

- 9. Saucedo v. Long Beach Associated Students, Inc.
- 10. Davis v. Long Beach Associated Students, Inc
- 11. Espinoza v. SLO Associated Students

E. STANDING COMMITTEE REPORTS

- 1. **AORMA Benefits Program Report** **I** p. 19

F. GENERAL ADMINISTRATION

- 1. **Excess Insurance Renewals and Underwriter Meetings Report** **A** p. 44
The Committee will receive a verbal report on the Underwriters Meetings report and take action as appropriate.

- 2. **Target Surplus Ratios** **A** p. 47
The Committee will be asked to review the current and suggested surplus ratios and direct Staff as appropriate

- 3. **Policy and Procedure Review** **A** p. 71
The Committee will be asked to review the following Policies and Procedures and approve the revisions, as recommended, with additional modifications as appropriate.

- 1) A-4 Dividends and Assessments
- 2) C-1 Crime Program Member Allocation Formula
- 3) L-3 Legal Counsel Selection
- 4) L-5 Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations
- 5) L-8 Liability Program Member Allocation Formula
- 6) P-1 Property Program Member Allocation Formula
- 7) W-1 Workers' Compensation Member Allocation Formula
- 8) W-2 Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less

- 4. **Carl Warren & Company Third Party Liability Claims Administrator Contract Renewal** **A** p. 105
The Committee will be asked to approve a two-year extension to the existing contract with Carl Warren & Company for claims administration.

- 5. **AOA Annual Conference – Risk Management Sessions** **A** p. 121
The Committee will be asked to discuss the proposed Risk Management Sessions for the 2020 AOA Conference and how the six free conference registrations will be used.

- 6. **CSURMA AORMA Committee Election Results** **I** p. 122
The Committee will review the election results for the AORMA Committee term July 1, 2019 to June 30, 2021

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| 7. | Workers' Compensation Coverage for Volunteers
<i>The Committee will hear an update regarding workers' compensation for volunteers for those members who do not currently purchase workers' compensation coverage.</i> | I | <i>p. 125</i> |
| 8. | SportRisk Recreation Center Best Practices Assessment
<i>The Committee will review the SportRisk proposal and take action as appropriate.</i> | A | <i>p. 133</i> |
| 9. | FY 2018/19 AORMA Long Range Action Plan
<i>The Committee will hear an update regarding the item within the FY 18/19 AORMA Long Range Action Plan</i> | I | <i>p. 137</i> |
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| G. | INFORMATION ITEMS | | |
| 1. | CSURMA AORMA 2019 Meeting Calendar | | <i>p. 142</i> |
| 2. | CSURMA AORMA Program Administrator Contact Lists | | <i>p. 144</i> |
| 3. | CSURMA AORMA Committee Contact List | | <i>p. 157</i> |
| 4. | AORMA Travel Reimbursement Policy | | <i>p. 159</i> |
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| H. | ADJOURNMENT | | |

The next AORMA Committee meeting is scheduled for September 4 and 5, 2019 at the Alliant Office in San Diego, CA. Please contact Mimi Long mlong@alliant.com or Tevea Him thim@alliant.com with questions.

APPROVAL OF THE AGENDA

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MINUTES – MARCH 7, 2019

ISSUE: The Committee will be asked to review and approve the draft minutes from its March 7, 2019 meeting.

RECOMMENDATION: It is recommended that the Committee approve the minutes from its March 7, 2019 meeting, including corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA Committee Meeting Minutes – March 7, 2019

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING**

MARCH 7, 2019

**ALLIANT INSURANCE SERVICES
1301 DOVE STREET, 2ND FLOOR • NEWPORT BEACH, CA**

10:00 AM

MEMBERS PRESENT

Dwayne Brummett, Associated Students, Inc. at San Luis Obispo
Chuck Kissel, CSU Fullerton Auxiliary Services Corporation
Starr Lee, The University Corporation at Monterey Bay
Dave Nakamura, Humboldt State University Center
Bill Olmsted, University Union Operation of CSU Sacramento
Cecilia Ortiz, Loker Student Union, CSU Dominguez Hills
Russ Wittmeier, The CSU, Chico Research Foundation (*via Teleconference*)

MEMBERS ABSENT

Trina Knight, University Enterprises, Inc., CSU Sacramento
Bella Newberg California State University San Marcos Corporation
Leslie Levinson, San Diego State Research Foundation (*via Teleconference until 11:20 am; non-voting*)

STAFF, GUESTS AND CONSULTANTS

Yumi Augustus, Carl Warren and Company
Zachary Gifford, CSU Office of the Chancellor – Systemwide Risk Management
Tevea Him, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc.
William Hsu, CSU Office of the Chancellor – General Counsel
Susan Leung, Alliant Insurance Services
Mimi Long, Alliant Insurance Services, Inc.
John Owen, Alliant Risk Control Services
Robin Webb, CSU Office of the Chancellor – General Counsel

A. CALL TO ORDER

The meeting was called to order by the Chair, Dwayne Brummett at 10:33 AM. Russ Wittmeier agreed to abstain from voting on all action items.

A1. Approval of the Agenda

A motion was made to approve the agenda.

Motion: Bill Olmsted
Second: Cecilia Ortiz

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

MOTION CARRIED

B. PUBLIC COMMENTS

There were no comments from members of the public.

William Hsu introduced Robin Webb, CSURMA’s new Co-General Counsel. Daniel Howell introduce Susan Leung, as a new member of the CSURMA team.

C. CONSENT CALENDAR

- C1. Approval of Minutes - December 6, 2018**
- C2. FY 2018/2019 CSURMA Midterm Budget Amendments**

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

Motion: Dave Nakamura
Second: Bill Olmsted

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

MOTION CARRIED

D. CLOSED SESSION

1. O’Shea v. San Diego State Research Foundation
2. Wattenburg v. Chico Research Foundation
3. Bennett v. San Diego Associated Students
4. Katagiri v. San Diego State Research Foundation
5. DeBellis v. Sacramento Associated Students
6. Littles v. Chico Research Foundation
7. Richardson adv. CSU (LA) & UAS Food Services

A motion was made to enter closed session at 10:37 A.M.

Motion: Starr Lee
Second: Cecilia Ortiz

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

MOTION CARRIED

The Committee came out of closed session at 11:19 AM. The Chair reported that action was taken on Littles v. Chico Research Foundation during closed session.

Motion: Starr Lee
Second: Bill Olmsted

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

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

MOTION CARRIED

E. GENERAL ADMINISTRATION

E1. Excess Insurance Renewals and Underwriter Meetings Report

Daniel Howell provided an overview of the recent meetings with Excess Liability’s underwriters. At this time the Program Administrator anticipates the major programs will renew as shown in Table 1 below.

Table 1

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

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 possibly rate increases in the excess layers due to catastrophic losses impacting the entire marketplace. Property losses to both the AORMA and Campus programs have increased in the past three years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years will likely be again partially eroded by increases this coming renewal. CSURMA has an existing two-year rate agreement with CSAC EIA for workers’ compensation. The Committee will be reviewing rates for FY 20/21 later today. The builders risk program is stable and Staff expects a flat rate renewal; however, general market pressures due to catastrophic property losses may result in an increase. Rates are down 25% in recent years. The fine arts program was launched in 2016 and Staff anticipates underwriters will require a rate increase due to the high loss ratio. SPLIP and SAFECLIP are performing exceptionally well with no losses and rates will likely be stable and possibly drop. The FTIP loss ratio has stabilized at a level acceptable to underwriters. Staff expects a flat rate renewal. The aviation programs have had no losses and the market is stable. Staff expects a flat rate renewal or slight decrease; however, general market firming may come into play. Fidelity claims have

remained low and Staff expects a premium decrease on renewal unless new claims materialize prior to renewal.

Staff is actively marketing the programs and negotiating renewal terms. Meetings with key underwriters have been set for April 1-2, 2019 with London markets and May 13-17, 2019 with New York and Bermudan markets.

E2. FY 2019/2020 CSURMA Operating Budget

The Committee reviewed the FY 19/20 CSURMA Budget. Major features of the proposed AORMA budget include:

- 1.5% decrease in Total Operating Revenues from \$9,436,051 to \$9,291,783.
- 1.6% increase in Total Operating Expenses from \$11,651,063 to \$11,837,078.
- 2.6% decrease in Non-Operating Revenue decreases from \$410,040 to \$399,226.
- Net Surplus increases -\$1,804,972 (*deficit*) to -\$2,146,069 (*deficit*).
- Retained Earnings decreases from \$18,032,236 to \$15,886,167 at June 30, 2020.

The proposed budget is estimated to produce a Net Deficit of \$2,146,069. Retained Earnings is estimated to decrease from \$18,032,236 to \$15,886,167 at June 30, 2020.

A motion was made to recommend approval of the FY 19/20 CSURMA budget to the Executive Committee.

Motion: Cecilia Ortiz
Second: Starr Lee

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

MOTION CARRIED

E3. Liability Claims Administration Audit

It is the policy of CSURMA AORMA that its third-party claims administrators (TPAs) be audited on a biennially basis to ensure that CSURMA is receiving high quality services. Bickmore Risk

Services (BRS) performed the last claims audits for the AORMA Liability Program in 2017. Staff solicited proposals from BRS to perform the liability claims administration audit in the summer of 2019.

The proposed audit fee is \$6,500 which is an increase from \$5,000 in 2017. The increase is due to Carl Warren & Company’s claims system. The auditor notes that their Claims Management Information System is challenging and results in additional time expended. The auditor has agreed to increase the number of files reviewed from 30 to 40 to offset the cost increase.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to engage BRS to conduct the AORMA liability program claims administration audit in 2019.

Motion: Starr Lee
Second: Chuck Kissel

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

MOTION CARRIED

E4. Development of Recreation Center Good Practices

The current FY 18/19 AORMA Long Range Action Plan includes the creation of a Recreation Center good practices manual. John Owen from Alliant Risk Control Consulting (ARCC) has completed the following tasks/actions to complete this project:

1. Survey Campus and Auxiliary members to see what is currently in place
2. Research standards and guidelines published by industry experts
3. Identify Recreation Center Good Practices
4. Send out another request to all AORMA members to obtain copies of rec center practices currently in place
5. Inventory all information obtained

The Committee discussed the possibility of getting Ian McGregor, from SportRisk, involved in this endeavor as he has previously worked with 10 campuses and provided best practices assessment surveys.

The Committee directed Staff to;

1. *Obtain a formal proposal from SportRisk to complete best practices assessment surveys of all CSU Recreation Centers, and*
2. *Formalize a scope of work for the project.*

E5. Alliant Risk Control Consulting Renewal Contract Proposal for FY 2019/2022

The contract with Alliant Risk Control Consulting is due to expire on June 30, 2019. The Committee reviewed a three-year renewal proposal. The ARCC services will be charged at \$193.50 per hour, with the total annual hours not to exceed 646 or \$125,000 and the total three-year hours not to exceed 1,938 or \$375,000. Shown below are the historical costs for ARCC as well as the projected costs for FY 19/20, 20/21 and 21/22.

Alliant Risk Control Consulting Historical Fee Schedule			
Fiscal Year	Per Day Cost	Hourly Cost	Annual Cost
FY 09/10	\$1,500	Various	\$87,465
FY 10/11	\$1,545	Various	\$85,005
FY 11/12	\$1,450	\$181.25	\$58,000
FY 12/13	\$1,450	\$181.25	\$72,500
FY 13/14	\$1,450	\$181.25	\$102,000
FY 14/15	\$1,450	\$181.25	\$87,000
FY 15/16	\$1,450	\$181.25	\$87,000
FY 16/17	\$1,550	\$193.75	\$93,000
FY 17/18	\$1,500	\$193.75	\$93,000
FY 17/18	\$1,500	\$193.75	\$113,000
FY 18/19	N/A	\$193.50	\$130,000
FY 19/20	N/A	\$193.50	\$125,000
FY 20/21	N/A	\$193.50	\$125,000
FY 21/22	N/A	\$193/50	\$125,000

AORMA has had a contract with ARCC since 2006 and the scope of service has been similar over the years. The contract is serviced by John Owen, Tim Leech and Kristi Loiselle from Alliant Risk Control Consulting.

A motion was made to approve the agreement as presented with the total annual hours not to exceed 646 or \$125,000 and the total three-year hours not to exceed 1,938 or \$375,000 and to delegate authority to the General Counsel and CSURMA Secretary-Auditor to finalize and execute the contract.

Motion: Starr Lee
Second: Bill Olmsted

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

MOTION CARRIED

E6. Maximum Allowable Hourly Rate for Legal Counsel

In accordance with Policy and Procedure L-3 - Legal Counsel Selection - the TPA will, at least every 36 months, survey legal counsel compensation and recommend to the AORMA Committee a fair and equitable maximum allowable hourly rate. Yumi Augustus and Zachary Gifford both recommended keeping the maximum allowable rate the same which is \$225 and \$275 for **specialty** legal counsel. Both Augustus and Gifford agree there are plenty of well-qualified attorneys who are willing work with the CSU using the allowable maximum rates. Augustus and Gifford also noted that they are working on expanding the current list of approved legal counsel.

A motion was made to approve the maximum allowable hourly rate for legal counsel of \$225 and \$275 for specialty legal counsel.

Motion: Bill Olmsted
Second: Cecilia Ortiz

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

MOTION CARRIED

E7. Humboldt State University Real Estate Holdings – Request for Coverage Extension

AORMA Policy and Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations – allows an AORMA member to extend liability coverage to an entity it exercises substantial control over. Humboldt State University Real Estate Holdings (REH) is a California nonprofit corporation created in 2016 by the Humboldt State University Advancement Foundation as a supporting organization under Section 509(a)(3) of the Internal Revenue Code in order to accept, hold, and manage certain real property on behalf of the Advancement Foundation and the University. It is governed by a Board of Directors, all of whom are appointed by the Advancement Foundation. It makes charitable grants and distributions only to the Advancement Foundation.

No fiscal impact is expected from action taken by the Committee. Staff does not expect the extension of coverage to increase the risk exposures retain within the AORMA liability self-insured program. The exposures to loss are currently covered by the Advancement Foundation.

HSU Real Estate Holdings currently owns two buildings that are leased back to the Foundation. The Foundation purchases the property insurance for both locations and reports the appropriate loss exposures within the liability program for the Samoa property and will add square footage for the Granite property.

HSU Real Estate Holdings - Owned Properties			
Address	Purpose	Property Insurance	Liability Insurance
570 Granite Avenue, Arcata	Multi-Family Residential Property	HSU Advancement Foundation	HSU Advancement Foundation
1601 Samoa Blvd., Arcata	Warehouse and Office	HSU Advancement Foundation	HSU Advancement Foundation

A motion was made to approve the extension of liability coverage to HSU Real Estate Holdings.

Motion: Chuck Kissel
Second: Bill Olmsted

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

MOTION CARRIED

E8. The Cal Poly Pomona Philanthropic Foundation – New Member

The Committee discussed the underwriting information for The Cal Poly Pomona Philanthropic Foundation, a new CSU auxiliary organization in the formation process.

Table 1

Coverage Program	Annual Premium	
	FY 18/19	FY 19/20
Property	-	-
Liability	2,474	2,845
Crime	572	572
Excess Cyber Liability	28	28
Total	\$ 3,074	\$ 3,445

The annual costs will be pro-rated based on the inception date of coverage.

A motion was made to approve The Cal Poly Pomona Philanthropic Foundation as a new CSURMA AORMA member subject to Chancellor’s Office’s final approval.

Motion: Starr Lee
Second: Cecilia Ortiz

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

MOTION CARRIED

E9. Workers’ Compensation Coverage for Volunteers

Staff has been working with CSAC-EIA to obtain approval to expand the AORMA workers’ compensation program to include as named insureds all AORMA members even those Members

with no employees. This program change will allow members (with no employees) to extend workers’ compensation coverage to their Board members as well as their volunteers.

The Committee agreed that the cost allocation will be based on the following:

- Annual number of volunteers; and,
- The percentage breakdown between physical and non-physical activities.

Staff will complete the following tasks, once final approval from CSAC-EIA is received:

1. *Propose to the AORMA Committee pricing based on the cost allocation noted above,*
2. *Request underwriting information from members who are not currently participating in the AORMA workers’ compensation program,*
3. *Send individual pricing information to interested members,*
4. *Update the AORMA workers’ compensation memorandum of coverage as appropriate.*

E10. Liability Program Member Allocation for FY 19/20

Staff noted that at its meeting in December, 2018, the AORMA Committee approved the Liability Program Member Allocation and the allocation factors for FY 19/20. Subsequent to the Committee’s approval, Staff discovered and corrected an error in the calculation. The FY 18/19 costs were not accurately reflected in the FY 19/20 allocation which had an impact on the collaring section of the allocation. The FY 19/20 Liability Program Member Allocation has been corrected and was presented for the Committee’s approval.

The FY 19/20 Liability Program Member Allocation results in total costs of \$4,540,155 which is a 9% increase compared to the funding for FY 18/19 of \$4,164,118.

A motion was made to approve the revised FY 19/20 Liability Program Member Allocation as presented. The allocation factors which were approved in December 2019 did not change.

Motion: Starr Lee
Second: Dave Nakamura

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

MOTION CARRIED

E11. Equifax Proposal for I-9 Management Services

Equifax became the AORMA Unemployment Insurance Program's claims administrator effective July 1, 2018. Equifax has provided a proposal for its I-9 Management Services. There is no cost to CSURMA. AORMA members can choose to participate in the program. The members will be responsible for all costs and there will be no cost sharing between Members. Included in the latest proposal, the cost per Member is a one-time set-up fee of \$1,000 and a per I-9 fee of \$2.55 subject to a minimum of 450 I-9's annually (or a \$1,150). This may work for the larger members, but may not be feasible for the smaller members.

The Equifax I-9 Management Services is being offered to all AORMA Members under a master contract to be approved by CSURMA. Each Member only needs to sign a separate Participation Agreement.

1. **Form I-9:** Federal law requires that every employer who hires an individual for employment in the United States must complete Form I-9 - Employment Eligibility Verification.
2. **E-Verify:** The United State Department of Homeland Security website that allows businesses to determine the eligibility of their employees. E-Verify is voluntary in California, but is required for employees engaged in federal contracts.
3. **The Work Number:** Provides employment verification and unemployment separation information.

Because AORMA is not being asked to pay any of the costs for this contract, and there is no sharing of costs between members, the Committee felt, these services should be negotiated by the AOA HR Committee.

The Committee directed Staff to forward information to the AOA HR Committee to see if they would like to pursue a contract directly.

E12. Development of Scooters Accidental Medical Expense Program

The Executive Committee will be evaluating the development of a systemwide "no-fault" accidental medical expense program for students riding electric scooters on Campus. Electric scooters are becoming more commonplace and their usage on campus varies greatly. An informal online survey of Campuses finds that some do not allow use of scooters and some allow use with restrictions.

The AORMA Committee is being asked to weigh-in on the formation of this type of program.

The Committee directed Staff to provide its recommendation to the Executive Committee. The AORMA Committee noted that it was not in favor of creating a system-wide program.

E13. CSAC-EIA Workers’ Compensation Renewal Options

CSURMA has been participating in the CSAC EIA primary workers’ compensation program since January 1, 2015. In March, 2018, CSURMA accepted terms to renew both the Campus WC and AORMA WC program for a new two-year period FY 18/19 and FY 19/20 in return for a guaranteed rate. Upon review of CSURMA’s collective loss experience and the actuary’s projections for, staff asked EIA to revise its renewal terms for FY 19/20, and extend the two-year plan to FY 20/21. The Committee reviewed the rate proposal for FY 19/20 through FY 20/21. The WC rate was lower from 1.0001 to .9407 for the AORMA WC program.

A motion was made to recommend approval to the Executive Committee of CSAC EIA’s revised program terms and to extend CSURMA’s commitment to participate in the CSAC EIA primary workers’ compensation program for FY 19/20 and FY 20/21.

Motion: Starr Lee
Second: Dave Nakamura

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

MOTION CARRIED

F. INFORMATION ITEMS

- F1. FY 2018/2019 AORMA Long Range Action Plan**
- F2. CSURMA AORMA 2019 Meeting Calendar**
- F3. CSURMA AORMA Program Administrator Contact Lists**
- F4. CSURMA AORMA Committee Contact List**
- F5. AORMA Travel Reimbursement Policy**

The Committee reviewed the information items but there was no discussion.

H. ADJOURNMENT

The meeting was adjourned at 1:13 PM.

CSURMA AORMA BENEFITS PROGRAM REPORT

ISSUE: The Committee Members will hear a verbal report on recent activities.

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

FISCAL IMPACT: None.

BACKGROUND: Alliant will be holding a webinar for the Benefit Users Group in early May to address the following topics:

- Recap and close out any outstanding implementation challenges
- Announce the new formal name of the group
- Request nominees for 3 voting members
- Answer questions / respond to concerns from HR, Executive Directors, and any other Leadership Management members

PUBLICATION: None.

ATTACHMENT(S):

- a. 2019 CSURMA AORMA Benefits Program Brochure
- b. Letters to CSURMA Benefits Program Participants regarding transition difficulties

2019

CSURMA Benefits Program



California State University Risk Management Authority

EAP

AD&D

LIFE

LTD

DENTAL

VISION

MEDICAL



The Chancellor's Office staff and representatives of Auxiliary Organizations within the CSU have been developing a systematic approach to managing risk exposures now prevalent across CSU campuses. One avenue of reform has been to restructure the overall risk management program on a more collaborative basis. Special legislation was obtained to permit both the CSU as a state agency, and Auxiliary Organizations as separate nonprofit corporations, to create a quasi-public entity to establish and perform pooled group insurance and related risk management functions for the benefit of all who elect to join the new entity and to participate therein. On January 1, 1997, the CSURMA (California State University Risk Management Authority) was formed by the CSU and those qualified Auxiliary Organizations that opted to join with intentions to participate in the risk management programs to be offered by the Authority. The CSURMA presently has several risk management programs in effect including the Pooled Liability Program, the Pooled Worker's Compensation Program, the IDL/NDI/UI Program, the Property Program, the Athletic Injury Medical Expense (AIME) Program and the Auxiliary Organizations Risk Management Alliance (AORMA) (refer to JPA Structure, Section C). The first three programs are designed for participation by CSU campuses, the Property and the AIME programs are designed for both campus and Auxiliary Organizations participation, and the latter program for participation by only the Auxiliary Organizations. One of the primary goals of the CSURMA is to develop a forum for the Auxiliary Organizations and the CSU to develop strategies that streamline and integrate the risk management practices of the CSU system.

AORMA

Auxiliary Organizations Risk Management Alliance (AORMA) was established to provide group purchase comprehensive business insurance coverages for the CSU's Auxiliary Organizations. Participation in the programs is voluntary. Coverages provided include liability, workers' compensation, property, crime, unemployment insurance, auto physical damage, participant accident insurance, and as of 2019, health and welfare benefits.

CSURMA AORMA BENEFITS PROGRAM

AORMA Committee and the Executive Committee approved the formation of CSURMA AORMA Employee Benefits Program in October, 2017. Now, the AOA Benefits User Group can purchase benefits through CSAC EIA.

CSAC EIA

Established in 1979, CSAC Excess Insurance Authority (EIA) is a risk sharing pool dedicated to controlling losses and providing effective risk management solutions. EIA is a member directed pool. Membership in Property & Casualty and Employee Benefit coverages has expanded to include 95% of counties, 60% of cities, as well as numerous school districts, special districts, housing authorities, fire districts, and other Joint Powers Authorities.

Employee Benefit Coverages Offered through CSAC EIA

- Medical (EIA Health)
- Dental (Delta Dental)
- Vision (VSP)
- Life / Disability* (Cigna / Voya)
- EAP* (MHN)

EIA Health

- EIA Health is a self-funded Medical Purchasing Program offered to Counties, Cities and Special Districts since 2003
- EIA Health Membership includes approx. 33,800 employees in 2018 and is growing
- EIA Health offers a combined risk pool of over 300,000 members
- CSAC EIA signed a risk and marketing contract with SISC (Self Insured Schools of California) in 2006
 - This resulted in combined lower costs while covering more than 400 agencies in 40 counties and 300,000 members
- Second largest purchasing coalition in the state of California after CalPERS
- This partnership has created:
 - Greater volume for wholesale pricing on administrative costs
 - Financial stability through balanced renewals, with less year-to-year rate volatility
 - Pooled renewal increases for 2019 plan year at 3.97% for medical, -3.4% for dental, with rate passes for Vision, Life & Disability

2019 CSURMA Benefit Plans Offered

- **Kaiser Medical:** High/Low Plans; Medicare Retiree Plan
- **Anthem Medical:** High/Low PPO; Full Network HMO; Narrow Network HMO; Medicare Retiree PPO with Part D
- **Delta Dental:** 3 DHMO Options; 3 Premier PPO options
- **VSP Vision:** 4 Plan Options
- **Hartford Life & Disability:** Currently not through EIA; custom plans and rates available

Plan Selections and Combinations Guidelines	
Plan Selection	Subject to underwriting review and approval: <ul style="list-style-type: none"> • 2-100 enrolled lives: 2 plans + 1 Kaiser plan • 101+enrolled lives: standard is 3 plans + 1 Kaiser plan
Plan Combinations	<ul style="list-style-type: none"> • 2-100 Only one HMO or HDHP plan may be offered (excludes Kaiser) • 101+ Two or more HMO or HDHP plans require Underwriting approval (excludes Kaiser)

Value Adds through EIA Health & Alliant

- Diabetes Prevention Program
- Carrum Health: Surgical Benefit for PPO participants with \$0 Copays at Centers of Excellence. Surgeries offered through Carrum:
 - Hip / Knee Replacement
 - Cervical / Lumbar Spinal Fusion
 - Coronary Bypass Surgery
 - Bariatric Surgery
 - **NEW:** Shoulder, elbow, wrist, hand, ankle, foot, spine (*April 2018*)
 - Wellness Dollars from participating medical carriers (Anthem, Kaiser)
- Online Benefits Administration services (no employee self-service in 2019)
- COBRA & FSA Administration included for groups participating in EIA medical

Eligibility Requirements for Medical Benefits

- 1 Entity must be members of AORMA.
- 2 Entity must have a minimum of two full-time active employees to join. An active employee is an employee who is eligible for enrollment in employee sponsored benefits paid for by the Entity. Part-time employees may be covered only if they are currently part of the benefit-eligible population and work a minimum of twenty hours weekly.
- 3 Active employees: Entity must contribute a minimum of 75% of the cost for active employees.
- 4 Dependents: If the Entity offers coverage to dependents, it is recommended the Entity contribute a minimum of 50% of the cost for dependents.
- 5 Retirees: Entity may offer coverage to retirees.
- 6 Public Officials: Entity's public officials (board Members, etc.) may participate in the program only if they are currently being covered and Entity's enabling act, plans and policies allow it. Entity is required to cover 100% of the cost for public officials when covering their medical benefits. Participation for public officials is limited to their term of office.
- 7 Entity must have at least 75% of eligible employees (and public officials if they are covered) enrolled in order to participate. Public officials, retirees and dependents may not be covered unless active employees are covered.
- 8 Medical benefit premiums are based on a full month. Medical benefits will begin the first day of the month following notification of enrollment. There are no partial months or prorated premiums. Each Entity can establish the waiting period for medical benefits to become effective.
- 9 The maximum dependent child age is 26. Disabled dependent children are not subject to the dependent age restrictions; however, a verification form will be required certifying the disability.
- 10 Each prospective new Entity must complete and submit an Interest Form, Entity Enrollment Form and Large Claimant Disclosure Form detailing any knowledge of and information pertaining to large and/or ongoing claims. Each Entity is subject to underwriting review and may or may not be accepted for coverage.
- 11 Entity's governing body must approve a resolution authorizing participation in CSURMA health benefits program and exclude the Memorandum of Understanding (MOU).
- 12 Once an Entity is approved by the underwriter and has submitted all required documentation to join the program including the MOU and resolution, the participants should receive their medical identification cards and plan booklets within three weeks.

- 13 Entities selecting one of the HDHP High Deductible Plans (HSA Compatible) are responsible for adhering to IRS rules and regulations and maintenance of the HSA account. CSURMA does not provide this service but can provide contact information for a financial institution that is currently providing this type of service.
- 14 Not all Plans will be offered and available to Entities joining the medical benefits program.
- 15 The Access+ HMO 15 and 20 Plans are not available in all areas. Please check with CSURMA at the time you are submitting your request for underwriting approval to see if CSURMA the HMO plans are available in your area.

The underwriting process may take up to two weeks for completion.

Medicare Benefits Eligibility

To enroll in Medicare you must be at least age 65 or older. Medicare Supplemental Plans are designed specifically for members enrolled in EIA health benefits program who are also enrolled in Parts A (hospital insurance), B (medical insurance) and D (prescription enrollment completed by Express Scripts) of Medicare.

Value-Added Program Features

- 1 Easy Switch From Prior Plans
- 2 Simple Enrollment Process
- 3 Fixed Rates – Not Based on Age
- 4 Cobra Administration Assistance
- 5 Consolidated Billing
- 6 Pooled Renewal Rating to Ensure More Predictable Rates

Additional Fees

Base TPA fees are included in the rates shown in the Rate Proposal. **However, there are additional TPA fees that are NOT included in the proposed rates shown, including consolidated billing fees, etc. These fees will be billed separately.**
 BCC: \$0.50 per medical subscriber is not included in rates. This additional fee is for administration of Dental and/or vision plans and is not charged per ancillary coverage.



Active / Early Retiree Medical Benefits Summaries – Kaiser Permanente

DEDUCTIBLES/CO-INSURANCE/MAXIMUM	Kaiser \$15	Kaiser \$20
Calendar Year Deductible(s) (Individual/Family)	None	None
Maximum Medical Out of Pocket (Individual/Family)	\$1,500 / \$3,000	\$1,500 / \$3,000
Services/Coverages	Participating Providers (Member Pays)	Participating Providers (Member Pays)
Inpatient Hospital Room, Board & Support Services (prior authorization required)	No Charge	No Charge
Ambulatory Surgery Center	\$15 per procedure	\$20 per procedure
Emergency Room	\$100 per visit (waived if admitted)	\$100 per visit (waived if admitted)
Physician Benefits (Office Visits / Urgent Care)	\$15 copay	\$20 copay
Preventive Care	No charge	No charge
Acupuncture	Not covered	Not covered
Durable Medical Equipment	20%	20%
Hospice	No charge	No charge
Ambulance	\$100 per trip	\$100 per trip
Home Health Care 100 visits/year (prior authorization required)	No charge	No charge
Chiropractic Services (30 visits per calendar year)	\$10 copay	\$10 copay
Prescription Drugs	Kaiser Generic / Brand / Specialty	Kaiser Generic / Brand / Specialty
Retail - 30 day supply	\$10 / \$30 / 20% up to \$150	\$10 / \$30 / 20% up to \$150
Mail Order - 100 day supply	\$20 / \$60 / NA	\$20 / \$60 / NA

THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS. NON-PARTICIPATING PROVIDER MEMBER COST MAY NOT APPLY TO MAXIMUM OUT OF POCKET COSTS



Active / Early Retiree Medical Benefits Summaries – Anthem HMO

DEDUCTIBLES/CO-INSURANCE/MAXIMUM	Select HMO \$15	CA Care HMO \$20
Calendar Year Deductible(s) (Individual/Family)	None	None
Maximum Medical Out of Pocket (Individual/Family)	\$1,500 / \$3,000	\$1,500 / \$3,000
Services/Coverages	Participating Providers (Member Pays)	Participating Providers (Member Pays)
Inpatient Hospital Room, Board & Support Services (prior authorization required)	\$100 per admission	\$200 per admission
Outpatient Surgery	\$50 per procedure	\$100 per procedure
Emergency Room	\$100 per visit (waived if admitted)	\$100 per visit (waived if admitted)
Physician Benefits (Office Visits / Urgent Care)	\$15 copay	\$20 copay
Preventive Care	No charge	No charge
Acupuncture	Not covered	Not covered
Durable Medical Equipment	20%	20%
Hospice	No charge	No charge
Ambulance	\$100 per trip	\$100 per trip
Home Health Care 100 visits/year (prior authorization required)	\$15 copay	\$20 copay
Chiropractic Services (limited to 60 days per year, combined with PT/OT)	\$15 copay	\$20 copay
Prescription Drugs	Anthem Generic / Brand Preferred / Brand Non- Preferred / Specialty	Anthem Generic / Brand Preferred / Brand Non-Preferred / Specialty
Pharmacy Deductible (Individual/Family)	\$100 / \$300 (waived for generic)	None
Retail - 30 day supply	50% up to \$10/ 45% up to \$25 / 45% up to \$40 / 20% up to \$150	\$5 / \$20 / \$60 / 20% up to \$150
Mail Order - 90 day supply	50% up to \$20 / 45% up to \$50 / 45% up to \$80 / 20% up to \$300	\$5 / \$40 / \$120 / 20% up to \$300

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Active / Early Retiree Medical Benefits Summary – Anthem PPO

DEDUCTIBLES/CO-INSURANCE/MAXIMUM	Anthem PPO Plan 90		Anthem PPO Plan 80	
Calendar Year Deductible(s) (Individual/Family)	\$500 / \$1,000	\$500 / \$1,000	\$500 / \$1,000	\$500 / \$1,000
Maximum Medical Out of Pocket (Individual/Family)	\$2,500 / \$5,000	\$2,500 / \$5,000	\$3,500 / \$7,000	\$3,500 / \$7,000
Services/Coverages	Participating Providers (Member pays)	Non-Participating Providers (Member pays)	Participating Providers (Member pays)	Non-Participating Providers (Member pays)
Inpatient Hospital Room, Board & Support Services (prior authorization required)	10% after ded.	40% after ded.	20% after ded.	40% after ded.
Outpatient Surgery	10% after ded.	40% after ded.	20% after ded.	40% after ded.
Emergency Room	\$50 copay + 10% after ded. (copay waived if admitted)		\$50 copay + 20% after ded. (copay waived if admitted)	
Physician Benefits (Office Visits / Urgent Care)	\$20 copay	40% after ded.	\$20 copay	40% after ded.
Preventive Care	No charge	40% after ded.	No charge	40% after ded.
Rehabilitation Service (in an office location)	10% after ded.	40% after ded.	20% after ded.	40% after ded.
Acupuncture (limited to 20 visits per year)	\$20 copay	40% after ded.	\$20 copay	40% after ded.
Durable Medical Equipment	10% after ded.	40% after ded.	20% after ded.	40% after ded.
Hospice	No charge	40% after ded.	No charge	40% after ded.
Ambulance	10% after ded.		20% after ded.	
Home Health Care -100 visits/year (prior authorization required)	10% after ded.	40% after ded.	20% after ded.	40% after ded.
Chiropractic Services (limited to 30 visit per year)	\$20 copay	40% after ded.	\$20 copay	40% after ded.
Prescription Drugs	Express Scripts Generic / Brand Preferred / Brand Non-Preferred / Specialty		Express Scripts Generic / Brand Preferred / Brand Non-Preferred / Specialty	
Prescription Maximum Out of Pocket	\$1,500 / \$3,000		\$2,350 / \$4,700	
Retail - 30 day supply	\$5 / \$20 / \$60 / 20% up to \$150		\$5 / \$20 / \$60 / 20% up to \$150	
Mail Order - 90 day supply	\$5 / \$40 / \$120 / 50% up to \$300		\$5 / \$40 / \$120 / 50% up to \$300	

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Medicare Retiree Medical Benefits Summary – Kaiser Permanente Senior Advantage (KPSA)

DEDUCTIBLES/CO-INSURANCE/MAXIMUM	KPSA HMO with Part D
Calendar Year Deductible(s) (Individual/Family)	None
Maximum Medical Out of Pocket	\$1,500 per member
Services/Coverages	Participating Providers (Member pays)
Inpatient Hospital Room, Board & Support Services (prior authorization required)	No charge
Non-Emergency Outpatient Services: Ambulatory Surgery Center Hospital Facility Outpatient Treatment	\$10 per procedure
Emergency Room	\$50 per visit (waived if admitted)
Preventive Care	No charge
Office visits	\$10 copay
Durable Medical Equipment	No charge
Ambulance	No charge
Home Health Care 100 visits/year (prior authorization required)	No charge
Chiropractic Services (Combined with Acupuncture)	Not covered
Acupuncture (combined with Chiropractic)	No covered
Prescription Drugs	See Medicare Part D Summaries on page 10

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Medicare Retiree Medical Benefits Summary – Anthem PPO

DEDUCTIBLES/CO-INSURANCE/MAXIMUM	Anthem Premier PPO with Part D (Member Pays)	
Calendar Year Deductible(s)	\$150 per member	\$150 per member
Maximum Medical Out of Pocket	\$5,000 per member	\$5,000 per member
Services/Coverages	Participating Providers (Member pays)	Non-Participating Providers Member Pays)
Inpatient Hospital Room, Board & Support Services (prior authorization required)	\$500 copay per admission	\$500 copay per admission
Non-Emergency Outpatient Services: Ambulatory Surgery Center Hospital Facility Outpatient Treatment	\$150 copay per admission	\$150 copay per admission
Emergency Room	\$75 copay (waived if admitted)	\$75 copay (waived if admitted)
Preventive Care	No charge	No charge
Office visits	\$15 copay	\$15 copay
Rehabilitation Service (outpatient)	\$30 copay	\$30 copay
Durable Medical Equipment	No charge	No charge
Ambulance	\$75 per trip	\$75 per trip
Home Health Care (limited to 100 per year)	No charge	No charge
Chiropractic Services (up to 20 visits per year)	\$20 copay	\$20 copay
Acupuncture	Not covered	Not covered
Prescription Drugs	See Medicare Part D Summaries on Page 10	

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Medicare D Pharmacy Plans

KPSA Pharmacy co-pay structure	Retail 30 Days	Retail 31-60 Day Supply	Retail 61-100 Day Supply	Mail Order 30 Day Supply	Mail Order 31-100 Day Supply
Generic	\$5	\$10	\$15	\$5	\$10
Brand	\$20	\$40	\$60	\$20	\$40

EGWP Prescription Program Structure

EGWP pharmacy co-pay structure	Retail 30 Days	Retail 60 Day Supply	Retail 90 Day Supply	Mail Order 90 Day Supply
Generic	\$5	\$10	\$15	\$10
Brand	\$20	\$40	\$60	\$40
Non Preferred	\$50	\$100	\$150	\$100

- **Kaiser Medicare Part D program offered through Kaiser Permanente Senior Advantage (KPSA)**
- **Anthem PPO Medicare Part D offered through the Employer Group Waiver Program (EGWP) from Express Scripts (ESI)**

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2019 - Monthly Plan Rates

Kaiser Permanente Senior Advantage KPSA HMO with Part D RX Coverage Medical Plan Rates

Kaiser Permanente Senior Advantage (KPSA) HMO with Part D Rx Coverage*	KPSA Southern CA (Total Rate)	KPSA Northern CA (Total Rate)
Single (Medicare)	\$259	\$389
Two Party (Both Medicare)	\$504	\$778

** The KPSA plan is for agencies that offer Medicare retirees the Kaiser plan option. The KPSA plan is for Kaiser retirees, their spouse and/or dependents of retirees that are enrolled in Medicare Part A and Part B. If a retiree, their spouse and/or dependent have a combination rate where a participant in their family does not have Medicare, the participant without Medicare will be covered under the Kaiser HMO 15 or Kaiser HMO 20 plan depending on the agency's offering.*

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2019 - Monthly Plan Rates
Medicare Supplemental Plans (EGWP)**
Medical Plan Rates

Medicare Supplemental Plans (EGWP) Rates	PPO Medicare COB EGWP Southern CA	PPO Medicare COB EGWP Northern CA
Single* (Retiree with Medicare)	\$364	\$425
Two Party (Retiree + Dependent both with Medicare)	\$728	\$850
*Family (All Medicare – (Reflects rate for 3 Medicare enrolled)	\$1,018	\$1,190

**This rate increases for every family member enrolled in Medicare by the single Medicare rate.*

***EGWP = Employer Group Waiver Plans*

Medicare Supplemental Plans (EGWP)

CSURMA Medicare Supplemental Plans are available for retirees, retiree spouses and/or dependents. These plans are only available to retirees at least 65 or older who are also enrolled in Parts A (hospital insurance), B (medical insurance) and D (prescription enrollment completed by Express Scripts) of Medicare.

The rates shown in the table above show cost options based on coverage needs and combinations. Note these rates apply to in and out-of-state age 65 or older members. Program coverages remain the same whether Medicare Supplemental Coverages are Primary or Secondary.



2019 – Active / Early Retiree Monthly Medical Plan Rates

Southern CA	Plan Name	Employee	Employee + 1	Employee + 2 or More
	Kaiser 15	\$617	\$1,234	\$1,746
	Kaiser 20	\$600	\$1,201	\$1,699
	Anthem Select HMO 15	\$642	\$1,283	\$1,816
	Anthem CA Care HMO 20	\$705	\$1,410	\$1,996
	Anthem PPO 90	\$943	\$1,886	\$2,670
	Anthem PPO 80	\$881	\$1,763	\$2,495

Northern CA	Plan Name	Employee	Employee + 1	Employee + 2 or More
	Kaiser 15	\$707	\$1,414	\$2,001
	Kaiser 20	\$685	\$1,370	\$1,939
	Anthem Select HMO 15	\$732	\$1,464	\$2,072
	Anthem CA Care HMO 20	\$804	\$1,608	\$2,277
	Anthem PPO 90	\$1,076	\$2,151	\$3,046
	Anthem PPO 80	\$1,005	\$2,011	\$2,846

- The KPSA plan is for agencies that offer Medicare retirees the Kaiser plan option. The KPSA plan is for Kaiser retirees, their spouse and/or dependents of retirees that are enrolled in Medicare Part A and Part B. If a retiree, their spouse and/or dependent have a combination rate where a participant in their family is not Medicare eligible, the participant not eligible for Medicare will be covered under the Kaiser HMO 15 or Kaiser HMO 20 plan depending on the agency's offering. Retirees who are eligible for Medicare parts A&B but do not enroll in Medicare will have to pay a significantly higher rate. Rates for Medicare Eligible retirees that do not enroll in Medicare are not listed and can be provided upon request.

** Per Kaiser Guidelines: Entities located in Fresno County are subject to Northern CA rates

Rates shown are for active and retired employees, and public officials.



Dental Plan Summary

Rates Guaranteed through December 31, 2019

Dental Plan Premier PPO– Delta Dental

Dental Benefits – Delta Dental	EIA Option A		EIA Option B		EIA Option C	
	PPO	Premier / Non-PPO	PPO	Premier / Non-PPO	PPO	Premier / Non-PPO
Calendar Year Maximum	\$1,500	\$1,500	\$1,500	\$1,500	\$2,000	\$1,500
Calendar Year Deductible Waived for Diagnostic & Preventive	\$50 per member		\$50 per member		\$50 per member / \$150 per family	
Diagnostic and Preventive						
Oral Exam						
Routine Cleaning						
X-Rays	100%		100%	80%	100%	100%
Fluoride Treatment						
Space Maintainers						
Specialist Consultations						
Basic Services						
Fillings						
Endodontics (Root Canal)						
Periodontics (Gum Treatment)	75%		80%	80%	90%	80%
Tissue Removal (Biopsy)						
Extractions & Other Oral Surgery						
Sealants						
Major Services						
Crown Repair						
Inlays, Onlays						
Cast Restorations	50%		50%	50%	60%	50%
Bridges						
Partial and Full Dentures						
Orthodontics						
Eligible for Benefit	50% up to \$1,000 lifetime		50% up to \$1,500 lifetime		50% up to \$1,000 lifetime	
Lifetime Maximum						

Employer Contributes 51-100% of dependent cost

Employer Contributes 51-100% of dependent cost

Employer Contributes 51-100% of dependent cost

EIA Option A- Dental DPO

EIA Option B-Dental DPO

EIA Option C-Dental DPO

Dental Rates - Monthly	
Employee Only	\$42.80
Employee + 1 Dependent	\$85.60
Employee + 2 or More Dependents	\$132.60

Dental Rates- Monthly	
Employee Only	\$44.00
Employee + 1 Dependent	\$88.10
Employee + 2 or More Dependents	\$136.50

Dental Rates- Monthly	
Employee Only	\$49.30
Employee + 1 Dependent	\$98.70
Employee + 2 or More Dependents	\$152.90

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Dental Plan DHMO– Delta Dental

Dental Benefits – Delta Dental	DHMO – Plan 10A	DHMO – Plan 11A	DHMO – Plan 12A
Age Limitations	Dependents to Age 26	Dependents to Age 26	Dependents to Age 26
Diagnostic and Preventive			
Oral Exam			
Routine Cleaning	100%	100%	100%
X-Rays			
Fluoride Treatment			
Basic Services			
Amalgam Fillings (1-4 surfaces)	100%	100%	\$5 - \$20
Resin – One surface, anterior	100%	100%	\$22
Endodontics (Root Canal)	\$45	\$55	\$85
Endodontics (Therapeutic Pulpotomy)	100%	100%	\$15
Endodontics (Pulp Cap)	100%	100%	100%
Periodontics (Gingivectomy – per quadrant)	\$80	\$130	\$135
Periodontics (Osseous Surgery – per quadrant)	\$175	\$280	\$300
Periodontics (Scaling and Root Planning – per quadrant)	100%	\$25	\$40
Extractions & Other Oral Surgery (Impacted tooth: soft tissue)	\$25	\$50	\$55
Extractions & Other Oral Surgery (Impacted tooth: partial bony)	\$50	\$70	\$75
Extractions & Other Oral Surgery (Impacted tooth: full bony)	\$70	\$90	\$95
Sealants	\$5	\$10	\$10
Major Services			
Inlays, Onlays	100%	100%	\$45 - \$55
Crowns – Porcelain/Ceramic Substrate	\$195	\$240	\$295
Crown – Porcelain Fused to High Noble Metal	\$195	\$240	\$295
Crown – Full Cast High Noble Metal	\$170	\$210	\$260
Partial and Full Dentures			
Prosthodontics			
Complete - Upper or Lower	\$100	\$145	\$215
Immediate - Upper or Lower	\$120	\$165	\$235
Partial Denture - Upper or Lower	\$120	\$160	\$240
Orthodontics			
Child to age 19	\$1,700	\$1,700	\$1,700
Member over age 19	\$1,900	\$1,900	\$1,900

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Dental Plan DHMO– Delta Dental

Region 1: Los Angeles, Tulare, and Ventura Counties				
	DHMO Rates	Plan CA 10A	Plan CA 11A	Plan CA 12A
Employee Only		\$19.40	\$16.80	\$16.30
Employee + 1 Dependent		\$34.60	\$29.90	\$28.90
Employee + 2 or More Dependents		\$51.00	\$43.80	\$42.60

Region 2: Alameda, El Dorado, Fresno, Imperial, Kern, Kings, Lake, Madera, Monterey, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Mateo, and Santa Clara Counties				
	DHMO Rates	Plan CA 10A	Plan CA 11A	Plan CA 12A
Employee Only		\$19.40	\$16.80	\$16.30
Employee + 1 Dependent		\$34.60	\$29.90	\$28.90
Employee + 2 or More Dependents		\$51.00	\$43.80	\$42.60

Region 3: Alpine, Amador, Calaveras, Colusa, Contra Costa, Del Norte, Glenn, Inyo, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Nevada, Placer, Plumas, San Benito, San Francisco, San Joaquin, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Tehama, Trinity, Tuolumne, and Yuba Counties				
	DHMO Rates	Plan CA 10A	Plan CA 11A	Plan CA 12A
Employee Only		\$20.10	\$17.40	\$16.80
Employee + 1 Dependent		\$35.80	\$30.90	\$29.80
Employee + 2 or More Dependents		\$52.80	\$45.40	\$43.90

Region 4: Humboldt, Marin, Santa Barbara, Santa Cruz, Shasta, Sutter, and Yolo Counties				
	DHMO Rates	Plan CA 10A	Plan CA 11A	Plan CA 12A
Employee Only		\$20.70	\$17.90	\$17.20
Employee + 1 Dependent		\$36.80	\$31.80	\$30.50
Employee + 2 or More Dependents		\$54.30	\$46.80	\$44.90

Region 5: Butte and San Luis Obispo Counties				
	DHMO Rates	Plan CA 10A	Plan CA 11A	Plan CA 12A
Employee Only		\$40.40	\$37.60	\$36.80
Employee + 1 Dependent		\$69.40	\$64.30	\$62.90
Employee + 2 or More Dependents		\$102.40	\$94.80	\$92.70

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Vision Plan Summaries
Rates Guaranteed through December 31, 2020

Vision Plan – VSP

Vision Benefit	Option 1 – Signature Enhanced B		Option 2 - Signature Plan C	
	In –Network	Non-Network	In –Network	Non-Network
Exam	\$10 copay	\$50 allowance	\$20	\$50 allowance
Lenses		Reimbursed up to:		Reimbursed up to:
Single	No copay	\$50	No copay	\$50
Bifocal		\$75		\$75
Trifocal		\$100		\$100
Frames	\$140 allowance	\$70	\$140 allowance	\$70
Contact Lenses – Elective	\$130	\$105	\$130	\$105
Contact Lenses – Medically Necessary	Covered in full		Covered in full	
Frequency of Services				
Eye Examination	12 months		12 months	
Lenses	12 months		12 months	
Frames	24 months		12 months	
Contact Lenses ¹	12 months		12 months	

Option 1 – Signature Enhanced B		Option 2 – Signature Plan C	
Vision Rates - Monthly		Vision Rates - Monthly	
Employee Only	\$9.10	Employee Only	\$9.90
Employee + 1 Dependent	\$12.80	Employee + 1 Dependent	\$13.90
Employee + 2 or More Dependents	\$22.10	Employee + 2 or More Dependents	\$24.10

¹ Contact lenses are in lieu of spectacle lenses and frames
THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS.



Vision Plan Summaries
Rates Guaranteed through December 31, 2020

Vision Plan – VSP

Vision Benefit	Option 3 – Choice Plan A w/Tints		Option 4 – Choice Plan C w/Tints & CVC	
	In –Network	Non-Network	In –Network	Non-Network
Exam	\$10 copay	\$50 allowance	\$20	\$50 allowance
Lenses	Reimbursed up to:		Reimbursed up to:	
Single	No copay	\$50	No copay	\$50
Bifocal		\$75		\$75
Trifocal		\$100		\$100
Frames	\$140 allowance	\$70	\$140 allowance	\$70
Contact Lenses – Elective	\$130	\$105	\$130	\$105
Contact Lenses – Medically Necessary	Covered in full		Covered in full	
Frequency of Services				
Eye Examination	12 months		12 months	
Lenses	24 months		12 months	
Frames	24 months		12 months	
Contact Lenses ¹	24 months		12 months	

Option 3 – Choice A w/Tints		Option 4 –Choice C w/Tints & CVC	
Vision Rates - Monthly		Vision Rates - Monthly	
Employee Only	\$7.00	Employee Only	\$11.20
Employee + 1 Dependent	\$9.70	Employee + 1 Dependent	\$14.80
Employee + 2 or More Dependents	\$16.60	Employee + 2 or More Dependents	\$24.10

¹ Contact lenses are in lieu of spectacle lenses and frames
THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS.



Basic Life, Basic AD&D, Short & Long-Term Disability, and Supplemental Life/AD&D plans are available through – The Hartford

Please contact Alliant Employee Benefits for a quote.



Basic Life, Basic AD&D, Short & Long-Term Disability, and Supplemental Life/AD&D plans are available through – The Hartford

Please contact Alliant Employee Benefits for a quote.

Carrum Health (Carrum) – Surgery Benefit Program

Employee Services

For Active and Early Retirees enrolled in the Anthem PPO plans.

Carrum Health is a special surgery benefit that provides exclusive access to “Centers of Excellence”. These hospitals and doctors provide for an improved patient experience and top-quality, more affordable care.

Personalized “Care Concierge” support – Helps guide patient through the process

Recovery – Personalized support through total care coordination

Access to top-Quality Surgeons – perform hundreds of surgeries

All medical expenses - covered for the patient**

Travel Expenses - covered for patient and companion*

Voluntary participation - Employee Initiates the service by phone or online

**IRS Rules a portion of the covered travel will be reported as taxable income to employee.*

***IRS regulations on HSA plans the deductible applies but coinsurance is waived.*

- Eligible procedures include:
- Hip Replacement
 - Knee replacement
 - Cervical Spinal fusion
 - Lumbar Spinal Fusion
 - Coronary Bypass Surgery
 - Bariatric (Weight Loss)
 - Shoulder Repair
 - Elbow Repair
 - Wrist/Hand Repair
 - Ankle/foot Repair
 - Pain Management

Additional procedures will become eligible on a regular basis.

THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS.



California State University Risk Management Authority



For more information, please contact:

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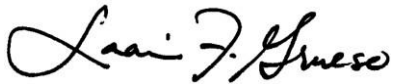
March 19, 2019

To Whom it may concern:

Our team at Kaiser Permanente would like to offer our sincere apologies for the challenges your employees experienced as we transitioned the membership to CSAC EIA – CSURMA plans. We understand the implementation has not been as smooth as we had hoped and want to convey that we are committed to addressing these shortfalls. If there are further issues or concerns that we have not already addressed, please let us know and we will escalate it for resolution.

Thanks so much, and we appreciate your partnership and patience.

Best Regards,



Laarni F. Gueso
Executive Account Manager
Kaiser Permanente Strategic Accounts
8889 Rio San Diego Drive, Ste. 200
San Diego, Ca 92108

Fax: [\(619\) 542-7225](tel:(619)542-7225)

Email: Laarni.F.Gueso@kp.org

March 25, 2019

To all CSURMA Benefits Program Participants,

On behalf of our team here at Alliant, we regret that the transition to the CSURMA Benefit Programs through CSAC-EIA was not as smooth as we had hoped, and that some members may have experienced difficulty in accessing care during initial stages of the contract.

As the Broker for the CSURMA Benefit Programs, one of our jobs is to try and manage plan vendors to execute their timelines and responsibilities to deliver care and coverage to your employees and dependents. The transition from the AOA BUG program into the CSURMA Benefits Program was a very complex undertaking that required transition of 34+ separate groups onto the CSAC-EIA platform all at once. Although the implementation process was largely successful from a structural perspective, vendor(s) committed errors that resulted in some of the employees not appearing to have coverage when they attempted to access care. As soon as Alliant became aware of these issues, we worked diligently to uncover the root causes and worked with the vendor(s) at fault to fix the issues. We realize this was a stressful situation for both Human Resources and those employees that were affected, and we are sorry for the inconvenience that these issues caused.

One of the CSURMA Health plan vendors (Kaiser) has issued a formal statement of apology to CSURMA members; given that a disproportionate percentage of issues came as a result of file feed errors on their part.

As of the *Program Implementation Update* webinar held on 2/22, we are happy to report that all vendor file feeds are loaded into the system correctly. We appreciate your patience through this implementation process and look forward to a smooth administrative experience and your continued participation in the CSURMA Benefits Program.

Please do not hesitate to reach out to Alliant with any concerns that may arise going forward.

Sincerely,



Michael Menerey
Senior Vice President



Tom Quirk
Vice President



EXCESS INSURANCE RENEWALS AND UNDERWRITER MEETINGS REPORT

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

Table 1

Projected Renewal Cost Change Estimates		
Program	AORMA % Change	Campus % Change
Excess Liability	+10%	+10%
Property	+20%	+20%
Worker’s Compensation	Flat to 5% Increase	Flat to 5% Increase
Builder’s Risk	N/A	Flat Rate
Fine Arts	N/A	+10%
SPLIP & SAFECLIP	Flat Rate or Decrease	Flat Rate or Decrease
FTIP	Flat Rate or Decrease	Flat Rate or Decrease
Aviation	Flat Rate or Decrease	Flat Rate or Decrease
Medical Malpractice	N/A	Flat Rate to 10% Increase
Fidelity	-5%	-5%

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

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

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

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

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

Over the course of the November, February, April and May meetings there will have been over 30 meetings with over 50 market participants. The recent meetings have focused on CSURMA's Excess Liability, Property, Fine Arts, SAFECLIP, SPLIP, and Medical Malpractice coverage programs. Important discussions include:

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

Following are comments on the status of programs:

- **Excess Liability** – this program has seen loss development in the first excess layers for both the AORMA and Campus programs. Early renewal quotes and indications lead the Program Administrator anticipate double digit rate increases in the lower layers and single digit rate increases in the excess layers due to catastrophic losses impacting the entire marketplace, which exceeds CSURMA's own loss development. In addition, it becomes increasingly difficult to complete the placement with un-aggregated sexual abuse liability and coverage for traumatic brain injuries to athletic participants.
- **Property** – Property losses to both the AORMA and Campus programs has increased the past three years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years will likely be again partially eroded by increases this coming renewal. The Property market has significantly hardened since January 1, with many underwriters reducing capacity, increasing rates and in some cases withdrawing from the market.
- **Workers' Compensation** – CSURMA has an existing two year rate agreement. At the March meetings, the AORMA and Executive Committee agreed to EIA's proposal for a new rate agreement for FY's 19/20 & 20/21 on favorable terms that stabilize costs at below CSURMA's actuarial central estimate loss projections.
- **Builder's 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. The underwriter has agreed to coverage improvements for the coming year.
- **Fine Arts** – This program was launched in 2016 and the Program Administrator anticipates underwriters will require a rate increase due to the high loss ratio.

- **SPLIP & SAFECLIP** – perform exceptionally well with no losses and rates will likely be stable and possibly drop.
- **FTIP** – The loss ratio has stabilized at a level acceptable to underwriters. The Program Administrator expects a flat rate renewal.
- **Aviation** – This program has no losses and the market is stable. The Program Administrator expects a flat rate renewal or slight decrease; however, general market firming may come into play.
- **Medical Malpractice** – This program is at minimum premiums and we expect a flat renewal; however, general market firming may come into play. The Program Administrator has asked CSAC EIA for a competitive bid from their program.
- **Fidelity** – Claims have remained low and the Program Administrator expects a premium decrease on renewal unless new claims materialize prior to renewal.

PUBLICATION: None.

ATTACHMENT(S): None.

TARGET SURPLUS ANALYSIS RATIOS

ISSUE: The FY 18/19 Long Range Action Plan includes a goal to review and, if appropriate, adopt additional target surplus analysis ratios. Staff has reviewed several other financial benchmarking ratios that are commonly used by pooled programs.

CSURMA AORMA has already adopted the following financial benchmarking ratios:

- Gross Premium to Equity Ratio
- Equity to Pool Retention Ratio
- Outstanding Losses to Equity Ratio

At today's meeting, the Committee will review and consider adoption of three additional ratios:

- Reserves to Equity Ratio
- Change in Equity
- Change in Outstanding Liabilities

RECOMMENDATION: Staff recommends that the Committee review the draft Target Surplus Analysis report and provide direction to Staff, or approve the suggested revisions to Policy and Procedure A-3 – Target Surplus Funding Policy, with additional changes as appropriate.

FISCAL IMPACT: Changes to the Target Surplus Funding Policy will be considered by the Committee when approving the release of a dividend.

BACKGROUND: None.

PUBLICATION: Changes to Policy and Procedure A-3 – Target Surplus Funding Policy will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. Policy and Procedure A-3 – Target Surplus Funding Policy
- b. Target Surplus Funding Analysis (Estimate at June 30, 2019)
- c. Target Surplus Funding Analysis Presentation



CSURMA AORMA

**POLICY AND PROCEDURE NO. A-3
(FORMERLY 7-AORMA)**

SUBJECT: TARGET SURPLUS FUNDING POLICY

ADOPTED: JANUARY 10, 2007

EFFECTIVE: JANUARY 1, 2007

**AMENDED: OCTOBER 29, 2009
SEPTEMBER 16, 2010
OCTOBER 23, 2014
MAY 5, 2016
SEPTEMBER 7, 2017
SEPTEMBER 6, 2018
MAY 2, 2019**

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

POLICY:

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

The TARGET SURPLUS GOAL is hereby established to be, at a minimum, the actuarially determined 70% CONFIDENCE LEVEL, discounted for investment. In evaluating the Programs’ funding position relative to the TARGET SURPLUS GOAL as a part of each year’s ratemaking process, the AORMA COMMITTEE shall take into consideration the following ratios:

1. Gross Premium to SURPLUS Ratio
2. SURPLUS to Pool Retention Ratio
3. ~~and Outstanding Reserves-Losses~~ to SURPLUS Ratio
4. Outstanding Reserves to SURPLUS Ratio
5. Change in SURPLUS Ratio
6. Change in Outstanding Losses Ratio

The AORMA COMMITTEE may take action to set a higher or lower CONFIDENCE LEVEL based on AORMA's goal to retain more or less risk

PROCEDURE:

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA's accredited independent actuary to perform an actuarial analysis of the Workers' Compensation and Liability Programs. This analysis shall include ESTIMATED OUTSTANDING LOSSES (including IBNR) at various CONFIDENCE LEVELs as well as PROJECTED ULTIMATE LOSSES for the upcoming year(s). The analysis shall also compare the current program funding against the ESTIMATED OUTSTANDING LOSSES and determine the CONFIDENCE LEVEL to which the program is currently funded. Because the Property and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.
- 2. Calculation of Target Surplus Ratios** - The Program Director will also calculate certain insurance industry ratios to help determine the Program's current financial position as follows:

Gross Premium to Surplus Ratio: Target <1.5:1

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

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

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

Outstanding ~~Reserves~~ Losses to Surplus Ratio: Target \leq 1.5:1

This ratio is a measure of how SURPLUS is leveraged against possible ~~reserve~~ actuarial estimate inaccuracies. A low ratio is desirable.

Outstanding Reserves to Surplus Ratio: Target \leq 1:1

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

Change in Equity Ratio: Target – Less than a 10% decrease

This ratio is a measure of the year-over-year change in the pool's financial condition. An increase in net position is desirable.

Change in Outstanding Losses: Target – Less than a 20% increase

This ratio is a measure of the change in aggregate ultimate losses from one valuation period to the prior valuation period.

3. **Discussion and Documentation of Historical Funding** – As part of the Target Surplus Funding review process, annually, the AORMA COMMITTEE will discuss and document its historical funding philosophy and the factors involved in its decision making process. It will also consider whether the factors remain relevant, taking action to amend, if necessary.
4. **Application of Target Surplus Criteria** – After an annual review of the Target Surplus Ratios, the AORMA COMMITTEE will determine whether it is desirable to increase, decrease, or stabilize SURPLUS. If the AORMA COMMITTEE desires to decrease SURPLUS, it may approve a funding level below the 70% CONFIDENCE LEVEL. Conversely, a funding decision above the 70% CONFIDENCE LEVEL will indicate a bias toward increasing SURPLUS. A determination to fund at the 70% CONFIDENCE LEVEL will reflect the AORMA COMMITTEE’s desire to keep SURPLUS at the current level. The AORMA COMMITTEE will also consider the SURPLUS requirements for the Program(s) should it transition from, or to, a fully insured / reinsured Program. Enough SURPLUS will be maintained within the Program(s) to make the transition without causing fiscal hardship for the MEMBERS.

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

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

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

MEMBER APPEAL PROCESS:

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

If a Member wishes to appeal the AORMA COMMITTEE’s decision, the Member will notify the CSURMA Secretary-Auditor in writing within 5 business days of receipt of the AORMA



CSURMA AORMA

POLICY AND PROCEDURE NO. A-3 (FORMERLY 7-AORMA)

COMMITTEE's decision. The CSURMA Executive Committee will then review the appeal at its next meeting or sooner. The CSURMA Executive Committee's decision will be the final determination.

DEFINITIONS:

AORMA COMMITTEE - The governing body of AORMA.

AORMA - Auxiliary Organizations Risk Management Alliance is a group of PROGRAMS that operate within the California State University Risk Management Authority representing the auxiliary organizations.

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

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

ESTIMATED OUTSTANDING LOSSES – Estimated Outstanding Losses are the cost of claims that have occurred but have not yet been paid. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE). They are calculated as projected ultimate losses less paid losses. Alternatively, they are the sum of case reserves and incurred but not reported (IBNR) claims. Estimated Outstanding Losses are usually the largest single item listed as a liability the balance sheet of a public entity's financial statement. GASB Statement No. 10 requires they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claim liability and unpaid claims.

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

IBNR – Incurred Not Reported. IBNR is comprised of two distinct items. These are the development of known case reserves and incurred by not reported claims. The actuary's estimate of the inadequacy of case reserves. Most claims settle at amounts close to what is set by the claims administrator. Some claims close favorably and some emerge as more expense. On balance, case reserves tend to be too low. Therefore, the IBNR includes the actuary's estimate of the amount total case reserves will rise upon closure. The IBNR also refers to those claims that have occurred, but have not yet been reported. **MEMBER** – The MEMBER is a signatory to the CSURMA Joint Powers Authority.

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



CSURMA AORMA

**POLICY AND PROCEDURE NO. A-3
(FORMERLY 7-AORMA)**

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

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

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

PROJECTED ULTIMATE LOSSES – Projected Ultimate Losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected Ultimate Losses are the total loss costs for a particular period. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

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

TARGET SURPLUS GOAL – The amount of cash equivalent available to pay claims in excess of actuarial 70% CONFIDENCE LEVEL discounted for investment income.

AORMA Liability Fund Program
Target Surplus Funding Analysis - Pooled Layer Funding @ \$500,000
@ June 30, 2019 (Estimate)

Analysis Factors	Current Analysis	Change	Prior Analysis
Contributions for FY 19/20 (at 70% CL) #1	2,652,665	Down From	2,544,350
Assets at 12/31/18 #2	8,595,126	Down From	8,058,262
Maximum Retention Per Occurrence	500,000	No Change	500,000
Outstanding Liabilities at 6/30/19 #3	2,325,200	Up From	1,790,144
Equity (Expected Confidence Level) #4	6,269,926	Down From	6,268,118
Equity (above a 70% Confidence Level) #5	6,117,987	Down From	6,148,574
Equity (above an 80% Confidence Level) #5	5,579,478	Down From	5,733,425

#1 - Includes pool layer funding and admin costs, but not contributions for excess liability.

#2 - Assets are reduced by miscellaneous accounts payable and dividend.

#3 - Outstanding Liabilities (capped at the pooled layer limit, including IBNR, undiscounted for investment income and include ULAE).

#4 - Plan Assets minus the Outstanding Liabilities (undiscounted investment income and include ULAE).

#5 - Plan Assets minus the Outstanding Liabilities (discounted for investment income and include ULAE).

Ratio	Target	Indicated Minimum Equity	Projected Ratio
Premium : Equity	<1.5:1	1,768,443	0.42
Equity : Retention	>5:1	2,500,000	13
Outstanding Liabilities : Equity	≤1.5:1	1,550,133	0.37
Reserves : Equity	≤1:1	2,325,200	0.23

Dividend	
Target Equity Goal (70% Confidence Level / Discounted)	6,117,987
Indicated Minimum Equity (largest ratio amount)	2,500,000
Maximum Dividend Available	3,769,926
Dividend 50%	1,884,963
Dividend 33%	1,244,076
Dividend 25%	942,482

Confidence levels	Risk Factor	Pooled Layer Funding #6	Surplus
Expected	1.000	2,154,034	-
70%	1.100	2,369,437	215,403
80%	1.350	2,907,946	753,912

#6 The Pooled Layer Funding is discounted for investment income and **does not** include the ULAE.

Three Year Funding Plan				
Fiscal Year	Added to Equity	Estimated Equity	Estimated Equity w/ Maximum Dividend	Estimated Equity w/ Recommended Dividend
Estimated Balance at 7/1/19	N/A	6,269,926	N/A	N/A
2020/21 - Collection @ 70% Confidence Level	215,403	6,485,329	2,715,403	5,542,848
2021/22 - Collection @ 70% Confidence Level	215,403	6,700,732	2,930,806	5,758,251
2022/23 - Collection @ 70% Confidence Level	215,403	6,916,135	3,146,209	5,973,654

**AORMA Workers' Compensation Fund Program
Target Surplus Funding Analysis - Pooled Layer Funding @ \$750,000
@ June 30, 2019 (Estimate)**

Analysis Factors	Current Analysis	Change	Prior Analysis
Contributions for FY 18/19 (at 70% CL) #1	4,535,310	Up From	3,811,837
Assets at 12/31/18 #2	7,749,724	Down From	8,213,211
Maximum Retention Per Occurrence	750,000	Up From	750,000
Outstanding Liabilities at 6/30/19 #3	2,227,754	Down From	2,888,491
Equity (Expected Confidence Level) #4	5,521,970	Up From	5,324,720
Equity (above a 70% Confidence Level) #5	5,523,435	Up From	5,325,987
Equity (above an 80% Confidence Level) #5	5,405,224	Up From	5,172,683

#1 - Includes pool layer funding and admin costs, but not contributions for excess liability.

#2 - Assets are reduced by miscellaneous accounts payable and dividend.

#3 - Outstanding Liabilities (capped at the pooled layer limit, including IBNR, undiscounted for investment income and include ULAE).

#4 - Plan Assets minus the Outstanding Liabilities (undiscounted investment income and include ULAE).

#5 - Plan Assets minus the Outstanding Liabilities (discounted for investment income and include ULAE).

Ratio	Target	Indicated Minimum Equity	Projected Ratio
Premium : Equity	<1.5:1	3,023,540	0.82
Equity : Retention	>5:1	3,750,000	7
Outstanding Liabilities : Equity	≤1.5:1	1,485,169	0.40
Reserves : Equity	≤1:1	2,227,754	0.54

Dividend	
Target Equity Goal (70% Confidence Level / Discounted)	5,523,435
Indicated Minimum Equity (largest ratio amount)	3,750,000
Maximum Dividend Available	1,771,970
Dividend 50%	885,985
Dividend 33%	584,750
Dividend 25%	442,993
Dividend 20%	354,394

Confidence Levels	Risk Factor	Pooled Layer Funding #6	Surplus
Expected	1.000	1,970,168	-
70%	1.080	2,127,781	157,613
80%	1.140	2,245,992	275,824

#6 The Pooled Layer Funding is discounted for investment income and **does not** include the ULAE.

Three Year Funding Plan				
Fiscal Year	Added to Equity	Estimated Equity	Estimated Equity w/ Maximum Dividend	Estimated Equity w/ Recommended Dividend
Estimated Balance at 7/1/19	N/A	5,521,970	N/A	N/A
2020/21 - Collection @ 70% Confidence Level	157,613	5,679,583	3,907,613	5,325,189
2021/22 - Collection @ 70% Confidence Level	157,613	5,837,196	4,065,226	5,482,802
2022/23 - Collection @ 70% Confidence Level	157,613	5,994,809	4,222,839	5,640,415

AORMA Liability and Workers' Compensation Programs

Target Surplus Funding Policy @ June 30, 2019 (Estimate)

AORMA Committee Meeting
May 2, 2019

Presented by:

Alliant Insurance Services, Inc.

A Public Entity Joint Powers Authority

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

Purpose

1. To provide guidance to the AORMA Committee for development of annual funding, dividends and assessment decisions
2. To develop a set of benchmarks to measure the program's financial stability (compared to industry standards and past experience)
3. To assist in evaluation and implementation of prudent funding levels
4. To expose deteriorating experience before it can have an adverse impact on the pool

AORMA Liability Program Target Surplus Funding Policy

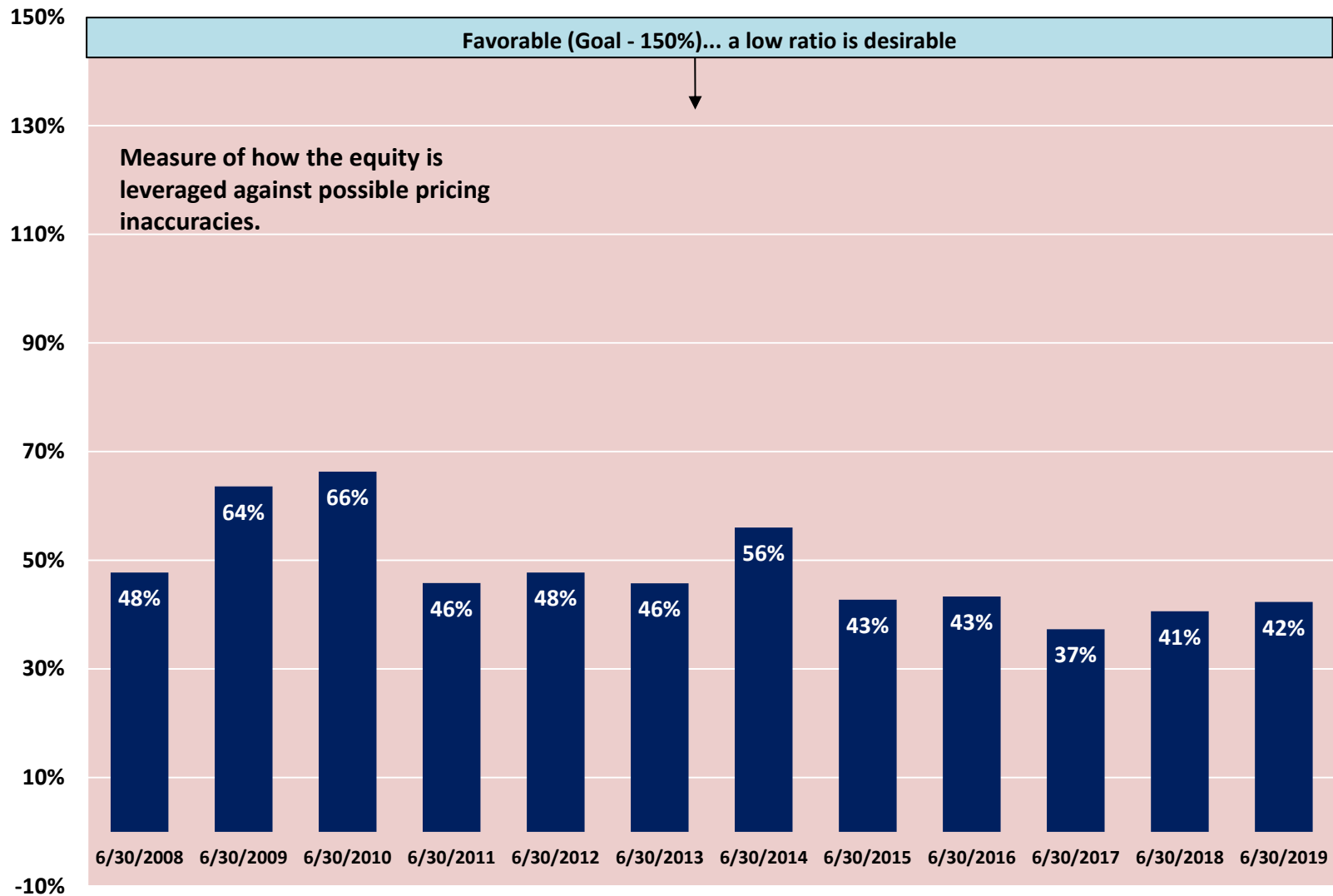


Definitions

1. **Confidence Level** is a statistical term used to express the degree to which an actuarial projection will be an accurate prediction of the dollar losses ultimately paid for a given program year or combination of years. The higher a “Confidence Level” the greater certainty the actuary had that losses will not exceed the dollar value used to attain “Confidence Level.”
2. **Equity** is the amount of funds remaining, after deducting all administrative and excess insurance costs, available to pay claims in excess of actuarial expected losses (undiscounted for investment income) at the actuarially determined “Expected” “Confidence Level.”
3. **Contributions** includes the total deposits from members less the excess insurance costs.
4. **Retention** is the maximum amount of exposure to a single loss retained by AORMA.

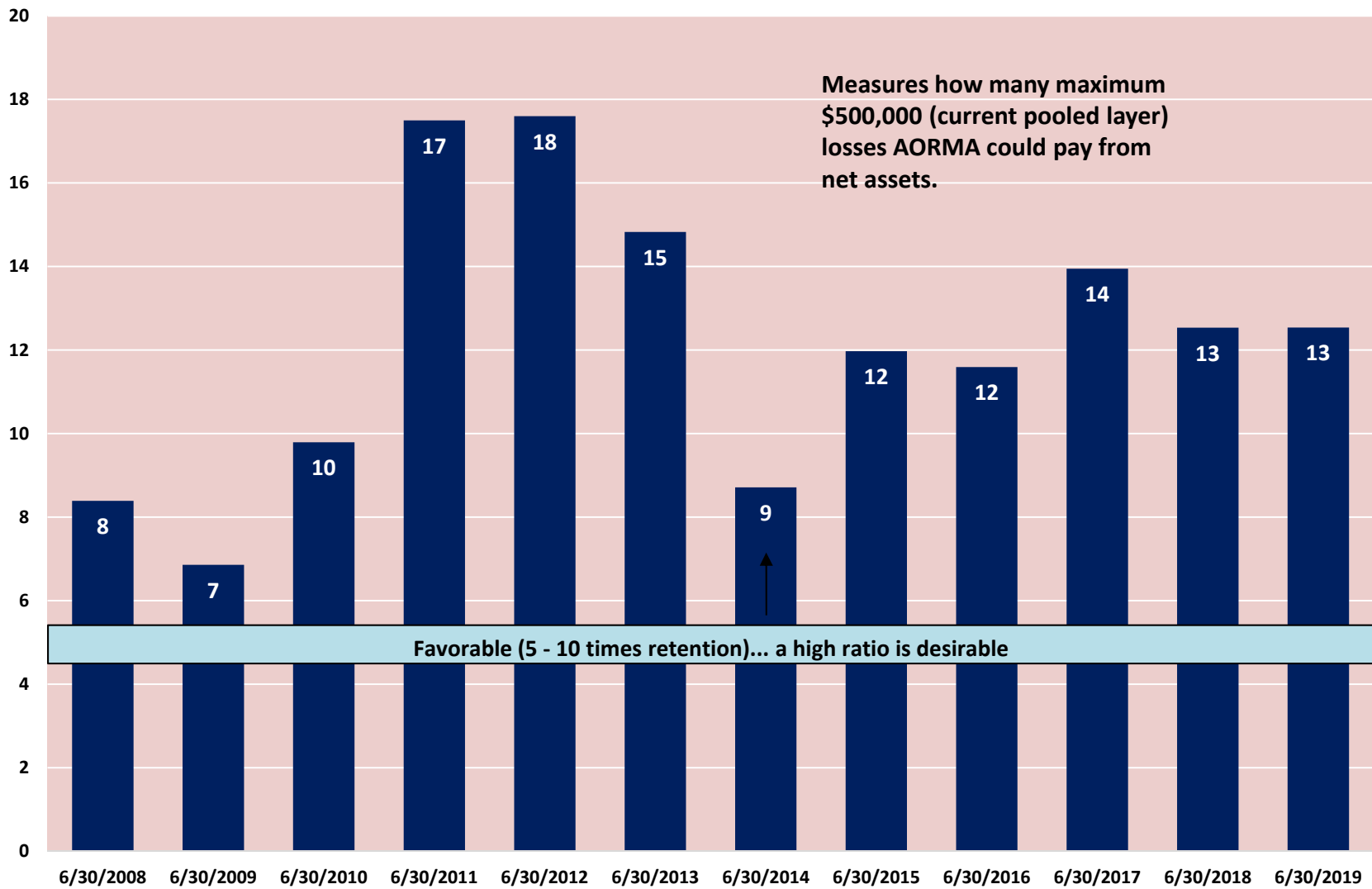
Liability (1) Contributions to Equity Ratio

Target <1.5 to 1



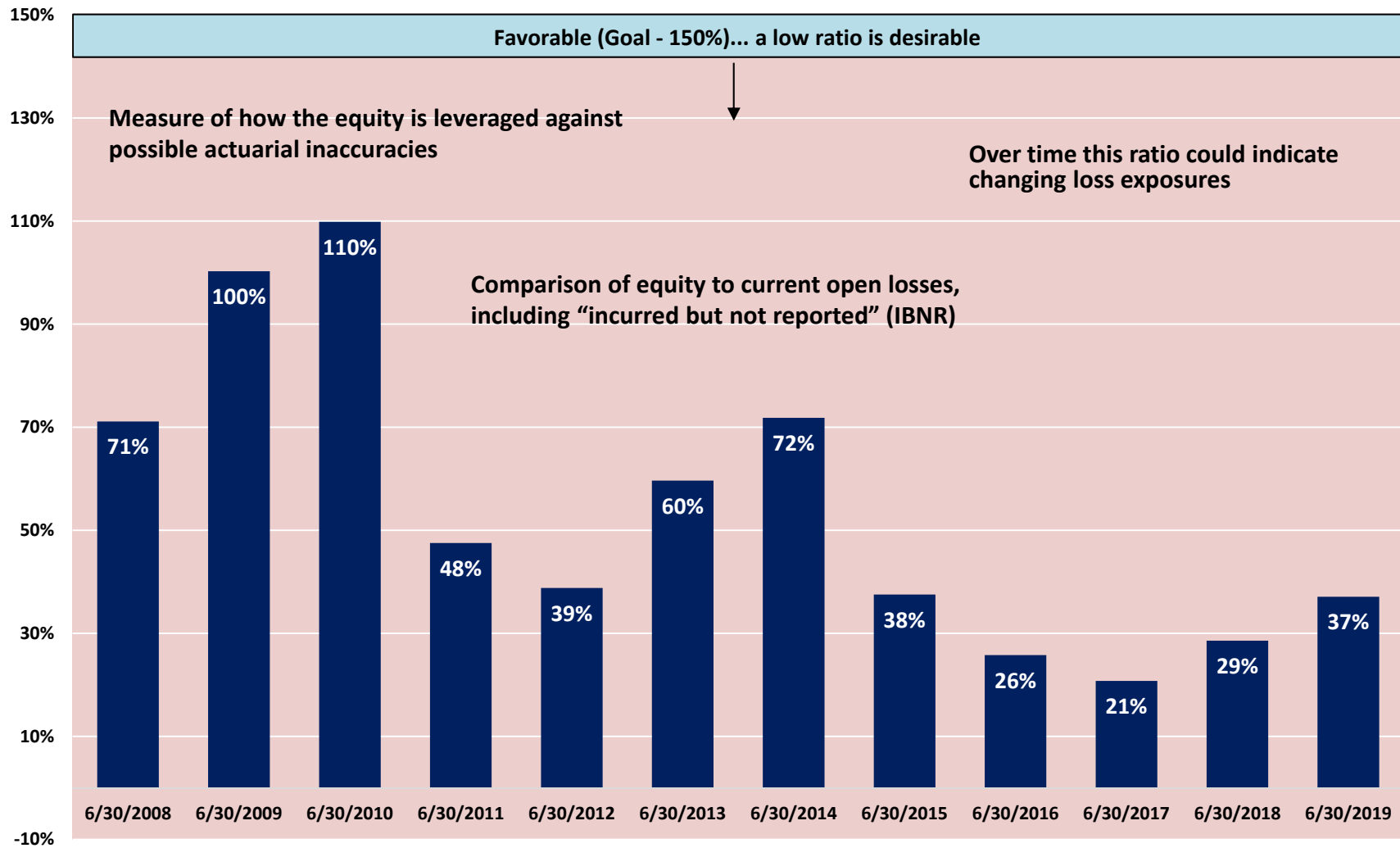
Liability (2) Equity to Retention Ratio

Target > 5-10 to 1



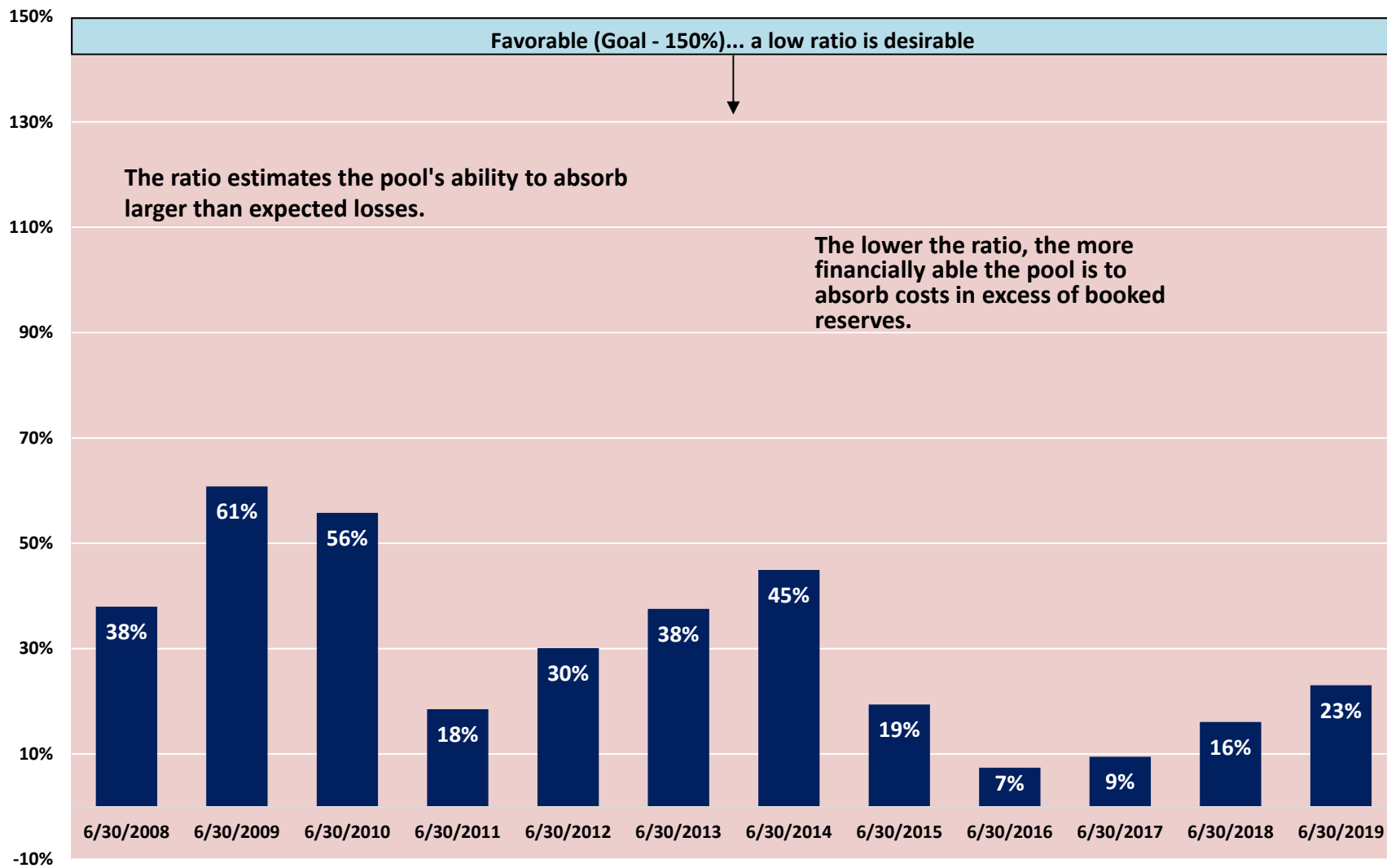
Liability (3) Outstanding Liabilities to Equity Ratio

Target ≤ 1.5 to 1



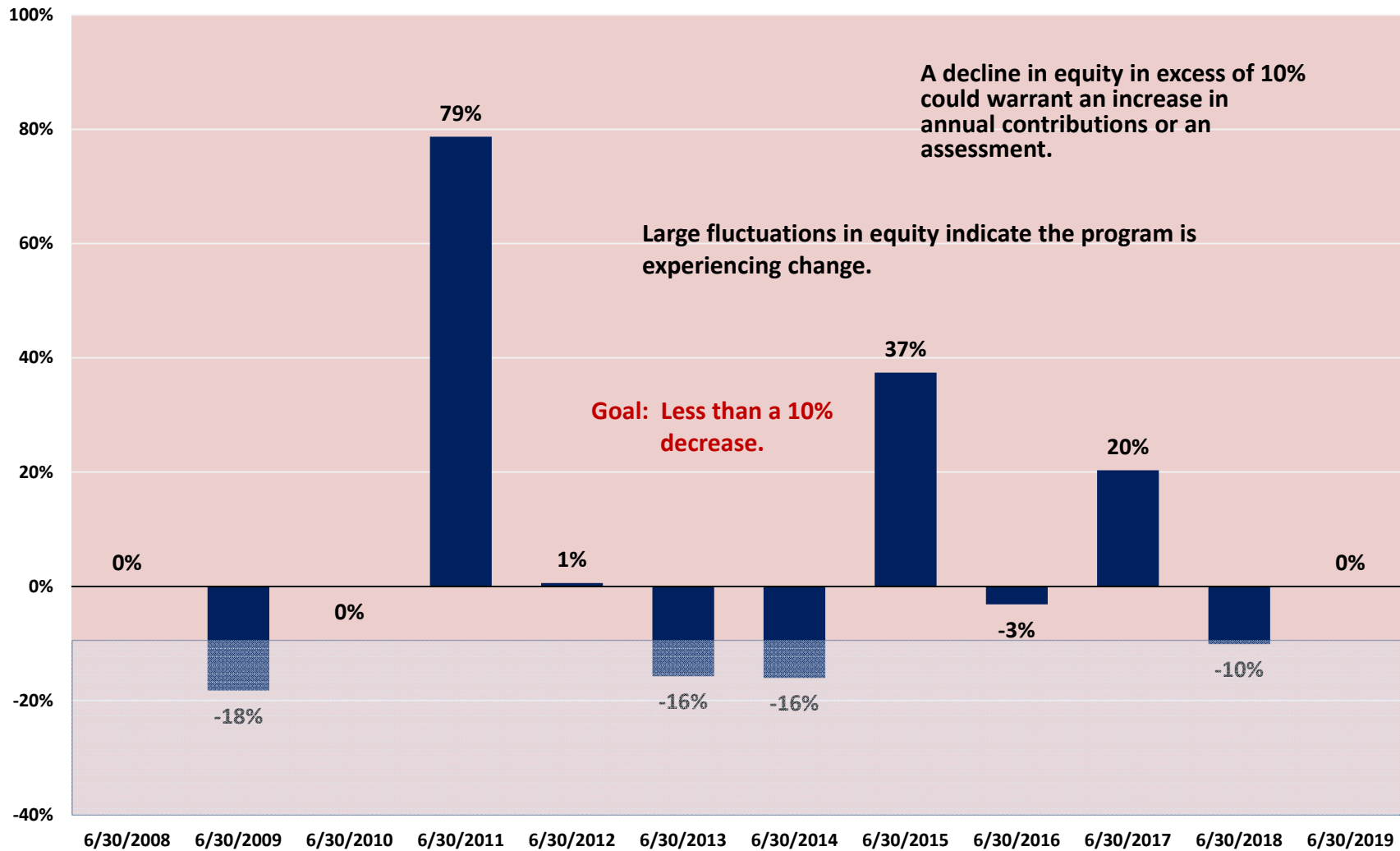
Liability (4) Reserves to Equity Ratio

Target ≤ 1 to 1



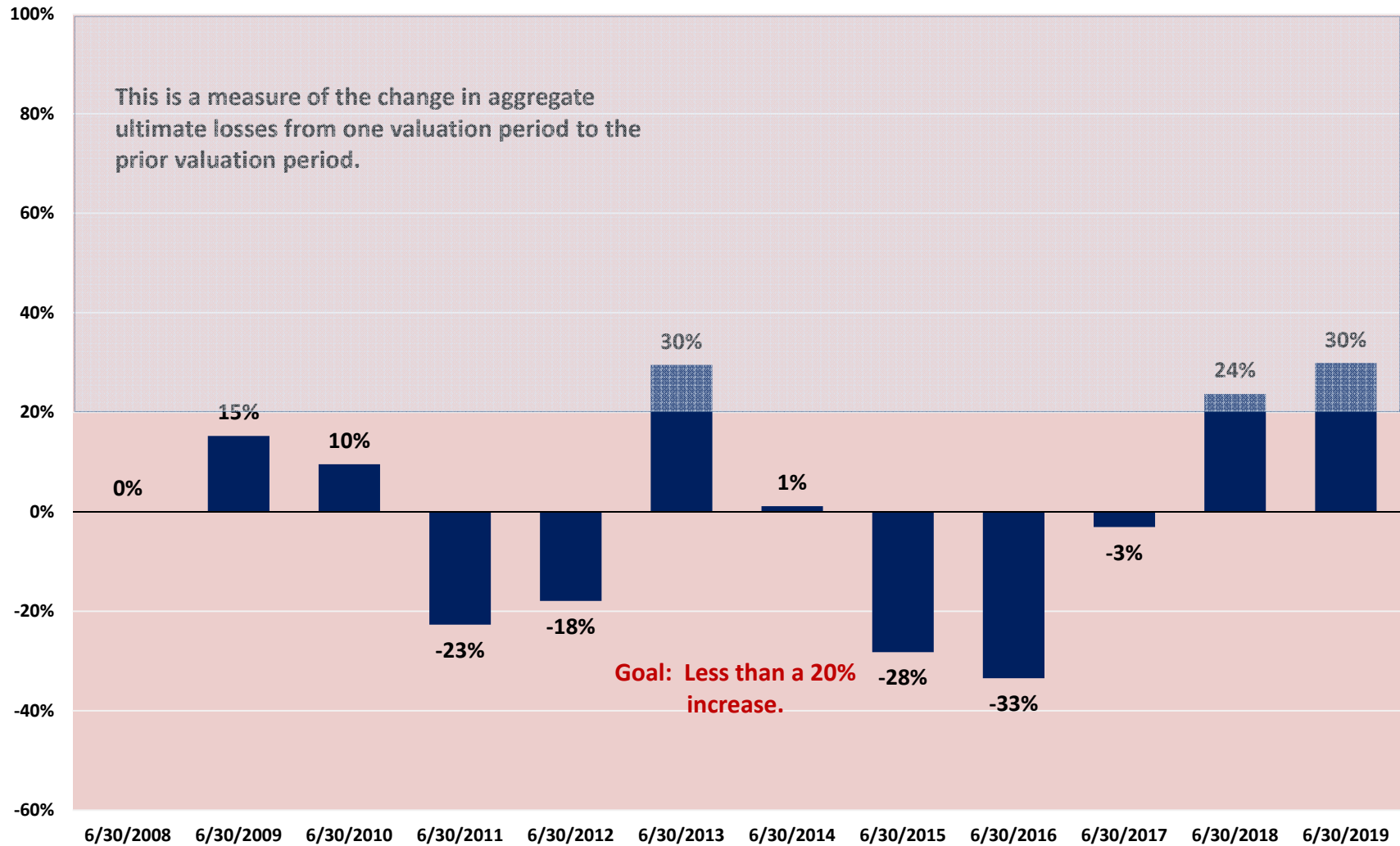
Liability (5) Change in Equity

Target: *Less than a 10% decrease*



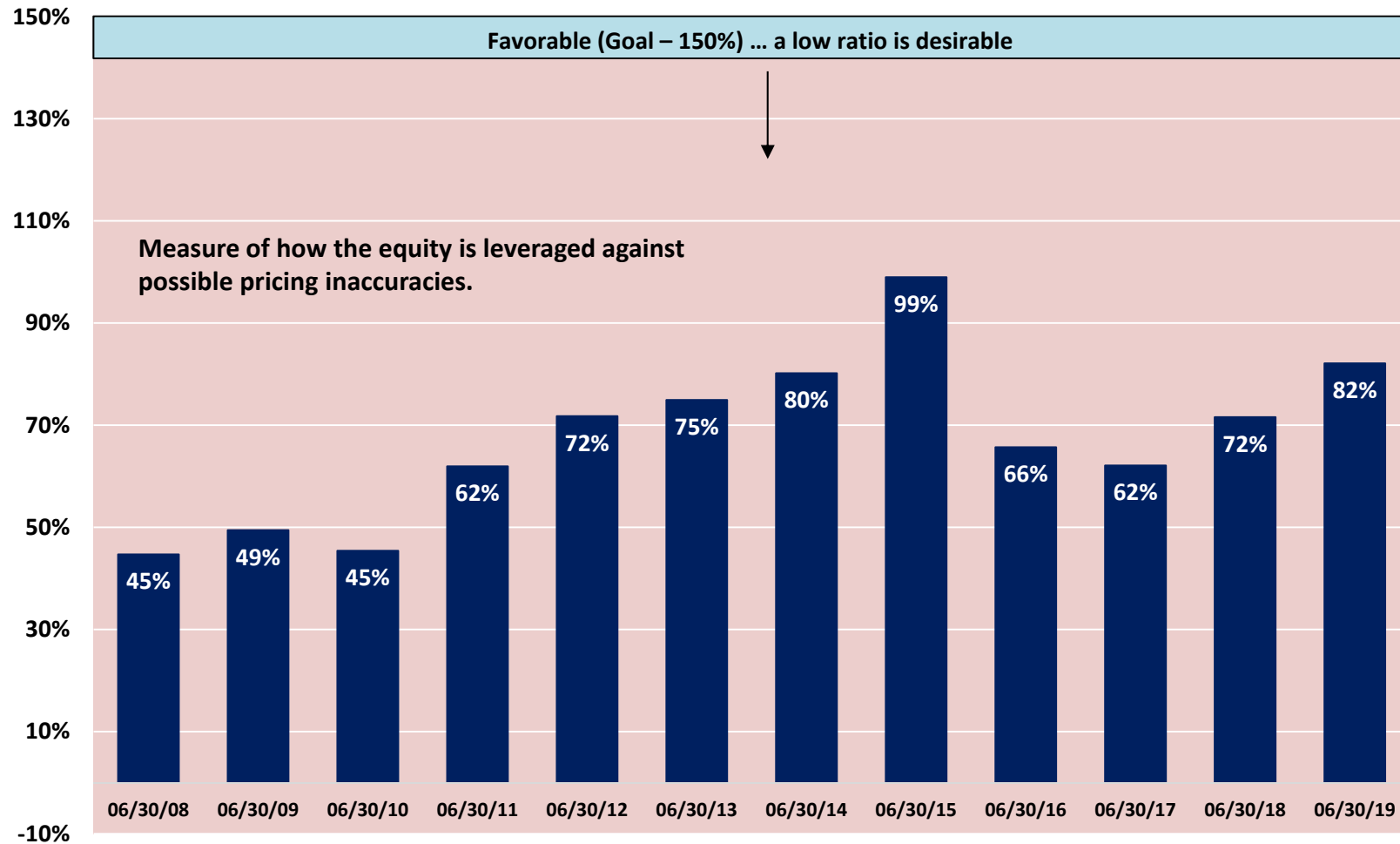
Liability (6) Change in Outstanding Liabilities

Target: Less than a 20% increase



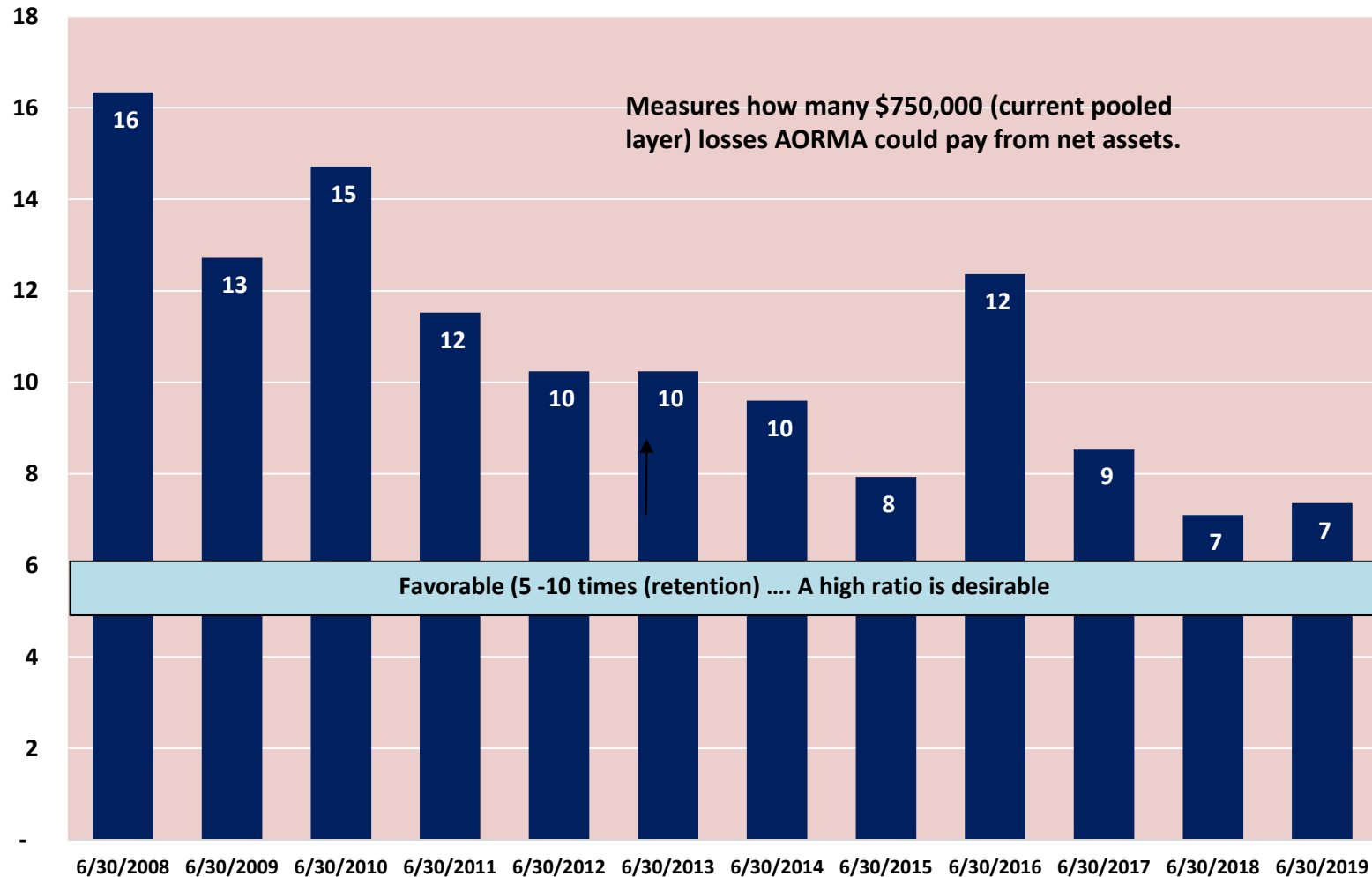
Workers' Compensation (1) Contributions to Equity Ratio

Target <1.5 to 1



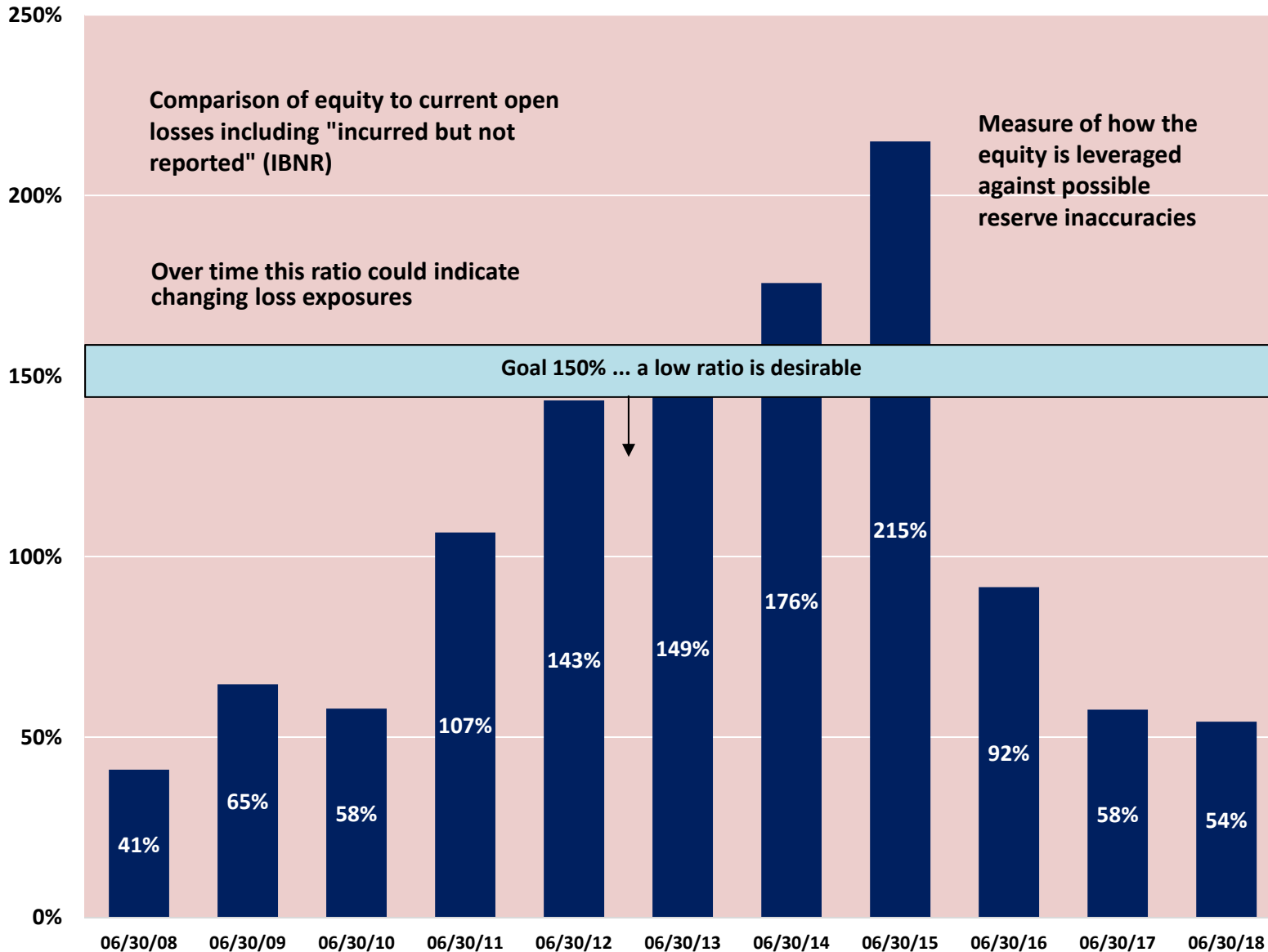
Workers' Compensation (2) Equity to Retention Ratio

Target >5-10 to 1



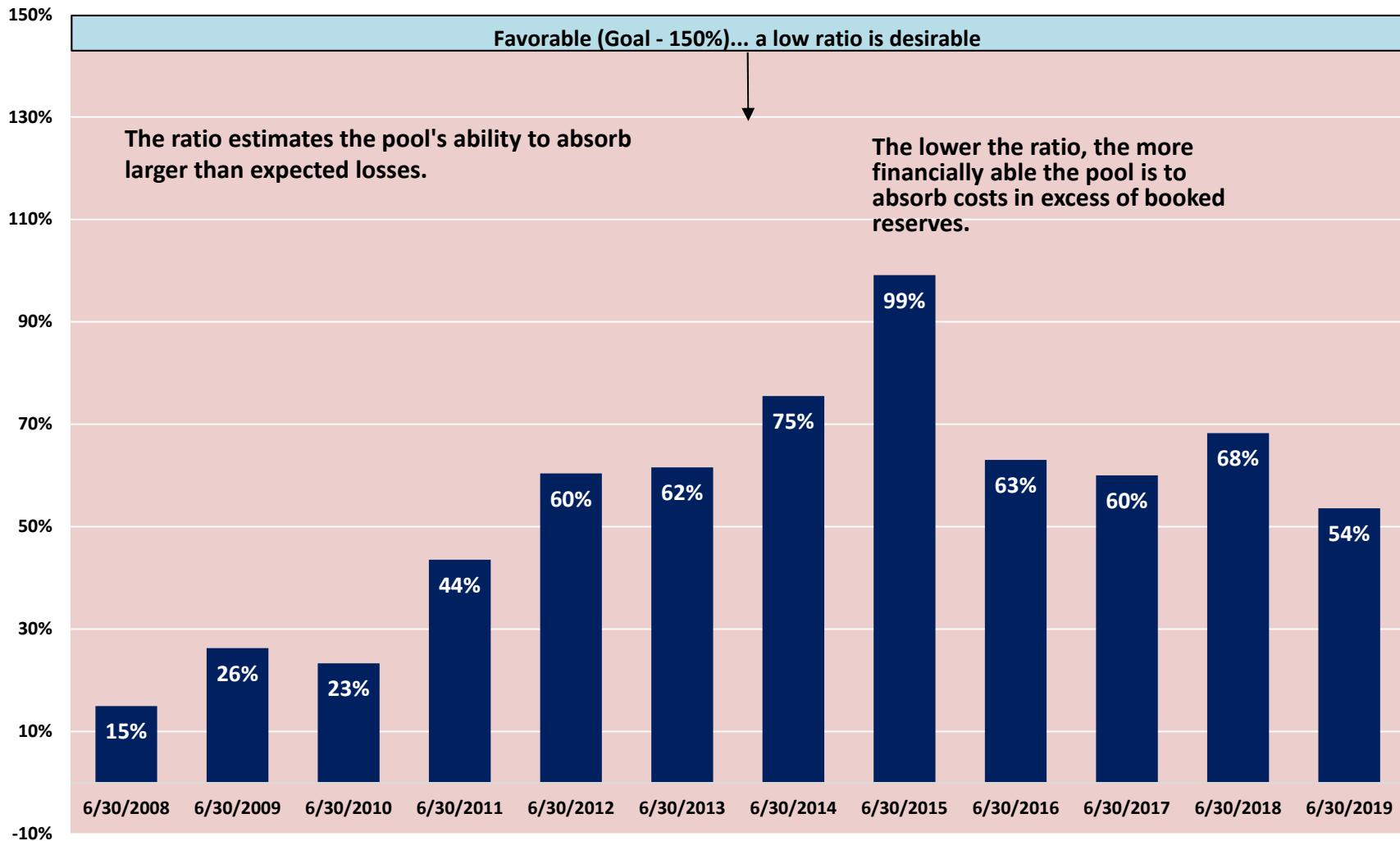
Workers' Compensation Outstanding Liabilities to Equity Ratio (3)

Target ≤ 1.5 to 1



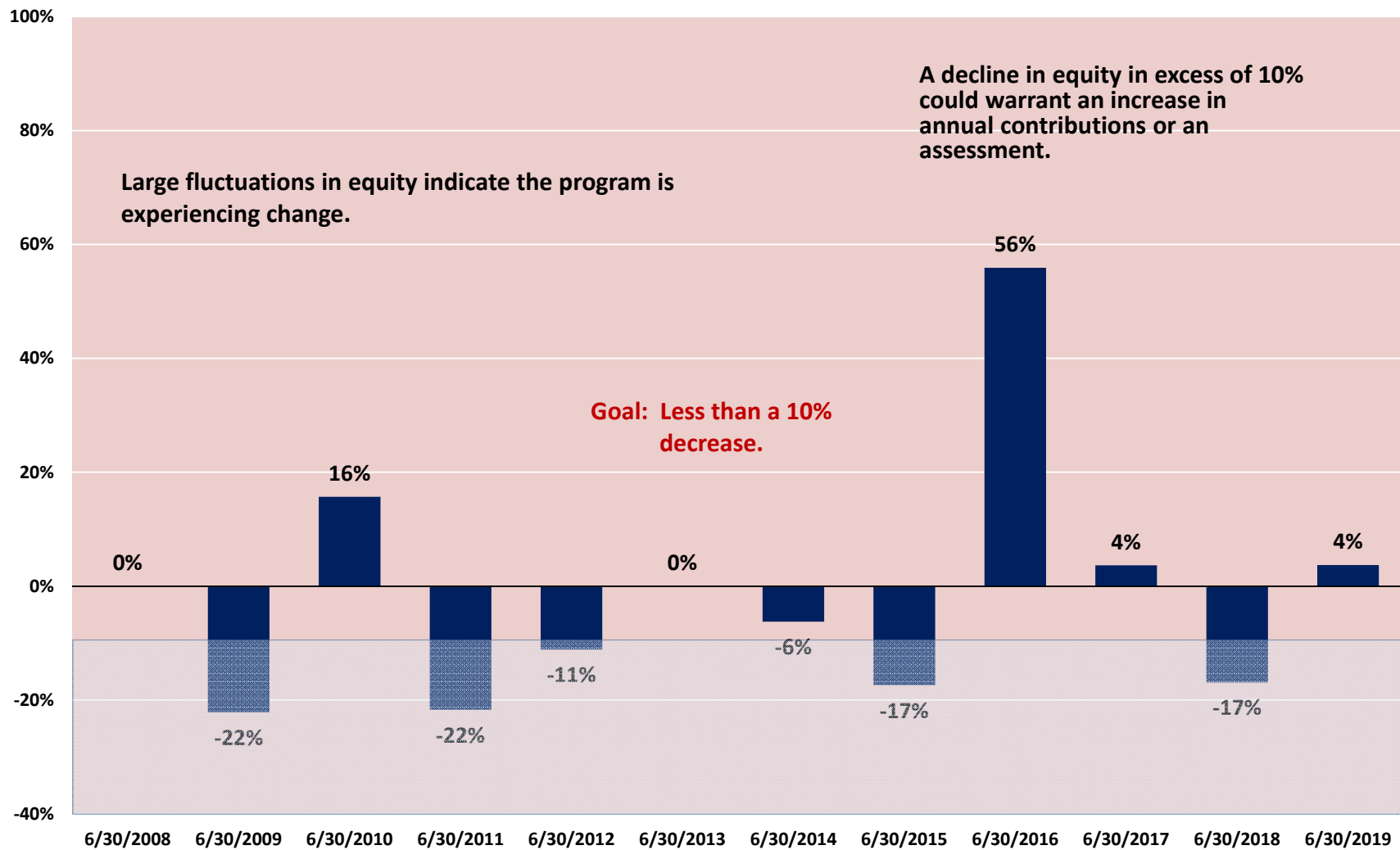
Workers' Compensation (4) Reserves to Equity Ratio

Target ≤ 1 to 1



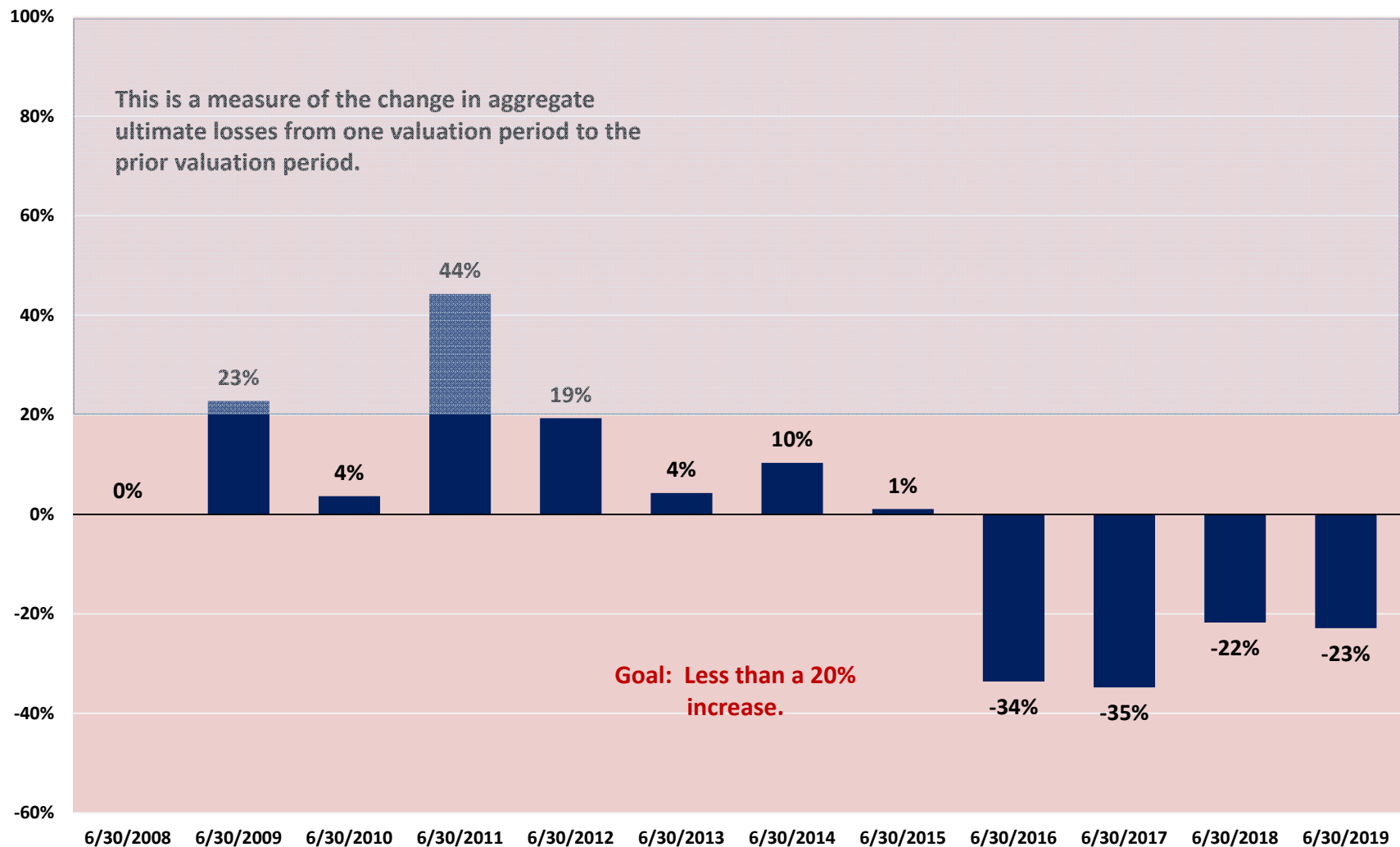
Workers' Compensation (5) Change in Equity

Target: *Less than a 10% decrease*



Workers' Compensation (6) Change in Outstanding Liabilities

Target: *Less than a 20% increase*



POLICY AND PROCEDURE REVIEW

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

1. A-4 Dividends and Assessments
2. C-1 Crime Program Member Allocation Formula
3. L-3 Legal Counsel Selection
4. L-5 Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations
5. L-8 Liability Program Member Allocation Formula
6. P-1 Property Program Member Allocation Formula
7. W-1 Workers' Compensation Member Allocation Formula
8. W-2 Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less

RECOMMENDATION: Staff reviewed the above Policies and Procedures and recommends that the AORMA Committee approve the suggested revisions as described below, adding additional changes as appropriate.

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

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

1. A-4 Dividends and Assessments. The Declaration of Dividends section was amended to confirm that dividends can be retained on account and used to lower contributions for the upcoming fiscal year, but not for the current fiscal year.
2. C-1 Crime Program Member Allocation Formula. Remove all references to the Programs Committee.
3. L-3 Legal Counsel Selection. Correct the numbers referenced in the Policy and Procedure to the correction sections.
4. L-5 Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations. Remove all references to the Programs Committee.

5. L-8 Liability Program Member Allocation Formula. Remove all references to the Programs Committee and listing of Basic Rates, which is described elsewhere in the Policy and Procedure.
6. P-1 Property Program Member Allocation Formula. Remove all references to the Programs Committee.
7. W-1 Workers' Compensation Member Allocation Formula. Remove all references to the Programs Committee. The Declaration of Dividends section was amended to confirm that dividends can be retained on account and used to lower contributions for the upcoming fiscal year, but not for the current fiscal year. Confirm that audit refunds can be used to lower the upcoming contributions, but not the current contributions.
8. W-2 Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less. The procedure that requires members with EMF's above 1.25 to work with Staff to develop and plan to reduce losses has been revised. Alliant Risk Control Consulting reviews all EMF's and provides assistance to members. Some smaller members have high EMF's simply because they had one or two large losses which caused their EMF to spike. In this case it's not a pattern of similar losses; therefore, a formal plan isn't necessarily appropriate. All references to Programs Committee was removed. A definition of EMF was added.

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

ATTACHMENT(S):

- a. AORMA Policy and Procedure Review Schedule
 1. A-4 Dividends and Assessments
 2. C-1 Crime Program Member Allocation Formula
 3. L-3 Legal Counsel Selection
 4. L-5 Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations
 5. L-8 Liability Program Member Allocation Formula
 6. P-1 Property Program Member Allocation Formula
 7. W-1 Workers' Compensation Member Allocation Formula
 8. W-2 Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less

AORMA Policies and Procedures Review Schedule

	Policy and Procedure	Adopted	Amended / Reviewed	Scheduled for Review
A-1	AORMA Committee Composition, Elections and Term Limits	4/18/2003	9/6/2018	2020
A-2	AORMA Committee and Standing Committee Roles and Responsibilities	8/19/2003	9/6/2018	2020
A-3	Target Surplus Funding Policy	1/10/2007	9/6/2018	2020
A-4	Dividends and Assessments	3/8/2007	5/2/2019	2021
A-5	Annual Calendar of Reports, Audits and Filings	10/29/2009	3/8/2018	2020
A-6	Risk Reduction Matching Grant Program	5/9/2013	3/8/2018	2020
A-7	Travel Reimbursement Policy	5/21/2013	9/6/2018	2020
A-8	Closed Session	10/23/2014	3/8/2018	2020
C-1	Crime Program Member Allocation Formula	11/6/2013	5/2/2019	2021
L-1	Claims Reporting	12/7/2006	3/8/2018	2020
L-2	Liability Claims Administration and Litigation Management	12/7/2006	3/8/2018	2020
L-3	Legal Counsel Selection	12/7/2006	5/2/2019	2021
Attachment	Approved Legal Counsel List (Review at least every three years)	N/A	3/7/2019	2022
L-4	Employee Driving Standards	7/1/2002	3/8/2018	2020
L-5	Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations	8/19/2003	5/2/2019	2021
L-6	Requirement to Purchase PAI for all Activities Involving Minors	6/17/2010	3/8/2018	2020
L-7	Employment Practices Deductible Options	5/12/2011	9/6/2018	2020
L-8	Liability Program Member Allocation Formula	9/8/2016	5/2/2019	2021
P-1	Property Program Member Allocation Formula	11/6/2013	5/2/2019	2021
UI-1	Formula for Determining Unemployment Insurance Program Annual Contributions	5/12/2010	12/6/2018	2020
W-1	Workers' Compensation Member Allocation Formula	5/15/2008	5/2/2019	2021
W-2	Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less	9/9/2003	5/2/2019	2021
W-3	Claims Handling Procedures and Guidelines	12/8/2009	3/8/2018	2020
W-4	Workers' Compensation Coverage Claims Settlement Authority	9/16/2010	3/8/2018	2020
W-5	Volunteer Coverage	1/12/2005	3/8/2018	2020
	RPTG's review of all Member Allocation Formulas	N/A	2/23/2017	2020



CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

SUBJECT: DIVIDENDS & ASSESSMENTS

ADOPTED: MARCH 8, 2007

**AMENDED: OCTOBER 29, 2009
SEPTEMBER 16, 2010
OCTOBER 23, 2014
MAY 5, 2016
MARCH 9, 2017**

EFFECTIVE: JULY 1, 2007

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

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

POLICY

It is the policy of the AORMA COMMITTEE that:

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

PROCEDURE

- 1. Annual Funding Analysis** – Each year the Program Director will analyze the current funding position of the PROGRAMs in accordance with the Target Surplus Goal detailed in Policy and Procedure No. A-3. This analysis will, in part, determine whether the PROGRAM’s overall funding is sufficient to consider a dividend or is depleted to the point of considering an assessment. The Program Director’s analysis will be reviewed by the AORMA COMMITTEE.
- 2. Closure of Policy Periods** - Upon reaching five (5) years of maturity after the end of a coverage period, that period shall be "closed" and there shall be no further dividends or assessments allocated with respect to those PROGRAM periods. Notwithstanding the above, the AORMA COMMITTEE may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last five (5) policy periods shall always remain "open" unless the AORMA COMMITTEE takes specific action to declare any of the last five (5) policy periods closed.
- 3. Dividends and Assessments** - Dividends and assessments shall be allocated to the MEMBERS based upon the proportion of all premiums paid to the PROGRAM in all "open" periods only. For purposes of allocating dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered collectively.
- 4. DECLARATION OF ASSESSMENTS** – Assessments will be declared as needed by the AORMA COMMITTEE, and will be collected from a MEMBER in accordance with its proportionate funding to the PROGRAM during all “open” policy periods, whether or not they currently participate in the PROGRAM at the time of the assessment.
- 5. DECLARATION OF DIVIDENDS** – The AORMA COMMITTEE may declare dividends if overall funding is sufficient to support such action. Upon such a declaration, the dividend shall be allocated to those MEMBERS currently participating in the PROGRAM at the time the dividend is declared, based on the proportionate funding of all “open” policy periods. For those MEMBERS involved in federal sponsored programs, the dividend can be retained on account with CSURMA to be used to lower contributions for the upcoming ~~or current~~ fiscal year. If the MEMBER chooses to receive the dividend, then the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federal sponsored programs to determine what percentage of the dividend will need to be returned to the federal government.

MEMBER APPEAL PROCESS

If a MEMBER wishes to appeal any decision regarding the application of the Dividend/Assessment Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary-Auditor within 30 days of the disputed decision. The Secretary-Auditor shall place the MEMBER appeal on the AORMA COMMITTEE agenda at its next regularly scheduled



CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

meeting. The AORMA COMMITTEE will review the appeal at its next regularly scheduled meeting and inform the MEMBER of the final decision within 5 business days of its decision.

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

DEFINITIONS:

AORMA – Auxiliary Organizations Risk Management Alliance, a group of PROGRAMs of the California State University Risk Management Authority representing auxiliary organizations.

AORMA COMMITTEE – The governing body of AORMA.

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

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

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



CSURMA AORMA

POLICY & PROCEDURE NO. C-1

SUBJECT: CRIME PROGRAM MEMBER ALLOCATION FORMULA

ADOPTED: NOVEMBER 6, 2013

EFFECTIVE: JULY 1, 2014

AMENDED: SEPTEMBER 10, 2015
MAY 4, 2017
MAY 2, 2019

POLICY:

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

PROCEDURE:

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

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

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

Basic Rates:

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

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

**** Example ****

1.	\$10,000,000 Payroll	*	.0400 Basic Rate (per \$100 in payroll)	=	\$4,000 Basic Premium
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Size Credit:

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

**** Example ****

1.	\$4,000 Basic Premium	/	\$10,000 Maximum Premium for Calculating Size Credit	=	40% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit
2.	40% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit	*	30% Maximum Size Percentage Credit	=	12% Size Credit Percentage
3.	.0400 Basic Rate	-	12% Size Credit Percentage	=	.0352 Basic Rate w/ Size Credit
4.	.0352 Basic Rate w/ Size Credit	*	\$10,000,000 Payroll	=	\$3,520 Basic Premium w/ Size Credit

Minimum Premium:

The expenditures used within this allocation are the expenditures documented in the member's financial audits.

1. Using the Minimum Premium Schedule, each member is assigned a minimum premium based on their average expenditures for five years. *Result – member's scheduled minimum premium.*

2. Member's basic premium with size credit is compared to the member's scheduled minimum premium. *Result – the minimum premium will be applied if the member's basic premium with size credit is less than the minimum premium.*

Loss Rating:

1. Five years paid claims (minus deductible) is divided by total premium for five prior years. *Result – loss ratio.*
2. Member's five-year loss ratio is reviewed against loss rating surcharge schedule. *Result – loss ratio surcharge is assigned.*
3. Basic premium with w/ size credit, or minimum premium, is increased by loss ratio surcharge. *Result – final premium.*

Administrative Costs:

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

DEFINITIONS:

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

SUBJECT: LEGAL COUNSEL SELECTION

ADOPTED: DECEMBER 7, 2006

**AMENDED: OCTOBER 8, 2009
SEPTEMBER 16, 2010
MAY 10, 2012
OCTOBER 23, 2014
MAY 5, 2016
SEPTEMBER 7, 2017
MAY 2, 2019**

EFFECTIVE: JANUARY 1, 2007

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

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

POLICY

1. The TPA shall appoint all LEGAL COUNSEL to represent AORMA and its MEMBERS in defense of a covered liability claim. All appointed LEGAL COUNSEL shall be selected from the AORMA APPROVED LEGAL COUNSEL LIST and subject to the MAXIMUM ALLOWABLE HOURLY RATE for LEGAL COUNSEL. The TPA will send to LEGAL COUNSEL an engagement letter which the LEGAL COUNSEL will be asked to acknowledge and accept.
2. The CSURMA Secretary-Auditor approves the selection of defense counsel to be added to the AORMA APPROVED LEGAL COUNSEL LIST.
3. To avoid any appearance of a conflict of interest, actual or potential, any attorney who has advised a MEMBER in any capacity (such as serving as general or labor counsel) shall not be engaged as LEGAL COUNSEL for a matter on which that attorney previously advised the MEMBER without prior approval of the CSURMA Secretary-Auditor.

PROCEDURE

1. The TPA shall maintain and update the AORMA APPROVED LEGAL COUNSEL LIST of attorneys (not firms) to which claims will be assigned.
2. The AORMA APPROVED LEGAL COUNSEL LIST will also include specialty LEGAL COUNSEL which are subject to a higher MAXIMUM ALLOWABLE HOURLY RATE.

The CSURMA Secretary-Auditor and CSURMA Legal Counsel will determine if specialty LEGAL COUNSEL is required.

3. The TPA shall at least every 36 months survey LEGAL COUNSEL compensation and recommend to the AORMA COMMITTEE a fair and equitable MAXIMUM ALLOWABLE HOURLY RATE for LEGAL COUNSEL which will address specialty LEGAL COUNSEL rates, partner rates, associate rates and blended rates. The AORMA COMMITTEE shall consider and take action at a regularly scheduled meeting to establish the MAXIMUM ALLOWABLE HOURLY RATE.
4. If LEGAL COUNSEL is handling the defense of any University case, then LEGAL COUNSEL will be retained at the University's hourly rate.
5. MEMBERS shall have the right to recommend LEGAL COUNSEL from the AORMA APPROVED LEGAL COUNSEL LIST; however, the CSURMA Secretary-Auditor shall make the final selection of LEGAL COUNSEL. If the MEMBER disapproves of the selection of LEGAL COUNSEL for a particular matter, the MEMBER may submit an appeal in writing to the AORMA COMMITTEE.
6. Any MEMBER wishing to recommend LEGAL COUNSEL for inclusion on the AORMA APPROVED LEGAL COUNSEL LIST may do so by submitting background information on the individual attorney to the TPA. The TPA will then review the information and, if appropriate, request that the CSURMA Secretary-Auditor approve inclusion of the attorney on the AORMA APPROVED LEGAL COUNSEL LIST.
7. Due to the potential conflict of interest, attorneys who serve regularly as general counsel, in-house counsel or labor counsel for that MEMBER may not defend that MEMBER unless prior written approval is granted by the CSURMA Secretary-Auditor.
8. Except as permitted by Paragraph Nos. ~~9, 10, and 11~~ and 12 below, the CSURMA Secretary-Auditor and the TPA shall have the sole responsibility to select and engage LEGAL COUNSEL to represent MEMBERS of AORMA as to any matters tendered by a MEMBER through AORMA for DEFENSE and INDEMNITY. A MEMBER may request selection of LEGAL COUNSEL from the AORMA APPROVED LEGAL COUNSEL LIST for a specific claim.
9. The TPA shall assign claims to LEGAL COUNSEL within five days after receipt of notice from the MEMBER that a Summons and Complaint has been received by the TPA.
10. If there is a conflict of interest between AORMA and a MEMBER (which would be a conflict of interest between an insured and its insurer within the meaning of California Civil Code Section 2860) then that MEMBER has the same rights to select and engage INDEPENDENT COUNSEL as would an insured under Civil Code Section 2860. AORMA also has all of the rights reserved to an insurer under Civil Code Section 2860, and all of the provisions of Civil Code Section 2860 shall apply as if AORMA was an insurer and the MEMBER was an insured.

11. A MEMBER may recommend LEGAL COUNSEL to defend an action if all of the following conditions apply:
 - a. Recommended LEGAL COUNSEL is selected from the AORMA APPROVED LEGAL COUNSEL LIST;
 - b. The CSURMA Secretary-Auditor approves the recommendation. (The recommendation will be approved by the CSURMA Secretary-Auditor unless the MEMBER's selection is found to be imprudent, i.e., LEGAL COUNSEL proposed by the MEMBER does not have sufficient experience, expertise or other qualifications required to competently undertake the defense assignment).
 - c. One or more of the following circumstances exists:
 - i. The MEMBER has significant exposure to a claim which the AORMA COMMITTEE has either denied coverage for, or has reserved its rights to deny coverage for, but which claims there may not be a conflict of interest between AORMA and MEMBER of the kind referred to in Paragraph No. 10 above. If the MEMBER chooses to avail itself of the privilege of selecting LEGAL COUNSEL under this No. ~~101~~ c(i), the MEMBER shall affirmatively waive its rights under No. ~~109~~ above.
 - ii. The case involves legal or factual issues which merit handling by LEGAL COUNSEL with specialized expertise.
 - iii. The case involves unusual ancillary factors, which justify retaining LEGAL COUNSEL having special sensitivity in dealing with those factors.
12. The MEMBER always may select and engage, *at its own expense*, MONITORING COUNSEL in addition to the LEGAL COUNSEL. However, the LEGAL COUNSEL selected by the CSURMA Secretary-Auditor or the TPA shall manage and control the litigation.
13. AORMA will pay for INDEPENDENT COUNSEL and LEGAL COUNSEL selected and engaged pursuant to Paragraph Nos. ~~910~~ and ~~1011~~ above. AORMA *will not pay for* MONITORING COUNSEL engaged pursuant to Paragraph ~~112~~, above.
14. In conjunction with LEGAL COUNSEL, selected pursuant to No. ~~910~~, above, the AORMA COMMITTEE and the TPA shall have the right to manage and control the conduct of the litigation. INDEPENDENT COUNSEL selected pursuant to No. ~~109~~, above, may participate in the defense of the litigation but shall not interfere with AORMA's right of control.
15. If a MEMBER has concerns regarding the selected LEGAL COUNSEL, they must communicate with the CSURMA Secretary-Auditor prior to initiating the MEMBER Appeal Process as described below.

NOTIFICATION

The TPA shall notify the MEMBER of LEGAL COUNSEL assigned to a claim, and confirm by sending the MEMBER a copy of the TPA's engagement letter. Before AORMA will pay any costs for LEGAL COUNSEL fees, selected LEGAL COUNSEL must confirm IN WRITING to the TPA that the engagement is between LEGAL COUNSEL and AORMA, not LEGAL COUNSEL and MEMBER.

MEMBER APPEAL PROCESS

If a MEMBER wishes to appeal a decision resulting from the enforcement of this policy & procedure, the MEMBER must present an appeal in writing to the AORMA COMMITTEE within 30 days of the disputed decision. The AORMA COMMITTEE will review the appeal at its next regularly scheduled meeting and inform the MEMBER within five business days of its final decision.

If a Member wishes to appeal the AORMA COMMITTEE's decision, the MEMBER will notify the CSURMA Secretary-Auditor in writing within five business days of receipt of the AORMA'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:

APPROVED LEGAL COUNSEL LIST - A list of pre-approved attorneys approved by the CSURMA Secretary-Auditor and the TPA to handle defense and litigation of AORMA MEMBER claims.

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

AORMA COMMITTEE - The governing body of AORMA.

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

DEFENSE - Legal costs incurred as the result of defending a covered claim. These may include claimant's and defense counsel's attorney fees.

EXECUTIVE COMMITTEE – The CSURMA Executive Committee.

INDEMNITY - Compensation for an incurred injury, loss or damage

INDEPENDENT COUNSEL – Legal Counsel selected if a potential conflict of interest exists between AORMA and a MEMBER. INDEPENDENT COUNSEL may participate in the defense of the litigation but shall not interfere with LEGAL COUNSEL'S— right of control.

IN WRITING - The required manner for reporting a claim to the AORMA TPA. Notification in writing includes email correspondence, faxed transmissions, and original, hard copy notifications.

LEGAL COUNSEL - Any attorney selected to represent an AORMA member. Legal Counsel is selected from the approved legal counsel list maintained by the TPA.

MAXIMUM ALLOWABLE HOURLY RATE – The maximum hourly fee for which AORMA will pay for an attorney to defend a covered claim. The TPA will survey the legal counsel marketplace to determine the maximum allowable hourly rate for AORMA in accordance with this Policy and Procedure. If the maximum allowable hourly rate is increase, it will be applicable only to current litigation and open claims. The change to the maximum allowable hourly rate does not apply retroactively to closed claims.

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

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

MONITORING COUNSEL – Legal Counsel hired by the MEMBER to monitor.



CSURMA AORMA

POLICY AND PROCEDURE NO. L-3

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

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



CSURMA AORMA

POLICY AND PROCEDURE NO. L-5

SUBJECT: **GUIDELINES FOR EXTENDING LIABILITY COVERAGE TO NON-AUXILIARY ORGANIZATIONS**

ADOPTED: **AUGUST 19, 2003**

EFFECTIVE: **JULY 1, 2003**

AMENDED: **NOVEMBER 20, 2003**
OCTOBER 8, 2009
DECEMBER 6, 2012
MARCH 21, 2013
MARCH 19, 2015
MAY 2, 2019

POLICY & PROCEDURE NO.: **(FORMERLY) 5-AORMA**

PURPOSE:

The purpose of this Policy and Procedure is to describe the conditions under which Auxiliary Organizations (Members) may extend Liability coverage to student groups, alumni organizations, booster clubs and other related entities.

Coverage provided under the CSURMA AORMA Liability Program is governed solely by the Liability Memorandum of Coverage and excess insurance policies providing coverage under that program. This Policy and Procedure shall not be construed to broaden or restrict coverage in any way. Rather, this Policy and Procedure is intended to guide Members as respects coverage.

POLICY:

It is the policy of the CSURMA AORMA Liability Program that Members will protect CSURMA program assets by fully implementing the guidelines found in the Insurance Requirements in Contracts Manual prepared by CSURMA’s Program Administrator. It is understood that from time-to-time, Members may request to extend Liability coverage for certain student group activities, booster club activities, alumni organization activities or operations of other related entities that benefit the member Auxiliary Organization, and this extension of coverage may be acceptable provided that the member Auxiliary Organization exercises substantial control over the activities or organizations to which coverage is extended.

It is the intention of this Policy and Procedure that the Auxiliary Organizations Association (AOA) and the Auxiliaries Multiple Employer VEBA be considered Member organizations for purposes of insurance coverage through the CSURMA AORMA Liability Program.

PROCEDURE:

Members are expected to adhere to the following procedures:

Members shall fully implement the guidelines of the Insurance Requirements in Contracts Manual prepared by the CSURMA Program Administrator. This means that Members will require third party contractors and vendors to provide appropriate indemnification, insurance and documentation of coverage.

1. In order to extend liability coverage to student groups, alumni organizations, booster groups or other related entities, the following conditions must be met:
 - a. The Member must exercise substantial control over all events, activities and operations. By this, it is meant that the Member is directly involved in all planning of the activities and is in a position to exercise management control.
 - b. The Member will hold substantial financial control.
 - c. A risk analysis has been performed by the Member to determine that the extension of coverage does not generate unnecessarily high risks.
 - d. The Member will participate in the planning and oversight of activities or events so that risk is minimized. The requirements for drivers described in Policy and Procedure AORMA # L-4 will be applicable to those groups to whom coverage is extended. Special Events coverage shall be purchased when the coverage extension is deemed to generate significant additional risk.
 - e. The Member will provide to the CSURMA AORMA Program Administrator appropriate underwriting information.
 - f. The underwriting information will be reviewed by the CSURMA AORMA Program Administrator and may also be reviewed by the Systemwide Director of Risk Management and/or CSURMA's legal counsel who will provide the ~~Programs~~ AORMA Committee with a recommendation as to whether coverage should be extended.
 - g. The AORMA ~~Programs~~-Committee will make the final determination if the Member's coverage can be extended.
 - h. After approval of the coverage extension, the student group, alumni association, booster club or other related entity will be listed on the CSURMA AORMA Liability Program Memorandum of Coverage Declarations Page.



CSURMA AORMA

POLICY & PROCEDURE NO. L-8

SUBJECT: **LIABILITY PROGRAM MEMBER ALLOCATION FORMULA**

ADOPTED: **SEPTEMBER 8, 2016**

EFFECTIVE: **SEPTEMBER 8, 2016**

AMENDED: **MAY 4, 2017**
MAY 2, 2019

POLICY:

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

PROCEDURE:

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

~~Annually, in~~In December, the ~~Programs-AORMA~~ Committee will accept the ~~following four~~ supplemental actuarial reports to be used as general guidelines within the Liability Program Member Allocation Formula:

1. Liability Rates
2. Liability Experience Modification Factors
3. Employment Practices Liability Indicated Deductible Credits

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

1. Basic rates ~~for;~~
 - ~~a. Automobile liability~~
 - ~~b. Premises liability~~
 - ~~c. Other liability~~
 - ~~d.a. Employment practices liability~~
2. Maximum premium for calculating the size credit
3. Maximum size credit percentage
4. Minimum and/or maximum excess premium and administrative costs
5. Maximum and minimum premium collar percentages
6. Minimum premium

LIABILITY PROGRAM MEMBER ALLOCATION FORMULA:

Basic Rates:

Four basic rates are included in the allocation formula for the following loss exposures:

Loss Exposure	Exposure Basis
Automobile Liability (AL)	Number of owned autos
Premises Liability (PL)	Total square footage owned, occupied, operated or maintained
Other Liability (OL)	Total expenditures for five years
Employment Practices Liability (EPL)	Total payroll

1. The exposure basis for each loss exposure is multiplied separately by the corresponding approved basic rate and then added together. *Result – basic premium for pooled layer w/o size credit or loss rating.*

**** Example ****

1.	5	*	\$150	=	\$750
	Number of owned autos		Per Auto		AL Basic premium
	150,000	*	\$50	=	\$7,500
	Square Footage		Per 1,000 of square footage		PL Basic premium
	\$20,000,000	*	\$400	=	\$8,000
	Expenditures		Per 1,000,000 of expenditures		OL Basic premium
	\$5,000,000	*	\$1,200	=	\$6,000
	Payroll		Per 1,000,000 of payroll		EPL Basic premium
			Total		\$22,250
					Basic premium for pooled layer w/o size credit or loss rating

Size Credit:

1. Basic premium for pooled layer w/o size credit or loss rating is divided by the maximum premium for calculating size credit. *Result – percentage of basic premium for pooled layer compared to the maximum premium for calculating size credit.*
2. Percentage of total basic premium compared to maximum premium for calculating size credit is multiplied by maximum size credit percentage. *Result – size credit percentage.*
3. Basic premium for pooled layer w/o size credit or loss rating is multiplied by the size credit percentage. *Result – basic premium for pooled layer w/ size credit.*

**** Example ****

1.	\$22,250 Basic premium for pooled layer w/o size credit or loss rating	/	\$65,000 Maximum premium for calculating size credit	=	34% % of basic premium for pooled layer compared to maximum premium for calculating size credit
2.	34% % of basic premium for pooled layer compared to maximum premium for calculating size credit	*	20% Maximum size percentage credit	=	7% Size credit percentage
3.	\$22,250 Basic premium for pooled layer w/o size credit or loss rating	-	7% Size credit percentage	=	\$20,693 Basic premium for pooled layer w/ size credit

Loss Rating:

1. Loss rating discount or surcharge (as calculated by actuary) is multiplied by the basic premium for pooled layer w/ size credit. *Result – Basic premium for pooled layer w/ size credit and loss rating.*

**** Example ****

1.	\$20,693 Basic premium for pooled layer w/ size credit	*	.945 Loss rating discount or surcharge	=	\$19,555 Basic premium for pooled layer w/ size credit and loss rating
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Excess Premium:

1. Each Member’s percentage of the total basic premium for pooled layer w/o size credit or loss rating is multiplied by the total excess premium. *Result – excess premium.*
2. The excess premium is capped if it exceeds the maximum excess premium. *Result – capped excess premium.*

**** Example ****

1.	\$22,250 Basic premium for pooled layer w/o size credit or loss rating	/	\$1,718,405 Total program basic premium for pooled layer	=	1.29% Percentage of total program basic premium for pooled layer
	1.29% Percentage of total program basic premium for pooled layer	*	\$1,230,000 Total program excess premium	=	\$15,867 Excess premium
2.	\$15,867 Excess premium	=/<	\$85,000 Minimum excess premium	=	\$15,867 Capped excess premium

Administrative Costs:

1. Each Member’s percentage of the total basic premium for pooled layer w/o size credit or loss rating is multiplied by the total program administrative costs. *Result – administrative costs.*
2. The administrative costs are capped at either the minimum or maximum administrative costs. *Result - Capped administrative costs.*

1.	\$22,250	/	\$1,718,405	=	1.29%
	Basic premium for pooled layer w/o size credit or loss rating		Total program basic premium for pooled layer		Percentage of total program basic premium for pooled layer
	1.29%	*	\$730,000	=	\$9,417
	Percentage of total program basic premium for pooled layer		Total program excess premium		Administrative costs
2.	\$9,417	<	\$60,000	=	\$9,417
	Excess premium		Maximum administrative costs		Capped administrative costs
	\$9,417	>	\$600	=	\$9,417
	Excess premium		Minimum administrative costs		Capped administrative costs

Final Premium w/o Collars:

1.	\$19,555	+
	Basic premium for pooled layer w/ size credit and loss rating	
	\$15,867	+
	Capped excess premium	
	\$9,417	+
	Capped administrative costs	
	\$44,874	=
	Final premium w/o collars or deductible credits	

Collared Premium:

1. Prior year’s final premium w/o deductible credit is multiplied by the maximum collared percentage increase. *Result – maximum collared premium.*
2. Prior year’s final premium w/o deductible credit is multiplied by the maximum collared rate decrease. *Result – minimum collared premium.*
3. If the final premium w/o collars or deductible credits is less than the minimum collared premium, then the minimum collared premium will apply; if the final premium w/o collars or deductible credits is more than the maximum collared premium, then the maximum collared premium will apply.

**** Example ****

1.	\$35,000	+	10%	=	\$38,500
	Prior year’s final premium w/o deductible credit		Maximum collared percentage increase		Maximum collared premium
2.	\$35,000	-	10%	=	\$31,500
	Prior year’s final premium w/o deductible credit		Maximum collared percentage decrease		Minimum collared premium

3.	\$44,874	>	\$38,500	=	\$38,500
	The maximum collared premium is used because final premium w/o collars or deductible credits is greater than the maximum collared premium				Final premium w/o deductible credits

Minimum Premium:

1. The final premium w/o deductible credits is compared to the approved minimum premium. The minimum premium is applied as appropriate.

Employment Practices Liability Deductible:

1. The EPL basic premium is reduced by the EPL deductible credits. The total savings is applied to the final premium w/o deductible credits.



CSURMA AORMA

POLICY & PROCEDURE NO. P-1

SUBJECT: PROPERTY PROGRAM MEMBER ALLOCATION FORMULA

ADOPTED: NOVEMBER 6, 2013

EFFECTIVE: JULY 1, 2018

AMENDED: SEPTEMBER 10, 2019
MAY 4, 2017
MAY 2, 2019

POLICY:

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

PROCEDURE:

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

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

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

PROPERTY PROGRAM MEMBER ALLOCATION FORMULA:

Basic Rates:

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

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

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

**** Example ****

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

Size Credit:

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

**** Example ****

1.	\$160,000 Basic Premium	/	\$600,000 Maximum Premium for Calculating Size Credit	=	27% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit
2.	27% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit	*	30% Maximum Size Percentage Credit	=	8% Size Credit Percentage
3.	.2133 Basic Rate	-	8% Size Credit Percentage	=	.1960 Basic Rate w/ Size Credit

Loss Rating:

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

**** Example ****

1.	\$125,000	/	\$500,000		25%
	Five Years Paid Claims		Total Premium for Five Prior Years		Loss Ratio
2.	25%			=	5%
	25% Loss Ratio is reviewed against Loss Rating Surcharge Schedule and Surcharge is Assigned.				Loss Ratio Surcharge
3.	5%	+	.1960	=	.2058
	Loss Ratio Surcharge		Basic Rate w/ Size Credit		Final Rate
4.	.2058	*	\$75,000,000	=	\$154,350
	Final Rate (per \$100 in TIV)		Total TIV		Final Premium

Minimum Premium:

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

**** Example ****

1.	\$154,500	>	\$600	=	\$154,500
	If the Final Premium is greater than the minimum premium, use the Final Premium				Final Premium

DEFINITIONS:

1. **RP/BI - Real Property, Business Interruption and Rental Value Basic Rate** – This rate will be approved annually by the Programs-AORMA Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year.
2. **BPP – Business Personal Property Basic Rate** - This rate will be approved annually by the Programs-AORMA Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year. This rate will be 20% higher than the Real Property, Business Interruption and Rental Value Basic Rate.

3. **Maximum Premium for Calculating Size Credit** – The Maximum Premium for Calculating the Size Credit dollar amount will be approved annually by the ~~Programs~~ AORMA Committee. The Maximum Premium for Calculating Size Credit is used to calculate each member's size credit. The member's basic premium is divided by the Maximum Premium for Calculating Size Credit, as an example - $\$300,000$ (*member's basic premium*) / $\$600,000$ (*Maximum Premium for Calculating Size Credit*) = 50% (*member's percentage of size credit*). This member would be subject to 50% of the total **Size Credit Percentage**.

4. **Size Credit Percentage** – The Size Credit Percentage will be approved annually by the ~~Programs~~ AORMA Committee. The Size Credit Percentage represents the maximum size credit available to any one member. As an example – 50% (*member's percentage of size credit*) * 30% (*Size Credit Percentage*) = 15% (*member's size credit*).



CSURMA AORMA

POLICY AND PROCEDURE NO. W - 1

SUBJECT:	WORKERS' COMPENSATION MEMBER ALLOCATION FORMULA
ADOPTED:	MAY 15, 2008
EFFECTIVE:	MAY 15, 2008
AMENDED:	DECEMBER 8, 2009 SEPTEMBER 10, 2015 MAY 5, 2016 MARCH 9, 2017 MAY 4, 2017 <u>MAY 2, 2019</u>

PURPOSE:

It shall be the policy of the CSURMA Auxiliary Organizations Risk Management Alliance (AORMA) to determine each MEMBER's allocation of the workers' compensation TOTAL PROGRAM FUNDING as outlined in the Workers' Compensation Member Allocation Formula noted below:

PROCEDURE:

Annually, in September, the AORMA COMMITTEE will approve the TOTAL PROGRAM FUNDING for the workers' compensation program for the upcoming fiscal year.

Annually, in December, the ~~PROGRAMS-AORMA~~ COMMITTEE will approve or accept the following allocation distribution criteria with the Workers' Compensation Member Allocation Formula:

1. AORMA BASIC RATES for each class code.
2. EXPERIENCE MODIFICATION FACTOR (EMF) as determined by the actuary.
3. Minimum Premium.

ALLOCATION FORMULA:

1. The MEMBER's EXPERIENCE MODIFICATION FACTOR is applied separately to each of the AORMA BASIC RATES. Result – Member's modified rates.
2. MEMBER's modified rates are applied separately to the MEMBER's estimated payroll, separated by class code, for the upcoming fiscal year. Result – Member's final modified deposit premium.

3. The minimum premium is applied if the Member’s final modified deposit premium is less than the approved minimum premium.

**** Example ****

1001	.50	*	.95	=	.48
1002	1.00	*	.95	=	.95
1004	1.50	*	.95	=	1.43
1005	3.00	*	.95	=	2.85
1006	4.00	*	.95	=	3.80
1007	5.00	*	.95	=	4.75
AORMA basic rates			Experience modification factor		Modified rates
1001	.48	*	\$1,000,000	=	\$4,800
1002	.95	*	\$800,000	=	\$7,600
1004	1.43	*	\$0	=	\$0
1005	2.85	*	\$0	=	\$0
1006	3.80	*	\$0	=	\$0
1007	4.75	*	\$0	=	\$0
					\$12,400
Modified rates			Estimated payroll		Final modified deposit premium

ANNUAL PAYROLL AUDIT:

The MEMBER’s final payroll separated by AORMA class code will be requested at the end of each program year. The MEMBER’s final workers’ compensation premium will be calculated by multiplying the MEMBER’s actual payroll per class code by the MEMBER’s modified rates. The MEMBER will receive either a refund or additional deposit billing based on how their audited contribution compares with their initial deposit. MEMBERS will allocate their payroll to each of the AORMA class codes as outlined in the (1) AORMA Workers’ Compensation Explanation of Classification Codes and (2) AORMA Workers’ Compensation Payroll Rules to Follow publications. For those MEMBERS involved in federal sponsored programs, the refund can be retained on account with CSURMA to be used to lower contributions for the upcoming ~~or current~~ fiscal year. If the MEMBER chooses to receive the refund, then the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federal sponsored programs to determine what percentage of the dividend will need to be returned to the federal government.

If the final audit ~~or the renewal application~~ is not received by the deadline, then the Program Administrator may increase that MEMBERS payrolls by the average payroll increase for all MEMBERS for the prior two years.

MEMBER APPEAL PROCESS:

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

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

DEFINITIONS:

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

AORMA COMMITTEE – The governing body of AORMA.

AORMA BASIC RATES – The AORMA Basic Rates will be approved annually by the ~~PROGRAMS~~ **AORMA** COMMITTEE. The WCIRB class code rates shown below will be utilized when determining the AORMA BASIC RATES. A normalization factor will be added to the WCIRB class code rates in order to achieve the TOTAL PROGRAM FUNDING required as approved by the AORMA COMMITTEE.

Class Code Description	AORMA	WCIRB
Clerical	1001	8810
Off-site activities / professional / student activities	1002	8868
Retail	1004	8071
Sports / day care	1005	9053
Food service	1006	9079
Manual labor	1007	9101

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

CSURMA EXECUTIVE COMMITTEE – The California State University Risk Management Authority Executive Committee.

EXPERIENCE MODIFICATION FACTOR (EMF) – The experience rating system is a merit rating system intended to provide MEMBERS a direct financial incentive to reduce work-related accidents. The experience rating system objectively distributes the cost of the workers’ compensation program more equitably among the MEMBERS. An EMF less than 100% reflects better than average experience. The actuary will determine each MEMBER’s EMF based on the current published WCIRB method. The EMF will be adjusted for the normalization factor and capped at a maximum change of +20% from the prior (normalized) EMF. The EMF will not include a maximum decrease cap.

MEMBER – The Member is a signatory to the CSURMA Joint Powers Authority as well as the AORMA Workers’ Compensation Program Participation Agreement.

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



MEMORANDUM OF COVERAGE is a negotiated agreement among the MEMBERS of CSURMA AORMA.

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

~~**PROGRAMS COMMITTEE** – The Programs Committee oversees the management of all programs not otherwise assigned to another committee, including, but not limited to, the Liability, Workers’ Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and Foreign Travel Liability Programs, as well as new program development. The Committee will assist in the review of annual actuarial reports and the development of rating plans for allocation of annual costs, policies and coverage documents. Training, service provider RFP development and selection will also be handled by this Committee. The Programs Committee will act as a liaison to the AOA Human Resources Committee.~~

TOTAL PROGRAM FUNDING - The Total Program Funding costs will include (1) the pooled layer funding requirement, as recommended by the actuary, (2) administrative costs and (3) excess insurance or reinsurance costs.



CSURMA AORMA

**POLICY AND PROCEDURE NO. W-2
(FORMERLY W-3)**

SUBJECT: REQUIREMENT OF MEMBERS TO MAINTAIN EXPERIENCE MODIFICATION FACTOR OF 1.25 OR LESS

ADOPTED: SEPTEMBER 9, 2003

EFFECTIVE: SEPTEMBER 9, 2003

AMENDED: DECEMBER 8, 2009
MARCH 20, 2014
MAY 5, 2016
MARCH 8, 2018
MAY 2, 2019

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

POLICY:

It is the policy of the AORMA COMMITTEE that MEMBERS of the AORMA Workers' Compensation Program shall work to maintain an EMF of 1.25 or less.

PURPOSE:

The AORMA Workers' Compensation Program is dedicated toward reducing MEMBER costs through a combination of effective loss prevention, claims mitigation, claims management and administrative efficiencies. The long-term viability of the AORMA Workers' Compensation Program requires that a MEMBER with an EXPERIENCE MODIFICATION FACTOR (EMF) in excess of 1.25 work with the Program Administrator to review its workers' compensation losses, and if appropriate, develop and implement a plan to reduce that MEMBER's EMF to 1.25 or less.

PROCEDURE:

Using loss data valued at June 30th, the Program Administrator shall by October 1st of each year, calculate the EMF of each MEMBER. —By January 31st, the Program Administrator will notify each MEMBER of their updated EMF.

~~1. Members with an EMF less than 1.10 will be notified that their EMF is satisfactory.~~



CSURMA AORMA

POLICY AND PROCEDURE NO. W-2 (FORMERLY W-3)

~~2.1.~~ For MEMBERS with EMFs ranging from 1.10 to 1.25, ~~notice will be given that their EMF is near the maximum threshold of 1.25. The~~ if appropriate, the Program Administrator will offer to assist the MEMBER in evaluating how best to avoid having their EMF exceed 1.25.

~~3.2.~~ For MEMBERS with EMFs exceeding 1.25, if appropriate, the Program Administrator will assist the MEMBER in creating a plan to reduce its EMF. The EMF reduction plan may be presented to the AORMA ~~Programs~~ Committee for review and approval.

MEMBER APPEAL PROCESS:

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

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



CSURMA AORMA

POLICY AND PROCEDURE NO. W-2 (FORMERLY W-3)

DEFINITIONS:

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

AORMA COMMITTEE - The governing body of AORMA.

EXPERIENCE MODIFICATION FACTOR (EMF) - The experience rating system is a merit rating system intended to provide MEMBERS a direct financial incentive to reduce work-related accidents. The experience rating system objectively distributes the cost of the workers' compensation program more equitably among the MEMBERS. An EMF less than 100% reflects better than average experience. The actuary will determine each MEMBER's EMF based on the current published WCIRB method. The EMF will be adjusted for the normalization factor and capped at a maximum change of +20% from the prior (normalized) EMF. The EMF will not include a maximum decrease cap. See Policy and Procedure W-1—Workers' Compensation Program Member Allocation Formula.

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

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

**CARL WARREN & COMPANY THIRD PARTY LIABILITY CLAIMS
ADMINISTRATOR CONTRACT RENEWAL**

ISSUE: The current contract with Carl Warren & Company for third party liability claims administration has a three-year contract term and two one-year options. The three-year term expires on June 30, 2019. The Committee will be asked to exercise the two one-year options to extend the contract to June 30, 2021.

RECOMMENDATION: Staff recommends that the Committee delegate authority to the CSURMA Secretary-Auditor to exercise the two one-year options to extend the contract to June 30, 2021.

FISCAL IMPACT: Item 8 within the original agreement, proposes the following rates structure:

Carl Warren & Company – Proposed Contract Rates		
Term	Adjuster Service Rate Per Billable Hour / Unit	RMIS & Administration
FY 15/16 (Current)	\$58	\$14,000
FY 16/17	\$58	\$14,000
FY 17/18 and FY 18/19	\$60	\$15,000
FY 19/20 and FY 20/21	\$62	\$16,000

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

PUBLICATION: None.

ATTACHMENT(S):

- a. Carl Warren & Company Third Party Liability Claims Administration Contract (Entire Contract)
- b. Contract Extension to June 30, 2021



CARL WARREN & COMPANY

THIRD PARTY CLAIMS ADMINISTRATION CONTRACT

THIS AGREEMENT, entered into effective JULY 1, 2016 and between **California State University Risk Management Authority** hereinafter called "PRINCIPAL," and **CARL WARREN & COMPANY**, hereinafter called "CONTRACTOR," is for certain services relating to the supervision and administration of PRINCIPAL's program of self-insurance for Auxiliary Organizations.

RECITALS

WHEREAS, PRINCIPAL has undertaken to self-insure and is in need of a qualified third party to whom to delegate the responsibilities and duties of administering certain aspects of its self-insured liability insurance program for Auxiliary Organizations ("the AORMA Liability Program"), and

WHEREAS, CONTRACTOR is engaged in the supervision and administration of programs for liability self-insurance,

NOW, THEREFORE, PRINCIPAL and CONTRACTOR mutually understand and agree as follows:

1. GENERAL

CONTRACTOR shall:

- a. Supervise and administer the AORMA Liability Program for PRINCIPAL in conformance with all applicable CSURMA policies and procedures, including Policy and Procedure Nos, L-1, L-2 and L-3.
- b. Represent the PRINCIPAL in all matters related to the investigation, adjustment, processing, supervision and resolution of liability claims for money damages asserted by third parties against the PRINCIPAL (and other participants in the Program) and all other claims falling within the scope and coverage of the AORMA Liability Program Memorandum of Coverage; and
- c. Provide to PRINCIPAL during the term of this AGREEMENT all the services more particularly set forth hereinafter.

2. INVESTIGATIVE SERVICES

CONTRACTOR shall provide complete investigative and analytical services including, but not limited to: (a) receipt and examination of all reports of accidents, incidents, claims or cases which are or may be the subject of such claims reported by PRINCIPAL to CONTRACTOR; and (b) the investigation of such accidents, incidents, claims or cases where examination warrants such investigation or when requested by PRINCIPAL, such investigation to include on-site investigation, photographs, interviewing of witnesses, determination of losses, and other such investigative services necessary to determine liability and loss.

3. SETTLEMENT AUTHORITY



- a. CONTRACTOR may, in its discretion and without the approval of PRINCIPAL, settle a claim or potential claim for an amount up and including \$25,000 (Twenty Five Thousand Dollars)("the AUTHORITY LIMIT").
- b. CONTRACTOR will promptly notify PRINCIPAL in writing of any claim or potential claim which is reasonably expected in CONTRACTOR'S opinion to result in total settlement payments in excess of the AUTHORITY LIMIT. From time to time during the term of this AGREEMENT, the AUTHORITY LIMIT may be adjusted by mutual written agreement of the Parties.
- c. CONTRACTOR may not settle a claim or potential claim for an amount that exceeds the Authority Limit without the prior approval of PRINCIPAL.

4. CLAIMS ADJUSTMENT SERVICES

CONTRACTOR shall provide complete claims adjustment services on each accident, event or incident that may be the subject of a claim or potential claim against the PRINCIPAL which is reported to CONTRACTOR by the PRINCIPAL. Such services shall include, but not be limited to:

- a. The maintenance of a claim file on each potential or actual claim reported to CONTRACTOR;
- b. Processing any claim or potential claim for settlement in accordance with the PRINCIPAL'S instructions for settlement of the claims;
- c. Obtaining all release agreements or proofs of loss on settlement of any claim or potential claim;
- d. Providing the subrogation services set out in Section 7. The fee schedule set out in Section 9 will apply to any subrogation services provided by CONTRACTOR, unless a separate fee agreement is agreed to by PRINCIPAL and CONTRACTOR.
- e. Performing an analysis of all claims and lawsuits for potential liability apportionment
 - 1) Between either the California State University Campus and a California State University Auxiliary Organization or
 - 2) Between two or more California State University Auxiliary Organizations,and informing PRINCIPAL if it concludes there is a reasonable basis to believe that apportionment may apply.

5. ADMINISTRATIVE SERVICES

CONTRACTOR shall provide the following administrative services:

- a. Assign a Principal Account Adjuster to the PRINCIPAL;
- b. Provide PRINCIPAL with electronic access to all reported claims during the term of this AGREEMENT and related claim information including the status of each reported open claim assigned to CONTRACTOR, the details of each such claim, the outstanding reserves for each claim, and details of all claim payments;
- c. Perform periodic reviews and adjustments of reserves on all open claims.



- d. Provide account specific reports and attend meetings as requested by PRINCIPAL. PRINCIPAL will pay the costs associated with the preparation of any such reports or meeting attendance at the rates provided for in Section 9 under ancillary services;
- e. Maintain a record of all checks, money orders, and cash it receives for reimbursement on or refund of any claim expenditures. CONTRACTOR will furnish a copy of the record to PRINCIPAL on a monthly basis, including bank statements and any other appropriate financial records;
- f. Maintain a record of all checks issued, cashed, voided or cancelled. CONTRACTOR will furnish a copy of the record to Principal on a monthly basis, including bank statements and any other appropriate financial records; and,
- g. CONTRACTOR will operate all of PRINCIPAL 's accounts on a positive pay basis. CONTRACTOR will provide PRINCIPAL with a reconciliation at least once a month.

6. LEGAL SUPPORT SERVICES

CONTRACTOR shall provide the following legal support services on each claim wherein a claimant has commenced litigation:

- a. Provide timely notice of the litigation/lawsuit to (i) PRINCIPAL, (ii) the PRINCIPAL's excess insurance carrier, reinsurer and/or excess joint powers authority, pool or group (the "EXCESS ENTITY") as may be appropriate, and, (iii) any assigned defense counsel.
- b. Provide PRINCIPAL, EXCESS ENTITY and/or defense counsel with all relevant information and files concerning the litigation/lawsuit and underlying claim;
- c. Supervise, monitor and oversee counsel's handling, defense and/or resolution of the litigation/lawsuit;
- d. Notify PRINCIPAL and/or EXCESS ENTITY as may be appropriate of any event, development or occurrence that could materially impact or effect the outcome, disposition or resolution of the litigation/lawsuit; and
- e. Provide regular updates to PRINCIPAL and/or EXCESS ENTITY concerning the status of the litigation/lawsuit.

7. SUBROGATION SERVICES

CONTRACTOR shall provide subrogation services to PRINCIPAL. CONTRACTOR shall: (i) supervise and administer the subrogation program for PRINCIPAL, (ii) represent PRINCIPAL in all matters related to the investigation, collection, processing, supervision and resolution of the subrogated claims against third parties, and (iii) provide complete collection services to PRINCIPAL, including receipt and examination of all reports of accident, incidents, claims or cases which are or may be the subject of a subrogation claim.

CONTRACTOR, however, is not required or expected to provide subrogation services to recover damages or costs relating to Workers Compensation claims.

8. TERM OF AGREEMENT

The initial term of the AGREEMENT is for three years, commencing on **JULY 1, 2016** and ending at midnight on **JUNE 30, 2019**. At the expiration of the initial term, PRINCIPAL has, in



its sole discretion, the option to renew and extend the AGREEMENT for two consecutive one year periods. The first optional renewal period shall commence on July 1, 2019 and end at midnight on June 30, 2020. The second optional renewal period shall commence on July 1, 2020 and end at midnight on June 30, 2021.

In each instance in which PRINCIPAL elects to exercise its option and extend the AGREEMENT, it will provide written notice of that fact at least thirty (30) days prior to the expiration of the then existing term.

Except as otherwise mutually agreed to in writing by PRINCIPAL and CONTRACTOR, all renewals and extension of this AGREEMENT shall be subject to all of the terms, agreements and conditions set forth in the original AGREEMENT and any valid operative amendments or modifications to it.

9. PRICING

PRINCIPAL agrees to pay the following claim handling and service fees for CONTRACTOR's services:

LIABILITY CLAIMS ADMINISTRATIVE SERVICES			
CLAIM TYPE	YEAR 1	YEAR 2 & 3	YEAR 4 & 5
Services	\$58 per hour	\$60 per hour	\$62 per hour
Administrative Fee	\$14,000 per year	\$15,000 per year	\$16,000 per year
Telephone/Fax	10%		
Mileage (each way)	IRS rate		
Photocopies	Included		
Photographs	Included		
Office Expense	20%		
Set Up Fee	Included		
Index (ISO ClaimSearch and OFAC)	\$18 each	\$18 each	\$20 each
MMSEA Filing	\$4.85 each	\$4.85 each	\$5 each

CONTRACTOR has the right to revise this fee schedule at no more frequently than one (1) year intervals. CONTRACTOR will provide a minimum of 45 (forty five) days prior notice of any such revision to the fee schedule to PRINCIPAL, which notice shall state the effective date of the revised fee schedule. Unless PRINCIPAL exercises its right to terminate this AGREEMENT pursuant to Section 13(a) prior to the effective date of the revised fee schedule, such revised fee schedule shall govern for the remainder of the then existing term (or until further adjusted pursuant to this Section 9). If PRINCIPAL does exercise its right to terminate this AGREEMENT pursuant to Section 13(a), during the period between receipt of the revised fee schedule and the effective date of termination, the existing fee schedule (and not the revised schedule) shall govern.

The above fee schedule for the services does not include "Allocated Expenses", defined to mean customary and usual costs and expenses incurred and/or paid by CONTRACTOR on PRINCIPAL'S behalf in connection with the investigation, adjustment, settlement or defense of a claim. Such costs and expenses include, but are not limited to, professional photography, police reports, independent medical examinations, professional engineering services, laboratory services, bulk copy jobs, private investigators, legal costs and fees and work performed by



accountants. CONTRACTOR shall charge PRINCIPAL for non-staff investigators or adjusters when, in the opinion of CONTRACTOR, such assistance is necessary and reasonably related to the monetary exposure. Allocated Expenses do not include the fees payable to CONTRACTOR pursuant to the fee schedule in this Section 9, nor the salaries, wages or benefits paid to CONTRACTOR'S employees or office and other overhead expenses associated with the performance of the services hereunder by CONTRACTOR. PRINCIPAL agrees to pay for the cost of all reasonable and supportable Allocated Expenses incurred in connection with the services under this AGREEMENT.

Charges for non-file-related professional services performed at the specific request of PRINCIPAL will be billed on an as quoted basis.

10. DATA PROCESSING

- a. The following standard services are included in this services provided pursuant to this AGREEMENT - claims data electronically for up to three recipients and access to mycarlwarren.com for up to three users. For security purposes, access to mycarlwarren and any subscriptions will automatically terminate at the end of twelve (12) months. PRINCIPAL shall be responsible for notifying CONTRACTOR to renew user subscriptions and access or to substitute users.
- b. Additional users or recipients shall be charged on a per person basis at an annual fee of \$250.
- c. Special reports, new reports and data feeds can also be requested. They are subject to a cost per quote at a rate per project or per hour once the scope has been agreed upon. CONTRACTOR does not possess any interest, title, lien or right to any client data or records. Therefore, upon termination of the contract, CONTRACTOR is relieved of all obligations to provide data processing services to PRINCIPAL and will deliver to PRINCIPAL all data and records in a readily available excel or PDF format. If a different format is desired by PRINCIPAL, CONTRACTOR will provide it to PRINCIPAL at an agreed upon and reasonable cost and timeline.

11. PRINCIPAL'S RESPONSIBILITIES

PRINCIPAL shall provide CONTRACTOR with copies of all relevant documents upon request and without charge and shall make available any PRINCIPAL employee for interviews by CONTRACTOR at reasonable times concerning any investigation of a claim or incident pursuant to this Agreement.

CONTRACTOR shall bill PRINCIPAL and furnish PRINCIPAL with invoices for services rendered in accordance with the fee schedule set forth in the Agreement. Each invoice will include the claim or other matters for which a fee is being charged and the amount of the associated fee for that claim or matter. All sums due hereunder shall be paid by delivery of PRINCIPAL'S check, or wire transfer to CONTRACTOR'S offices located at the address set forth herein, within thirty (30) days following the invoice date. If any amount invoiced is in dispute, PRINCIPAL shall pay the undisputed amount and notify CONTRACTOR within thirty (30) days after the invoice date of the disputed portion; failure by PRINCIPAL to deliver written notice to CONTRACTOR of dispute with regard to any portion of an invoice within such time frame shall be deemed acceptance of the entire invoice by PRINCIPAL. Fees not paid in full within thirty (30) days of the invoice date (excluding any good faith disputed amount for which



PRINCIPAL has delivered a written notice of dispute in accordance with this Section 11), at CONTRACTOR'S option, will be subject to per annum interest at the lower of (i) 18% or (ii) the maximum interest rate permitted by applicable law, calculated from the due date to the date payment is received by CONTRACTOR. For invoices not paid in full within thirty (30) days of the invoice date, CONTRACTOR will notify PRINCIPAL of such failure to pay and if PRINCIPAL does not cure such failure in full (excluding any good faith disputed amount for which PRINCIPAL has delivered a written notice of dispute in accordance with this Section 11) within ten (10) business days after the date of such notice (the "cure period"), CONTRACTOR may, without waiving any other rights or remedies to which it may be entitled, as of the first business day following the cure period, immediately limit access to data, suspend and/or terminate this Agreement, and/or seek collection of all amounts due, including by sending outstanding invoices to a collection agency. PRINCIPAL will reimburse any costs and expenses (including, but not limited to, the fees of a collection service and reasonable attorneys' fees) incurred by CONTRACTOR to collect any amount that is not paid when due.

12. CONFLICT OF INTEREST

In the event a claim or incident is reported to CONTRACTOR by PRINCIPAL and it is determined that the actual or potential claimants, co-defendant(s), or any involved person or entity therein are also clients of CONTRACTOR or have a current or potential financial relationship with CONTRACTOR that would compromise CONTRACTOR's judgment or ability to act in the best interests of PRINCIPAL, CONTRACTOR shall immediately notify PRINCIPAL of such potential conflict of interest so PRINCIPAL may have the option to choose an independent investigator and adjuster. This conflict of interest provision extends until final resolution of the claim or incident.

13. TERMINATION

- a. Voluntary Termination. This Agreement may be terminated at any time by either party, without cause and for no reason, by giving the other party not less than sixty (90) days prior written notice of such termination.
- b. Termination for Cause. This Agreement shall terminate at the election of PRINCIPAL or CONTRACTOR, if the other party breaches any material provision of this AGREEMENT and fails to cure such breach within ten (10) business days after written notice thereof is given to the breaching party, or in the event the breach is not capable of being cured within such ten (10) business days period, the breaching party has not commenced good faith efforts to cure such default within ten (10) business days and continued thereafter in good faith to diligently pursue the completion of such cure.
- c. Failure of PRINCIPAL to comply with Section 11 (PRINCIPAL'S RESPONSIBILITIES) shall qualify as cause under this Section.
- d. Failure of CONTRACTOR to comply with either Section 16 (INSURANCE) or Section 19 (USE, OWNERSHIP AND CONFIDENTIALITY OF INFORMATION) shall qualify as cause under this Section.
- e. Termination by CONTRACTOR. CONTRACTOR may terminate this Agreement pursuant to Section 22c.



14. DISPOSITION OF CLAIM FILES ON TERMINATION OF AGREEMENT

- a. All files on each claim or potential claim is the exclusive property of the PRINCIPAL.
- b. In the event of expiration of the AGREEMENT, non-renewal thereof, or termination thereof, CONTRACTOR shall bill the PRINCIPAL, subject to the rates quoted in Section 9 herein above, for work completed by CONTRACTOR on each claim. Upon receipt of payment of outstanding invoices, CONTRACTOR shall promptly forward all completed and pending claim files to the PRINCIPAL unless PRINCIPAL requests CONTRACTOR to continue to process any files on a time and expense basis as provided for in the CONTRACTOR'S Rate Manual at the time such services are rendered.
- c. In the event of expiration of the AGREEMENT, non-renewal thereof, or termination thereof, CONTRACTOR agrees that it shall make every effort consistent with sound business practices to ensure the orderly and efficient transition and transfer of its duties, functions and obligations to the succeeding administrator. This includes, but is not limited to, the prompt transfer and delivery of all files, records, computations, reports, and other data and records prepared or obtained in connection with this AGREEMENT.
- d. PRINCIPAL agrees to pay CONTRACTOR for the internal and/or external cost of retaining, storing, retrieving, logging, packing and shipping files which are stored on or off premises by CONTRACTOR.

15. HOLD HARMLESS AND INDEMNITY

CONTRACTOR agrees to hold harmless, defend and indemnify PRINCIPAL and its officers, directors, volunteers and agents from and against any and all liability, loss, damage, expenses and costs (including without limitation (i) attorneys' fees and costs, and (ii) cyber-related risks that include theft, loss or misuse of data, release of private information and the resulting costs, fines and penalties) of every nature arising out of or in connection with and/or otherwise related to CONTRACTOR's performance of work hereunder or its failure to comply with any of its obligations contained in the AGREEMENT, unless the loss or damage was caused solely by the gross negligence or willful misconduct of PRINCIPAL.

PRINCIPAL agrees to defend any legal action commenced against CONTRACTOR caused by PRINCIPAL's sole negligence or willful misconduct; and indemnify CONTRACTOR against any liability, loss, cost or damage including attorneys' fees resulting there from.

16. INSURANCE

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

Coverage shall be at least as broad as:

- a. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence.



- b. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
- c. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- d. Professional Liability (Errors and Omissions) Insurance appropriate to the CONTRACTOR's profession, with limits no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- e. Cyber Liability Insurance covering data breaches, including notification costs, credit monitoring, costs to defend claims by state regulators, fines and penalties, and loss resulting from identity theft, with limits no less than \$1,000,000 per occurrence.

If the CONTRACTOR maintains higher limits than the minimums shown above, the PRINCIPAL requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the PRINCIPAL.

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- a. The PRINCIPAL and its officers, directors, volunteers and agents are to be covered as additional insureds.
- b. For any claims related to this contract, the CONTRACTOR's insurance coverage shall be primary insurance as respects the PRINCIPAL and its officers, directors, volunteers and agents. Any insurance or self-insurance maintained by the PRINCIPAL shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
- c. Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the PRINCIPAL.
- d. CONTRACTOR hereby grants to PRINCIPAL a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the PRINCIPAL by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the PRINCIPAL has received a waiver of subrogation endorsement from the insurer.

Any deductibles or self-insured retentions must be declared to and approved by the PRINCIPAL. The PRINCIPAL may require the CONTRACTOR to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII unless otherwise acceptable to the PRINCIPAL.

If any of the required policies provide coverage on a claims-made basis;



- a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
- b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

CONTRACTOR shall furnish the PRINCIPAL with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the PRINCIPAL before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. The PRINCIPAL reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

PRINCIPAL reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

17. AUDITS

The CONTRACTOR'S files shall be made available for audits at any time upon reasonable notice. Reasonable notice shall be defined as thirty (30) days, or as otherwise agreed to by the parties. If special retrieval or shipment of the requested files is necessary, PRINCIPAL shall reimburse CONTRACTOR at cost. The CONTRACTOR reserves the right to reject an auditor proposed by PRINCIPAL, if the proposed auditor may gain an unfair competitive advantage over CONTRACTOR by conducting such an audit.

18. NO ASSIGNMENT OR DELEGATION

PRINCIPAL and CONTRACTOR recognize that this AGREEMENT is one for personal services and cannot be assigned or delegated, in whole or in part, by CONTRACTOR without the prior written consent of PRINCIPAL.

19. USE, OWNERSHIP AND CONFIDENTIALITY OF INFORMATION

- a. CONTRACTOR shall not utilize any information made available to it by reason of this AGREEMENT for pecuniary gain not contemplated by the terms of this AGREEMENT, regardless of whether the CONTRACTOR is or is not under contract at the time such gain is realized.
- b. Any information made available to CONTRACTOR by reason of this AGREEMENT and/or any report, survey, or other product developed by the CONTRACTOR pursuant to this AGREEMENT is solely and exclusively the property of PRINCIPAL. Such information and materials shall not be used by the CONTRACTOR for any purpose or in any manner not authorized by PRINCIPAL. CONTRACTOR disavows any ownership interest of any kind in such information and materials. PRINCIPAL is not intending to, and does not, grant to CONTRACTOR any express or implied license or other rights to in the information or materials, except the limited right to use the information in accordance with



this AGREEMENT.

- c. CONTRACTOR acknowledges and agrees that, in the course of its engagement by PRINCIPAL, it may receive or have access to Personal Information. Personal Information means information that identifies or can be used to identify or authenticate an individual including names, signatures, addresses, telephone numbers, e-mail addresses, social security numbers, tax identification numbers, employee identification numbers, financial account numbers, credit report information and other unique identifiers. CONTRACTOR represents and warrants that (i) its collection, access, use, storage, disposal and disclosure of any such Personal Information will comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations, and (ii) it will use its best and all reasonable efforts to protect the information from identity theft, fraud and unauthorized use.
- d. CONTRACTOR shall treat as confidential and keep in strict confidence any information made available to it by reason of this AGREEMENT. Such information includes, but is not limited to, Personal Information and financial, statistical, personal, technical and other data and information relating to the operations of PRINCIPAL or its members. CONTRACTOR is prohibited from using any such information for any purpose not required by the performance of its services under the AGREEMENT. CONTRACTOR will not disseminate, release or disclose any such information without the express approval of PRINCIPAL. To the extent it is necessary for CONTRACTOR to disclose PRINCIPAL's information to a third party, CONTRACTOR shall limit the information disclosed to the minimum amount required to perform its obligations under this AGREEMENT, and shall inform the third-party that the information is to be treated as confidential.
- e. CONTRACTOR shall protect any information made available to it by reason of this AGREEMENT from any unauthorized use or disclosure. Such information includes, but is not limited to, Personal Information and financial, statistical, personal, technical and other data and information relating to the operations of PRINCIPAL or its members. CONTRACTOR shall use the same level of care in preventing the unauthorized use and disclosure of this information that it uses to protect its own similar information. In no event, however, shall CONTRACTOR ever use less than reasonable care to protect against and prevent any unauthorized access, improper use or disclosure, unauthorized modification, unlawful destruction or accidental loss.
- f. Except with respect to claim files, within fourteen (14) calendar days from the expiration, non-renewal or termination of this AGREEMENT, CONTRACTOR will return to PRINCIPAL any information it received from PRINCIPAL, and/or all products, files, records, computations, quotations, studies, minutes and other data and records, prepared, obtained or developed in connection with this AGREEMENT. The return and/or treatment of claim files shall be governed by Section 14.
- g. CONTRACTOR will immediately notify PRINCIPAL of any unauthorized use or disclosure of its information or other materials. CONTRACTOR will take all reasonable remedial and corrective measures to address the incident, including the prevention of future incidents. CONTRACTOR agrees to fully cooperate with PRINCIPAL in the preparation and transmittal of any notice, which PRINCIPAL, in its sole discretion, may deem appropriate or required by law. CONTRACTOR agrees to be financially responsible for any such notice caused as a result of its acts or omissions.



20. GOVERNING LAW

This AGREEMENT has been executed and delivered in the State of California, and the validity, enforceability and interpretation of any of the clauses of this AGREEMENT shall be determined and governed by the laws of the State of California.

21. DISPUTE RESOLUTION

- a. Any dispute or claim arising under or relating to this AGREEMENT which is not resolved within a reasonable period of time by authorized representatives of PRINCIPAL and CONTRACTOR shall be brought to the attention of their Chief Executive Officers for joint resolution.
- b. If PRINCIPAL and CONTRACTOR are unable to informally resolve a dispute or claim, the PARTIES agree that with regard to any dispute or claim related to this AGREEMENT, prior to the initiation of arbitration or other dispute resolution mechanism, they shall and must, in good faith, submit the claim or dispute to mediation with any mutually agreeable neutral possessing not less than three years mediation or other neutral alternative dispute resolution experience. To initiate the mediation process, either party shall notify the other of its intent to seek mediation and provide a name for consideration as the neutral. PRINCIPAL and CONTRACTOR shall, within seven (7) days thereafter, in good faith select the neutral, and, as soon as such agreement is reached, the mediation process shall proceed. If PRINCIPAL and CONTRACTOR are unable to reach agreement as to the selection of a neutral, they shall immediately submit the claim or dispute to JAMS, Inc. ("JAMS"), for mediation. PRINCIPAL and CONTRACTOR agree to share equally the cost of the mediation, except that each party shall pay and bear its own attorney's fees and attorney related costs. At such time as the mediator declares that an impasse exists, either party may submit the matter to arbitration as provided for in subparagraph C, below.
- c. PRINCIPAL and CONTRACTOR agree that any claim or dispute between or among them, their agents, employees, assignees, or successors, in any way related to or arising out of this AGREEMENT will be resolved by binding arbitration before a single arbitrator under the commercial arbitration rules of JAMS and California Code of Civil Procedure §1280 et seq. JAMS rules shall prevail in the case of any conflict with said civil procedure code sections. In any such arbitration, the arbitrator's powers may include, without limitation, the power to determine the scope of the arbitration (including whether any issues raised by either party is subject to arbitration), the power to grant any relief which may be granted by a court of law or equity (including money damages, specific performance, injunctive relief, both temporary and permanent, or other equitable relief), and the power to award costs as well as attorney's fees to the prevailing party in the event it finds that the non-prevailing party acted in bad faith or without substantial justification.
- d. PRINCIPAL and CONTRACTOR agree to share equally the cost of any such arbitration, except that each party shall pay and bear its own attorney's fees and attorney related costs.
- e. The venue and location for any such arbitration shall be Los Angeles County, California, and the arbitration shall be governed by and interpreted in accordance with the laws of the State of California.



- f. PRINCIPAL and CONTRACTOR further acknowledge and agree that in rendering his/her award, the arbitrator shall have the power to commit errors of law, errors in legal reasoning and/or errors of fact.
- g. PRINCIPAL and CONTRACTOR acknowledge and agree that the arbitrator's award regarding any dispute shall be final and binding on them. PRINCIPAL and CONTRACTOR acknowledge and agree that the arbitrator's award shall not be subject to any appeal, judicial or otherwise, except to the extent provided for by JAMS rules. PRINCIPAL and CONTRACTOR acknowledge and agree that except to the extent provided for by JAMS rules, they are expressly waiving the right to appeal from the arbitrator's award, any entered judgment or any order under the grounds set out in California Code of Civil Procedure §1286.2.

22. MISCELLANEOUS

- a. No Waiver. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any waiver on the part of any party hereto of any such right, power or privilege, or any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other right, power or privilege.
- b. Independent Contractor. At all times during the term of this AGREEMENT, CONTRACTOR shall be deemed to be an independent contractor to PRINCIPAL acting in the capacity as PRINCIPAL'S agent subject to the limited authority granted herein. Nothing contained in this AGREEMENT shall be deemed to create the relationship of employer and employee, partners, or joint ventures between PRINCIPAL and CONTRACTOR. CONTRACTOR shall not act as an insurer, nor shall it be ultimately financially responsible for payment or satisfaction of Claims or causes of action against PRINCIPAL.
- c. Current Law & Regulation. This AGREEMENT is entered into with the understanding that existing Federal, State or other jurisdictional regulations will remain in effect for the duration of this AGREEMENT. PRINCIPAL agrees that should administrative or other costs of service provided hereunder be substantially increased as a result of modifications in existing law, enactment of new legislation, or promulgation of new administrative guidelines, CONTRACTOR service fees may be renegotiated during the AGREEMENT term. If revised fee agreements cannot be reached, CONTRACTOR may terminate this AGREEMENT, at its option, after thirty (30) days written notice to PRINCIPAL.
- d. Counterparts. This AGREEMENT may be executed simultaneously in two counterparts, each of which when so executed and delivered shall be deemed an original, but both of which together shall constitute one and the same instrument, and all signatures need not appear on any one counterpart. A facsimile, telecopy or other reproduction of this AGREEMENT may be executed by any party and delivered by such party by facsimile or other electronic transmission (including e-mail), and such execution and delivery shall be considered valid, binding and effective for all purposes.

23. SEVERABILITY

If any term, covenant, condition or provision of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof shall



remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

24. NOTICE

Any notices required to be given to PRINCIPAL under this AGREEMENT shall be delivered in person or sent by certified or registered mail to:

Zachary Gifford
California State University, Office of the Chancellor
Systemwide Risk Management
401 Golden Shore, 6th Floor
Long Beach, CA 90802

Any notices required to be given to CONTRACTOR under this AGREEMENT shall be delivered in person or sent by certified or registered mail to:

Tom Boylan
President
Carl Warren & Company
770 S. Placentia Avenue
Placentia, CA 92870

These addresses may be changed at any time by either party upon written notice to the other party. Notices shall be effective when delivered, or, if refused, when delivery is attempted.


25. ENTIRE AGREEMENT

This AGREEMENT contains all of the agreements of PRINCIPAL and CONTRACTOR with respect to any matter covered or mentioned in the AGREEMENT, and no prior agreement, understanding or representation, oral or written, shall be effective for any purpose. This AGREEMENT supersedes any prior statement, writing or understanding of the parties with respect to the subject matter hereof. This AGREEMENT may be modified or amended only by a written statement signed by both PRINCIPAL and CONTRACTOR. Such modification or amendment shall thereupon become a part of this AGREEMENT.


IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be signed by their duly authorized representatives as of the day and year first written above.

(CONTRACTOR)
Carl Warren & Company

(PRINCIPAL)
California State University Risk Management Authority



Brandon Schlenker
Assistant Vice President
Director of Public Entity



Zachary Gifford
CSURMA Secretary-Auditor



6/24/16
Date

7/18/16
Date
[Signature]

ANY ALTERATIONS TO THIS CONTRACT WILL RENDER THE CONTRACT NULL AND VOID. THE PRICING QUOTED IN THIS CONTRACT WILL REMAIN EFFECTIVE FOR THIRTY (30) DAYS FROM THE INCEPTION DATE LISTED ON THIS CONTRACT AFTER WHICH TIME THE CONTRACT WILL BE RECINDED.

Reviewed by CSURMA Legal Counsel

[Signature]
William Hsu

July 12, 2016
Date

AMENDMENT NO. 1
TO AGREEMENT BETWEEN
CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
AND
CARL WARREN & COMPANY
FOR
THIRD PARTY CLAIMS ADMINISTRATION CONTRACT ENTERED INTO ON JULY 1, 2016

This Amendment No. 1 to the Agreement between CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (Principal) and CARL WARREN & COMPANY (Contractor) is agreed to as follows:

1. Paragraph 8. TERM OF AGREEMENT is hereby amended as of July 1, 2019 to add the following:

Principal hereby exercises its option to authorize two one-year extensions, extending the agreement through June 30, 2021.

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

California State University
Risk Management Authority

Carl Warren & Company

By: _____

By: _____

Date: _____

Date: _____

AOA ANNUAL CONFERENCE – RISK MANAGEMENT SESSIONS

ISSUE: The AOA Annual Conference Planning Committee will provide a deadline of June 30, 2019 to submit session proposals for the 2020 AOA Annual Conference. Staff would like to propose a session which describes the services and coverage programs available through CSURMA to respond to major, or minor, disasters on or off campus.

As a business partner, CSURMA receives six free AOA Conference registrations. Previously, the Committee agreed that the free registrations could be used by the three current AORMA Committee Officers, Zachary Gifford the CSURMA Secretary-Auditor, and Robert Eaton the CSURMA Treasurer. One free registration remains.

RECOMMENDATION: Staff recommends that the Committee discuss risk management topics to be proposed for the 2020 AOA Annual Conference and decide how to distribute the remaining free registration.

FISCAL IMPACT: CSURMA provides sponsorship in the amount of \$20,000 which is included in the FY 18/19 and 19/20 CSURMA budget.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

CSURMA AORMA COMMITTEE ELECTION RESULTS

ISSUE: Currently, the AORMA Committee has no open seats. Four held seats are up for reelection for the term July 1, 2019 to June 30, 2021. The AORMA Nominating Committee nominated the following individuals:

Seat 1

Bella Newberg – Second Term

Associate Vice President, Business Development & Executive Director
California State University San Marcos Corporation

Seat 3

Cecilia Ortiz – First Term

Director
Loker Student Union
California State University, Dominguez Hills

Seat 5

Trina Knight – Second Term

Director, Human Resources
University Enterprises, Inc. (UEI)
California State University, Sacramento

Seat 7

Bill Olmstead – Second Term

Interim Executive Director
Union WELL Inc.
California State University, Sacramento

Ballots were sent out to all of the AORMA members. Staff will report on the election results at today's meeting.

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

FISCAL IMPACT: None.

BACKGROUND: The AORMA Committee consists of seven at-large members and three Officers. These ten individuals also serve corresponding terms on the CSURMA Board of Directors.

PUBLICATION: The election results will be announced at the CSURMA Board meeting in May.

ATTACHMENT(S):

- a. AORMA Committee Term of Office

CSURMA

AORMA COMMITTEE TERMS OF OFFICE

Election in April, 2019

Election in April, 2020

Position (election year)	July 1, 2016 to June 30, 2017	July 1, 2017 to June 30, 2018	July 1, 2018 to June 30, 2019	July 1, 2019 to June 30, 2020	July 1, 2020 to June 30, 2021
Chair - (even year)	Mumford	Mumford/Brummett	Brummett	Brummett	Brummett
First Vice-Chair - (even year)	Dalpe/Brummett	Brummett/Nakamura	Nakamura	Nakamura	Nakamura
Second Vice-Chair (even year)	Kiama	Kiama/Lee	Lee	Lee	Lee
At Large Seat #1 - (odd year)	Aguilar/Newberg	Newberg	Newberg	Newberg	Newberg
At Large Seat #2 - (even year)	Davis/Lee	Lee / Kissel	Kissel	Kissel	Kissel
At Large Seat #3 - (odd year)	Nowlin	Summer / Ortiz	Ortiz	Ortiz	Ortiz
At Large Seat #4 - (even year)	Nakamura	Nakamura / Wittmeier	Wittmeier	Wittmeier	Wittmeier
At Large Seat #5 - (odd year)	Reinhart	Knight	Knight	Knight	Knight
At Large Seat #6 - (even year)	Nirenberg	Nirenberg / Levinson	Levinson	Levinson	Levinson
At Large Seat #7 - (odd year)	de Wit	Olmsted	Olmsted	Olmsted	Olmsted

Bold - Up for reelection in April

Bold/Red - Open seat(s)

Bold/Blue - New Appointee(s)

WORKERS' COMPENSATION COVERAGE FOR VOLUNTEERS

ISSUE: Staff has been working with CSAC-EIA to obtain approval to expand the AORMA workers' compensation program to include as named insureds all AORMA members even those Members with no employees. This program change will allow members (with no employees) to extend workers' compensation coverage to their Board members as well as their volunteers.

RECOMMENDATION: This item is presented as information only; however, the Committee may provide direction to Staff as appropriate.

FISCAL IMPACT: To be determined. Staff has not received final approval from CSAC-EIA, but once final approval is received, the AORMA Committee will be asked to approve a rating plan for those members with no payroll and who choose to add workers' compensation coverage for their volunteers (including board members).

BACKGROUND: Once final approval is received from CSAC-EIA, Staff will complete the following tasks:

1. Create and suggest to the AORMA Committee a basic rating structure.
2. Gather the following information from those members with no employees who would like to cover their volunteers:
 - Number of annual volunteers (within two work categories – Physical in Nature and Non-Physical in Nature)
 - Number of board members
 - Number of board members who are not CSU Campus or Auxiliary employees
 - Anticipated volunteer activities
3. Provide pricing to the AORMA members with no employees.

PUBLICATION: None at this time.

ATTACHMENT(S):

- a. List of AORMA Members with no employees
- b. AORMA Workers' Compensation Explanation of Classification Codes
- c. AORMA Workers' Compensation Payroll Rules to Follow

AORMA
Workers' Compensation Program
Resolution - Workers' Compensation for Volunteers

Campus	Auxiliary Organization	Volunteers Covered for WC?	Board Resolution in File?
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	YES	YES
Bakersfield	California State University, Bakersfield Foundation	YES	YES
Channel Islands	CI University Auxiliary Services, Inc., (formerly University Glen Corporation, CSU Channel Islands)	NO	N/A
Chico	Associated Students of California State University, Chico	YES	YES
Chico	The CSU, Chico Research Foundation	NO	N/A
Dominguez Hills	Associated Students, California State University, Dominguez Hills	YES	YES
Dominguez Hills	California State University, Dominguez Hills Foundation	YES	YES
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	YES	YES
East Bay	Associated Students, California State University, East Bay	YES	YES
East Bay	California State University, East Bay Foundation, Inc.	NO	N/A
Fresno	The California State University, Fresno Athletic Corporation	NO	N/A
Fresno	California State University, Fresno Association, Inc.	NO	N/A
Fullerton	Associated Students, California State University, Fullerton, Inc.	YES	YES
Fullerton	CSU Fullerton Auxiliary Services Corporation	YES	YES
Humboldt	Humboldt State University Center	YES	YES
Humboldt	Humboldt State University Sponsored Programs Foundation	YES	YES
Long Beach	Associated Students, California State University, Long Beach	YES	YES
Long Beach	California State University, Long Beach Research Foundation	YES	YES
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	NO	N/A
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	NO	N/A
Los Angeles	University-Student Union Board, California State University, Los Angeles	YES	YES
Monterey Bay	Foundation of California State University, Monterey Bay	NO	N/A
Monterey Bay	The University Corporation at Monterey Bay	YES	YES
Northridge	Associated Students, California State University, Northridge, Inc.	YES	YES
Northridge	The University Corporation, CSU Northridge	YES	Minutes
Northridge	University Student Union of California State University, Northridge	YES	YES
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	YES	YES
Pomona	The Cal Poly Pomona Foundation, Inc.	YES	YES
Sacramento	Associated Students of California State University, Sacramento	YES	YES

AORMA
Workers' Compensation Program
Resolution - Workers' Compensation for Volunteers

Campus	Auxiliary Organization	Volunteers Covered for WC?	Board Resolution in File?
Sacramento	Capital Public Radio, Inc., CSU Sacramento	YES	YES
Sacramento	University Enterprises, Inc., CSU Sacramento	YES	YES
San Bernardino	Associated Students Inc., California State University, San Bernardino	YES	YES
San Bernardino	Santos Manual Student Union of California State University, San Bernardino	YES	YES
San Bernardino	University Enterprises Corporation at CSUSB	YES	YES
San Diego	Associated Students, San Diego State University	YES	YES
San Francisco	Associated Students, Inc., San Francisco State University	YES	YES
San Francisco	The University Corporation, San Francisco State	YES	YES
San Jose	Associated Student, San Jose State University	YES	YES
San Jose	San Jose State University Research Foundation	NO	N/A
San Jose	Spartan Shops, Inc., San Jose State University	NO	N/A
San Jose	The Student Union of San Jose State University	YES	YES
San Jose	The Tower Foundation, San Jose State University	YES	YES
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	YES	YES
San Luis Obispo	Cal Poly Corporation	YES	YES
San Marcos	California State University San Marcos Corporation	YES	YES
Sonoma	Associated Students of Sonoma State University	NO	N/A
Sonoma	Sonoma State Enterprises, Inc.	YES	YES
Stanislaus	Associated Students, Inc., California State University, Stanislaus	YES	YES
Stanislaus	California State University, Stanislaus Auxiliary and Business	NO	N/A
Stanislaus	California State University, Stanislaus Foundation	NO	N/A
Stanislaus	University Student Union of California State University, Stanislaus	YES	YES
51	TOTAL		

AORMA Workers' Compensation Explanation of Classification Codes

1001	Formerly	
	8810 Parts of 8742	<p><u>Primarily Clerical, Administrative and Non-manual, Non-instructional</u></p> <ul style="list-style-type: none"> ▪ Office employees (responsibility in an office or confined setting) including clerical, accounting, computer technicians, analysts and operators, newspaper production (using computers – not printing press). ▪ Office machine, computer and telephone - installation and repair ▪ Graphic design, radio, TV or commercial broadcasting stations (those who work in the station, not engineers who climb towers – #1007). ▪ Research that is primarily in an office or confined setting such as statistical analysis (not involving the use of machinery, chemicals or manual/physical labor).
1002	Formerly	
	8868 9151 Parts of: 8742 9101 9156	<p><u>Primarily Professional/Student Activity Functions, Consulting, Certain Aspects of Performing Arts and Off-Site work not physical in nature</u></p> <ul style="list-style-type: none"> ▪ Non-instructional, non-clerical and non-manual positions that require employees to leave campus or worksites on a routine basis such as public relations, outside sales, home site visits, etc. ▪ Offsite work that is not manual labor, such as public relations, lobbying, speakers, counseling, etc. ▪ Consulting – mechanical engineering, electrical engineering, electronic engineering, mining and architects. ▪ Professors, teachers, student teachers, counselors, tutors, advisors; classroom or instructional camps; classroom-related activities, speakers. ▪ Performers, musicians, directors, conductors, etc. ▪ Motion picture or video production.
1004	Formerly	
	8008 8071 Parts of: 9101	<p><u>Retail</u></p> <ul style="list-style-type: none"> ▪ All retail operations including books, groceries, delicatessen (already prepared foods), wearing apparel, bicycles and accessories. Includes Vending or coin operated machines. <i>(Those involved in clerical/administrative support functions for retail operations where not called upon to stock or prepare merchandise and where separated from floor operations may be classified as clerical/administrative – #1001.)</i>

<p>1005</p>	<p>Formerly 9053 9059 9092 Parts of: 9182 9156</p>	<p><u>Sports/Activity/Day Care Centers</u></p> <ul style="list-style-type: none"> ▪ Exercise or health institutes, swimming pools; swimming, tennis, or racquetball clubs; bowling centers, billiard halls, skating centers. ▪ Day care center workers unless otherwise classified (<i>e.g., day care center cook would be classified as food service; clerical separated and uninvolved in floor activities could be clerical</i>). ▪ Camps ▪ Athletic teams and those associated with the teams: ticket sales and collection, trainers, coaches (not athletic field maintenance – #1007). ▪ Security/patrol functions.
<p>1006</p>	<p>Formerly 9079 Parts of: 9101 9053</p>	<p><u>Food Service</u></p> <ul style="list-style-type: none"> ▪ Employees involved in the stocking, preparation, delivery, and clean up of food products whether retail, residence hall, restaurant, concession, etc. (<i>Does not include the stocking and sale of pre-packaged foods sold in bookstores or other retail establishments such as convenience stores – unless preparation is involved.</i>)
<p>1007</p>	<p>Formerly 0040 9011 Parts of: 8742 9101 9182</p>	<p><u>Primarily Involves Manual Labor and/or Use of Machinery or Chemicals, or Work is Largely of a Physical Nature</u></p> <ul style="list-style-type: none"> ▪ Agriculture-related production, care and maintenance: nurseries, orchards, livestock, poultry, crops, landscape, riparian restoration and reforestation activities involving mainly hand tools. ▪ Creameries and dairy production, meat labs, winery operations. ▪ Stables, riding clubs, horse shows, dog shows, animal exhibitions. ▪ Research field work primarily involving physical or manual activity, such as archeology digs, sample gathering of plants, animals, fish, etc., and Lab work primarily involving testing and analysis using chemicals, machinery. Includes testing air, water, soil, metal, concrete and other building materials; quality control of electronic components or machinery. ▪ Maintenance, janitorial, room set-ups, athletic park maintenance (both structure and grounds) and painting. Involves the use of tools, equipment, solvents, cleaning supplies. ▪ Printing (offset) newspapers and other presses (as opposed to copy machine operation). ▪ Radio engineers who work on outside towers and equipment. ▪ Museum curators (if responsible for hanging and displaying artifacts); stagehands and lighting technicians. ▪ Beverage container & paper recycling collection.



Other		If you have activities that you feel do not fit within the categories above, please call or e-mail Mimi Long (415) 403-1423 mlong@alliantinsurance.com to discuss the category to which they should be assigned.
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AORMA Workers' Compensation Payroll Rules to Follow

Revision Date: March 21, 2013

Payroll is defined as gross wages; salaries; commissions; bonuses; vacation; holiday and sick pay; overtime payments; and all substitutes for money earned during the policy period by employees and officers of the employer.

1. The value of meals or lodging is not included as payroll.
2. Overtime is included at the regular hourly wage. If someone working overtime is compensated at 1.5 times regular salary, those hours for Workers' Compensation payroll purposes are at the regular hourly rate.
3. Tips, voluntary or prepaid, received from other than the employer or one acting on behalf of the employer, are not to be included in the payroll. With respect to an employer who operates a club, payments to club employees of funds accumulated from voluntary contributions of club members for services afforded to such members shall be considered tips and not included in the payroll.
4. Except as noted herein, payments to which an employee is entitled only upon the termination of the employment relationship are not to be included in the payroll. Sums, such as accrued vacation and sick pay, commissions and bonuses, paid to an employee at the time the employment relationship is terminated are to be included in the payroll, provided such sums would have been payable to the employee at some future date if the employment relationship had not been terminated.
5. Contributory payments made by the employer in connection with group insurance, stock purchase plans or qualified retirement plans, the exercise of stock options and deferred compensation plans are not to be included in the payroll. Payments by an employer of amounts otherwise required by law to be paid by employees to statutory insurance or pension plans, such as the Federal Social Security Act, are to be included in the payroll.
6. The value of an automobile furnished to an employee is not to be included in the payroll, provided the automobile is used in the conduct of the employer's business. A reimbursement to an employee for the business use of a personal automobile using a stipulated amount shall not be reported as payroll, provided

the payments do not exceed the approved Internal Revenue Service (IRS) standard mileage rate for business use of a personal vehicle. An automobile allowance paid to an employee shall be included in the payroll; however, that portion of the allowance, which the employer can show is reimbursement for actual expenses incurred by the employee in the conduct of the employer's business, shall be excluded from the payroll.

7. Payroll for Executive Officers of the Corporation who are paid, and who are otherwise not employees, is limited to a minimum of \$33,800 and a maximum of \$89,700. Executive Officers are those officers commonly known and styled as President, Vice President, Secretary, Assistant Secretary, Treasurer or Assistant Treasurer, and also includes any other Executive Officers enumerated in and empowered by the charter of the Non Profit Corporation.

Division of Single Employee's Payroll:

8. Because most auxiliaries provide a number of services to a number of different operations, they already have a method of allocating hours of employees between these differing operations.
9. AORMA will accept an allocation of hours of employees between the different departments they are assigned to work with provided the auxiliary has maintained complete and accurate records of those employees with multiple tasks.
10. If the auxiliary does not have such a method and cannot easily split hours, then wherever more time is spent should become the prevailing allocation, if neither task is considered hazardous. An accurate description of job duties for personnel whose time is allocated in this fashion should be kept to allow outside verification of the justification for the allocation.

What about personnel who do hazardous and non-hazardous tasks for the same operation?

11. The most prevalent example is a clerical person who also handles a delicatessen or kitchen duties, when needed. If the more hazardous task hours are potentially 20% or more of the person's hours of service, then that person's hours should be allocated to the more hazardous operation. Twenty percent is not an incidental exposure. If less than 20% then those persons' hours can be allocated to the clerical operation.
12. Payroll for any employee vacation time shall be allocated on the same proportional basis as their actual hours have been allocated.

SPORTRISK RECREATION CENTER BEST PRACTICES ASSESSMENT

ISSUE: At its last meeting in March, the Committee directed Staff to obtain a formal proposal from SportRisk to conduct a systemwide Recreation Center best practices risk assessment. The proposal includes the following deliverables:

Core Program

Action Recommendations
Benchmark / Comparison Graphs
ScorePlus
Survey Breakdown by Category

Add-On's

Top five issues by survey type
Key concerns identified within specific categories
Strategic recommendations
List of the top 3 scoring locations

RECOMMENDATION: Staff recommends that the Committee review the SportRisk proposal and delegate authority to the Secretary-Auditor to finalize and execute the agreement, with revisions as appropriate.

FISCAL IMPACT: Total cost for the core program risk assessment is \$675 per campus for Core Program only, or \$950 per campus for Core Program and Add-On's.

BACKGROUND: The current FY 18/19 AORMA Long Range Action Plan includes the goal of creating a recreation center good practices manual. John Owen from Alliant Risk Control Consulting (ARCC) has been spearheading this project.

10 out of the 21 members that have rec centers, have completed a SportRisk survey in prior years.

PUBLICATION: None at this time.

ATTACHMENT(S):

- a. SportRisk Proposal

Best Practices Risk Assessment Tool

Proposal to CSU System

The following provides a brief description of SportRisk’s ‘**Best Practices Risk Assessment Tool**’. <https://www.sportrisk.com/best-practices/description/>

(For more information on how the tool was developed, vetted and tested, check the tab on ‘Best Practices: Methodology’.)

Background

Beginning in 2014, a group of senior U.S. and Canadian recreation professionals initiated a project to develop a series of risk management ‘Best Practices’ for the Campus Recreation field. The approach was unique in that it focused on documenting Recreation **Best Practices** as opposed to *standards*.

The motivation for the project arose out of an expressed need by recreation professionals to find out what risk management operational practices other campuses were implementing – and therefore be able to determine how their own practices measured up (i.e. benchmarked).

To date more than 150 schools across North America have participated in the Best Practice Assessment. With this large amount of data, future participating schools can get a much clearer picture of how they measure up. See list of participating schools.

This proposal to the **CSU System** presents a unique opportunity for schools to participate as a system in the Best Practices program. The key benefit a system-wide approach is that it allows direct comparisons between all schools within the system (based on a number of distinct criteria), and provides important benchmark data for all stakeholders. There are also many customizable data analysis options available when participating as a large group.

Core Program: Risk of Injury & Litigation

While add-on and follow-up options are available, this proposal focuses on our ‘Core’ Best Practices program.

The Core program focuses on Campus Recreation *programs, facilities* and *general* (see below); plus a **Demographics** survey designed to capture key information on each school (to facilitate comparisons between schools based on different criteria).

Programs: Sport Clubs; Intramurals; Youth Camps; Outdoor Program; Instruction.

Facilities: Weight Room; Fitness Center; Aquatics; Ice Arena; Fields; Climbing Wall; Facilities (general).

General: Risk Management Committee; Travel; Emergency Response; Waivers, Concussions.

Demographics: School size; athletic conference; % male/female etc.

Program & Facility surveys are generally divided into 6 *categories*:

- Staffing
- Supervision & Instruction
- Training
- Facilities & Equipment
- Documentation
- Emergency Response

What are the Deliverables?

Participating schools will receive two **Detailed Reports** (1) Main Report: all survey results *except* Concussions (2) Concussions Report.

(1) The Main Report includes:

- a) **Action Recommendations** based on identified gaps and deficiencies. The report directs you to those Best Practices which experts consider more critical.
- b) **Benchmark/Comparison Graphs** showing how your school scored in each survey area as well as a comparison to other schools in the system.
- c) **ScorePlus** – For each survey, this number tells you how much better or worse you are relative to the average.
- d) Further breakdown of each survey by **category** (i.e. staffing, supervision, training etc.). Shown in an easy-to-read graph.

To view samples of the above, click [here](#)

(2) The Concussions Report includes (a), (b), (c) above.

(Note: Report is handled separately since it has its own unique format)

(3) Add-on Deliverables

Preamble: To determine the top issues for the CSU system (see below), we use a ‘Reasonable Score’ metric. To establish what a reasonable score should be for each best practice statement, we factor in the statement *weighting* and the percentage of schools ‘*currently doing*’ a best practice. We then compare the CSU system survey scores to the ‘reasonable’ scores to give you an idea of how close you are as a conference to doing what should be reasonably expected of a school or conference. As always, we encourage individual CSU schools to look at all best practices, and try to be better than just reasonable. However, this metric will provide a good starting point.

3. (a) The ‘Top 5’ issues for all individual CSU schools, and for the CSU System. Includes

- (i) Top 5 issues by survey type (e.g. Sport Clubs, Aquatics, etc.), and
- (ii) Key concerns identified within some specific categories from each survey.
(e.g. Sport Clubs - staffing; Travel - drivers).

(b) Strategic Recommendations based on the CSU System ‘Top 5’:

Recommended strategies for system-wide action in the Top 5 issues.

(c) List of the Top 3 scoring schools in each survey area (see attached).

TOTAL COST FOR CORE PROGRAM + Add-ons: \$950 per school

Submitted by:

Ian McGregor , Ph.D.

President, SportRisk

Survey Name	CSU Avg	Count	Reasonable Score	ScorePlus	CSU #1	CSU #1	CSU #1
Sport Clubs	59	11	89	66	San Fransisco (86)	Chico (76)	Fresno (69)
Aquatics	85	11	84	101	Fresno (93)	San Fransisco (92)	Sacramento (82)
Waivers	83	11	83	100	San Jose (96)	San Fransisco (94)	Fresno (93)
RMC	68	11	80	85	Fresno (98)	Bakersfield (88)	Los Angeles (85)
ERP	90	11	79	114	San Jose (99)	Chico (97)	Pomona (77)
Weight Room	78	11	78	99	Los Angeles (92)	Fresno (91)	Bakersfield (89)
Intramurals	80	11	78	102	Fresno (99)	Bakersfield (94)	San Fransisco (90)
Climbing Centre	83	9	77	108	Chico (88)	San Fransisco (87)	Pomona (89)
Fields	77	4	75	102	Los Angeles (90)	Chico (85)	Bakersfield (59)
Travel	60	11	74	81	Chico (94)	Northridge/Fresno (93)	Pomona (89)
Arena	86	3	72	119	San Fransisco (97)	Long Beach/Chico (95)	Bakersfield (66)
Facilities	85	11	72	119	Monterey Bay (98)	Long Beach (95)	Kent St (93)
Fitness Studio	83	11	68	122	Monterey Bay (97)	Chico (96)	Fresno (91)
Youth Camps	85	6	66	128	Chico (95)	Los Angeles (93)	Pomona (89)
Instruction	75	7	64	118	Long Beach (93)	Pomona (89)	Fullerton (78)
Outdoor	85	8	54	158	Chico (94)	Monterey Bay (95)	Bakersfield (88)

FY 2018/19 AORMA LONG RANGE ACTION PLAN

ISSUE: A copy of the Long Range Action Plan is included in every agenda. Staff will provide a verbal update on the activity of those projects that are still open.

RECOMMENDATION: The Committee will be asked to hear a report and provide direction to Staff as appropriate.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. FY 18/19 AORMA Long Range Action Plan

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
LRP-1	Workers' Compensation Program Growth				
	1	Obtain underwriting information to finalize coverage and/or funding options for Members	PA	Jan-19	N/A
	2	Present Member funding options to AORMA Committee for approval	PA, AORMA	Feb-19	N/A
	3	Present final quotes to Members	PA	Mar-19	N/A
	4	Provide underwriting information to CSAC EIA for approval	PA	Apr-19	N/A
	5	Bind coverage within the AORMA Workers' Compensation Program	PA	Jun-19	N/A
LRP-2	Creation of Fully Insured Primary Liability Program				
	1	Discuss concept with AORMA Committee	PA, AORMA	Sep-18	Completed
	2	Compile information for those auxiliary organizations that are paper entities only or have no or very few employees	PA	Nov-18	Completed
	3	Identify potential insurers for this coverage program and request coverage forms	PA	Nov-18	
	4	Provide update to AORMA Committee, as appropriate	PA	Dec-18	
	5	Prepare marketing specifications	PA	Jan-19	
	6	Submit marketing specifications to the commercial insurers	PA	Feb-18	
	7	Provide coverage comparison for the AORMA Committee's review	PA, AORMA	Mar-18	
	8	Send out quotes to interested auxiliary organizations	PA	May-19	
	9	Bind coverage	PA	Jun-19	
LRP-3	Evaluation of Participation in the CSU Captive Vehicle				
	1	Oversee formation of captive	PA, SRM	Continuous	In Process
	2	Determine which insurance products can be marketed by the auxiliary organizations	PA, SRM, EC, AORMA	Sep-19	
	3	Design marketing plan	PA, SRM, AORMA	Dec-19	
LRP-4	Development of Recreation Center Good Practices				
	1	Survey Campus and Auxiliary members to see what is currently in place	PA	Nov-17	Completed
	2	Research standards and guidelines published by industry experts	PA	Nov-17	Completed
	3	Identify Recreation Center Good Practices	PA, PC	Jun-18	Completed
	4	Send out another request to all AORMA members to obtain copies of rec center practices currently in place - Staff will provide a detailed explanation as to why the information is being requested	PA	Nov-18	Completed
	5	Inventory all information obtained	PA	Feb-19	Completed
	6	Obtain the Rec Center Directors affinity group directory	PA	Mar-19	
	7	Compile a complete directory of auxiliary and campus staff which shows who is overseeing the different Rec Center functions	PA	Mar-19	

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	8	Provide additional information regarding the Rec Center risk assessments available through SportRisk (Ian McGregory's Company)	PA	Mar-19	
	9	Chair to appoint ad hoc committee to review good practices providing input for updates as appropriate	PA, AORMA	May-19	
	10	Approval of final Recreation Center Good Practices	AORMA	Sep-19	
	11	Disseminate information to all Campus and Auxiliary Members	PA	Oct-19	
	12	Upload information onto the CSURMA website	PA	Oct-19	
LRP-5 Formation of the CSURMA AORMA Benefits Program					
	1	Authorize formation of AORMA Benefits Program	AORMA, EC	Sep-17	Completed
	2	Authorize formation of AORMA Benefits Program	BOD	Oct-17	Completed
	3	Secure underwriting information and prepare renewal specifications	PA	Jun-18	Completed
	4	Submit underwriting information for a quote through the CSAC EIA benefits program	PA	Jun-18	Completed
	5	Approve CSURMA AORMA Benefits Program Participation Agreement	PA, AORMA	Sep-18	Completed
	6	Approve accounting procedures with CSU Accounting	PA, AORMA, CSU Accounting	Jan-19	
	7	Approve amendments to brokerage agreement with Alliant	PA, AORMA, EC	Sep-18	Completed
	8	Forward benefits pricing to the existing members as well as those members not participating in the AOA Benefits Program	PA	Nov-18	Completed
LRP-6 Theatre Inspection Common Findings Report					
	1	Receive copies of all theatre inspection reports completed	PA	Aug-19	Completed
	2	Review reports for common findings and distribute to members and post on CSURMA website	PA	Jan-19	
LRP-7 Verify and/or Place Coverage for CSU Alumni Associations					
	1	Gather information for all CSU Alumni Associations to confirm that they are all insured appropriately	PA	Oct-18	
	2	Provide applications for coverage under the Special Liability Insurance Program (SLIP)	PA	Dec-18	
	3	Obtain quotes and forward to Alumni Associations	PA	Feb-19	
LRP-8 Formation of a Medical Expense Coverage Program to Cover Human Subjects Participating in Sponsored Programs					
	1	Obtain information regarding the different federal program classifications	PA	Sep-18	Completed
	2	Request for the AOA Research Administration Committee (RAC) additional information regarding the number of AO's involved in research projects with human subjects	PA	Oct-18	Completed

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	3	Confirm if excess insurers can schedule the primary PAI policy as an underlying policy within the liability program	PA	Oct-18	Completed
	4	Confirm if excess insurers can schedule the primary PAI policy as an underlying policy within the liability program	PA	Nov-18	Completed
LRP-9 Review and Adopt Updated Target Surplus Analysis Ratios					
	1	Review all target surplus analysis ratio as recommended by CAJPA	PA	Jan-19	
	2	Present recommendations for change to the AORMA Committee	PA, AORMA	Mar-19	
	3	Revise and approve changes to Policy and Procedure A-2 Target Surplus Funding Policy accordingly	PA, AORMA	May-19	
	4	Receive the revised Target Surplus Funding presentation and review the new ratios.	PA, AORMA	Sep-19	
LRP-10 Address the Issue of Workers' Compensation Coverage for the Members' Volunteers					
	1	Confirm with all members within the AORMA workers' compensation program their current decision on file regarding workers' compensation coverage for volunteers	PA	Nov-18	Completed
	2	Provide to members the reasoning to cover and/or not to cover volunteers for workers' compensation	PA	Nov-18	Completed
	3	Discuss with the AORMA Committee coverage options for those members with no employees and therefore no workers' compensation coverage	PA, AORMA	Dec-18	In Process
	4	Provide coverage options for those members with no employees and therefore no workers' compensation coverage	PA	Jan-19	
LRP-11 Explore the Option of Expanding the AORMA Liability Program to include non-CSU higher education entities					
	1	Review CSURMA JPA Agreement and Bylaws to see if the expansion of the program to non-CSU entities is allowed	PA	Oct-18	Completed
	2	Obtain an inventory of other entities who may be candidates to join the program	PA	Nov-18	In Process
	3	Provide update to the AORMA Committee	PA, AORMA	Dec-18	In Process
	4	<i>If AORMA Committee approval to move forward is received, the following steps will be completed:</i>	AORMA	Dec-18	In Process
	5	Discuss change with excess reinsurers/insurers	PA	Jan-19	
	6	Modify the CSURMA JPA Agreement and Bylaws, the AORMA Participation Agreement, and the AORMA Liability Program Participation Agreement	PA, AORMA, EC, BOD	May-19	
	7	Update AORMA Liability Memorandum of Coverage as appropriate	PA	May-19	
	8	Send out program information to the identified candidates and request underwriting information	PA	May-19	

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	9	Complete rating process and send out quotes	PA	Jun-19	
<p>BOD: CSURMA Board of Directors PC: AORMA Programs Committee CABO: CSU Chief Administrators and Business Officers CO: Chancellor's Office AORMA: AORMA Committee</p> <p>EC: CSURMA Executive Committee OGC: CSU Office of General Counsel PA: CSURMA Program Administrator SRM: CSU Systemwide Risk Management</p>					

CSURMA AORMA 2019 MEETING CALENDAR

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

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA – 2019 Meeting Calendar

CSURMA AORMA PROGRAM ADMINISTRATOR’S CONTACT LISTS

ISSUE: Staff includes an updated AORMA Program Administrator contact list in each agenda.

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Program Administrator - Contact List
- b. Claims Reporting Contacts

CSURMA CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
JPA Program Administrator – Alliant Insurance Services, Inc.				
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	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com	415-403-1445 415-403-1453 415-403-1458	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

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
CSU Chancellor's Office				
CSU Chancellor's Office	Scott Bourdon	sbourdon@calstate.edu	562-951-4580	
	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	Steve Relyea	srelyea@calstate.edu	562-951-4600	562-951-4971
Jody VanLeuven	jvanleuven@calstate.edu	562-951-4574		
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 562-951-4865 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
Loss Control Consultants – Alliant Risk Control Consulting				
Alliant Risk Control Consulting	John Owen <i>Northern California</i>	jowen@alliant.com	916-643-2736	
	Kristina Loiselle <i>Southern California</i>	kloiselle@alliant.com	949-260-5042	
	Tim Leech <i>Central California</i>	tleech@alliant.com	949-260-5008	

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
Unemployment Insurance Claims Administrator – Equifax				
Account Manager	Kevin Sullivan	kevin.sullivan@equifax.com	714-421-8145	
UI Claims Administrator (Primary)	Irene Wang	irene.wang@equifax.com	317-684-2885	866-219-8844
UI Claims Administration Manager	Trisha Milton	trisha.milton@equifax.com	314-214-7883	
Equifax Charge Specialist DE2088 Requests	Laura Snyder	Laura.snyder@equifax.com		
Power of Attorney Issues	Brittany Yehlen Mitchell Bowe	Brittany.yehlen@equifax.com Mitchell.bowe@equifax.com	314-684-2880 314-684-2471	

Coverage	Contact	E-Mail Address	Office	Fax
Human Resources Consulting – Employers Group				
Helpline	Mark Nelson	mnelson@employersgroup.com	213-765-3952 or 800-748-8484	
Client Service	Bill Stephens	bstephens@employersgroup.com	805-807-9922	213-226-0216
Reference Library	Robert Campbell	rcampbell@employersgroup.com	800-748-8484 Ext. 3430	
Unemployment Questions	Mark Nelson	mnelson@employersgroup.com	213-765-3952	
Affirmative Action Plans	Suzanne Oliva	soliva@employersgroup.com	213-765-3918	
Leave Management	Helpline	helpline@employersgroup.com	800-748-8484	
Research and Surveys	Juan Garcia	jgarcia@employersgroup.com	213-765-3969	
Employee Opinion Survey	Rebecca Rogan	rrogan@employersgroup.com	213-765-3920	
Training Services	Somaly Heng	sheng@employersgroup.com	213-765-3962	
Employer Advocacy	Dustan Batton	dbatton@employersgroup.com	213-765-3915	



LIABILITY – CLAIMS REPORTING CONTACT

In the event of a loss, please contact:

Yumi Augustus
Litigation Manager
Carl Warren & Company
PO Box 2411
Tustin, CA 92781
csurma@carlwarren.com

or

yaugustus@carlwarren.com
Tel: 818-265-6765



POLLUTION – CLAIMS REPORTING CONTACT

(All pollution incidents must be reported within **seven days of discovery)**

Report the incident immediately to:

ACE Environmental Risk
casualtyriskenvironmental@acegroup.com
888-310-9553

AND:

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Tel: 877-725-7695
Fax: 415-403-1466

OR

Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR

Elaine (Kim) Tizon, Claims Advocate
Alliant Insurance Services, Inc.
E-mail: elaine.tizon@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

After hours claims reporting number

Robert Frey, First Vice President
Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



CYBER LIABILITY – CLAIMS REPORTING CONTACT

Report the incident immediately to:

Beazley Group
1270 Avenue of the America's, Suite 1200
New York, NY 10020

bbr.claims@beazley.com
Tel: 646-943-5900
Fax: 546-378-4039

AND COPY TO:

Elaine (Kim) Tizon, Claims Advocate	OR	Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.		Alliant Insurance Services, Inc.
E-mail: elaine.tizon@alliant.com		E-mail: dwalizada@alliant.com
Tel: 415-403-1458		Tel: 415-403-1453
Fax: 415-403-1466		Fax: 415-403-1466
Cell: 415-609-2133		Cell: 415-693-8714

After hours claims reporting number

Robert Frey, First Vice President
Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



SPECIAL LIABILITY INSURANCE PROGRAM (SLIP) CLAIMS REPORTING CONTACT

Report the incident immediately to:

Elaine (Kim) Tizon, Claims Advocate **OR**

Alliant Insurance Services, Inc.
E-mail: elaine.tizon@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

Diana Walizada, Claims Unit Manager

Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR:

After hours claims reporting number:

Robert Frey, First Vice President

Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



AUTO PHYSICAL DAMAGE (APD) CLAIMS REPORTING CONTACT

Report the incident immediately to:

Elaine (Kim) Tizon, Claims Advocate **OR**

Alliant Insurance Services, Inc.
E-mail: elaine.tizon@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

Diana Walizada, Claims Unit Manager

Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR:

After hours claims reporting number:

Robert Frey, First Vice President
Alliant Insurance Services, Inc.

E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



PROPERTY / BOILER & MACHINERY CLAIMS REPORTING CONTRACT

Report the incident immediately to Toll Free 877-725-7695:

OR

Diana Walizada, Claims Unit Manager

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR

Robert Frey, First Vice President

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490

OR

Elaine (Kim) Tizon, Claims Advocate

Alliant Insurance Services, Inc.
E-mail: elaine.tizon@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

AND COPY TO:

Sandra Doig

McLaren's

180 Montgomery Street, Suite 2100
San Francisco, CA 94104
Sandra.Doig@mclarens.com
Tel: 415-392-6034
Fax: 949-757-1692

After hours claims reporting number:

Robert Frey, First Vice President

Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



WORKERS' COMPENSATION – CLAIMS REPORTING CONTACT

In the event of a Workers' Compensation claim, please forward the Workers' Compensation Claim Form (DWC1) and the Employer's Report of Occupational Injury or Illness (Form 5020) to:

Brian Montagnese - Supervisor
Sedgwick CMS
P.O. Box 14629
Lexington, KY 40512-4629

E-mail: brian.montagnese@sedgwickcms.com
Tel: 916-636-4441
Fax: 916-851-8079

YOUR CLAIM WILL BE ASSIGNED TO EITHER:

Katie Brandt, Adjuster
Sedgwick CMS
P.O. Box 14629
Lexington, KY 40512-4629

E-mail: katie.brant@sedgwickcms.com
Tel: 916-636-4451
Fax: 916-851-8079

OR

Biba Olson
Claims Assistant and Medical Only Examiner
Sedgwick CMS

E-mail: biba.olson@sedgwickcms.com
Tel: 916-636-4439

Susan Neville
Adjuster, Northridge Auxiliary Only
Sedgwick CMS

E-mail: susan.neville@sedgwickcms.com
Tel: 916-636-4455



PARTICIPANT ACCIDENT INSURANCE (PAI)

In the event of a Participant Accident Insurance (PAI) claim, *please forward the completed HSR claim form directly to:*

Health Special Risk, Inc.
HSR Plaza II
4100 Medical Parkway
Carrollton, TX 75007

E-mail: CSRM@hsri.com
Tel: 972-512-5600
Fax: 972-512-5820
Tel Toll Free: 866-523-3186



UNEMPLOYMENT INSURANCE PROGRAM (UIP)

For Unemployment Insurance Program (UIP) claim, please contact Equifax Workforce Solutions directly at:

Equifax Workforce Solutions

P.O. Box 283
St. Louis, MO 63166-0283

Kevin Sullivan

Account Manager
kevin.sullivan@equifax.com
(714) 421-8145

Irene Wang

UI Consultant/Hearing Coordinator
irene.wang@equifax.com
(314) 684-2885

Trisha Milton

Claims Assistant Manager
trisha.milton@equifax.com
(314) 214-7883

State Agency Response Center: (800) 829 -1510

Should you receive any calls from the state agencies directly, requesting information related to a claim, please provide them the above number.

UC Support: (866)723-4800 or
ucsupport@equifax.com

Should you encounter any issues logging into the UC Web Manager (CaseBuilder, Insight) application, please reach out to UC Support.

AORMA COMMITTEE MEMBERS

ISSUE: Attached for the Committee's review is the AORMA Committee and Standing Committee Membership Roster Contact List.

RECOMMENDATION: It is recommended that the Committee Members review the contact information for accuracy and report any changes or corrections to Staff.

FISCAL IMPACT: None.

BACKGROUND: Contact lists are provided at every meeting.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Committee Roster - Effective at July 1, 2018

**AORMA Committee
Effective at July 1, 2018**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Dwayne Brummett	Associate Executive Director	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	First Vice Chair	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
AORMA	Second Vice Chair	Starr Lee	Director of Administration & Legal /Associate Executive Director	Monterey Bay	The University Corporation at Monterey Bay	stlee@csumb.edu	831-582-3000
AORMA	Seat 1	Bella Newberg	Associate Vice President, Business Development & Executive Director	San Marcos	California State University San Marcos Corporation	newberg@csusm.edu	760-750-4700
AORMA	Seat 2	Chuck Kissel	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	ckissel@fullerton.edu	657-278-4990
AORMA	Seat 3	Cecilia Ortiz	Director	Dominguez Hills	Loker Student Union	cortiz@csudh.edu	310-243-3854
AORMA	Seat 4	Russell Wittmeier	Human Resources Director	Chico	The CSU, Chico Research Foundation	rwittmeier@csuchico.edu	530-898-5731
AORMA	Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
AORMA	Seat 6	Leslie Levinson	Chief Financial Officer	San Diego	San Diego State University Research Foundation	llevinson@mail.sdsu.edu	619-594-8941
AORMA	Seat 7	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744

AORMA’S TRAVEL REIMBURSEMENT POLICY

ISSUE: Reasonable expenses associated with travel to and from the AORMA Committee meetings and CSURMA Board of Directors meetings are reimbursable by CSURMA. Attached is Policy & Procedure A-7 - CSURMA AORMA Travel Reimbursement Policy.

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: Please contact Mimi Long should you have any questions regarding your travel expenses.

PUBLICATION: None.

ATTACHMENT(S):

- a. Policy & Procedure A-7 - CSURMA AORMA Travel Reimbursement Policy



CSURMA AORMA

POLICY AND PROCEDURE NO. A-7

SUBJECT: CSURMA AORMA TRAVEL REIMBURSEMENT
POLICY

ADOPTED: MARCH 21, 2013
AMENDED: MARCH 19, 2015
MARCH 9, 2017
SEPTEMBER 6, 2018

EFFECTIVE: MARCH 21, 2013

PURPOSE:

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

POLICY:

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

PROCEDURE:

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



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

DEFINITIONS:

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

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

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