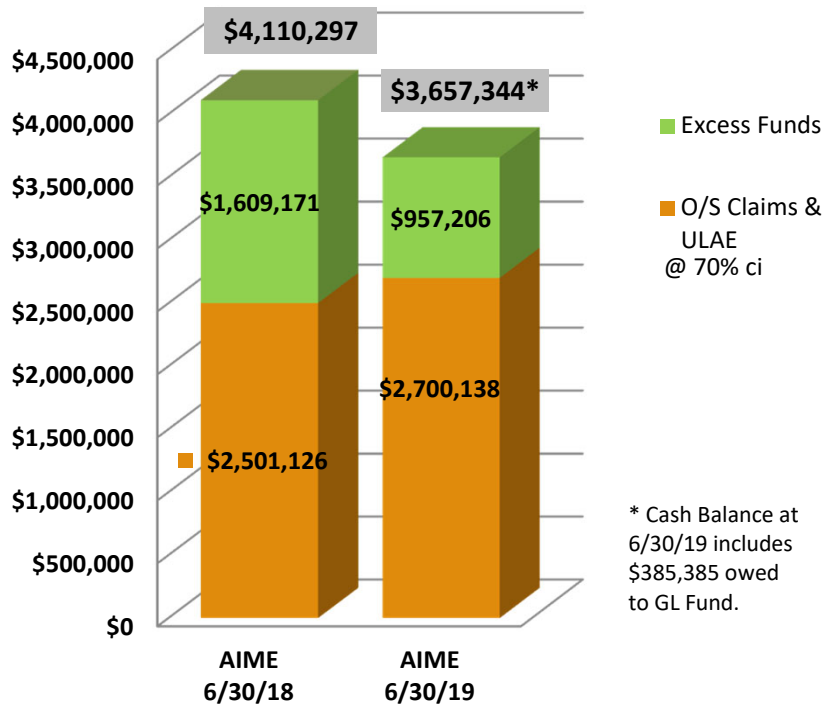
*(undiscounted)*



# Athletic Injury Medical Expense

## Estimated Funding at FYE 2019

(undiscounted)



\* Cash Balance at 6/30/19 includes \$385,385 owed to GL Fund.



## **CSURMA**

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

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**EFFECTIVE:** JANUARY 1, 2000  
**REVISED:** APRIL 27, 2015  
**SUBJECT:** SELF-INSURED PROGRAM FUNDING

---

### **ISSUE:**

The CSURMA operate various self-insured coverage programs. Generally, these programs include a primary layer of pooling, with excess and reinsurance coverage. Each program is responsible for all costs generated by that program, as well as a proportionate share of the JPA's general administrative costs. It is important that each self-insured program be properly funded to satisfy its liabilities. This policy and procedure continues the policy adopted by the CSURMA Board of Directors on April 24, 1997.

### **POLICY STATEMENT:**

It is the policy of the CSURMA that each self-insured program shall establish budgets with a goal of full funding, including a reasonable risk margin. Such funding shall be determined by the Executive Committee as a part of each year's annual budget based upon the recommendations of a professional actuary and staff.

### **PROCEDURE:**

CSURMA staff is responsible for developing draft budgets for each of the self-insured programs for each fiscal year. As a part of the budget development, staff will work with the CSU and its actuary to determine projected liabilities for the CSURMA's self-insured programs. The actuary's reports shall be used by staff and the Executive Committee to develop recommended rates and funding for each self-insured program.

It is the policy of the CSURMA to fund fully the self-insured programs. Adopted funding shall include sufficient funds projected to pay the following cost elements:

- Administrative expenses shall be funded on a cash basis for each program year;
- Prior year cash deficits (if any) shall be funded on a cash basis;
- Prior years' claims payable shall be funded on a cash basis to the extent accrued reserves do not amount to full funding;
- Current year expected liabilities shall be funded on an accrual (incurred) basis; and
- At such time as all outstanding liabilities are fully funded, a reasonable risk margin shall be funded.



## **CSURMA**

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

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Staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' funding status in accordance with this Policy & Procedure No. 7.

## **2019 PROPOSED CAMPUS DIVIDENDS AND 2018 CORRECTIONS**

**ISSUE:** Funding in excess of the Target Funding levels indicate an opportunity to return dividends to campus members. Dividends declared by the Executive Committee are allocated to the campuses as a percentage of each campus' total five year deposit contribution in relation to the group's total deposit contribution for the same period. Last year's dividend distribution errantly reversed the allocation percentages for the Liability and Workers' Compensation funds. Although the total distribution was correct, the allocation among campuses should be corrected as some members received less than what they have earned, while others received more. Staff recommends the correction be applied to the 2019 dividend distribution by netting the differences (+/-) by campus as shown in the attachment.

**RECOMMENDATION:** The Executive Committee is asked to review the dividend opportunity for campus members and take action as it deems appropriate, including the correction for last year's dividend misallocation.

**FISCAL IMPACT:** The total dividends paid in 2018 remain unchanged; only the amounts paid to campuses will be changed, thus there is no fiscal impact. Funding for 2019 dividends have been included in the 2019/20 budget as follows: \$2,000,000 payable from the Liability fund and \$3,000,000 from the Workers' Compensation fund. The actual amounts declared as the 2019 dividends may require a budget amendment for the amount differed from the adopted budget.

**BACKGROUND:** The Executive Committee reviews the funding status of the Campus risk pools at December 31 and at June 30 each year. It has been the Executive Committee's practice to consider dividends and/or assessments upon a review of the risk pools funding status in light of the audited year-end financial statements. Historically, the Executive Committee has declared dividends amounting to one-half of the available funds that are in excess of the target reserve funding goal.

**PUBLICATION:** None

**ATTACHMENT(S):**

- a. Target Surplus Funding at 6/30/19 - *unaudited*
- b. Proposed 2019 Dividend Distribution – *with correction for last year's misallocation*
- c. Policy & Procedure No. 13 - Campus Risk Pool Programs Target Reserve Funding Goal

## Campus Liability Coverage Fund

### Target Surplus Funding Analysis at \$5,000,000 SIR

*Estimated at 6/30/19 (unaudited)*

Gross Premium (FY 18/19):	\$15,308,368	<i>Liability only</i>
Maximum Retention:	\$5,000,000	<i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/19	\$24,170,440	<i>Expected, ULAE, Undsct, Net of Deductibles</i>
Est. Outstanding Liabilities @ 6/30/19	\$26,587,484	<i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/19	\$29,756,084	
Est. Funded Loss & ULAE @ 6/30/19	\$26,587,484	<i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$3,168,600	

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$5,102,789	0.51
Surplus to Retention	> 1:1	\$5,000,000	5.95
O/S Reserve to Surplus	≤ 5:1	\$4,834,088	0.81

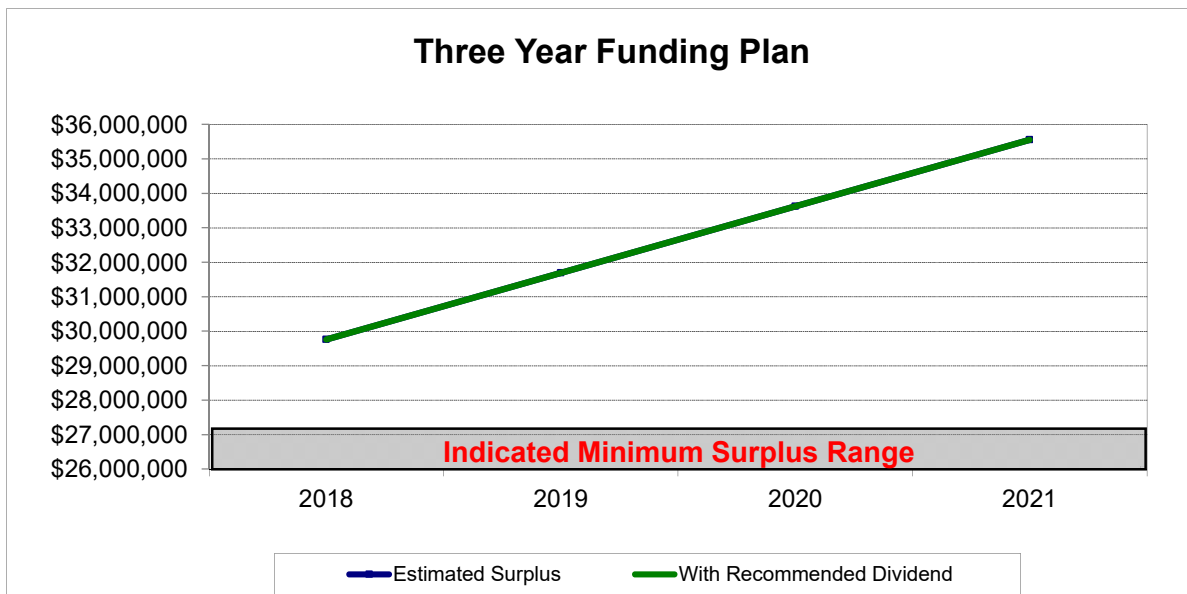
Maximum Dividend Available:	\$0
Recommended Dividend 50%:	\$0

#### 2018/19 Pool Funding

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$13,802,800	-
at 70% Actuarial Confidence	1.140	\$15,735,500	\$1,932,700

#### Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/18	N/A	\$29,756,084	\$29,756,084
2018/19 - Collection @ 70% CL	\$1,932,700	\$31,688,784	\$31,688,784
2019/20 - Collection @ 70% CL	\$1,932,700	\$33,621,484	\$33,621,484
2020/21 - Collection @ 70% CL	\$1,932,700	\$35,554,184	\$35,554,184



**Campus Workers' Compensation Coverage Fund**  
**Target Surplus Funding Analysis at \$2,500,000 SIR**  
*Estimated at 6/30/19 (unaudited)*

Gross Premium (FY 18/19):	\$38,837,384
Maximum Retention:	\$2,500,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/19	\$25,193,298 <i>Expected, ULAE, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/19	\$25,949,097 <i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/19	\$53,334,727
Est. Funded Loss & ULAE @ 6/30/19	\$25,949,097 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$27,385,629

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$12,945,795	0.73
Surplus to Retention	> 2:1	\$5,000,000	21.33
O/S Reserve to Surplus	≤ 5:1	\$5,038,660	0.47

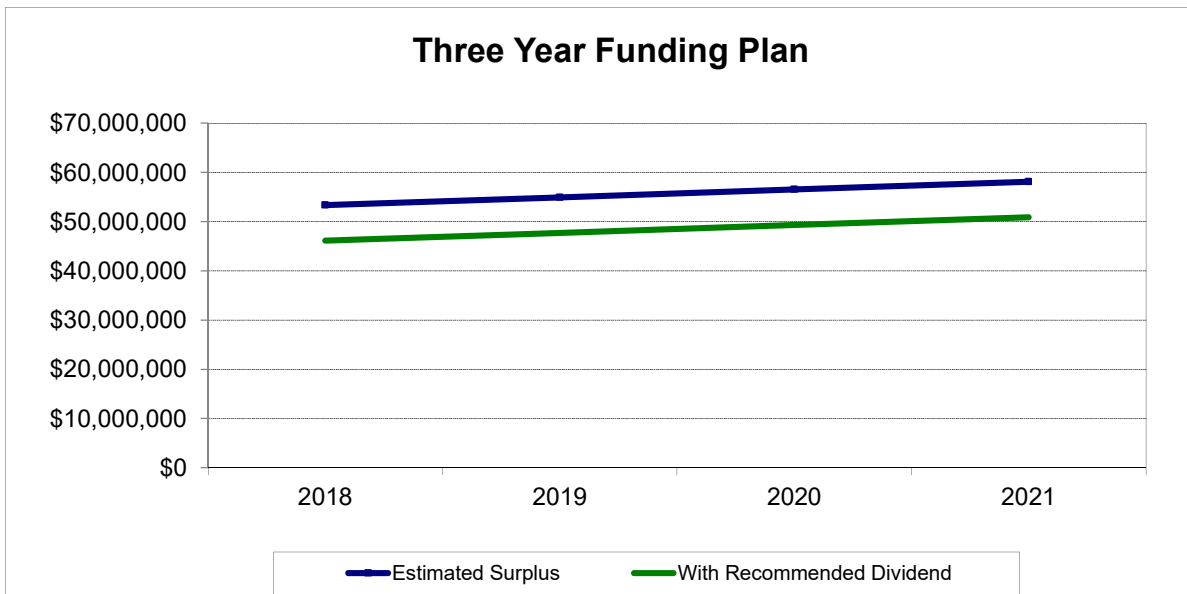
<b>Maximum Dividend Available:</b>	<b>\$14,439,835</b>
<b>Recommended Dividend 50%:</b>	<b>\$7,219,917</b>

**2018/19 Pool Funding**

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$31,674,500	-
at 70% Actuarial Confidence	1.050	\$33,258,500	\$1,584,000

**Three Year Funding Plan**

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/18	N/A	\$53,334,727	\$46,114,809
2018/19 - Collection @ 70% CL	\$1,584,000	\$54,918,727	\$47,698,809
2019/20 - Collection @ 70% CL	\$1,584,000	\$56,502,727	\$49,282,809
2020/21 - Collection @ 70% CL	\$1,584,000	\$58,086,727	\$50,866,809



# Athletic Injury Medical Expense Coverage Fund

## Target Surplus Funding Analysis at \$90,000 SIR

*Estimated at 6/30/19 (unaudited)*

Gross Premium (FY 18/19):	\$4,660,547
Maximum Retention:	\$90,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/19	\$2,571,560 <i>Expected, ULAE, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/19	\$2,700,138 <i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/19	\$3,657,344 <i>includes \$385,385 balance due on \$500,000 loan.</i>
Est. Funded Loss & ULAE @ 6/30/19	\$2,700,138 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$957,206

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 6:1	\$776,758	1.27
Surplus to Retention	> 5:1	\$450,000	40.64
O/S Reserve to Surplus	≤ 5:1	\$514,312	0.70

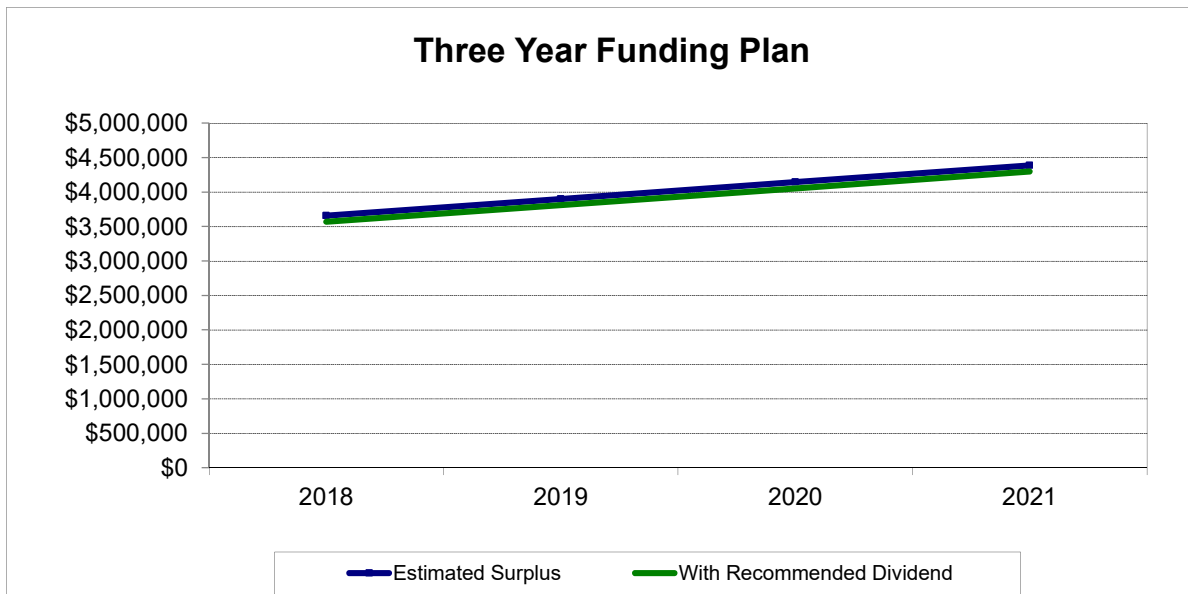
<b>Maximum Dividend Available:</b>	<b>\$180,448</b>
<b>Recommended Dividend 50%:</b>	<b>\$90,224</b>

### 2018/19 Pool Funding

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$4,055,700	-
at 70% Actuarial Confidence	1.060	\$4,299,042	\$243,342

### Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/18	N/A	\$3,657,344	\$3,567,120
2018/19 - Collection @ 70% CL	\$243,342	\$3,900,686	\$3,810,462
2019/20 - Collection @ 70% CL	\$243,342	\$4,144,028	\$4,053,804
2020/21 - Collection @ 70% CL	\$243,342	\$4,387,370	\$4,297,146



2018	Five Years Premium: FY 2013-18				Earned Dividend			Paid Dividend			Diff Total
	GL	WC	GL %	WC %	GL	WC	Total	GL	WC	Total	
Bakersfield	1,433,968	3,443,997	2.11%	1.97%	23,796	71,965	95,761	76,976	22,247	99,223	(3,462)
Channel Islands	2,002,112	3,517,582	2.95%	2.02%	33,224	73,502	106,726	107,475	22,722	130,197	(23,471)
Chico	2,649,686	6,405,912	3.90%	3.67%	43,970	133,856	177,826	142,237	41,379	183,616	(5,790)
Dominguez Hills	3,395,399	5,673,679	5.00%	3.25%	56,345	118,556	174,901	182,267	36,649	218,916	(44,015)
East Bay	2,740,259	8,426,174	4.03%	4.83%	45,473	176,071	221,544	147,099	54,429	201,528	20,016
Fresno	4,282,135	6,967,799	6.30%	3.99%	71,060	145,597	216,657	229,868	45,009	274,877	(58,220)
Fullerton	3,544,463	9,586,849	5.22%	5.49%	58,818	200,324	259,142	190,269	61,927	252,196	6,946
Humboldt	2,509,321	4,237,923	3.69%	2.43%	41,641	88,554	130,195	134,702	27,375	162,077	(31,882)
Long Beach	4,387,302	15,733,780	6.46%	9.01%	72,804	328,770	401,574	235,514	101,634	337,148	64,426
Los Angeles	2,581,816	11,315,577	3.80%	6.48%	42,844	236,447	279,291	138,594	73,094	211,688	67,603
Maritime Academy	973,340	900,578	1.43%	0.52%	16,152	18,818	34,970	52,250	5,817	58,067	(23,097)
Monterey Bay	1,228,989	3,145,084	1.81%	1.80%	20,394	65,719	86,113	65,973	20,316	86,289	(176)
Northridge	4,099,980	12,634,548	6.03%	7.24%	68,037	264,008	332,045	220,090	81,613	301,703	30,342
Pomona	3,071,176	11,902,050	4.52%	6.82%	50,965	248,702	299,667	164,863	76,882	241,745	57,922
Sacramento	3,543,135	7,632,387	5.21%	4.37%	58,796	159,484	218,280	190,198	49,302	239,500	(21,220)
San Bernardino	3,593,770	6,302,497	5.29%	3.61%	59,637	131,695	191,332	192,916	40,711	233,627	(42,295)
San Diego	2,943,322	13,322,922	4.33%	7.63%	48,843	278,392	327,235	158,000	86,060	244,060	83,175
San Francisco	3,186,501	11,900,744	4.69%	6.82%	52,878	248,675	301,553	171,054	76,873	247,927	53,626
San Jose	4,150,493	8,941,885	6.11%	5.12%	68,875	186,847	255,722	222,801	57,761	280,562	(24,840)
San Luis Obispo	3,233,301	9,463,183	4.76%	5.42%	53,655	197,740	251,395	173,566	61,128	234,694	16,701
San Marcos	1,906,533	3,070,690	2.81%	1.76%	31,638	64,164	95,802	102,344	19,835	122,179	(26,377)
Sonoma	2,549,501	3,817,640	3.75%	2.19%	42,308	79,772	122,080	136,859	24,660	161,519	(39,439)
Stanislaus	1,745,026	3,623,936	2.57%	2.08%	28,958	75,725	104,683	93,674	23,409	117,083	(12,400)
Chancellor's Office	2,194,045	2,583,498	3.23%	1.48%	36,409	53,984	90,393	117,778	16,688	134,466	(44,073)
<b>Total</b>	<b>\$67,945,573</b>	<b>\$174,550,914</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$1,127,520</b>	<b>\$3,647,367</b>	<b>\$4,774,887</b>	<b>\$3,647,367</b>	<b>\$1,127,520</b>	<b>\$4,774,887</b>	<b>\$0</b>

**9/7/18 EC**      **\$1,127,520**    **\$3,647,367**    **\$4,774,887**

2019	Five Years Premium: FY 2014-19				2019 Estimated Dividend			Correction for 2018	Net Dividend
	GL	WC	GL %	WC %	GL	WC	Total		
Bakersfield	1,308,087	3,713,792	1.84%	2.02%	0	145,772	145,772	(3,462)	142,310
Channel Islands	1,996,403	3,636,412	2.81%	1.98%	0	142,735	142,735	(23,471)	119,264
Chico	2,875,255	6,536,380	4.05%	3.55%	0	256,563	256,563	(5,790)	250,773
Dominguez Hills	3,107,268	5,933,829	4.37%	3.23%	0	232,912	232,912	(44,015)	188,897
East Bay	2,813,922	8,944,758	3.96%	4.86%	0	351,096	351,096	20,016	371,112
Fresno	3,229,046	7,138,325	4.55%	3.88%	0	280,191	280,191	(58,220)	221,971
Fullerton	4,218,418	10,331,161	5.94%	5.62%	0	405,515	405,515	6,946	412,461
Humboldt	2,376,689	4,400,177	3.35%	2.39%	0	172,714	172,714	(31,882)	140,832
Long Beach	4,336,941	16,675,980	6.11%	9.07%	0	654,559	654,559	64,426	718,985
Los Angeles	3,463,413	12,079,000	4.88%	6.57%	0	474,120	474,120	67,603	541,723
Maritime Academy	999,648	950,050	1.41%	0.52%	0	37,291	37,291	(23,097)	14,194
Monterey Bay	1,101,002	3,295,670	1.55%	1.79%	0	129,360	129,360	(176)	129,184
Northridge	4,741,815	13,809,787	6.68%	7.51%	0	542,056	542,056	30,342	572,398
Pomona	3,060,262	12,457,819	4.31%	6.77%	0	488,990	488,990	57,922	546,912
Sacramento	3,518,673	7,801,769	4.95%	4.24%	0	306,232	306,232	(21,220)	285,012
San Bernardino	3,771,622	6,629,951	5.31%	3.60%	0	260,236	260,236	(42,295)	217,941
San Diego	3,025,954	14,158,509	4.26%	7.70%	0	555,744	555,744	83,175	638,919
San Francisco	3,976,974	12,414,487	5.60%	6.75%	0	487,289	487,289	53,626	540,915
San Jose	4,421,801	9,292,249	6.23%	5.05%	0	364,736	364,736	(24,840)	339,896
San Luis Obispo	3,528,492	9,972,812	4.97%	5.42%	0	391,449	391,449	16,701	408,150
San Marcos	1,985,764	3,360,054	2.80%	1.83%	0	131,888	131,888	(26,377)	105,511
Sonoma	2,995,464	4,109,013	4.22%	2.23%	0	161,285	161,285	(39,439)	121,846
Stanislaus	1,848,633	3,648,561	2.60%	1.98%	0	143,212	143,212	(12,400)	130,812
Chancellor's Office	2,328,724	2,648,820	3.28%	1.44%	0	103,970	103,970	(44,073)	59,897
<b>Total</b>	<b>\$71,030,270</b>	<b>\$183,939,365</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$0</b>	<b>\$7,219,917</b>	<b>\$7,219,917</b>	<b>\$0</b>	<b>\$7,219,917</b>

**Estimated**      **\$0**    **\$7,219,917**    **\$7,219,917**



**CSURMA**

**POLICY AND PROCEDURE NO. 13**

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**ADOPTED:** OCTOBER 28, 2011

**EFFECTIVE:** OCTOBER 28, 2011

**REVISED:** APRIL 27, 2015

**SUBJECT:** CAMPUS RISK POOL PROGRAMS TARGET  
RESERVE FUNDING GOAL

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In an effort to assure the long term financial strength of the Campus Risk Pool Programs that include an element of self-insurance, the CSURMA Board of Directors 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 Board of Directors desires to establish a Target Reserve Funding Goal that will guide the CSURMA Executive Committee 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 Executive Committee and the MEMBER, the MEMORANDUMS OF COVERAGE and the PARTICIPATION AGREEMENTS will govern.*

**POLICY**

The Target Reserve Goal is hereby established to be, at a minimum, the actuarially determined expected liability (approximately 55% confidence level), discounted for investment. In evaluating the Programs’ funding position relative to the Target Reserve Funding Goal as a part of each year's ratemaking process, the Committee shall take into consideration the following ratios: Gross Premium to Unencumbered Reserve Ratio, Unencumbered Reserve to Pool Retention Ratio and Outstanding Reserves to Unencumbered Reserve Ratio.

The Committee may take action to set higher or lower confidence levels based on CSURMA’s goals to retain more or less risk. The Target Reserve Goal and Target Unencumbered Reserve Ratios described in this policy have been selected to take into account the nature of the Campus Risk Pool programs that include a relatively large and stable exposure and a single covered entity with substantial financial capacity.

**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, AIME 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, SAFECLIP, SPLIP and Crime

Programs have an annual aggregate retention, an actuarial analysis may not be performed. Also, no actuarial study is required for the IDL/NDL/UI Program as that program covers very short tail statutory benefits.

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

**Gross Premium to Unencumbered Reserve Ratio: Target <3:1**

This ratio is a measure of how the unencumbered reserves are leveraged against possible pricing inaccuracies. A low ratio is desirable.

**Unencumbered Reserve to Pool Retention Ratio: Target >1:1 (LIABILITY)  
Target >2:1 (WORKERS' COMP)**

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

**Outstanding Reserves to Unencumbered Reserve Ratio: Target ≤ 5:1**

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

- 3. Application of Target Surplus Criteria** – After an annual review of the Target Unencumbered Reserve Ratios, the Executive Committee will determine whether it is desirable to increase, decrease, or stabilize reserves. Their recommendations will be forwarded to the Board of Directors. If the Board of Directors desires to decrease reserves, it may approve a funding level below the 55% confidence level. Conversely, a funding decision above the 55% confidence level will indicate a bias toward increasing reserves. A determination to fund at the 55% confidence level will reflect the Executive Committee's desire to keep surplus at the current level.

Because the Property, SAFECLIP, SPLIP and Crime Programs have annual aggregate retentions, and therefore no actuarial study is performed, the Target Reserve Funding shall be the amount of funds that exceed the maximum liability retained by the program for the upcoming program year plus the expected value for all open claims from current and prior years. The Executive Committee will approve the annual funding for each program.

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

4. **Dividends** – Dividends may be available from the amount of reserves exceeding the Target Reserve amount established by the Executive Committee. The allocation of any dividend shall be pursuant to the formula approved by the Executive Committee.
  
5. **Assessments** – Assessments may be required when the Executive Committee determines that the amount of reserves is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the formula approved by the Executive Committee.

**MEMBER APPEAL PROCESS**

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 within 30 days of the disputed decision. The Secretary shall place the Member’s appeal on the Executive Committee’s agenda at its next regularly scheduled meeting. The Executive 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 Executive Committee’s decision, the Member will notify the CSURMA Secretary in writing within 5 business days of receipt of the Executive 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:**

**CSURMA EXECUTIVE COMMITTEE** – The California State University Risk Management Authority Executive Committee, a committee of the CSURMA providing management and oversight to the CSURMA. The Executive Committee is comprised of the Chair, the Vice Chair, and seven “At Large” members.

**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.

**FY 2020/21 RATES AND GROSS FUNDING  
 CAMPUS COVERAGE PROGRAMS**

**ISSUE:** Upon the recommendation of the Executive Committee, the Board of Directors adopts rates and funding for the upcoming fiscal year at its Fall meeting. Staff has prepared FY 2020/21 funding recommendations for the Campus coverage programs using the draft actuarial reports completed August 2019.

Campus Liability include premium deposits for the Student Professional Liability Insurance Program (*SPLIP*), Student Academic Field Experience for Credit Liability Insurance Program (*SAFECLIP*) and the new Club Liability Insurance Program (*CLIP*). Campus Property include premium deposits for Blanket Employee Fidelity, Cyber Risk, Fine Arts Artifacts & Archives (*FAAAP*), and earthquake insurance. Automobile Liability is self-insured by the State Motor Vehicle Insurance Account (*MVIA*), whose cost is determined by the Office of Risk and Insurance Management (*ORIM*). The costs for the purchased insurance programs (*SPLIP*, *SAFECLIP*, *Property*, *Fidelity*, and *Cyber*) are estimates at this time since actual rates will not be known until negotiations are finalized in June 2020.

The following summarizes total program costs, with individual campus costs shown in the attachments to this item:

**Campus Coverage Programs  
 FY 2020/21 Proposed Gross Funding**

Coverage Program	FY 19/20 Approved	FY 20/21 Proposed	\$ Chg	% Chg
Liability	\$18,605,268	\$23,335,193	\$4,729,925	25.4%
Workers' Compensation	40,781,992	40,946,923	164,931	0.4%
IDL/NDI/UI	16,800,000	17,304,000	504,000	3.0%
Property	11,381,659	13,962,468	2,580,809	22.7%
AIME	4,760,949	4,965,335	204,386	4.3%
Automobile Liability	1,408,547	1,055,497	(353,050)	-25.1%
<b>Total</b>	<b>\$93,738,415</b>	<b>\$101,569,416</b>	<b>\$7,831,001</b>	<b>8.4%</b>
Liability funding is undiscounted for anticipated investment income.				
Workers' Compensation is discounted for anticipated investment income.				

**RECOMMENDATION:** The Executive Committee is asked to review and recommend to the Board of Directors adoption of the Campus coverage programs funding for FY 2020/21 as presented above. The Executive Committee's recent practice has been to recommend funding of the Liability program at rates undiscounted for anticipated investment income, and funding of the Workers' Compensation program at discounted rates, with authority delegated by the Board of Directors for the Executive Committee to finalize funding on either a discounted or undiscounted basis when it meets in the spring.

**FISCAL IMPACT:** Calculations of the recommended funding for the Campus coverage programs are in accordance with the policies and procedures and rating plans adopted and approved by the Board of Directors.

**BACKGROUND:** CSURMA employs an independent actuary, Aon Risk Consultants, to project claim costs for its General / Errors & Omissions Liability, Workers' Compensation and Athletic Injury Medical Expense programs. The actuary's reports dated August 2019 were used to calculate funding proposals for FY 2020/21.

The Executive Committee is asked to focus on the aggregate program funding issues at this time. Campuses should contact Rob Leong (415-403-1441) for any specific questions as to how their cost was calculated.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 2020/21 Campus Coverage Programs Proposed Funding (*Draft*)
- b. Policy & Procedure No.7 – Self-Insured Program Funding

**CSURMA RISK POOL FY 2020/21**  
**Total Program Cost**

<i>Campus</i>	<i>Adopted FY 19/20</i>	<i>Proposed FY 20/21</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$1,750,255	\$1,860,075	\$109,820	6.3%
Channel Islands	1,981,612	2,053,352	71,740	3.6%
Chico	3,139,882	3,350,775	210,893	6.7%
Dominguez Hills	3,075,057	3,757,572	682,515	22.2%
East Bay	3,408,842	3,345,819	(63,023)	-1.8%
Fresno	3,862,021	4,311,329	449,308	11.6%
Fullerton	6,081,516	6,761,301	679,785	11.2%
Humboldt	2,479,343	2,475,672	(3,671)	-0.1%
Long Beach	6,167,535	6,981,166	813,631	13.2%
Los Angeles	5,780,532	6,333,978	553,446	9.6%
Maritime Academy	692,181	804,287	112,106	16.2%
Monterey Bay	1,784,246	1,758,656	(25,590)	-1.4%
Northridge	7,701,478	8,022,328	320,850	4.2%
Pomona	4,534,860	4,795,516	260,656	5.7%
Sacramento	4,819,948	5,167,867	347,919	7.2%
San Bernardino	3,819,110	4,511,700	692,590	18.1%
San Diego	5,984,051	5,560,052	(423,999)	-7.1%
San Francisco	7,182,803	8,299,904	1,117,101	15.6%
San Jose	5,907,224	6,699,087	791,863	13.4%
San Luis Obispo	5,178,629	5,563,822	385,193	7.4%
San Marcos	2,175,508	2,438,660	263,152	12.1%
Sonoma	3,272,219	3,682,644	410,425	12.5%
Stanislaus	1,772,681	1,740,251	(32,430)	-1.8%
Chancellor's Office	1,186,882	1,293,603	106,721	9.0%
<b>Total:</b>	<b>\$93,738,415</b>	<b>\$101,569,416</b>	<b>\$7,831,001</b>	<b>8.4%</b>

**CSURMA RISK POOL FY 2020/21  
Liability Program Cost**

<i>Campus</i>	<i>Adopted FY 19/20 undiscounted</i>	<i>Proposed FY 20/21 undiscounted</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$276,379	\$319,862	\$43,483	15.7%
Channel Islands	359,342	413,499	54,157	15.1%
Chico	736,170	799,693	63,523	8.6%
Dominguez Hills	536,862	918,316	381,454	71.1%
East Bay	424,188	409,480	(14,708)	-3.5%
Fresno	586,448	873,932	287,484	49.0%
Fullerton	1,688,230	2,076,858	388,628	23.0%
Humboldt	403,976	363,755	(40,221)	-10.0%
Long Beach	651,685	823,018	171,333	26.3%
Los Angeles	1,493,288	1,954,476	461,188	30.9%
Maritime Academy	163,690	192,528	28,838	17.6%
Monterey Bay	300,423	334,440	34,017	11.3%
Northridge	1,337,318	1,426,765	89,447	6.7%
Pomona	625,529	733,347	107,818	17.2%
Sacramento	811,193	770,597	(40,596)	-5.0%
San Bernardino	1,113,334	1,451,704	338,370	30.4%
San Diego	723,084	881,765	158,681	21.9%
San Francisco	2,147,255	3,041,462	894,207	41.6%
San Jose	1,084,313	1,474,472	390,159	36.0%
San Luis Obispo	675,923	1,036,738	360,815	53.4%
San Marcos	447,177	614,158	166,981	37.3%
Sonoma	1,182,073	1,510,991	328,918	27.8%
Stanislaus	372,722	341,018	(31,704)	-8.5%
Chancellor's Office	464,666	572,319	107,653	23.2%
<b>Total:</b>	<b>\$18,605,268</b>	<b>\$23,335,193</b>	<b>\$4,729,925</b>	<b>25.4%</b>

SPLIP, SAFECLIP included in above.

Club Liability Insurance Program (CLIP) began 7/1/18. Funding begins FY 19/20.

**CSURMA RISK POOL FY 2020/21  
Workers' Compensation Program Cost**

<i>Campus</i>	<i>Adopted FY 19/20 discounted</i>	<i>Proposed FY 20/21 discounted</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$805,407	\$803,913	(\$1,494)	-0.2%
Channel Islands	864,316	832,294	(32,022)	-3.7%
Chico	1,370,715	1,393,776	23,061	1.7%
Dominguez Hills	1,397,399	1,580,445	183,046	13.1%
East Bay	1,789,708	1,655,627	(134,081)	-7.5%
Fresno	1,593,721	1,649,147	55,426	3.5%
Fullerton	2,506,200	2,529,218	23,018	0.9%
Humboldt	1,029,524	1,021,345	(8,179)	-0.8%
Long Beach	3,164,813	3,437,719	272,906	8.6%
Los Angeles	2,724,279	2,613,661	(110,618)	-4.1%
Maritime Academy	274,573	331,040	56,467	20.6%
Monterey Bay	680,731	659,205	(21,526)	-3.2%
Northridge	3,526,073	3,375,323	(150,750)	-4.3%
Pomona	2,538,962	2,458,170	(80,792)	-3.2%
Sacramento	1,780,785	1,897,974	117,189	6.6%
San Bernardino	1,527,120	1,789,168	262,048	17.2%
San Diego	2,969,935	2,420,364	(549,571)	-18.5%
San Francisco	2,799,396	2,926,250	126,854	4.5%
San Jose	2,024,177	2,027,651	3,474	0.2%
San Luis Obispo	2,344,388	2,341,928	(2,460)	-0.1%
San Marcos	807,441	862,315	54,874	6.8%
Sonoma	915,510	954,428	38,918	4.3%
Stanislaus	761,118	807,889	46,771	6.1%
Chancellor's Office	585,701	578,073	(7,628)	-1.3%
<b>Total:</b>	<b>\$40,781,992</b>	<b>\$40,946,923</b>	<b>\$164,931</b>	<b>0.4%</b>

**CSURMA RISK POOL FY 2020/21  
IDL/NDI/UI Program Cost**

<i>Campus</i>	<i>Adjusted FY 19/20</i>	<i>Adjusted FY 20/21</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$226,497	\$215,608	(\$10,889)	-4.8%
Channel Islands	467,004	479,273	12,269	2.6%
Chico	488,081	536,429	48,348	9.9%
Dominguez Hills	559,666	618,627	58,961	10.5%
East Bay	706,781	721,723	14,942	2.1%
Fresno	540,434	569,741	29,307	5.4%
Fullerton	1,024,926	1,084,397	59,471	5.8%
Humboldt	613,125	624,687	11,562	1.9%
Long Beach	1,307,257	1,367,417	60,160	4.6%
Los Angeles	842,975	904,160	61,185	7.3%
Maritime Academy	161,588	177,469	15,881	9.8%
Monterey Bay	427,376	439,300	11,924	2.8%
Northridge	1,561,741	1,724,034	162,293	10.4%
Pomona	711,662	722,209	10,547	1.5%
Sacramento	828,756	882,117	53,361	6.4%
San Bernardino	678,925	652,973	(25,952)	-3.8%
San Diego	774,146	739,014	(35,132)	-4.5%
San Francisco	1,177,200	1,130,209	(46,991)	-4.0%
San Jose	1,191,448	1,199,780	8,332	0.7%
San Luis Obispo	960,275	978,964	18,689	1.9%
San Marcos	502,219	535,738	33,519	6.7%
Sonoma	625,548	594,933	(30,615)	-4.9%
Stanislaus	330,086	314,620	(15,466)	-4.7%
Chancellor's Office	92,284	90,578	(1,706)	-1.8%
<b>Total:</b>	<b>\$16,800,000</b>	<b>\$17,304,000</b>	<b>\$504,000</b>	<b>3.0%</b>

Industrial Disability Leave, Nonindustrial Disability Insurance, Unemployment Insurance

**CSURMA RISK POOL FY 2020/21  
Property Program Cost**

<i>Campus</i>	<i>Adjusted FY 19/20</i>	<i>Adjusted FY 20/21</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$182,743	\$202,095	\$19,352	10.6%
Channel Islands	240,506	291,457	50,951	21.2%
Chico	449,504	541,491	91,987	20.5%
Dominguez Hills	225,404	265,548	40,144	17.8%
East Bay	398,962	479,787	80,825	20.3%
Fresno	503,710	608,703	104,993	20.8%
Fullerton	626,684	759,131	132,447	21.1%
Humboldt	321,065	387,978	66,913	20.8%
Long Beach	718,593	921,630	203,037	28.3%
Los Angeles	587,412	754,504	167,092	28.4%
Maritime Academy	58,176	75,124	16,948	29.1%
Monterey Bay	201,029	206,250	5,221	2.6%
Northridge	867,317	1,044,770	177,453	20.5%
Pomona	534,459	763,946	229,487	42.9%
Sacramento	612,504	767,003	154,499	25.2%
San Bernardino	390,403	531,000	140,597	36.0%
San Diego	908,723	1,028,065	119,342	13.1%
San Francisco	937,703	1,107,964	170,261	18.2%
San Jose	1,092,660	1,409,570	316,910	29.0%
San Luis Obispo	607,945	708,886	100,941	16.6%
San Marcos	264,526	319,954	55,428	21.0%
Sonoma	415,694	528,626	112,932	27.2%
Stanislaus	192,260	206,758	14,498	7.5%
Chancellor's Office	43,677	52,228	8,551	19.6%
<b>Total:</b>	<b>\$11,381,659</b>	<b>\$13,962,468</b>	<b>\$2,580,809</b>	<b>22.7%</b>

Beginning FY 17/18, SPWB facilities are campus responsibility as the "Systemwide" central fu has been dissolved.

Does not include adjustments due to addition/deletions of buildings.

Includes Crime (Fidelity), Cyber Risks. Fine Arts

**CSURMA RISK POOL FY 2020/21**  
**Athletic Injury Medical Expense Program Cost**  
**(AIME)**

<i>Campus</i>	<i>Adopted FY 19/20</i>	<i>Proposed FY 20/21</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$210,171	\$289,660	\$79,489	37.8%
Channel Islands				
Chico	45,245	42,962	(2,283)	-5.0%
Dominguez Hills	319,418	348,127	28,709	9.0%
East Bay	51,232	51,277	45	0.1%
Fresno	511,876	517,531	5,655	1.1%
Fullerton	162,305	257,668	95,363	58.8%
Humboldt	66,198	53,017	(13,181)	-19.9%
Long Beach	237,326	362,580	125,254	52.8%
Los Angeles	92,666	73,586	(19,080)	-20.6%
Maritime Academy	21,404	21,448	44	0.2%
Monterey Bay	147,525	96,797	(50,728)	-34.4%
Northridge	340,292	393,157	52,865	15.5%
Pomona	49,414	60,172	10,758	21.8%
Sacramento	713,816	796,754	82,938	11.6%
San Bernardino	41,700	40,110	(1,590)	-3.8%
San Diego	531,111	433,172	(97,939)	-18.4%
San Francisco	87,435	55,166	(32,269)	-36.9%
San Jose	442,563	534,394	91,831	20.7%
San Luis Obispo	424,078	374,069	(50,009)	-11.8%
San Marcos	107,581	67,238	(40,343)	-37.5%
Sonoma	79,901	53,802	(26,099)	-32.7%
Stanislaus	77,692	42,648	(35,044)	-45.1%
Chancellor's Office				
<b>Total:</b>	<b>\$4,760,949</b>	<b>\$4,965,335</b>	<b>\$204,386</b>	<b>4.3%</b>

**CSURMA RISK POOL FY 2020/21  
Auto Liability (VELSIP) Program Cost**

<i>Campus</i>	<i>Adopted FY 19/20</i>	<i>Proposed FY 20/21</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$49,058	\$28,937	(\$20,121)	-41.0%
Channel Islands	50,444	36,829	(13,615)	-27.0%
Chico	50,167	36,424	(13,743)	-27.4%
Dominguez Hills	36,308	26,509	(9,799)	-27.0%
East Bay	37,971	27,925	(10,046)	-26.5%
Fresno	125,832	92,275	(33,557)	-26.7%
Fullerton	73,171	54,029	(19,142)	-26.2%
Humboldt	45,455	24,890	(20,565)	-45.2%
Long Beach	87,861	68,802	(19,059)	-21.7%
Los Angeles	39,912	33,591	(6,321)	-15.8%
Maritime Academy	12,750	6,678	(6,072)	-47.6%
Monterey Bay	27,162	22,664	(4,498)	-16.6%
Northridge	68,737	58,279	(10,458)	-15.2%
Pomona	74,834	57,672	(17,162)	-22.9%
Sacramento	72,894	53,422	(19,472)	-26.7%
San Bernardino	67,628	46,745	(20,883)	-30.9%
San Diego	77,052	57,672	(19,380)	-25.2%
San Francisco	33,814	38,853	5,039	14.9%
San Jose	72,063	53,220	(18,843)	-26.1%
San Luis Obispo	166,020	123,237	(42,783)	-25.8%
San Marcos	46,564	39,257	(7,307)	-15.7%
Sonoma	53,493	39,864	(13,629)	-25.5%
Stanislaus	38,803	27,318	(11,485)	-29.6%
Chancellor's Office	554	405	(149)	-26.9%
<b>Total:</b>	<b>\$1,408,547</b>	<b>\$1,055,497</b>	<b>(\$353,050)</b>	<b>-25.1%</b>

**Allocated per reported Fleet count submitted to Chancellor's Office and DGS.**

Auto Liability is managed by the State Vehicle Liability Self-Insurance Program (VELSIP), which which also determines the program's total cost each year.



## **CSURMA**

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

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**EFFECTIVE:** JANUARY 1, 2000  
**REVISED:** APRIL 27, 2015  
**SUBJECT:** SELF-INSURED PROGRAM FUNDING

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### **ISSUE:**

The CSURMA operate various self-insured coverage programs. Generally, these programs include a primary layer of pooling, with excess and reinsurance coverage. Each program is responsible for all costs generated by that program, as well as a proportionate share of the JPA's general administrative costs. It is important that each self-insured program be properly funded to satisfy its liabilities. This policy and procedure continues the policy adopted by the CSURMA Board of Directors on April 24, 1997.

### **POLICY STATEMENT:**

It is the policy of the CSURMA that each self-insured program shall establish budgets with a goal of full funding, including a reasonable risk margin. Such funding shall be determined by the Executive Committee as a part of each year's annual budget based upon the recommendations of a professional actuary and staff.

### **PROCEDURE:**

CSURMA staff is responsible for developing draft budgets for each of the self-insured programs for each fiscal year. As a part of the budget development, staff will work with the CSU and its actuary to determine projected liabilities for the CSURMA's self-insured programs. The actuary's reports shall be used by staff and the Executive Committee to develop recommended rates and funding for each self-insured program.

It is the policy of the CSURMA to fund fully the self-insured programs. Adopted funding shall include sufficient funds projected to pay the following cost elements:

- Administrative expenses shall be funded on a cash basis for each program year;
- Prior year cash deficits (if any) shall be funded on a cash basis;
- Prior years' claims payable shall be funded on a cash basis to the extent accrued reserves do not amount to full funding;
- Current year expected liabilities shall be funded on an accrual (incurred) basis; and
- At such time as all outstanding liabilities are fully funded, a reasonable risk margin shall be funded.



## **CSURMA**

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

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Staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' funding status in accordance with this Policy & Procedure No. 7.

## **CAMPUS RISK POOLS RATING PLANS TASK GROUP**

**ISSUE:** The Executive Committee established the Rating Plans Task Groups (*RPTG*) to review and recommend refinements to the cost allocation formulas for the Campus risk pools, if any. Additionally, the RPTG was tasked to review the recommendations produced by the coverage counsel hired by CSURMA, whose objective was to ensure CSURMA's Memorandums of Liability Coverage (*MOCs*) remain responsive to member needs.

The RPTG met on July 29, 2019 and August 20, 2019. RPTG members and staff will provide a report on the task group's findings and recommendations at today's meeting. Final adoption of any proposed amendments to the rating plans and MOCs are to be referred to the Board of Directors for approval.

**RECOMMENDATION:** The Executive Committee is asked to review the Rating Plans Task Group's recommendations and take action as it deems appropriate.

**FISCAL IMPACT:** None. The rating plans serve to distribute budgeted costs to members using calculation formulas approved by the Board of Directors. Proposed amendments to the coverage forms may impact required funding in the future, which is dependent on loss experience.

**BACKGROUND:**

**PUBLICATIONS:** None

**ATTACHMENT(S):**

- a. 2019 Campus Programs Rating Plans Task Group Report (*draft*)

# Campus Risk Pools

## Rating Plans Task Group Report

*Draft Report*

August 20, 2019

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## I. EXECUTIVE SUMMARY

### A. Task Group Assignment and Responsibility

The Executive Committee established the Rating Plans Task Group (*RPTG*) on January 13, 2019 to review CSURMA's funding policies and rating plans for the Campus risk pools and to explore possible refinements to the rating formulas as may be desired for the good of the membership. The RPTG was also tasked with a review of the Liability Memorandums of Coverage (*MOCs*) to ensure the coverage documents remain responsive to member needs, with a comparison to coverage forms in use by other public entity risk pools, commercial insurers and reinsurers.

The RPTG's recommendations for amendments to the funding policies and rating plans, if any, are to be used for calculating the annual contributions for each Campus member for the next three fiscal periods beginning July 1, 2020. The RPTG's findings and recommendations may be presented to the CSU Chief Administrators & Business Officers (*CABO*) on October 22-23, 2019 as a matter of information, and will be presented to the Board of Directors for adoption at its meeting on November 8, 2019.

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

1. Workers' Compensation
2. General/Errors & Omissions Liability
3. Industrial Disability Leave, Non-Industrial Disability Leave, Unemployment Insurance (*IDL/NDI/UI*)
4. Property
5. Automobile Liability
6. Athletic Injury Medical Expense (*AIME*)

#### *AORMA Coverage Programs*

The RPTG did not review the rating plans of the Auxiliary Organizations Risk Management Alliance (*AORMA*) nor its Liability Memorandum of Coverage because responsibility for the auxiliary organizations coverage plans have been delegated to the AORMA Committee, who develops and oversees the coverage terms and rating plans for all AORMA programs.

## **B. Task Group Members**

### 1. The 2019 RPTG consisted of:

- Kevin Saunders - *Vice President, Administration & Finance (RPTG Chair)*  
*CSU Monterey Bay, CSURMA Executive Committee Member*
- Scott Apel - *Vice President, Administration & Finance*  
*CSU Long Beach, CSURMA Executive Committee Member*
- Thom Davis - *Vice President, Business & Administration*  
*CSU Bakersfield, CSURMA Executive Committee Member*
- Lisa Kao - *Associate Director, EH&S, Risk Management & Sustainability*  
*CSU Fresno, CSURMA Executive Committee Member*
- Zachary Gifford - *Director, Systemwide Risk Management*  
*CSU Office of the Chancellor; CSURMA Secretary-Auditor*

### 2. The 2019 RPTG was staffed by:

- Daniel Howell - *Senior Executive Vice President, Alliant Insurance Services*  
*CSURMA Program Director*
- Robert Leong - *First Vice President, Alliant Insurance Services*  
*CSURMA Program Administrator*
- Susan Leung - *Vice President, Alliant Insurance Services*  
*CSURMA Program Administrator*

## **II. BACKGROUND**

### **A. Purpose**

The RPTG was tasked with a thorough review of the funding policies and rating plans for the following Campus coverage programs:

1. Workers' Compensation
2. General/Errors & Omissions Liability
3. Property
4. Industrial Disability Leave, Non-Industrial Disability Leave  
Unemployment Insurance (*IDL/NDI/UI*)

5. Automobile Liability
6. Athletic Injury Medical Expense (*AIME*)

The current rating plans used by CSURMA were developed and adopted in 1994, and reviewed and modified in 1998, 2001, 2004, 2007, 2010, 2013, and 2016.

It had been agreed following the last rating plan review that the rating plans would be reviewed again in 2019. A review is appropriate at this time because Campuses are eligible to change their Liability program deductibles every three years. The next deductible selection opportunity will be effective July 1, 2020.

## **B. Meetings**

The RPTG held two meetings. The initial meeting was held on July 29, 2019 at CSU Long Beach. This meeting focused on reviewing the current rating plans and the Liability Memorandums of Coverage, and to explore refinements of each for further consideration by the task group. A second meeting was held on August 20, 2019 via a teleconference. The second meeting followed up with a review of the suggested changes to the rating plans, liability deductible factors, coverage memorandums, finalization of its recommendations to the Executive Committee, and approval of the draft RPTG report.

## **C. Rating Plans Philosophy**

At its meeting on July 29, 2019, the RPTG reaffirmed the goal of the CSURMA rating plans to balance Campus accountability for performance with the need for rate stability. Accountability is needed to encourage Campus loss control efforts. Rate stability is a goal so that Campuses can project annual costs for budget preparation and management purposes. Overall, the rating plans should fairly allocate the costs of the programs to the Campuses.

## **D. Fiscal Impact**

The RPTG's findings and recommendations *will not affect aggregate funding* of the Campus coverage programs. Aggregate funding is based on an independent actuarial analysis, which develops cost projections for the General/E&O Liability, Workers' Compensation, and Athletic Injury Medical Expense (*AIME*) risk pools. Aggregate funding for all other coverage programs are based on actual expenditures for the coverage layers retained by the respective risk pools, and includes insurance, claims, and operating expenses.

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

The projected costs for the coverages, along with the funding policy adopted by the Board of Directors, are reviewed annually by the Executive Committee, presented to the Chief Administrative & Business Officers (*CABO*), and referred to the Board of Directors with a recommendation for the Board to adopt the proposed annual costs. The Board also retains authority to approve and adopt changes to the rating plans and the coverage forms.

### III. FINDINGS

#### A. Pooled Programs Funding Status

At its March 7-8, 2019 Long Range Planning meeting, the Executive Committee reviewed the funding status for the Workers' Compensation, General/E&O Liability and AIME risk pools. The review was based on the interim financial statements as of December 31, 2018 prepared by CSURMA Accounting, and projected to fiscal year ending June 30, 2019 by the Program Administrator.

The Board of Directors adopted a policy to fund the programs at the actuary's expected loss level, which ranges between 50%-55% actuarial confidence for each coverage program respectively. The Executive Committee found the fund balance projected to June 30, 2019 exceeded the amount necessary for funding at the 70% actuarial confidence level, which as a matter of practice is CSURMA's Target Equity. Target Equity provides additional funds in excess of the actuary's expected loss estimates to allow funding for a risk margin.

#### B. Target Equity

At its March 7-8, 2019 Long Range Planning meeting, the Executive Committee determined a final evaluation of the pooled programs funding status in relation to CSURMA's Target Equity shall be made upon a review of the audited financial statements at June 30, 2019 and the updated actuarial projections, at which time a dividend may be declared. The final review is to include the independent actuarial studies completed for the valuation of the estimated outstanding claim liabilities at June 30, 2019, and expected recoveries from reinsurance and member deductibles.

## C. Overall Review

### 1. Rating Plans

The rating plans were developed in 1994 and reviewed in 1998, 2001, 2004, 2007, 2010, 2013, and 2016. The RPTG recommended modifications in 1998, 2001, 2004, 2013, and 2016, which were approved by the Executive Committee and adopted by the Board of Directors. No modifications to the rating plans were recommended in 2007 nor 2010.

For this 2019 review, the RPTG found the current rating plans are fair and achieve program objectives, and recommends continuing the rating plans without alteration.

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

### 2. Liability Memoranda of Coverage

CSURMA engaged independent counsel, Byrne Conley of Gibbons & Conley – Attorneys at Law, to review CSURMA's Liability Memorandums of Coverage (*MOCs*) for Campus Liability, AORMA Liability and Liability Reinsurance. The objectives of this engagement was to compare CSURMA's coverage documents to the coverage forms in use by other risk pools in the state, and to propose recommendations for improvement, if any, with due consideration of current and emerging case law and legislation.

Counsel's recommendations for all Liability MOCs are summarized in a letter dated July 26, 2019 and attached as Appendix G. The RPTG reviewed counsel's recommendations for the Campus Liability MOC and the Liability Reinsurance MOC, and delegated the review of the AORMA Liability MOC to the AORMA Committee.

The RPTG found counsel's recommendations to be beneficial and thusly recommended certain edits to the Campus Liability MOC and the Liability Reinsurance MOC described respectively in Appendix H (*Campus Liability MOC*) and Appendix I (*Liability Reinsurance MOC*).

## IV. RECOMMENDATIONS

### A. FUNDING POLICY

- F-1.** At its March 7-8, 2019 Long Range Planning meeting, the Executive Committee found the goals of the CSURMA Policy & Procedure No. 7 “Self-Insured Program Funding” have been achieved and no changes were needed.

The RPTG recommends the funding for future program years be continued in accordance with Policy & Procedure No. 7.

### B. RATING PLANS

#### 1. WORKERS’ COMPENSATION

- WC-1** The RPTG reviewed the current rating formula for Workers’ Compensation, which uses an algorithm based on Actual Payroll, and an Experience Modification Factor (*X-Mod*) calculated from actual claim payments made in each of the past five fiscal years by Campus, without limitation (*i.e.*, no “loss collars”).

The RPTG finds the present rating formula remains consistent with CSURMA’s rating philosophy and achieves the primary rating goals of fairness and budget stability for all members.

The RPTG recommends maintaining the current Workers’ Compensation rating plan without alteration.

#### 2. GENERAL/ERRORS & OMISSIONS LIABILITY

- L-1** The RPTG reviewed the current rating formula for General/E&O Liability, uses an algorithm based on Actual Payroll and an Experience Modification Factor (*X-Mod*) calculated from actual claim payments made in each of the past five fiscal years by Campus, limited by \$35,000 per occurrence minimum to \$500,000 per occurrence maximum (*i.e.*, “collared losses”).

The RPTG discussed the cost for the new Club Liability Insurance Program (*CLIP*) could better correlated to Enrollment (*Full-time Equivalent Students*) rather than Payroll as an allocation method, however the cost difference among members was determined to be

insignificant and deemed administratively unworthy of an additional rating basis. Highlights of the analysis for each Campus is attached as Appendix E (*Club Liability Cost Allocation Basis*).

The RPTG finds the present rating formula remains consistent with CSURMA's rating philosophy and achieves the primary rating goals of fairness and budget stability for all members.

The RPTG recommends maintaining the current rating plan for General/E&O Liability without alteration.

- L-2** The RPTG recommends adjusting the Liability Deductible Credit Factors per the actuary's recommendation dated August 13, 2019 beginning with FY 20/21 rates. For comparative analysis, the new deductible credit factors would have increased FY 19/20 program funding by \$1,506,042 (+8.09%) at present Campus deductible selections. The effect of the Liability Deductible Credit Factors on FY 19/20 rates by campus are highlighted in Appendix F (*Liability Deductible Credit Factors Analysis*).

The RPTG recommends the Executive Committee review the deductible options in light of program integrity, with the thought of increasing the minimum deductible option from \$35,000 per Occurrence to \$50,000 per occurrence, and to direct another review of the deductible options at the next RPTG review in 2022.

The RPTG reaffirms self-supporting funds continue to have a \$35,000 deductible regardless of the deductible selected by the Campuses.

### **3. INDUSTRIAL DISABILITY LEAVE, NONINDUSTRIAL DISABILITY LEAVE, UNEMPLOYMENT INSURANCE (IDL/NDI/UI)**

- IDL-1** The RPTG reviewed the current rating formula for IDL/NDI/UI, which is a "banking plan" wherein Campuses pay a proportionate share of total costs based on a five year rolling average of actual expenditures by Campus as a percentage of total expenditures for the group.

The RPTG finds the present rating formula remains consistent with CSURMA's rating philosophy and achieves the primary rating goals of fairness and budget stability for all members.

The RPTG recommends maintaining the current rating plan for IDL/NDI/UI without alteration.

#### **4. PROPERTY**

**P-1** The RPTG reviewed the current rating formula for Property, which calculates deposit contributions based on each members' Total Insured Values (*TIV*) and selected deductible. Property deposit contributions include funding for Cyber Risk, Employee Fidelity (*Crime*), Fine Arts, Flood (*NFIP*), Pollution, and Earthquake. NFIP is charged to the specific campus where the coverage is necessary. Crime is allocated per member's payroll.

The RPTG finds the present rating formula remains consistent with CSURMA's rating philosophy and achieves the primary rating goals of fairness and budget stability for all members.

The RPTG recommends maintaining the current rating plan for Property without alteration.

#### **5. AUTOMOBILE LIABILITY**

**AL-1** The RPTG reviewed the current rating formula for Automobile Liability, whose total cost is determined by the annual allocation of the State Motor Vehicle Insurance Account (*MVIA*) to the State University. The member's share of MVIA costs is calculated as a percentage of vehicle counts tabulated by the Chancellor's Office. Since MVIA's allocation is issued after CSURMA has completed deposit calculations for the upcoming year, the Automobile Liability deposit calculation is based on MVIA's prior year's allocation; i.e., CSURMA rates are one year in arrears.

The RPTG finds the present rating formula remains consistent with CSURMA's rating philosophy and achieves the primary rating goals of fairness and budget stability for all members.

The RPTG recommends maintaining the current rating plan for Automobile Liability without alteration.

## 6. ATHLETIC INJURY MEDICAL EXPENSE (AIME)

**AI-1** The RPTG reviewed AIME's rating plan, which is an algorithm based on number of participants by sport by gender by campus. Loss rates are developed by an independent actuary and the deposit premium is calculated for each member based on the member's actual claims activity over a rolling five year period.

The RPTG finds the present rating formula remains consistent with CSURMA's rating philosophy and achieves the primary rating goals of fairness and budget stability for all members.

Authority for AIME's rating plan had been delegated to the AIME Committee. The RPTG recommends to continue the delegation of authority for the AIME Committee to review and manage the AIME risk pool rating plan.

## C. **LIABILITY MEMORANDUMS OF COVERAGE (*Liability MOCs*)**

The Liability MOCs included for coverage counsel's review are:

- a. Campus Liability MOC: covers all 23 CSU campuses and the Chancellor's Office.
- b. AORMA Liability MOC: covers all CSU Auxiliary Organizations who have been accepted as covered members.
- c. Liability Reinsurance MOC: the coverage agreement used by the first excess layer excess/reinsurers to define their layer of coverage.

The RPTG reviewed coverage counsel's findings and recommendations, which are summarized in a letter dated July 26, 2019 and included as Appendix G. The RPTG's response to counsel's recommendations are highlighted in edits to the respective MOCs, and are included herein as Appendix H (*Campus Liability MOC*) and Appendix I (*Liability Reinsurance MOC*). CSURMA's General Counsel will be directed to make a final review before edits are finalized for adoption by the Board of Directors, which are to become effective July 1, 2020.

The RPTG recommends the Executive Committee review and approve proposed edits to the MOCs described in Appendix H (*Campus Liability MOC*) and Appendix I (*Liability Reinsurance MOC*), making changes as it deems

appropriate, and make a recommendation that the Board of Directors adopt the edits at the Board's next meeting.

The RPTG did not review counsel's recommendations for the AORMA Liability MOC, rather the RPTG delegated its review to the AORMA Committee.

## V. GENERAL RECOMMENDATION

**G-1** The RPTG recommends that a comprehensive review of the rating plans be initiated in Spring 2022 so that appropriate changes can be considered before adoption of the rates for 2023/24.

## VI. CONCLUSION

The RPTG's evaluation of the rating plans has reaffirmed the plans' core appropriateness and effectiveness in determining each member's fair share of the CSU's cost for coverage. The RPTG recommends maintaining all present rating plans without alteration, which is expected to continue to benefit CSU in the long run. To the extent aggregate funding levels remain stable, it is expected that members will not see significant cost fluctuations except to the extent their own loss experience impacts their cost.

The RPTG recommends the Executive Committee:

1. Continue all rating plans without alteration.
2. Delegate authority to the AIME Committee to review and manage the AIME risk pool rating plan.
3. Approve Liability Deductible Credit Factors per actuary's letter dated August 13, 2019.
4. Consider increasing the minimum deductible option from \$35,000 each Occurrence to \$50,000 each Occurrence.
5. Approve edits to the Campus Liability MOC and Liability Reinsurance MOC as presented in Appendix H (*Campus Liability MOC*) and Appendix I (*Liability Reinsurance MOC*) with changes it deems appropriate, and
6. Forward all proposed changes to the Board of Directions for adoption.

## Appendix A

### 2019 CAMPUS RISK POOLS RATING PLANS TASK GROUP Project Timetable

DATE	RESPONSIBLE	ACTIVITY
June 2019	Program Administrator	<ol style="list-style-type: none"> <li>1. Finalize logistics for RPTG meeting.</li> <li>2. Engage actuary.</li> <li>3. Request updated claims summary, actual payroll, etc.</li> <li>4. Coordinate data transfer to actuary, accounting and financial auditor.</li> <li>5. Engage Coverage Counsel for MOC review.</li> </ol>
July 2019	Program Administrator	<ol style="list-style-type: none"> <li>1. Review current rating plans.</li> <li>2. Develop recommendations for the RPTG's consideration.</li> </ol>
July 29, 2019 (CSULB)	Rating Plans Task Group	<ol style="list-style-type: none"> <li>1. Review current rating plans.</li> <li>2. Develop rating modifications, if any, for further review.</li> <li>3. Review Coverage Counsel's recommended edits for Campus Liability MOC and Liability Reinsurance MOC.</li> <li>4. Develop recommendation for Liability MOC edits.</li> </ol>
August 2019	Program Administrator	<ol style="list-style-type: none"> <li>1. Draft preliminary RPTG Report.</li> <li>2. Draft Liability MOCs with RPTG-approved changes and recommendation for EC.</li> </ol>
August 15, 2019	Independent Actuary	<ol style="list-style-type: none"> <li>1. Calculate outstanding claims liabilities for GL, WC and AIME.</li> <li>2. Develop GL, WC and AIME risk pool funding recommendations for FY 20/21.</li> </ol>
August 20, 2019 (teleconference)	Rating Plans Task Group	<ol style="list-style-type: none"> <li>1. Review/finalize edits to Liability MOC per Coverage Counsel's recommendations and as accepted by RPTG.</li> <li>2. Review/finalize draft RPTG Report per RPTG's findings and recommendations.</li> </ol>
August 2019	Program Administrator	<ol style="list-style-type: none"> <li>1. Calculate FY 20/21 deposit contributions based on actuarial recommendations.</li> </ol>
September 6, 2019	Executive Committee	<ol style="list-style-type: none"> <li>1. Review/accept actuarial reports.</li> <li>2. Review RPTG recommendations.</li> <li>3. Review and approve staff calculations of proposed FY 20/21 rates and deposit contributions.</li> <li>4. Make recommendation to BOD to approve</li> </ol>

DATE	RESPONSIBLE	ACTIVITY
		any rating plan modifications and to adopt rates and deposit calculations for FY 20/21. 5. Review/approve edits to Liability MOCs, and make recommendation to BOD to adopt changes.
October 22-23, 2019	CABO (San Bernardino)	1. Presentation to CABO as necessary of proposed changes to rating plans and MOCs.
November 8, 2019	Executive Committee	1. Final review/approval of staff's calculations of proposed FY 20/21 rates and deposit contributions.
November 8, 2019	Board of Directors	1. Review/accept RPTG Report. 2. Review/adopt campus risk pools funding and rates for FY 20/21. 3. Review/approve/adopt recommended edits to Liability MOCs.
November 2019	Program Administrator	1. Develop campus costs for Liability Deductible options. 2. Complete cost analysis for each campus for each Liability Deductible option. 3. Notices to campuses of FY 20/21 costs, including Liability Deductible options.
December 2019	Program Administrators	1. Receive Liability Deductible Selections from campuses. 2. Send confirmation to campuses of selected Liability Deductible for FY 20/21, FY 21/22 and FY 22/23.
July 1, 2020	CSURMA Accounting	1. Adopted risk pool rating plans and campus-selected Liability Deductible become effective, campuses invoiced by CSURMA.

## Appendix B

### CSURMA POLICY & PROCEDURE No. 7

**EFFECTIVE:** JANUARY 1, 2000  
**REVISED:** APRIL 27, 2015  
**SUBJECT:** SELF-INSURED PROGRAM FUNDING

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#### ISSUE:

The CSURMA operate various self-insured coverage programs. Generally, these programs include a primary layer of pooling, with excess and reinsurance coverage. Each program is responsible for all costs generated by that program, as well as a proportionate share of the JPA's general administrative costs. It is important that each self-insured program be properly funded to satisfy its liabilities. This policy and procedure continues the policy adopted by the CSURMA Board of Directors on April 24, 1997.

#### POLICY STATEMENT:

It is the policy of the CSURMA that each self-insured program shall establish budgets with a goal of full funding, including a reasonable risk margin. Such funding shall be determined by the Executive Committee as a part of each year's annual budget based upon the recommendations of a professional actuary and staff.

#### PROCEDURE:

CSURMA staff is responsible for developing draft budgets for each of the self-insured programs for each fiscal year. As a part of the budget development, staff will work with the CSU and its actuary to determine projected liabilities for the CSURMA's self-insured programs. The actuary's reports shall be used by staff and the Executive Committee to develop recommended rates and funding for each self-insured program.

It is the policy of the CSURMA to fund fully the self-insured programs. Adopted funding shall include sufficient funds projected to pay the following cost elements:

- Administrative expenses shall be funded on a cash basis for each program year;
- Prior year cash deficits (if any) shall be funded on a cash basis;
- Prior years' claims payable shall be funded on a cash basis to the extent accrued reserves do not amount to full funding;

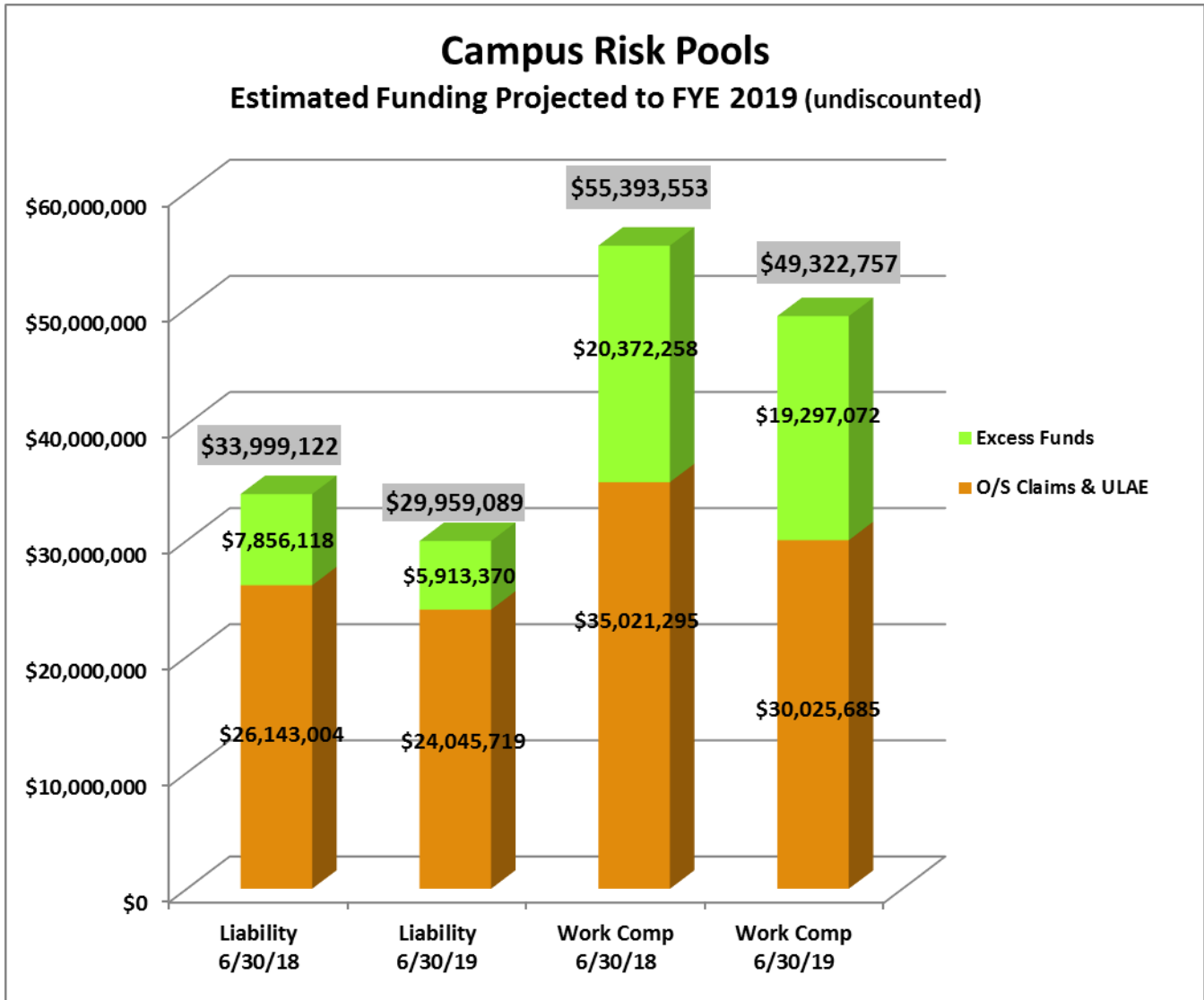
- Current year expected liabilities shall be funded on an accrual (incurred) basis; and
- At such time as all outstanding liabilities are fully funded, a reasonable risk margin shall be funded.

Staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' funding status in accordance with this Policy & Procedure No. 7

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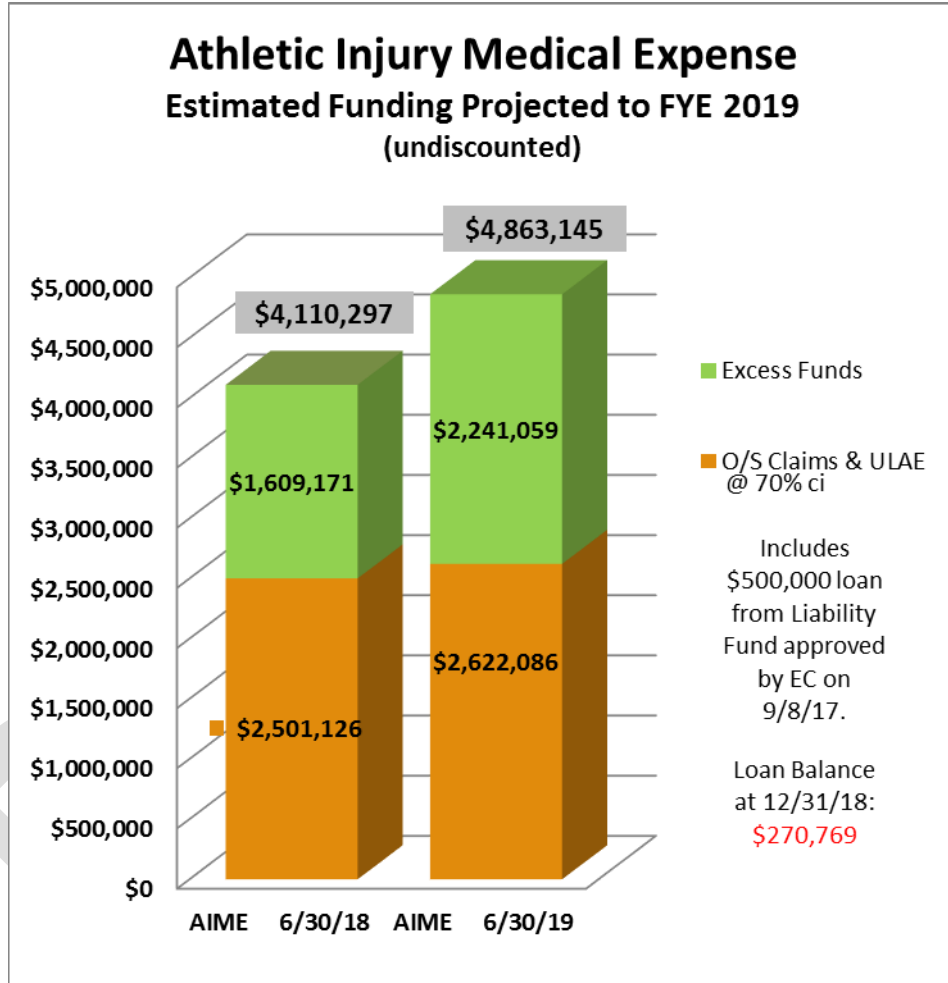
### Appendix C

#### Pooled Programs Funding Status as of December 31, 2018 projected to June 30, 2019



### Appendix C

#### Pooled Programs Funding Status as of December 31, 2018 projected to June 30, 2019



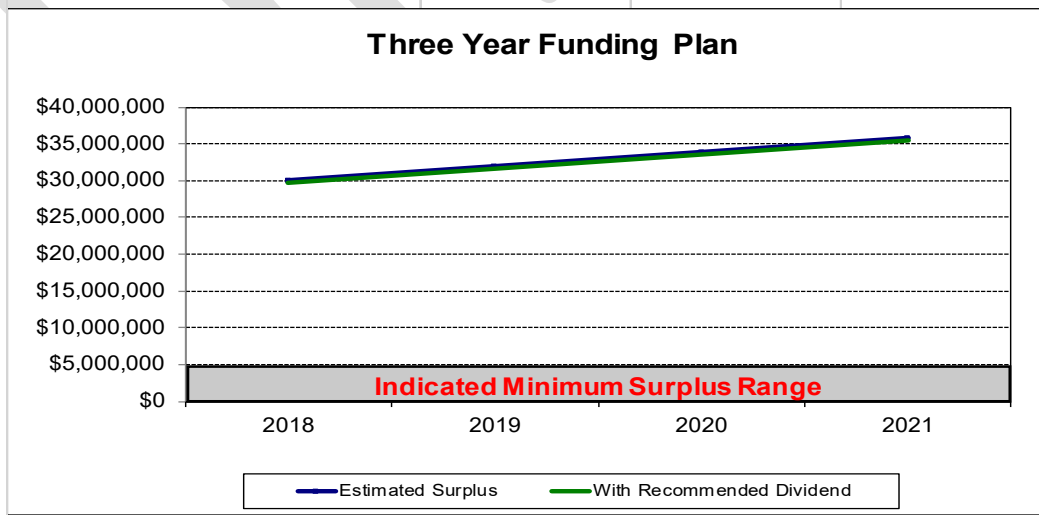
## Appendix D

### Target Equity as of December 31, 2018 projected to June 30, 2019

- **Campus Liability**
- **Campus Workers' Compensation**
- **Athletic Injury Medical Expense**

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Campus Liability Coverage Fund			
Target Surplus Funding Analysis at \$5,000,000 SIR			
Projected to 6/30/19 (unaudited)			
Gross Premium (FY 18/19):	\$16,173,148		
Maximum Retention:	\$5,000,000	each Occurrence	
Est. Outstanding Liabilities @ 6/30/19	\$22,000,591	Expected, ULAE, Undsct, Net of Deductibles	
Est. Outstanding Liabilities @ 6/30/19	\$24,045,719	at 70% Confidence	
Est. Fund Balance @ 6/30/19	\$29,959,089		
Est. Funded Loss & ULAE @ 6/30/19	\$24,045,719	at 70% Confidence	
Est. Funding above 70% Conf Level:	\$5,913,370		
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$5,391,049	0.54
Surplus to Retention	> 1:1	\$5,000,000	5.99
O/S Reserve to Surplus	≤ 5:1	\$4,400,118	0.73
Maximum Dividend Available:	\$522,320		
Recommended Dividend 50%:	\$261,160		
2018/19 Pool Funding			
Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$13,802,800	-
at 70% Actuarial Confidence	1.140	\$15,735,500	\$1,932,700
Three Year Funding Plan			
	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/18	N/A	\$29,959,089	\$29,697,929
2018/19 - Collection @ 70% CL	\$1,932,700	\$31,891,789	\$31,630,629
2019/20 - Collection @ 70% CL	\$1,932,700	\$33,824,489	\$33,563,329
2020/21 - Collection @ 70% CL	\$1,932,700	\$35,757,189	\$35,496,029



### Campus Workers' Compensation Coverage Fund

#### Target Surplus Funding Analysis at \$2,500,000 SIR

*Projected to 6/30/19 (unaudited)*

Gross Premium (FY 18/19):	\$38,837,384	
Maximum Retention:	\$2,500,000	<i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/19	\$28,923,825	<i>Expected, ULAE, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/19	\$30,025,685	<i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/19	\$49,322,757	
Est. Funded Loss & ULAE @ 6/30/19	\$30,025,685	<i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$19,297,072	

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$12,945,795	0.79
Surplus to Retention	> 2:1	\$5,000,000	19.73
O/S Reserve to Surplus	≤ 5:1	\$5,784,765	0.59

Maximum Dividend Available:	\$6,351,277
Recommended Dividend 50%:	\$3,175,639

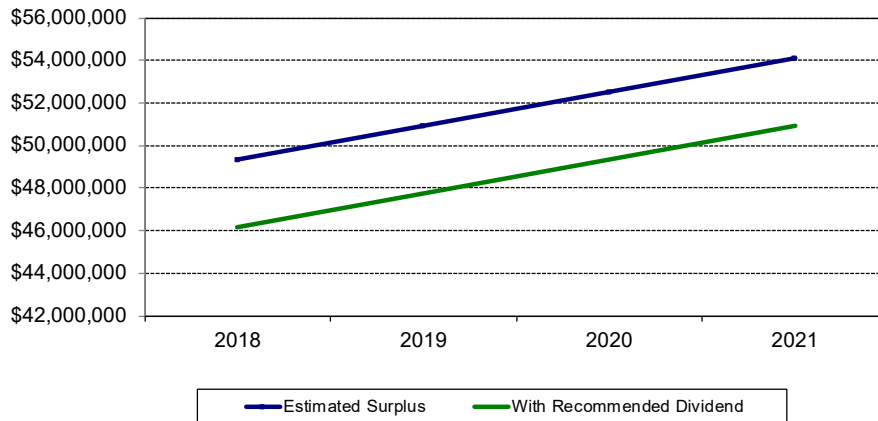
#### 2018/19 Pool Funding

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$31,674,500	-
at 70% Actuarial Confidence	1.050	\$33,258,500	\$1,584,000

#### Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/18	N/A	\$49,322,757	\$46,147,118
2018/19 - Collection @ 70% CL	\$1,584,000	\$50,906,757	\$47,731,118
2019/20 - Collection @ 70% CL	\$1,584,000	\$52,490,757	\$49,315,118
2020/21 - Collection @ 70% CL	\$1,584,000	\$54,074,757	\$50,899,118

#### Three Year Funding Plan



### Athletic Injury Medical Expense Coverage Fund

#### Target Surplus Funding Analysis at \$90,000 SIR

*Projected to 6/30/19 (unaudited)*

Gross Premium (FY 18/19):	\$4,660,547	
Maximum Retention:	\$90,000	<i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/19	\$2,502,900	<i>Expected, ULAE, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/19	\$2,622,086	<i>at 70% Confidence</i>
<b>Est. Fund Balance @ 6/30/19</b>	<b>\$4,863,145</b>	<i>includes \$500,000 interfund transfer from Liability Fund.</i>
Est. Funded Loss & ULAE @ 6/30/19	\$2,622,086	<i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$2,241,059	

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 6:1	\$776,758	0.96
Surplus to Retention	> 5:1	\$450,000	54.03
O/S Reserve to Surplus	≤ 5:1	\$500,580	0.51

<b>Maximum Dividend Available:</b>	<b>\$1,464,301</b>	
<b>Recommended Dividend 50% :</b>	<b>\$732,151</b>	<i>Return to Liability Fund; remaining balance is \$385,385.</i>

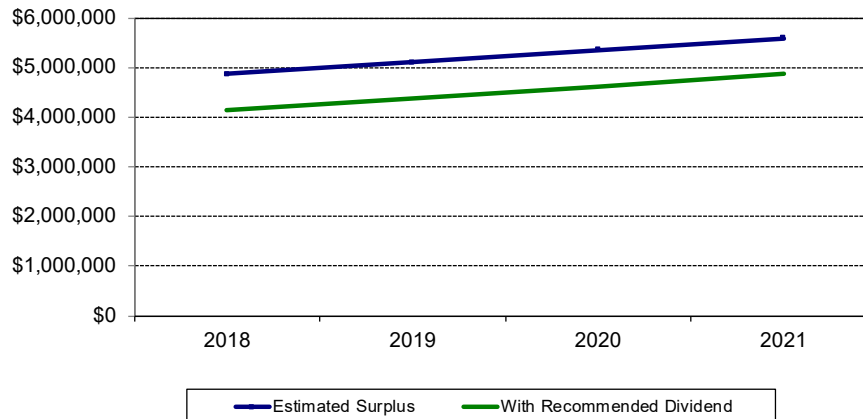
#### 2018/19 Pool Funding

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$4,055,700	-
at 70% Actuarial Confidence	1.060	\$4,299,042	\$243,342

#### Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/18	N/A	\$4,863,145	\$4,130,994
2018/19 - Collection @ 70% CL	\$243,342	\$5,106,487	\$4,374,336
2019/20 - Collection @ 70% CL	\$243,342	\$5,349,829	\$4,617,678
2020/21 - Collection @ 70% CL	\$243,342	\$5,593,171	\$4,861,020

Three Year Funding Plan



## Appendix E

### Club Liability Cost Allocation Basis

<i>Campus</i>	PAYROLL		FTES <sup>a</sup>		CLIP Allocated by		
	2018/19	%	Fall 2018	%	Payroll	FTES	Diff
Bakersfield	79,551,178	2.17%	9,211.6	2.20%	3,469	3,525	(56)
Channel Islands	71,701,602	1.95%	6,277.3	1.50%	3,127	2,402	724
Chico	132,785,659	3.62%	16,437.3	3.93%	5,790	6,291	(500)
Dominguez Hills	109,615,900	2.99%	12,711.5	3.04%	4,780	4,865	(85)
East Bay	124,393,547	3.39%	12,371.2	2.96%	5,424	4,735	690
Fresno	174,317,161	4.75%	22,236.0	5.32%	7,602	8,510	(909)
<b>Fullerton</b>	<b>255,250,582</b>	<b>6.96%</b>	<b>32,529.8</b>	<b>7.78%</b>	<b>11,131</b>	<b>12,450</b>	<b>(1,319)</b>
Humboldt	80,737,105	2.20%	7,362.0	1.76%	3,521	2,818	703
Long Beach	271,525,371	7.40%	31,571.0	7.55%	11,840	12,083	(242)
Los Angeles	181,157,203	4.94%	23,605.7	5.65%	7,900	9,034	(1,135)
Maritime Academy	27,374,147	0.75%	1,106.6	0.26%	1,194	424	770
Monterey Bay	71,744,107	1.96%	6,700.8	1.60%	3,129	2,565	564
Northridge	264,977,220	7.22%	32,409.1	7.75%	11,555	12,404	(849)
Pomona	177,921,618	4.85%	23,078.2	5.52%	7,759	8,832	(1,074)
Sacramento	215,717,789	5.88%	26,719.4	6.39%	9,407	10,226	(819)
San Bernardino	142,228,394	3.88%	17,748.6	4.25%	6,202	6,793	(591)
San Diego	267,593,070	7.29%	31,987.8	7.65%	11,669	12,242	(573)
San Francisco	244,408,903	6.66%	25,093.6	6.00%	10,658	9,604	1,054
San Jose	249,476,877	6.80%	27,978.9	6.69%	10,879	10,708	171
<b>San Luis Obispo</b>	<b>226,142,853</b>	<b>6.16%</b>	<b>21,204.2</b>	<b>5.07%</b>	<b>9,861</b>	<b>8,115</b>	<b>1,746</b>
San Marcos	116,357,000	3.17%	12,288.3	2.94%	5,074	4,703	371
Sonoma	99,260,268	2.71%	8,673.5	2.07%	4,328	3,320	1,009
Stanislaus	84,872,152	2.31%	8,760.3	2.10%	3,701	3,353	348
<b>Campus Totals</b>	<b>3,669,109,703</b>	<b>100.00%</b>	<b>418,062.7</b>	<b>100.00%</b>	<b>160,000</b>	<b>160,000</b>	<b>0</b>
FTES <sup>a</sup> : Full-time Equivalent Students							

## Appendix F

### Liability Deductible Credit Factors Analysis

#### CAMPUS LIABILITY DEPOSIT CONTRIBUTIONS

##### FY 2019/20 Program Deposits

Campus	Current Deductible Factors			New Deductible Factors			\$ Chg	% Chg
	Campus Deductible	Deductible Credit	Total Deposit	Campus Deductible	Deductible Credit	Total Deposit		
Bakersfield	\$35,000	15.0%	\$276,379	\$35,000	13.0%	\$279,849	\$3,470	1.3%
Channel Islands	\$35,000	15.0%	\$359,342	\$35,000	13.0%	\$365,044	\$5,702	1.6%
Chico	\$250,000	52.0%	\$736,170	\$250,000	45.0%	\$809,461	\$73,291	10.0%
Dominguez Hills	\$100,000	30.0%	\$536,862	\$100,000	25.0%	\$561,288	\$24,426	4.5%
East Bay	\$750,000	75.0%	\$424,188	\$750,000	70.0%	\$464,370	\$40,182	9.5%
Fresno	\$100,000	30.0%	\$586,448	\$100,000	25.0%	\$606,228	\$19,780	3.4%
Fullerton	\$250,000	52.0%	\$1,688,230	\$250,000	45.0%	\$1,865,502	\$177,272	10.5%
Humboldt	\$250,000	52.0%	\$403,976	\$250,000	45.0%	\$443,048	\$39,072	9.7%
Long Beach	\$250,000	52.0%	\$651,685	\$250,000	45.0%	\$677,844	\$26,159	4.0%
Los Angeles	\$250,000	52.0%	\$1,493,288	\$250,000	45.0%	\$1,662,406	\$169,118	11.3%
Maritime Academy	\$50,000	20.0%	\$163,690	\$50,000	17.0%	\$168,364	\$4,674	2.9%
Monterey Bay	\$35,000	15.0%	\$300,423	\$35,000	13.0%	\$304,722	\$4,299	1.4%
Northridge	\$750,000	75.0%	\$1,337,318	\$750,000	70.0%	\$1,507,659	\$170,341	12.7%
Pomona	\$250,000	52.0%	\$625,529	\$250,000	45.0%	\$675,453	\$49,924	8.0%
Sacramento	\$500,000	65.0%	\$811,193	\$500,000	58.0%	\$897,069	\$85,876	10.6%
San Bernardino	\$50,000	20.0%	\$1,113,334	\$50,000	17.0%	\$1,145,938	\$32,604	2.9%
San Diego	\$900,000	78.0%	\$723,084	\$900,000	73.0%	\$785,612	\$62,528	8.6%
San Francisco	\$250,000	52.0%	\$2,147,255	\$250,000	45.0%	\$2,403,223	\$255,968	11.9%
San Jose	\$750,000	75.0%	\$1,084,313	\$750,000	70.0%	\$1,218,662	\$134,349	12.4%
San Luis Obispo	\$250,000	52.0%	\$675,923	\$250,000	45.0%	\$723,031	\$47,108	7.0%
San Marcos	\$50,000	20.0%	\$447,177	\$50,000	17.0%	\$456,946	\$9,769	2.2%
Sonoma	\$50,000	20.0%	\$1,182,073	\$50,000	17.0%	\$1,220,514	\$38,441	3.3%
Stanislaus	\$35,000	15.0%	\$372,722	\$35,000	13.0%	\$378,324	\$5,602	1.5%
Chancellor's Office	\$100,000	30.0%	\$464,666	\$100,000	25.0%	\$490,753	\$26,087	5.6%
<b>Total</b>			<b>\$18,605,268</b>			<b>\$0</b>	<b>\$1,506,042</b>	<b>8.1%</b>

Actuary: 8/25/16		Actuary: 8/13/19		
Deductible	Credit	Deductible	Credit	Chg
\$35,000	15.0%	\$35,000	13.0%	-2.0%
50,000	20.0%	50,000	17.0%	-3.0%
100,000	30.0%	100,000	25.0%	-5.0%
250,000	52.0%	250,000	45.0%	-7.0%
500,000	65.0%	500,000	58.0%	-7.0%
750,000	75.0%	750,000	70.0%	-5.0%
900,000	78.0%	900,000	73.0%	-5.0%
1,000,000	80.0%	1,000,000	75.0%	-5.0%

## Appendix G

### Coverage Counsel's Review of CSURMA's Liability Memorandums of Coverage

Gibbons & Conley letter dated July 26, 2019

DRAFT

## Appendix H

### Campus Liability MOC *(with proposed edits)*

DRAFT

## Appendix I

### Liability Reinsurance MOC *(with proposed edits)*

DRAFT

A. Byrne Conley  
Peter A. Urhausen  
Sean C. Conley  
  
Austin R. Gibbons, retired

# GIBBONS & CONLEY

## ATTORNEYS AT LAW

Hookston Square  
3480 Buskirk Avenue, Suite 200  
Pleasant Hill, CA 94523  
Telephone: (925) 932-3600  
Fax: (925) 932-1623

[www.gibbons-conley.com](http://www.gibbons-conley.com)

July 26, 2019

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

Re. *CSURMA MOC review*

Dear Rob:

I reviewed the CSURMA Memoranda of Coverage for potential updates. Overall, of course, the MOC language is in good shape. So my comments are confined to added language that I have seen used elsewhere, or identifying issues CSURMA might want to discuss internally.

### CSURMA MEMBER MOC

- At page 4, Definition 5, CSURMA defines “Bodily Injury” more broadly than the ISO CGL form in that “pure” emotional distress is covered even absent physical injury to the person. In the 1991 case *AIM v. Culcasi*, the court decided that pure emotional distress claims are not covered. CSURMA’s approach is fine, but is broader than typical CGL coverage. Most pools do this. I mention this here only because part of the “Personal Injury” definition duplicates this and I have a comment on that duplication, below.
- At page 4, Definition 4, I am not sure whether a DFEH or EEOC claim is considered to be within the definition, before a right to sue letter is issued. Many pools treat this as an administrative expense rather than a covered defense cost. Since CSURMA Members have deductibles of \$35,000 or more, it may not come up very often. But I have seen agencies incur \$30,000 or more in investigation costs solely in investigating a claim and responding to FEHA. If this is to be excluded from coverage, you could add the following to the “Claim” definition: “Claim does not include and administrative claim filed with the Equal Opportunity Employment Commission, the California Department of Fair Employment and Housing, Public Employment Relations Board or other similar state or federal administrative agency.”
- At page 6, Definition 11, Damages, I would add “pre-judgment interest and” before “interest on judgments” because I think it is included in “those sums determined to be owed” and is clearer as an item of Damages rather than Loss Adjustment Expenses. (Also you have a couple of “defense only” items in the declarations page, so I think pre-judgment interest should be considered part of Damages and not Loss Adjustment Expenses.)
- At page 6, Definition 11, Damages, second paragraph, after “retroactive or prospective benefits,” I would add “severance payments” which is already excluded by the language,

but I think puts the reader on more express notice. I would also add “Damages shall also not include any wages, salary or benefits owed for work actually performed.” The point is that lost wages because of wrongful termination would be covered Damages, but a court order that workers be paid additional amounts (either retrospective or prospective), for example under an equal pay claim or a wages and hours claim, should be considered an administrative expense, not an insurance pool coverage expense. This comes up, for example, where police officers sue for extra compensation for time putting on their uniforms or attending pre-shift briefings. It has come up in meal break or rest break disputes. If it is salary for work performed, the Member should pay it as an administrative expense.

- Also at page 6, Definition 11, Damages, you might consider: “Damages with respect to Employment Practices Liability shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement.”
- At page 8, Definition 21, “Loss Adjustment Expense” I would delete “post-judgment interest, pre-judgment interest (unless included as part of an award)” since these should be under the “Damages” definition. I would also eliminate “costs and expenses in connection with coverage questions and legal actions and other associated costs and expenses” since those are typically outside of either covered Damages or Defense Costs. If the Member retains coverage counsel, the Member should pay for it, and if CSURMA retains coverage counsel, it should not be counted against the Member’s Deductible or Limit of Liability.
- Page 9, Definition 24, Mold, is OK but if you want to make it clearer, it could be defined as “Any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to mold, mildew, mycotoxins, spores, bacterial pathogens, or any biogenic aerosols.” The existing sentence could follow this.
- Page 9, Definition 26, Personal Injury, part B “Shock, mental anguish, mental injury, or humiliation” appears to duplicate part of the Bodily Injury definition, mentioned above, and is really a type of damage, not an offense as are the other subparts of the Personal Injury definition. It could be deleted as duplicative. One difference between Bodily Injury coverage and Personal Injury coverage is that the Occurrence definition normally requires an “accident” for Bodily Injury while Personal Injury requires an “offense,” but CSURMA employs a broader definition including “or event” so intentional conduct causing damages neither expected nor intended is already covered. So, I believe you could eliminate the duplication without narrowing Member coverage.
- Page 9, Definition 27, Pollutants, consider adding: “Pollutants includes any material defined as hazardous in Sections 66261.10 through 66261.126 of Title 22 of the California Code of Regulations.” This helps in the event of a dispute re what is a pollutant.
- Page 10, Definition 33, Ultimate Net Loss, in the second sentence I would delete “includes defense attorney fees and costs of the Member in defense of the Claim and also includes court Costs,” and instead would have it simply say “Ultimate Net Loss includes Loss Adjustment Expenses.” Then delete “, and other associated costs and expenses, but does not include any salaries of the Member’s regular Employees.” I would delete the

next sentence regarding back wages as well, since it is addressed above. I would then keep the last sentence indicating that UNL applies only to covered claims. .

- At page 13, and of Section III – Defense and Settlement, consider adding the following at the end: “If CSURMA assumes the control of the handling of a claim, the Member shall be obligated to pay at the direction of CSURMA any sum necessary for the settlement of a claim, or to satisfy liability imposed by law, up to the applicable Deductible.”
- At page 13, Section IV, sixth paragraph, I would add “to all Covered Parties” after “one Limit of Liability Coverage will apply.”
- I also think the paragraph starting “For the purpose of determining...” might fit better if moved two paragraphs down, to start in front of “An Occurrence or Wrongful Act with a duration...” There is nothing wrong with the current form but since the two deal with duration of a continuous occurrence, they would fit better together.
- Page 14, Exclusion 1, Aircraft, I would add “Aircraft does not include Small Unmanned Aircraft as defined in 14 Code of Federal Regulations section 107.3.” (I.e., drones.)
- Page 14, Exclusion 3, Automobiles, I was not clear on why there is an exception for parking vehicles that are not owned, rented or loaned to the Member when all autos owned, operated by, rented or loaned to the Member are already excluded. Also these exclusions typically say “Use includes loading and unloading.” I presume there is separate auto coverage. Is the intent to exclude auto coverage but provide coverage for parking valets, only?
- Page 15, Exclusion 8, Breach of Contractual Obligations, we do not refer specifically to the fact that this does not apply to contractually assumed liability arising from the Member’s operations. I am not sure it is necessary, if you want the broadest coverage possible, but usually we list this as an exception; indicating that contractual assumption of liability is covered but the agreement must arise out of or be incidental to the Member’s operations, must be in place before the Occurrence, and does not extend to professional liability of engineers. Contractually assumed liability is covered per Section I – Coverages, part 1 in the current form. (See also Exclusion 4 at page 8 of the excess liability form.)
- Page 16, Exclusion 13, Land Use, is fine as is, but often I see this combined with language excluding condemnation and inverse condemnation. Such exclusions in turn may make exceptions to ensure coverage for accidental property damage caused by flooding or subsidence, and in turn may or may not include coverage for a plaintiff’s attorney fees and expert witness costs. This might not be relevant for CSURMA’s members, but I can supply sample language if needed. Exclusion 7 in the AORMA form and Exclusion 7 in the excess form accomplish this, and are good as far as they go, but without any exception bringing back in coverage for flooding or land subsidence claims (which may be intentional). Keep in mind that when a property damage claim based on flooding or subsidence occurs, and there are causes of action for nuisance and dangerous condition combined with an inverse condemnation cause of action, the tort based damages may be covered, depending on how the case is tried.
- Page 18, Exclusion 16, section “B” at the bottom of the pollution exclusion, I believe should refer to “Bodily Injury” rather than “Personal Injury.”

- Page 19, Exclusion 16, section “E” of the “nothing contained in” part should read “currently owns, rents or occupies or owned, rented or occupied at the time of the actual discharge....”
- Page 20, Exclusion 19, I would add: “Refund or restitution of taxes, fees, or assessments.” The AORMA form and excess form, each at Exclusion 15, do this.
- In the Exclusions, here is one that I normally recommend: “Bid Specifications/Cost Overruns (a) Claims arising out of estimates of probable cost or cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans. (b) Mechanic’s lien claims, stop notice claims, change order claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims of breach of oral or written contract, third-party beneficiary claims, *quantum meruit* claims, and/or open account claims.” These are not claims for compensatory damages, but rather contract claims. I think the intent is to exclude these under Exclusion 8, but this language makes it clear that it applies to subcontractors with which the Member has no contract, as well.
- In several pools I have added a specific exclusion for citizen suits under the Clean Water Act. However it does not appear that exposure applies to our Members.
- Here is another exclusion to consider: “Claims by any Member against its own past or present elected or appointed officials, employees or volunteers, where such claim seeks damages or restitution payable to the Member.”
- Exclusion 27.A. in the excess form regarding written publication of known false material could be considered for the Member form. Of course the exclusion would not apply to the Member unless the Member directed it.
- Page 20, Section VII – Conditions, part 1, I suggest adding: “Under no circumstances shall CSURMA be liable for consequential damages, ‘bad faith’ damages, or any sums beyond the amounts due under Section I – Coverages, plus interest at the same rate as the Authority earned on investments for the time period involved.” This is based on a bad faith suit filed by a Southern California city against its pool, where the city sought consequential damages over and above the coverage itself.
- Page 20, Section VII – Conditions, Section 2 – since arbitration, when requested, is a condition precedent to suit, is the arbitration non-binding?
- Page 22, Section VII – Conditions, Section 10, consider adding: “CSURMA shall be entitled to complete access to the Member’s claim file, the defense attorney’s complete file, and all investigation material and reports, including all evaluations and information on negotiations. The Member shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to the Authority, and to provide the Authority with simultaneous copies of all correspondence provided to the covered party by its defense attorneys and/or agents.
- There is a Medical Professional Liability Coverage form attached. Exclusions are referenced but I did not see the language of them. The part of the form I saw looks fine.

Again, overall the form looks good to me, and I hope these suggestions are helpful.

### AORMA MEMORANDUM OF COVERAGE

It appears the Definitions are the same with minor adjustments. Definition 21 does not have the additional paragraph re minimum qualifications of counsel, which is not needed as this is a primary form with a defense duty. Definition 24 is alphabetically out of order, compared to the CSURMA Members' form. Definition 26 does not include the assault portion of the Personal Injury definition, but includes civil rights coverage, so I see no difference in coverage. There is no Products Hazard definition, not needed because the AORMA form has no such exclusion. Definition 34 for Unmanned Aerial Vehicle is not in the CSURMA Members' form (consider the suggestion made above for the Aircraft exclusion; I am not sure "designed for the transport of equipment" is a limitation we should use in the definition). The Wrongful Act definition is a little different, focusing on the Member rather than the Covered Individual, but seems to have the same effect for coverage purposes.

The comments made above for Definitions above would apply to the AORMA Form definitions as well. The Comments regarding Section IV – Limitations would apply as well. Comments re the Exclusions would apply where the Exclusions are the same, so I will comment only on the differences in the forms.

At page 17, we do not exclude Auto Physical Damage, as we do in the Member's MOC form. Presumably there is a separate APD policy. Presumably physical damage to owned autos is excluded by the more general Exclusion 23 for Owned Property.

At page 17, Exclusion 4, do we want to exclude drones? Does the definition of Unmanned Aerial Vehicles exclude drones unless they are designed for the transport of equipment?

Page 19, Exclusion 13 for intentional conduct, does not have the first part of Exclusion 11 from the Members' form, relating to "liability based on the Member's obtaining of financial gain to which the Member was not legally entitled." Is this a deliberate omission? We might want to make it conform with Exclusion 11 in the Members' form.

Page 24, Exclusion 25, the Subsidence Exclusion is good, it follows the leading case, exclusionary language found effective by the Court of Appeal in the case of *ICSOP v. Carlsbad*.

I did not have any changes for Conditions other than those suggested above for the Members' form.

I did not have any changes to suggest in the Uninsured Motorist form (it was a little hard to follow regarding limits being reduced by available insurance, but clearly that is how the form applies). I did not have any changes to suggest in the Fiduciary Liability endorsement.

### EXCESS FORM

As Mimi Long indicated, this form has been reconciled to the two mentioned above. So my notes on this are limited.

Exclusion 16.C at page 15, relating to cost of modifying a building to accommodate people, should be a separate exclusion for all coverages, not just EPL. The cost of upgrading facility access in response to a suit by a member of the public would similarly not be covered. We may want to add similar language to Exclusion 14 of the Member form – just to reinforce that the pool does not pay to upgrade Member property.

Section VIII – Conditions, part 3, has a binding arbitration clause. It varies from the underlying forms in that it is a single arbitrator rather than a panel, is done under the laws of Minnesota, and apparently is binding. Presumably this is negotiated with reinsurers, but I think it might be preferable to use a three person panel and the arbitration rules of the California Code of Civil Procedure, just for uniformity.

Please let me know if I can be of further assistance, or if you want me to attend any committee meetings to go into further detail on these items. Also, I can put out a red line, strikeout version of proposed changes if you would like.

Very truly yours,

GIBBONS & CONLEY

  
A. BYRNE CONLEY



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
MEMORANDUM OF LIABILITY COVERAGE**

***DECLARATIONS***

**Item 1: Named Covered Party:**

- California State University Risk Management Authority (CSURMA)
- The State of California as respects the Trustees of the California State University
- The California State University (CSU)
- All campuses of the CSU as listed in Item 4

**Item 2: Coverage Period:**

July 1, 2019 to July 1, 2020 at 12:01AM

**Item 3: Limits of Liability:**

\$5,000,000	Ultimate Net Loss - <b>Each Occurrence or Wrongful Act</b>
-------------	--

**Sublimits of Liability (*provided by Campus Liability Risk Pool*):**

\$5,000,000	Medical Malpractice ( <i>for Medical Doctors and the Student Health Centers</i> )
\$1,000,000	Funds, Grants or Appropriations ( <i>defense only</i> )
\$1,000,000	Land Use ( <i>defense only</i> )
\$1,000,000	Nuclear Materials ( <i>limited coverage</i> )
\$5,000,000	Automobile Liability ( <i>excess</i> ) – non-salaried drivers only; e.g., student volunteers

**Item 4: Member Deductibles:**

\$0	The State of California as respects the Trustees of the California State University
\$0	California State University Risk Management Authority (CSURMA)
\$35,000	California State University, Bakersfield
\$35,000	California State University, Channel Islands
\$250,000	California State University, Chico
\$100,000	California State University, Dominguez Hills
\$750,000	California State University, East Bay
\$100,000	California State University, Fresno
\$250,000	California State University, Fullerton
\$250,000	Humboldt State University
\$250,000	California State University, Long Beach
\$250,000	California State University, Los Angeles
\$50,000	California State University Maritime Academy



\$35,000	California State University, Monterey Bay
\$750,000	California State University, Northridge
\$250,000	California State Polytechnic University, Pomona
\$500,000	California State University, Sacramento
\$50,000	California State University, San Bernardino
\$900,000	San Diego State University
\$250,000	San Francisco State University
\$750,000	San Jose State University
\$250,000	California Polytechnic State University, San Luis Obispo
\$50,000	California State University, San Marcos
\$50,000	Sonoma State University
\$35,000	California State University, Stanislaus
\$100,000	California State University, Chancellor's Office

**Item 5: Liability Claims Administrator:**

The California State University  
 Office of Systemwide Risk Management  
 Attn: Director of Systemwide Risk Management  
 562-951-4568 – Direct  
 562-951-4859 – Fax  
[zgifford@calstate.edu](mailto:zgifford@calstate.edu) – email

---

Authorized Signature



## CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY Campus Liability Coverage Program Memorandum of Coverage

Various provisions in this Memorandum restrict coverage. Read the entire Memorandum carefully to determine Member rights, duties and what is and is not covered.

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

The California State University Risk Management Authority (hereinafter called CSURMA) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500 *et seq.*

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

### SECTION I – COVERAGES

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

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

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

## SECTION II - DEFINITIONS

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

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

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

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

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

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

3. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air.
4. **Automobile** means a licensed land motor vehicle or semi-trailer designed for travel on public roads, including any attached machinery, trailer or equipment.
5. **Bodily Injury** means **Bodily Injury**, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the **Coverage Period**. **Bodily Injury** includes **Damages** claimed by any person or organization for care, loss of services or death resulting at any time from the **Bodily Injury**.
6. **Claim** means:
  - A. A written demand to a **Member** for payment of **Damages** received by the CSURMA Secretary-Auditor or by the chief executive, risk manager, or general counsel of a **Member**; and/or
  - B. A civil proceeding against a **Member** in which **Damages** are sought on account of
    - 1) **Bodily Injury or Property Damage**,

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

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

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

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

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

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

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

9. **Covered Individual(s)** means persons who are past or present elected or appointed officials, **Employees**, whether or not compensated, or authorized volunteers of the **Member**, while acting within the scope of their duties, office or employment for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include **Employees** of nonmember organizations, including, but not limited to alumni associations and volunteer university support groups.

10. **Dam** means any artificial barrier together with appurtenant works which:

- A. Is twenty-five feet (25) or more in height from the foot of a natural bed of stream or watercourse at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel or watercourse, to the maximum possible water storage elevation; or
- B. Has water impounding capacity of fifty (50) acre feet or more.

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

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

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

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

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

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

- 12. **Deductible** means the amount of each **Ultimate Net Loss** which the Member has to pay irrespective of the amount of the **Ultimate Net Loss** as shown on the Declarations page of this document.
- 13. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion, transfer, suspension, or termination of any **Employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy. **Discrimination**, other than as respects **Employment Practices Liability**, means **Bodily Injury**, **Personal Injury** and/or **Errors and Omissions** arising from alleged acts, errors or omissions showing favor, prejudice or bias for or against a person because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.
- 14. **Employee** means:

- A. Any person who has an assigned work schedule for the **Member** and is on the **Member's** regular payroll; and
- B. Any person who is leased to the **Member** through a staffing or temporary agency and is working for the **Member** under the **Member's** supervision, including a **Leased Worker**.
- C. **Employee** does not include independent contractors.
- D. As respects **Employment Practices Liability** and **Employee Benefits Liability** and when appearing in boldface type in this Memorandum, means any present or former **Employee** of the **Member**; and
- E. Solely as respects **Employment Practices Liability** arising from alleged **Discrimination** with respect to negligent hiring, only, **Employee** includes an applicant for employment.
- F. Solely as respects **Employment Practices Liability**, independent contractors and/or persons working on retainer, while acting for or on behalf of the Member.

An **Employee's** status as a **Covered Party** will be determined as of the date of the **Occurrence** or **Wrongful Act** upon which a **Claim** involving the **Employee** is based.

- 15. **Employee Benefits Liability** means liability for actual or alleged Errors and Omissions in the Administration of a Member's Employee Benefit Program.
- 16. **Employee Benefits Program** means a program providing some or all of the following benefits to Employees:
  - A. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts;
  - B. Profit sharing plans, Employee savings plans, Employee stock ownership plans, pension plans, and stock subscription plans; and
  - C. Unemployment insurance, social security benefits, workers' compensation, and disability benefits.
- 17. **Employment Practices Liability** means any circumstance relating to a past, present or prospective **Employee** of the **Member** (and the child, parent, brother or sister of that person) as a consequence of the following **Wrongful Acts** or alleged **Wrongful Acts**: wrongful dismissal, discharge, or termination, either actual or constructive, of employment; employment related misrepresentation; retaliation; wrongful failure or refusal to employ or promote; wrongful deprivation of career opportunity or reassignment; wrongful discipline; failure to grant tenure or negligent **Employee** evaluation; **Sexual or Workplace Harassment** or humiliation of any kind, including, but not limited to, the alleged operation of a harassing workplace environment; negligence resulting in **Damages** to a person that is a whistle-blower; unlawful **Discrimination**, whether direct, indirect, intentional or unintentional; failure to provide adequate **Employee** policies and procedures. **Employment Practices Liability** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:
  - A. Americans With Disabilities Act of 1992 (ADA)
  - B. Civil Rights Act of 1991

- C. Age **Discrimination** Empowerment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990
  - D. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
  - E. Civil Rights Act of 1866, Section 1981; and
  - F. Fifth and Fourteenth Amendments of the U.S. Constitution.
18. **Errors and Omissions** means a **Wrongful Act** by **Covered Individuals** individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
19. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
20. **Leased Worker** means any **Employee** who is under contract to the **Member** while performing duties defined under the contract with the Member.
21. **Loss Adjustment Expense** means all costs and expenses incurred by the **Member** in connection with the investigation, appraisal, negotiation, adjustment, settlement, litigation, defense or appeal of a specific **Claim** or loss covered hereunder, including but not limited to CSURMA approved defense attorney fees, court costs, costs of supersedes and appeal bonds, monitoring counsel expenses, ~~post judgment interest, pre judgment interest (unless included as part of an award), subrogation, salvage and recovery expense, costs and expenses in connection with coverage questions and legal actions and other associated costs and expenses.~~ **Loss Adjustment Expense** shall include any allocated **Claims** expenses, salaries or overhead incurred by attorneys who are **Employees** of the California State University's Office of General Counsel. However, such expenses shall be limited at \$250 per hour. **Loss Adjustment Expense** shall also include fees and expenses of outside adjusters and others associated with specific **Claims**, but excluding any **Loss Adjustment Expense** and fees paid that are not allocable to a specific **Claim**. **Loss Adjustment Expense** does not include salaries and expense of **Member's Employees** except as provided above, as well as office and other overhead expenses.
- Additionally, CSURMA may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** similar to the one against the **Member** and to require that independent counsel have errors and omissions coverage. The **Member** agrees to instruct counsel, whether independent or in-house, to respond to CSURMA request(s) for information regarding the **Claim** in a timely manner.
22. **Media Wrongful Act** means any error or omission arising out of the gathering, recording, collection, writing, editing, advertising, publication, dissemination, exhibition, broadcast, display on an internet site, or release, including but not limited to any actual or alleged:
- A. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
  - B. Wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;

- C. Libel, slander, disparagement, or publicity, false light, public disclosure or private facts, appropriation of name, persona or likeness, or any other form of defamation or harm to the character or reputation of any person or entity;
  - D. Outrage, infliction of emotional distress or prima facie tort;
  - E. Infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name, domain name, deep linking or framing, including unfair competition in connection with such conduct;
  - F. Copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
  - G. Breach of a promise of confidentiality or anonymity;
  - H. Error or omission in content;
  - I. Unfair competition or conspiracy, but only when the allegation of unfair competition or conspiracy is based entirely upon one or more Media Wrongful Acts falling within sections A-H above;
  - J. Breach of an indemnification or hold harmless agreement relating to **Claims** arising out of the media, but only when such **Claims** allege a **Media Wrongful Act** falling within sections 1-9 above; solely when committed or allegedly committed by a **Covered Party** in is, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media.
23. **Member** means the **Member** named on the Declarations Page.
24. **Mold(s)** means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to mold, mildew, mycotoxins, spores, bacterial pathogens, or any biogenic aerosols to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces **Molds**.
25. **Occurrence** means an accident, act, error, offense, omission or event **Media Wrongful Act** or **Wrongful Act** during the **Coverage Period**, including continuous or repeated exposure, which results in damages, neither expected nor intended by the **Member**. An **Occurrence** taking place over more than one **Coverage Period** shall be deemed to have taken place during the **Coverage Period** when the **Occurrence** ended and shall be treated as a single **Occurrence** in that **Coverage Period**.
26. **Personal Injury** means any of the following offenses:
- A. False arrest, detention or imprisonment, or malicious prosecution;
  - ~~B. Shock, mental anguish, mental injury, or humiliation~~
  - ~~C.~~ Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
  - ~~D.~~ Wrongful entry or eviction or other invasion of the right of private occupancy;

- E.D. **Discrimination** or violation of civil rights other than **Employment Practices Liability**, not intentionally committed by or at the direction of the **Member**; and
- F.E. Assault and battery not committed by or at the direction of, or with consent of the **Member**. However, this does not apply if committed or directed for the purpose of protecting persons from injury or death, or property from damage.
27. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **Waste**. **Waste** includes materials, which are intended to be or have been recycled, reconditioned or reclaimed. The term **Pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users. [Pollutants includes any material defined as hazardous in Sections 66261.10 through 66261.126 of Title 22 of the California Code of Regulations.](#)
28. **Products Hazard** includes **Bodily Injury** and **Property Damage** arising out of **your** products or reliance upon a representation or warranty with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to **you** and after physical possession of **your** product (s) has been relinquished to others.
29. **Property Damage** means:
- A. Physical injury to or destruction of tangible property which occurs during the Coverage Period, including the loss of use thereof at any time resulting therefrom;
  - B. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an Occurrence or Wrongful Act during the Coverage Period.
30. **Sexual or Workplace Harassment** shall mean any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or person acting in concert, which causes physical and/or mental injuries. **Sexual or Workplace Harassment** also includes the above conduct when:
- A. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment, or a basis for employment decisions affecting a person; or
  - B. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
- Sexual or Workplace Harassment** does NOT include **Sexual Misconduct** as defined in this Memorandum.
31. **Sexual Misconduct** means:
- A. The actual, attempted or alleged abuse or molestation of a person by another person, or persons acting in concert which causes physical and/or mental injuries. Sexual molestation includes: sexual abuse, sexual assault, sexual exploitation or sexual injury; or
  - B. The negligent employment, investigation, supervision, reporting to the proper authorities or failure to report the above of a Covered Person.

32. **Territory** means an **Occurrence** or a **Wrongful Act** that takes place during the **Coverage Period** anywhere in the world, as well as **Claims** brought anywhere in the world.
33. **Ultimate Net Loss** means the amount of paid **Claims** liability for **Damages** for which the **Member** is liable on a per **Occurrence** or **Wrongful Act** basis, either by (1) adjudication, or (2) compromise with the prior written consent of CSURMA, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** ~~includes defense attorney fees and costs of the Member in defense of the Claim and also includes court costs, Loss Adjustment Expenses, and other associated costs and expenses, but does not include any salaries of the Member's regular Employees. Ultimate Net Loss includes retrospective benefit ("back wages"), but does not include prospective benefits ("forward wages"); payable as part of a Claims for Employment Practices Liability covered under this Memorandum.~~ **Ultimate Net Loss** shall not include any of the above-described expenses for **Damages** against a **Member** or defense expenses incurred because of liability excluded by this Memorandum.
34. **Wrongful Act** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance and nonfeasance by covered individuals individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
35. **Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between an **Employee** and a **Member** in a manner and/or a reason which is contrary to applicable law.
36. The following definitions are applicable only to **Exclusion 15 – Nuclear Material**:
- A. **Hazardous Properties** include radioactive, toxic or explosive properties;
  - B. **Nuclear Material** means source material, special **Nuclear Material** or byproduct material;
  - C. Source material, special **Nuclear Material** and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;
  - D. **Spent Fuel** means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**;
  - E. **Waste** means any **Waste** material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any **Nuclear Facility** included within the definition of **Nuclear Facility** under paragraph a. or b. thereof;
  - F. **Nuclear Facility** means:
    - 1) Any **Nuclear Reactor**;
    - 2) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **Spent Fuel**, or (3) handling, processing or packaging **Waste**;
    - 3) Any equipment or device used for the processing, fabricating or alloying of special **Nuclear Material** if at any time the total amount of such material in the custody of the **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or



- 4) Any structure, basin, excavation site premises or place prepared or used for the storage or disposal of **Waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- G. **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a supporting chain reaction or to contain a critical mass of fissionable material.

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

### SECTION III - DEFENSE AND SETTLEMENT

1. **CSURMA** has the right and duty to defend any **Claim** or **Suit** against the **Member** seeking **Damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage applies even if the **Claim** or **Suit** is groundless, false or fraudulent when the **Deductible** has been exhausted by the payment of **Damages** including **Loss Adjustment Expenses** to which this coverage applies and provided further that no insurer has a duty to defend or is defending such **Claim**.
2. **CSURMA** has no duty to defend the **Member** against any **Claim** or **Suit** seeking **Damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage does not apply.
3. When **CSURMA** assumes the defense of any **Claim** or **Suit** on the Member's behalf, **CSURMA** will:
  - A. Investigate, negotiate and settle the **Claim** or suit as **CSURMA** may deem expedient; and
  - B. Pay the following to the extent that they are not covered by any other coverage:
    - 1) Premiums on bonds to release attachments for amounts not exceeding our Limits of Coverage, but **CSURMA** is not obligated to apply for or furnish any such bond;
    - 2) Premiums on appeal bonds required by law to appeal any **Claim** or suit which **CSURMA** defends, but **CSURMA** is not obligated to apply for or furnish any such bond;
    - 3) All reasonable costs taxed against the **Member** in any **Claim** or suit that **CSURMA** defends;
    - 4) Pre-judgment interest awarded against the **Member** on that part of the judgment **CSURMA** pays. If **CSURMA** makes an offer to pay the applicable Limit(s) of Liability, then **CSURMA** will not pay any pre-judgment interest accrued for that period of time after the offer;
    - 5) All interest that accrues after entry of judgment and before **CSURMA** has paid, offered to pay or deposited in court the part of the judgment that is within



CSURMA’s applicable Limit(s) of Liability; or

- 6) Reasonable **Member** expenses incurred with **CSURMA’s** consent or at **CSURMA’s** request.
- 4. **CSURMA** will not defend any **Claim** or **Suit** after our applicable Limit(s) of Liability has been exhausted by payments of judgments or settlements including **Loss Adjustment Expenses**.
- 5. Except as provided in Paragraph A above, **CSURMA** will have no duty to defend any **Claim** or **Suit** against the **Member**. We will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Memorandum may apply, and the **Member** shall cooperate fully with us in such participation. If **CSURMA** chooses to exercise this right, **CSURMA** will do so at **CSURMA’s** own expense.
- 6. All expenses **CSURMA** may incur in the defense of any **Claim** or **Suit** are included in the Limit of Liability and are not paid in addition to the Limit of Liability.
- 6.7. If CSURMA assumes the control of the handling of a claim, the Member shall be obligated to pay at the direction of CSURMA any sum necessary for the settlement of a claim, or to satisfy liability imposed by law, up to the applicable Deductible.

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

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

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

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

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

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

The term **Covered Party** is used severally and not collectively. The Limit of Liability and **Member’s Deductible(s)** as stated in the Declarations apply separately to each **Covered Party**. In the event of an **Occurrence** for which more than one **Covered Party** is or may be held liable, one **Member** Deductible and one Limit of Liability coverage will apply to all Covered Parties. **CSURMA’s** liability for all **Covered**



**Parties** shall not exceed the Limit of Liability set forth in Declarations. An **Occurrence** or **Wrongful Act** involving more than more than one **Member** shall be treated as a single **Occurrence** or **Wrongful Act**, and a single Limit of Liability and a single **Member's Deductible(s)** will apply to the **Occurrence** or **Wrongful Act**.

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

**Bodily Injury** or **Personal Injury** damages resulting from **Sexual Misconduct** will be deemed to have occurred at the time of the last **Sexual Misconduct** and all such **Bodily Injury** or **Personal Injury** will be deemed to be a single occurrence whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of (1) incidents of **Sexual Misconduct** taking place thereafter, (2) victims of **Sexual Misconduct**, or (3) locations where the **Sexual Misconduct** took place. Only the Memorandum of Coverage in effect during which such **Sexual Misconduct** last occurred will apply to such single **Occurrence** of **Sexual Misconduct**. Coverage does not apply to any **Covered Party** who is found by a court of law to have committed a criminal act of **Sexual Misconduct**.

## SECTION V - COVERED PARTIES

The parties covered by the CSURMA:

1. The **Member**.
2. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the **Member**:
  - A. Governing Board.
  - B. Officers.
  - C. **Employees**.
  - D. Non-compensated individuals, while acting for or on behalf of the **Member**. This includes individuals appointed and acting as volunteers. Volunteers include students who are enrolled in community service programs, but only while such students are performing services for credit that are valid for the student to meet the university's requirements for college graduation.
3. **Additional Covered Parties** as defined in Section II, 1. of this document.
4. **Covered Individuals** as defined in Section II, 9. of this document.

## SECTION VI – EXCLUSIONS

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



1. Aircraft

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

2. Assault and Battery

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

3. Automobile

For any liability arising out of the use or entrustment to others of any **Automobile** owned or operated by or rented or loaned to any **Member**, but this exclusion does not apply to parking an **Automobile** on or on the ways next to premises the **Member** owns or rents, provided the **Automobile** is not owned by or rented or loaned to the **Member**.

4. Automobile Physical Damage

For any liability for damages to or destruction of any **Automobile** owned by, rented to, leased to or in charge of the **Member**.

5. Aviation Activities

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

- A. **Aircraft**
- B. Airfields;
- C. Runways;
- D. Hangars; or
- E. Buildings of other properties in connection with aviation activities.
- F. Liability for **Damages** arising out of in-flight operations of **Aircraft** by or in the interest of the **Covered Party** except with respect to operations performed by scheduled common carriers or operations of **Aircraft** owned or operated by the United States government or the State of California. The term in-flight as used in the foregoing means the period of time the **Aircraft** moves forward in taking off or in an attempt to take off until it has completed its landing run.

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

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

6. Bid Specifications / Cost Overruns

Claims arising out of:

- A. Estimates of probable cost or cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans.
- B. Mechanic's lien claims, stop notice claims, change order claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims of breach of oral or written contract, third-party beneficiary claims, quantum meruit claims, and/or open count claims.

#### 6.7. Bodily Injury

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

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

#### 7.8. CSU Managed Construction Projects

For any liability for damages assumed by the **Covered Parties** under any construction project contracts managed by the Chancellor's Office of the California State University or managed by a campus of the California State University, or both. However, CSURMA shall defend any actions or suits brought against any Member for such causes of action.

#### 8.9. Contractual Obligations

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

#### 10. Eminent Domain, Condemnation Proceedings or Inverse Condemnation

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

#### 9.11. Employee Benefits Liability

- A. Arising out of an insufficiency of funds to meet any obligations under any plan included in the Employee Benefits Program
- B. Failure of any investment to perform;
- C. Errors in providing information on past performance of investment vehicles; or
- D. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the Employee Benefits Program.

- E. For any **Employee Benefits Liability Claim** for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **Covered Party**, from the applicable funds accrued or other collectible insurance.
- F. For taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

10.12. Funds, Grants or Appropriations

For the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations for the return of such funds, grants, or appropriations for any reason. However, CSURMA will defend any action or suits brought against any **Covered Party** for the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations or for the return of such funds, grants or appropriations for such causes of action, unless their alleged conduct was outside the scope of employment.

11.13. Intentional Conduct

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

12.14. Lack of Occurrence or Wrongful Act

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

13.15. Land Use

To any liability for **Damages** arising from any **Claim**, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA shall defend the **Covered Party** up to an amount not exceeding \$1,000,000 **Ultimate Net Loss** for such liability.

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

16. Member vs. Member

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

14.17. Non-Compensatory Amounts and/or Damages

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

15.18. Nuclear Material

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

- A. For any loss or liability accruing to the **Covered Party** as a Member of, or subscriber to, any association of insurers or reinsurers formed for the purpose of covering nuclear energy risks or as a direct or indirect reinsurer of any such Member, subscriber or association.
  - 1) It is agreed that this Memorandum does not apply under any liability coverage, to injury, sickness, disease, death or destruction, **Bodily Injury** or **Property Damage** with respect to which a **Member** under the Memorandum is also a **Covered Party** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability. The **Member** is, or had such coverage not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Resulting from the **Hazardous Properties of Nuclear Material**, if:
  - 1) The **Nuclear Material** is at any **Nuclear Facility** owned by, or operated by or on behalf of a **Member**, or has been discharged or dispersed therefrom;
  - 2) The **Nuclear Material** is contained in **Spent Fuel** or **Waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a **Member**; or
  - 3) The injury, sickness, disease, death or destruction arises out of the furnishing by a **Member** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any **Nuclear Facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this part 3 applies only to injury to or destruction of property at such **Nuclear Facility**.

However, this Exclusion shall not apply to liability arising from the use of radioactive materials in instructional laboratories operated by the **Member** and/or research activities sponsored by the **Member** or California State University.

#### 16.19. Pollution

For any loss, cost, or expense:

- A. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;
- B. Arising out of any **Claim**, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **Pollutants**:
  - 1) At any premises owned, rented or occupied by the **Covered Party**;

- 2) At or from any site or location used by or for the **Covered Party** or others for the handling, storage, dispersal, processing or treatment of **Waste**;
- 3) Which are at any time transported, handled, stored, treated or disposed of; or processed as **Waste** by or for the **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
- 4) At or from any site or location on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations:
  - a) If the **Pollutants** are brought on or to the site or location in connection with such operation; or
  - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **Pollutants**.

Subparagraph (A) and (B.1) do not apply to **Bodily Injury** ~~or~~ **Property Damage** arising out of heat, smoke or fumes from a hostile fire.

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

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

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

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

- A. Any site or location used by others on the **Covered Party's** behalf, principally for the handling, storage, disposal, dumping, processing or treatment of **Waste** material.

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

#### 17.20. Property Damage

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

Arising from **Property Damage** to:

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

#### 18.21. Watercraft

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

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

#### 19.22. Under Errors and Omissions Liability;

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

20:23. Under Media Wrongful Acts;

- A. Based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any actual or alleged infringement, contributing to the infringement, or inducing the infringement of any patent.
- B. Actual or alleged violation of any federal, state or local statute, law or regulation regarding the dissemination of unsolicited communications, including but not limited to unsolicited telephone calls, facsimiles and electronic mail; or
- C. Liability of any **Member** arising in whole or in part, out of any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled;
- D. Liability arising out of the willful violation of a penal statute, code or ordinance committed by or with the knowledge or consent of any **Member**; except that any act for which a **Covered Party** is responsible shall not be imputed to any other **Covered Party** for purposes of this subpart 3.
- ~~A. Refund or restitution of taxes, fees, or assessments.~~
- ~~D.E.~~ Arising out of oral or written publication of material, if done by or at the direction by you with knowledge of its falsity.

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

## SECTION VII – CONDITIONS

1. Action Against CSURMA - No action shall lie against CSURMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability. Under no circumstances shall CSURMA be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under Section I - Coverages, plus interest at the same rate as the CSURMA earned on investments for the time period involved.
2. Arbitration:
  - A. In the event that a question or dispute arises between CSURMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an **Occurrence** or **Wrongful Act** or **Claim** against the **Covered Party**, either the **Covered Party** or CSURMA may make a written request for arbitration. Where such a request is made,

arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.

- B. If a **Covered Party** and CSURMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within thirty (30) days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.
  - C. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).
- 3. Assignment: No assignment of interest under this Memorandum shall bind CSURMA without its written consent and endorsed hereon.
  - 4. Cancellation and Termination:  
Coverage provided under this Memorandum may be terminated at any time in accordance with the terms set forth in the CSURMA Joint Powers Agreement, the Bylaws and the Policies and Procedures.
  - 5. Changes to the Memorandum: This Memorandum may not be amended or changed in any respect, nor shall any provision of this Memorandum be deemed to have been waived by CSURMA, unless and until a written endorsement which expressly amends this Memorandum or waives a provision thereof has been duly issued by CSURMA and made a part of this Memorandum, unless the CSURMA Policies and Procedures regarding claims reporting and claims administration and litigation management have been amended by CSURMA.
  - 6. Claims Settlement: As stated in the CSURMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management.
  - 7. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA's rules and rates. CSURMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
  - 8. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit: The following provisions and the provisions of the CSURMA Memorandum and Policy and Procedure on Claims Reporting and Claims Administration and Litigation Management are conditions precedent to coverage under this Memorandum. The **Covered Party's** failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA.
    - A. In the event of any **Occurrence** or an offense which may result in a claim, suit or proceeding against a **Covered Party**, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the **Member** to CSURMA as soon as practicable.
    - B. When the **Member** submits the first claim report, the following information shall be included, if available and applicable:



- 1) How, when and where the **Occurrence** or offense took place;
  - 2) The names and addresses of any injured persons and witnesses;
  - 3) The nature and location of any injury or damage arising out of the **Occurrence** or offense;
  - 4) Incident reports;
  - 5) Investigation reports;
  - 6) Police reports;
  - 7) Claim notices and **Member** and any other involved **Covered Party** response(s);
  - 8) Medical reports; and
  - 9) Other information helpful to CSURMA.
- C. The **Member** and any other involved **Covered Party** shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the **Member** or other involved **Covered Party** to the CSURMA Claims Administrator and authorize CSURMA to obtain records and other information;
- D. The **Member** and any other involved **Covered Party** will cooperate with CSURMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply.
9. Inspection and Audit: CSURMA shall have the right, but not the obligation, to inspect the **Member's** property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of the **Member** or others, to determine or warrant that such property or operations are safe or healthy.
- The **Member** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to CSURMA at the end of the **Coverage Period** and at such times during the **Coverage Period** as we may direct. CSURMA may examine and audit **Member's** books and records as they relate to this Memorandum at any time during the **Coverage Period** and extensions thereof and within three (3) years after the final termination of this Policy.
10. No Voluntary Payments: Except as stated below, no **Member** will, except at that **Member's** own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the consent of CSURMA.
- With respect to **Employment Practices Liability**, as stated in CSURMA Policy and Procedure on Claims Reporting, in no event shall any payments be made by CSURMA for any costs incurred to defend a covered **Claim** more than thirty (30) days prior to written notification of an **Occurrence**, offense, **Claim** or suit to CSURMA.



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

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

11. Other Coverage: It being recognized that similar coverage contracts contain Other Insurance Clauses, it is therefore intended, understood and agreed that:
  - A. Notwithstanding the terms and conditions of any Other Insurance Clause of Clauses in any policy or policies where other coverage is available to the **Covered Party** (whether such policy is issued to the **Covered Party** or extends to it as employer, employee or agent in any other capacity), the coverage afforded hereunder is intended to be, and shall be, excess coverage; and under no circumstances shall the coverage afforded hereunder be considered pro-rata, concurring or co-existent.
  - B. If any other coverage is available to the **Covered Party**, whether such coverage is called excess over, or pro-rata with other valid and collectible insurance or not, the coverage afforded hereunder shall not apply until such other coverage has been exhausted, provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this document.
12. Separation of Covered Parties: Except with respect to the Section III – Limitations Upon CSURMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:
  - A. As if each **Covered Party** were the only **Covered Party**; and
  - B. Separately to each **Covered Party** against whom the **Claim** is made or suit is brought.
13. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.
14. Subrogation/Transfer of Rights of Recovery Against Others to CSURMA: CSURMA shall be subrogated to the extent of any payment hereunder, to all of **Member's** rights of recovery and **Member** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **Member** may elect to waive their rights to subrogation prior to a loss. To the extent that **Member** elects to waive such rights, CSURMA shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

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



CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE

DECLARATIONS

- 1. **Memorandum Number:** CSURMA.20~~19~~20.07.01
- 2. **Named Covered Party:**  
California State University Risk Management Authority (CSURMA)  
California State University (CSU) - Per Endt. 2  
Auxiliary Organizations Risk Management Alliance (AORMA) - Per Endt. 3
- 3. **Mailing Address:**  
California State University, Office of the Chancellor  
401 Golden Shore  
Long Beach, CA 90802-4210
- 4. **Memorandum Period:** July 1, ~~2019-2020~~ to July 1, ~~2020~~2021
- 5. **Retained Limit:** \$5,000,000 any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts. Defense Costs erode the Retained Limit.
- 6. **Limits of Liability:**
  - A. Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts excess of Retained Limits.....\$15,000,000
  - B. Aggregate Limit during each Memorandum Period as a result of Completed Operations Hazards .....\$15,000,000
  - C. Aggregate Limit during each Memorandum Period as a result of Wrongful Acts arising out of Public Officials’ Errors and Omissions Liability .....N/A
  - D. Aggregate Limit during each Memorandum Period as a result of: Employment Practices Liability ..... N/A
  - E. Aggregate Limit during each Memorandum Period as a result of: Employee Benefits Liability ..... N/A
- 7. **Program Administrator:**  
Alliant Insurance Services, Inc.  
100 Pine Street, Suite 1100



California State University Risk Management Authority

San Francisco, CA 94111-5101

**8. Self-Insured Claims Servicing Organizations:**

Campus: Office of the Chancellor (Self-Administered)

AORMA: Carl Warren & Company

**9. Premium:**

*These Declarations together with the coverage form and endorsements issued to form a part of the Memorandum thereof, complete the above numbered Memorandum.*

**Countersigned:**

\_\_\_\_\_  
Zachary Gifford  
CSURMA Secretary-Auditor

**Date:**

\_\_\_\_\_



California State University Risk Management Authority

## CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE

Various provisions in this Memorandum restrict coverage. Read the entire Memorandum carefully to determine **your** rights, duties and what is and is not covered.

Throughout this Memorandum the words **you** and **your** refer to the **Named Covered Party(s)** shown in the **DECLARATIONS** and any other person(s) or organization(s) qualifying as a **Covered Party** under this Memorandum. The words **we**, **us**, and **our** refer to the entity providing this coverage, namely **CSURMA**. Other words and phrases that appear in boldface have special meaning. Refer to **SECTION VII DEFINITIONS**.

In consideration of the payment of the premium, in reliance upon the statements in the **DECLARATIONS** made a part hereof and subject to all of the terms of this Memorandum, **we** agree with **you** as follows:

### SECTION I - COVERAGE AGREEMENT

**We** will pay on **your** behalf the **Ultimate Net Loss** in excess of **your Retained Limit** hereinafter stated which **you** become legally obligated to pay as **Damages** because of:

- Personal Injury;**
- Property Damage;**
- Public Officials Errors and Omissions;**
- Employment Practices Claims;** or
- Employee Benefits Wrongful Act**

to which this Memorandum applies caused by an **Occurrence** or a **Wrongful Act** that takes place during the Memorandum Period.

### SECTION II - DEFENSE AND DEFENSE COSTS

1. **We** will have the right and duty to defend any **Claim** or **Suit** against the **Covered Party** seeking **damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage applies even if the **Claim** or **Suit** is groundless, false or fraudulent when the **Retained Limit** has been exhausted by the payment of **damages** including **defense costs** to which this coverage applies and provided further that no other insurer has a duty to defend or is defending such **Claim** or **Suit**.
2. **We** will have no duty to defend the **Covered Party** against any **Claim** or **Suit** seeking **damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage does not apply.
3. When **we** assume the defense of any **Claim** or **Suit** on **your** behalf, **we** will:
  - A. Investigate, negotiate and settle the **Claim** or **Suit** as **we** deem expedient; and
  - B. Pay the following to the extent that they are not covered by any other coverage:
    - 1) Premiums on bonds to release attachments for amounts not exceeding our



California State University Risk Management Authority

Limits of Coverage, but **we** are not obligated to apply for or furnish any such bond;

- 2) Premiums on appeal bonds required by law to appeal any **Claim** or **Suit** **we** defend, but **we** are not obligated to apply for or furnish any such bond;
  - 3) All reasonable costs taxed against **you** in any **Claim** or **Suit** that **we** defend;
  - 4) Pre-judgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable Limit(s) of Liability, **we** will not pay any pre-judgment interest accrued for that period of time after the offer;
  - 5) All interest that accrues after entry of judgment and before **we** have paid, offered to pay or deposited in court the part of the judgment that is within our applicable Limit(s) of Liability; or
  - 6) **Your** reasonable expenses incurred with **our** consent or at **our** request.
4. **We** will not defend any **Claim** or **Suit** after our applicable Limit(s) of Liability has been exhausted by payments of judgments or settlements including **Defense Costs**.
  5. Except as provided in Paragraph 1 above, **we** will have no duty to defend any **Claim** or **Suit** against the **Covered Party**. **We** will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Memorandum may apply, and the **Covered Party** shall cooperate fully with us in such participation. If **we** exercise this right, **we** will do so at our own expense.
  6. All expenses **we** incur in the defense of any **Claim** or **Suit** are included in our Limit of Liability and are not paid in addition to our Limit of Liability.

### SECTION III - YOUR RETAINED LIMIT - OUR LIMIT OF LIABILITY

Regardless of the number of (1) **Covered Parties** under this Memorandum, (2) persons or organizations who sustain **injury** or **Damage**, or (3) **Claims** made or **Suits** brought on account of **Personal Injury** Liability, **Property Damage** Liability, **Public Officials Errors & Omissions** Liability, **Employment Practices** Liability or **Employee Benefit** Liability, **our** liability is limited as follows:

With respect to **Personal Injury, Property Damage, Public Officials Errors & Omissions, Employment Practices or Employee Benefit Wrongful Act**, or any combination thereof, **our** liability shall be only for the **Ultimate Net Loss** in excess of **your Retained Limit** as specified in Item 5. **Retained Limit** section of the **DECLARATIONS** as the result of any one **Occurrence** or **Wrongful Act**, and then for an amount not exceeding the amount specified in Item 6.A. of the Limit of Liability section of the **DECLARATIONS** as the result of any one **Occurrence** or **Wrongful Act**.

This Memorandum is subject to aggregate Limits of Liability as stated in the **DECLARATIONS** as stated in Items 6.B., 6.C., 6.D., and 6.E. These aggregate Limits of Liability are the maximum



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amount that will be paid under this Memorandum for all **Occurrences, Wrongful Acts, Employee Benefit Wrongful Act or Related Employee Benefit Wrongful Acts**, as the case may be, during the Memorandum Period applying separately to:

**Completed Operations Hazard;  
Public Officials' Errors and Omissions;  
Employment Practices Claims  
Employee Benefit Claims**

In the event the **Named Covered Party** is an entity established pursuant to a Joint Powers Authority or Joint Coverage Fund, by whatever name called, and there are multiple **Named Covered Parties** shown on the respective **Named Covered Party** endorsement under this Memorandum, the CSURMA's each **Occurrence** or **Wrongful Act** Limit of Liability and the **Named Covered Party's Retained Limit** under this Memorandum shall apply separately to each **Named Covered Party**.

However, an **Occurrence** or **Wrongful Act** involving more than one **Named Covered Party** shall be treated as a single **Occurrence** or **Wrongful Act**. A single CSURMA each **Occurrence** or **Wrongful Act** Limit of Liability and a single **Retained Limit** shall apply.

It is understood and agreed that nothing will be construed to increase our Limit of Liability. It is further understood and agreed that the Aggregate Limits of Liability as set forth in the **DECLARATIONS** shall be applied separately to each **Named Covered Party**.

For the purpose of determining the limit of our liability, the **Ultimate Net Loss** arising from **Damages for Personal Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Claims** or **Employee Benefit Wrongful Act** arising out of continuous, repeated, or related exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence** or **Wrongful Act**.

**Personal Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Claims** or **Employee Benefit Wrongful Act** taking place over more than one Memorandum Period covered by us shall be deemed to have taken place during the last Memorandum Period and only that limit shall apply.

#### **SECTION IV - MEMORANDUM PERIOD - EXPANDED COVERAGE TERRITORY**

The Memorandum Period commences on the effective date shown in the **DECLARATIONS**. The Memorandum Period ends on the earlier of either the expiration date or the effective date of cancellation of this Memorandum. If a person or organization becomes a **Covered Party** under this Memorandum after the effective date, the Memorandum Period for that person or organization begins on the date the person or organization became a **Covered Party**.

This Memorandum applies to **Personal Injury, Property Damage, Public Official's Errors and Omissions, Employment Practices Claims, or Employee Benefits Wrongful Acts** arising out of an **Occurrence** or a **Wrongful Act** that takes place during the Memorandum Period, in the Expanded Coverage Territory, subject to the following:

1. If a **Claim** is made and a **Suit** is brought for such **Occurrence** or **Wrongful Act** in the United



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States of America, we will pay on your behalf the Ultimate Net Loss in excess of your Retained Limit hereinafter stated, which you become legally obligated to pay as Damages, to which this Memorandum applies caused by an Occurrence or a Wrongful Act that takes place during the Memorandum Period.

- 2. If a Claim is made and a Suit is brought for such Occurrence or Wrongful Act that is within the Expanded Coverage Territory but outside the United States of America, the Covered Party will initiate a defense of the Claim or Suit and we will indemnify the Covered Party for Ultimate Net Loss in excess of your Retained Limit hereinafter stated, which you become legally obligated to pay as Damages, to which this Memorandum applies caused by an Occurrence or a Wrongful Act that takes place during the Memorandum Period. We will, however, have the right, but not the duty, to participate in the defense of any Suit and the investigation of any Claim to which this Memorandum may apply, and the Covered Party shall cooperate fully with us in such participation. If we exercise this right, we will do so at our own expense.
3. All payments or reimbursements we make for Damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the Covered Party became legally obligated to pay such sums.
4. The Covered Party must fully maintain any coverage required by law, regulation or other governmental authority during the Memorandum period, except for reduction of the aggregate limits due to payment of Damages.

Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this coverage. However, this coverage will apply as if the required coverage by law, regulation or other governmental authority was in full effect.

SECTION V - PERSONS OR ENTITIES COVERED

The following are Covered Parties;

- 1. The Named Covered Party as designated in the DECLARATIONS.
2. Commissions, boards, districts, authorities, committees, agencies, not-for-profit corporations or other entities under the direction or control of the Named Covered Party, while acting solely within the course and scope of their duties with and for the direct benefit or on behalf of the Named Covered Party.
3. Past or present employees, directors, officers, trustees or any equivalent position, volunteers, elected or appointed officials of the Named Covered Party, including Contract Employees of the Covered Party, while acting within the course and scope of their employment or under the direction and control for or on behalf of the Named Covered Party. This does not include any person working on retainer or as an independent contractor.
4. Any person:
A. Designated in paragraphs 1, 2, and 3 above, with respect to any Automobile not owned by you that is used in your operations as a public entity; and



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- B. Using any **Automobile** owned by the **Named Covered Party** or hired **Automobile** or any person legally responsible for the use thereof, provided that the **Automobile** is being used with **your** permission and while acting on **your** behalf.

The coverage granted by this provision, however does not apply to:

- A. Any person operating an **Automobile** while working in a business that sells, services, repairs, delivers, tests, parks, or stores **Automobiles** unless it is your business; or
- B. The owner or lessee of any hired **Automobile**, other than you or any agent or employee of such owner or lessee.

However, with respect to California State University owned, hired or non-owned **Automobiles**, coverage afforded under **Section V. Persons or Entities Covered** item 4. only applies to **Non-Employee Drivers**.

**Non-Employee Drivers** means any volunteer, student, or any individual who is not an employee of the **Named Covered Party** while driving an **Automobile** and acting for or on behalf of the **Named Covered Party**.

- 5. Student Organizations including those involved with radio, television and publishing, but only those organizations formally recognized by the **Named Covered Party** as student organizations.
- 6. Students, but only with respect to liability arising out of service by the student as a teaching assistant or student teacher; while serving in a supervised internship program in satisfaction of course requirements; while participating in activities required to complete nurse training or similar allied health courses; while participating in teacher certification programs; while serving or acting under the direction of an entity included as a **Named Covered Party**.
- 7. All special districts governed by the entity’s board and all other districts or agencies named on the Memorandum.
- 8. Police Officers currently employed by **you** as respects secondary employment specifically authorized by **your** Police Department (commonly referred to as “moonlighting”); however:
  - A. This coverage would only apply to extent that **you** were joined in any suit naming said Police Officers; and
  - B. This coverage is excess over any other valid and collectible coverage covering any loss for which this coverage would otherwise be applicable; and
  - C. Nothing provided hereunder would serve to increase any Limits of Liability of this Memorandum.

**SECTION VI - EXCLUSIONS**

This Memorandum does not apply:

- 1. To any obligation for which **you** or any carrier as the insurer for **you** may be held liable



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under any workers' compensation, occupational disease, unemployment compensation or disability benefits law, or under any similar federal, state or local law.

2. To **Bodily Injury** to any of **your** employees arising out of and in the course of employment by **you**, but this exclusion does not apply to Workers' Compensation Coverage B, Employers Liability, or Stop Gap Liability, as defined by the National Council on Workers' Compensation Coverage or **Employment Practice Liability**.
3. To any liability for **Property Damage** to:
  - A. Real property owned, occupied by or leased to **you**, **your** agents or subcontractors;
  - B. Real or personal property in **you**, **your** agents or subcontractors care, custody or control or as to which **you**, **your** agents or subcontractors are for any purpose exercising physical control;

The above exclusions 3.A. and 3.B. do not apply to:

- 1) Real and personal property, including **Automobiles** and mobile equipment, in **your** custody as part of the operations of impound lots or seizure activities, as well as personal property in **your** care, custody and control at the time of arrest or incarceration;
- 2) Non-owned **Automobiles** that are in **your** care, custody or control;
- 3) Real property that is leased or rented by **you** for losses arising out of fire, smoke or resulting water damage.

Items 1), 2) and 3) above are subject to a maximum limit of coverage of \$1,000,000 per Occurrence.

4. As respects liability assumed by **you** under any contract:
  - A. To any **Claim**, judgment or agreement from any arbitration proceeding wherein **we** are not entitled to exercise **your** rights in the choice of arbitrators, and in the conduct of such proceedings;
  - B. If the indemnitee of the **Covered Party** is an architect, engineer or surveyor, for the liability of the indemnitee, his agents or employees, arising out of:
    - 1) The preparation or approval of contracts, maps, plans, drawings, opinions, reports, tests, inspections, surveys, change orders, designs or specifications;
    - 2) The giving or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give results in **Personal Injury** or **Property Damage**.
5. To liability arising out of the ownership, maintenance, **Loading** or **Unloading**, use of, or operation of any **Aircraft**, airfields, runways, hangars, buildings, or other properties in connection with aviation activities.



This exclusion shall not apply to:

- A. **Loading or Unloading of Aircraft** by paramedics, nurses or emergency medical technicians employed by **you** in the course of medical treatment.
  - B. Static **Aircraft** used for instructional **Aircraft** maintenance training, and classroom or travel activity associated with an **Aircraft** program or curriculum (non-flight purposes only).
  - C. Those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots, and garages) or to liability arising out of the ownership, operation, rental, or loan of vehicles licensed for highway use while being operated away from the premises of any airfield.
  - D. Class 1. Amateur Rockets, as defines by the U.S. Department of Transportation, Federal Aviation Administration, Procedures for Handling Airspace Matters, Order JO 7400.2K, Effective Date: April 3, 2014, Chapter 31. Amateur Rocket and Commercial Space Operations, Section 1. General, 31-1-5. DEFINITIONS, c. Amateur Rocket Class 1 a model rocket that uses no more than 125 grams (4.4 ounces) of propellant; uses a slow-burning propellant; is made of paper, wood, or breakable plastic; contains no substantial metal parts; and weighs no more than 1,500 grams (53 ounces) including the propellant.
6. To any liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Covered Party**. This includes, but is not limited to:
- A. The rendering or failure to render:
    - 1) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
    - 2) Any service or treatment related to physical or mental health or of a professional nature; or
    - 3) Any cosmetic or tonsorial service or treatment.
  - B. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to any liability arising out of;

- A. Ambulance operations, occupational physical examinations, student nursing programs, infirmaries, non-clinic nursing services or services of the **Covered Party's** employees who are nurses, physician assistants, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, or physical therapists;
- B. **Employment Practices Liability;**
- C. First aid to any person. For the purposes of this exception, first aid means the immediate and emergency care given to an ill or injured person before regular



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medical aid can be obtained;

- D. Any nursing services clinic that does not perform invasive surgery of any kind;
  - E. Operations performed by coroners; or
  - F. Volunteer medical personnel while attending an activity sponsored by the **Covered Party** or while on school premises under the **Covered Party's** control.
7. To **Claims** for loss or **Damage** or any liability arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, or by whatever name used whether such **Claims** are made directly against **you** or by virtue of any agreement entered into, by or on **your behalf**.
8. To liability arising out of the failure to adequately supply electrical power, fuel or water or to liability arising out of the interruption of the electrical power, fuel or water supply. However, this exclusion does not apply to the failure to supply water if:
- A. Such failure is caused by an **Occurrence** or **Wrongful Act** as defined in this Memorandum; and
  - B. The combined capacity of **your** installed production facilities and contractual supply arrangements is equal to or greater than one hundred (100) percent of the water demand on **your** water system.
9. To **Personal Injury** or **Property Damage** arising out of out of the ownership, maintenance, operations, use, **Loading** or **Unloading** of (1) any **Watercraft** owned or operated by or rented or loaned to **you**, or (2) **Watercraft** operated by any person in the course of employment by **you**.
- However, this exclusion shall not apply to: (1) any owned and/or non-owned **Watercraft** less than fifty-one (51) feet in length, (2) any **Watercraft** while ashore or on premises owned or controlled by **you**, or (3) rowing or sculling shells regardless of length.
10. To **Personal Injury, Property Damage** or **Public Officials' Errors and Omissions**:
- A. With respect to which **you** are also an Insured under a nuclear energy policy issued by the Nuclear Energy Liability-Property Coverage Association, Mutual Atomic Energy Liability Underwriters or Nuclear Coverage Association of Canada, or would be an Insured under any such policy but for its termination upon exhaustion or its limit of liability; or
  - B. Resulting from the hazardous properties of nuclear material and with respect to which (1) any person or any organizations required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; (2) **you** are, or had this Memorandum not been available would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization;



- C. Under any liability coverage, to **Bodily Injury** or Property Damage, resulting from hazardous properties of nuclear material, if:
- 1) The **nuclear material** (1) is at any **nuclear facility** owned by, or operated by or on **your** behalf, or (2) has been discharged or dispensed therefrom;
  - 2) The **nuclear material** is contained in **spent fuel** or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on **your** behalf;
  - 3) **Bodily Injury or Property Damage** arising out of the furnishing by **you** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operating or use of any **nuclear facility**. But if such facility is located within the United States of America, its territories or possessions, or Canada, this exclusion 3) applies only to **Property Damage to** such nuclear **facility** and any property thereat.
- D. As used in this exclusion:
- 1) **hazardous properties** includes radioactive, toxic or explosive properties;
  - 2) **nuclear material** means "source material", special "nuclear material" or "byproducts material";
  - 3) **source material**, "special nuclear material" and "by-products material" have the meaning given them in the Atomic Energy Act of 1954 or any law amendatory thereof;
  - 4) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;
  - 5) **waste** means any waste material (1) containing "by-products material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** contents, and (2) resulting from the operation by any person or organization of a **nuclear facility** included within the first two paragraphs of the definition of **nuclear facility** below;
  - 6) **nuclear facility** means:
    - a) Any **nuclear reactor**;
    - b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel** or (3) handling, processing or packaging **wastes**;
    - c) Any equipment or device used for the processing, fabricating, or alloying of special **nuclear material** if at any time the total amount of such material in **your** custody at the premises where such



equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grains of uranium 235;

d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**, including the site on which any of the foregoing is located and all operations conducted on such site and all premises used for such operations;

7) **nuclear reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

8) With respect to **Property Damage**, the words injury or destruction includes all forms of radioactive contamination of property.

11. As respects to any liability arising out of **Pollutants**:

- A. To any **Claim** for **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions** arising out of the actual or alleged generation, storage, transportation, discharge, dispersal, escape, treatment, removal of, disposal of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gasses, waste materials or other irritants, contaminants or **Pollutants** into or upon the land, atmosphere or water, to include ground water;
- B. To any obligation to defend any **Claim** or **Suit** against **you** alleging **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions**, if such **Claim** or **Suit** arose from **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions** arising out of the discharge, dispersal, release or escape of **Pollutants**, anywhere in the world;
- C. To any loss, cost or expense arising out of any governmental demand, direction or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;
- D. To any loss, cost or expense arising out of the arranging to dispose of, the transporting of, or disposing of **Pollutants**;
- E. To any loss, cost or expense incurred by a governmental unit or other third party, including but not limited to costs of investigation and monitoring, and attorneys' fees, relating to activities in connection with efforts to test for, monitor, clean up, remove, contain, trace, detoxify or neutralize **Pollutants**;
- F. To any loss, cost or expense arising from any **Underground Storage Tank** unless satisfactory documentation is received and approved by, and are on file with, the **CSURMA**.

However, this exclusion shall not apply to the following:

- A. Loss or **Damage** arising out of **Pollution Conditions** caused by heat, smoke or



fumes from a **Hostile Fire** involving a property which is owned, rented or occupied by the **Covered Party** or upon which operations are being performed by or on **your** behalf;

- B. Loss or **Damage** arising out of **Pollution Conditions** caused by **your** firefighting activities or on **your** behalf, including fires intentionally set for training, intentional demolition or fires intentionally set for the purpose of limiting or controlling a fire;
- C. Loss or **Damage** arising out of **Pollution Conditions** caused by the collision, upset, or overturn of any **Automobile** or mobile equipment;
- D. Loss or **Damage** arising out of **Pollution Conditions** caused by chemicals used in weed abatement or tree spraying activities conducted by **you**;
- E. Loss or **Damage** arising out of **Pollution Conditions** caused by classroom activities conducted by or on **your** Behalf;

However, exceptions A - E above do not apply to loss or **Damage** due to asbestos, silica or lead, including but not limited to lead based paint.

- F. Loss or **Damage** arising out of **Pollution Conditions** caused by the use of pepper sprays, mace, or other chemicals designed to temporarily incapacitate persons as long as the use is deemed to be reasonable force;
- G. Personal Injury or Property Damage which is within the Products Hazard or the Completed Operations Hazard;
- H. Loss or Damage arising out of Pollution Conditions caused by water, whether recycled, reconditioned or reclaimed;
- I. Loss or Damage arising out of Pollution Conditions caused by explosion, lightning, windstorm, vandalism and malicious mischief, riot and civil commotion, flood;
- J. Loss or Damage arising out of Pollution Conditions that meet the following conditions:
  - 1) It was accidental and neither expected nor intended by the **Covered Party**; and
  - 2) It was demonstrable as having commenced on a specific date during the term of this Memorandum; and
  - 3) Its commencement became known to the **Covered Party** within ten (10) calendar days; and was further reported to the person responsible for Risk Management within a reasonable timeframe; and
  - 4) Its commencement was reported in writing to the CSURMA within forty (40) calendar days of becoming known to the person responsible for Risk Management; and
  - 5) Reasonable effort was expended by the **Covered Party** to terminate the



discharge, dispersal, release or escape of **pollutants** as soon as conditions permitted; and

- 6) Its termination was within seventy-two (72) hours of its commencement.

However, nothing contained in this provision J. shall operate to provide any coverage with respect to:

- 1) Any site or location principally used by any **Covered Party**, or others on the **Covered Party's** behalf for the handling, storage, disposal, dumping, processing or treatment of waste material;
- 2) Any fines or penalties;
- 3) Any clean-up costs ordered by the superfund program, or any federal, state or local governmental authority. However, this paragraph shall not serve to deny coverage for third party clean-up costs otherwise covered by this exception to this exclusion simply because of the involvement of a governmental authority;
- 4) Acid rain;
- 5) Clean-up, removal, containment, treatment, detoxification or neutralization of **pollutants** situated on premises the **Covered Party** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **pollutants**; or
- 6) Water pollution caused by oil or its derivatives.

As used herein loss or **Damage** means **Ultimate Net Loss** as defined in the **DEFINITIONS** section of this Memorandum.

- 12. As respects any liability arising out of asbestos and/or silica:
  - A. To any liability arising out of the manufacture, mining, use, sale, installation, removal, storage, disposal, distribution, or exposure to asbestos products, asbestos fibers, silica or asbestos dust.
  - B. To any liability to indemnify any party because of **Damage** arising out of **Personal Injury** or loss due to a **Wrongful Act** at any time as a result of the manufacture, sale installation, removal, distribution, transportation or exposure to asbestos, asbestos products, asbestos fibers, silica or asbestos dust.
  - C. To any liability to defend any **Claim** or **Suit** against you seeking **Damages** arising out of **Personal Injury** or **Property Damage** or **Public Officials' Errors and Omissions** due to an **Occurrence** or loss due to a **Wrongful Act**, if such **Claim** or **Suit** results from any of the following: manufacture, mining, use, sale, installation, removal, distribution, transportation, or exposure to asbestos, asbestos products, asbestos fibers, silica or asbestos dust.
- 13. As respects any liability imposed upon you under the Employee Retirement Income Security



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Act of 1974 and any amendatory law thereof.

14. To any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any **Dam.** As well as those costs incurred by you to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person
15. **Public Officials' Errors and Omissions** Liability, for:
  - A. Personal Injury or Property Damage, as defined, that does not arise out of a **Claim** or Suit for **Public Officials' Errors and Omissions**;
  - B. Refund of taxes, fees or assessments;
  - C. **Your** liability arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of plans or failure to award contracts in accordance with any statute or ordinance which under law must be submitted for bids;
  - D. Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof;
  - E. Failure to perform or breach of a contractual obligation except employment contracts;
  - F. Liability arising from the deliberate violation of any statute, law, act, ordinance, rural, or regulation whether federal, state, city, county, district, or local committed by or with the knowledge or consent of any **Covered Party**.

**We** shall not pay any cost that results from the defense, investigation, and settlement of any **Occurrence** or **Wrongful Act** arising out of any losses excluded herein.
16. It is agreed that the following exclusions are hereby included in the Memorandum only or **Wrongful Acts** resulting from **your Employment Practices Claims**:
  - A. **Strikes and Lockouts.** This Memorandum does not apply to any **Claim** or **Claims** for loss arising out of a lockout, strike, picket line, replacement or similar actions in connection with labor disputes or labor negotiations.
  - B. **W.A.R.N. Act.** This Memorandum does not apply to any **Claim** or **Claims** for loss arising out of the Worker Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto or any similar federal, state or local law.
17. This Memorandum does not apply to any **Claim** or **Claims** for any costs incurred by **you** to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person.
18. To any **Claims** or **Suits** arising from all pending or prior litigation or hearing as well as future **Claims** or **Suits** arising out of said pending or prior litigation or hearing, and arising out of, based upon or attributable to the facts alleged, or to the same or related **Wrongful**

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**Acts**, alleged or contained in any **Claim** or **Suit** arising out of any **Wrongful Act** prior to the inception of this Memorandum.

- 19. For Personal Injury, Property Damage, or **Bodily Injury** or any other loss, cost or expense arising in whole or part, out of the installation, repair, removal, encapsulation, abatement, replacement or handling of, presence, ingestion, inhalation, absorption of or exposure to, or testing for, lead in any form or products containing lead.
- 20. For any loss, injury, **Damage**, cost or expense, including, but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:
  - A. Any **fungus(i), mold(s)**, mildew or yeast;
  - B. Any **spore(s)** or toxins created or produced by or emanating from such **fungus(i), mold(s)**, mildew or yeast;
  - C. Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising from any **fungus(i), mold(s)**, mildew or yeast; or
  - D. Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any **fungus(i), mold(s)**, yeast, or **spore(s)** or toxins emanating therefrom.

Regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury, **Damage**, cost or expense.

- 20. For injunctions, equitable relief, or any other form of relief other than the payment of money damages.
- 21. Liability arising out of an alleged willful commission of a crime by **you** or other dishonest fraudulent, or malicious act. At **our** discretion, however, **we** will pay for **Defense Costs** until final adjudication, judgment, or settlement to which **we** have agreed. If the judgment or final adjudication is adverse to **you**, **you** will reimburse **us** for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **Covered Party** has with regard to the managerial, advisory, supervisory, or controlling obligations over the actions of another **Covered Party**.

- 22. Liability arising out of **your Wrongful Act** for gain, profit, or advantage to which **you** are not legally entitled. At **our** discretion, however, **we** will pay for **Defense Costs** for any **Claim** or **Suit** arising from an alleged willful commission of a crime by **you** or other dishonor, fraudulent or malicious act, for any **Claim** or **Suit** arising out of **your Wrongful Act** for gain, profit, or advantage to which **you** are not legally entitled until final



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adjudication, judgment, or settlement to which **we** have agreed. If the judgment or final adjudication is adverse to **you**, **you** will reimburse **us** for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **Covered Party** has with regard to the managerial, advisory, supervisory, or controlling obligations over the actions of another **Covered Party**.

23. Liability arising out of a **Wrongful Act** by **you** or on **your** behalf in the handling of **Claims** or **Suits** within **your Retained Limit** whenever **you** investigate, defend, or settle such **Claims** or **Suits** or elect a third party to investigate, defend or settle such **Claims** or **Suits**.
24. To **Personal Injury, Property Damage** or **Wrongful Acts** arising, directly or indirectly, out of:
  - A. War, including undeclared or civil war; or
  - B. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military or other agents; or
  - C. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against of these.
25. To liability arising out of or in connection with any transit authority, transit system, or public transportation system owned, operated, or regulated by **you**. This exclusion shall not apply to transit or public transportation systems operating over non-fixed routes, including, but not limited to, Dial-a-Ride, senior citizen transportation, or handicapped persons transportation, or to contingent liability coverage where such services are contracted. This exclusion also shall not apply to public transportation owned or operated by **you** operating over fixed routes; i.e., "campus shuttles services."
26. For any **Property Damage** arising out of **Land Subsidence** for any reason whatsoever.
27. For **Personal Injury**:
  - A. Arising out of oral or written publication of material, if done by or at the direction by **you** with knowledge of its falsity; or
  - B. Arising out of oral or written publication of material whose first publication took place before the beginning of the Memorandum Period. All **Personal Injury** arising out of publication of the same or similar material subsequent to the beginning of the Memorandum Period is also excluded.
28. For any **Claim** or **Suit** under any Uninsured Motorists or Underinsured Motorists or any similar law, and to any sums **you** may be legally entitled to recover as **damages** from the owner or operator of any uninsured or underinsured **Automobile** because of **Bodily Injury** and **Property Damage** sustained by any **Covered Party**, caused by an Occurrence and arising out of the ownership, maintenance, operation, use, **Loading** or **Unloading** of



such **Automobile**.

29. To any liability arising out of the operation of an **Automobile** by an employee of the **Named Covered Party** as designated in the **DECLARATIONS** of this Memorandum; however, this exclusion only applies to California State University owned, hired or non-owned **Automobiles**.
30. Under **Employee Benefit Liability, for Claims**:
- A. Arising out of any **Claims** or part thereof which may be alleged as covered under this Coverage Part if **we** have accepted coverage or coverage has been held to apply for such **Claim** or part thereof under any other Coverage Part(s) of this Memorandum.
  - B. Arising out of any representations made at any time in relation to the price or value of any security, bank, bank deposit or financial interest or instrument, including, but not limited to, advice given to any person to participate in any plan included in the **Employee Benefit Program**.
  - C. Arising out of any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument.
  - D. Arising out of any insufficiency of funds to meet any obligation under any **Employee Benefit Program**.
  - E. Arising out of an act, error, or omission by **you** to effect or maintain coverage or bonding for plan property or assets of **Employee Benefit Program**.
  - F. Arising out of failure of performance or performance under any contract by an insurer of benefits subject to the **Employee Benefit Program**.
  - G. Arising from any **Employee Benefit Wrongful Act** or Related **Employee Benefit Wrongful Act** of which **you** were aware prior to the Memorandum Period if such **Employee Benefit Wrongful Act** or Related **Employee Benefit Wrongful Act** could reasonably be expected to give rise to a **Claim**.
  - H. For **damages** arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by **you**, including the willful or reckless violation of any statute.
  - I. For **damages** arising out of **Bodily Injury, Property Damage, or Personal Injury**.
  - J. For **damages** arising out of wrongful termination of employment, discrimination, or other employment related practices.
  - K. For any **Claim** arising out of **your** failure to comply with the mandatory provisions of any Workers' Compensation, Unemployment Compensation Coverage, Social Security or Disability Benefits Law or any similar law.
  - L. For **damages** for which **you** are liable because of liability imposed on a fiduciary by



the Employee Retirement Income Security Act of 1974 as now or hereafter amended, or by any similar Federal, State or Local laws.

M. For any **Claim** for benefits to the extent that such benefits are available, with reasonable effort and cooperation by **you**, from the applicable funds accrued or other collectible coverage

31. To any liability arising out of the purchase, sale, or offer of sale, or solicitation, or decline in price or value of any security, debt, bank deposit or financial interest or instrument

**SECTION VII - DEFINITIONS**

When used in this Memorandum (including endorsements forming a part hereof):

- 1. **Aircraft** means any machine supported in the air by buoyancy or by dynamic action of air on its surfaces including airplanes, helicopters, gliders, **Unmanned Aerial Vehicles** (aka "Drones"), rockets, satellites, and missiles.
- 2. **Automobile** means any licensed land motor vehicle, trailer, or semi-trailer.
- 3. **Bodily Injury** means **Bodily Injury**, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the Memorandum Period.
- 4. **Claim(s)** means a demand for money
- 5. **CSURMA** means the insurer(s) specified in the **DECLARATIONS**.
- 6. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to **you**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following time:
  - A. When all operations to be performed by or on behalf of **you** at the site of the operations have been completed;
  - B. When all operations to be performed by or on behalf of **you** under the contract have been completed; or
  - C. When the portion of the work out of which the **Injury or Damage** arises has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

- A. Operations in connection with the transportation of property unless the Personal Injury or Property Damage arises out of a condition in or on a vehicle created



by the Loading or Unloading of that vehicle by any Covered Party; or

B. The existence of tools, uninstalled equipment, or abandoned or unused materials.

7. **Contract Employee** means:

A. Any employee who is under contract to **you** one hundred (100) percent of the time; or,

B. Whose only contract of employment is with **you**.

8. **Dam** means any artificial barrier together with appurtenant works, which does or may impound or divert water, and which either:

A. Is twenty five (25) feet or more in height from the natural bed of the stream or water course at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation; or

B. Has an impounding capacity of fifty (50) acre-feet or more.

9. **Damages** includes damages for death and for care and loss of services resulting from **Personal Injury** and damages for loss of use of property resulting from **Property Damage**, and losses for **Wrongful Acts** as defined in this Memorandum.

10. **Defense Costs** means attorney's fees, costs and expenses and other fees, costs and expenses incurred in connection with the investigation, settlement, adjustment, defense and appeal of a **Claim** or **Suit** covered hereunder. However, **Defense Costs** do not include **our** office expenses, **your** office expenses or the salaries of **our** employees or officers or **your** employees or officers.

Additionally, **we** may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** or **Suits** similar to the one against **you**, and to require that independent counsel have errors and omissions coverage. **You** agree to instruct counsel, whether independent or in-house, to respond to **our** request(s) for information regarding the **Claim** or **Suit** in a timely manner.

11. **Employee Benefit Program** includes any employee benefit plan including, but not limited to, the following: Group life coverage, group accident or life coverage, profit sharing plans, pension plans and stock subscription plans provided that no one other than an employee may subscribe to such coverage plans, unemployment coverage, Social Security Benefits, workers' compensation and disability benefits.

12. **Employee Benefit Wrongful Act** means an actual or alleged negligent act, or omission that arises solely from **your** administration of **your Employee Benefit Program**

13. **Employment Practices** means: Wrongful termination or discrimination arising out of or due to:

A. The refusal to employ any person who is an applicant for employment;



- B. The termination of any person’s employment; or
- C. Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- D. The spouse, child, parent, brother or sister of that person or persons as a consequence of any of the employment-related practices described in paragraphs A, B or C above is directed;

It is agreed that this Memorandum shall apply to a **Wrongful Act** that **you** become legally obligated to pay or compensate others for an **Occurrence** resulting from **your Employment Practices Claims**. An **Employment Practice Claim** must arise out of the conduct of **your** operations.

- 14. **Employment Practices Claim** means any **Wrongful Act** relating to a past, present, or prospective employee of **yours** and arising out of an actual or alleged wrongful dismissal, discharge or termination, either actual or constructive, of employment, employment related misrepresentation, wrongful failure to employ or promote, wrongful deprivation of career opportunity, wrongful discipline, failure to grant tenure or negligent employee evaluation or sexual or workplace harassment of any kind, including, but not limited to, the alleged operation of a harassing workplace environment, or unlawful discrimination, whether direct, indirect, intentional or unintentional, or failure to provide adequate employee policies and procedures. Employment Practices Claim shall not include any severance, separation wages or payouts, or front or back pay or any amounts owed under any contractual employment agreements.

**Employment Practices Claim** shall include **Wrongful Acts** brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following laws, as amended, including regulations promulgated thereunder:

- A. Americans with Disabilities Act of 1992 (ADA);
- B. Civil Rights Act of 1991;
- C. Age Discrimination in Employment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990;
- D. Title VII of the Civil Rights Law of 1974, as amended (1983), including the Pregnancy Discrimination Act of 1978; and
- E. Fifth and Fourteenth amendments of the United States Constitution.

- 15. **Expanded Coverage Territory** means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

- 16. **Fungus** includes, but is not limited to, any of the plants or organisms belonging to the major group **fungi**, lacking chlorophyll, and including molds, rusts, mildews, smuts and



mushrooms.

17. **Hostile Fire** means a fire that becomes uncontrollable or breaks out from where it was intended to be.
18. **Injury or Damage** means any **Injury or Damage** covered under this Memorandum and includes but is not limited to **Bodily Injury, Property Damage, Personal Injury** or **Wrongful Acts** as may be defined under this Memorandum.
19. **Covered Party** means the **Named Covered Party** designated in Item 2. of the **DECLARATIONS** and any person or organization qualifying as an **Covered Party** under **SECTION V. PERSONS OR ENTITIES COVERED** of this Memorandum.
20. **Joint Powers Authority (ies)** means two or more public agencies joined together by a joint agreement in order to jointly exercise any power common to the contracting parties, including but not limited to the power to create risk pooling and joint purchase of private coverage.
21. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
22. **Loading or Unloading** means the handling of property:
  - A. After it is moved from the place where it is accepted for movement into or onto an **Aircraft, Watercraft or Automobile;**
  - B. While it is in or on an **Aircraft, Watercraft or Automobile;** or
  - C. While it is being moved from an **Aircraft, Watercraft or Automobile** to the place where it is finally delivered;but **Loading or Unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **Aircraft, Watercraft or Automobile.**
23. **Mold(s)** means to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce molds.
24. **Municipality** means a legally incorporated or duly authorized association of inhabitants of a limited area limited to the following: city, town, county, village, township, borough, hamlet, burg, or state.
25. **Named Covered Party** means the entity(ies) listed in Item 2 of the **DECLARATIONS** including endorsements thereto.
26. **Occurrence** shall mean an accident, event, or continuous or repeated exposure which results in **Bodily Injury** or **Property Damage** during the Memorandum Period, neither expected nor intended by **you.**
27. **Personal Injury** means:



- A. **Bodily Injury**, including disability, shock, mental anguish, mental injury, or death resulting from any of the foregoing;
- B. False arrest, false imprisonment, wrongful detention, or malicious prosecution;
- C. Wrongful entry into, or eviction of any person from, a room, dwelling or premises that a person occupies, or other invasion of the right of private occupancy;
- D. A publication or utterance that slanders or libels a person or organization or disparages a person's or an organization's good, products or services;
- E. A publication or utterance that violates a person's right to privacy;
- F. Assault and battery not committed by or at the direction of, or with **your** consent. However, this limitation does not apply if committed or directed for the purpose of protecting persons from injury or death, or property from **Damage**; and
- G. Discrimination other than as a result of **Employment Practices**.

All of the above seven (7) items which occur during the Memorandum Period.

- 28. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials, which are intended to be, or have been, recycled, reconditioned or reclaimed.
- 29. **Pollution Conditions** means the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment.
- 30. **Products Hazard** includes **Bodily Injury** and **Property Damage** arising out of **your** products or reliance upon a representation or warranty with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to **you** and after physical possession of **your** product (s) has been relinquished to others.
- 31. **Property Damage** means (1) physical injury to or destruction of tangible property which occurs during the Memorandum Period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by an **Occurrence** during the Memorandum Period.
- 32. **Public Entity** refers to that **municipality**, governmental body, department, or unit, which is a **Named Covered Party** in the **DECLARATIONS**.
- 33. **Public Officials' Errors and Omissions** means losses from **Wrongful Acts** committed by **you**.
- 34. **Retained Limit** refers to the amount stated on the **DECLARATIONS**. The **Retained Limit** shall be comprised of **Damages** and **Defense Costs**. **You** shall be responsible for all



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**Damages and Defense Costs** incurred without right to indemnification in accordance with the Memorandum's terms and conditions until the **Retained Limit** is exhausted as a result of **Damages** and **Defense Costs**.

35. **Spore(s)** means any dormant or reproductive body produced by or arising or emanating out of any **fungus (i), mold(s),** mildew, plants organisms or microorganisms.
36. **Suit** means a civil proceeding in which damages are alleged because of **Bodily Injury** or **Property Damage,** or **Wrongful Act** to which this Memorandum applies. **Suit** includes:
- A. An arbitration proceeding in which such **Damages** are claimed and to which **you** must submit or do submit with **our** consent; or
  - B. Any other alternative dispute resolution in which such **Damages** are claimed and to which **you** submit with **our** consent.
37. **Ultimate Net Loss** means the total amount of **Damages** including **Defense Costs** we are legally obligated to pay because of **Bodily Injury, Personal Injury, Property Damage, Wrongful Acts, Employment Practices Wrongful Acts or Employee Benefits Wrongful Acts.** **Ultimate Net Loss** shall be established after a contested **Suit** or by compromise settlement to which **we** have previously agreed in writing. **Ultimate Net Loss** shall be reduced by any recoveries or salvages which have been paid to or collected by **us.** **Ultimate Net Loss** includes **Defense Costs** incurred in the defense of an **Occurrence** or **Wrongful Act** to which this coverage applies.
38. **Underground Storage Tank** means any tank, including associated underground piping connected to the tank that has at least ten (10) percent of its volume below ground.
39. **Underlying Coverage** refers to the policies listed in the Schedule of **Underlying Coverage** and includes:
- A. Any renewal or replacement of such policies;
  - B. Any other coverage available to the **you;** and
  - C. Any other valid and collectible risk financing mechanism provided under a **Joint Powers Authority.**
40. **Unmanned Manned Aerial Vehicle** (aka: "Drone") means any vehicle designed to fly in the air with no onboard pilot or crew used principally for the transport of equipment that has a flight weight of 100 lbs. or less (flight weight includes the **Aircraft** itself, fuel and other fluids, and all payload), and is used for research and/or educational purposes.
41. **Watercraft** means a vehicle designed for the transport of persons or property principally on water.
42. **Wrongful Act** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance, and nonfeasance by the **Covered Party.**

#### SECTION VIII – CONDITIONS



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1. **Action Against Us.** No person or entity has a right under this Memorandum to join us as a party to a lawsuit or to sue us under this Memorandum. **You** acknowledge and agree that this Memorandum was issued to **you** based upon the representations in **your** application for coverage that this Memorandum provides **you** with benefits unique to **your** needs for coverage, based upon **your** stated coverage requirements and decisions as to what coverage **you** decided to purchase; and that this coverage Memorandum is unique to **you**. **You** agree that there are no other persons or entities who have a unity of interest with **you** for any issues that may arise in connection with any dispute that **you** may have with us in connection with any aspect of this Memorandum, including but not limited to its issuance and the coverage that it provides **you**. **You** agree that **your** right to bring any action against us in connection with any dispute is limited to arbitration or submission to small claims court, as per the provisions of **SECTION VIII. CONDITIONS**, Item 3, Arbitration.
2. **Appeals.** In the event **you** elect not to appeal a judgment in excess of **your Retained Limit**, **we** may elect to do so at **our** own expense, but in no event shall **our** liability for **Ultimate Net Loss** exceed the applicable amount specified in the Limit of Liability section of the **DECLARATIONS** plus all **Defense Costs** necessary and incident to such appeal.
3. **Arbitration.** All controversy or **claim** of any nature, including the validity or formation of this Memorandum, that arise out of or relates to this agreement involving two or more parties to this agreement, which cannot be settled among the disputing parties, shall be resolved by submission to a ~~single three person panel; neutral arbitrator for determination through~~ arbitration in accordance with the then current rules of the ~~National Arbitration Forum, Minneapolis, MN~~ California Code of Civil Procedure, and judgment upon the award may be entered in any court having jurisdiction thereof. The arbitrator shall have the power to decide all disputes between the parties, including but not limited to, the validity, formation, application or interpretation of the agreement, the amount of funds due, if any, and the award of damages only as provided for within this agreement. The arbitrator shall have no power to change, or add to the provisions of this agreement. The arbitrator shall provide a written opinion with his decision and findings of fact and law in accord with the laws in effect in the state in which the **Named Covered Party** is domiciled. In the event the arbitrator's findings are contrary to the laws of the state whose laws are applicable to the dispute, either party shall be entitled to appeal the arbitrator's ruling, at their own expense.

**We** will pay the cost of administering the arbitration. **We** will not pay the fees of **your** legal representative or the costs incurred in proving **your** case, unless such fees and costs are included in an arbitration award against **us**.

Notwithstanding the foregoing, all disputes between **you** and **us** shall be submitted to Small Claims Court procedure if the amount in dispute provides jurisdiction of the Small Claims Court or, at the option of the **Covered Party** only, disputes involving less than \$25,000 may be subject to arbitration.

The provisions of this paragraph, and the obligation to arbitrate as provided herein, applies to all persons or entities who are a **Covered Party** under the Memorandum and to any other



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persons or entities who may be otherwise entitled to the recovery of any Memorandum benefits under state or federal law.

4. Assignment. Assignment of interest under this Memorandum shall not bind us until our consent is endorsed hereon; however, if **you** die, such coverage as is afforded by this Memorandum shall apply (1) to **your** legal representative, as the **Named Covered Party**, but only while acting within the scope of his/her duties as such and (2) with respect to **your** property, to the person having temporary custody thereof as the **Covered Party**, but only until the appointment and qualification of the legal representative.

5. Bankruptcy and Insolvency. **Your** bankruptcy, insolvency or inability to pay shall not relieve us of any of our obligations under this Memorandum.

But under no circumstances will such bankruptcy, insolvency, or inability to pay require **us** to drop down or in any way replace **your Retained Limit** or assume any obligation associated with **your Retained Limit**.

6. Cancellation. This Memorandum may be canceled by the **Named Covered Party** by surrender thereof to **us** or any of **our** authorized agents or by mailing to **us** written notice stating when thereafter the cancellation shall be effective. The Memorandum may be canceled by **us** by mailing to the **Named Covered Party**, at the address shown in this Memorandum, written notice stating when not less than ninety (90) days thereafter such cancellation shall be effective. If **you** fail to discharge when due any of **your** obligations in connection with the payment of premium for the Memorandum or any installment thereof, whether payable directly to **us** or **our** agent or indirectly under a premium finance plan or extension of credit, this Memorandum may be canceled by **us** by mailing to the **Named Covered Party** at the address shown in this Memorandum, written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Memorandum period. Delivery of such written notice either by the **Named Covered Party** or by **us** shall be equivalent to mailing.

If **you** cancel, earned premium shall be computed in accordance with the customary short rate table and procedure. If **we** cancel, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

7. Changes. Notice of any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this Memorandum or stop **us** from asserting any right under the terms of this Memorandum, nor shall the terms of this Memorandum be waived or changed, except by endorsement issued and made a part of this Memorandum.

8. First Named Covered Party. The **Covered Party** first named in Item 2. in the **DECLARATIONS** is authorized to act on behalf of all **Named Covered Parties** and other **Covered Parties** with respect to the giving and receiving of notice of cancellation and



to receiving any returned premium that may become payable under this Memorandum. The **Covered Party** first name in Item 2. in the **DECLARATIONS** is responsible for the payment of all premiums, but the other **Named Covered Parties** jointly and severally agree to make such premium payments in full if the first **Named Covered Party** in Item 2 fails to pay the amount due within thirty (30) days after **we** give written demand for payment to the first **Named Covered Party** in Item 2.

9. **Inspection and Audit.** **We** shall have the right, but not the obligation, to inspect **your** property and operations at any time. Neither **our** right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of **you** or others, to determine or warrant that such property or operations are safe or healthy.

The **Named Covered Party** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to **us** at the end of the Memorandum Period and at such times during the Memorandum Period as **we** may direct. **We** may examine and audit **your** books and records as they related to this Memorandum at any time during the Memorandum Period and extensions thereof and within three (3) years after the final termination of this Memorandum.

10. **Liberalization Clause.** If within sixty (60) days prior to or during the Memorandum Period **we** adopt any revision which would broaden coverage under this Memorandum without additional premium, such broadened coverage will immediately apply to this Memorandum.
11. **Other Coverage.** If other valid and collectible coverage with any other insurer is available to **you** covering a loss also covered hereunder, whether on a primary, excess or contingent basis, the coverage hereunder shall be in excess of, and shall not contribute with such other coverage; provided, however, this clause does not apply with respect to excess coverage purchased specifically to be in excess of this Memorandum, or to other coverage which is intended to provide the remainder of the Limit of Liability stated in the **DECLARATIONS** of the Memorandum when the coverage afforded under this Memorandum provides less than one hundred (100) percent of the limit set forth on the **DECLARATIONS**.
12. **Premium.** The premium designated in the Memorandum **DECLARATIONS** is flat and not adjustable, unless:
- A. A material exposure is added under the Memorandum;
  - B. The Limits of Liability are increased or decreased;
  - C. The Memorandum is restricted or broaden by endorsement; or
  - D. The Memorandum Period is increased or shortened.
13. **Subrogation.** **We** shall be subrogated to the extent of any payment hereunder, to all of **your** rights of recovery and **you** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **You** may elect to waive **your** right to subrogation prior to a loss. To the extent the **Named Covered Party** elects to waive such



rights, **we** shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

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

14. Violation of Economic or Trade Sanctions. If coverage for a **Claim** or “suit” under this Memorandum is in violation of any United States of America’s economic or trade sanctions, laws, or regulations, including, but not limited to, sanctions, laws, and regulations administered and enforced by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) then coverage for that **Claim** or “suit” shall be null and void.
15. **Your Duties in the Event of Occurrence, Wrongful Act, Claim or Suit.**
  - A. In the event of an **Occurrence** or **Wrongful Act** that is reasonably likely to involve **us**, written notice containing particulars sufficient to identify **you** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of any injured persons and witnesses, shall be given by or for **you** to **us** or any of **our** authorized agents as soon as practicable after **your** Risk Manager, Chief Risk Officer, Assistant Vice Chancellor for Risk Management or a Chief Executive Officer of the **Named Covered Party** has knowledge of the **Occurrence** or **Wrongful Act**.
  - B. If **Claim** is made or **Suit** is brought against **you** that is reasonably likely to involve **us**, **you** shall immediately forward to **us** every demand, notice, summons or other process received by **you** or **your** representatives.
  - C. **You** shall cooperate with **us** and upon **our** request assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** because of **Personal Injury, Property Damage** or **Public Official's Errors and Omissions** with respect to which coverage is afforded under this Memorandum; and **you** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. **You** will not, except at **your** own cost, voluntarily make any payment, assume any obligation or incur any expense; however, in the event that the amount of **Ultimate Net Loss** becomes certain either through trial court judgment or agreement among **you**, the claimant and **us**, **you** may pay the amount of **Ultimate Net Loss** to the claimant to effect settlement and upon submission of due proof thereof, **we** shall indemnify **you** for that part of such payment which is in excess of **your Retained Limit**, or upon **your** request, make such payment to the claimant on **your** behalf.



D. In the event of an **Occurrence or Wrongful Act**, which is reserved at greater than or equal to fifty (50) percent of **your** retention, **you** shall:

- 1) Report said **Occurrence or Wrongful Act**; or
- 2) Regardless of the reserve amount, report losses without regard to liability falling within the following classifications:
  - a) Fatalities;
  - b) Spinal cord or brain injuries;
  - c) Amputations;
  - d) Loss of sight;
  - e) Severe burns;
  - f) Serious head injury;
  - g) Psycho-neurotic disorders;
  - h) Serious loss of use of any body functions;
  - i) Long term hospitalization;
  - j) Paralysis;
  - k) Civil Rights Allegations, including allegations involving police and law enforcement; or
  - l) Sexual Abuse or Molestation.

E. Whenever **you** have information from which **you** may reasonably conclude that an **Occurrence or Wrongful Act** covered hereunder involves injuries or **Damages**, which in the event that **you** shall be held liable, are likely to involve this Memorandum, notice shall be sent to **us** as soon as practicable; provided, however, that failure to give notice of any **Occurrence or Wrongful Act** which at the time of its happening did not appear to involve this Memorandum, but which at a later date would appear to give rise to **Claims** hereunder, shall not prejudice such **Claims**.

Such notice is to be sent with all pertinent facts as respects Item 15. Your Duties in the Event of Occurrence, Wrongful Act, **Claim** or Suit section of **VIII CONDITIONS** to:

Campus Liability:

Systemwide Risk Management  
Office of the Chancellor California State University  
401 Golden Shore, 5<sup>th</sup> Floor Long Beach, CA 90802-4210

*Key Contact:*



Zachary Gifford, Director-Systemwide Risk Management  
(T): 561-951-4568  
(E): [zgifford@calstate.edu](mailto:zgifford@calstate.edu)

AORMA Liability:

Carl Warren Company  
P. O. Box 3975  
Walnut Creek, CA 94598-3975

*Key Contact:*

Yumi Augustus  
(T): 818-265-6765  
(E): [yagustus@carlwarren.com](mailto:yagustus@carlwarren.com)



California State University Risk Management Authority

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

**SCHEDULE OF ENDORSEMENTS  
ENDORSEMENT # 1**

Memorandum Number: CSURMA.2019.07.01

Coverage Period: July 1, 2019 to July 1, 2020

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

**SCHEDULE OF ENDORSEMENTS**

(Attached to the Memorandum of Coverage at Inception)

1. Schedule of Endorsements
2. Named Covered Party Endorsement - CAMPUSES
3. Named Covered Party Endorsement - AUXILIARIES
4. Amendatory Endorsement – Automatic Additional Covered Party Required Contract by Written Contract
5. Amendment - Reporting Requirement - CSU Sacramento Capital Public Radio

***ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.***

**Countersigned:**

\_\_\_\_\_  
Zachary Gifford  
CSURMA Secretary-Auditor

**Date:**

\_\_\_\_\_

July 1, ~~2019~~2020

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**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

**NAMED COVERED PARTY - CAMPUSES  
ENDORSEMENT # 2**

Memorandum Number: CSURMA.2019.07.01  
Coverage Period: July 1, 2019 to July 1, 2020

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

**Item 2. Named Covered Party**, as shown on the Declarations, is completed to read as follows:

California State University Risk Management Authority (CSURMA)  
The State of California as respects the Trustees of the California State University  
The California State University (CSU)  
Auxiliary Organizations Risk Management Alliance (AORMA)

In addition, the following persons, entities, and organizations (members) are included as **Named Covered Party** under this Memorandum:

1. California State University, Office of the Chancellor
2. California State University, Bakersfield
3. California State University, Channel Islands
4. California State University, Chico
5. California State University, Dominguez Hills
6. California State University, East Bay
7. California State University, Fresno
8. Humboldt State University
9. California State University, Fullerton
10. California State University, Long Beach
11. California State University, Los Angeles
12. California State University Maritime Academy
13. California State University, Monterey Bay
14. California State University, Northridge
15. California State Polytechnic University, Pomona
16. California State University, Sacramento
17. California State University, San Bernardino
18. San Diego State University
19. San Francisco State University
20. San Jose State University
21. California Polytechnic State University, San Luis Obispo



California State University Risk Management Authority

22. California State University, San Marcos
23. California State University, Stanislaus
24. Sonoma State University

*ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.*



California State University Risk Management Authority

CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
LIABILITY PROGRAM
MEMORANDUM OF COVERAGE

Memorandum Number: CSURMA.2019.07.01
Coverage Period: July 1, 2019 to July 1, 2020

NAMED COVERED PARTY – AUXILIARY ORGANIZATIONS
ENDORSEMENT # 3

THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE
PLEASE READ IT CAREFULLY

Item 2. Named Covered Party, as shown on the Declarations, is completed to read as follows:

- California State University Risk Management Authority (CSURMA)
The State of California as respects the Trustees of the California State University
The California State University (CSU)
Auxiliary Organizations Risk Management Alliance (AORMA)

In addition, the following persons, entities, and organizations (members) are included as Named Covered Party under this Memorandum:

In addition, the following persons, entities, and organizations (members) are included as Named Covered Party under this Policy:

Table with 3 columns: #, Campus, Auxiliary Organization. Lists 18 entries for various campuses including Bakersfield, Channel Islands, Chico, Dominguez Hills, and East Bay.



California State University Risk Management Authority

#	Campus	Auxiliary Organization
19.	East Bay	California State University, East Bay Foundation, Inc.
20.	Fresno	Associated Students, Inc. of California State University, Fresno
21.	Fresno	California State University, Fresno Association, Inc.
22.	Fresno	California State University, Fresno Foundation
23.	Fresno	Fresno State Programs for Children, Inc.
24.	Fresno	The Agricultural Foundation of California State University, Fresno
25.	Fresno	The California State University, Fresno Athletic Corporation
26.	Fullerton	Associated Students California State University, Fullerton, Inc.
27.	Fullerton	Cal State Fullerton Philanthropic Foundation
28.	Fullerton	CSU Fullerton Auxiliary Services Corporation
29.	Humboldt	Associated Students of Humboldt State University
30.	Humboldt	Humboldt State University Center Board of Directors
31.	Humboldt	Humboldt State University Foundation
32.	Humboldt	Humboldt State University Sponsored Programs Foundation
33.	Long Beach	Associated Students, California State University, Long Beach
34.	Long Beach	California State University, Long Beach Research Foundation
35.	Long Beach	CSULB 49er Foundation
36.	Long Beach	Forty-Niner Shops, Inc.
37.	Los Angeles	Associated Students, California State University, Los Angeles, Inc.
38.	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
39.	Los Angeles	California State University, Los Angeles Foundation
40.	Los Angeles	University-Student Union at California State University, Los Angeles
41.	Maritime Academy	California Maritime Academy Foundation, Inc.
42.	Maritime Academy	The Associated Students of the California Maritime Academy
43.	Monterey Bay	Foundation of California State University, Monterey Bay
44.	Monterey Bay	University Corporation at Monterey Bay
45.	Monterey Bay	Otter Student Union at CSU Monterey Bay
46.	Northridge	Associated Students, California State University, Northridge, Inc.
47.	Northridge	California State University, Northridge Foundation
48.	Northridge	North Campus University Park Development Corporation
49.	Northridge	The University Corporation
50.	Northridge	University Student Union of California State University, Northridge
51.	Pomona	Associated Students Inc., California State Polytechnic University, Pomona
52.	Pomona	The Cal Poly Pomona Foundation, Inc.
53.	Pomona	The Cal Poly Pomona Philanthropic Foundation
54.	Sacramento	Associated Students of California State University, Sacramento
55.	Sacramento	Capital Public Radio, Inc.
56.	Sacramento	The University Foundation at Sacramento State
57.	Sacramento	University Enterprises, Inc.
58.	Sacramento	University Union Operation of CSUS, Inc.
59.	San Bernardino	Associated Students, California State University, San Bernardino



California State University Risk Management Authority

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

*ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.*



CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE

Memorandum Number: CSURMA.2019.07.01  
Coverage Period: July 1, 2019 to July 1, 2020

**AUTOMATIC ADDITIONAL COVERED PARTY REQUIRED BY WRITTEN  
CONTRACT  
ENDORSEMENT #4**

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

This endorsement modifies coverage provided under the following:

<b>Schedule of Additional Covered Party</b>
WHERE REQUIRED BY WRITTEN CONTRACT

SPECIAL NOTE: THIS MEMORANDUM PROVIDES COVERAGE IN EXCESS OF A **RETAINED LIMIT**. THE ADDITIONAL COVERED PARTY(S) LISTED ABOVE WILL BE SUBJECT TO THE SAME MEMORANDUM TERMS, CONDITIONS AND LIMITATIONS PROVIDED TO THE **NAMED COVERED PARTY**.

This Memorandum is amended as follows:

1. Any person(s), entity (ies) or organization(s) listed in the Schedule of this endorsement to whom the **Named Covered Party** is obligated by virtue of a written contract to provide coverage solely with respect to **personal injury** and **property damage** is an Additional Covered Party with regard to liability and defense of **claims** or **suits** arising from the operations and uses performed by or on behalf of the **Named Covered Party**.
2. The Limits of Coverage afforded under this endorsement to such person(s), entity (ies) or organization(s) will be limited to the limits of coverage required within the terms of the written contract or the limit of coverage of this Memorandum, whichever is less. **We** will not be obligated for limits of coverage indicated in the written contract that are greater than the limits of coverage of this Memorandum.
3. With respect to **claims** arising out of the operations and uses performed by or on behalf of the **Named Covered Party**, such coverage coverages afforded the Above-Named Additional Covered Party under the Memorandum shall be considered the primary coverage, but will apply in excess of the **Named Covered Party's retained limit**. **We** shall not seek contribution from the other coverage held by the person(s), entity (ies), or organization(s) named above for amounts payable under this coverage. This condition



California State University Risk Management Authority

applies only with respect to liability for **personal injury** or **property damage** arising out of the negligent acts of the **Named Covered Party**.

4. Each coverage under the Memorandum shall apply separately to each Above-Named Additional Covered Party against whom **claim** is made or **suit** is brought except with respect to the limits of coverage afforded to the Additional Covered Party under the Memorandum procured by the **Named Covered Party**.
5. However, Paragraphs 1, 2, 3, and 4 above do not apply to a person(s), entity(ies), or organization(s) unless the **Named Covered Party** had a specific written contract from that person(s), entity(ies) or organization(s) that requires that:
  - A. This coverage be primary;
  - B. They be an Additional Covered Party under this Memorandum; and
  - C. The **Named Covered Party** received such request prior to the date that the **Named Covered Party's** operations for that person(s), entity (ies) or organization commenced.

*ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.*



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

Memorandum Number: CSURMA.2019.07.01  
Coverage Period: July 1, 2019 to July 1, 2020

**REPORTING REQUIREMENT FOR CAPITAL PUBLIC RADIO, INC.  
ENDORSEMENT #5**

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

This endorsement modifies the coverage provided under this Memorandum of Coverage.

Schedule	
Prior Acts Time Period:	November 1, 2002 to November 1, 2007
Report Due Date:	July 1, 2020

Only with respect to Capital Public Radio, Inc. the following is added to SECTION I - COVERAGE AGREEMENT:

This coverage applies to any **Personal Injury** Liability, **Property Damage** Liability, **Public officials' Errors and Omissions** Liability or **Employment Practices Liability**, in excess of the **Retained Limit**, occurring within the Prior Acts Time Period shown in the Schedule of this endorsement only if the **claim** or **suit** is reported to **us** by the Report Due Date shown in the Schedule of this endorsement. However, the coverage provided by this endorsement will not apply to such **Personal Injury** Liability, **Property Damage** Liability, **Public Officials' Errors and Omissions** Liability or **Employment Practices Liability** if:

1. The **claim** or **suit** has been reported to or otherwise known by **you** prior to inception of this Policy;
2. The **claim** or **suit** has been reported under any policy whose limits of insurance have been exhausted;
3. The **claim** or **suit** is within and subject to any deductible or self-insured retention under another policy; or
4. Coverage under another policy is impaired by the other carrier's bankruptcy or insolvency.

*ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.*

**DELEGATION OF AUTHORITY TO NEGOTIATE AND EXECUTE  
PROGRAM ADMINISTRATION AND BROKERAGE SERVICES  
AGREEMENT EXTENSIONS**

**ISSUE:** Alliant Insurance Services serves as CSURMA’s Program Administrator and Insurance Broker under service agreements established following a request for proposal process and award. The expiring service agreements include compensation based on a combination of set fees and percentage commissions. The expiring service agreements included a service fee increase of 2.5% for CY 2016 and 1.5% for CY’s 2017, 2018 and 2019. Alliant has proposed the following:

- Maintaining a service fee annual increase of 1.5% for CY’s 2020, 2021 and 2022 where flat fees apply;
- Changing all programs other than Liability, Property and Workers’ Compensation to an agreed upon commission schedule;
- Aligning OCIP administration and brokerage compensation with rates established by CPDC under CSURMA P&P No. 20; and
- AORMA Benefits Program compensation unchanged.

Alliant’s proposal would result in an increase of \$41,795 (1.5%) for Program Administration services and \$68,944 (4.9%) for Brokerage Services for FY 20/21 based on FY 19/20 basis.

**RECOMMENDATION:** The Secretary-Auditor recommends that the Executive Committee take action to delegate authority to the CSURMA Secretary-Auditor and CSURMA Treasurer to negotiate an agreement extension of three years for the CSURMA Chair’s execution subject to CSURMA General Counsel’s review as to form.

**FISCAL IMPACT:** If approved as proposed, CSURMA’s annual cost would increase by 1.5% for the fee based services while the commissioned based compensation would be variable at the same rates in the expiring agreement except as noted above. Both amounts are included in the CSURMA annual budget.

**BACKGROUND:** The last RFP process for property and casualty services was conducted in 2013 and the current compensation agreement expires at December 31, 2019. The agreements allow for an extension of up to an additional four years through December 31, 2023. The CSURMA Secretary-Auditor is recommending a three year extension at this time to December 31, 2022, with potential to perform an RFP at that time or following an additional one year

extension. The last benefits brokerage services request for proposals was conducted in 2017 by the Auxiliary Organizations Association Benefits Users Group and that agreement was transferred to CSURMA and expires December 31, 2019. The agreements may be terminated by either party upon 90 days written notice.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

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

**ISSUE:** CSURMA agreed to pay insurance premiums for campus construction projects that are enrolled in the Owner Controlled Insurance Program (*OCIP*) managed by the Chancellor's Office (*CPDC*). Previously, the OCIP premiums were paid by campus projects. The change in procedure enabled construction projects enrolled in OCIP to realize the savings expected to be derived by OCIP. The changes also serve to facilitate premium payments, including project audits and premium adjustments. OCIP premiums paid by CSURMA are to be reimbursed by the projects via CPDC. The new procedures are to apply beginning with OCIP 2. CPDC, OCIP broker, and CSURMA staff met on August 22, 2019 to iron out details for Policy and Procedure No. 20, which serves to memorialize the understanding and responsibilities of CPDC and CSURMA.

**RECOMMENDATION:** Staff will provide a verbal report with a recommendation for the Executive Committee to approve amendments to Policy and Procedure No. 20 describing the process for CSURMA to pay OCIP costs and for CPDC to reimburse CSURMA.

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

**BACKGROUND:** CSURMA established OCIP to insure the University's construction activities. OCIP provides General Liability and Workers' Compensation insurance for capital projects with construction values of \$10,000,000 and more. OCIP is supplemented by other insurance, namely Contractors Pollution Liability (CPL) and Owner's Protective Professional Indemnity (OPPI). Separately, BRIP insures direct damage to CSU's major capital outlay projects, typically projects with \$650,000 and more in construction values. Policy and Procedure No. 20 (OCIP) and No. 24 (BRIP) were adopted by the Executive Committee on November 6, 2013 and revised on May 6, 2016. The Executive Committee approved amendments to P&P No. 24 at its April 25, 2018 meeting.

On April 25, 2018, the Executive Committee formed a task group to review the proposed changes to Policy & Procedure No. 20. The task group included Lisa Chavez (chair), Thom Davis, and Scott Apel. Additional facilities staff will join the task group as well.

**ATTACHMENT(S):**

- a. Draft Policy & Procedure No. 20



## CSURMA

## POLICY AND PROCEDURE NO. 20

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**ADOPTED:** September 13, 2013

**AMENDED:** November 6, 2013  
December 5, 2014 (OCIP I Extension)  
April 25, 2018 (OCIP II)

**EFFECTIVE:** January 1, 2012 (OCIP I)  
December 31, 2014 (OCIP I Extension)  
January 31, 2018 (OCIP II)  
August 20, 2019 (OCIP IIb)

**SUBJECT:** Owner Controlled Insurance Program

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### **PURPOSE:**

CSURMA launched the Owner Controlled Insurance Program (OCIP) to realize a cost savings, improve coverage, and efficiently administer General Liability, Completed Operations Liability, Property, and Workers' Compensation coverage for all contractors performing construction work on CSU's construction projects over \$10M as established by the CSU Chancellor's Office Capital Planning, Design and Construction Office (CPDC). Additionally, CSURMA purchased insurance covering Contractor's Pollution Liability (CPL) and Owner's Protective Professional Indemnity (OPPI) to supplement OCIP. Separately, CSURMA maintains a Builder's Risk Insurance Program (BRIP), which is addressed in Policy & Procedure No. 24. The purpose of this Policy and Procedure No. 20 is to describe the operation of the program and provide a process for CSURMA and CPDC to collaborate on administering the program efficiently and effectively.

### **POLICY:**

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

### **PROCEDURE:**

#### **PART A: CSURMA OCIP II**

##### Section 1: General Procedures

1. CSURMA shall pay the insurance premiums and deductible collateral up front to the Program Administrator, and added premiums through audit; i.e., the quarterly report of projects enrolled during the quarter. CSURMA will recover the advanced monies from Campus Projects on a project-by-project basis, as described herein.
2. The insurance premiums shall include the costs for Contractor's Pollution Liability (CPL) and Owner's Protective Professional Indemnity (OPPI). CSURMA shall pay the insurance premiums up front, including any additional premiums that arise from audits. CSURMA shall invoice Campus Projects the



## CSURMA

## POLICY AND PROCEDURE NO. 20

amounts it paid for CPL and OPPI for each enrolled project CPDC shall promptly review the invoice and upon agreement of the amount, Campus Projects shall remit the amount to CSURMA.

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

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

### Section 2: OCIP Enrollment and Invoicing

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



**CSURMA**

**POLICY AND PROCEDURE NO. 20**

take place via Cash Posting Order (CPO). Alliant will maintain an accounting of the identified funds each quarter and include the information in the quarterly report.

Section 3: OCIP Project Completion Activities

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

Section 4: OCIP Program Closeout

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

Section 5: OCIP Program Savings (Dividends)

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

1. Because actual dividends are dependent on the actual loss experience of all projects insured by the OCIP, the loss amount (i.e., *expected losses*) used by the insurers to estimate the amount of dividends will likely differ because *actual losses* will not be known until some time after the conclusion of the OCIP coverage period.
2. To enable CPDC to determine ultimate project insurance costs and to facilitate premium adjustments, CSURMA and CPDC agreed to a premium payment process such that all premium invoices will be paid by CSURMA, and Campus Projects will reimburse CSURMA the Project's Net Insurance Cost.
3. CSURMA and CPDC mutually agreed that actual dividends paid under the Program will be retained by CSURMA, and CSURMA solely retains all rights to determine the disposition of any and all dividends.

**PART B: CSURMA OCIP II b**

Section 1: General Procedures



CSURMA

POLICY AND PROCEDURE NO. 20

5. CSURMA shall pay the insurance premiums and deductible collateral up front to the Program Administrator, and CSURMA will recover the advanced monies on a project-by-project basis through CPDC, as described herein.
6. The Program Administrator shall manage the OCIP carrier contracts, collect required data from the contractors directly each month, and develop and maintain a quarterly report which will be used by CSURMA to invoice CPDC for the cost of the OCIP on a per-project basis. The quarterly report shall contain:
  - Projects started, continuing, or completed in each quarter
  - Completed projects shall not drop off report
  - Project start and completion dates
  - Project name and project number
  - Initial Construction Contract Value, which varies by procurement method as follows:
    - For CM at Risk or Design-Bid-Build: Total construction contract award amount
    - For Design-Build: Total contract award minus pre-construction and design costs
  - Initial premiums and deductible collateral for each project
  - Updated, final / completed premiums and deductible collateral for each project based on final labor costs and loss rates.
  - Total premiums and deductible collateral for all projects
  - Audited final labor costs
  - Final labor costs as a percentage of the Initial Construction Contract Value for each project
  - Estimated final value for reduced contractor insurance costs for each project
  - Claims & loss report with actual to date loss rate (provided separately).
7. For the initial Program Period (OCIP II b), the Program Administrator's billings to CSURMA will be based on the programs' fixed premiums and a 68% loss rate of the maximum aggregate deductible, which equates to a 2.072% project billing rate relative to the Initial Construction Contract Value (a total of \$10,358,204.00 program cost).
8. CSURMA's billings to CPDC (the projects?) will be based on a pro-rata portion of the fixed premiums at a 1.7% (?) project billing rate relative to the Initial Construction Contract Value of projects as enrolled.
9. For OCIP I, CPDC will provide a guarantee for \$1,519,400 of Deductible Collateral and Loss Adjusting Factor to cover the difference between the 68% loss rate CSURMA has billed for and the 100% loss rate. This guarantee will be backed by CPDC's seismic self insured trust fund account. If OCIP I's loss rate exceeds a 68% loss rate, CPDC will reimburse CSURMA the actual cost difference up to \$1,519,400.
10. For OCIP I, CSURMA will underwrite an additional \$2,000,000 to bring the total of the Deductible Collateral and Loss Conversion Factor costs down. This equates to a 25.5% Loss Rate and a total 1.672% billing rate relative to the Initial Construction Contract Value of projects as enrolled.
11. When the Program Administrator reconciles the total program costs for OCIP II b with CSURMA based on actual percentage loss of the deductible collateral, CSURMA shall reconcile its invoicing to CPDC to reflect those adjusted actual costs, and, if the loss rate is under 25%, CSURMA shall credit CPDC as appropriate for the actual program costs. Reconciliation of OCIP I is expected 18-24 months after the completion of the initial 5-year program, but may happen sooner.
12. If there is a credit described in Paragraph 6 above, the credit may, upon agreement by CPDC, be applied to a second OCIP II program, and/or any unapplied funds shall be returned by CSURMA to CPDC for deposit in the system wide seismic self insured trust fund account.

Commented [HJ1]: This needs discussion

Commented [HJ2]: Jim Holobaugh, will you revise this information to bring up to date with OCIP II b?

Commented [HJ3]: Holobaugh, does this still hold for II b?



Section 2: OCIP Enrollment and Invoicing

5. The Program Administrator shall enroll new projects in OCIP with an Initial Construction Contract Value of \$10,000,000 or more during the construction contract award process. There will be a pre-enrollment period for contractors and their subcontractors in the months leading up to a construction contract award. During this time the contractors will receive enrollment and safety information and will submit cost of insurance documentation for the policies the CSURMA OCIP will replace.
- ~~6. Projects with an Initial Construction Contract Value that is less than \$10,000,000 may enroll in OCIP upon the recommendation of CPDC and approval by the Program Underwriters.~~
7. The Program Administrator shall provide a quarterly report, adding new projects that have started construction during the quarter, along with the initial premium for each project. The Program Administrator will also provide updated information to the existing projects in the quarterly report. The Program Administrator shall submit the quarterly report to Accounting and CPDC program administrators simultaneously for review and approval.
- ~~8. When CPDC and CSURMA approve the quarterly reports CSURMA accounting will use them as the basis to invoice CPDC the projects for the initial insurance costs of the enrolled projects based on a 1.7% of Initial Construction Contract Value. CPDC will approve or reject CSURMA invoices via email within 10 business days of receipt.~~
9. All invoicing shall be done on templates as agreed upon by CPDC and CSURMA.
10. Upon approval of the invoices by CPDC, CSURMA shall collect the monies invoiced for the projects via Cash Posting Order (CPO).
- ~~11. CPDC shall maintain a separate account for OCIP, and CSURMA shall collect the monies invoiced from that account via CPO.~~

Section 3: OCIP Project Completion Activities

4. At the completion of a project The Program Administrator shall add to the quarterly report:
  - Final labor costs
  - Project completion date
  - Final premium amounts
  - Confirmation that all contractor closeout materials have been submitted. Within 30 days of completion the Program Administrator shall separately provide a clearance letter to CPDC for release of contractor retention.
  - Other required information as described in "Procedure" Section #2.
5. As described above, the Program Administrator shall submit the quarterly report to Accounting and CPDC for review and approval.
6. The Program Administrator's quarterly reports will be used as the basis for CSURMA accounting to invoice CPDC the projects for the final additive or deductive reconciliation of insurance costs for the enrolled projects, based on final labor costs.
7. To benefit enrolled projects with predictable OCIP insurance costs, there shall be no premium adjustment for projects that are completed within five percent (5%) of their original projected premium cost. Projects that are completed with a final calculated premium cost exceeding 105% of their original projected premium cost shall be invoiced at 0.73% of the amount exceeding 105%. Projects that are



## CSURMA

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completed with a final calculated premium cost lower than 95% of their original projected premium cost shall be credited the amount less than the original projected premium cost.

8. Upon CPDC's approval of the invoices, CSURMA shall collect the monies invoiced via CPO to recover, or credit as necessary, the final premiums from the project.

### Section 4: OCIP Program Closeout

3. After completion of a project, and over the duration of OCIP policy coverage, the Program Administrator shall continue to administer project claims.
4. Following completion of the initial OCIP II b program term, CSU, acting through CPDC, may close out or re-enroll in a second CSURMA OCIP II program with the Program Administrator and the carrier(s). At that time premium dividends and deductible obligations will be subject to a final settlement based on total construction value and actual loss rates. During and after this time the Program Administrator and the carriers may still be actively involved with outstanding claims, but the projects' premiums and dividends may be closed.
5. Any additive or deductive adjustments made to the total program costs based on the reconciliation(s) described above shall be passed through to CPDC via a CSURMA reconciliation billing. This is expected no later than 18-24 months after the CSURMA OCIP II b program closeout.
6. In no case shall CPDC pay in excess of CSURMA's actual costs for OCIP I, as identified in Section 1 (3). These actual costs are anticipated to be \$10,358,204 as adjusted by actual loss rates and the total cost of enrolled projects.
3. Because the benefits of the OCIP apply systemwide, CSURMA shall not allocate a charge for missed investment income on advanced premiums.

## PART C: CSURMA BRIP

### Section 1: General Administration

- Annually by the program anniversary date of July 1, the Program Administrator, the Program Underwriters, and CPDC shall develop a quarterly payment schedule based on anticipated project enrollment. A schedule of premium deposits would include: July 1 for new policy year deposit, October 1, first quarter premiums, January 1 for second quarter premiums, and April 1 for third quarter premiums. For subsequent years, the July 1 deposit would include all projects enrolled in the fourth quarter along with the new policy year deposit.
- The quarterly payment schedule of premium deposits may be adjusted by mutual agreement with the underwriters if project starts or construction amounts vary from the information on which the anticipated payment schedule is based.
- Premium Deposit Invoice.**  
The Program Administrator shall provide quarterly premium deposit invoices to CPDC based upon the agreed upon quarterly premium deposit payment schedule, and these invoices will include the project name and CPDC project number. CPDC will pay these premium deposit invoices within 30 business days of receipt.
  - Reconciliation Invoice.**  
The Program Administrator shall also provide quarterly reconciliation invoices to CPDC, based on CPDC's quarterly reports. These reports shall contain, for the preceding quarter detail of initial



premiums for actual new construction starts and final premium adjustments on completed projects that are deemed closed by CPDC. The quarterly reconciliation invoices shall also detail all CPDC payments of premium deposit invoices made and credit previous payment of premium deposit invoices from the actual amount due on each invoice. If the quarterly reconciliation invoice after the application of previously paid premium deposit invoices, is 1) a net credit, this credit shall be debited from the next quarterly premium deposit invoice due as identified in the premium deposit payment schedule, 2), if a net add, the amount shall be carried over to the following quarterly premium deposit invoice or year-end premium audit invoice calculation.

4. The Program Administrator will identify and include applicable premium taxes / fees to be added to each invoice at the rates established by the Department of Insurance. CPDC completed, closed projects exceeding \$5,000,000 in construction cost will pay the applicable final adjusted premium and tax /fee rate, when invoiced, based on the policy year when originally enrolled in BRIP.
5. The Program Administrator will provide the carrier’s endorsements to CPDC naming each project enrolled with each reconciliation invoice. The endorsements will include each project’s name and CPDC project number. Additionally The Program Administrator will prepare and send evidence of coverage certificates immediately as each project is enrolled as required by campuses for their contractors performing work on enrolled projects.

**PART D: Definitions**

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

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

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

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

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

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

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

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

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



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**Project's Net Insurance Cost:** means the final cost chargeable to Campus Projects for OCIP, OPPI, and CPL. The final costs shall be calculated to include the cost savings anticipated from the future payment of dividends by the program's insurers.

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

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

**CONTINUATION OF SUPPORT FOR VISUAL COMPLIANCE  
SOFTWARE**

**ISSUE:** Visual Compliance is a software package licensed at a systemwide level to support compliance with import/export controls under the USA Patriot Act. CSURMA has been supporting one-third of the cost as a loss prevention and mitigation measure impacting all the campuses. The license has been renewed by the Chancellor's Office for another three year term. CSURMA is asked to continue its one-third cost support at \$61,446 (for 2018/19) and in total for the remaining two-years of the contract.

**RECOMMENDATION:** The Secretary-Auditor recommends that the Executive Committee take action to continue CSURMA's one-third cost support of the Visual Compliance Software for the three-year duration of the new license term.

**FISCAL IMPACT:** CSURMA's annual cost would be \$61,446 and this has been included in the FY 19/20 budget.

**BACKGROUND:** Please refer to the attachment to this item. The Visual Compliance agreement has been extended for an additional three-year period (the first year ended June 30, 2019).

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Memorandum Dated August 10, 2015

Office of Research Initiatives and Partnerships  
401 Golden Shore, 6<sup>th</sup> Floor  
Long Beach, CA 90802-4210

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

**A.Z. Mason, Ph.D.**  
Interim Assistant Vice Chancellor for  
Research Initiatives and Partnerships  
562-951-4513/Fax 562-951-4867  
E-mail [zmason@calstate.edu](mailto:zmason@calstate.edu)

August 10, 2015

**MEMORANDUM**

To: CSU Chief Research Officers, Research Administration Committee, Office of the General Counsel and Risk Management

From: A. Z. Mason, Interim Assistant Vice Chancellor for Research Initiatives and Partnerships

S. DeRosa, Director of Sponsored Programs, Chancellors Office

Z. Gifford, Director of Risk Management, Chancellors Office

P. Bartscher, Office of General Counsel, San Francisco State University



Subject: Visual Compliance Implementation

The CSU has been investigating options for improving its compliance with a myriad of regulations related to export control. Export control regulations have been in existence for more than 40 years, but post 9/11, the USA PATRIOT Act (2001) and the recruitment of domestic and foreign nationals by terrorist organizations such as ISIS have raised the profile, surveillance and enforcement of these regulations. Recent visits to CSU campuses from the US Department of Homeland Security have increased awareness of the need to mitigate potential risks related to non-compliance with export control regulations.

To this end, the Chancellor's Office has purchased a 3-year system-wide license for [Visual Compliance](#) at no cost to the individual campuses. This software product has a user-friendly search engine interface that enables authorized individuals to probe more than 65 public databases to avoid violations and meet compliance requirements with Federal Import/Export Control regulations. This software helps prevent:

- Unauthorized activities with certain countries or individuals (*Restricted Party Screening*)
- Foreign nationals who could pose a threat to national security from participating in research or other activities involving equipment, materials or technologies that are controlled under US export law (*Deemed Export*)
- Faculty/staff from traveling to embargoed countries with technology or other equipment that might have a dual commercial/military use (*Physical Export*)

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

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

**Proposed Implementation Schedule:**

**Phase 1: August – December 31, 2015:** Implementation of this software will occur initially within the offices of Risk Management and Research & Sponsored Programs since these areas have a high exposure to risk associated with import/export violations. To facilitate implementation, we ask that you provide the name of one individual from each of these two units who will serve as the designated “point of contact” responsible for the use and oversight of the software. We would appreciate if you could forward these names to Polly Huggins ([phuggins@calstate.edu](mailto:phuggins@calstate.edu)) by August 28, 2015. Training programs and guidelines on the use of the software will be provided to these individuals in due course. Our aim is to have system-wide implementation in these two units by the end of 2015.

**Phase 2: January – December 31, 2016.** Inquiries are being made for funding sources for maintenance of the license beyond the current agreement. Following a successful performance evaluation, the software will be made available to other units with a need for import/export surveillance including Human Resources and Academic HR, Environmental Health & Safety, Extended Education, Advancement, Student Services, International Programs, Administration and Finance, Shipping and Receiving, Procurement, Auxiliary Organizations, etc.

C: Loren J. Blanchard, Executive Vice Chancellor, Academic and Student Affairs  
Leo Van Cleve, Director of Summer and International Programs

**PROPOSED AMENDMENTS TO THE CAMPUS  
LIABILITY PROGRAM MEMORANDUMS OF COVERAGE**

**ISSUE:** Coverage provided under CSURMA’s self-insured programs are governed by memorandum of coverage (*MOC*) agreements that serve in place of insurance policies. CSURMA engaged Byrne Conley of Gibbons & Conley, Attorneys at Law, to review the Liability MOCs for Campus Liability, AORMA Liability and Liability Reinsurance (*\$15M xs \$5M*). The Rating Plans Task Group (*RPTG*) reviewed coverage counsel’s findings and recommendations for Campus Liability MOC and Liability Reinsurance MOC. AORMA Liability MOC was delegated to the AORMA Committee for review and further action as they deem appropriate. The RPTG found coverage counsel’s recommendations to be beneficial for all members and directed staff to provide edited versions of the MOCs for approval by the Executive Committee. Staff will be present at today’s meeting to report on the proposed changes.

**RECOMMENDATION:** The Executive Committee may take action or provide direction to staff as appropriate.

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

**BACKGROUND:** None.

**PUBLICATION:** The Memorandums of Coverage will be delivered to the members following renewal of the programs.

**ATTACHMENT(S):**

- a. DRAFT Campus Liability MOC
- b. DRAFT CSURMA Liability Reinsurance MOC



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
MEMORANDUM OF LIABILITY COVERAGE**

***DECLARATIONS***

**Item 1: Named Covered Party:**

- California State University Risk Management Authority (CSURMA)
- The State of California as respects the Trustees of the California State University
- The California State University (CSU)
- All campuses of the CSU as listed in Item 4

**Item 2: Coverage Period:**

July 1, 2019 to July 1, 2020 at 12:01AM

**Item 3: Limits of Liability:**

\$5,000,000	Ultimate Net Loss - <b>Each Occurrence or Wrongful Act</b>
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**Sublimits of Liability (*provided by Campus Liability Risk Pool*):**

\$5,000,000	Medical Malpractice ( <i>for Medical Doctors and the Student Health Centers</i> )
\$1,000,000	Funds, Grants or Appropriations ( <i>defense only</i> )
\$1,000,000	Land Use ( <i>defense only</i> )
\$1,000,000	Nuclear Materials ( <i>limited coverage</i> )
\$5,000,000	Automobile Liability ( <i>excess</i> ) – non-salaried drivers only; e.g., student volunteers

**Item 4: Member Deductibles:**

\$0	The State of California as respects the Trustees of the California State University
\$0	California State University Risk Management Authority (CSURMA)
\$35,000	California State University, Bakersfield
\$35,000	California State University, Channel Islands
\$250,000	California State University, Chico
\$100,000	California State University, Dominguez Hills
\$750,000	California State University, East Bay
\$100,000	California State University, Fresno
\$250,000	California State University, Fullerton
\$250,000	Humboldt State University
\$250,000	California State University, Long Beach
\$250,000	California State University, Los Angeles
\$50,000	California State University Maritime Academy



\$35,000	California State University, Monterey Bay
\$750,000	California State University, Northridge
\$250,000	California State Polytechnic University, Pomona
\$500,000	California State University, Sacramento
\$50,000	California State University, San Bernardino
\$900,000	San Diego State University
\$250,000	San Francisco State University
\$750,000	San Jose State University
\$250,000	California Polytechnic State University, San Luis Obispo
\$50,000	California State University, San Marcos
\$50,000	Sonoma State University
\$35,000	California State University, Stanislaus
\$100,000	California State University, Chancellor's Office

**Item 5: Liability Claims Administrator:**

The California State University  
 Office of Systemwide Risk Management  
 Attn: Director of Systemwide Risk Management  
 562-951-4568 – Direct  
 562-951-4859 – Fax  
[zgifford@calstate.edu](mailto:zgifford@calstate.edu) – email

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Authorized Signature



## CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY Campus Liability Coverage Program Memorandum of Coverage

Various provisions in this Memorandum restrict coverage. Read the entire Memorandum carefully to determine Member rights, duties and what is and is not covered.

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

The California State University Risk Management Authority (hereinafter called CSURMA) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500 *et seq.*

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

### SECTION I – COVERAGES

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

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

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

## SECTION II - DEFINITIONS

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

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

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

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

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

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

3. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air.
4. **Automobile** means a licensed land motor vehicle or semi-trailer designed for travel on public roads, including any attached machinery, trailer or equipment.
5. **Bodily Injury** means **Bodily Injury**, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the **Coverage Period**. **Bodily Injury** includes **Damages** claimed by any person or organization for care, loss of services or death resulting at any time from the **Bodily Injury**.
6. **Claim** means:
- A. A written demand to a **Member** for payment of **Damages** received by the CSURMA Secretary-Auditor or by the chief executive, risk manager, or general counsel of a **Member**; and/or
  - B. A civil proceeding against a **Member** in which **Damages** are sought on account of
    - 1) **Bodily Injury or Property Damage**,

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

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

7. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned, and occurs away from premises owned by or rented to the **Member**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following time:
  - A. When all operations to be performed by or on behalf of the **Additional Covered Party** at the site of the operations have been completed.
  - B. When all operations to be performed by or on behalf of the **Additional Covered Party** under the contract have been completed; or
  - C. When the portion of the work out of which the injury or **Damages** arise has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project

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

- A. Operations in connection with the transportation of property unless the **Personal Injury** or **Property Damage** arises out of a condition in or on a vehicle created by the loading or unloading of that vehicle by any **Member**; or
  - B. The existence of tools, uninstalled equipment or abandoned or unused materials.
8. **Coverage Period** means the period of coverage provided under this Memorandum as shown on the Declarations Page.
  9. **Covered Individual(s)** means persons who are past or present elected or appointed officials, **Employees**, whether or not compensated, or authorized volunteers of the **Member**, while acting within the scope of their duties, office or employment for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include **Employees** of nonmember organizations, including, but not limited to alumni associations and volunteer university support groups.
  10. **Dam** means any artificial barrier together with appurtenant works which:

- A. Is twenty-five feet (25) or more in height from the foot of a natural bed of stream or watercourse at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel or watercourse, to the maximum possible water storage elevation; or
- B. Has water impounding capacity of fifty (50) acre feet or more.

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

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

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

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

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

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

- 12. **Deductible** means the amount of each **Ultimate Net Loss** which the Member has to pay irrespective of the amount of the **Ultimate Net Loss** as shown on the Declarations page of this document.
- 13. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion, transfer, suspension, or termination of any **Employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy. **Discrimination**, other than as respects **Employment Practices Liability**, means **Bodily Injury**, **Personal Injury** and/or **Errors and Omissions** arising from alleged acts, errors or omissions showing favor, prejudice or bias for or against a person because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.
- 14. **Employee** means:

- A. Any person who has an assigned work schedule for the **Member** and is on the **Member's** regular payroll; and
- B. Any person who is leased to the **Member** through a staffing or temporary agency and is working for the **Member** under the **Member's** supervision, including a **Leased Worker**.
- C. **Employee** does not include independent contractors.
- D. As respects **Employment Practices Liability** and **Employee Benefits Liability** and when appearing in boldface type in this Memorandum, means any present or former **Employee** of the **Member**; and
- E. Solely as respects **Employment Practices Liability** arising from alleged **Discrimination** with respect to negligent hiring, only, **Employee** includes an applicant for employment.
- F. Solely as respects **Employment Practices Liability**, independent contractors and/or persons working on retainer, while acting for or on behalf of the Member.

An **Employee's** status as a **Covered Party** will be determined as of the date of the **Occurrence** or **Wrongful Act** upon which a **Claim** involving the **Employee** is based.

- 15. **Employee Benefits Liability** means liability for actual or alleged Errors and Omissions in the Administration of a Member's Employee Benefit Program.
- 16. **Employee Benefits Program** means a program providing some or all of the following benefits to Employees:
  - A. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts;
  - B. Profit sharing plans, Employee savings plans, Employee stock ownership plans, pension plans, and stock subscription plans; and
  - C. Unemployment insurance, social security benefits, workers' compensation, and disability benefits.
- 17. **Employment Practices Liability** means any circumstance relating to a past, present or prospective **Employee** of the **Member** (and the child, parent, brother or sister of that person) as a consequence of the following **Wrongful Acts** or alleged **Wrongful Acts**: wrongful dismissal, discharge, or termination, either actual or constructive, of employment; employment related misrepresentation; retaliation; wrongful failure or refusal to employ or promote; wrongful deprivation of career opportunity or reassignment; wrongful discipline; failure to grant tenure or negligent **Employee** evaluation; **Sexual or Workplace Harassment** or humiliation of any kind, including, but not limited to, the alleged operation of a harassing workplace environment; negligence resulting in **Damages** to a person that is a whistle-blower; unlawful **Discrimination**, whether direct, indirect, intentional or unintentional; failure to provide adequate **Employee** policies and procedures. **Employment Practices Liability** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:
  - A. Americans With Disabilities Act of 1992 (ADA)
  - B. Civil Rights Act of 1991

- C. Age **Discrimination** Empowerment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990
  - D. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
  - E. Civil Rights Act of 1866, Section 1981; and
  - F. Fifth and Fourteenth Amendments of the U.S. Constitution.
18. **Errors and Omissions** means a **Wrongful Act** by **Covered Individuals** individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
19. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
20. **Leased Worker** means any **Employee** who is under contract to the **Member** while performing duties defined under the contract with the Member.
21. **Loss Adjustment Expense** means all costs and expenses incurred by the **Member** in connection with the investigation, appraisal, negotiation, adjustment, settlement, litigation, defense or appeal of a specific **Claim** or loss covered hereunder, including but not limited to CSURMA approved defense attorney fees, court costs, costs of supersedes and appeal bonds, monitoring counsel expenses, ~~post judgment interest, pre judgment interest (unless included as part of an award), subrogation, salvage and recovery expense, costs and expenses in connection with coverage questions and legal actions and other associated costs and expenses.~~ **Loss Adjustment Expense** shall include any allocated **Claims** expenses, salaries or overhead incurred by attorneys who are **Employees** of the California State University's Office of General Counsel. However, such expenses shall be limited at \$250 per hour. **Loss Adjustment Expense** shall also include fees and expenses of outside adjusters and others associated with specific **Claims**, but excluding any **Loss Adjustment Expense** and fees paid that are not allocable to a specific **Claim**. **Loss Adjustment Expense** does not include salaries and expense of **Member's Employees** except as provided above, as well as office and other overhead expenses.
- Additionally, CSURMA may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** similar to the one against the **Member** and to require that independent counsel have errors and omissions coverage. The **Member** agrees to instruct counsel, whether independent or in-house, to respond to CSURMA request(s) for information regarding the **Claim** in a timely manner.
22. **Media Wrongful Act** means any error or omission arising out of the gathering, recording, collection, writing, editing, advertising, publication, dissemination, exhibition, broadcast, display on an internet site, or release, including but not limited to any actual or alleged:
- A. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
  - B. Wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;

- C. Libel, slander, disparagement, or publicity, false light, public disclosure or private facts, appropriation of name, persona or likeness, or any other form of defamation or harm to the character or reputation of any person or entity;
  - D. Outrage, infliction of emotional distress or prima facie tort;
  - E. Infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name, domain name, deep linking or framing, including unfair competition in connection with such conduct;
  - F. Copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
  - G. Breach of a promise of confidentiality or anonymity;
  - H. Error or omission in content;
  - I. Unfair competition or conspiracy, but only when the allegation of unfair competition or conspiracy is based entirely upon one or more Media Wrongful Acts falling within sections A-H above;
  - J. Breach of an indemnification or hold harmless agreement relating to **Claims** arising out of the media, but only when such **Claims** allege a **Media Wrongful Act** falling within sections 1-9 above; solely when committed or allegedly committed by a **Covered Party** in is, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media.
23. **Member** means the **Member** named on the Declarations Page.
24. **Mold(s)** means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to mold, mildew, mycotoxins, spores, bacterial pathogens, or any biogenic aerosols to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces **Molds**.
25. **Occurrence** means an accident, act, error, offense, omission or event **Media Wrongful Act** or **Wrongful Act** during the **Coverage Period**, including continuous or repeated exposure, which results in damages, neither expected nor intended by the **Member**. An **Occurrence** taking place over more than one **Coverage Period** shall be deemed to have taken place during the **Coverage Period** when the **Occurrence** ended and shall be treated as a single **Occurrence** in that **Coverage Period**.
26. **Personal Injury** means any of the following offenses:
- A. False arrest, detention or imprisonment, or malicious prosecution;
  - ~~B. Shock, mental anguish, mental injury, or humiliation~~
  - ~~C.~~ Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
  - ~~D.~~ Wrongful entry or eviction or other invasion of the right of private occupancy;

- E.D. **Discrimination** or violation of civil rights other than **Employment Practices Liability**, not intentionally committed by or at the direction of the **Member**; and
- F.E. Assault and battery not committed by or at the direction of, or with consent of the **Member**. However, this does not apply if committed or directed for the purpose of protecting persons from injury or death, or property from damage.
27. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **Waste**. **Waste** includes materials, which are intended to be or have been recycled, reconditioned or reclaimed. The term **Pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users. **Pollutants includes any material defined as hazardous in Sections 66261.10 through 66261.126 of Title 22 of the California Code of Regulations.**
28. **Products Hazard** includes **Bodily Injury** and **Property Damage** arising out of **your** products or reliance upon a representation or warranty with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to **you** and after physical possession of **your** product (s) has been relinquished to others.
29. **Property Damage** means:
- A. Physical injury to or destruction of tangible property which occurs during the Coverage Period, including the loss of use thereof at any time resulting therefrom;
  - B. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an Occurrence or Wrongful Act during the Coverage Period.
30. **Sexual or Workplace Harassment** shall mean any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or person acting in concert, which causes physical and/or mental injuries. **Sexual or Workplace Harassment** also includes the above conduct when:
- A. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment, or a basis for employment decisions affecting a person; or
  - B. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
- Sexual or Workplace Harassment** does NOT include **Sexual Misconduct** as defined in this Memorandum.
31. **Sexual Misconduct** means:
- A. The actual, attempted or alleged abuse or molestation of a person by another person, or persons acting in concert which causes physical and/or mental injuries. Sexual molestation includes: sexual abuse, sexual assault, sexual exploitation or sexual injury; or
  - B. The negligent employment, investigation, supervision, reporting to the proper authorities or failure to report the above of a Covered Person.

32. **Territory** means an **Occurrence** or a **Wrongful Act** that takes place during the **Coverage Period** anywhere in the world, as well as **Claims** brought anywhere in the world.
33. **Ultimate Net Loss** means the amount of paid **Claims** liability for **Damages** for which the **Member** is liable on a per **Occurrence** or **Wrongful Act** basis, either by (1) adjudication, or (2) compromise with the prior written consent of CSURMA, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** ~~includes defense attorney fees and costs of the Member in defense of the Claim and also includes court costs, Loss Adjustment Expenses, and other associated costs and expenses, but does not include any salaries of the Member's regular Employees. Ultimate Net Loss includes retrospective benefit ("back wages"), but does not include prospective benefits ("forward wages"); payable as part of a Claims for Employment Practices Liability covered under this Memorandum.~~ **Ultimate Net Loss** shall not include any of the above-described expenses for **Damages** against a **Member** or defense expenses incurred because of liability excluded by this Memorandum.
34. **Wrongful Act** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance and nonfeasance by covered individuals individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
35. **Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between an **Employee** and a **Member** in a manner and/or a reason which is contrary to applicable law.
36. The following definitions are applicable only to **Exclusion 15 – Nuclear Material**:
- A. **Hazardous Properties** include radioactive, toxic or explosive properties;
  - B. **Nuclear Material** means source material, special **Nuclear Material** or byproduct material;
  - C. Source material, special **Nuclear Material** and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;
  - D. **Spent Fuel** means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**;
  - E. **Waste** means any **Waste** material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any **Nuclear Facility** included within the definition of **Nuclear Facility** under paragraph a. or b. thereof;
  - F. **Nuclear Facility** means:
    - 1) Any **Nuclear Reactor**;
    - 2) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **Spent Fuel**, or (3) handling, processing or packaging **Waste**;
    - 3) Any equipment or device used for the processing, fabricating or alloying of special **Nuclear Material** if at any time the total amount of such material in the custody of the **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or



- 4) Any structure, basin, excavation site premises or place prepared or used for the storage or disposal of **Waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- G. **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a supporting chain reaction or to contain a critical mass of fissionable material.

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

### SECTION III - DEFENSE AND SETTLEMENT

1. **CSURMA** has the right and duty to defend any **Claim** or **Suit** against the **Member** seeking **Damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage applies even if the **Claim** or **Suit** is groundless, false or fraudulent when the **Deductible** has been exhausted by the payment of **Damages** including **Loss Adjustment Expenses** to which this coverage applies and provided further that no insurer has a duty to defend or is defending such **Claim**.
2. **CSURMA** has no duty to defend the **Member** against any **Claim** or **Suit** seeking **Damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage does not apply.
3. When **CSURMA** assumes the defense of any **Claim** or **Suit** on the Member's behalf, **CSURMA** will:
  - A. Investigate, negotiate and settle the **Claim** or suit as **CSURMA** may deem expedient; and
  - B. Pay the following to the extent that they are not covered by any other coverage:
    - 1) Premiums on bonds to release attachments for amounts not exceeding our Limits of Coverage, but **CSURMA** is not obligated to apply for or furnish any such bond;
    - 2) Premiums on appeal bonds required by law to appeal any **Claim** or suit which **CSURMA** defends, but **CSURMA** is not obligated to apply for or furnish any such bond;
    - 3) All reasonable costs taxed against the **Member** in any **Claim** or suit that **CSURMA** defends;
    - 4) Pre-judgment interest awarded against the **Member** on that part of the judgment **CSURMA** pays. If **CSURMA** makes an offer to pay the applicable Limit(s) of Liability, then **CSURMA** will not pay any pre-judgment interest accrued for that period of time after the offer;
    - 5) All interest that accrues after entry of judgment and before **CSURMA** has paid, offered to pay or deposited in court the part of the judgment that is within



CSURMA’s applicable Limit(s) of Liability; or

- 6) Reasonable **Member** expenses incurred with **CSURMA’s** consent or at **CSURMA’s** request.
- 4. **CSURMA** will not defend any **Claim** or **Suit** after our applicable Limit(s) of Liability has been exhausted by payments of judgments or settlements including **Loss Adjustment Expenses**.
- 5. Except as provided in Paragraph A above, **CSURMA** will have no duty to defend any **Claim** or **Suit** against the **Member**. We will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Memorandum may apply, and the **Member** shall cooperate fully with us in such participation. If **CSURMA** chooses to exercise this right, **CSURMA** will do so at **CSURMA’s** own expense.
- 6. All expenses **CSURMA** may incur in the defense of any **Claim** or **Suit** are included in the Limit of Liability and are not paid in addition to the Limit of Liability.
- 6.7. If CSURMA assumes the control of the handling of a claim, the Member shall be obligated to pay at the direction of CSURMA any sum necessary for the settlement of a claim, or to satisfy liability imposed by law, up to the applicable Deductible.

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

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

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

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

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

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

The term **Covered Party** is used severally and not collectively. The Limit of Liability and **Member’s Deductible(s)** as stated in the Declarations apply separately to each **Covered Party**. In the event of an **Occurrence** for which more than one **Covered Party** is or may be held liable, one **Member** Deductible and one Limit of Liability coverage will apply to all Covered Parties. **CSURMA’s** liability for all **Covered**



**Parties** shall not exceed the Limit of Liability set forth in Declarations. An **Occurrence** or **Wrongful Act** involving more than more than one **Member** shall be treated as a single **Occurrence** or **Wrongful Act**, and a single Limit of Liability and a single **Member's Deductible(s)** will apply to the **Occurrence** or **Wrongful Act**.

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

**Bodily Injury** or **Personal Injury** damages resulting from **Sexual Misconduct** will be deemed to have occurred at the time of the last **Sexual Misconduct** and all such **Bodily Injury** or **Personal Injury** will be deemed to be a single occurrence whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of (1) incidents of **Sexual Misconduct** taking place thereafter, (2) victims of **Sexual Misconduct**, or (3) locations where the **Sexual Misconduct** took place. Only the Memorandum of Coverage in effect during which such **Sexual Misconduct** last occurred will apply to such single **Occurrence** of **Sexual Misconduct**. Coverage does not apply to any **Covered Party** who is found by a court of law to have committed a criminal act of **Sexual Misconduct**.

## SECTION V - COVERED PARTIES

The parties covered by the CSURMA:

1. The **Member**.
2. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the **Member**:
  - A. Governing Board.
  - B. Officers.
  - C. **Employees**.
  - D. Non-compensated individuals, while acting for or on behalf of the **Member**. This includes individuals appointed and acting as volunteers. Volunteers include students who are enrolled in community service programs, but only while such students are performing services for credit that are valid for the student to meet the university's requirements for college graduation.
3. **Additional Covered Parties** as defined in Section II, 1. of this document.
4. **Covered Individuals** as defined in Section II, 9. of this document.

## SECTION VI – EXCLUSIONS

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



1. Aircraft

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

2. Assault and Battery

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

3. Automobile

For any liability arising out of the use or entrustment to others of any **Automobile** owned or operated by or rented or loaned to any **Member**, but this exclusion does not apply to parking an **Automobile** on or on the ways next to premises the **Member** owns or rents, provided the **Automobile** is not owned by or rented or loaned to the **Member**.

4. Automobile Physical Damage

For any liability for damages to or destruction of any **Automobile** owned by, rented to, leased to or in charge of the **Member**.

5. Aviation Activities

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

A. **Aircraft**

B. Airfields;

C. Runways;

D. Hangars; or

E. Buildings of other properties in connection with aviation activities.

F. Liability for **Damages** arising out of in-flight operations of **Aircraft** by or in the interest of the **Covered Party** except with respect to operations performed by scheduled common carriers or operations of **Aircraft** owned or operated by the United States government or the State of California. The term in-flight as used in the foregoing means the period of time the **Aircraft** moves forward in taking off or in an attempt to take off until it has completed its landing run.

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

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

6. Bid Specifications / Cost Overruns

Claims arising out of:

- A. Estimates of probable cost or cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans.
- B. Mechanic's lien claims, stop notice claims, change order claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims of breach of oral or written contract, third-party beneficiary claims, quantum meruit claims, and/or open count claims.

#### 6.7. Bodily Injury

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

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

#### 7.8. CSU Managed Construction Projects

For any liability for damages assumed by the **Covered Parties** under any construction project contracts managed by the Chancellor's Office of the California State University or managed by a campus of the California State University, or both. However, CSURMA shall defend any actions or suits brought against any Member for such causes of action.

#### 8.9. Contractual Obligations

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

#### 10. Eminent Domain, Condemnation Proceedings or Inverse Condemnation

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

#### 9.11. Employee Benefits Liability

- A. Arising out of an insufficiency of funds to meet any obligations under any plan included in the Employee Benefits Program
- B. Failure of any investment to perform;
- C. Errors in providing information on past performance of investment vehicles; or
- D. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the Employee Benefits Program.

- E. For any **Employee Benefits Liability Claim** for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **Covered Party**, from the applicable funds accrued or other collectible insurance.
- F. For taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

10.12. Funds, Grants or Appropriations

For the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations for the return of such funds, grants, or appropriations for any reason. However, CSURMA will defend any action or suits brought against any **Covered Party** for the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations or for the return of such funds, grants or appropriations for such causes of action, unless their alleged conduct was outside the scope of employment.

11.13. Intentional Conduct

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

12.14. Lack of Occurrence or Wrongful Act

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

13.15. Land Use

To any liability for **Damages** arising from any **Claim**, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA shall defend the **Covered Party** up to an amount not exceeding \$1,000,000 **Ultimate Net Loss** for such liability.

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

16. Member vs. Member

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

14.17. Non-Compensatory Amounts and/or Damages

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

15.18. Nuclear Material

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

- A. For any loss or liability accruing to the **Covered Party** as a Member of, or subscriber to, any association of insurers or reinsurers formed for the purpose of covering nuclear energy risks or as a direct or indirect reinsurer of any such Member, subscriber or association.
  - 1) It is agreed that this Memorandum does not apply under any liability coverage, to injury, sickness, disease, death or destruction, **Bodily Injury** or **Property Damage** with respect to which a **Member** under the Memorandum is also a **Covered Party** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability. The **Member** is, or had such coverage not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Resulting from the **Hazardous Properties of Nuclear Material**, if:
  - 1) The **Nuclear Material** is at any **Nuclear Facility** owned by, or operated by or on behalf of a **Member**, or has been discharged or dispersed therefrom;
  - 2) The **Nuclear Material** is contained in **Spent Fuel** or **Waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a **Member**; or
  - 3) The injury, sickness, disease, death or destruction arises out of the furnishing by a **Member** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any **Nuclear Facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this part 3 applies only to injury to or destruction of property at such **Nuclear Facility**.

However, this Exclusion shall not apply to liability arising from the use of radioactive materials in instructional laboratories operated by the **Member** and/or research activities sponsored by the **Member** or California State University.

#### 16.19. Pollution

For any loss, cost, or expense:

- A. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;
- B. Arising out of any **Claim**, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **Pollutants**:
  - 1) At any premises owned, rented or occupied by the **Covered Party**;

- 2) At or from any site or location used by or for the **Covered Party** or others for the handling, storage, dispersal, processing or treatment of **Waste**;
- 3) Which are at any time transported, handled, stored, treated or disposed of; or processed as **Waste** by or for the **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
- 4) At or from any site or location on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations:
  - a) If the **Pollutants** are brought on or to the site or location in connection with such operation; or
  - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **Pollutants**.

Subparagraph (A) and (B.1) do not apply to **Bodily Injury** ~~or~~ **Property Damage** arising out of heat, smoke or fumes from a hostile fire.

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

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

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

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

- A. Any site or location used by others on the **Covered Party's** behalf, principally for the handling, storage, disposal, dumping, processing or treatment of **Waste** material.

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

17.20. Property Damage

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

Arising from **Property Damage** to:

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

18.21. Watercraft

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

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

19.22. Under Errors and Omissions Liability;

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

20:23. Under Media Wrongful Acts;

- A. Based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any actual or alleged infringement, contributing to the infringement, or inducing the infringement of any patent.
- B. Actual or alleged violation of any federal, state or local statute, law or regulation regarding the dissemination of unsolicited communications, including but not limited to unsolicited telephone calls, facsimiles and electronic mail; or
- C. Liability of any **Member** arising in whole or in part, out of any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled;
- D. Liability arising out of the willful violation of a penal statute, code or ordinance committed by or with the knowledge or consent of any **Member**; except that any act for which a **Covered Party** is responsible shall not be imputed to any other **Covered Party** for purposes of this subpart 3.
- ~~A. Refund or restitution of taxes, fees, or assessments.~~
- ~~D.E.~~ Arising out of oral or written publication of material, if done by or at the direction by you with knowledge of its falsity.

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

## SECTION VII – CONDITIONS

1. Action Against CSURMA - No action shall lie against CSURMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability. Under no circumstances shall CSURMA be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under Section I - Coverages, plus interest at the same rate as the CSURMA earned on investments for the time period involved.
2. Arbitration:
  - A. In the event that a question or dispute arises between CSURMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an **Occurrence** or **Wrongful Act** or **Claim** against the **Covered Party**, either the **Covered Party** or CSURMA may make a written request for arbitration. Where such a request is made,

arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.

- B. If a **Covered Party** and CSURMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within thirty (30) days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.
  - C. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).
- 3. Assignment: No assignment of interest under this Memorandum shall bind CSURMA without its written consent and endorsed hereon.
  - 4. Cancellation and Termination:  
Coverage provided under this Memorandum may be terminated at any time in accordance with the terms set forth in the CSURMA Joint Powers Agreement, the Bylaws and the Policies and Procedures.
  - 5. Changes to the Memorandum: This Memorandum may not be amended or changed in any respect, nor shall any provision of this Memorandum be deemed to have been waived by CSURMA, unless and until a written endorsement which expressly amends this Memorandum or waives a provision thereof has been duly issued by CSURMA and made a part of this Memorandum, unless the CSURMA Policies and Procedures regarding claims reporting and claims administration and litigation management have been amended by CSURMA.
  - 6. Claims Settlement: As stated in the CSURMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management.
  - 7. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA's rules and rates. CSURMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
  - 8. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit: The following provisions and the provisions of the CSURMA Memorandum and Policy and Procedure on Claims Reporting and Claims Administration and Litigation Management are conditions precedent to coverage under this Memorandum. The **Covered Party's** failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA.
    - A. In the event of any **Occurrence** or an offense which may result in a claim, suit or proceeding against a **Covered Party**, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the **Member** to CSURMA as soon as practicable.
    - B. When the **Member** submits the first claim report, the following information shall be included, if available and applicable:



- 1) How, when and where the **Occurrence** or offense took place;
  - 2) The names and addresses of any injured persons and witnesses;
  - 3) The nature and location of any injury or damage arising out of the **Occurrence** or offense;
  - 4) Incident reports;
  - 5) Investigation reports;
  - 6) Police reports;
  - 7) Claim notices and **Member** and any other involved **Covered Party** response(s);
  - 8) Medical reports; and
  - 9) Other information helpful to CSURMA.
- C. The **Member** and any other involved **Covered Party** shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the **Member** or other involved **Covered Party** to the CSURMA Claims Administrator and authorize CSURMA to obtain records and other information;
- D. The **Member** and any other involved **Covered Party** will cooperate with CSURMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply.
9. Inspection and Audit: CSURMA shall have the right, but not the obligation, to inspect the **Member's** property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of the **Member** or others, to determine or warrant that such property or operations are safe or healthy.
- The **Member** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to CSURMA at the end of the **Coverage Period** and at such times during the **Coverage Period** as we may direct. CSURMA may examine and audit **Member's** books and records as they relate to this Memorandum at any time during the **Coverage Period** and extensions thereof and within three (3) years after the final termination of this Policy.
10. No Voluntary Payments: Except as stated below, no **Member** will, except at that **Member's** own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the consent of CSURMA.

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



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

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

11. Other Coverage: It being recognized that similar coverage contracts contain Other Insurance Clauses, it is therefore intended, understood and agreed that:
  - A. Notwithstanding the terms and conditions of any Other Insurance Clause of Clauses in any policy or policies where other coverage is available to the **Covered Party** (whether such policy is issued to the **Covered Party** or extends to it as employer, employee or agent in any other capacity), the coverage afforded hereunder is intended to be, and shall be, excess coverage; and under no circumstances shall the coverage afforded hereunder be considered pro-rata, concurring or co-existent.
  - B. If any other coverage is available to the **Covered Party**, whether such coverage is called excess over, or pro-rata with other valid and collectible insurance or not, the coverage afforded hereunder shall not apply until such other coverage has been exhausted, provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this document.
12. Separation of Covered Parties: Except with respect to the Section III – Limitations Upon CSURMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:
  - A. As if each **Covered Party** were the only **Covered Party**; and
  - B. Separately to each **Covered Party** against whom the **Claim** is made or suit is brought.
13. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.
14. Subrogation/Transfer of Rights of Recovery Against Others to CSURMA: CSURMA shall be subrogated to the extent of any payment hereunder, to all of **Member's** rights of recovery and **Member** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **Member** may elect to waive their rights to subrogation prior to a loss. To the extent that **Member** elects to waive such rights, CSURMA shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

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



CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE

DECLARATIONS

- 1. **Memorandum Number:** CSURMA.20~~19~~20.07.01
- 2. **Named Covered Party:**  
California State University Risk Management Authority (CSURMA)  
California State University (CSU) - Per Endt. 2  
Auxiliary Organizations Risk Management Alliance (AORMA) - Per Endt. 3
- 3. **Mailing Address:**  
California State University, Office of the Chancellor  
401 Golden Shore  
Long Beach, CA 90802-4210
- 4. **Memorandum Period:** July 1, ~~2019-2020~~ to July 1, ~~2020~~2021
- 5. **Retained Limit:** \$5,000,000 any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts. Defense Costs erode the Retained Limit.
- 6. **Limits of Liability:**
  - A. Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts excess of Retained Limits.....\$15,000,000
  - B. Aggregate Limit during each Memorandum Period as a result of Completed Operations Hazards .....\$15,000,000
  - C. Aggregate Limit during each Memorandum Period as a result of Wrongful Acts arising out of Public Officials’ Errors and Omissions Liability .....N/A
  - D. Aggregate Limit during each Memorandum Period as a result of: Employment Practices Liability ..... N/A
  - E. Aggregate Limit during each Memorandum Period as a result of: Employee Benefits Liability ..... N/A
- 7. **Program Administrator:**  
Alliant Insurance Services, Inc.  
100 Pine Street, Suite 1100



California State University Risk Management Authority

San Francisco, CA 94111-5101

**8. Self-Insured Claims Servicing Organizations:**

Campus: Office of the Chancellor (Self-Administered)

AORMA: Carl Warren & Company

**9. Premium:**

*These Declarations together with the coverage form and endorsements issued to form a part of the Memorandum thereof, complete the above numbered Memorandum.*

**Countersigned:**

\_\_\_\_\_  
Zachary Gifford  
CSURMA Secretary-Auditor

**Date:**

\_\_\_\_\_



California State University Risk Management Authority

## CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE

Various provisions in this Memorandum restrict coverage. Read the entire Memorandum carefully to determine **your** rights, duties and what is and is not covered.

Throughout this Memorandum the words **you** and **your** refer to the **Named Covered Party(s)** shown in the **DECLARATIONS** and any other person(s) or organization(s) qualifying as a **Covered Party** under this Memorandum. The words **we**, **us**, and **our** refer to the entity providing this coverage, namely **CSURMA**. Other words and phrases that appear in boldface have special meaning. Refer to **SECTION VII DEFINITIONS**.

In consideration of the payment of the premium, in reliance upon the statements in the **DECLARATIONS** made a part hereof and subject to all of the terms of this Memorandum, **we** agree with **you** as follows:

### SECTION I - COVERAGE AGREEMENT

**We** will pay on **your** behalf the **Ultimate Net Loss** in excess of **your Retained Limit** hereinafter stated which **you** become legally obligated to pay as **Damages** because of:

**Personal Injury;**  
**Property Damage;**  
**Public Officials Errors and Omissions;**  
**Employment Practices Claims;** or  
**Employee Benefits Wrongful Act**

to which this Memorandum applies caused by an **Occurrence** or a **Wrongful Act** that takes place during the Memorandum Period.

### SECTION II - DEFENSE AND DEFENSE COSTS

1. **We** will have the right and duty to defend any **Claim** or **Suit** against the **Covered Party** seeking **damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage applies even if the **Claim** or **Suit** is groundless, false or fraudulent when the **Retained Limit** has been exhausted by the payment of **damages** including **defense costs** to which this coverage applies and provided further that no other insurer has a duty to defend or is defending such **Claim** or **Suit**.
2. **We** will have no duty to defend the **Covered Party** against any **Claim** or **Suit** seeking **damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage does not apply.
3. When **we** assume the defense of any **Claim** or **Suit** on **your** behalf, **we** will:
  - A. Investigate, negotiate and settle the **Claim** or **Suit** as **we** deem expedient; and
  - B. Pay the following to the extent that they are not covered by any other coverage:
    - 1) Premiums on bonds to release attachments for amounts not exceeding our



California State University Risk Management Authority

Limits of Coverage, but **we** are not obligated to apply for or furnish any such bond;

- 2) Premiums on appeal bonds required by law to appeal any **Claim** or **Suit** **we** defend, but **we** are not obligated to apply for or furnish any such bond;
  - 3) All reasonable costs taxed against **you** in any **Claim** or **Suit** that **we** defend;
  - 4) Pre-judgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable Limit(s) of Liability, **we** will not pay any pre-judgment interest accrued for that period of time after the offer;
  - 5) All interest that accrues after entry of judgment and before **we** have paid, offered to pay or deposited in court the part of the judgment that is within our applicable Limit(s) of Liability; or
  - 6) **Your** reasonable expenses incurred with **our** consent or at **our** request.
4. **We** will not defend any **Claim** or **Suit** after our applicable Limit(s) of Liability has been exhausted by payments of judgments or settlements including **Defense Costs**.
  5. Except as provided in Paragraph 1 above, **we** will have no duty to defend any **Claim** or **Suit** against the **Covered Party**. **We** will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Memorandum may apply, and the **Covered Party** shall cooperate fully with us in such participation. If **we** exercise this right, **we** will do so at our own expense.
  6. All expenses **we** incur in the defense of any **Claim** or **Suit** are included in our Limit of Liability and are not paid in addition to our Limit of Liability.

### SECTION III - YOUR RETAINED LIMIT - OUR LIMIT OF LIABILITY

Regardless of the number of (1) **Covered Parties** under this Memorandum, (2) persons or organizations who sustain **injury** or **Damage**, or (3) **Claims** made or **Suits** brought on account of **Personal Injury** Liability, **Property Damage** Liability, **Public Officials Errors & Omissions** Liability, **Employment Practices** Liability or **Employee Benefit** Liability, **our** liability is limited as follows:

With respect to **Personal Injury, Property Damage, Public Officials Errors & Omissions, Employment Practices or Employee Benefit Wrongful Act**, or any combination thereof, **our** liability shall be only for the **Ultimate Net Loss** in excess of **your Retained Limit** as specified in Item 5. **Retained Limit** section of the **DECLARATIONS** as the result of any one **Occurrence** or **Wrongful Act**, and then for an amount not exceeding the amount specified in Item 6.A. of the Limit of Liability section of the **DECLARATIONS** as the result of any one **Occurrence** or **Wrongful Act**.

This Memorandum is subject to aggregate Limits of Liability as stated in the **DECLARATIONS** as stated in Items 6.B., 6.C., 6.D., and 6.E. These aggregate Limits of Liability are the maximum



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amount that will be paid under this Memorandum for all **Occurrences, Wrongful Acts, Employee Benefit Wrongful Act or Related Employee Benefit Wrongful Acts**, as the case may be, during the Memorandum Period applying separately to:

**Completed Operations Hazard;  
Public Officials' Errors and Omissions;  
Employment Practices Claims  
Employee Benefit Claims**

In the event the **Named Covered Party** is an entity established pursuant to a Joint Powers Authority or Joint Coverage Fund, by whatever name called, and there are multiple **Named Covered Parties** shown on the respective **Named Covered Party** endorsement under this Memorandum, the CSURMA's each **Occurrence or Wrongful Act** Limit of Liability and the **Named Covered Party's Retained Limit** under this Memorandum shall apply separately to each **Named Covered Party**.

However, an **Occurrence or Wrongful Act** involving more than one **Named Covered Party** shall be treated as a single **Occurrence or Wrongful Act**. A single CSURMA each **Occurrence or Wrongful Act** Limit of Liability and a single **Retained Limit** shall apply.

It is understood and agreed that nothing will be construed to increase our Limit of Liability. It is further understood and agreed that the Aggregate Limits of Liability as set forth in the **DECLARATIONS** shall be applied separately to each **Named Covered Party**.

For the purpose of determining the limit of our liability, the **Ultimate Net Loss** arising from **Damages for Personal Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Claims or Employee Benefit Wrongful Act** arising out of continuous, repeated, or related exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence or Wrongful Act**.

**Personal Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Claims or Employee Benefit Wrongful Act** taking place over more than one Memorandum Period covered by us shall be deemed to have taken place during the last Memorandum Period and only that limit shall apply.

#### **SECTION IV - MEMORANDUM PERIOD - EXPANDED COVERAGE TERRITORY**

The Memorandum Period commences on the effective date shown in the **DECLARATIONS**. The Memorandum Period ends on the earlier of either the expiration date or the effective date of cancellation of this Memorandum. If a person or organization becomes a **Covered Party** under this Memorandum after the effective date, the Memorandum Period for that person or organization begins on the date the person or organization became a **Covered Party**.

This Memorandum applies to **Personal Injury, Property Damage, Public Official's Errors and Omissions, Employment Practices Claims, or Employee Benefits Wrongful Acts** arising out of an **Occurrence** or a **Wrongful Act** that takes place during the Memorandum Period, in the Expanded Coverage Territory, subject to the following:

1. If a **Claim** is made and a **Suit** is brought for such **Occurrence or Wrongful Act** in the United



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States of America, we will pay on your behalf the Ultimate Net Loss in excess of your Retained Limit hereinafter stated, which you become legally obligated to pay as Damages, to which this Memorandum applies caused by an Occurrence or a Wrongful Act that takes place during the Memorandum Period.

- 2. If a Claim is made and a Suit is brought for such Occurrence or Wrongful Act that is within the Expanded Coverage Territory but outside the United States of America, the Covered Party will initiate a defense of the Claim or Suit and we will indemnify the Covered Party for Ultimate Net Loss in excess of your Retained Limit hereinafter stated, which you become legally obligated to pay as Damages, to which this Memorandum applies caused by an Occurrence or a Wrongful Act that takes place during the Memorandum Period. We will, however, have the right, but not the duty, to participate in the defense of any Suit and the investigation of any Claim to which this Memorandum may apply, and the Covered Party shall cooperate fully with us in such participation. If we exercise this right, we will do so at our own expense.
3. All payments or reimbursements we make for Damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the Covered Party became legally obligated to pay such sums.
4. The Covered Party must fully maintain any coverage required by law, regulation or other governmental authority during the Memorandum period, except for reduction of the aggregate limits due to payment of Damages.

Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this coverage. However, this coverage will apply as if the required coverage by law, regulation or other governmental authority was in full effect.

SECTION V - PERSONS OR ENTITIES COVERED

The following are Covered Parties;

- 1. The Named Covered Party as designated in the DECLARATIONS.
2. Commissions, boards, districts, authorities, committees, agencies, not-for-profit corporations or other entities under the direction or control of the Named Covered Party, while acting solely within the course and scope of their duties with and for the direct benefit or on behalf of the Named Covered Party.
3. Past or present employees, directors, officers, trustees or any equivalent position, volunteers, elected or appointed officials of the Named Covered Party, including Contract Employees of the Covered Party, while acting within the course and scope of their employment or under the direction and control for or on behalf of the Named Covered Party. This does not include any person working on retainer or as an independent contractor.
4. Any person:
A. Designated in paragraphs 1, 2, and 3 above, with respect to any Automobile not owned by you that is used in your operations as a public entity; and



- B. Using any **Automobile** owned by the **Named Covered Party** or hired **Automobile** or any person legally responsible for the use thereof, provided that the **Automobile** is being used with **your** permission and while acting on **your** behalf.

The coverage granted by this provision, however does not apply to:

- A. Any person operating an **Automobile** while working in a business that sells, services, repairs, delivers, tests, parks, or stores **Automobiles** unless it is your business; or
- B. The owner or lessee of any hired **Automobile**, other than you or any agent or employee of such owner or lessee.

However, with respect to California State University owned, hired or non-owned **Automobiles**, coverage afforded under **Section V. Persons or Entities Covered** item 4. only applies to **Non-Employee Drivers**.

**Non-Employee Drivers** means any volunteer, student, or any individual who is not an employee of the **Named Covered Party** while driving an **Automobile** and acting for or on behalf of the **Named Covered Party**.

- 5. Student Organizations including those involved with radio, television and publishing, but only those organizations formally recognized by the **Named Covered Party** as student organizations.
- 6. Students, but only with respect to liability arising out of service by the student as a teaching assistant or student teacher; while serving in a supervised internship program in satisfaction of course requirements; while participating in activities required to complete nurse training or similar allied health courses; while participating in teacher certification programs; while serving or acting under the direction of an entity included as a **Named Covered Party**.
- 7. All special districts governed by the entity’s board and all other districts or agencies named on the Memorandum.
- 8. Police Officers currently employed by **you** as respects secondary employment specifically authorized by **your** Police Department (commonly referred to as “moonlighting”); however:
  - A. This coverage would only apply to extent that **you** were joined in any suit naming said Police Officers; and
  - B. This coverage is excess over any other valid and collectible coverage covering any loss for which this coverage would otherwise be applicable; and
  - C. Nothing provided hereunder would serve to increase any Limits of Liability of this Memorandum.

**SECTION VI - EXCLUSIONS**

This Memorandum does not apply:

- 1. To any obligation for which **you** or any carrier as the insurer for **you** may be held liable



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under any workers' compensation, occupational disease, unemployment compensation or disability benefits law, or under any similar federal, state or local law.

2. To **Bodily Injury** to any of **your** employees arising out of and in the course of employment by **you**, but this exclusion does not apply to Workers' Compensation Coverage B, Employers Liability, or Stop Gap Liability, as defined by the National Council on Workers' Compensation Coverage or **Employment Practice Liability**.
3. To any liability for **Property Damage** to:
  - A. Real property owned, occupied by or leased to **you**, **your** agents or subcontractors;
  - B. Real or personal property in **you**, **your** agents or subcontractors care, custody or control or as to which **you**, **your** agents or subcontractors are for any purpose exercising physical control;

The above exclusions 3.A. and 3.B. do not apply to:

- 1) Real and personal property, including **Automobiles** and mobile equipment, in **your** custody as part of the operations of impound lots or seizure activities, as well as personal property in **your** care, custody and control at the time of arrest or incarceration;
- 2) Non-owned **Automobiles** that are in **your** care, custody or control;
- 3) Real property that is leased or rented by **you** for losses arising out of fire, smoke or resulting water damage.

Items 1), 2) and 3) above are subject to a maximum limit of coverage of \$1,000,000 per Occurrence.

4. As respects liability assumed by **you** under any contract:
  - A. To any **Claim**, judgment or agreement from any arbitration proceeding wherein **we** are not entitled to exercise **your** rights in the choice of arbitrators, and in the conduct of such proceedings;
  - B. If the indemnitee of the **Covered Party** is an architect, engineer or surveyor, for the liability of the indemnitee, his agents or employees, arising out of:
    - 1) The preparation or approval of contracts, maps, plans, drawings, opinions, reports, tests, inspections, surveys, change orders, designs or specifications;
    - 2) The giving or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give results in **Personal Injury** or **Property Damage**.
5. To liability arising out of the ownership, maintenance, **Loading** or **Unloading**, use of, or operation of any **Aircraft**, airfields, runways, hangars, buildings, or other properties in connection with aviation activities.



This exclusion shall not apply to:

- A. **Loading or Unloading of Aircraft** by paramedics, nurses or emergency medical technicians employed by **you** in the course of medical treatment.
  - B. Static **Aircraft** used for instructional **Aircraft** maintenance training, and classroom or travel activity associated with an **Aircraft** program or curriculum (non-flight purposes only).
  - C. Those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots, and garages) or to liability arising out of the ownership, operation, rental, or loan of vehicles licensed for highway use while being operated away from the premises of any airfield.
  - D. Class 1. Amateur Rockets, as defines by the U.S. Department of Transportation, Federal Aviation Administration, Procedures for Handling Airspace Matters, Order JO 7400.2K, Effective Date: April 3, 2014, Chapter 31. Amateur Rocket and Commercial Space Operations, Section 1. General, 31-1-5. DEFINITIONS, c. Amateur Rocket Class 1 a model rocket that uses no more than 125 grams (4.4 ounces) of propellant; uses a slow-burning propellant; is made of paper, wood, or breakable plastic; contains no substantial metal parts; and weighs no more than 1,500 grams (53 ounces) including the propellant.
6. To any liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Covered Party**. This includes, but is not limited to:
- A. The rendering or failure to render:
    - 1) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
    - 2) Any service or treatment related to physical or mental health or of a professional nature; or
    - 3) Any cosmetic or tonsorial service or treatment.
  - B. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to any liability arising out of;

- A. Ambulance operations, occupational physical examinations, student nursing programs, infirmaries, non-clinic nursing services or services of the **Covered Party's** employees who are nurses, physician assistants, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, or physical therapists;
- B. **Employment Practices Liability;**
- C. First aid to any person. For the purposes of this exception, first aid means the immediate and emergency care given to an ill or injured person before regular



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medical aid can be obtained;

- D. Any nursing services clinic that does not perform invasive surgery of any kind;
  - E. Operations performed by coroners; or
  - F. Volunteer medical personnel while attending an activity sponsored by the **Covered Party** or while on school premises under the **Covered Party's** control.
7. To **Claims** for loss or **Damage** or any liability arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, or by whatever name used whether such **Claims** are made directly against **you** or by virtue of any agreement entered into, by or on **your behalf**.
8. To liability arising out of the failure to adequately supply electrical power, fuel or water or to liability arising out of the interruption of the electrical power, fuel or water supply. However, this exclusion does not apply to the failure to supply water if:
- A. Such failure is caused by an **Occurrence** or **Wrongful Act** as defined in this Memorandum; and
  - B. The combined capacity of **your** installed production facilities and contractual supply arrangements is equal to or greater than one hundred (100) percent of the water demand on **your** water system.
9. To **Personal Injury** or **Property Damage** arising out of out of the ownership, maintenance, operations, use, **Loading** or **Unloading** of (1) any **Watercraft** owned or operated by or rented or loaned to **you**, or (2) **Watercraft** operated by any person in the course of employment by **you**.
- However, this exclusion shall not apply to: (1) any owned and/or non-owned **Watercraft** less than fifty-one (51) feet in length, (2) any **Watercraft** while ashore or on premises owned or controlled by **you**, or (3) rowing or sculling shells regardless of length.
10. To **Personal Injury, Property Damage** or **Public Officials' Errors and Omissions**:
- A. With respect to which **you** are also an Insured under a nuclear energy policy issued by the Nuclear Energy Liability-Property Coverage Association, Mutual Atomic Energy Liability Underwriters or Nuclear Coverage Association of Canada, or would be an Insured under any such policy but for its termination upon exhaustion or its limit of liability; or
  - B. Resulting from the hazardous properties of nuclear material and with respect to which (1) any person or any organizations required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; (2) **you** are, or had this Memorandum not been available would be, entitled to indemnity from the united States of America or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization;



- C. Under any liability coverage, to **Bodily Injury** or Property Damage, resulting from hazardous properties of nuclear material, if:
- 1) The **nuclear material** (1) is at any **nuclear facility** owned by, or operated by or on **your** behalf, or (2) has been discharged or dispensed therefrom;
  - 2) The **nuclear material** is contained in **spent fuel** or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on **your** behalf;
  - 3) **Bodily Injury or Property Damage** arising out of the furnishing by **you** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operating or use of any **nuclear facility**. But if such facility is located within the United States of America, its territories or possessions, or Canada, this exclusion 3) applies only to **Property Damage to** such nuclear **facility** and any property thereat.
- D. As used in this exclusion:
- 1) **hazardous properties** includes radioactive, toxic or explosive properties;
  - 2) **nuclear material** means "source material", special "nuclear material" or "byproducts material";
  - 3) **source material**, "special nuclear material" and "by-products material" have the meaning given them in the Atomic Energy Act of 1954 or any law amendatory thereof;
  - 4) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;
  - 5) **waste** means any waste material (1) containing "by-products material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** contents, and (2) resulting from the operation by any person or organization of a **nuclear facility** included within the first two paragraphs of the definition of **nuclear facility** below;
  - 6) **nuclear facility** means:
    - a) Any **nuclear reactor**;
    - b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel** or (3) handling, processing or packaging **wastes**;
    - c) Any equipment or device used for the processing, fabricating, or alloying of special **nuclear material** if at any time the total amount of such material in **your** custody at the premises where such



equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grains of uranium 235;

d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**, including the site on which any of the foregoing is located and all operations conducted on such site and all premises used for such operations;

7) **nuclear reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

8) With respect to **Property Damage**, the words injury or destruction includes all forms of radioactive contamination of property.

11. As respects to any liability arising out of **Pollutants**:

- A. To any **Claim** for **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions** arising out of the actual or alleged generation, storage, transportation, discharge, dispersal, escape, treatment, removal of, disposal of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gasses, waste materials or other irritants, contaminants or **Pollutants** into or upon the land, atmosphere or water, to include ground water;
- B. To any obligation to defend any **Claim** or **Suit** against **you** alleging **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions**, if such **Claim** or **Suit** arose from **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions** arising out of the discharge, dispersal, release or escape of **Pollutants**, anywhere in the world;
- C. To any loss, cost or expense arising out of any governmental demand, direction or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;
- D. To any loss, cost or expense arising out of the arranging to dispose of, the transporting of, or disposing of **Pollutants**;
- E. To any loss, cost or expense incurred by a governmental unit or other third party, including but not limited to costs of investigation and monitoring, and attorneys' fees, relating to activities in connection with efforts to test for, monitor, clean up, remove, contain, trace, detoxify or neutralize **Pollutants**;
- F. To any loss, cost or expense arising from any **Underground Storage Tank** unless satisfactory documentation is received and approved by, and are on file with, the **CSURMA**.

However, this exclusion shall not apply to the following:

- A. Loss or **Damage** arising out of **Pollution Conditions** caused by heat, smoke or



fumes from a **Hostile Fire** involving a property which is owned, rented or occupied by the **Covered Party** or upon which operations are being performed by or on **your** behalf;

- B. Loss or **Damage** arising out of **Pollution Conditions** caused by **your** firefighting activities or on **your** behalf, including fires intentionally set for training, intentional demolition or fires intentionally set for the purpose of limiting or controlling a fire;
- C. Loss or **Damage** arising out of **Pollution Conditions** caused by the collision, upset, or overturn of any **Automobile** or mobile equipment;
- D. Loss or **Damage** arising out of **Pollution Conditions** caused by chemicals used in weed abatement or tree spraying activities conducted by **you**;
- E. Loss or **Damage** arising out of **Pollution Conditions** caused by classroom activities conducted by or on **your** Behalf;

However, exceptions A - E above do not apply to loss or **Damage** due to asbestos, silica or lead, including but not limited to lead based paint.

- F. Loss or **Damage** arising out of **Pollution Conditions** caused by the use of pepper sprays, mace, or other chemicals designed to temporarily incapacitate persons as long as the use is deemed to be reasonable force;
- G. Personal Injury or Property Damage which is within the Products Hazard or the Completed Operations Hazard;
- H. Loss or Damage arising out of Pollution Conditions caused by water, whether recycled, reconditioned or reclaimed;
- I. Loss or Damage arising out of Pollution Conditions caused by explosion, lightening, windstorm, vandalism and malicious mischief, riot and civil commotion, flood;
- J. Loss or Damage arising out of Pollution Conditions that meet the following conditions:
  - 1) It was accidental and neither expected nor intended by the **Covered Party**; and
  - 2) It was demonstrable as having commenced on a specific date during the term of this Memorandum; and
  - 3) Its commencement became known to the **Covered Party** within ten (10) calendar days; and was further reported to the person responsible for Risk Management within a reasonable timeframe; and
  - 4) Its commencement was reported in writing to the CSURMA within forty (40) calendar days of becoming known to the person responsible for Risk Management; and
  - 5) Reasonable effort was expended by the **Covered Party** to terminate the



discharge, dispersal, release or escape of **pollutants** as soon as conditions permitted; and

- 6) Its termination was within seventy-two (72) hours of its commencement.

However, nothing contained in this provision J. shall operate to provide any coverage with respect to:

- 1) Any site or location principally used by any **Covered Party**, or others on the **Covered Party's** behalf for the handling, storage, disposal, dumping, processing or treatment of waste material;
2) Any fines or penalties;
3) Any clean-up costs ordered by the superfund program, or any federal, state or local governmental authority. However, this paragraph shall not serve to deny coverage for third party clean-up costs otherwise covered by this exception to this exclusion simply because of the involvement of a governmental authority;
4) Acid rain;
5) Clean-up, removal, containment, treatment, detoxification or neutralization of **pollutants** situated on premises the **Covered Party** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **pollutants**; or
6) Water pollution caused by oil or its derivatives.

As used herein loss or **Damage** means **Ultimate Net Loss** as defined in the **DEFINITIONS** section of this Memorandum.

- 12. As respects any liability arising out of asbestos and/or silica:
A. To any liability arising out of the manufacture, mining, use, sale, installation, removal, storage, disposal, distribution, or exposure to asbestos products, asbestos fibers, silica or asbestos dust.
B. To any liability to indemnify any party because of **Damage** arising out of **Personal Injury** or loss due to a **Wrongful Act** at any time as a result of the manufacture, sale installation, removal, distribution, transportation or exposure to asbestos, asbestos products, asbestos fibers, silica or asbestos dust.
C. To any liability to defend any **Claim** or **Suit** against you seeking **Damages** arising out of **Personal Injury** or **Property Damage** or **Public Officials' Errors and Omissions** due to an **Occurrence** or loss due to a **Wrongful Act**, if such **Claim** or **Suit** results from any of the following: manufacture, mining, use, sale, installation, removal, distribution, transportation, or exposure to asbestos, asbestos products, asbestos fibers, silica or asbestos dust.
13. As respects any liability imposed upon you under the Employee Retirement Income Security



Act of 1974 and any amendatory law thereof.

14. To any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any **Dam**. As well as those costs incurred by you to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person
15. **Public Officials' Errors and Omissions** Liability, for:
  - A. Personal Injury or Property Damage, as defined, that does not arise out of a **Claim** or Suit for **Public Officials' Errors and Omissions**;
  - B. Refund of taxes, fees or assessments;
  - C. **Your** liability arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of plans or failure to award contracts in accordance with any statute or ordinance which under law must be submitted for bids;
  - D. Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof;
  - E. Failure to perform or breach of a contractual obligation except employment contracts;
  - F. Liability arising from the deliberate violation of any statute, law, act, ordinance, rural, or regulation whether federal, state, city, county, district, or local committed by or with the knowledge or consent of any **Covered Party**.

**We** shall not pay any cost that results from the defense, investigation, and settlement of any **Occurrence** or **Wrongful Act** arising out of any losses excluded herein.
16. It is agreed that the following exclusions are hereby included in the Memorandum only or **Wrongful Acts** resulting from **your Employment Practices Claims**:
  - A. **Strikes and Lockouts**. This Memorandum does not apply to any **Claim** or **Claims** for loss arising out of a lockout, strike, picket line, replacement or similar actions in connection with labor disputes or labor negotiations.
  - B. **W.A.R.N. Act**. This Memorandum does not apply to any **Claim** or **Claims** for loss arising out of the Worker Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto or any similar federal, state or local law.
17. This Memorandum does not apply to any **Claim** or **Claims** for any costs incurred by **you** to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person.
18. To any **Claims** or **Suits** arising from all pending or prior litigation or hearing as well as future **Claims** or **Suits** arising out of said pending or prior litigation or hearing, and arising out of, based upon or attributable to the facts alleged, or to the same or related **Wrongful**

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**Acts**, alleged or contained in any **Claim** or **Suit** arising out of any **Wrongful Act** prior to the inception of this Memorandum.

19. For Personal Injury, Property Damage, or **Bodily Injury** or any other loss, cost or expense arising in whole or part, out of the installation, repair, removal, encapsulation, abatement, replacement or handling of, presence, ingestion, inhalation, absorption of or exposure to, or testing for, lead in any form or products containing lead.
20. For any loss, injury, **Damage**, cost or expense, including, but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:
  - A. Any **fungus(i)**, **mold(s)**, mildew or yeast;
  - B. Any **spore(s)** or toxins created or produced by or emanating from such **fungus(i)**, **mold(s)**, mildew or yeast;
  - C. Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising from any **fungus(i)**, **mold(s)**, mildew or yeast; or
  - D. Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any **fungus(i)**, **mold(s)**, yeast, or **spore(s)** or toxins emanating therefrom.

Regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury, **Damage**, cost or expense.

20. For injunctions, equitable relief, or any other form of relief other than the payment of money damages.
21. Liability arising out of an alleged willful commission of a crime by **you** or other dishonest fraudulent, or malicious act. At **our** discretion, however, **we** will pay for **Defense Costs** until final adjudication, judgment, or settlement to which **we** have agreed. If the judgment or final adjudication is adverse to **you**, **you** will reimburse **us** for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **Covered Party** has with regard to the managerial, advisory, supervisory, or controlling obligations over the actions of another **Covered Party**.

22. Liability arising out of **your Wrongful Act** for gain, profit, or advantage to which **you** are not legally entitled. At **our** discretion, however, **we** will pay for **Defense Costs** for any **Claim** or **Suit** arising from an alleged willful commission of a crime by **you** or other dishonor, fraudulent or malicious act, for any **Claim** or **Suit** arising out of **your Wrongful Act** for gain, profit, or advantage to which **you** are not legally entitled until final



adjudication, judgment, or settlement to which **we** have agreed. If the judgment or final adjudication is adverse to **you**, **you** will reimburse **us** for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **Covered Party** has with regard to the managerial, advisory, supervisory, or controlling obligations over the actions of another **Covered Party**.

23. Liability arising out of a **Wrongful Act** by **you** or on **your** behalf in the handling of **Claims** or **Suits** within **your Retained Limit** whenever **you** investigate, defend, or settle such **Claims** or **Suits** or elect a third party to investigate, defend or settle such **Claims** or **Suits**.
24. To **Personal Injury, Property Damage** or **Wrongful Acts** arising, directly or indirectly, out of:
  - A. War, including undeclared or civil war; or
  - B. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military or other agents; or
  - C. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against of these.
25. To liability arising out of or in connection with any transit authority, transit system, or public transportation system owned, operated, or regulated by **you**. This exclusion shall not apply to transit or public transportation systems operating over non-fixed routes, including, but not limited to, Dial-a-Ride, senior citizen transportation, or handicapped persons transportation, or to contingent liability coverage where such services are contracted. This exclusion also shall not apply to public transportation owned or operated by **you** operating over fixed routes; i.e., "campus shuttles services."
26. For any **Property Damage** arising out of **Land Subsidence** for any reason whatsoever.
27. For **Personal Injury**:
  - A. Arising out of oral or written publication of material, if done by or at the direction by **you** with knowledge of its falsity; or
  - B. Arising out of oral or written publication of material whose first publication took place before the beginning of the Memorandum Period. All **Personal Injury** arising out of publication of the same or similar material subsequent to the beginning of the Memorandum Period is also excluded.
28. For any **Claim** or **Suit** under any Uninsured Motorists or Underinsured Motorists or any similar law, and to any sums **you** may be legally entitled to recover as **damages** from the owner or operator of any uninsured or underinsured **Automobile** because of **Bodily Injury** and **Property Damage** sustained by any **Covered Party**, caused by an Occurrence and arising out of the ownership, maintenance, operation, use, **Loading** or **Unloading** of



such **Automobile**.

29. To any liability arising out of the operation of an **Automobile** by an employee of the **Named Covered Party** as designated in the **DECLARATIONS** of this Memorandum; however, this exclusion only applies to California State University owned, hired or non-owned **Automobiles**.
30. Under **Employee Benefit Liability**, for **Claims**:
- A. Arising out of any **Claims** or part thereof which may be alleged as covered under this Coverage Part if **we** have accepted coverage or coverage has been held to apply for such **Claim** or part thereof under any other Coverage Part(s) of this Memorandum.
  - B. Arising out of any representations made at any time in relation to the price or value of any security, bank, bank deposit or financial interest or instrument, including, but not limited to, advice given to any person to participate in any plan included in the **Employee Benefit Program**.
  - C. Arising out of any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument.
  - D. Arising out of any insufficiency of funds to meet any obligation under any **Employee Benefit Program**.
  - E. Arising out of an act, error, or omission by **you** to effect or maintain coverage or bonding for plan property or assets of **Employee Benefit Program**.
  - F. Arising out of failure of performance or performance under any contract by an insurer of benefits subject to the **Employee Benefit Program**.
  - G. Arising from any **Employee Benefit Wrongful Act** or Related **Employee Benefit Wrongful Act** of which **you** were aware prior to the Memorandum Period if such **Employee Benefit Wrongful Act** or Related **Employee Benefit Wrongful Act** could reasonably be expected to give rise to a **Claim**.
  - H. For **damages** arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by **you**, including the willful or reckless violation of any statute.
  - I. For **damages** arising out of **Bodily Injury, Property Damage, or Personal Injury**.
  - J. For **damages** arising out of wrongful termination of employment, discrimination, or other employment related practices.
  - K. For any **Claim** arising out of **your** failure to comply with the mandatory provisions of any Workers' Compensation, Unemployment Compensation Coverage, Social Security or Disability Benefits Law or any similar law.
  - L. For **damages** for which **you** are liable because of liability imposed on a fiduciary by



the Employee Retirement Income Security Act of 1974 as now or hereafter amended, or by any similar Federal, State or Local laws.

M. For any **Claim** for benefits to the extent that such benefits are available, with reasonable effort and cooperation by **you**, from the applicable funds accrued or other collectible coverage

31. To any liability arising out of the purchase, sale, or offer of sale, or solicitation, or decline in price or value of any security, debt, bank deposit or financial interest or instrument

**SECTION VII - DEFINITIONS**

When used in this Memorandum (including endorsements forming a part hereof):

- 1. **Aircraft** means any machine supported in the air by buoyancy or by dynamic action of air on its surfaces including airplanes, helicopters, gliders, **Unmanned Aerial Vehicles** (aka "Drones"), rockets, satellites, and missiles.
- 2. **Automobile** means any licensed land motor vehicle, trailer, or semi-trailer.
- 3. **Bodily Injury** means **Bodily Injury**, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the Memorandum Period.
- 4. **Claim(s)** means a demand for money
- 5. **CSURMA** means the insurer(s) specified in the **DECLARATIONS**.
- 6. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to **you**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following time:
  - A. When all operations to be performed by or on behalf of **you** at the site of the operations have been completed;
  - B. When all operations to be performed by or on behalf of **you** under the contract have been completed; or
  - C. When the portion of the work out of which the **Injury or Damage** arises has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

- A. Operations in connection with the transportation of property unless the Personal Injury or Property Damage arises out of a condition in or on a vehicle created



- by the Loading or Unloading of that vehicle by any Covered Party; or
- B. The existence of tools, uninstalled equipment, or abandoned or unused materials.
7. **Contract Employee** means:
- A. Any employee who is under contract to **you** one hundred (100) percent of the time; or,
- B. Whose only contract of employment is with **you**.
8. **Dam** means any artificial barrier together with appurtenant works, which does or may impound or divert water, and which either:
- A. Is twenty five (25) feet or more in height from the natural bed of the stream or water course at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation; or
- B. Has an impounding capacity of fifty (50) acre-feet or more.
9. **Damages** includes damages for death and for care and loss of services resulting from **Personal Injury** and damages for loss of use of property resulting from **Property Damage**, and losses for **Wrongful Acts** as defined in this Memorandum.
10. **Defense Costs** means attorney's fees, costs and expenses and other fees, costs and expenses incurred in connection with the investigation, settlement, adjustment, defense and appeal of a **Claim** or **Suit** covered hereunder. However, **Defense Costs** do not include **our** office expenses, **your** office expenses or the salaries of **our** employees or officers or **your** employees or officers.
- Additionally, **we** may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** or **Suits** similar to the one against **you**, and to require that independent counsel have errors and omissions coverage. **You** agree to instruct counsel, whether independent or in-house, to respond to **our** request(s) for information regarding the **Claim** or **Suit** in a timely manner.
11. **Employee Benefit Program** includes any employee benefit plan including, but not limited to, the following: Group life coverage, group accident or life coverage, profit sharing plans, pension plans and stock subscription plans provided that no one other than an employee may subscribe to such coverage plans, unemployment coverage, Social Security Benefits, workers' compensation and disability benefits.
12. **Employee Benefit Wrongful Act** means an actual or alleged negligent act, or omission that arises solely from **your** administration of **your Employee Benefit Program**
13. **Employment Practices** means: Wrongful termination or discrimination arising out of or due to:
- A. The refusal to employ any person who is an applicant for employment;



- B. The termination of any person’s employment; or
- C. Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- D. The spouse, child, parent, brother or sister of that person or persons as a consequence of any of the employment-related practices described in paragraphs A, B or C above is directed;

It is agreed that this Memorandum shall apply to a **Wrongful Act** that **you** become legally obligated to pay or compensate others for an **Occurrence** resulting from **your Employment Practices Claims**. An **Employment Practice Claim** must arise out of the conduct of **your** operations.

- 14. **Employment Practices Claim** means any **Wrongful Act** relating to a past, present, or prospective employee of **yours** and arising out of an actual or alleged wrongful dismissal, discharge or termination, either actual or constructive, of employment, employment related misrepresentation, wrongful failure to employ or promote, wrongful deprivation of career opportunity, wrongful discipline, failure to grant tenure or negligent employee evaluation or sexual or workplace harassment of any kind, including, but not limited to, the alleged operation of a harassing workplace environment, or unlawful discrimination, whether direct, indirect, intentional or unintentional, or failure to provide adequate employee policies and procedures. Employment Practices Claim shall not include any severance, separation wages or payouts, or front or back pay or any amounts owed under any contractual employment agreements.

**Employment Practices Claim** shall include **Wrongful Acts** brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following laws, as amended, including regulations promulgated thereunder:

- A. Americans with Disabilities Act of 1992 (ADA);
- B. Civil Rights Act of 1991;
- C. Age Discrimination in Employment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990;
- D. Title VII of the Civil Rights Law of 1974, as amended (1983), including the Pregnancy Discrimination Act of 1978; and
- E. Fifth and Fourteenth amendments of the United States Constitution.

- 15. **Expanded Coverage Territory** means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

- 16. **Fungus** includes, but is not limited to, any of the plants or organisms belonging to the major group **fungi**, lacking chlorophyll, and including molds, rusts, mildews, smuts and



mushrooms.

17. **Hostile Fire** means a fire that becomes uncontrollable or breaks out from where it was intended to be.
18. **Injury or Damage** means any **Injury or Damage** covered under this Memorandum and includes but is not limited to **Bodily Injury, Property Damage, Personal Injury** or **Wrongful Acts** as may be defined under this Memorandum.
19. **Covered Party** means the **Named Covered Party** designated in Item 2. of the **DECLARATIONS** and any person or organization qualifying as an **Covered Party** under **SECTION V. PERSONS OR ENTITIES COVERED** of this Memorandum.
20. **Joint Powers Authority (ies)** means two or more public agencies joined together by a joint agreement in order to jointly exercise any power common to the contracting parties, including but not limited to the power to create risk pooling and joint purchase of private coverage.
21. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
22. **Loading or Unloading** means the handling of property:
  - A. After it is moved from the place where it is accepted for movement into or onto an **Aircraft, Watercraft or Automobile;**
  - B. While it is in or on an **Aircraft, Watercraft or Automobile;** or
  - C. While it is being moved from an **Aircraft, Watercraft or Automobile** to the place where it is finally delivered;but **Loading or Unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **Aircraft, Watercraft or Automobile.**
23. **Mold(s)** means to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce molds.
24. **Municipality** means a legally incorporated or duly authorized association of inhabitants of a limited area limited to the following: city, town, county, village, township, borough, hamlet, burg, or state.
25. **Named Covered Party** means the entity(ies) listed in Item 2 of the **DECLARATIONS** including endorsements thereto.
26. **Occurrence** shall mean an accident, event, or continuous or repeated exposure which results in **Bodily Injury** or **Property Damage** during the Memorandum Period, neither expected nor intended by **you.**
27. **Personal Injury** means:



California State University Risk Management Authority

- A. **Bodily Injury**, including disability, shock, mental anguish, mental injury, or death resulting from any of the foregoing;
- B. False arrest, false imprisonment, wrongful detention, or malicious prosecution;
- C. Wrongful entry into, or eviction of any person from, a room, dwelling or premises that a person occupies, or other invasion of the right of private occupancy;
- D. A publication or utterance that slanders or libels a person or organization or disparages a person's or an organization's good, products or services;
- E. A publication or utterance that violates a person's right to privacy;
- F. Assault and battery not committed by or at the direction of, or with **your** consent. However, this limitation does not apply if committed or directed for the purpose of protecting persons from injury or death, or property from **Damage**; and
- G. Discrimination other than as a result of **Employment Practices**.

All of the above seven (7) items which occur during the Memorandum Period.

- 28. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials, which are intended to be, or have been, recycled, reconditioned or reclaimed.
- 29. **Pollution Conditions** means the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment.
- 30. **Products Hazard** includes **Bodily Injury** and **Property Damage** arising out of **your** products or reliance upon a representation or warranty with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to **you** and after physical possession of **your** product (s) has been relinquished to others.
- 31. **Property Damage** means (1) physical injury to or destruction of tangible property which occurs during the Memorandum Period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by an **Occurrence** during the Memorandum Period.
- 32. **Public Entity** refers to that **municipality**, governmental body, department, or unit, which is a **Named Covered Party** in the **DECLARATIONS**.
- 33. **Public Officials' Errors and Omissions** means losses from **Wrongful Acts** committed by **you**.
- 34. **Retained Limit** refers to the amount stated on the **DECLARATIONS**. The **Retained Limit** shall be comprised of **Damages** and **Defense Costs**. **You** shall be responsible for all



California State University Risk Management Authority

**Damages and Defense Costs** incurred without right to indemnification in accordance with the Memorandum's terms and conditions until the **Retained Limit** is exhausted as a result of **Damages and Defense Costs**.

35. **Spore(s)** means any dormant or reproductive body produced by or arising or emanating out of any **fungus (i), mold(s)**, mildew, plants organisms or microorganisms.
36. **Suit** means a civil proceeding in which damages are alleged because of **Bodily Injury** or **Property Damage**, or **Wrongful Act** to which this Memorandum applies. **Suit** includes:
- A. An arbitration proceeding in which such **Damages** are claimed and to which **you** must submit or do submit with **our** consent; or
  - B. Any other alternative dispute resolution in which such **Damages** are claimed and to which **you** submit with **our** consent.
37. **Ultimate Net Loss** means the total amount of **Damages** including **Defense Costs** we are legally obligated to pay because of **Bodily Injury, Personal Injury, Property Damage, Wrongful Acts, Employment Practices Wrongful Acts or Employee Benefits Wrongful Acts**. **Ultimate Net Loss** shall be established after a contested **Suit** or by compromise settlement to which **we** have previously agreed in writing. **Ultimate Net Loss** shall be reduced by any recoveries or salvages which have been paid to or collected by **us**. **Ultimate Net Loss** includes **Defense Costs** incurred in the defense of an **Occurrence** or **Wrongful Act** to which this coverage applies.
38. **Underground Storage Tank** means any tank, including associated underground piping connected to the tank that has at least ten (10) percent of its volume below ground.
39. **Underlying Coverage** refers to the policies listed in the Schedule of **Underlying Coverage** and includes:
- A. Any renewal or replacement of such policies;
  - B. Any other coverage available to the **you**; and
  - C. Any other valid and collectible risk financing mechanism provided under a **Joint Powers Authority**.
40. **Unmanned Manned Aerial Vehicle** (aka: "Drone") means any vehicle designed to fly in the air with no onboard pilot or crew used principally for the transport of equipment that has a flight weight of 100 lbs. or less (flight weight includes the **Aircraft** itself, fuel and other fluids, and all payload), and is used for research and/or educational purposes.
41. **Watercraft** means a vehicle designed for the transport of persons or property principally on water.
42. **Wrongful Act** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance, and nonfeasance by the **Covered Party**.

#### SECTION VIII – CONDITIONS



California State University Risk Management Authority

1. **Action Against Us.** No person or entity has a right under this Memorandum to join us as a party to a lawsuit or to sue us under this Memorandum. **You** acknowledge and agree that this Memorandum was issued to **you** based upon the representations in **your** application for coverage that this Memorandum provides **you** with benefits unique to **your** needs for coverage, based upon **your** stated coverage requirements and decisions as to what coverage **you** decided to purchase; and that this coverage Memorandum is unique to **you**. **You** agree that there are no other persons or entities who have a unity of interest with **you** for any issues that may arise in connection with any dispute that **you** may have with us in connection with any aspect of this Memorandum, including but not limited to its issuance and the coverage that it provides **you**. **You** agree that **your** right to bring any action against us in connection with any dispute is limited to arbitration or submission to small claims court, as per the provisions of **SECTION VIII. CONDITIONS**, Item 3, Arbitration.
2. **Appeals.** In the event **you** elect not to appeal a judgment in excess of **your Retained Limit**, **we** may elect to do so at **our** own expense, but in no event shall **our** liability for **Ultimate Net Loss** exceed the applicable amount specified in the Limit of Liability section of the **DECLARATIONS** plus all **Defense Costs** necessary and incident to such appeal.
3. **Arbitration.** All controversy or **claim** of any nature, including the validity or formation of this Memorandum, that arise out of or relates to this agreement involving two or more parties to this agreement, which cannot be settled among the disputing parties, shall be resolved by submission to a ~~single three person panel; neutral arbitrator for determination through~~ arbitration in accordance with the then current rules of the ~~National Arbitration Forum, Minneapolis, MN~~ California Code of Civil Procedure, and judgment upon the award may be entered in any court having jurisdiction thereof. The arbitrator shall have the power to decide all disputes between the parties, including but not limited to, the validity, formation, application or interpretation of the agreement, the amount of funds due, if any, and the award of damages only as provided for within this agreement. The arbitrator shall have no power to change, or add to the provisions of this agreement. The arbitrator shall provide a written opinion with his decision and findings of fact and law in accord with the laws in effect in the state in which the **Named Covered Party** is domiciled. In the event the arbitrator's findings are contrary to the laws of the state whose laws are applicable to the dispute, either party shall be entitled to appeal the arbitrator's ruling, at their own expense.

**We** will pay the cost of administering the arbitration. **We** will not pay the fees of **your** legal representative or the costs incurred in proving **your** case, unless such fees and costs are included in an arbitration award against **us**.

Notwithstanding the foregoing, all disputes between **you** and **us** shall be submitted to Small Claims Court procedure if the amount in dispute provides jurisdiction of the Small Claims Court or, at the option of the **Covered Party** only, disputes involving less than \$25,000 may be subject to arbitration.

The provisions of this paragraph, and the obligation to arbitrate as provided herein, applies to all persons or entities who are a **Covered Party** under the Memorandum and to any other



persons or entities who may be otherwise entitled to the recovery of any Memorandum benefits under state or federal law.

4. Assignment. Assignment of interest under this Memorandum shall not bind us until our consent is endorsed hereon; however, if **you** die, such coverage as is afforded by this Memorandum shall apply (1) to **your** legal representative, as the **Named Covered Party**, but only while acting within the scope of his/her duties as such and (2) with respect to **your** property, to the person having temporary custody thereof as the **Covered Party**, but only until the appointment and qualification of the legal representative.
5. Bankruptcy and Insolvency. **Your** bankruptcy, insolvency or inability to pay shall not relieve us of any of our obligations under this Memorandum.

But under no circumstances will such bankruptcy, insolvency, or inability to pay require **us** to drop down or in any way replace **your Retained Limit** or assume any obligation associated with **your Retained Limit**.

6. Cancellation. This Memorandum may be canceled by the **Named Covered Party** by surrender thereof to **us** or any of **our** authorized agents or by mailing to **us** written notice stating when thereafter the cancellation shall be effective. The Memorandum may be canceled by **us** by mailing to the **Named Covered Party**, at the address shown in this Memorandum, written notice stating when not less than ninety (90) days thereafter such cancellation shall be effective. If **you** fail to discharge when due any of **your** obligations in connection with the payment of premium for the Memorandum or any installment thereof, whether payable directly to **us** or **our** agent or indirectly under a premium finance plan or extension of credit, this Memorandum may be canceled by **us** by mailing to the **Named Covered Party** at the address shown in this Memorandum, written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Memorandum period. Delivery of such written notice either by the **Named Covered Party** or by **us** shall be equivalent to mailing.

If **you** cancel, earned premium shall be computed in accordance with the customary short rate table and procedure. If **we** cancel, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

7. Changes. Notice of any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this Memorandum or stop **us** from asserting any right under the terms of this Memorandum, nor shall the terms of this Memorandum be waived or changed, except by endorsement issued and made a part of this Memorandum.
8. First Named Covered Party. The **Covered Party** first named in Item 2. in the **DECLARATIONS** is authorized to act on behalf of all **Named Covered Parties** and other **Covered Parties** with respect to the giving and receiving of notice of cancellation and



California State University Risk Management Authority

to receiving any returned premium that may become payable under this Memorandum. The **Covered Party** first name in Item 2. in the **DECLARATIONS** is responsible for the payment of all premiums, but the other **Named Covered Parties** jointly and severally agree to make such premium payments in full if the first **Named Covered Party** in Item 2 fails to pay the amount due within thirty (30) days after we give written demand for payment to the first **Named Covered Party** in Item 2.

9. **Inspection and Audit.** We shall have the right, but not the obligation, to inspect **your** property and operations at any time. Neither **our** right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of **you** or others, to determine or warrant that such property or operations are safe or healthy.

The **Named Covered Party** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to **us** at the end of the Memorandum Period and at such times during the Memorandum Period as **we** may direct. **We** may examine and audit **your** books and records as they related to this Memorandum at any time during the Memorandum Period and extensions thereof and within three (3) years after the final termination of this Memorandum.

10. **Liberalization Clause.** If within sixty (60) days prior to or during the Memorandum Period **we** adopt any revision which would broaden coverage under this Memorandum without additional premium, such broadened coverage will immediately apply to this Memorandum.
11. **Other Coverage.** If other valid and collectible coverage with any other insurer is available to **you** covering a loss also covered hereunder, whether on a primary, excess or contingent basis, the coverage hereunder shall be in excess of, and shall not contribute with such other coverage; provided, however, this clause does not apply with respect to excess coverage purchased specifically to be in excess of this Memorandum, or to other coverage which is intended to provide the remainder of the Limit of Liability stated in the **DECLARATIONS** of the Memorandum when the coverage afforded under this Memorandum provides less than one hundred (100) percent of the limit set forth on the **DECLARATIONS**.
12. **Premium.** The premium designated in the Memorandum **DECLARATIONS** is flat and not adjustable, unless:
- A. A material exposure is added under the Memorandum;
  - B. The Limits of Liability are increased or decreased;
  - C. The Memorandum is restricted or broaden by endorsement; or
  - D. The Memorandum Period is increased or shortened.
13. **Subrogation.** We shall be subrogated to the extent of any payment hereunder, to all of **your** rights of recovery and **you** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **You** may elect to waive **your** right to subrogation prior to a loss. To the extent the **Named Covered Party** elects to waive such



rights, **we** shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

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

14. Violation of Economic or Trade Sanctions. If coverage for a **Claim** or “suit” under this Memorandum is in violation of any United States of America’s economic or trade sanctions, laws, or regulations, including, but not limited to, sanctions, laws, and regulations administered and enforced by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) then coverage for that **Claim** or “suit” shall be null and void.
15. **Your Duties in the Event of Occurrence, Wrongful Act, Claim or Suit.**
  - A. In the event of an **Occurrence** or **Wrongful Act** that is reasonably likely to involve **us**, written notice containing particulars sufficient to identify **you** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of any injured persons and witnesses, shall be given by or for **you** to **us** or any of **our** authorized agents as soon as practicable after **your** Risk Manager, Chief Risk Officer, Assistant Vice Chancellor for Risk Management or a Chief Executive Officer of the **Named Covered Party** has knowledge of the **Occurrence** or **Wrongful Act**.
  - B. If **Claim** is made or **Suit** is brought against **you** that is reasonably likely to involve **us**, **you** shall immediately forward to **us** every demand, notice, summons or other process received by **you** or **your** representatives.
  - C. **You** shall cooperate with **us** and upon **our** request assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** because of **Personal Injury, Property Damage** or **Public Official's Errors and Omissions** with respect to which coverage is afforded under this Memorandum; and **you** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. **You** will not, except at **your** own cost, voluntarily make any payment, assume any obligation or incur any expense; however, in the event that the amount of **Ultimate Net Loss** becomes certain either through trial court judgment or agreement among **you**, the claimant and **us**, **you** may pay the amount of **Ultimate Net Loss** to the claimant to effect settlement and upon submission of due proof thereof, **we** shall indemnify **you** for that part of such payment which is in excess of **your Retained Limit**, or upon **your** request, make such payment to the claimant on **your** behalf.



D. In the event of an **Occurrence or Wrongful Act**, which is reserved at greater than or equal to fifty (50) percent of **your** retention, **you** shall:

- 1) Report said **Occurrence or Wrongful Act**; or
- 2) Regardless of the reserve amount, report losses without regard to liability falling within the following classifications:
  - a) Fatalities;
  - b) Spinal cord or brain injuries;
  - c) Amputations;
  - d) Loss of sight;
  - e) Severe burns;
  - f) Serious head injury;
  - g) Psycho-neurotic disorders;
  - h) Serious loss of use of any body functions;
  - i) Long term hospitalization;
  - j) Paralysis;
  - k) Civil Rights Allegations, including allegations involving police and law enforcement; or
  - l) Sexual Abuse or Molestation.

E. Whenever **you** have information from which **you** may reasonably conclude that an **Occurrence or Wrongful Act** covered hereunder involves injuries or **Damages**, which in the event that **you** shall be held liable, are likely to involve this Memorandum, notice shall be sent to **us** as soon as practicable; provided, however, that failure to give notice of any **Occurrence or Wrongful Act** which at the time of its happening did not appear to involve this Memorandum, but which at a later date would appear to give rise to **Claims** hereunder, shall not prejudice such **Claims**.

Such notice is to be sent with all pertinent facts as respects Item 15. Your Duties in the Event of Occurrence, Wrongful Act, **Claim** or Suit section of **VIII CONDITIONS** to:

Campus Liability:

Systemwide Risk Management  
Office of the Chancellor California State University  
401 Golden Shore, 5<sup>th</sup> Floor Long Beach, CA 90802-4210

*Key Contact:*



Zachary Gifford, Director-Systemwide Risk Management  
(T): 561-951-4568  
(E): [zgifford@calstate.edu](mailto:zgifford@calstate.edu)

AORMA Liability:

Carl Warren Company  
P. O. Box 3975  
Walnut Creek, CA 94598-3975

*Key Contact:*

Yumi Augustus  
(T): 818-265-6765  
(E): [yagustus@carlwarren.com](mailto:yagustus@carlwarren.com)



California State University Risk Management Authority

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

**SCHEDULE OF ENDORSEMENTS  
ENDORSEMENT # 1**

Memorandum Number: CSURMA.2019.07.01

Coverage Period: July 1, 2019 to July 1, 2020

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

**SCHEDULE OF ENDORSEMENTS**

(Attached to the Memorandum of Coverage at Inception)

1. Schedule of Endorsements
2. Named Covered Party Endorsement - CAMPUSES
3. Named Covered Party Endorsement - AUXILIARIES
4. Amendatory Endorsement – Automatic Additional Covered Party Required Contract by Written Contract
5. Amendment - Reporting Requirement - CSU Sacramento Capital Public Radio

***ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.***

**Countersigned:**

\_\_\_\_\_  
Zachary Gifford  
CSURMA Secretary-Auditor

**Date:**

\_\_\_\_\_

July 1, ~~2019~~2020

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**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

**NAMED COVERED PARTY - CAMPUSES  
ENDORSEMENT # 2**

Memorandum Number: CSURMA.2019.07.01  
Coverage Period: July 1, 2019 to July 1, 2020

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

**Item 2. Named Covered Party**, as shown on the Declarations, is completed to read as follows:

California State University Risk Management Authority (CSURMA)  
The State of California as respects the Trustees of the California State University  
The California State University (CSU)  
Auxiliary Organizations Risk Management Alliance (AORMA)

In addition, the following persons, entities, and organizations (members) are included as **Named Covered Party** under this Memorandum:

1. California State University, Office of the Chancellor
2. California State University, Bakersfield
3. California State University, Channel Islands
4. California State University, Chico
5. California State University, Dominguez Hills
6. California State University, East Bay
7. California State University, Fresno
8. Humboldt State University
9. California State University, Fullerton
10. California State University, Long Beach
11. California State University, Los Angeles
12. California State University Maritime Academy
13. California State University, Monterey Bay
14. California State University, Northridge
15. California State Polytechnic University, Pomona
16. California State University, Sacramento
17. California State University, San Bernardino
18. San Diego State University
19. San Francisco State University
20. San Jose State University
21. California Polytechnic State University, San Luis Obispo



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22. California State University, San Marcos
23. California State University, Stanislaus
24. Sonoma State University

*ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.*



California State University Risk Management Authority

CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
LIABILITY PROGRAM
MEMORANDUM OF COVERAGE

Memorandum Number: CSURMA.2019.07.01
Coverage Period: July 1, 2019 to July 1, 2020

NAMED COVERED PARTY – AUXILIARY ORGANIZATIONS
ENDORSEMENT # 3

THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE
PLEASE READ IT CAREFULLY

Item 2. Named Covered Party, as shown on the Declarations, is completed to read as follows:

California State University Risk Management Authority (CSURMA)
The State of California as respects the Trustees of the California State University
The California State University (CSU)
Auxiliary Organizations Risk Management Alliance (AORMA)

In addition, the following persons, entities, and organizations (members) are included as Named Covered Party under this Memorandum:

In addition, the following persons, entities, and organizations (members) are included as Named Covered Party under this Policy:

Table with 3 columns: #, Campus, Auxiliary Organization. Lists 18 entries for various campuses including Bakersfield, Channel Islands, Chico, Dominguez Hills, and East Bay.



California State University Risk Management Authority

#	Campus	Auxiliary Organization
19.	East Bay	California State University, East Bay Foundation, Inc.
20.	Fresno	Associated Students, Inc. of California State University, Fresno
21.	Fresno	California State University, Fresno Association, Inc.
22.	Fresno	California State University, Fresno Foundation
23.	Fresno	Fresno State Programs for Children, Inc.
24.	Fresno	The Agricultural Foundation of California State University, Fresno
25.	Fresno	The California State University, Fresno Athletic Corporation
26.	Fullerton	Associated Students California State University, Fullerton, Inc.
27.	Fullerton	Cal State Fullerton Philanthropic Foundation
28.	Fullerton	CSU Fullerton Auxiliary Services Corporation
29.	Humboldt	Associated Students of Humboldt State University
30.	Humboldt	Humboldt State University Center Board of Directors
31.	Humboldt	Humboldt State University Foundation
32.	Humboldt	Humboldt State University Sponsored Programs Foundation
33.	Long Beach	Associated Students, California State University, Long Beach
34.	Long Beach	California State University, Long Beach Research Foundation
35.	Long Beach	CSULB 49er Foundation
36.	Long Beach	Forty-Niner Shops, Inc.
37.	Los Angeles	Associated Students, California State University, Los Angeles, Inc.
38.	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
39.	Los Angeles	California State University, Los Angeles Foundation
40.	Los Angeles	University-Student Union at California State University, Los Angeles
41.	Maritime Academy	California Maritime Academy Foundation, Inc.
42.	Maritime Academy	The Associated Students of the California Maritime Academy
43.	Monterey Bay	Foundation of California State University, Monterey Bay
44.	Monterey Bay	University Corporation at Monterey Bay
45.	Monterey Bay	Otter Student Union at CSU Monterey Bay
46.	Northridge	Associated Students, California State University, Northridge, Inc.
47.	Northridge	California State University, Northridge Foundation
48.	Northridge	North Campus University Park Development Corporation
49.	Northridge	The University Corporation
50.	Northridge	University Student Union of California State University, Northridge
51.	Pomona	Associated Students Inc., California State Polytechnic University, Pomona
52.	Pomona	The Cal Poly Pomona Foundation, Inc.
53.	Pomona	The Cal Poly Pomona Philanthropic Foundation
54.	Sacramento	Associated Students of California State University, Sacramento
55.	Sacramento	Capital Public Radio, Inc.
56.	Sacramento	The University Foundation at Sacramento State
57.	Sacramento	University Enterprises, Inc.
58.	Sacramento	University Union Operation of CSUS, Inc.
59.	San Bernardino	Associated Students, California State University, San Bernardino



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

*ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.*



CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE

Memorandum Number: CSURMA.2019.07.01  
Coverage Period: July 1, 2019 to July 1, 2020

**AUTOMATIC ADDITIONAL COVERED PARTY REQUIRED BY WRITTEN  
CONTRACT  
ENDORSEMENT #4**

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

This endorsement modifies coverage provided under the following:

<b>Schedule of Additional Covered Party</b>
WHERE REQUIRED BY WRITTEN CONTRACT

SPECIAL NOTE: THIS MEMORANDUM PROVIDES COVERAGE IN EXCESS OF A **RETAINED LIMIT**. THE ADDITIONAL COVERED PARTY(S) LISTED ABOVE WILL BE SUBJECT TO THE SAME MEMORANDUM TERMS, CONDITIONS AND LIMITATIONS PROVIDED TO THE **NAMED COVERED PARTY**.

This Memorandum is amended as follows:

1. Any person(s), entity (ies) or organization(s) listed in the Schedule of this endorsement to whom the **Named Covered Party** is obligated by virtue of a written contract to provide coverage solely with respect to **personal injury** and **property damage** is an Additional Covered Party with regard to liability and defense of **claims** or **suits** arising from the operations and uses performed by or on behalf of the **Named Covered Party**.
2. The Limits of Coverage afforded under this endorsement to such person(s), entity (ies) or organization(s) will be limited to the limits of coverage required within the terms of the written contract or the limit of coverage of this Memorandum, whichever is less. **We** will not be obligated for limits of coverage indicated in the written contract that are greater than the limits of coverage of this Memorandum.
3. With respect to **claims** arising out of the operations and uses performed by or on behalf of the **Named Covered Party**, such coverage coverages afforded the Above-Named Additional Covered Party under the Memorandum shall be considered the primary coverage, but will apply in excess of the **Named Covered Party's retained limit**. **We** shall not seek contribution from the other coverage held by the person(s), entity (ies), or organization(s) named above for amounts payable under this coverage. This condition



California State University Risk Management Authority

applies only with respect to liability for **personal injury** or **property damage** arising out of the negligent acts of the **Named Covered Party**.

4. Each coverage under the Memorandum shall apply separately to each Above-Named Additional Covered Party against whom **claim** is made or **suit** is brought except with respect to the limits of coverage afforded to the Additional Covered Party under the Memorandum procured by the **Named Covered Party**.
5. However, Paragraphs 1, 2, 3, and 4 above do not apply to a person(s), entity(ies), or organization(s) unless the **Named Covered Party** had a specific written contract from that person(s), entity(ies) or organization(s) that requires that:
  - A. This coverage be primary;
  - B. They be an Additional Covered Party under this Memorandum; and
  - C. The **Named Covered Party** received such request prior to the date that the **Named Covered Party's** operations for that person(s), entity (ies) or organization commenced.

*ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.*



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

Memorandum Number: CSURMA.2019.07.01  
Coverage Period: July 1, 2019 to July 1, 2020

**REPORTING REQUIREMENT FOR CAPITAL PUBLIC RADIO, INC.  
ENDORSEMENT #5**

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

This endorsement modifies the coverage provided under this Memorandum of Coverage.

Schedule	
Prior Acts Time Period:	November 1, 2002 to November 1, 2007
Report Due Date:	July 1, 2020

Only with respect to Capital Public Radio, Inc. the following is added to SECTION I - COVERAGE AGREEMENT:

This coverage applies to any **Personal Injury** Liability, **Property Damage** Liability, **Public officials' Errors and Omissions** Liability or **Employment Practices Liability**, in excess of the **Retained Limit**, occurring within the Prior Acts Time Period shown in the Schedule of this endorsement only if the **claim** or **suit** is reported to **us** by the Report Due Date shown in the Schedule of this endorsement. However, the coverage provided by this endorsement will not apply to such **Personal Injury** Liability, **Property Damage** Liability, **Public Officials' Errors and Omissions** Liability or **Employment Practices Liability** if:

1. The **claim** or **suit** has been reported to or otherwise known by **you** prior to inception of this Policy;
2. The **claim** or **suit** has been reported under any policy whose limits of insurance have been exhausted;
3. The **claim** or **suit** is within and subject to any deductible or self-insured retention under another policy; or
4. Coverage under another policy is impaired by the other carrier's bankruptcy or insolvency.

*ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.*

**CSU INTERNATIONAL PROGRAMS FUNDING**

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

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

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

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

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

CSU IP students begin depart in August – September 2019 and approximately 25 students depart in January – February 2020. Staff begins renewal discussions for the July 2020 renewal in February 2020, so that the cost can be known to CSU IP in March 2020 for the annual rate per student to be included in enrollment documents.

**RECOMMENDATION:** It is recommended that the Executive Committee consider the following action with respect to the CSU IP placement in CSURMA FTIP:

- Determine that the existing deficit of \$76,425 will be absorbed by the FTIP program fund reserve in the Liability Program Fund,
- Delegate authority to the CSURMA Secretary-Auditor to bind the renewal program selected by the Director of CSU IP,
- Determine that the projected deficit for the 19/20 policy year will be absorbed by the FTIP program fund reserve in the Liability Program Fund,
- Agree that the difference of \$76,425 is a cost of the FTIP program for the coverage protections provided to the university beyond the student travel coverage,
- Recommend that the CSU IP annual year coverage period reflect a 10 month program period rather than a 12 month program period, and
- Decrease the number of participants to 430 rather than 500, taking into account that the policy is auditable and should participation for the year be greater than 430, a premium adjustment will be provided at renewal for the following year.

**FISCAL IMPACT:** As recommended above, the FTIP program would absorb the \$76,425 for the 19/20 coverage period. Action taken by the Executive Committee will decrease or increase the deficit by the amount of the action.

**BACKGROUND:** CSU IP has a comprehensive travel insurance program for all staff and students in CSU IP sponsored Study Abroad programs. Coverages include: Primary General Liability, Contingent Auto Liability, Employer's Responsibility Voluntary Compensation, Employer's Liability, Primary Accident or Sickness, Emergency Medical, Emergency Medical Evacuation, Repatriation of Remains, Emergency Reunion, Accidental Death & Dismemberment, Trip Cancellation, Trip Interruption, and Travel Assistance.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**POLICY AND PROCEDURE NO. 27 - PROCESS FOR APPROVING NEW  
PROGRAMS, SERVICES OR FUNDING SUPPORT**

**ISSUE:** CSURMA exists in a dynamic operating environment and new approaches to addressing loss prevention and risk financing arise regularly. As part of its Long Range Action Plan, the Executive Committee asked staff to develop a policy and procedure to direct the process of evaluation and approval of new programs, services and funding support.

**RECOMMENDATION:** It is recommended that the Executive Committee discuss the draft policy and procedure and take action as appropriate on whether to request the CSURMA Board of Directors to adopt the proposed policy and procedure.

**FISCAL IMPACT:** There is no direct cost from action at today's meeting. Adoption of the policy and procedure is expected to formalize the process of addressing the requests for new programs, services and funding support so that CSURMA's financial position and ability to serve the CSU community is maintained.

**BACKGROUND:** Please see attached DRAFT Policy and Procedure.

**PUBLICATION:** Action at today's meeting may result in this P&P being adopted by the CSURMA Board of Directors and published on the CSURMA web site.

**ATTACHMENT(S):**

- a. DRAFT Policy and Procedure No 27 – Process for Approving New Programs, Services or Funding Support



## CSURMA

## POLICY AND PROCEDURE NO. 27

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**ADOPTED:**            **NOVEMBER 8, 2019**

**EFFECTIVE:**        **NOVEMBER 8, 2019**

**SUBJECT:**            **PROCESS FOR APPROVING NEW PROGRAMS, SERVICES OR FUNDING SUPPORT**

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

### **POLICY:**

CSURMA was established to support the risk management and risk financing efforts of the CSU and its auxiliary organizations. It is incumbent on CSURMA that its financial position be safeguarded so that it can achieve its mission. To safeguard CSURMA's financial position each request to establish a new program, service or funding support shall be reviewed in accord with this Policy and Procedure prior to implementation.

### **PROCEDURE:**

When a new program service or request for funding support is identified, it shall be presented by the proposer to the CSURMA Secretary-Auditor for review. If the Secretary-Auditor agrees that the request should be considered further it will be evaluated as described in this Policy and Procedure. If the Secretary-Auditor does not agree to continue consideration, the proposer may ask the CSURMA Executive Committee or AORMA Committee for further consideration at the next available meeting.

If the item is to be moved forward after consideration in the paragraph above, the following process will be initiated:

1. The Program Administrator shall review the proposal and develop information on the following items:
  - a. Source of funding and expected annual cost in the short and long term
  - b. Expected operating impact on CSURMA
  - c. Expected cash flow and financial outlook
  - d. Identified impact of program and relationship to CSURMA mission
  - e. Overall recommendation, if any, to proceed
  - f. Report on foregoing to Secretary-Auditor



## **CSURMA**

## **POLICY AND PROCEDURE NO. 27**

2. The Secretary-Auditor shall review the Program Administrator's proposal review and either remand for further evaluation or make a recommendation to the CSURMA Treasurer for further review.
3. The Treasurer shall review the proposal review and remand for further consideration or make a recommendation to the CSURMA Executive Committee or AORMA Committee.
4. The decision of the CSURMA Executive Committee or AORMA Committee on whether to proceed shall be final.

**OFFICE OF GENERAL COUNSEL COST ADJUSTMENT**

**ISSUE:** As a part of the annual budget, the office of general counsel proposed a cost to CSURMA of \$502,594. This represents approximately the services of two full time litigators working on matters that are covered as CSURMA Campus Liability program claims (approximately 75% of the allocated cost) and also for the time spent serving as CSURMA General Counsel (approximately 25% of the allocated cost). OGC adopted a new compensation plan effective July 1 that results in an allocated cost increase of \$105,769 to CSURMA.

**RECOMMENDATION:** Staff recommends that the Executive Committee approve the revised allocation resulting in a new annual cost of \$608,363.

**FISCAL IMPACT:** The increased allocation will increase the liability claims expense by \$79,327 (75% of the additional cost) and the general counsel cost allocated across all programs by \$26,442 (25% of the additional cost).

**BACKGROUND:** CSURMA's governing documents designate the CSU Office of General Counsel as CSURMA's general counsel. In addition, CSURMA has agreed to pay for the litigation services OGC performs on claims covered under the Campus Liability Risk Pool.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**RISK MANAGEMENT INNOVATION GRANT APPLICATION**  
**LAB SAFETY RESPONSE TRAINING**

**ISSUE:** CSURMA offers funding for safety projects that serve to support risk management throughout the CSU system. Grant applications are submitted through the WERCS affinity groups. The application a collaborative initiative involving Risk Management and EH&S Affinity Groups. A grant application has been submitted for a two-day forum consisting of both lab safety and risk engagement training sessions. The forum will be provided at three host campus locations, one in the northern California region, one in the central California region and one in the southern California region. All three forums are intended to be scheduled within 12-16 month window.

**RECOMMENDATION:** The Executive Committee is asked to review the grant request and take action as it deems appropriate.

**FISCAL IMPACT:** Proposed cost is \$73,600. \$150,000 has been budgeted for FY 2019/20 for grant awards.

**BACKGROUND:** In 2017 the Executive Committee approved changes to the Risk Management Innovation Grant program to revise the focus from Campus safety projects to Systemwide safety projects. Grant applications are submitted by WERCS affinity groups.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. WC/EH&S Grant Application (2/20/19) – Bilateral Safety and Risk Forum for Academic Labs
- b. Policy and Procedure No. 21 – Risk Management Innovation Grants

## WERCS Affinity Groups Project Application

**Workers' Compensation, Emergency Management, Risk Management,  
Environmental Health & Safety, Business Continuity**

<b>Affinity Group: RISK MANAGEMENT &amp; EHS</b>		<b>February 20, 2019</b>
<b>Amy Thomas, Lisa Kao, Regina Frasca</b>	<b>Phone: 760-750-4502</b>	
<p><b>Project Funding requested for (please describe): LAB SAFETY SPILL RESPONSE TRAINING; PRACTICES THAT SHAPE ACCEPTABLE RISK IN THE ACADEMIC LABORATORY FORUM</b> – A collaborative initiative involving Risk Management and EH&amp;S Affinity Groups. The bilateral forum consists of two days of instructor led training and discussion. The first day will be reserved for an expanded lab safety training with emphasis on the principles of spill response improving the ability of ISTs and student employees to safely and effectively respond to laboratory scale incidents involving hazardous chemicals. The second day is reserved for an interactive presentation with faculty and EHS staff on practices and strategies that shape acceptable risk in the academic laboratory. Talking points will include how compliance, due diligence and safety at the procedural level calibrate exposure to risk. This will provide an opportunity for faculty to examine if current work practices in the instructional and research labs under their direct supervision will satisfy regulators, the CSU Office of the Chancellor, the President of their campus, and expectations of the public.</p> <p>The key presenter is Vance Kekoa, a current CSUSM Employee with 20 years of previous experience as a professional EHS consultant for life sciences research institutions and the biotechnology sector. The cost for the forum will involve travel for the presenters, attendees and incidentals associated with campus sponsorship. This proposal includes three two-day forums held at three different CSU campus locations to accommodate Northern, Central and Southern regions of California. <a href="#">Each training session can accommodate up to twenty participants. See attachment for proposed locations.</a></p> <p><b>Principal Vendor/Supplier:</b> CSU San Marcos Office of Safety, Health and Sustainability Services</p> <p><b>Product/Service Trade Name:</b></p>		
<b>Planned Date of Purchase:</b>	<b>Amount Requested:</b> \$75,000 (3 [25K each] two-day Training Forums with 3 separate travel events). Funds primarily for travel costs for attendees, supplies, food and campus host costs.	
<b>Anticipated Project Completion:</b>	Please attach vendor/supplier's cost estimate.	
<b>This is a (check all that apply):</b>		
<input type="checkbox"/> <b>Service</b>	<input type="checkbox"/> <b>Software</b>	<input type="checkbox"/> <b>Equipment</b>
<input checked="" type="checkbox"/> <b>Training</b>	<input checked="" type="checkbox"/> <b>Safety Program Development</b>	<input type="checkbox"/> <b>Safety Program Management</b>
<input checked="" type="checkbox"/> <b>Safety Consulting</b>	<input type="checkbox"/> <b>Other (please describe):</b>	
<b>Please describe how this will improve or enhance risk control efforts:</b>		
<p>Recent system-wide safety program evaluations have identified the need for additional laboratory safety spill response training for ISTs and student employees working the instructional and research laboratory environment. ISTs and student employees handle flammable, corrosive, toxic and reactive chemicals regularly and will eventually encounter lab-scale incidents involving these hazardous materials in the course of performing their work. In that moment, the employee will be faced with a number of choices that will influence potential exposures, operational disruption, property damage and public perception of the campus safety policies. Understanding what actions to take when a chemical spill occurs in their work area will improve the safe and effective response to an incident involving hazardous materials.</p>		

This spill response training for ISTs, EHS Staff and student employees identifies a clear sequence of objectives when responding to unintended releases of hazardous chemicals in the laboratory environment. This will include procedures for notification, initial evacuation of the impacted area and determination if the incident can be managed directly by trained personnel using available resources on the campus. The lecture portion of the training will be followed with a participation exercise designed to recreate a realistic laboratory scale spill in the actual lab space. This mock spill will provide a hands-on opportunity to walk through decision points for assessing, responding, and containment of the spill. Observations and discussion during the practical exercise will identify specific strategies and support systems that will improve response effectiveness. ISTs, EHS staff and student employees will gain a better insight into factors that determine what incidents may be within the scope of their response ability and what conditions would preclude direct engagement.

Executive Order 1039 mandates the responsibility of each campus to ensure the safety of students. The campus safety policies and procedures in place to accomplish this will be scrutinized should an injury occur in the learning environment. An accident investigation and compliance review will involve a thorough examination of current work practices in the instructional and research labs (including the field research environment) under the direct supervision of the responsible faculty member. This presentation will provide an opportunity for faculty and safety managers to reevaluate the effectiveness of procedural safety in their labs. The presentation will include an overview of hazard assessment, safety equipment, process safety, resources, safety training delivery platform for students. The goal is to elevate procedural integrity and vigilance to the acceptable level of risk every stakeholder can support when challenged.

Several ISTs, student employees and a small contingency of faculty at CSU Channel Islands attended a similar platform in August of this year and was well received; see email excerpt attached.

All CSU's have a significant number of ISTs and student employees working in the learning environment. This bilateral forum will benefit every campus that has instructional and research labs by improving spill response and procedural vigilance when handling hazardous chemicals.

**Please submit your completed application to:**  
Tevea Him at [thim@alliant.com](mailto:thim@alliant.com) or fax to **415-874-4810**

1. CSURMA project funding dollars are available to all WERCS affinity groups for safety, risk control, and employee health & wellness projects having systemwide application.
2. **This program is intended to enhance existing risk control efforts.** Equipment, trainings, personal protective equipment, etc. that employers are required by law or regulation to provide are not eligible.
3. CSURMA pays up to 100% of project costs, subject to the amount available for this program.
4. Applications must be approved by the CSURMA Executive Committee prior to affinity groups incurring costs for the proposed project.
5. If affinity groups have more than one project, a separate application for each project should be completed.
6. Submissions must represent collaboration and agreement between two or more affinity groups. Applications must be signed by the Chair of the affinity group.
7. Applications must include supporting documents such as:
  - a. Detailed description of the proposed project.
  - b. Explanation of how project is a benefit to CSU systemwide.
  - c. Experience of the supplier/vendor for similar projects.
  - d. Anticipated timeline for start and completion of project.
  - e. Estimated total cost of the proposed project.
8. Project should be completed within a reasonable time frame per 7.d. above. If additional time is needed, affinity groups should provide a written explanation for any extended time necessary to complete the project, and include a revised date for completion.
9. It is the affinity group's responsibility to obtain confirmation from CSURMA that reimbursement requests for approved projects have been received by CSURMA.
10. For any questions, please contact **Rob Leong** at 415.403.1441 or [rleong@alliant.com](mailto:rleong@alliant.com).

## BILATERAL SAFETY AND RISK FORUM for ACADEMIC LABS

### PURPOSE

Internal CSU environmental health and safety program assessments assert that EHS personnel, instructional support staff and faculty members would benefit from improved strategies to protect students and employees in the academic laboratory and learning environment.

This bilateral forum proposal is specifically designed for laboratory support technicians or other personnel that work in the academic instructional labs, research facilities or conducting field research that involve the use and handling of hazardous materials.

- Track 1: Lab Safety and Spill Response Training; In-Lab Safety Spill Response Exercise
- Track 2: Practices that shape acceptable risk in academic instructional and research laboratories

### PLATFORM AND TIMELINE

A two-day forum consists of both a lab safety and risk engagement training sessions. The forum will be provided at three host campus locations, one in the northern California region, one in the central California region and one in the southern California region. All three forums are intended to be scheduled within 12-16 month window.

### PREVIOUS PRESENTATIONS

This platform has been conducted a three campuses in 2018 with overwhelmingly positive feedback:

**From:** Gerber, Peer <[peer.gerber@csuci.edu](mailto:peer.gerber@csuci.edu)>  
**Sent:** Tuesday, August 28, 2018 7:38 AM  
**To:** Regina Frasca <[rfrasca@csusm.edu](mailto:rfrasca@csusm.edu)>  
**Subject:** RE: Hazardous materials-Waste Training Invitation- Faculty

*Hi Regina,*

*The lab technicians, as well as the student workers, found Vance's training session to be very engaging and informative. They especially loved his hands-on liquid chemical spill demonstration.*

*Although only 5 faculty members showed up for the afternoon session, they seemed to be very interested in his presentation. In particular, the Environmental Science and Resource Management department chair asked several specific questions regarding spill response and field work.*

*Overall, Vance's training was very valuable and I highly recommend it for other campuses.*

*Thanks again!*

*Peer Gerber  
Director, Environmental, Health & Safety  
California State University Channel Islands  
Work: 805-437-8847  
Cell: 714-862-6692*

## ADDITIONAL DESCRIPTION

The laboratory spill response training will address decision points and strategies for responding to hazardous chemical spills in academic facilities. The in-lab session will place emphasis on small spills of hazardous chemicals, though response strategies involving biological and radioactive material will be reviewed should a spill occur in areas that contain these materials.

**The lab safety/spill response presentation** will describe the art of constructing a containment and clean-up procedure following the fundamental elements of every spill response. The response components will include campus specific emergency notification procedures, initial isolation of the impacted area; mobilization of available responders at the campus; location of spill kits or other useful materials in the area or nearby; a containment procedure that accounts for potential exposure risks and physical hazards; a surface or equipment decontamination plan; and awareness of hazardous wastes with characteristics that could significantly increase disposal costs.

**The mock spill exercise** will entail breaking a small glass bottle filled with water in a pre-selected area of a functional lab at the host campus. The attendees will be asked to offer suggestions on initial steps to take and available means to effectively notify others in the immediate area. This process will be compared to different actions if the same incident would have occurred with no one else in the vicinity. Attendees will be solicited for ideas about containing the spill limited to resources that are currently available in the lab. The available materials will be used with the assistance of volunteers to demonstrate actual containment techniques and methods. The discussion will then move into a debriefing of the response from beginning to end focusing on strategies that could improve the effectiveness of this specific response.

The in-lab mock spill exercise will represent a 'chemical' that is commonly found in laboratory inventories with properties that would not preclude ISTs or student employees from responding. A second or third scenario referencing a chemical with different hazardous properties will be presented to reassess how the approach to this response scenario would change.

# SUPPLIER EXPERIENCE

Presenter: **VANCE KEKOA**



## HIGHLIGHTS OF EXPERIENCE

- 33 years in Environmental Health and Safety
- 23 years EHS Professional Consultant for US and International R&D
- Specialize in global shipping of dangerous goods and emergency response
- Joined CSUSM Safety, Health and Sustainability in February 2018 and provides direct support for several campuses in the CSU system

## WORKING ENVIRONMENTS

- Biotechnology
- Academic Institutions
- Remediation Sites
- Military Installations
- Mega Distribution Centers
- Professional and Collegiate Sports Organizations

## SPECIALIZED PROJECTS

- ✚ Homeland Security increase control protocol advisor for global pharmaceutical firm
- ✚ Designed temporary walk-in decontamination containment unit with ULPA filtration system
- ✚ Infection control consultant for professional sports franchises and collegiate sports programs
- ✚ Special consultant for remediation of buried articles on US Military bases
- ✚ Decommissioned abandoned fully operational chip manufacturing facility
- ✚ Formalized the sealed source leak testing procedure for one of the largest domestic oil refineries
- ✚ On-scene IC for chemical/radioactive material/biohazard interstate transport spill response
- ✚ Environmental monitoring consultant during new water ride construction for major theme park
- ✚ On camera host for safety videos filmed in Culver City for private biotechnology corporation

## EXPERIENCE SPECIFIC TO THIS WERCS APPLICATION:

1. Vance Kekoa has certified CSU employees [from multiple campuses] for HAZWOPER refresher training over the last 10 years.
2. The in-lab spill response training exercise continues to be one of the most requested presentations by clients across the country [including US territories].
3. This risk and safety forum for the academic laboratory environment was well received at CSU San Marcos and more recently CSU Channel Islands.
4. Keynote speaker for 2019 CSUSM Safety Fair [Topic: *Is CSU San Marcos winning the rules-based game of compliance and “are you winning the infinite game of safety?”*]

**WERCS AFFINITY GROUP 2-DAY FORUM COST PROJECTIONS**

Host Campus	Item	Session Description	Target Audience	No. of Sessions	Duration	Est. Travel Cost	Est. Lodging Cost	Est. No. Overnight Stays	Projected Attendance	Subtotal	Cost Projection
[Campus -TBD]	N1	Lab Safety Spill Response w/Mock Spill	ISTs, Student Employees, EHS	TBD	2.0 hours	\$ 375.00	\$ 300.00	2.0	20	\$ 19,500.00	
	N2	Practices that Shape Acceptable Risk in Academic Labs	Faculty, Risk Managers, EHS	TBD	2.0 hours	\$ 375.00	\$ 300.00	2.0	12	\$ 11,700.00	
	N3	MPP Open Forum [solution strategies]	Risk, EHS, FAS	1	1.0 hour	Included	Included	1.0	8	Included	
Northern CA											\$ 31,200.00
Fresno State	C1	Lab Safety Spill Response w/Mock Spill	ISTs, Student Employees, EHS	TBD	2.0 hours	\$ 250.00	\$ 225.00	2.0	20	\$ 14,000.00	
	C2	Practices that Shape Acceptable Risk in Academic Labs	Faculty, Risk Managers, EHS	TBD	2.0 hours	\$ 250.00	\$ 225.00	2.0	12	\$ 8,400.00	
	C3	MPP Open Forum [solution strategies]	Risk, EHS, FAS	1	1.0 hour	Included	Included	1.0	8	Included	
Central CA											\$ 22,400.00
[Campus -TBD]	S1	Lab Safety Spill Response w/Mock Spill	ISTs, Student Employees, EHS	TBD	2.0 hours	\$ 175.00	\$ 225.00	2.0	20	\$ 12,500.00	
	S2	Practices that Shape Acceptable Risk in Academic Labs	Faculty, Risk Managers, EHS	TBD	2.0 hours	\$ 175.00	\$ 225.00	2.0	12	\$ 7,500.00	
	S3	MPP Open Forum [solution strategies]	Risk, EHS, FAS	1	1.0 hour	Included	Included	1.0	8	Included	
Southern CA											\$ 20,000.00
										<b>TOTAL</b>	\$ 73,600.00

Accumetrics	CSU Los Angeles	JadeBio	RQX Pharmaceuticals
Acon Labs	CSU San Bernardino	Jaden Biosciences	SALK Institute
ActivX	CSU San Marcos	J Craig Venter Institute	San Bernardino Community College District
Aculon	CSUSM Foundation	Johnson & Johnson	San Diego State University
Advanced Targeting Systems	CSSI Advance Health	Johnson Matthey	San Marcos School District
Adventrx	Cymer	Kalypsys	SD County Sheriff's Crime Lab
Affordable Pipeline	Cytovance	Kasai Consulting	SD History Center
Ajinomoto Althea	CytRx	La Jolla Biologics	SD Science Center
Akaal Organics	DermTech	Life Technologies	Seragon Pharmaceuticals
Alexandria Real Estate	Dexcom	Ligand Pharmaceuticals	SG Biofuels
Alta Analytical	DiscoverX	Lpath, Inc	Shire Regenerative Medicine
Ambit	Drug Discovery for Tropical Diseases	Madison Square Properties	Siemens
Ambrx	ehs International	Maxum Petroleum	Sirigen
American Life Science Pharmaceuticals	El Dorado Care Center	Molecular Diagnostic	Solstice Biologics
AnaptysBio	Exagen	Morpho Detection	Sundt Construction
AndroScience	Formex	Morphogen	Synthetic Genomics
Annova Chem	fqubed, Inc	Nanotrope	SGI-DNA
Apoptos	GE	NantWorks	Takeda
AquaCulture Technologies	Genalyte	Neurocrine	Tanox
Aragon Pharmaceuticals	Genentech (Roche)	Neuropore Therapies	Targegen
Arena Pharmaceuticals	Genlux Corporation	NexBio	TE Connectivity
Avalon Ventures	Genomatica	NuVasive	The Scripps Research Institute
Avelas Biosciences	GenWay	Optimer Pharmaceuticals	Tioga Research
AviaraDX	Glory Energy	Organogenesis	Tri-City Medical Center
Aviva Biosciences	GNF Novartis	Orphagen Pharmaceuticals	TriLink
BD Biosciences	Grossmont-Cuyamaca Community College District	Otonomy	Triton Micro Technologies
Biogen Idec	Halozyme	Pacific Horizon Management	Trovogene
BioLaurus	HD Supply	Pacific World Discovery	University of Hawaii Manoa
BioLegend	Hi-Z Technologies	Pacira Pharmaceuticals	US DOD
BioMed Realty	Hollis Eden Pharmaceuticals	Palomar College	Vaccine Research Institute
Bioquant	Idun Pharmaceuticals	Pfizer	Vaden Corporation
bioTheranostics	Human Longevity	Pharm Aria	Vala Sciences
Biotox Sciences	Integrated DNA Technologies	PharmForm	Verdezyne
Califia Bio	Integrative DNA Technologies	Philotechnics LTD	Verenium
Cardinal Health	Ikaria	Precision Toxicology	Vertex Pharmaceuticals
Celgene	Illumina	Prognosis Biosciences	Vical
ChemBridge Labs	Inception Sciences	Prometheus Laboratories	Whittier College
Chimeros	Inovio Biomedical	Quantical Pharmaceuticals	West Health Institute
Community Convalescent Hospital of La Mesa	InvenLux Corporation	Quidel Corporation	Xencor
Correctional Alternatives	InVivoScribe Technologies	Receptos	Zacharon
CSU Channel Islands	ISIS Pharmaceuticals	RegeneMed	Zoubek Consulting
CSU Fullerton	Jacob Healthcare	Retrogen	
		Reva Medical	

**ADOPTED:** September 13, 2013

**EFFECTIVE:** September 13, 2013

**REVISED:** December 5, 2014; May 5, 2017

**SUBJECT:** Risk Management Innovation Grant Program

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**PURPOSE:**

Originally, the Risk Management Innovation Grant Program made funds available to Campus members in the Liability and Workers' Compensation programs. At its meeting on March 9, 2017, the Executive Committee reviewed the program's utilization by the campuses and its effectiveness in achieving CSURMA's goals. The Executive Committee determined that funds can be more efficiently utilized for risk management and safety projects at the systemwide level, which can be deliberated best by affinity groups. As such, the Executive Committee approved an amendment to Policy & Procedure No. 21 to replace grant applications from the campuses and thereby consider applications from CSU's affinity groups who have responsibility for workers' compensation, environmental health & safety, risk management, business continuity planning, and emergency preparedness; i.e., CSU WERCS. As is its original intent, the risk management grants may provide funds for specialized training, safety equipment, physical improvements, or other safety related items support the mitigation of risk exposures. Accordingly, this Policy & Procedure No. 21 is amended effective July 1, 2017.

**POLICY:**

1. Annually, the Program Administrator and Systemwide Risk Management will:
  - a. Propose to the Executive Committee a budget for the Program. (FY 2017/18 Risk Management Grant budget has been approved for \$150,000 total.)
  - b. In collaboration with the applicable affinity groups, review the Liability and Workers' Compensation loss information and other resources to identify patterns and claims which may be preventable with the (1) purchase, replacement or upgrade of physical property; (2) development of specialized training; or (3) development of risk management programs.
  - c. Assist in identifying the focus of the Program for the upcoming fiscal year.
  - d. Draft the Grant Application and recommend a maximum grant amount per Affinity Group.
  - e. Send a memo to all Affinity Groups describing the Program and invite Affinity Groups to apply for a grant by completing the Grant Application.
  
2. To access funds under the Program, **and previous to** the Affinity Group expending funds, Affinity Group must complete the Grant Application which is to include:
  - a. A description of the proposed risk reduction project.
  - b. The anticipated timeline for completion of the risk reduction project.
  - c. An estimate of the total cost for the proposed risk reduction project.

3. The Program Administrator will review completed Grant Applications, and if found appropriate and consistent with the purpose of the Program, refer the Grant Application to the Executive Committee for approval.
4. The Affinity Group will be expected to complete the proposed risk reduction project within the time period described in the Grant Application. The Executive Committee may rescind the grant if the Affinity Group has not started, or made substantive progress towards completion of the risk reduction project within the timeframe proposed.
5. One hundred percent (100%) of the Affinity Group's risk reduction project costs (up to the maximum grant amount approved for each Affinity Group) may be reimbursed by the Program. The Affinity Group will submit to the Program Administrator the final paid receipt(s) to be used to calculate the program reimbursement amount.
6. After the grant funds are utilized, the Affinity Group will provide a brief report providing information that will assist the Executive Committee in monitoring this program's effectiveness and the merits of future program funds.
7. The Program Administrator and Systemwide Risk Management will work with the Grant Recipients to develop benchmarks to evaluate the success of the program. The Program Administrator and Systemwide Risk Management will also provide guidance to future Grant Recipients based on these historical benchmarks.
8. Submissions:
  - a. Affinity Groups have until one (1) month before the Spring 2018 CSURMA EC/BOD meeting to submit their proposal(s).
  - b. More than one proposal can be awarded.
  - c. If the total amount of approved grants exceeds the amount available, the grants will be distributed on a pro-rate scale.
  - d. If an Affinity Group cannot complete their endeavor without full funding, then they either withdraw the application or present an alternative plan to use approved grant monies. Any unused funds will be retained by CSURMA.
  - e. If an Affinity Group presents more than one proposal, they need to prioritize the submissions.

## **CSURMA CRITICAL EVENTS TOOLKIT**

**ISSUE:** The FY 19/20 CSURMA Long Range Action Plan includes LRP-4, Development of a CSURMA Critical Events Toolkit. The toolkit within the CSURMA website has been created and populated with relevant information.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** The Critical Events Toolkit will continue to be updated as new services and programs become available. Here is the link to the toolkit:

<http://www.csurma.org/Members/RiskManagementResources/CriticalEventsToolkit/Pages/default.aspx>

- Alliant Deadly Weapon Response Program Insurance Summary
- Pollution Liability Insurance Summary
- Cyber Liability Insurance Summary
- Liability Insurance Summary AORMA
- Liability Insurance Summary Campus
- Foreign Travel Insurance Summary
- Property Insurance Summary AORMA
- Property Insurance Summary Campus
- Crisis ThreeSixty Coverage
- Agility Recovery CSURMA Overview

**PUBLICATION:** Staff will provide notification to the members.

**ATTACHMENT(S):** None.

## **FOREIGN TRAVEL PROGRAM REVIEW UPDATE**

**ISSUE:** During the CSURMA Long Range Planning meeting, the officers discussed the need to review the current Foreign Travel Insurance Program (FTIP) for efficiencies in overall process, potential partnerships, and creating a more standardized enrollment.

**RECOMMENDATION:** This is an information item.

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

**BACKGROUND:** Foreign travel provides students and faculty/staff enriching experiences and FTIP was created to help aid in obtaining insurance as well as tracking travelers. Over the years campuses have made customizations to process and it has been determined a fresh look at the various parts is a good idea. A Task Group has been formed with representatives from the Chancellors Office and various campuses and the group is responsible for evaluating the current processes as well as developing new processes where needed and relaunching.

**PUBLICATION:** None at this time.

**ATTACHMENT(S):** None.

**CSURMA MASTER CALENDAR FOR UPCOMING TRAININGS,  
CONFERENCES AND EVENTS**

**ISSUE:** The FY 19/20 CSURMA Long Range Action Plan includes LRP-7, Development of a CSURMA Master Calendar for Upcoming, Trainings, Conferences and Events. The master calendar within the CSURMA website has been created and is in the process of being populated with relevant trainings.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** The CSURMA Master Calendar for Upcoming, Trainings, Conferences and Events will continue to be updated as new trainings are scheduled. The calendar is on the home page of the CSURMA website.

**PUBLICATION:** Staff will provide notification to the members as trainings are added to the calendar.

**ATTACHMENT(S):** None.

## **AORMA PROGRAMS UPDATE**

**ISSUE:** The Auxiliary Organizations Risk Management Alliance (AORMA) continues to address the insurance and risk management needs of its members. All Auxiliary Organizations in Good Standing purchase insurance coverage through the AORMA.

The AORMA Chair, will report on the activities of the AORMA Committee.

**RECOMMENDATION:** No action is required on this item at today's meeting.

**FISCAL IMPACT:** None.

**BACKGROUND:** The AORMA was first marketed to CSU Auxiliary Organizations in 1998. Since that time, the program has grown from 12 members to 86 members, and represents 100% participation.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **AIME PROGRAMS UPDATE**

**ISSUE:** The Athletic Injury Medical Expense (AIME) program continues to address the insurance and risk management needs of its members.

The Executive Committee Liaison for AIME, will report on the activities of the AIME Committee.

**RECOMMENDATION:** This item is for information only; no action is required on this item at today's meeting.

**FISCAL IMPACT:** None.

**BACKGROUND:** AIME is designed to cover medical expenses arising from injuries to student athletes while practicing or competing in inter-collegiate sports programs of the university.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **WITT O'BRIEN CONSULTING SERVICES**

**ISSUE:** Witt O'Brien's provides emergency services consulting for the California State University System under an agreement dated July 1, 2012 between Witt Group Holdings, LLC and CSURMA. The agreement is renewable for successive two-year periods. The current service term is July 1, 2018-20. The scope of work for the second year of this two-year term is as follows:

- Task 1: Preparedness and Resilience: Emergency Plans, Training, and Exercises
- Task 2: Presidents and Senior Emergency Management Training Seminar
- Task 3: CSU System Emergency Management and Business Continuity Affinity Groups Support.
- Task 4: System-Wide Coordination Resources
- Task 5: CSU System Public Information Officer Training.
- Task 6: Provide strategic advisory, representation, and technical services as needed
- Task 7: CSU Risk Management Authority (CSURMA) Support
- Task 8: Support for Chancellor's Office Training

Supplemental Tasks:

- Task 1: Support Development of CSU Systemwide Hazard Vulnerability and Risk Assessment
- Task 2: Support Campus Preparedness for Planned Power Outages.

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

**FISCAL IMPACT:** The annual fee of \$300,000 is included in the FY 19/20 budget.

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

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Witt O'Brien's Scope of Work and Project Outline (July 1, 2019 to June 30, 2020)

## **Witt O'Brien's and CSU System Contract July 1, 2019 – June 30, 2020 (amended) Scope of Work and Project Outline**

This document outlines proposed emergency management projects for both the CSU Chancellor's Office (CO) and the CSU System based on a continuation of successful preparedness programs, current emergency management needs, and inclusion of good practices and trends in higher education emergency management. These projects can be changed or adjusted as necessary, based on the needs of the CO and any emergency incidents that may affect the CSU System.

Witt O'Brien's will perform the following services:

### **Task 1: Preparedness and Resilience: Emergency Plans, Training, and Exercises. (\$110,000)**

#### *1. a. EOC Training and Exercises*

Assist the Systemwide Emergency Managers with special training and exercises on an as-needed basis, as needed and as budget allows. This could include scenario-based exercises, and trainings related to emergency management plans and procedures, continuity plans, procedures for the campus, and coordination with external partners and guest speakers.

#### *1. b. Emergency Management Plan (EMP) and Emergency Annexes*

Witt O'Brien's will work with the Systemwide Emergency Managers, as needed and budget allows, to provide updates to EMPs. This will involve reviewing and updating the various components of the plan(s). We will support development of specific annexes in coordination with the EMP. We will also provide forms and other guidance from FEMA and national standards, as needed.

#### *1. c. Continuity Planning –Departmental Continuity Annexes Update*

Witt O'Brien's will work with the Systemwide Emergency Managers, as needed and budget allows, to assist with supporting the campus departments in development of their business impact analysis (BIA) data, including critical functions analysis, and in updating their existing plans.

#### *1. d. Fire Code Compliance Support to the CO and system-wide*

Our team will support the CO and systemwide efforts toward meeting fire code compliance activities, including education, outreach, support of good practices, and integration of fire code awareness and compliance into preparedness activities.

#### *1. e. Provide Annual Update/Refresher to Chancellor and Campus Policy Groups*

Witt O'Brien's will provide annual update to the CO Chancellor and the campus' Policy Group, with new information related to good practices for executive policy group teams in response to emergencies and continuity events. If requested, we could also provide updates to recent training seminars for the Chancellor's Cabinet and campuses.

*1. f. Systemwide Staff Personal and Family Preparedness and Emergency Communications.*

Witt O'Brien's will assist the CSU with developing tools and activities aimed to support the CSU staff with enhancing their personal and their family's preparedness in the event of an emergency. This could involve education, communications plan templates, etc.

**Task 2: Presidents and Senior Emergency Management Training Seminar. (\$50,000)**

Witt O'Brien's will assist in promoting the availability of the Sr. Manager Training Seminars, and to work with campus emergency preparedness coordinators/directors to provide a robust, half-day emergency management training seminar for the campus Presidents and Senior Campus Management, to be conducted throughout the fiscal year (2019/2020) preferably on a regional, and/or campus by campus basis. This training will include:

- Executive Summary of the Campus Emergency Operations Plans (EOPs) Project.
- The Role of the Policy Group/Senior Executives, and Case Studies of successes and challenges.
- Crisis Communications, Reputation Management, and Public Perception.
- Tabletop Exercise.

Following this training, the CSU Presidents will have an enhanced concept of emergency management in general, their essential role in the process, the status of their specific campus emergency management program, and recent trends requiring focused attention.

**Task 3: CSU System Emergency Management and Business Continuity Affinity Groups Support. (\$40,000)**

Witt O'Brien's will assist both the CSU System Emergency Managers Affinity Group, and the Business Continuity Coordinators Affinity Group with system-wide efforts that may include:

- Attending Affinity Group bi-monthly meetings and providing subject matter expertise as requested.
- Support and attend the annual EM Affinity Group Conference. Support any similar activities by the BC Affinity Group.
- Support development of revised Executive Orders and technical memos related to EM and BC programs.
- Conducting research and compiling information about good practices in higher education emergency management.
- Providing tools and resources to enhance the emergency management and business continuity programs at the campuses (e.g. plan templates, exercise scenarios, etc.).
- Provided expanded EOP Hazmat Annex template for campuses that would address hazmat by rail, crude by rail, pipeline, and chemical storage risks to campuses.
- Create Business Continuity Manual, or other material for affinity groups (e.g., Act of Violence Guide, or other threat specific guidance).

- Conducting training and exercise sessions for the emergency managers and business continuity coordinators (these may be conducted via webinar or in-person regionally or at conferences).

Witt O'Brien's will serve as a resource for the Emergency Managers and Continuity Coordinators in order to help enhance the campus emergency management and business continuity programs and increase consistency and collaboration system-wide.

**Task 4: System-Wide Coordination Resources. (\$40,000)**

Witt O'Brien's will assist the Chancellor's Office and the Emergency Management Affinity Groups in identifying ways for the Chancellor's Office to assist campuses in an emergency response, how campuses should coordinate with each other in an emergency, and notification and communication requirements and recommendations between campuses and other local or state entities. The effort will include the following.

- Additional material in support of the Campus Emergency Management Mutual Aid Agreement (CEMMA).
- Support augmenting use of VEOCI software to support inter-and intra-campus coordination and management of major campus incidents. Develop templates for CO and system.
- Conduct regional coordination workshop(s) for EMs and Sr. VPs on campus. These might include an act-of-violence scenario, and other scenarios as developed in coordination with regional representatives.
- Identify Federal and State financial resources (e.g., post-disaster grants) for CSU System resiliency efforts.

**Task 5: CSU System Public Information Officer Training. (\$20,000)**

Witt O'Brien's will be available to work with the Assistant Vice Chancellor for Public Affairs to assist in developing and conducting PIO training for communications and public affairs staff from all of the CSU campuses and the Chancellor's Office as needed. These trainings may consist of Federal Emergency Management Agency (FEMA) PIO courses and/or training sessions using scenario-based discussions and exercises.

**Task 6: Provide strategic advisory, representation, and technical services as needed. (\$15,000)**

Witt O'Brien's will provide support to CSU CO initiatives including:

- Fitting the Pieces Conference
- California Higher Education conference
- Post-Disaster Public Assistance Documentation Management for campus Business and Finance representatives
- Other representation as requested

We will also provide public assistance consulting support to campuses or CO as needed following a disaster, and provide a Public Assistance Seminar (or series of webinars) for CSU Campus finance officers related to intricacies of FEMA public assistance program.

**Task 7: CSU Risk Management Authority (CSURMA) Support. (\$5,000)**

Witt O'Brien's will provide assistance to CSURMA as needed and requested, including providing requested information on work completed, and a training seminar for the CSURMA Board of Directors, regular status presentations, and yearly reports.

**Task 8: Support for Chancellor's Office Training (\$20,000)**

*Multi-year Training and Exercise Plan (MYTEP)*

Witt O'Brien's will continue to assist the Chancellor's Office Emergency Manager in establishing training and exercises over a multi-year horizon. The MYTEP schedule includes: establish preparedness goal for the calendar year; scheduling exercises and drill to support the goals; outlining a schedule of trainings for CO EOC staff and others to support preparedness; and outlining program activities designed to meet the preparedness goal. Training and exercise focus areas could include: intentional human-caused threats such as cyber security, demonstrations, or acts of violence; human-caused accidents such as hazmat spills or fires; and natural hazards such as earthquakes and floods.

**Supplemental Tasks**

**Supplemental Task 1: Support Development of CSU Systemwide Hazard Vulnerability and Risk Assessment.**

This task is contingent on receipt of FEMA post-disaster grant funding that is available following the 2017 federally declared disasters in California. The work will be contingent on planning once potential grant money is provided. Work would include:

- Develop a systemwide hazard vulnerability and risk assessment that will support campus mitigation planning and projects, emergency operations planning and exercises, and continuity planning strategies.
- Engage campuses toward developing "Participating Campus" sections, with campus-specific risk assessments. These will support campus specific mitigation strategies.
- Engage with Cal OES as needed for review.

### **Supplemental Task #2: Support Campus Preparedness for Planned Power Outages.**

Given the fire risks that occur due to downed power lines, statewide utilities are planning to cut power during high-wind periods as a fire mitigation action. Campuses need to be prepared for power outages, given the emergency implications, as well as business and academic continuity implications. This effort can be funded via funds remaining from the 2019—2019 period under the contract. Work would include:

- Campus Power outage annex templates
- Engaging individual campuses, or regional consortium, to provide overall situation status and discuss power outage strategies for academic and business operations.

## Estimated Cost Structure

**Compensation.** For the services as described above, Consultant shall be compensated as follows:

<b>CSU Chancellor's Office July 1, 2018 – June 30, 2019</b>		
<b>Tasks related to Chancellors Office Emergency Management Program</b>		
<b>Task</b>	<b>Description</b>	<b>Budget</b>
Task 1	Preparedness and Resiliency: Emergency Plans, Training, and Exercises	\$110,000
<b>Tasks related to CSU System-Wide Emergency Management Program</b>		
Task 2	Presidents and Senior Management Training Seminar	\$50,000
Task 3	CSU System Emergency Management and Business Continuity Affinity Groups Support	\$40,000
Task 4	System-Wide Coordination Resources	\$40,000
Task 5	CSU System Public Information Officer Training	\$20,000
Task 6	Provide strategic advisory, representation, and technical as needed	\$15,000
Task 7	CSU Risk Management Authority (CSURMA) Support	\$5,000
Task 8	Support for Chancellor's Office Training	\$20,000
Supplemental #1	Support Systemwide Hazard Vulnerability and Risk Assessment. (Pending receipt of FEMA grant funding)	
Supplemental #2	Support Campus Preparedness for Planned Power Outages. (Funded via 2018-2019 remaining funds)	
	Travel expenses are included in the task budgets.	
	<b>TOTAL</b>	<b>\$300,000</b>

The above costs include Witt O'Brien's out-of-pocket expenses reasonably associated with services performed and will be reimbursed by CSU in accordance with Witt O'Brien's expense reimbursement policy. Hours spent traveling by Witt O'Brien's personnel for tasks under this project will not be billed to the project, in accordance with CSU policies.

Any funds remaining from the 2018-2019 budget can be applied to the 2019-2020 projects as a part of contract amendment #3, covering the period of July 1, 2018 to July 1, 2020.

**CAMPUS WORKERS' COMPENSATION PROGRAM**  
**AGGREGATE STOP LOSS COVERAGE STATUS (PARCEL)**

**ISSUE:** CSURMA purchased an Aggregate Stop Loss insurance policy known as the Pool Aggregate Retention Casualty Excess Loss (*PARCEL*) from Safety National Casualty Company. *PARCEL* caps the Campus Workers' Compensation risk pool's claims liabilities to a maximum of \$101,000,000 total for the six (6) year period beginning July 1, 2002 to June 30, 2008. Thereafter, *PARCEL* pays up to \$16,000,000 in additional claim liabilities. *PARCEL* is triggered once \$101,000,000 has been paid by the Campus WC risk pool on claims with dates of injury within the six year coverage period. *PARCEL* reduces the Campus WC risk pool's claim liabilities and solidifies CSURMA's financial position, thus assuring program stability and campus budget stability. The additional coverage limit boosts the risk pool's funding from 70% to 90% actuarial confidence. Staff will provide a status report on claims payments as of June 30, 2019 and the ongoing claims monitoring process as respects *PARCEL*.

**RECOMMENDATION:** No action requested. This item serves to inform the Executive Committee on the aggregate claim status as respects *PARCEL*.

**FISCAL IMPACT:** None. The cost for *PARCEL* was paid in FY 2009-10.

**BACKGROUND:** CSURMA has been providing coverage for the Campus Workers' Compensation program since 1997, including all prior Workers' Compensation claim liabilities from the campuses. CSURMA's liability is limited to a Self-Retention limit, which has increased from \$350,000 to \$2,500,000 over the years. Claims in excess of the Self-Retention limit are covered by commercial excess carriers.

**PUBLICATIONS:** None

**ATTACHMENT(S):**

- a. 2002-08 Campus WC Aggregate Loss Status at June 30, 2019
- b. *PARCEL* Terms of Coverage

**CSURMA - Campus WC Aggregate Stop Loss Coverage**  
**Safety National (PARCEL)**  
**Policy #: FCA-3E22-CA**

Policy Year	SIR	LIMITED PAID LOSSES			
		at 6/30/2008	at 6/30/2017	at 6/30/2018	at 6/30/2019
2002-03	\$ 350,000	20,527,681	24,401,336	24,489,843	24,599,028
2003-04	\$ 1,000,000	14,192,136	18,309,708	18,366,588	18,388,759
2004-05	\$ 2,500,000	7,919,171	11,752,356	11,882,989	11,964,288
2005-06	\$ 2,500,000	6,718,466	13,846,035	13,955,221	14,069,618
2006-07	\$ 2,500,000	5,279,080	12,302,348	12,542,993	12,614,189
2007-08	\$ 2,500,000	2,200,918	14,908,313	15,045,940	15,170,708
<b>TOTAL</b>		<b>\$ 56,837,453</b>	<b>\$ 95,520,096</b>	<b>\$ 96,283,574</b>	<b>\$ 96,806,590</b>
		Annual Chg	\$ 2,329,223	\$ 763,479	\$ 523,015
		% Chg	2.5%	0.8%	0.5%
Aggregate Attachment:		<b>\$101,000,000</b>			
Aggregate Balance:		<b>\$44,162,547</b>	<b>\$5,479,904</b>	<b>\$4,716,426</b>	<b>\$4,193,410</b>

Policy Year	SIR	LIMITED INCURRED LOSSES			
		at 6/30/2008	at 6/30/2017	at 6/30/2018	at 6/30/2019
2002-03	\$ 350,000	23,311,559	25,267,726	25,199,205	25,211,122
2003-04	\$ 1,000,000	16,725,359	18,735,915	18,710,792	18,736,819
2004-05	\$ 2,500,000	10,432,672	12,581,687	12,643,125	12,469,263
2005-06	\$ 2,500,000	9,496,860	14,835,626	14,945,968	15,246,443
2006-07	\$ 2,500,000	9,306,296	14,273,027	14,312,940	14,153,721
2007-08	\$ 2,500,000	7,306,312	16,283,776	16,559,780	16,365,431
<b>TOTAL</b>		<b>\$ 76,579,058</b>	<b>\$ 101,977,757</b>	<b>\$ 102,371,811</b>	<b>\$ 102,182,799</b>
Aggregate Attachment:		<b>\$101,000,000</b>			
Aggregate Balance:		<b>\$24,420,942</b>	<b>(\$977,757)</b>	<b>(\$1,371,811)</b>	<b>(\$1,182,799)</b>

**Coverage Limit Excess of Stop Loss: \$16,000,000**

PARCEL applies to Policy Years 7/1/02 to 6/30/08 (Liability Period)

Claims Reporting: Quarterly Loss Runs concurrent with the Liability Period

Source: CSU WC Claims Runs (Sedgwick CMS)

**WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY  
AGGREGATE EXCESS RETROACTIVE REINSURANCE  
AGREEMENT  
EFFECTIVE JULY 1, 2009**

**Issued to**

**CALIFORNIA STATE UNIVERSITY,  
(hereinafter the "Employer")**

**By**

**SAFETY NATIONAL CASUALTY CORPORATION  
(Hereinafter the "Reinsurer")**

**ARTICLE I – BUSINESS COVERED**

This Agreement applies only to Loss sustained by the Employer because of liability imposed upon the Employer by the Workers' Compensation or Employers' Liability Laws of the State of California, or such other states, provided that the Loss shall not be greater than it would have been had liability been imposed by the State of California; on account of bodily injury by accident or bodily injury by occupational disease due to Occurrences taking place within the Liability Period to Employees of the Employer engaged in the business operations and all other operations necessary, incidental, or appurtenant thereto. Bodily injury includes resulting death.

**ARTICLE II – COVER**

The Reinsurer agrees to be liable for the Employer's Loss on account of all Occurrences taking place within the Liability period, but excluding Loss per Occurrence in excess of the amounts specified in the Schedule below as the Employer's Self-Insured Retention for each year of the Liability Period, which is in excess of an aggregate amount, hereinafter called the Aggregate Loss Fund, subject to a Maximum Limit of Indemnity of \$16,000,000.00 United States dollars.

**POLICY YEAR**

**SELF-INSURED RETENTION**

7/1/02-6/30/03	\$ 350,000
7/1/03-6/30/04	\$1,000,000
7/1/04-6/30/05	\$2,500,000
7/1/05-6/30/06	\$2,500,000
7/1/06-6/30/07	\$2,500,000
7/1/07-6/30/08	\$2,500,000

**ARTICLE III – LIABILITY PERIOD**

The liability of the Reinsurer for Loss hereunder shall be determined on an aggregate basis for Loss paid during each year of the Liability Period. The Liability Period shall commence at 12:01 A.M. on July 1, 2002 and end at 12:01 A.M. on June 30, 2008, both dates inclusive. All time is stated in Western Standard Time.

**ARTICLE IV – EXCLUSIONS**

- 1) Salaries, wages, and remuneration provided to Employees;
- 2) Fees to the Employer's Service Company and/or costs of administration of claims;
- 3) Punitive or exemplary damages as they relate to claims made under the Employers' Liability coverage provided by this Agreement;

- 4) Fines or penalties assessed against the Employer for any violation by the Employer, or its representative(s), of any statute or regulation, unless the fines or penalties result from a reasonable dispute as to Workers' Compensation benefits owed by the Employer;
- 5) Assessments and taxes made upon the Employer as a self-insurer, whether imposed by statute, regulation or otherwise;
- 6) Any amounts required to be paid by the Employer because of:
  - (a) Serious and willful misconduct of the Employer, including intentional torts and intentional acts or omissions resulting in injury, acts or omissions taken with reckless disregard of the possible occurrence of an injury or acts or omissions taken that are substantially certain to result in injury, regardless of whether or not said actions may be classified in the State(s) as intentional torts,
  - (b) Coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee and/or related personnel practices, policies, acts or omissions by the Employer,
  - (c) Knowingly employing an Employee in violation of law, and/or
  - (d) Rejection by the Employer of any Workers' Compensation Law, Failure to comply with any health, safety, or notification law or regulation;
- 7) Loss voluntarily assumed by the Employer under any contract or agreement, whether express or implied;
- 8) Loss for which the Employer carries a full coverage Workers' Compensation and Employers' Liability policy; and
- 9) Any amount owed by the Employer pursuant to provision of any law that provides non-occupational disability benefits.

#### **ARTICLE V -- DEFINITIONS**

**"Loss" -- shall mean actual payments, less recoveries, legally made by the Employer to Employees and their dependents in satisfaction of: (a) statutory benefits, (b) settlements of suits and claims, and (c) awards and judgments. Loss shall also include Claim Expenses, paid by the Employer, as defined below. The term Loss shall not include the items specifically excluded by Article IV of this Agreement.**

**"Claim Expenses" -- shall mean court costs, interest upon awards and judgments and the reasonable costs of investigation, adjustment, defense, and appeal, including pension or appeal bond costs (provided that the prosecution of such appeal and/or the posting of such pension or appeal bond is approved by the Reinsurer), of claims, suits or other proceedings brought against the Employer under the Workers' Compensation or Employers' Liability Laws of the State of California, or other State(s), as provided in Article I, even though such claims, suits, proceedings or demands are wholly groundless, false or fraudulent. Claim Expenses shall not include fees to the Employer's Service Company.**

**"Aggregate Loss Fund" or "Loss Fund" – shall mean \$101,000,000.00 United States dollars.**

**"Employers' Liability" – shall mean coverage for the Employer against claims for damages, which arise out of the injuries to Employees in the course of their work. Employers' Liability provides protection in cases not covered by the Workers' Compensation law of the State of California.**

**"Occurrence" – shall mean accident. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the Workers' Compensation and Employers' Liability Laws of the appropriate State(s). Bodily injury by occupational disease sustained by each Employee shall be deemed to be a separate Occurrence unless such disease results directly from an accident.**

**"Employee" – as respects liability imposed upon the Employer by the Workers' Compensation Law of any State, the word Employee shall mean any person performing work which renders the Employer liable under the Workers' Compensation Law of the State of California, which is the State of the injured Employee's normal employment, for bodily injuries or occupational disease sustained by such person.**

**"Service Company" – shall mean Sedgwick Claims Management Services, Inc.**

**"State" – shall mean any state, territory, or possession of the United States of America and the District of Columbia.**

#### **ARTICLE VI – REIMBURSEMENT**

Should the Employer pay any loss in excess of the Aggregate Loss Fund created for the Liability Period, the Reinsurer shall reimburse the Employer upon receipt of a formal proof of Loss and other such evidence acceptable to Reinsurer of such payment. Within a reasonable period of time, reimbursement shall be made by the Reinsurer.

#### **ARTICLE VII – PREMIUM**

The premium paid to the Reinsurer in the amount of \$2,824,729 shall be paid in a single installment within forty-five (45) days after the Effective Date of this Agreement. Failure to pay premium in accordance with the provisions of this Article shall void the terms and conditions of this Agreement.

#### **ARTICLE VIII – SELF-INSURER**

The Employer, by acceptance of this Agreement, warrants that it was an agency of the State of California and thereby was permissibly uninsured in the State of California during the Liability Period and continues to maintain its status as permissibly uninsured in the State of California as of the Effective Date of this Agreement.

## **ARTICLE IX – SERVICE AND ADMINISTRATION**

This Agreement contemplates the concurrent and continued existence of a separate service agreement between the Employer and the Service Company, its designated representative, providing services approved by the Reinsurer. The Employer agrees that its Service Company shall furnish the Reinsurer with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the Employer of its reporting obligations as set forth in Section XI of this Agreement. Any change in Service Company by the Employer must be communicated to Reinsurer prior to the change of the Service Company.

## **ARTICLE X – OTHER INSURANCE**

The Employer may carry any other insurance, reinsurance or indemnity with any other insurer or reinsurer provided, however, that if the Employer carries other insurance, reinsurance, or indemnity with any other insurer or reinsurer covering a Loss also covered by this Agreement, the insurance afforded by this Agreement shall apply in excess of and shall not contribute with such other insurance or reinsurance.

## **ARTICLE XI – DEFENSE OF CLAIMS**

The Employer shall investigate and settle or defend all claims and shall conduct the defense and appeal of all actions, suits, and proceedings commenced against it. The Employer shall forward promptly to the Reinsurer copies of any pleadings or reports as may be requested. The Reinsurer shall not be obliged to assume charge of the investigation, defense, appeal or settlement of any claim, suit, or proceeding brought against the Employer, but the Reinsurer shall be given the opportunity to investigate, defend or participate with the Employer in the investigation and defense of any claim, if, in the opinion of the Reinsurer, its liability under this Agreement might be involved.

## **ARTICLE XII – GOOD FAITH CLAIMS ADMINISTRATION**

The Employer shall use diligence, prudence, and good faith in the investigation, defense, pursuit of recovery from others and settlement of all claims. The Employer shall not unreasonably refuse to settle any claim which, in the exercise of sound judgment with respect to the entire claim, should be settled, provided, however, that the Employer shall not make any payment or agree to any settlement for any sum which would involve the limits of the Reinsurer's liability hereunder without the approval of the Reinsurer. If the Reinsurer is prejudiced by the Employer's failure to exercise diligence, prudence, and good faith, the Reinsurer may elect to disclaim coverage for Loss from such claim.

## **ARTICLE XIII – INSPECTION AND AUDIT**

The Reinsurer shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the Employer and of its agents and representatives, including all records relating to claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement.

#### **ARTICLE XIV -- RECOVERY FROM OTHERS**

The Employer agrees to prosecute any and all valid claims the Employer may have against any other party or source that may mitigate any Loss under this Agreement and return to the Reinsurer any amount so recovered, less the reasonable expense of collecting such amounts.

The Reinsurer shall have the Employer's rights to prosecute any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. The Employer agrees that it will assist the Reinsurer in any prosecution of any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. Any amounts recovered by the Reinsurer from any other party or source that may mitigate Loss under this Agreement shall first be used to pay the expenses of collection and to reimburse the Reinsurer for any amount it may have paid the Employer for the Liability Period concerned, and all remaining amounts collected shall be paid to the Employer.

#### **ARTICLE XV -- CHANGE IN AGREEMENT**

No condition, provision, or declaration of this Agreement shall be waived or altered at any time except by an addendum signed by both parties to this Agreement. This Agreement hereby terminates, supersedes, and replaces all previously issued Workers' Compensation Insurance or Reinsurance Agreements, as amended, between the Employer and the Reinsurer.

If terms of this Agreement are in conflict with any law applicable to this Agreement, this statement amends this Agreement to conform to such law. In addition, in the event any terms are in conflict with applicable laws, the remaining terms of the Agreement shall be enforceable.

#### **ARTICLE XVI -- ARBITRATION**

- 1) Any dispute arising out of the interpretation, performance or breach of this Agreement, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.
- 2) One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within thirty (30) days after being requested to do so by the other party, the latter, after ten (10) days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.
- 3) If the two arbitrators do not agree on a third arbitrator within sixty (60) days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society -- U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

- 4) Within thirty (30) days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.
- 5) The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Agreement, the arbitrators may at their discretion consider underwriting and placement information provided by the Employer to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Agreement. The arbitration shall take place in such location as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.
- 6) The panel shall interpret this Agreement as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.
- 7) Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

#### **ARTICLE XVI – ASSIGNMENT**

An assignment of interest under this Agreement will not bind the Reinsurer unless an addendum signed by an authorized representative of the Reinsurer assigning interest under this Agreement is issued by the Reinsurer.

#### **ARTICLE XVII – BANKRUPTCY OR INSOLVENCY OF EMPLOYER**

The bankruptcy or insolvency of the Employer will not relieve the Reinsurer or the Employer of its duties and liabilities under this Agreement. After payments have been made by or on behalf of the Employer, reimbursements due under this Agreement will be made by the Reinsurer as if the Employer had not become bankrupt or insolvent, but not in excess of the Reinsurer's limit of indemnity.

#### **ARTICLE XVIII – ACCEPTANCE**

By acceptance of this Agreement, the Employer agrees that the statements in this Agreement are the Employer's representations; that this Agreement is issued in reliance upon such representations; that this Agreement embodies all agreements existing between the Employer and the Reinsurer, or any of its agents, relating to this excess insurance, and that full compliance by the Employer with all terms of this Agreement is a condition precedent to the Reinsurer's liability hereunder.

**THIS SECTION INTENTIONALLY LEFT BLANK**

**CALIFORNIA STATE UNIVERSITY**

(Employer)

BY: Charles Merick

TITLE: Secy

DATE: 6-10-290

**SAFETY NATIONAL CASUALTY CORPORATION**

(Reinsurer)

BY: Donald R. Scott

TITLE: President

DATE: 6/15/10

## **CSURMA COMMITTEE MEMBER PROFESSIONAL DEVELOPMENT**

**ISSUE:** Policy and Procedure No. 12 states, “it is in the best interest of the Authority that individuals who serve on the CSURMA Executive Committee are knowledgeable of the administrative workings of joint powers authorities and risk management practices, procedures, and insurance markets. It shall be the policy of the CSURMA to fund annually travel for Executive Committee Members who elect to attend professional development training and conferences ...” Eligible programs include risk management related courses and attendance at conferences such as PARMA, CAJPA, PRIMA, URMIA, NACUBO, WACUBO or other similar professional conferences.

Conference dates and locations can be found on the CSURMA master training calendar which is on the CSURMA website homepage.

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

**FISCAL IMPACT:** If the Board of Directors adopts a budget that includes travel expenses for Executive Committee professional development, then travel during the applicable fiscal year will be approved and reimbursed. Allowable expenses include registration costs up to \$1,500 and travel expenses.

**BACKGROUND:** Additional information can be found directly on the associations’ websites.

- [www.nacubo.org](http://www.nacubo.org) - National Association of College and University Business Officers
- [www.urmia.org](http://www.urmia.org) - University Risk Management and Insurance Association
- [www.parma.com](http://www.parma.com) - Public Agency Risk Management Risk Management Association
- [www.wacubo.org](http://www.wacubo.org) - Western Association of College and University Business Officers
- [www.primacentral.org](http://www.primacentral.org) - Public Risk Management Association
- [www.cajpa.org](http://www.cajpa.org) - California Association of Joint Powers Authorities
- [www.agrip.org](http://www.agrip.org) - Association of Governmental Risk Pools
- [www.cwcworkcomp.org](http://www.cwcworkcomp.org) - California Coalition on Workers’ Compensation

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Policy and Procedure No. 12 – CSURMA Committee Member Professional Development



**CSURMA** **POLICY AND PROCEDURE NO. 12**

**ADOPTED:** March 24, 2011, March 21, 2014, January 10, 2016

**EFFECTIVE:** January 10, 2016

**SUBJECT:** CSURMA COMMITTEE MEMBER PROFESSIONAL DEVELOPMENT

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

**POLICY:**

It is in the best interest of the Authority that individuals who serve on the CSURMA Executive Committee are knowledgeable of the administrative workings of joint powers authorities and risk management practices, procedures, and insurance markets. It shall be the policy of the CSURMA to fund annually travel for Executive Committee Members who elect to attend professional development training and conferences as described in this Policy and Procedure.

**PROCEDURE:**

1. If the Board of Directors adopts a budget that includes travel expenses for Executive Committee professional development, then travel during the applicable fiscal year will be approved and reimbursed pursuant to this Policy and Procedure.
2. The Executive Committee member may submit to the Secretary-Auditor a written request to attend a professional development program. Eligible programs shall include risk management related courses and attendance at conferences such as PARMA, CAJPA, PRIMA, URMIA, NACUBO, WACUBO or other similar professional conferences.

Allowable Expenses

- a) **Registration** cost of registering for the Professional Development conference in the amount not to exceed \$1,500.00.

**Travel Expenses pursuant to CSURMA Policy and Procedure No. 17 – Travel Reimbursement.**

3. The Attendee will provide the Executive Committee or Board of Directors with a verbal or written report of information gained from the professional development program attended.

## **FY 2019/2020 LONG RANGE PLANNING GOALS**

**ISSUE:** Each year the Executive Committee conducts a Long Range Action Planning meeting to gauge progress and to re-evaluate where efforts should be focused.

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

**FISCAL IMPACT:** No fiscal impact is expected from today's meeting.

**BACKGROUND:** The CSURMA Executive Committee adopts the FY 2019/2020 Long Range Planning goals to be accomplished. The Committee will receive a report from Staff on the assigned responsibilities and deadlines of the FY 2019/2020 Long Range Planning goals.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 2019/2020 CSURMA Long Range Action Plan

**FY 2019/20 CSURMA LONG RANGE ACTION PLAN**

<b>GOAL</b>	<b>ACTION / TASK</b>	<b>RESPONSIBLE ENTITY</b>	<b>DEADLINE</b>	<b>STATUS</b>	
<b>LRP-1 Creation of a Formal Process to Regulate and Approve Financing of Risk Programs through CSURMA</b>					
<b>Develop a policy and procedure for development and implementation of risk programs that includes an evaluation of long term financial viability</b>	1	Evaluation of steps necessary for developing and launching risk financing programs	PA	Jul-19	Completed
	2	Prepare draft of proposed policy and procedure	PA, SRM	Jul-19	Completed
	3	Review by CSURMA Treasurer	SRM	Aug-19	Completed
	4	Review by Executive Committee of proposed policy and procedure	EC	Sep-19	In Process
	5	Adoption by CSURMA Board of Directors	BOD	Nov-19	
<b>LRP-2 Further Development of Youth Protection Programs</b>					
<b>CSURMA will promote the concepts of higher level adoption of youth protection programs at the campuses, including auxiliary organizations</b>	1	Creation of custom tool which could be used to provide safety guidelines, track minors on campus, and record completions of mandated training	PA	Jan-20	
	2	Provide systemwide safety guidance for minors on campus including mandated training	PA, SRM	Mar-20	
	3	Review whether registration of all minors coming onto campus for sponsored events is feasible	PA, SRM	Mar-20	
	4	Tie in faculty and student interactions	PA, SRM	Mar-20	
<b>LRP-3 CSURMA Review of its Digital Compliance</b>					
<b>CSURMA will evaluate its website, data systems and service provider systems for digital compliance and security</b>	1	Review CSURMA website for digital ADA compliance	PA	Oct-19	In Process
	2	Report to CSURMA EC	PA	Nov-19	
	3	Implement Website Changes as appropriate	PA	Dec-19	
	4	Compile list of data systems and vendors	SRM, PA	Aug-19	
	5	Survey for security compliance	SRM, PA	Nov-19	
	6	Report to CSURMA EC	SRM, PA	Jan-20	
<b>LRP-4 Development of a CSURMA Critical Events Toolkit</b>					
<b>Program Administrator Staff will develop a master CSURMA critical events toolkit to be housed on the CSURMA website</b>	1	Review all appropriate services currently available to members	PA	Aug-19	Completed
	2	Create and/or update coverage summaries of the programs in place	PA	Aug-19	Completed
	3	Work with IT to update the CSURMA website to create a location for the toolkit	PA	Aug-19	Completed
	4	Post all toolkit items	PA	Aug-19	Completed
	5	Review the new toolkit with the Executive Committee	EC	Sep-19	In Process
	6	Provide notification to Members	PA	Oct-19	
<b>LRP-5 Liability Program Memorandum of Coverage Review with Coverage Counsel</b>					
<b>Review both the Campus Risk Pool and AORMA Liability Program Memoranda of Coverage</b>	1	Staff review of MOC's with insurance industry forms and other JPA MOC's	PA	Aug-19	Completed
	2	Review of initial findings with CSU OGC and SRM	PA, SRM, OGC	Aug-19	Completed
	4	Engage Coverage Counsel for review as necessary	PA	Aug-19	Completed
	3	Initial report to Executive and AORMA Committees	PA, SRM, OGC	Sep-19	In Process
	5	Present recommended changes to Executive and AORMA Committees	PA, SRM, OGC	Sep-19	In Process
	6	Communicate MOC changes to the members	PA, SRM	Apr-20	

**FY 2019/20 CSURMA LONG RANGE ACTION PLAN**

<b>GOAL</b>		<b>ACTION / TASK</b>	<b>RESPONSIBLE ENTITY</b>	<b>DEADLINE</b>	<b>STATUS</b>
	7	Implement new MOC's	PA	Jul-20	
<b>LRP-6 Foreign Travel Program Review</b>					
<b>Review of Foreign Travel insurance program coverages, cost and services</b>	1	SRM Initiated review supported by PA	SRM, PA	Aug-19	In Process
	2	Initial report to Executive and AORMA Committees	SRM, PA	Sep-19	In Process
	3	Discussion of proposed changes with CSU IP, at Fitting the Pieces Conference and with other interest groups	SRM, PA	Nov-19	
	4	Approval of proposed changes by EC	EC	Jan-20	
	5	Communication of changes and initiation of implementation plan	SRM, PA	Feb-20	
	6	Launch of FTIP 2.0	SRM, PA	Jul-20	
<b>LRP-7 CSURMA Master Calendar for Upcoming Trainings, Conferences and Events</b>					
<b>Program Administrator Staff will develop a master calendar and identify appropriate audiences and communication methods</b>	1	Create Master CSURMA Events Calendar	PA	Aug-19	Completed
	2	Research / collect all notifications of upcoming events to be added to the calendar	PA	Aug-19	Completed
	3	Work with IT to update the CSURMA website to create a location for the new events calendar	PA	Aug-19	Completed
	4	Post the new events calendar	PA	Aug-19	Completed
	5	Review the new events calendar with the Executive Committee	EC	Sep-19	In Process
	6	Provide notification of the Members	PA	Sep-19	
<b>LRP-8 Master Enabling Agreement for Environmental Sampling Services</b>					
<b>Many campuses are regularly engaging environmental sampling service providers using separate procurement processes that could be avoided under a MEA</b>	1	Identify and engage with systemwide task group to identify the scope of services for the MEA	SRM	Aug-19	In Process
	2	Prepare RFP for MEA and conduct process	SRM	Oct-19	
	3	Select service provider(s), negotiate and execute MEA(s)	SRM	Jan-20	
	4	Communicate results and participation process to campuses	SRM	Apr-20	

**BOD:** CSURMA Board of Directors  
**CABO:** CSU Chief Administrators and Business Officers  
**CO:** Chancellor's Office  
**CPDC:** CO Capital Planning Design & Construction

**EC:** CSURMA Executive Committee  
**OGC:** CSU Office of General Counsel  
**PA:** CSURMA Program Administrator  
**SRM:** CSU Systemwide Risk Management

## **CSURMA ADMINISTRATIVE SERVICE CALENDAR**

**ISSUE:** This item is provided as information to advise the Executive Committee of the various recurring administrative activities and when they take place over the course of the year. It includes items noting when they appear before the Executive Committee and Board of Directors. It is to be provided for information with each agenda packet.

**RECOMMENDATION:** It is recommended that the Executive Committee review the CSURMA Administrative Service Calendar and provide direction to staff as appropriate.

**FISCAL IMPACT:** No direct fiscal impact is expected.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Administrative Service Calendar

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>JANUARY 2019</b>				
01/01/19	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
01/02/19	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed
01/06/19	State Filing - Statement of Facts – Roster of Public Agencies - file with Secretary of State	Alliant Staff	Tevea Him	Pending
01/06/19	State Filing - Joint Powers Authority - file with Secretary of State - As Needed	Alliant Staff	Tevea Him	N/A
01/06/19	State Filing - Financial Statement to the County Auditor and State Controller	Alliant Staff	Tevea Him	Completed
01/06/19	Treasurers' Bond	Alliant Staff	Van Rin	Completed
01/07/19	Announce the new AORMA Committee open seats on the AORMA Committee at the AOA Conference	Nominations Committee	Mimi Long	Completed
<b>1/13-16/2019</b>	<b>CSURMA AOA CONFERENCE</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>01/13/19</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>01/14/19</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	<b>Completed</b>
01/15/19	FORM 700 - JPA ADMIN sends Form 700 to CSURMA FILERS, including EC, BOD, AORMA, Standing Committees, and designated consultants, including identified Alliant personnel	Alliant Staff	Tevea Him	Completed
01/31/19	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed
01/31/19	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
<b>FEBRUARY 2019</b>				
02/01/19	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	Completed
02/01/19	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long	Completed
02/01/19	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Jacki Graf	Completed
02/01/19	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	Completed
02/01/19	AORMA Workers' Compensation program claims administration audit (every even year)	Alliant Staff	Jacki Graf	N/A
<b>MARCH 2019</b>				
03/01/19	AORMA Liability Program - Reinsurance Recovery / EPL Deductible Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	N/A
03/01/19	CSURMA Cash Flow Statement at Dec 31st	Alliant Staff	Susan Leung	
03/01/19	AORMA Liability Program - Reinsurance Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	N/A
03/01/19	Chancellor's Office Services Budget Proposals	Alliant Staff	Mimi Long	Completed
03/01/19	CSURMA Budget (EC and AORMA Approval)	Alliant Staff	Robert Leong	Completed
03/01/19	Review of the CSURMA Master Investment Policy	Alliant Staff	Mimi Long	Completed
03/01/19	CSURMA Mid-Term Budget Amendments	Alliant Staff	Robert Leong	Completed
03/01/19	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
03/01/19	Review the Auxiliary Service Provider Report	Alliant Staff	Mimi Long	Completed
03/01/19	Appointment of the Campus Programs RPTG - Spring 2018 (FY 2019/2020)	Alliant Staff	Robert Leong	Completed
<b>03/07/19</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>03/07/19</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>03/08/19</b>	<b>CSURMA EC LRP Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
03/20/19	Forward slate of nominees to fill the open seats on the AORMA Committee	Alliant Staff	Mimi Long	Completed
03/31/19	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him	Completed
<b>APRIL 2019</b>				
04/01/19	Campus Risk Pool Administrator verifies Campus Primary and Alternate representative remain in place by contacting campus representatives ( i.e. ensure no leave of absence, retirement, change in duties, etc.)	Alliant Staff	Tevea Him	Completed
04/01/19	Send out ballot for AORMA Committee term beginning on July 1, 2019	Alliant Staff	Tevea Him	Completed
04/30/19	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>MAY 2019</b>				
05/06/19	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>	
05/02/19	<i>CSURMA BOD NMO Meeting via Teleconference</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
05/02/19	<i>AORMA Committee Meeting</i>	Alliant Staff	Mimi Long	
05/03/19	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
05/03/19	<i>CSURMA BOD Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
05/01/19	Approval by EC Resolution allowing Treasurer to invest or reinvest funds (P/O Budget Resolution	BOD and Alliant Staff	Tevea Him	Completed
05/01/19	Approval of Conflict of Interest Code by BOD every even-number year - File with FPCC as required	BOD and Alliant Staff	Tevea Him	Completed
05/04/19	Receive back all AORMA Committee ballots for the term beginning on July 1, 2019	Alliant Staff	Tevea Him	Completed
05/11/19	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
05/15/19	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
05/30/19	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2019	AORMA Chair/Alliant Staff	Tevea Him	N/A
05/30/19	Send out appointment letters to the newly elected Executive Committee members for the term beginning on July 1, 2019	AORMA Chair/Alliant Staff	Tevea Him	N/A
05/30/19	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2019	Alliant Staff	Tevea Him	Completed
05/30/19	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2019	Alliant Staff	Mimi Long	Completed
<b>JUNE</b>				
06/01/19	AORMA Liability Program - Reinsurance Recovery / EPL Deductible Recovery (verify w/ Yumi	Carl Warren	Mimi Long	Completed
06/01/19	CSURMA Cash Flow Statement at March 31st	Alliant Staff	Susan Leung	Completed
06/01/19	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
06/30/19	<i>Expiring Contract: CO Enterprise Accounting / Financial Services - July 1, 2018 to June 30, 2019</i>	Alliant Staff	Mimi Long	Completed
06/30/19	<i>Expiring Contract: UC Office of Risk Services Performing Arts Center of Excellence - November 1, 2013 to June 30, 2019</i>	Alliant Staff	Mimi Long	Completed
06/30/19	<i>Expiring Contract: Alliant Loss Control Services - July 1, 2018 to June 30, 2019 (new term July 1, 2019 to June 30, 2022)</i>	Alliant Staff	Mimi Long	Completed
06/30/19	<i>Expiring Contract: CO OGC / Legal - July 1, 2017 to June 30, 2019</i>	Alliant Staff	Mimi Long	Completed
06/30/20	<i>Expiring Contract: CO Systemwide Professional Development (AORMA online training)</i>	Alliant Staff	Mimi Long	N/A
06/30/19	<i>Expiring Contract: Carl Warren &amp; Company (1st and 2nd options June 30, 2020 and 2021)</i>	Alliant Staff	Mimi Long	Completed
06/30/19	<i>Expiring Contract: CO Risk Management - July 1, 2017 to June 30, 2019</i>	Alliant Staff	Mimi Long	Completed
06/30/19	<i>Expiring Contract: Agility - July 1, 2017 to June 30, 2019</i>	Alliant Staff	Mimi Long	Completed
06/30/19	<i>Expiring Contract: Sedgwick - July 1, 2013 to June 30, 2019</i>	Alliant Staff	Mimi Long	N/A
06/30/20	<i>Expiring Contract: Employers Group Service Corp - July 1, 2013 to June 30, 2019</i>	Alliant Staff	Mimi Long	N/A
06/30/21	<i>Expiring Contract: Sedgwick CMS - July 1, 2018 to June 30, 2021</i>	Alliant Staff	Mimi Long	N/A
06/30/20	<i>Expiring Contract: Praesidium - July 1, 2017 to June 30, 2020</i>	Alliant Staff	Mimi Long	N/A
06/30/20	<i>Expiring Contract: Witt O'Brien's, LLC - July 1, 2014 to July 1, 2019</i>	Alliant Staff	Mimi Long	N/A
06/30/19	<i>Expiring Contract: Veoci - July 1, 2018 to June 30, 2019</i>	Alliant Staff	Mimi Long	Completed
06/30/21	<i>Expiring Contract: HSR (AIME and Club Sports) - July 1, 2015 to July 1, 2021</i>	Alliant Staff	Mimi Long	N/A
06/30/19	Request COI from all vendor's contract	Alliant Staff	La Shaunda	In Process

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>JULY</b>				
07/01/23	OCIP Renewal (5 year program)	Alliant Staff	Daniel Howell/ Mimi Long	N/A
07/01/19	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin	Completed
07/01/19	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	Completed
07/04/19	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin	Completed
07/05/19	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	Completed
07/07/19	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	Completed
07/14/19	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/15/19	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong	Completed
07/15/19	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	Completed
<b>07/TBD/2019</b>	<b>AORMA Officers Retreat – TBD</b>	<b>AORMA Officers</b>	<b>Mimi Long</b>	<b>Completed</b>
07/21/19	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/28/19	FORM 700 - FORMS DUE TO FPCC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him	Completed
07/31/19	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong	Completed
07/31/19	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report - Present to EC in Sept	Alliant Staff	Robert Leong	Completed
07/31/19	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	Completed
07/31/19	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Tevea Him	Completed
07/31/19	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate (every three years)	Liability TPA	Mimi Long	Completed
07/31/19	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
07/31/19	Appointment of the Campus Programs RPTG - 2019 (FY 2021/2022)	Alliant Staff	Robert Leong	Completed
07/31/19	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report	Alliant Staff	Robert Leong	Completed
<b>AUGUST</b>				
08/01/19	FORM 700 - JPA ADMIN sends entering and leaving office notices to AORMA FILERS who will be taking office on AORMA and Standing Committees	Alliant Staff	Tevea Him	Completed
08/01/19	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him	In Process
08/01/19	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him	In Process
08/01/19	Send out letter to regarding Foreign Travel Authority Confirmation	Alliant Staff	Tevea Him/ Stacey Weeks	In Process
08/01/19	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long	Completed
08/01/19	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	Completed
08/11/19	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
08/15/19	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	Completed
08/31/19	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff	Mimi Long	In Process
08/31/19	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long	Completed
08/31/19	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long	Completed
08/31/19	Completion of Financial Audit	CSU Accounting	Mimi Long	In Process
08/31/19	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff	Tevea Him	Completed
Begin Task	Completion of the Public Self-Insurer's Annual Report for CSURMA (must be filed with the state by Oct 1st.)	Alliant Staff	Mimi Long	In Process
Begin Task	AORMA Workers' Compensation Desk Audit	Alliant Staff	Mimi Long	N/A

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>SEPTEMBER</b>				
09/01/19	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long	
09/01/19	CSURMA Cash Flow Statement at June 30th	Alliant Staff	Susan Leung	In Process
<i>09/04/19</i>	<i>AORMA Long Range Plan meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
<i>09/04/19</i>	<i>AORMA New Committee Member Orientation meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
<i>09/05/19</i>	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
<i>09/05/19</i>	<i>CSURMA EC Orientation Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
<i>09/06/19</i>	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
<i>TBD</i>	<i>CAJPA Fall Conference and Training Seminar -South Lake Tahoe</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
09/14/19	CAJPA Standards review (2017, 2020, 2023 and every 3 years thereafter) - Start the Process	Alliant Staff	Mimi Long	
09/15/19	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Van Rin	
09/15/19	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
09/30/19	CSURMA Quarterly EPL Deductible Recoverys ending September 30 (Begin Task)	Alliant Staff	Van Rin	
09/30/19	Completion of the AORMA Committee (September Letter) updating all AORMA members on the funding and dividends approved for the upcoming fiscal year	Alliant Staff/AORMA C	Mimi Long	
<b>OCTOBER</b>				
10/01/19	Request completion of the Liability applicator	Alliant Staff	Mimi Long	
10/01/19	Stewardship Report	Alliant Staff	Mimi Long	
10/01/19	Update the CSURMA Tri-Fold based on June 30 financials.	Alliant Staff	Mimi Long	
10/01/19	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long	
10/15/19	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
<i>10/14/19</i>	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>	
10/31/19	Government Compensation Report (request from CSU Accounting)	Accounting	Tevea Him	
10/31/19	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
<b>NOVEMBER</b>				
11/01/19	Review CAJPA Accrediation Standard for new or reoccurring item	Alliant Staff	Tevea Him	
11/01/19	FORM 700 - Campus Risk Pool Administrator sends request to campus president to confirm appointments of primary and alternate representative to BOD (Note: AORMA Representatives are maintained through their election process)	Alliant Staff	Tevea Him	
<i>11/08/19</i>	<i>CSURMA BOD Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
<i>11/08/19</i>	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
11/28/19	Send campus risk pool renewal budget (Budget)	Alliant Staff	Robert Leong	
11/28/19	Send campus risk pool renewal budget (Early Bird Renewal Letter)	Alliant Staff	Robert Leong	
11/28/19	Campus Risk Pool Deductible - Confirm (every 3 years - 2017, 2020)	Alliant Staff	Robert Leong	
11/30/19	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	
11/30/19	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30	Alliant Staff	Tevea Him	

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>DECEMBER</b>				
12/01/19	2018 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Risk Management	
12/01/19	CSURMA Cash Flow Statement at Sept. 30th	Alliant Staff	Susan Leung	
12/01/19	Appointment of the Club Sport Insurance Programs RPTG - Spring 2019 (FY 2019/2020)	Alliant Staff	Robert Leong	
12/01/19	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long	
<b>12/05/19</b>	<b><i>AORMA Committee Meeting</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	
12/15/19	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff	Tevea Him	
12/15/19	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
12/30/19	Financial Audit - mail to Secretary of State and County Auditor	Alliant Staff/Accounting	Tevea Him	
12/31/19	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	
<b>12/31/19</b>	<b><i>Expiring Contract: Enterprises Rent A Car - January 1, 2018 - December 31, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	
<b>12/31/20</b>	<b><i>Expiring Contract: UC RSS</i></b>			
<b>12/31/19</b>	<b><i>Expiring Contract: Alliant Insurance Services (Brokerage Agreement) - December 31, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	
<b>12/31/19</b>	<b><i>Expiring Contract: Alliant Insurance Services (Brokerage Agreement OCIP) - December 31, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	
<b>12/31/19</b>	<b><i>Expiring Contract: Alliant Insurance Services (Program Admin Agreement) - December 31, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>	

## **2019 CSURMA MEETING CALENDAR**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA – 2019 Meeting Calendar

## 2019 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
7	10:30 AM	AIME	San Jose					7	10:00 AM	AORMA	Newport Beach
13	3:30 PM	EC (AOA Conference)	Indian Wells					7	2:30 PM	EC	Newport Beach
13 - 16		AOA Annual Conference	Indian Wells					8	8:30 AM	EC LRP	Newport Beach
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
					2:00 PM	BOD Orientation	Teleconference	TBD		AOA EC	TBD
				2	10:00 AM	AORMA	Long Beach				
				3	8:30 AM	EC	Long Beach				
				3	10:30 AM	BOD	Long Beach				
				13	10:30 AM	AIME	San Luis Obispo				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
				TBD		AOA EC	TBD	4	9:00 AM	AORMA New Member	San Diego
				1 - 2	11:00 AM	AORMA Officers Retreat	Paso Robles	4	10:00 AM	AORMA LRP	San Diego
								5	9:00 AM	AORMA	San Diego
								5	4:00 PM	EC Orientation	San Diego
								6	8:30 AM	EC	San Diego
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
14	10:30 AM	AIME	TBD	TBD		AOA EC	TBD	5	10:00 AM	AORMA	TBD
	2:00 PM	BOD Orientation	Teleconference	8	8:30 AM	EC	San Francisco	6	8:30 AM	EC	TBD
24	10:00 AM	AORMA	TBD	8	10:30 AM	BOD	San Francisco				
25	8:30 AM	EC	TBD								
25	10:30 AM	BOD	TBD								
				<b>*** The EC and BOD meetings will be held during FTPC ***</b> <b>*** Crowne Plaza SFO Airport Hotel ***</b>							

*AORMA = Auxiliary Organizations Risk Management Alliance Committee*  
*AIME = Athletic Injury Medical Expense Committee*  
*AORMA LRP = AORMA Long Range Planning Meeting*

*AOA = CSU Auxiliary Organizations Association*  
*BOD = CSURMA Board of Directors*  
*EC = CSURMA Executive Committee*

*EC LRP = EC Long Range Planning Meeting*

## **CSURMA EXECUTIVE COMMITTEE AND STAFF CONTACT LIST**

**ISSUE:** Attached is a list of CSURMA Executive Committee members and the Program Administrators.

**RECOMMENDATION:** It is recommended that members review the list at each meeting for accuracy, making revisions as appropriate. If there are any changes, please contact Tevea Him at [thim@alliant.com](mailto:thim@alliant.com).

**FISCAL IMPACT:** None.

**BACKGROUND:** An accurate and current contact list facilitates better communication among Committee Members and Staff.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Executive Committee and Staff Contact List

**CSURMA EXECUTIVE COMMITTEE MEMBERS**  
**Effective at July 1, 2019**

Seat	Member	Position	Campus	Organization	E-Mail	Telephone Number
Chair	Lisa Chavez	Vice-President, Administration and Chief Financial Officer	Los Angeles	California State University Los Angeles	<a href="mailto:lisa.chavez@calstatela.edu">lisa.chavez@calstatela.edu</a>	323-343-3500
Vice Chair	Kevin Saunders	VP Administration & Finance	Monterey Bay	California State University Monterey Bay	<a href="mailto:kesaunders@csumb.edu">kesaunders@csumb.edu</a>	831-582-3397
CSU Seat #1	Thom Davis	Vice President for Business and Administrative Services	Bakersfield	California State University, Bakersfield	<a href="mailto:tdavis31@csu.edu">tdavis31@csu.edu</a>	661-654-2287
CSU Seat #2	Lisa Kao	Associate Director, EHS, Risk Management and Sustainability	Fresno	California State University Fresno	<a href="mailto:lisak@csufresno.edu">lisak@csufresno.edu</a>	559-278-6910
CSU Seat #3	Scott Apel	Vice President and Chief Financial Officer, Administration and Finance	Long Beach	California State University Long Beach	<a href="mailto:scott.apel@csulb.edu">scott.apel@csulb.edu</a>	562-985-1658
CSU Seat #4	Amy Thomas	Director of Safety & Risk Management	Stanislaus	California State University, Stanislaus	<a href="mailto:althomas@csustan.edu">althomas@csustan.edu</a>	209-667-3035
AORMA Seat #5 - Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	<a href="mailto:dbrummet@calpoly.edu">dbrummet@calpoly.edu</a>	805-756-5768
AORMA Seat #6 - V Chair	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	<a href="mailto:dave.nakamura@humboldt.edu">dave.nakamura@humboldt.edu</a>	707-826-4878
Treasurer	Robert Eaton	Assistant Vice Chancellor, Financing, Treasury, and Risk Management	Chancellor's Office	California State University, Office of the Chancellor	<a href="mailto:reaton@calstate.edu">reaton@calstate.edu</a>	562-951-4572
Secretary Auditor	Zachary Gifford	Director of Systemwide Risk Management and Public Safety	Chancellor's Office	California State University, Office of the Chancellor	<a href="mailto:zgifford@calstate.edu">zgifford@calstate.edu</a>	562-951-4580



California State University Risk Management Authority

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
Certificate of Insurance Requests	Van Rin Andrew Gaspari	vrin@alliant.com andrew.gaspari@alliant.com	415-403-1408 415-403-1412	415-874-4810 415-874-4810
General CSURMA Coverage Questions	Robert Leong Van Rin Amy Lightner Daniel Howell Susan Leung	rleong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com susan.leung@alliant.com	415-403-1441 415-403-1408 415-403-1457 415-403-1426 415-403-1435	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
General AORMA Coverage Questions	Mimi Long Van Rin Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
AIME	Stacey Weeks Robert Leong	sweeks@alliant.com rleong@alliant.com	415-403-1448 415-403-1441	415-874-4810 415-874-4810
Inland Marine	Van Rin Mimi Long Andrew Gaspari	vrin@alliant.com mlong@alliant.com andrew.gaspari@alliant.com	415-403-1408 415-403-1423 415-403-1412	415-874-4810 415-874-4810 415-874-4810
Participant Accident Insurance (PAI)	Van Rin Tevea Him	vrin@alliant.com thim@alliant.com	415-403-1408 415-403-1416	415-874-4810 415-874-4810
Special Events Insurance	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Foreign Travel Program	Stacey Weeks Van Rin	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
General Risk Management Questions	Mimi Long Van Rin Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
Workers' Compensation Claims Consultant	Jacki Graf	jgraf@alliant.com	415-403-1438	415-874-4810
Alliant Claims Consulting	Robert Frey Diana Walizada Elaine (Kim) Tizon Sheila McClenaghan	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com sheila.mcclenaghan@alliant.com	415-403-1445 415-403-1453 415-403-1458 415-403-1492	415-403-1466 415-403-1466 415-403-1466 415-403-1466
Form 700	Tevea Him	thim@alliant.com	415-403-1416	415-402-0773
Website and Technology Questions	La Shaunda Gaines Tevea Him Myron Leavell	lashaunda.gaines@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1489 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

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c/o Alliant Insurance Services, Inc. • 100 Pine Street, 11th Floor, San Francisco, CA 94111-5101 • Phone: 415-403-1400 Fax: 415-874-4810

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California State University Risk Management Authority

**CONTACT LIST**

Coverage	Contact	E-Mail Address	Office	Fax
<b>CSU Chancellor's Office</b>				
CSU Chancellor's Office	Scott Bourdon	sbourdon@calstate.edu	562-951-4580	
	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	Steve Relyea	srelyea@calstate.edu	562-951-4600	562-951-4971
Jody VanLeuven	jvanleuven@calstate.edu	562-951-4574		
CSU Chancellor's Office Office of General Counsel	William Hsu Robin Webb	whsu@calstate.edu rwebb@calstate.edu	562-951-4500 562-951-4500	562-951-4956 562-951-4956
CSU Chancellor's Office Financial Services Division Systemwide Accounting & Reporting	Alice Kim Cindi Le Jessica Liu Tanaka	akim@calstate.edu cle@calstate.edu jliu@calstate.edu	562-951-4627 562-951-4651 562-951-4621	562-951-4865
Chancellor's Office Systemwide Professional Development	David Kervella Chris Fondacaro	dkervella@calstate.edu cfondacaro@calstate.edu	562-951-4403 562-951-4403	

Coverage	Contact	E-Mail Address	Office	Fax
<b>Loss Control Consultants – Alliant Risk Control</b>				
Alliant Risk Control Consulting	John Owen	jowen@alliant.com	916-643-2736	
	<i>Northern California</i> Kristina Loiselle	kloiselle@alliant.com	949-260-5042	
	<i>Southern California</i> Tim Leech	tleech@alliant.com	949-260-5008	
	<i>Central California</i>			

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