



CSURMA

POLICY AND PROCEDURE NO. 25

ADOPTED: May 6, 2016

EFFECTIVE: May 6, 2016

SUBJECT: Pooled Programs Underwriting Procedures

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

PURPOSE:

The California State University Risk Management Authority (CSURMA) may develop and implement **Coverage Programs** which CSURMA deems necessary, advisable and beneficial to its **Members**. CSURMA has established underwriting rules and other qualifying conditions for its **Coverage Programs**. Underwriting information is used for determination of rates and **Member** pool deposits as well as deductible selection and dividends. Underwriting standards and guidelines are outlined in various governing documents, including the JPA Agreement, By-Laws and CSURMA Policies and Procedures.

POLICY:

1. Underwriting Function/Mission

Establishing underwriting criteria ensures that all CSURMA Coverage Programs are analyzed for risk exposures, funding requirements, dividend and deductible selection.

Adherence to these underwriting standards and guidelines provides confidence for Members regarding the continued financial viability and security of CSURMA.

2. New Members

The guidelines for admittance of new members to CSURMA are set forth in the Joint Powers Agreement and By-Laws. Membership eligibility requires the entity be an **Auxiliary Organization**. Approval by the **Executive Committee** may be contingent upon the proposed **Member's** ability to satisfy the underwriting criteria and other qualifying conditions which may then be in effect for any **Coverage Program** in which the **Auxiliary Organization** wishes to participate.

3. Underwriting Guidelines / Rate Setting / Funding Requirements

Rates are established based upon multiple factors including, but not limited to, the following:

- ✓ Payroll Exposure
- ✓ Loss Rates
- ✓ Excess Insurance Rates
- ✓ Administrative Expenses

✓ Contingency Margin

4. Periodic Review

The Underwriting Guidelines are reviewed by the **Board of Directors** at least every three years. This review may be delegated to the **Executive Committee** or other ad hoc committee established for the sole purpose of addressing underwriting issues.

DEFINITIONS:

“Auxiliary Organization” shall mean an organization described in California Education Code § 89901 *et seq.*, which is on the approved list of Auxiliary Organizations of the University Chancellor’s Office.

“Board of Directors” or “Board” shall mean the governing body of the CSURMA.

“Coverage Programs” shall consist of Coverages Programs provided directly by CSURMA under a Risk Pooling Program pursuant to a memorandum of Coverage and/or provided by a Purchased Insurance Program. These may include, but are not limited to, Property, Workers’ Compensation and Liability coverage as may be determined by the Board of Directors. “Risk Pooling Programs” shall mean those Coverage Programs in which participating members share risk of loss. “Purchased Insurance Programs” shall mean those Coverage Programs in which members do not share risk of loss.

“Executive Committee” shall mean the Executive Committee of the CSURMA Board of Directors.

“Member” shall mean the signatory to the CSURMA Joint Powers Authority.