



## CSURMA AORMA COMMITTEE MEETING AGENDA

### “This is an Open Public Meeting”

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

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

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

<b>Meeting Date:</b>	September 8, 2016	<b>Location:</b>	Alliant Insurance Services
<b>Time:</b>	9:00 a.m.		2180 Harvard St., Ste 460
			Sacramento, CA 95815

A = Action  
I = Information  
V = Verbal

**A. CALL TO ORDER**

- |           |                               |          |              |
|-----------|-------------------------------|----------|--------------|
| <b>1.</b> | <b>Approval of the Agenda</b> | <b>A</b> | <i>pg. 4</i> |
|-----------|-------------------------------|----------|--------------|

**B. PUBLIC COMMENTS**

**C. STANDING COMMITTEE REPORTS**

- |           |                                       |          |              |
|-----------|---------------------------------------|----------|--------------|
| <b>1.</b> | <b>Programs Committee Report</b>      | <b>I</b> | <i>pg. 5</i> |
| <b>2.</b> | <b>AOA Executive Committee Report</b> | <b>I</b> | <i>pg. 8</i> |

**D. CONSENT CALENDAR**

- |           |  |          |               |
|-----------|--|----------|---------------|
| <b>1.</b> | <b>Approval of Minutes – May 5, 2016</b><br><i>The Committee will be asked to approve the minutes from its last meeting.</i>   | <b>A</b> | <i>pg. 9</i>  |
| <b>2.</b> | <b>Review of FY 17/18 AORMA Liability and Workers’ Compensation Program Actuarial Studies</b><br><i>The Committee will be asked to review and accept the FY 17/18 AORMA Liability Program and Workers’ Compensation actuarial reports.</i> | <b>A</b> | <i>pg. 22</i> |

- 3. **Adoption of CSURMA AORMA 2017 Meeting Calendar** A pg. 39  
*The Committee will be asked to review and approve the 2017 CSURMA AORMA meeting calendar*
  
- E. **CLOSED SESSION Pursuant to California Government Code Section 11126(e)(1) & 11126(f)(1)** A  
*Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). Please refer to the below list of claims that may be discussed. The Committee may assess and evaluate pending claims and related issues and take action or provide direction to Staff regarding the litigation described below.*
  - 1. Arce vs. Associated Students, CSU Northridge, Inc.
  - 2. Harryman vs. The Student Union of San Jose State University
  - 3. New Facility vs. Associated Students of CSU, Sacramento
  - 4. Adams vs. Associated Students of CSU, Sacramento
  - 5. Evangelina Grajeda vs The Cal Poly Pomona Foundation, Inc.
  - 6. India Baker vs San Diego State University Research Foundation
  - 7. Xing Mu vs CSU Dominguez Hills Foundation
  
- F. **GENERAL ADMINISTRATION**
  - 1. **Insurance Renewals Report** I pg. 41  
*The Committee will receive a report on the completion of insurance renewal negotiations.*
  
  - 2. **Target Surplus Funding Report and Dividend Calculation** A pg. 43  
*The Committee will be asked to review the AORMA Target Surplus Funding Report and to approve a dividend for the Liability and Workers' Compensation programs to be released in July, 2017.*
  
  - 3. **Review and Approval of the FY 17/18 – Total Funding** A  
*The Committee will be asked to approve the total FY 17/18 funding amount for the AORMA Programs:*
    - a. Liability Program pg. 52
    - b. Workers' Compensation Program pg. 56
    - c. Property Program pg. 60
    - d. Crime Program pg. 62
  
  - 4. **Policy and Procedure W-3 – Claims Handling Procedures and Guidelines** A pg. 65  
*The Committee will be asked to approve the revisions to Policy and Procedure W-3, with modifications as appropriate.*

- 5. **Policy and Procedure L-8 – Liability Program Member Allocation Formula** A pg. 78  
*The Committee will be asked to approve the new Policy and Procedure L-8 as recommended by the Programs Committee, with modifications as appropriate.*
  - 6. **Policy and Procedure A-2 – AORMA Committee and Standing Committee Roles and Responsibilities** A pg. 84  
*The Committee will be asked to approve revisions to Policy and Procedure A-2 with modifications as appropriate.*
  - 7. **Liability Memorandum of Coverage effective July 1, 2016** A pg. 92  
*The Committee will be asked to ratify the memorandum of coverage to be used effective July 1, 2016.*
  - 8. **AORMA Workers’ Compensation Program Claims Administration Audit Report** A pg. 137  
*The Committee will be asked to accept the Workers’ Compensation Claims Audit*
  - 9. **AORMA Committee Meeting - October 20, 2016 Discussion of Meeting location** A pg. 156  
*The Committee will be asked to discuss the proposed meeting date and meeting items.*
  - 10. **Maximum Allowable Hourly Rate for Legal Counsel** A pg. 157  
*The Committee will be asked to review the AORMA Approved Legal Counsel List and to approve the maximum allowable hourly rate for legal counsel*
- G. INFORMATION ITEMS**
- 1. Praesidium Contract for Prevention of Abuse of Minors pg. 173
  - 2. Master Enabling Agreement for Transportation with GoGround pg. 196
  - 3. Fine Arts, Archives and Artifacts Program Launch pg. 208
  - 4. CSURMA AORMA 2016 Meeting Calendar pg. 213
  - 5. CSURMA AORMA Program Administrator’s Contact Lists pg. 215
  - 6. AORMA’s Travel Reimbursement Policy pg. 228
  - 7. AORMA Committee Members - Effective 7/01/16 pg. 231
  - 8. CSURMA Administrative Service Calendar pg. 233
- H. ADJOURNMENT**

*The next AORMA Committee meeting is scheduled for October 20, 2016 at 10:00 AM in San Francisco. Please contact Mimi Long [mlong@alliant.com](mailto:mlong@alliant.com) or Tevea Him [thim@alliant.com](mailto:thim@alliant.com) with questions.*

**APPROVAL OF THE AGENDA**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **PROGRAMS COMMITTEE REPORT**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Agenda table of contents from Programs Committee meeting on June 23, 2016.



## PROGRAMS COMMITTEE MEETING

“This is an Open Public Meeting”

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

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1. Teleconference Location - CSU Chancellor’s Office, 401 Golden Shore, Long Beach
2. Guy Dalpe: Cesar Chavez Student Center, SFSU, 1650 Holloway Avenue Room C-134, San Francisco
3. Gigi Kiama: University Corporation at CSUMB, 8 Upper Ragsdale Drive, Monterey
4. Bill Olmsted: University Union Operation of CSUS, Inc., 6000 J Street, Sacramento
5. Jason Porth: The University Corporation, San Francisco State, 1600 Holloway Avenue, ADM 361, San Francisco
6. Jun Reina: Capital Public Radio, Inc., CSU Sacramento, 7055 Folsom Boulevard, Sacramento
7. Raven Tyson: Associated Students of San Diego State University, 5500 Campanile Drive, Sacramento

**Meeting Date:** June 23, 2016  
**Time:** 1:00 PM

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

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

### A. CALL TO ORDER

1. **Approval of the Agenda Order** A p. 3  
*The Committee will be asked to approve today’s meeting agenda order*

### B. PUBLIC COMMENTS

### C. GENERAL ADMINISTRATION

1. **Approval of Meeting Minutes – February 25, 2016** A p. 4  
*The Committee will be asked to review and approve the minutes from its meeting on February 25, 2016*
2. **AORMA Risk Reduction Innovation Matching Grant Incentive Program** A p. 11  
*The Committee will be asked to review and if appropriate approve funding for two different risk reduction projects*
3. **Discussion and Recommendation for New Programs Committee Chair for FY 2016/2017** A p. 29  
*The Committee will be asked to discuss the Programs Committee Chair position and make a recommendation to the AORMA Committee Chair*

- 4. Policy and Procedure L-8 – Liability Program Member Allocation** **A** *p. 37*  
**Formula**  
*The Committee will be asked to review and recommend approval of Policy and Procedure L-8*

**D. INFORMATION ITEMS**

- 1. 2016 CSURMA AORMA Meeting Calendar** **I** *p. 43*  
**2. FY 2015/2016 AORMA Long Range Action Plan** **I** *p. 45*  
**3. AORMA Committee and Standing Committee Roster** **I** *p. 49*

**E. ADJOURNMENT**

*The next Programs Committee meeting is scheduled for September 29, 2016 at 1:00 PM via teleconference. Please contact Mimi Long [mlong@alliant.com](mailto:mlong@alliant.com) or Tevea Him [thim@alliant.com](mailto:thim@alliant.com) with questions.*

## **AOA EXECUTIVE COMMITTEE REPORT**

**ISSUE:** The AORMA Chair attends the AOA Executive Committee meetings and reports on recent AORMA activities. The Committee will hear a brief verbal overview of the AOA Executive Committee meeting.

**RECOMMENDATION:** This item is for information only; no action is requested.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**APPROVAL OF MINUTES – MAY 5, 2016**

**ISSUE:** The Committee will be asked to review and approve the draft minutes from its May 5, 2016 meeting.

**RECOMMENDATION:** It is recommended that the Committee approve the minutes from its May 5, 2016 meeting, including corrections as necessary.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA AORMA Committee Meeting Minutes – May 5, 2016

**MINUTES OF THE  
CSURMA AORMA COMMITTEE MEETING  
MAY 5, 2016  
CSU CHANCELLOR'S OFFICE, MUNITZ ROOM  
401 GOLDEN SHORE • LONG BEACH, CA  
10:00 AM**

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**MEMBERS PRESENT:**

Cheree Aguilar, San Jose State University Research Foundation (*via Teleconference*)  
Dwayne Brummett, Associated Students, Inc., Cal Poly San Luis Obispo  
Guy Dalpe (AORMA Vice-Chair), Associated Students, Inc., San Francisco State University  
Leslie Davis, University Union Operation of CSUS, Inc.  
Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach  
Gigi Kiama, The University Corporation at Monterey Bay  
Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation  
Dave Nakamura, Humboldt State University Center (*via Teleconference*)  
Dave Nirenberg, University Glen Corporation, CSU Channel Islands  
Jim Reinhart, University Enterprises, Inc., CSU Sacramento

**MEMBERS ABSENT:**

Keith Kompsi, Fresno Association, Inc., CSU Fresno  
Brian Nowlin, CSU Long Beach Research Foundation

**STAFF, GUESTS AND CONSULTANTS**

Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor  
Tevea Him, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
William Hsu, CSU Office of the Chancellor, Office of General Counsel  
David Kervella, CSU Office of the Chancellor  
Mimi Long, Alliant Insurance Services, Inc.  
Mauri McGuire, Carl Warren & Company  
Heather Mendez, Carl Warren & Company

**A. CALL TO ORDER**

The meeting was called to order by the Chair, Frank Mumford at 10:00 AM. Cheree Aguilar and Dave Nakamura expressed their desire to abstain from voting on all motions.

Mumford thanked Keith Kompsi and Dwayne Brummett for their years of service on the AORMA Committee and CSURMA Board of Directors.

**A1. Approval of the Agenda**

The agenda was approved by acclimation.

**B. PUBLIC COMMENTS**

There were no comments from members of the public.

**C. CONSENT CALENDAR**

**C1. Approval of Minutes – March 10, 2016**

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

Motion: Leslie Davis  
Second: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar		X		
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi				X
Frank Mumford	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Brian Nowlin				X
Jim Reinhart	X			
<b>AORMA Committee Alternates Vote Only When Committee Members are Absent</b>				
Dwayne Brummett	X			
Robert de Wit	X			

Motion carried.

**D. CLOSED SESSION**

There were no items for closed session.

**E. STANDING COMMITTEE REPORTS**

**E1. Programs Committee Report**

Gigi Kiama, the Programs Committee Chair, reported that the Programs Committee had not met since the last AORMA Committee meeting.

## **E2. AOA Executive Committee Report**

Frank Mumford reported that the AOA Executive Committee had not met since the last AORMA Committee meeting.

## **F. GENERAL ADMINISTRATION**

### **F1. Update of Excess Insurance Renewals**

Daniel Howell provided an update to the AORMA Committee.

1. *Liability - Reinsurance Agreement w/ Genesis (\$4,650,000 excess of \$350,000).* Due to claims activity within the reinsurance layer, Genesis, the current reinsurer, will not be providing reasonable renewal terms. Within the last five years, two \$3,000,000 claims have been paid by Genesis as well as other smaller claims that have pierced the reinsurance layer. Three options are available as a replacement of Genesis. Munich Re has provided a quote to reinsure the entire layer of \$4,500,000 excess of \$500,000. Their premium would be approximately \$1,400,000. Marcel and Great America can do a quota share of the \$4,500,000 excess of \$500,000 layer. Their premium is slightly lower, at approximately \$1,300,000. The third option is for all three reinsurers to either quota share the entire reinsurance layer, or to allow Munich Re to reinsure a short layer higher up - \$1,000,000 xs \$4,000,000. All three reinsurers have excellent financial ratings. The AORMA pooled layer will definitely be increased to \$500,000 for FY 16/17. The estimated funding for FY 16/17 is based on a \$500,000 pooled layer.

Frank Mumford reiterated the importance of educating the membership regarding the recent loss experience of the liability program as well as the benefits provided by AORMA to those members incurring the considerably large losses.

2. *Excess Liability (\$15,000,000 excess of \$5,000,000).* Howell expects the excess liability to increase about 5% over expiring.
3. *Crime.* The AORMA Committee asked Staff to secure a higher limit for the crime program. The current per loss limit is \$2,000,000. Staff received a quote for a \$5,000,000 limit which results in an 11% premium increase.
4. *Excess Workers' Compensation.* Effective January 1, 2015, CSURMA joined CSAC EIA for the reinsurance of its workers' compensation program. CSAC EIA has provided a two-year guaranteed rate which is flat on the excess and a slight increase on the primary. Howell noted that CSAC EIA has set-up its own captive insurance company. Entities establish captives to insure themselves and so that they have access to reinsurance markets. Captives can also provide other financial benefits such as better financial returns on investments.

5. *Property.* Renewal premium is expected to be flat.

**F2. AORMA Liability Program Memorandum of Coverage**

As summarized by Daniel Howell, the Memorandum of Coverage (MOC) is a contract between the members and the JPA. It is not an insurance policy. Insurance companies regularly review their policy forms and make revisions to reflect industry trend and claims experience. Similarly, it is prudent for AORMA to review its coverage form and make amendments as necessary to maintain coverage quality for its members, and as may be needed for effective placement of reinsurance and excess insurance to manage AORMA’s claim liabilities. Staff has drafted the revised AORMA Liability Program Memorandum of Coverage (MOC) to become effective July 1, 2016 which aligns with the public educator’s industry standard form. AORMA’s current liability MOC is loosely based on the Genesis form.

A motion was made to delegate authority to the CSURMA Secretary/Auditor to finalize the AORMA Liability Program memorandum of coverage to be used effective July 1, 2016, subject to ratification by the AORMA Committee at its September meeting.

Motion: Guy Dalpe  
Second: Robert de Wit

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar		X		
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi				X
Frank Mumford	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Brian Nowlin				X
Jim Reinhart	X			
<b>AORMA Committee Alternates</b>				
<b>Vote Only When Committee Members are Absent</b>				
Dwayne Brummett	X			
Robert de Wit	X			

Motion carried.

**F3. Alliant Risk Control Consulting Renewal Contract Proposal for FY 2016/2017**

Mimi Long explained that the current contract with Alliant Risk Control Consulting is due to expire on June 30, 2016. ARCC has proposed a one-year contract effective July 1, 2016 to June

30, 2017 with an annual fee of \$93,000. This will include approximately 60 annual safety days. The safety days may be used for any risk management or safety related topic. ARCC is proposing an hourly, daily and annual fee of \$193.75, \$1,550 and \$93,000, respectively. This represents a 7% increase over the pricing within the current contract. The Committee reviewed ARCC’s historical rates.

<b>Alliant Risk Control Consulting Historical Fee Schedule</b>			
<b>Fiscal Year</b>	<b>Per Day Cost</b>	<b>Hourly Cost</b>	<b>Annual Cost</b>
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

A motion was made to approve the proposed one-year contract with ARCC with an annual cost of \$93,000.

Motion: Leslie Davis  
Second: Robert de Wit

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
Cheree Aguilar		X		
Guy Dalpe		X		
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi				X
Frank Mumford	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Brian Nowlin				X
Jim Reinhart	X			
<b>AORMA Committee Alternates Vote Only When Committee Members are Absent</b>				
Dwayne Brummett	X			
Robert de Wit	X			

Motion carried.

**F4. Online Training Platform**

Mimi Long explained that this item includes two issues – the renewal of the TargetSolutions contract for online safety training, and the approval of a memorandum of understanding with the Chancellor’s Office, Systemwide Professional Development (SPD) for auxiliary access to the LawRoom compliance training and SkillsSoft content, as well summarization of the services to be provided by SPD to support the auxiliary organizations.

Long introduced David Kervella from SPD who provided an overview of the progress of uploading Campus auxiliary organization staff. Fourteen campuses have completed the integration process; however, only four campuses out of the fourteen are actively using the skillsoft platform. SPD continues to work with the remaining campuses. As explained by Kervella, each campus IT solution is different.

The Committee felt that the TargetSolutions contract should be renewed for one additional year, and that Staff should send quarterly reminders to the AORMA membership that the TargetSolutions will not be available after June 30, 2017. Members will also be informed that David Kervella and Chris Fondacaro will be available to help with the integration process.

The Committee reviewed the Memorandum of Understanding prepared by SPD. The proposed pricing for SPD is FY 16/17 - \$50,000, FY 17/18 - \$60,000, FY 18/19 - \$70,000 and FY 19/20 - \$75,000.

A motion was made to approve the renewal of the TargetSolutions contract for one additional year at the existing cost of \$80,750, annually.

Motion: Guy Dalpe  
Second: Robert de Wit

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar		X		
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi				X
Frank Mumford	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Brian Nowlin				X
Jim Reinhart	X			
<b>AORMA Committee Alternates</b>				
<b>Vote Only When Committee Members are Absent</b>				
Dwayne Brummett	X			
Robert de Wit	X			

Motion carried.

A motion was made to approve the delegation of authority to the CSURMA Secretary-Auditor to finalize the terms of the agreement with the Chancellor’s Office, Systemwide Professional Development (SPD).

Motion: Jim Reinhart  
Second: Robert de Wit

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar		X		
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi				X
Frank Mumford	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Brian Nowlin				X
Jim Reinhart	X			
<b>AORMA Committee Alternates</b>				
<b>Vote Only When Committee Members are Absent</b>				
Dwayne Brummett	X			
Robert de Wit	X			

Motion carried.

**F5. Policy and Procedure Review**

Mimi Long explained that Policy and Procedure A-5, requires the AORMA Committee to review its policies and procedures at least every two years. Sixteen policies and procedures were reviewed by Staff. Most of the proposed changes are minor and intended to establish formatting, terminology and definition consistency. Long reviewed the proposed substantive changes.

**A-5 Annual Calendar of Reports, Audits and Filings.** The liability and workers’ compensation third party claims administrators (TPA) are required to be audited every two years. A statement was added to the Policy and Procedure that allows the AORMA Committee to change the TPA audit schedule for business reasons such as an RFP or the need to monitor the vendor’s services more frequently. The requirement that the AORMA Committee review the Policy and Procedure review schedule was removed. All Policies and Procedures are reviewed every two years, so the review of the review schedule is redundant. As Policies and Procedures are reviewed, Staff will include as an information item the review schedule. A Property Appraisals section was added that confirms the AORMA Committee’s desire to appraise all real property owned by Auxiliary Organizations (and insured within the AORMA Property Program) regardless of value every ten years, and with a value of \$1,000,000 or more every five years.

**A-6 Risk Reduction Innovation Matching Grant Incentive Program.** The Member Services, Loss Control and Training Committee was replaced by the Programs Committee. The Programs Committee now oversees the grant program.

**L-4 Employee Driving Standards.** The intent of the Policy and Procedure is to exclude coverage for those employees in violation of the employee driving standards. However, this policy only applies to the AORMA pooled layer of coverage (currently \$350,000). The Policy and Procedure was amended to clarify this condition. The term Non-Occasional Driver was replaced with Regular Driver.

**L-6 Requirement to Purchase PAI for all Activities Involving Minors.** When this Policy and Procedure was reviewed in 2014, the Committee directed staff to offer higher limits to those auxiliaries purchasing PAI policies with limits of \$10,000 or less. Staff offered higher limits for two years. Most auxiliaries chose not to increase their policy limits. The Committee reviewed the listing of all of the PAI policies purchased and their limits.

**W-2 Workers’ Compensation Contribution Payments.** Staff recommends deleting this Policy and Procedure. The wording is identical to CSURMA Policy and Procedure No. 6 which is applicable to the AORMA members.

**W-5 Workers’ Compensation Claims Settlement Authority.** The AORMA Committee officers’ titles were updated.

**W-1 Workers’ Compensation Member Allocation Formula and W-8 Workers’ Compensation Renewal Payroll Reporting.** Staff recommends deleting Policy and Procedure W-8 because most of the wording is redundant as it also appears on Policy and Procedure W-1. The one statement within W-8, which is not redundant, has been moved to the Annual Payroll Audit section of Policy and Procedure W-1.

A motion was made to approve (1) the suggested revisions to Policies and Procedures A-3, A-4, A-5, A-6, A-8, L-1, L-3, L-4, L-6, UI-1, W-1, W-3, W-5 and W-6, (2) to delete Policies and Procedures WC-8 and WC-2, and (3) to allow Staff make the formatting consistent throughout all of the AORMA Policies and Procedures and well as renumbering the Policies and Procedures, due to the deletion of W-2 and W-8.

Motion: Leslie Davis  
Second: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar		X		
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			

Keith Kompsi				X
Frank Mumford	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Brian Nowlin				X
Jim Reinhart	X			
<b>AORMA Committee Alternates</b>				
<b>Vote Only When Committee Members are Absent</b>				
Dwayne Brummett	X			
Robert de Wit	X			

Motion carried.

**F6. CSURMA AORMA Committee Election Results**

Frank Mumford let the Committee know that both Leslie Davis and Dave Nakamura have been reelected to the AORMA Committee each for an additional two-year term.

**F7. Integration of Auxiliary Organizations into the Campus Continuity of Operations and Emergency Operations Plan**

Mimi Long explained that the AORMA Committee Long Range Action Plan for FY 15/16 includes the Integration of Auxiliary Organizations (AO) into the Campus Continuity of Operations and Emergency Operations Plan. The Chancellor’s Office has confirmed that the AO’s have been integrated where appropriate. If an AO has a role in emergency response, it is included in the Campus Emergency Operations Plan (EOP). For example, if AO dining needs to perform an emergency feeding function, that AO’s function would be included in the EOP. If not, the AO is treated similar to any other entity on campus during an emergency. If an AO performs an essential function, it is included in the Campus Continuity of Operations Plan / Business Continuity (COOP/BC) plan.

According to the Chancellor’s Office, if an AO doesn't fall into either of these two categories, they may still need a department emergency plan that details how they would respond in an emergency in order to keep its staff safe (evacuate, shelter-in-place, account for each other, phone trees, etc.) just like any other department on campus.

A motion was made to indicate that the Integration of Auxiliary Organizations (AO) into the Campus Continuity of Operations and Emergency Operations Plan item within the AORMA Long Range Action Plan for FY 15/16 is complete.

Motion: Gigi Kiama  
Second: Dave Nirenberg

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
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Cheree Aguilar		X		
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi				X
Frank Mumford	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Brian Nowlin				X
Jim Reinhart	X			
<b>AORMA Committee Alternates Vote Only When Committee Members are Absent</b>				
Dwayne Brummett	X			
Robert de Wit	X			

Motion carried.

**F8. Watercraft Tracking Program**

The AORMA Long Range Action plan for FY 15/16 includes a Watercraft Insurance Tracking Program item. Mimi Long stated that Staff surveyed the Campuses as well as the Auxiliary Organizations and created a list of owned watercraft and noted which watercraft are insured under separate policies. Staff will annually survey the CSURMA members in order to assure that the list is complete and accurate. Having a complete list will help in assigning the correct insurer to respond to a claim involving a watercraft.

A motion was made to indicate that the Watercraft Tracking Program item within the AORMA Long Range Action Plan for FY 15/16 is complete.

Motion: Leslie Davis  
Second: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar		X		
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi				X
Frank Mumford	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Brian Nowlin				X
Jim Reinhart	X			

<b>AORMA Committee Alternates Vote Only When Committee Members are Absent</b>				
Dwayne Brummett	X			
Robert de Wit	X			

Motion carried.

**F9. AOA Annual Conference – Risk Management Sessions**

The Committee reviewed the AOA Session Topics proposed for the 2017 AOA Conference:

1. Drones – Rob Leong, Zachary Gifford and Jerry New Orleans
2. Insurance Requirements in Contracts – Daniel Howell
3. Major Property Losses Pre and Post – Bob Frey, Martin Fox-Foster
4. Foreign Travel Good Practices / Rental Car Coverage – Stacey Weeks and Zachary Gifford
5. Cyber Losses – Ed Hudson, William Perry, Phillippe Garcia

The Committee decided on the following Risk Management Sessions for the 2017 AOA Conference:

1. Insurance Requirements in Contracts
2. Foreign Travel Good Practices / Rental Car Coverage
3. Cyber Losses
4. CSURMA AORMA 101

A motion was made to approve the sessions noted above.

Motion: Dave Nirenberg  
Second: Guy Dalpe

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
Cheree Aguilar		X		
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi				X
Frank Mumford	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Brian Nowlin				X
Jim Reinhart	X			
<b>AORMA Committee Alternates Vote Only When Committee Members are Absent</b>				
Dwayne Brummett	X			

Robert de Wit	X			
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Motion carried.

**G. INFORMATIONAL ITEMS**

The committee reviewed the following information items.

- G1. CSURMA AORMA 2016 Meeting Calendar**
- G2. AORMA Long Range Action Plan**
- G3. AORMA Service Calendar**
- G4. CSURMA AORMA Program Administrator’s Contact Lists**
- G5. AORMA Committee Members - Effective 7/1/15**
- G6. Policy & Procedure A-7 – CSURMA Travel Reimbursement Policy**
- G7. CSU IIPP WorkGroup**

**H. ADJOURNMENT**

The meeting was adjourned at 12:00 PM.

## **REVIEW OF FY 17/18 AORMA LIABILITY AND WORKERS' COMPENSATION PROGRAM ACTUARIAL REPORTS**

**ISSUE:** CSURMA's retains the services of an independent actuary to evaluate the liabilities of its major self-insured programs. The complete draft reports for the AORMA Liability and Workers' Compensation Programs are included separately with the agenda packet. Staff has highlighted here and in attachments to this item key findings and exhibits. The information provided by the actuary is used to establish fiscal year-end financial reports, and as the starting point in consideration of rates and funding for FY 17/18 as well as evaluating potential dividends.

The Actuary's findings and recommendations include:

### AORMA Liability

1. The estimated outstanding losses at June 30, 2016 decreased by \$29,341 (a 1% decrease) compared to the prior estimated as of June 30, 2015.
2. The projected funding (discounted) for FY 17/18 at a 70% confidence level increased by \$70,071 (a 4% increase) compared to the projected funding for FY 16/17.
3. The projected funding (discounted) for FY 17/18 at an 80% confidence level increased by \$85,709 (a 4% increase) compared to the projected funding for FY 16/17.

### AORMA Workers' Compensation

1. The estimated outstanding losses at June 30, 2016 decreased by \$2,865,643 (a 34% decrease) compared to the prior estimated as of June 30, 2015.
2. The projected funding (discounted) for FY 17/18 at a 70% confidence level decreased by \$74,000 (a 2% decrease) compared to the projected funding for FY 16/17.
3. The projected funding (discounted) for FY 17/18 at an 80% confidence level decreased by \$190,000 (a 5% decrease) compared to the projected funding for FY 16/17.

**RECOMMENDATION:** The AORMA Committee is asked to review the draft actuarial studies, and accept the reports for use in CSURMA's financial reporting, rate setting, and funding evaluations.

**FISCAL IMPACT:** The action recommended will have the direct effect of establishing liabilities reported in CSURMA's financial statements. Indirectly, information from the accepted actuarial studies will be used in rate setting and funding forecasts.

**BACKGROUND:** The complete actuarial study includes a discussion on the methodology used by the actuary to establish the financial projections for each coverage program. Staff will be present at today's meeting to review and comment on the findings in the reports.

**PUBLICATION:** None

**ATTACHMENT(S):**

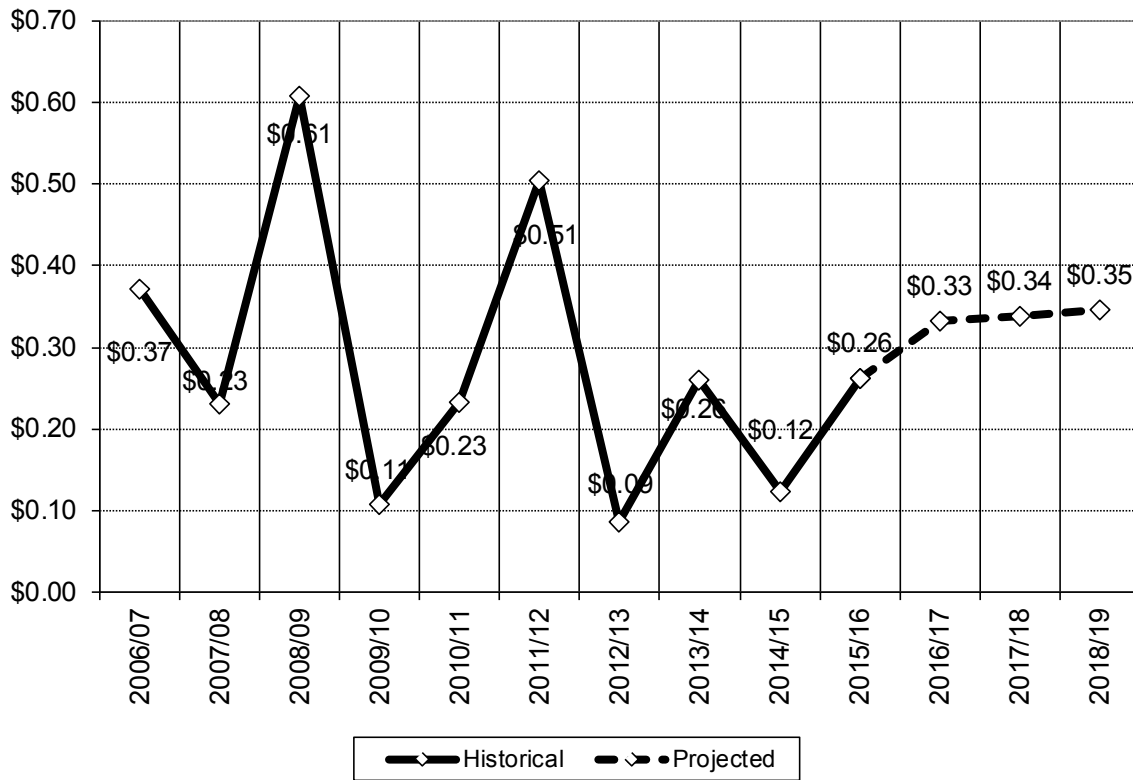
- a. Charts and exhibits from the Liability and Workers' Compensation draft actuarial reports valued at June 30, 2016.
- b. Complete copies of the draft studies dated August 5, 2016 are included separately with the agenda packet.

## AORMA LI

### Loss Experience Trends

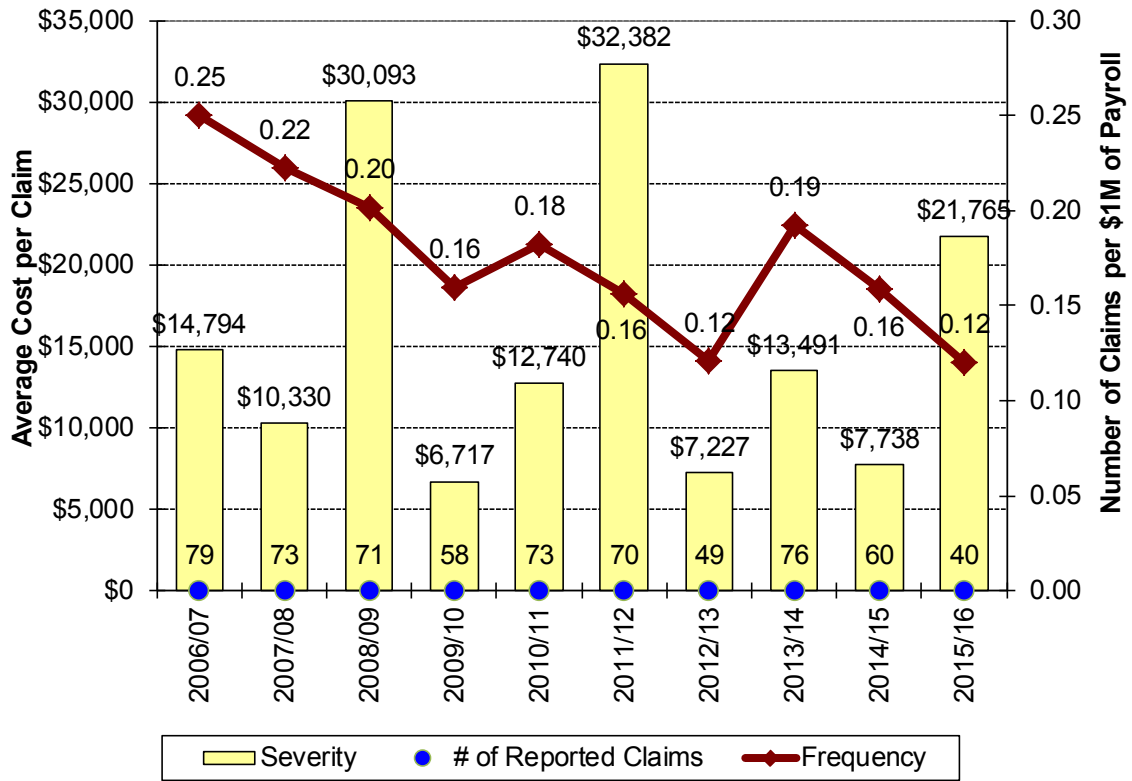
Graphs III-1 and III-2 show loss experience trends for liability as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

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



Note: Loss rates are from Exhibit LI-14, columns (4) and (7).

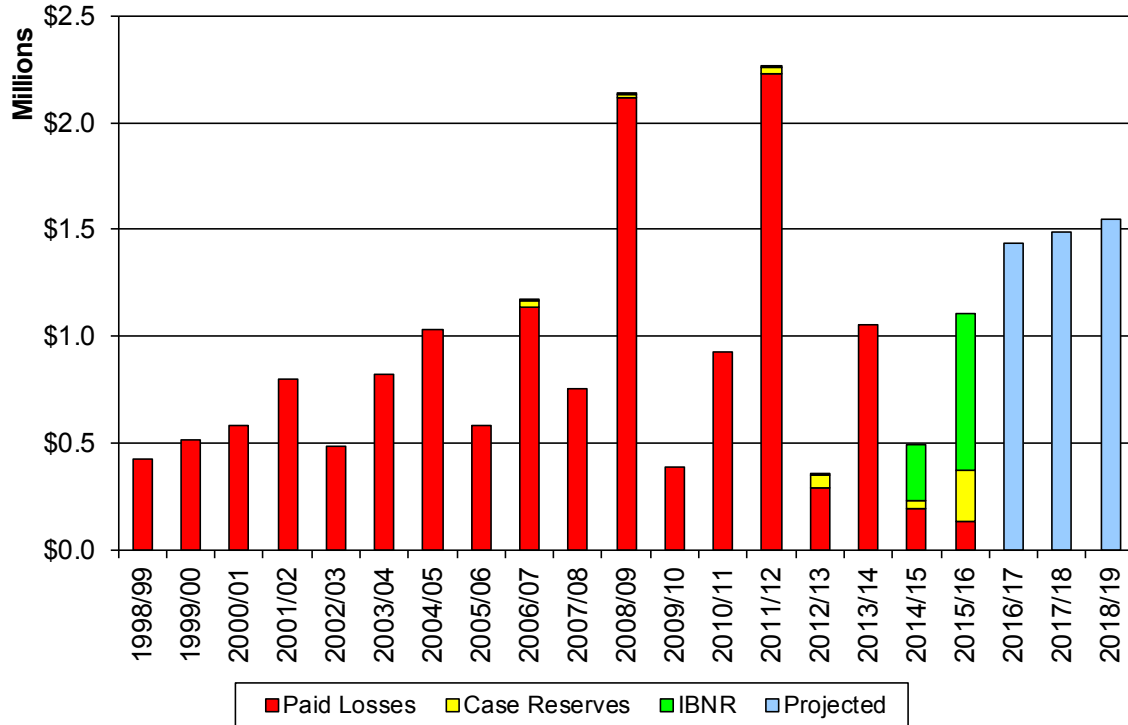
**Graph III-2  
Frequency and Severity**



Note: Frequency amounts are from Exhibit LI-8, Section I, column (7).  
Severity amounts are based on the projected claim counts in Exhibit LI-8 and the projected ultimate losses in Exhibit LI-13.

Graph III-3 shows the composition of the projected ultimate limited losses for liability.

**Graph III-3  
Composition of Projected Ultimate Limited Losses**

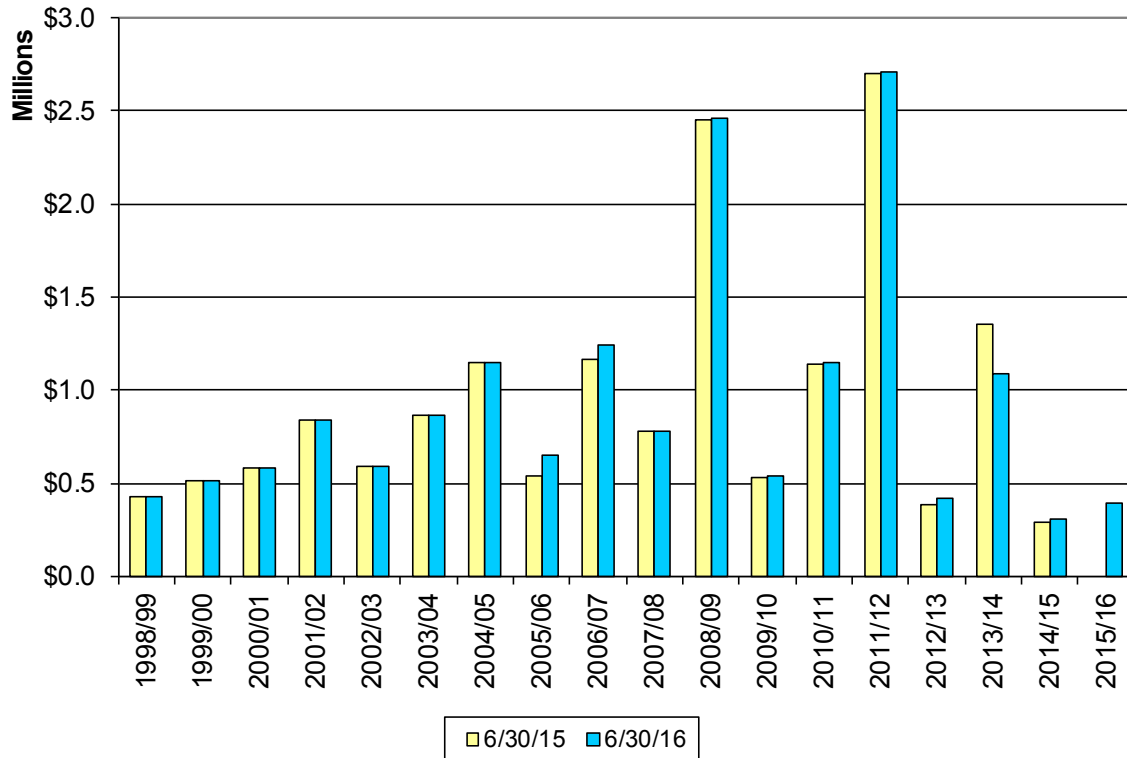


Note: Amounts through 2015/16 are from Exhibit LI-15.  
Amounts for 2016/17 through 2018/19 are from Exhibit LI-14.

## Comparison to Previous Actuarial Study

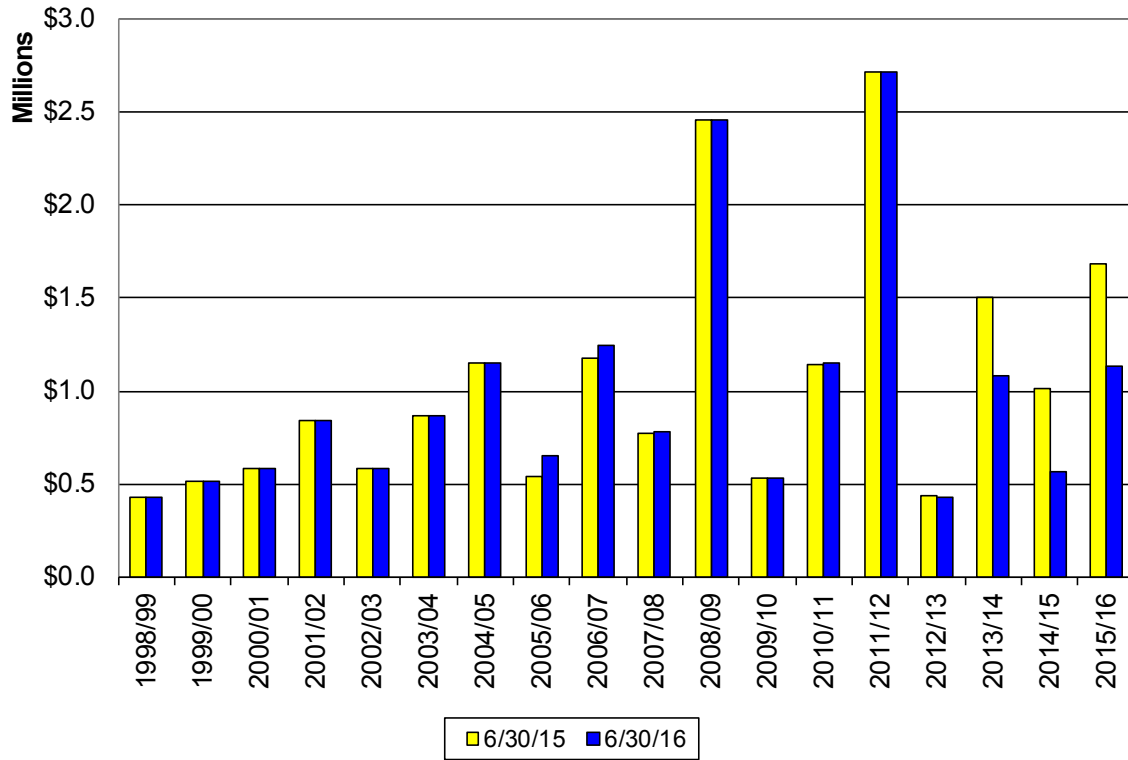
Graphs III-4 and III-5 are graphical comparisons of the limited reported incurred losses and projected ultimate limited losses, respectively, by fiscal year from the previous study (report dated September 15, 2014) to the current study.

**Graph III-4  
Comparison of Limited Reported Incurred Losses  
as of June 30, 2015 and June 30, 2016**



Note: Amounts as of June 30, 2015 are from the previous actuarial study.  
Amounts as of June 30, 2016 are from Exhibit LI-12.

**Graph III-5  
Comparison of Projected Ultimate Limited Losses  
as of June 30, 2015 and June 30, 2016**

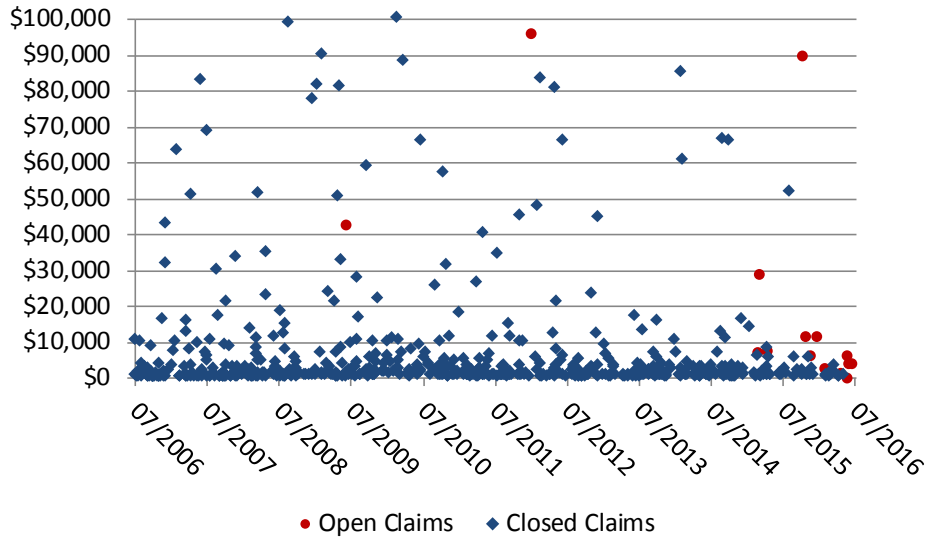


Note: Amounts as of June 30, 2015 are from the previous actuarial study.  
Amounts as of June 30, 2016 are from Exhibit LI-13.

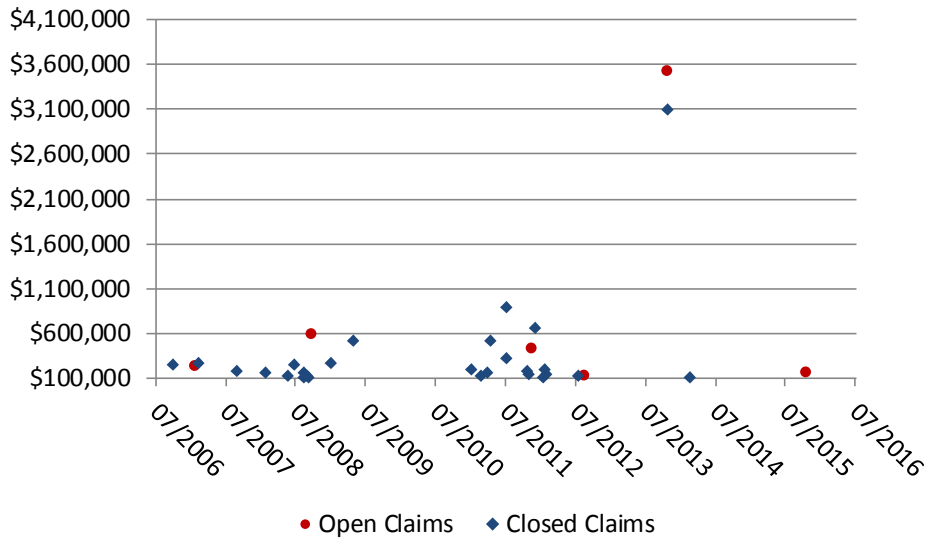
For all claims through 2014/15, the change in the projected ultimate limited losses from June 30, 2015 to June 30, 2016 was -3.9%.

Graphs I-6A and I-6B are claim size distributions for CSU AORMA liability program by claim status.

**Graph III-6A**  
**Claim Size Distribution**  
**Claims with Incurred Amount below \$100,000**

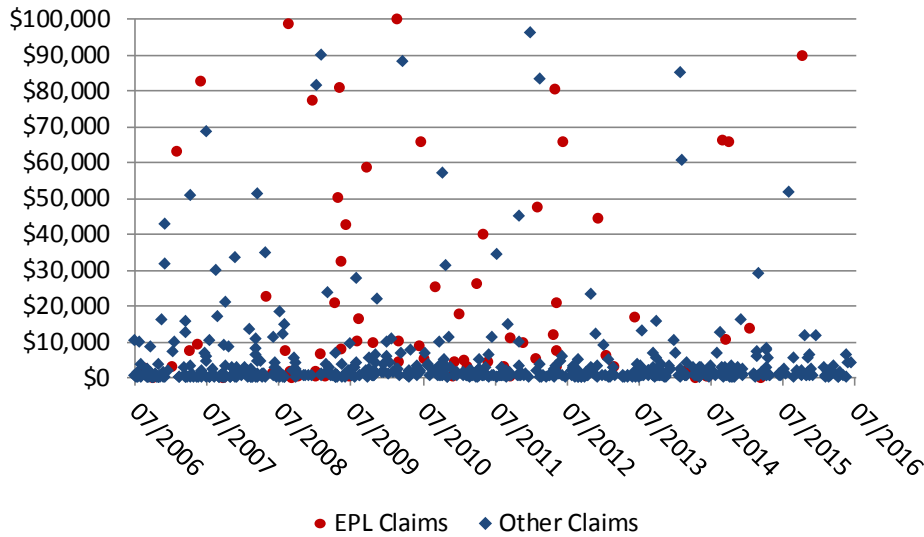


**Graph III-6B**  
**Claim Size Distribution**  
**Claims with Incurred Amount below \$100,000**

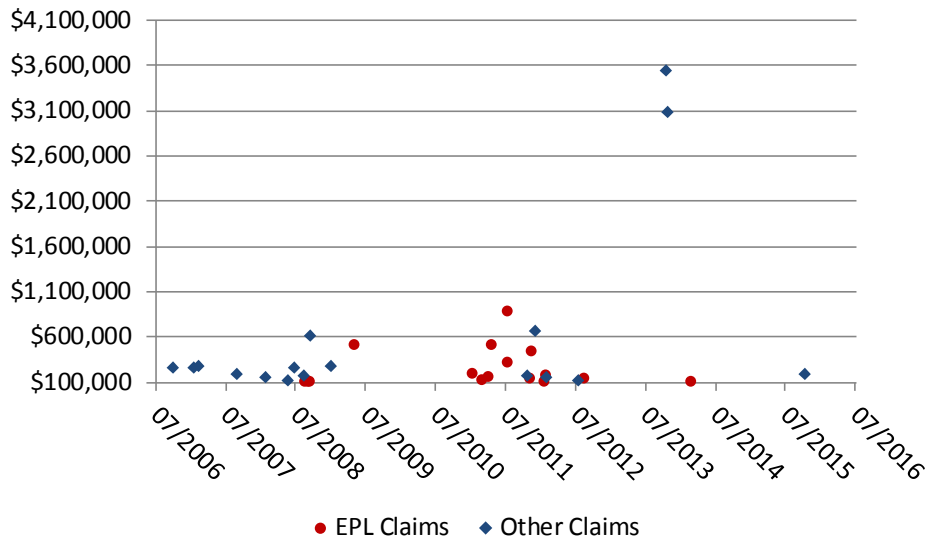


Graphs I-6C and I-6D are claim size distributions for CSU AORMA liability program by claim type.

**Graph III-6C**  
**Claim Size Distribution**  
**Claims with Incurred Amount below \$100,000**



**Graph III-6D**  
**Claim Size Distribution**  
**Claims with Incurred Amount below \$100,000**

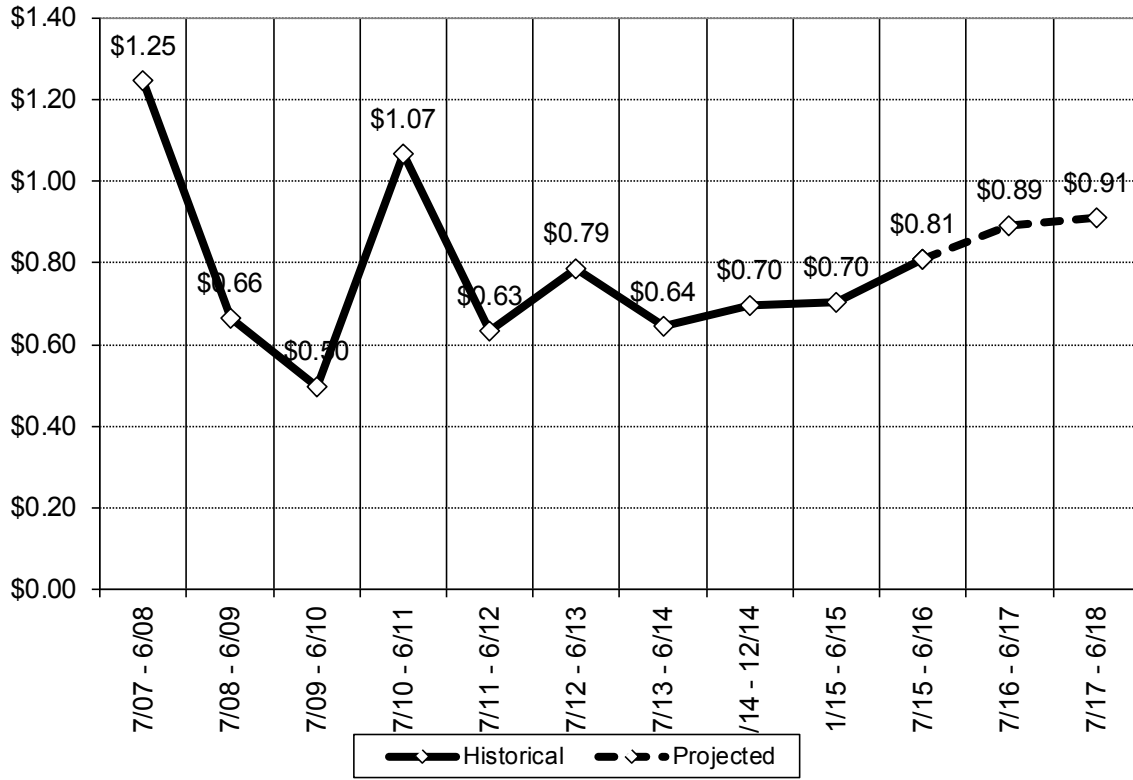


# AORMA WC

## Loss Experience Trends

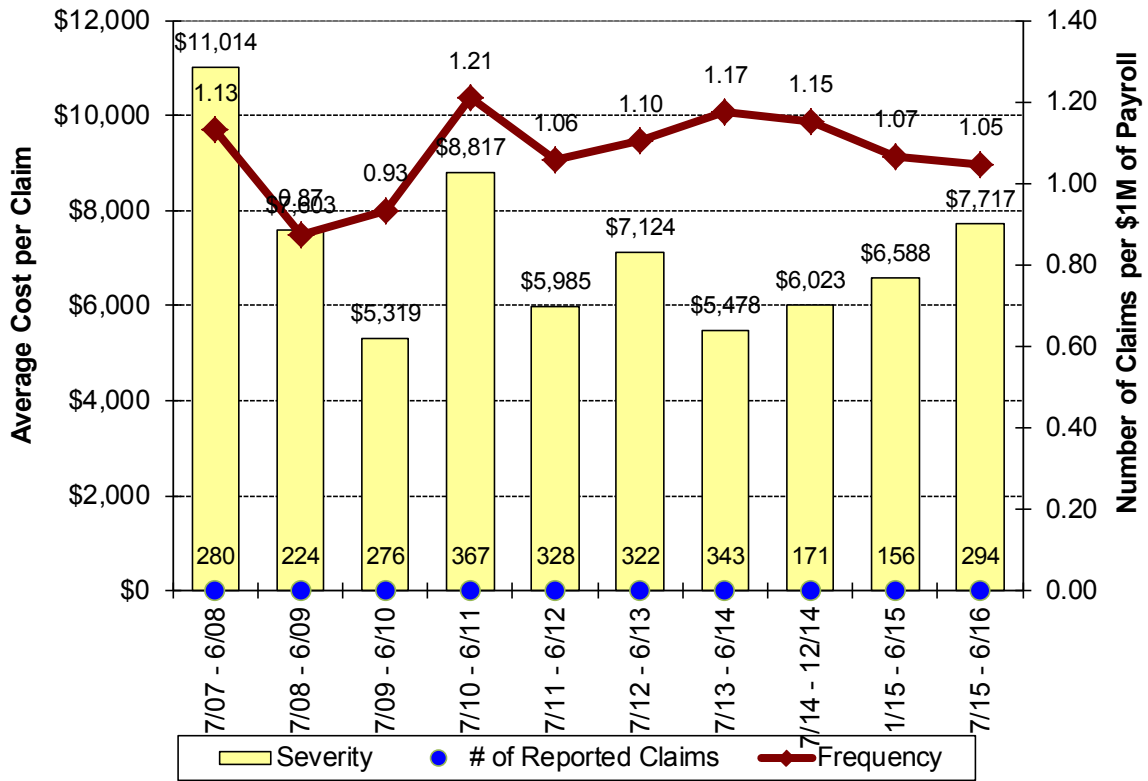
Graphs III-1 and III-2 show loss experience trends for workers compensation as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

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



Note: Loss rates are from Exhibit WC-10, columns (4) and (7).

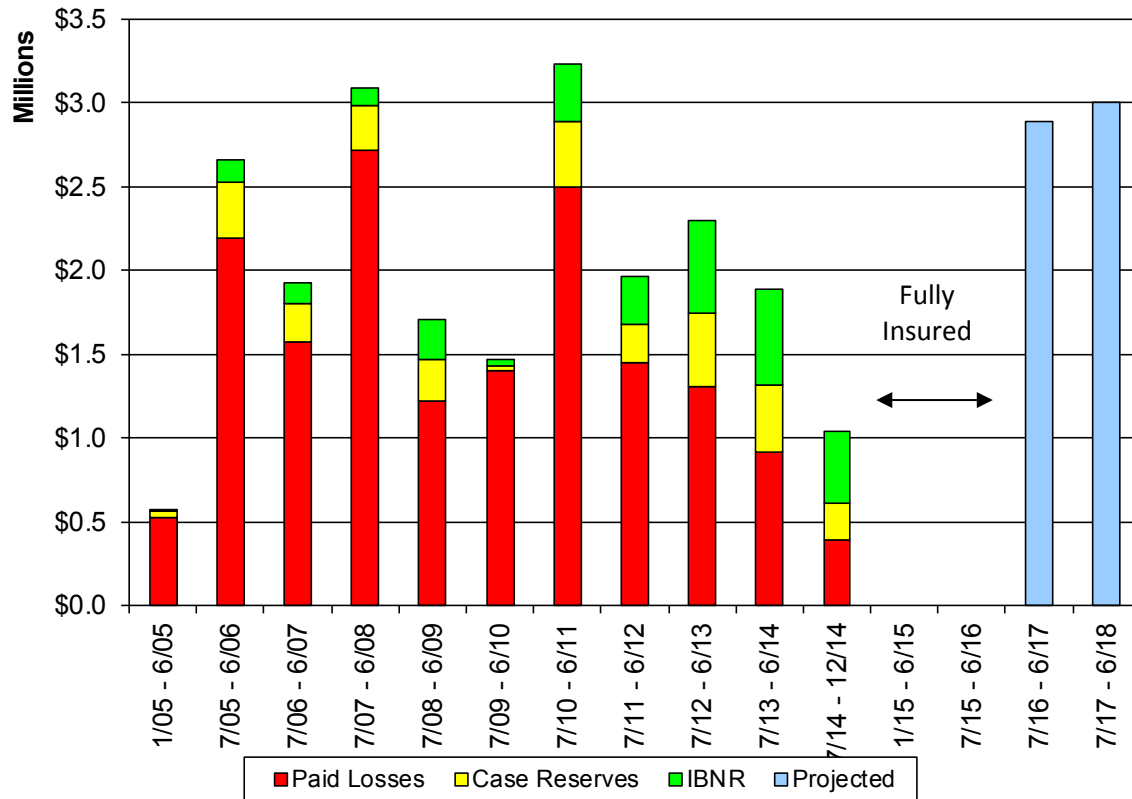
**Graph III-2  
Frequency and Severity**



Note: Frequency amounts are from Exhibit WC-8, Section I, column (7).  
Severity amounts are based on the projected claim counts in Exhibit WC-8 and the projected ultimate losses in Exhibit WC-9.

Graph III-3 shows the composition of the projected ultimate limited losses for workers compensation.

**Graph III-3  
Composition of Projected Ultimate Limited Losses**

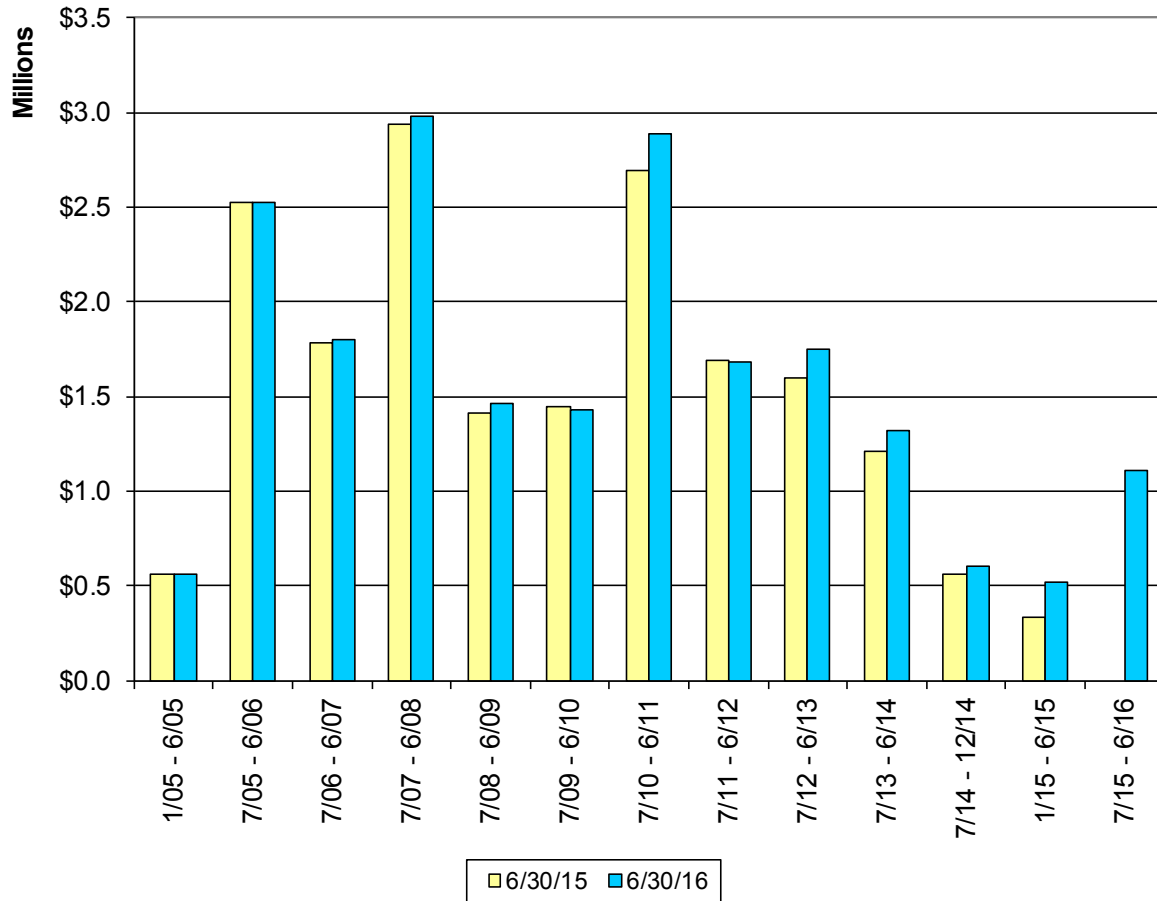


Note: Amounts through 7/15 - 6/16 are from Exhibit WC-11.  
Amounts for 7/16 - 6/17 and 7/17 - 6/18 are from Exhibit WC-10.

## Comparison to Previous Actuarial Study

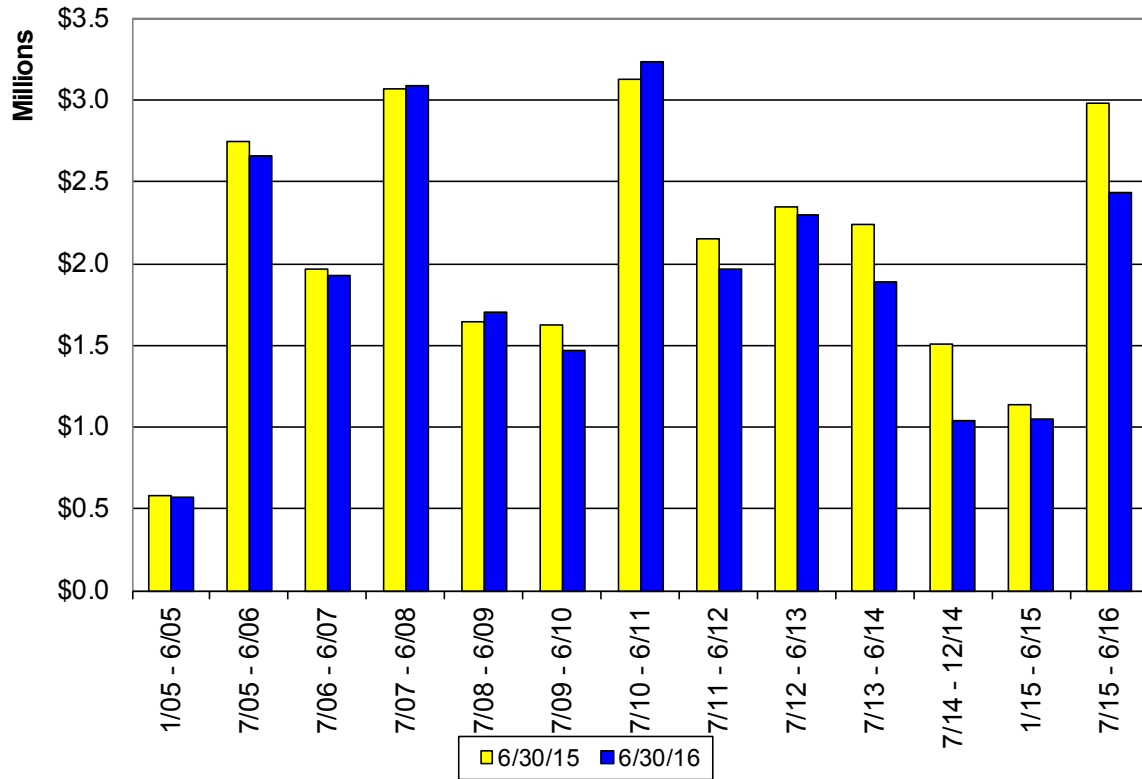
Graphs III-4 and III-5 are graphical comparisons of the limited reported incurred losses and projected ultimate limited losses, respectively, by fiscal year of occurrence of the workers compensation program from the previous study (report dated September 15, 2014) to the current study.

**Graph III-4**  
**Comparison of Limited Reported Incurred Losses**  
**as of June 30, 2015 and June 30, 2016**



Note: Amounts as of June 30, 2015 are from the previous actuarial study.  
 Amounts as of June 30, 2016 are from Exhibit WC-1.

**Graph III-5  
Comparison of Projected Ultimate Limited Losses  
as of June 30, 2015 and June 30, 2016**



Note: Amounts as of June 30, 2015 are from the previous actuarial study.  
Amounts as of June 30, 2016 are from Exhibit WC-9.

For all claims through 7/14 - 12/14, the change in the projected ultimate limited losses from June 30, 2015 to June 30, 2016 was -5.0%.

We compare the case reserves by year as of June 30, 2015 and June 30, 2016 in Table I-3A.

**Table III-3E**  
**Case Reserve Comparison**  
**as of June 30, 2015 and June 30, 2016**

<b>Claim Period (1)</b>	<b>Limited Case Reserves as of 6/30/15 (2)</b>	<b>Limited Case Reserves as of 6/30/16 (3)</b>	<b>Change (3) - (2) (4)</b>
5/04 - 12/04	\$0	\$0	\$0
1/05 - 6/05	38,053	33,707	(4,346)
7/05 - 6/06	361,099	327,565	(33,534)
7/06 - 6/07	260,895	230,509	(30,386)
7/07 - 6/08	393,779	262,706	(131,073)
7/08 - 6/09	253,755	247,390	(6,365)
7/09 - 6/10	172,154	29,148	(143,006)
7/10 - 6/11	646,133	383,295	(262,837)
7/11 - 6/12	347,356	230,530	(116,826)
7/12 - 6/13	620,168	442,316	(177,851)
7/13 - 6/14	512,316	400,053	(112,263)
7/14 - 12/14	324,772	219,093	(105,680)
<b>SubTotal</b>	<b>3,930,480</b>	<b>2,806,313</b>	<b>(1,124,167)</b>
1/15 - 6/15	238,888	254,525	15,637
7/15 - 6/16	0	835,979	835,979
<b>Total</b>	<b>\$4,169,368</b>	<b>\$3,896,818</b>	<b>(\$272,551)</b>

Note: (2) is from the prior actuarial study.  
(3) is from Exhibit WC-1.

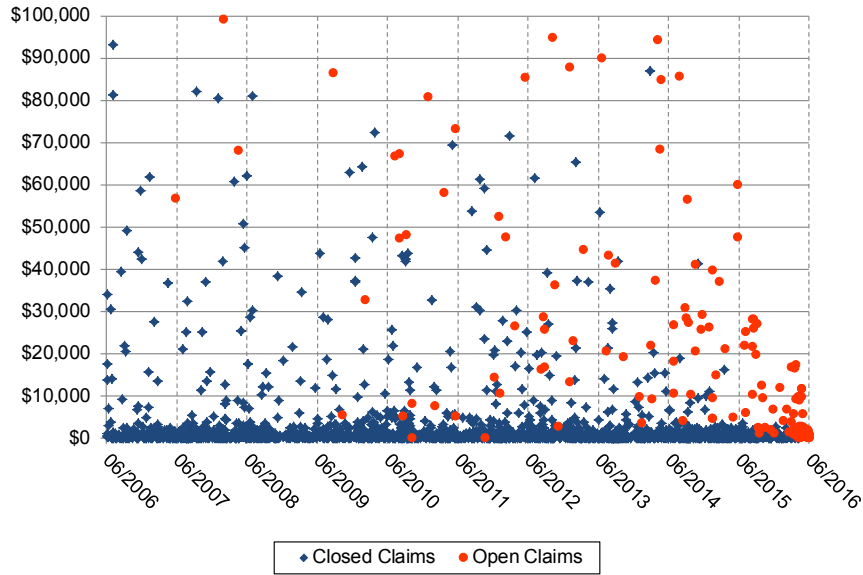
**Table III-3F**  
**Comparison of Projected Ultimate Limited Losses**  
**as of June 30, 2015 and June 30, 2016**

Claim Period (1)	Projected Ultimate Limited Losses as of 6/30/15 (2)	Projected Ultimate Limited Losses as of 6/30/16 (3)	Change (3) - (2) (4)	Percentage Change (4) / (2) (5)
5/04 - 12/04	\$673,376	\$673,376	\$0	0.0%
1/05 - 6/05	582,000	572,000	(10,000)	-1.7%
7/05 - 6/06	2,750,000	2,663,000	(87,000)	-3.2%
7/06 - 6/07	1,962,000	1,925,000	(37,000)	-1.9%
7/07 - 6/08	3,072,000	3,084,000	12,000	0.4%
7/08 - 6/09	1,649,000	1,703,000	54,000	3.3%
7/09 - 6/10	1,622,000	1,468,000	(154,000)	-9.5%
7/10 - 6/11	3,129,000	3,236,000	107,000	3.4%
7/11 - 6/12	2,156,000	1,963,000	(193,000)	-9.0%
7/12 - 6/13	2,352,000	2,301,000	(51,000)	-2.2%
7/13 - 6/14	2,238,000	1,890,000	(348,000)	-15.5%
7/14 - 12/14	1,510,000	1,042,000	(468,000)	-31.0%
<b>SubTotal</b>	<b>23,695,376</b>	<b>22,520,376</b>	<b>(1,175,000)</b>	<b>-5.0%</b>
1/15 - 6/15	1,135,000	1,054,000	(81,000)	-7.1%
7/15 - 6/16	2,982,000	2,431,000	(551,000)	-18.5%
<b>Total</b>	<b>\$27,812,376</b>	<b>\$26,005,376</b>	<b>(\$1,807,000)</b>	<b>-6.5%</b>

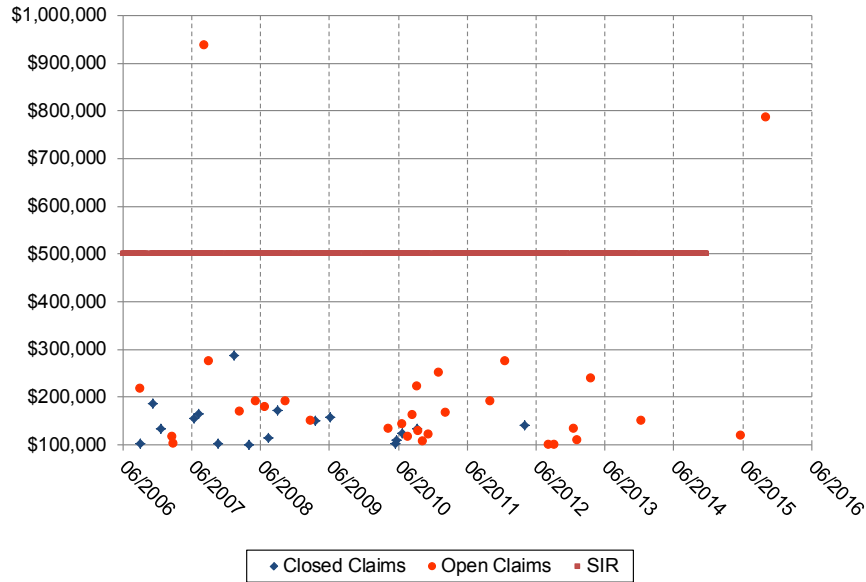
Note: (2) is from the prior actuarial study.  
(3) is from Exhibit WC-9.

Graphs III-6A and III-6B are claim size distributions for CSURMA AORMA-COMP.

**Graph III-6A**  
**Claim Size Distribution**  
**Claims with Incurred Amount below \$100,000**



**Graph III-6B**  
**Claim Size Distribution**  
**Claims with Incurred Amount above \$100,000**



**ADOPTION OF CSURMA AORMA 2017 MEETING CALENDAR**

**ISSUE:** Noted below are the proposed 2017 AORMA Committee meeting dates.

March 9, 2017 at 10:00 AM.....AORMA Committee  
May 4, 2017 at 10:00 AM.....AORMA Committee  
September 6, 2017 at 9:00 AM.....AORMA Committee new member orientation  
September 6, 2017 at 10:00 AM.....AORMA Committee long range planning session  
September 7, 2017 at 9:00 AM.....AORMA Committee  
October 19, 2017 at 10:00 AM.....AORMA Committee  
December 7, 2017 at 10:00 AM.....AORMA Committee

**RECOMMENDATION:** Staff recommends approving the proposed 2017 AORMA Committee meeting dates, with changes as appropriate.

**FISCAL IMPACT:** None.

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

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

**ATTACHMENT(S):**

- a. Draft 2017 CSURMA Meeting Calendar



California State University Risk Management Authority

## 2017 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
8	3:00 PM	EC (AOA Conference)	San Diego					9	10:00 AM	AORMA	TBD
8 - 11		AOA Annual Conference	San Diego					9	2:00 PM	EC	TBD
								10	8:30 AM	EC LRP	TBD
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
				2	10:30 AM	AIME	TBD	16		AOA EC	TBD
				4	10:00 AM	AORMA	Long Beach	22	1:00 PM	PC	Teleconference
				4	2:00 PM	BOD Orientation	Teleconference				
				5	8:00 AM	EC	Long Beach				
				5	10:30 AM	BOD	Long Beach				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
20 - 21	11:00 AM	AORMA Officers Retreat	San Francisco	18		AOA EC	TBD	6	9:00 AM	AORMA New Member	TBD
								6	10:00 AM	AORMA LRP	TBD
								7	9:00 AM	AORMA	TBD
								8	8:30 AM	EC Orientation	TBD
								8	10:00 AM	EC	TBD
								28	1:00 PM	PC	Teleconference
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
17	10:30 AM	AIME	TBD	20		AOA EC	TBD	7	10:00 AM	AORMA	TBD
19	10:00 AM	AORMA	Long Beach					8	8:30 AM	EC	TBD
20	8:00 AM	EC	Long Beach					14	8:00 AM	PC	San Francisco
20	10:30 AM	BOD	Long Beach								

AORMA = Auxiliary Organizations Risk Management Alliance Committee  
 AIME = Athletic Injury Medical Expense Committee  
 MSLCTC = AORMA Member Services, Loss Control & Training Committee

PC = AORMA Programs Committee  
 AORMA LRP = AORMA Long Range Planning Meeting  
 AOA = CSU Auxiliary Organizations Association

EC = CSURMA Executive Committee  
 EC LRP = EC Long Range Planning Meeting  
 BOD = CSURMA Board of Directors

## **INSURANCE RENEWALS REPORT**

**ISSUE:** Most of CSURMA's insurance and reinsurance programs renewed July 1, 2016. Following is a brief overview of the major renewals:

- **Liability:** The AORMA primary excess liability program experienced a substantial increase due to recent losses. The AORMA increase was \$219,512 (24%) which was largely anticipated in the budget; however, some of the additional premium will be absorbed from AORMA program reserves. Two new participants are taking the AORMA primary excess reinsurance contract – Markel and Great American. The excess tower was stable, with the \$15 million excess of \$5 million underwriters agreeing to cover the programs on a reinsured basis. Staff is working with the reinsurers to finalize the coverage language which will be consistent with expiring terms.
- **Property:** The AORMA program saw a flat rate renewal and the University program an 8% increase due to a recent large loss.
- **Workers' Compensation:** The initial 18 month primary coverage program with CSAC EIA renewed on terms at a cost should come in below CSU and AORMA's funded loss cost. Systemwide Risk Management agreed to participate in a two year commitment that utilizes EIA's captive insurer to achieve additional savings.
- **Other Coverages:** The insurance market is relatively stable and CSURMA loss histories are good. Renewal costs came in within budget. The new Fine Arts, Artifacts and Archives property insurance program is being expanded to a Systemwide offering. Members must report any single item with a value excess of \$2.5 million.

Zachary Gifford and Daniel Howell will be present at today's meeting to report on the meetings. The Secretary-Auditor has been previously authorized to renew programs and report back to the EC at the September 2016 meeting.

**RECOMMENDATION:** The AORMA Committee may take action or provide direction to staff based on the report of the meetings.

**FISCAL IMPACT:** No direct fiscal impact is expected from action on this item at today's meeting. The cost of the insurance renewals is included in the CSURMA program budgets.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **TARGET SURPLUS FUNDING REPORT AND DIVIDEND CALCULATION**

**ISSUE:** Staff will present an analysis of the financial position of the Liability and Workers' Compensation programs based on the surplus funding and dividend calculation formula set forth in Policy & Procedure A-3 Target Surplus Funding Policy. The analysis will show the current surplus fund amounts (at 6/30/16) as well as the estimated amounts available for dividend distribution.

**RECOMMENDATION:** The Committee will be asked to review the Target Surplus Funding report and approve a dividend amount for the Liability and Workers' Compensation programs to be distributed in July, 2017. Staff is recommending that 25% of the maximum dividend available (or \$824,133) be released from the Liability Program and that 25% of the maximum dividend available (or \$888,622) be released from the Workers' Compensation Program.

**FISCAL IMPACT:** The Committee will recommend the overall funding and dividend distribution amounts for each pooled program.

**BACKGROUND:** CAJPA, an informational and educational network for California JPA's, has established several surplus ratio standards that have been adopted by CSURMA AORMA in order to establish the target surplus amount for the Liability and Workers' Compensation Programs.

- Gross Premium to Surplus Ratio – at least 1.5 to 1: (Surplus should be at least 67% of the reserve amounts for all open claims.) Should there be any inaccuracies in the pricing, it is desirable to have adequate surplus to borrow against.
- Surplus to Pool Retention Ratio > 5-10 to 1: Should AORMA have multiple significant losses in the same year, it is desirable to have between five and ten times the retention.
- Outstanding Reserves to Surplus Ratio - at least 1.5 to 1: (Surplus should be at least 67% of the reserve amounts for all open claims.) Should there be any inaccuracies in the reserve amounts for open claims, it is desirable to have adequate surplus to borrow against.

**PUBLICATION:** All AORMA members will receive an update in September, 2016 which summarizes the decisions made at this meeting regarding surplus funds at June 30, 2016 and approved dividends to be released in July, 2017.

**ATTACHMENT(S):**

- a. Surplus Funding and Dividend Calculation
- b. Policy & Procedure A-3 – Target Surplus Funding Policy

**AORMA Liability Fund Program**  
**Target Surplus Funding Analysis - Pooled Layer Funding @ \$500,000**  
**@ June 30, 2016**

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 17/18 (at 80% CL) #1	3,270,893	Up From	3,068,777
Assets at 6/30/16 #2	7,958,922	Down From	8,231,512
Maximum Retention Per Occurrence	500,000	No Change	500,000
Outstanding Reserves at 6/30/16 #3	427,773	Down From	1,546,200
Surplus (Expected Confidence Level) #4	5,796,533	Down From	5,986,096
Surplus (above a 70% Confidence Level) #5	5,656,558	Down From	5,801,409
Surplus (above an 80% Confidence Level) #5	5,356,250	Down From	5,435,368

#1 - Includes Actuary's Recommended Estimated Pooled Layer Funding at a 70% confidence level, claims administration and reinsurance costs.

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

#3 - Reserves on open claims - two claims were capped at \$350,000 (the pooled layer for that coverage period).

#4 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses **are undiscounted** for investment income and include unallocated loss adjustment expense.

#5 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses **are discounted** for investment income and include unallocated loss adjustment expense.

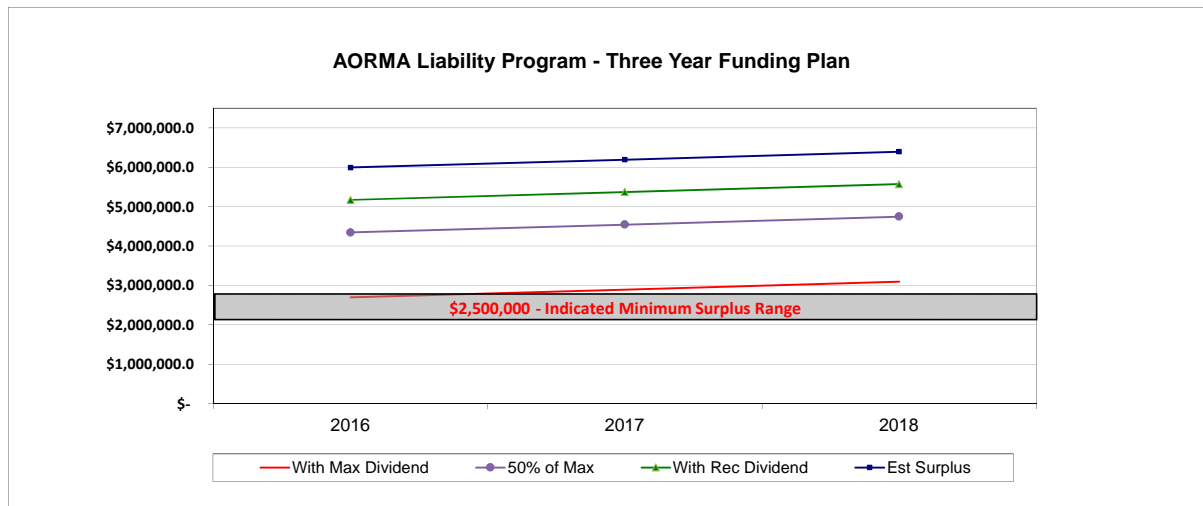
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	2,180,595	0.56
Surplus : Retention	>5:1	<b>2,500,000</b>	<b>11.59</b>
Outstanding Reserves : Surplus	≤1.5:1	285,182	0.07

Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	5,656,558
Indicated Minimum Surplus (largest ratio amount)	2,500,000
Maximum Dividend Available	3,296,533
Dividend 50%	1,648,267
Dividend 33%	1,087,856
<b>Dividend 25%</b>	<b>824,133</b>

Confidence levels	Risk Factor	Pooled Layer Funding #5	Surplus
Expected	1.000	2,002,055	-
60%	1.041	2,085,137	83,082
70%	1.100	2,202,261	200,206
80%	1.250	2,502,569	500,514

#5 The Pooled Layer Funding is discounted for investment income and **does not** include the unallocated loss adjustment expense.

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/16	N/A	5,796,533	N/A	N/A
2017/18- Collection @ 70% Confidence Level	200,206	5,996,739	2,700,206	5,172,606
2018/19 - Collection @ 70% Confidence Level	200,206	6,196,945	2,900,412	5,372,812
2019/20 - Collection @ 70% Confidence Level	200,206	6,397,151	3,100,618	5,573,018



**AORMA Workers' Compensation Fund Program**  
**Target Surplus Funding Analysis - Pooled Layer Funding @ \$500,000**  
**@ June 30, 2016**

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 17/18 (at 80% CL) #1	3,943,362	Up From	3,926,000
Assets at 6/30/16 #2	12,126,149	Down From	12,960,540
Maximum Retention Per Occurrence	500,000	No Change	500,000
Outstanding Reserves at 6/30/16 #3	2,806,314	Down From	4,169,368
Surplus (Expected Confidence Level) #4	6,183,396	Up From	3,966,235
Surplus (above a 70% Confidence Level) #5	6,078,554	Up From	3,633,140
Surplus (above an 80% Confidence Level) #5	5,815,615	Up From	2,998,083

#1 - Includes Actuary's Recommended Estimated Pooled Layer Funding at a 70% confidence level, claims administration and reinsurance costs.

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

#3 - Reserves on open claims - one claim is capped at \$500,000. Reserves on claims between 1/01/15 and 6/30/16 have been removed as the program was fully insured through CSAC EIA.

#4 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses are undiscounted for investment income and include unallocated loss adjustment expense.

#5 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses are discounted for investment income and include unallocated loss adjustment expense.

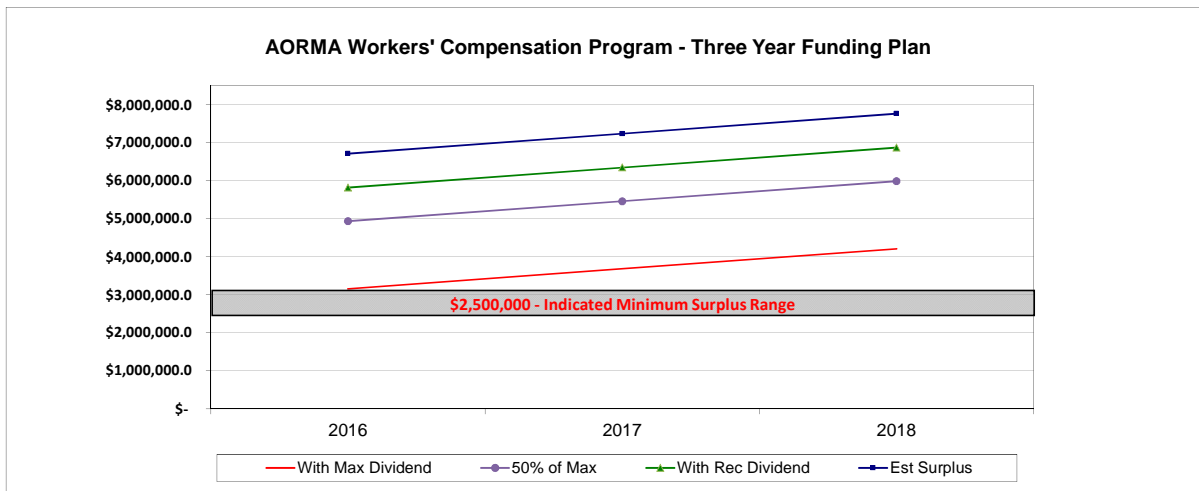
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	2,628,908	0.64
Surplus : Retention	>5:1	2,500,000	12.37
Outstanding Reserves : Surplus	≤1.5:1	1,870,876	0.45

Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	6,078,554
Indicated Minimum Surplus (largest ratio amount)	2,628,908
Maximum Dividend Available	3,554,488
Dividend 50%	1,777,244
Dividend 33%	1,172,981
<b>Dividend 25%</b>	<b>888,622</b>

Confidence levels	Risk Factor	Pooled Layer Funding #5	Surplus
Expected	1.000	5,258,778	-
70%	1.100	5,784,656	525,878
80%	1.150	6,047,595	788,817
90%	1.300	6,836,411	1,577,633

#5 The Pooled Layer Funding is discounted for investment income and does not include the unallocated loss adjustment expense.

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/16	N/A	6,183,396	N/A	N/A
2017/18 - Collection @ 70% Confidence Level	525,878	6,709,274	3,154,786	5,820,652
2018/19 - Collection @ 70% Confidence Level	525,878	7,235,152	3,680,664	6,346,530
2019/20 - Collection @ 70% Confidence Level	525,878	7,761,030	4,206,542	6,872,408





**CSURMA AORMA**

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

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**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**

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

**POLICY:**

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: Gross Premium to SURPLUS Ratio, SURPLUS to Pool Retention Ratio and Outstanding Reserves to SURPLUS 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 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 to Surplus Ratio: Target  $\leq 1.5:1$**

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

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

Because the Property and Crime Programs have annual aggregate retentions, and therefore no actuarial study is performed, the 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.

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



**CSURMA AORMA**

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

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**MEMBER APPEAL PROCESS:**

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

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

**DEFINITIONS:**

**AORMA 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. Alternative, 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 but Not Reported losses.

**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.

**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.



**CSURMA AORMA**

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

**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.

## REVIEW AND APPROVAL OF THE FY 17/18 LIABILITY PROGRAM - TOTAL FUNDING

**ISSUE:** Based on the information within the FY 17/18 actuarial study, staff has prepared the attached exhibit which shows the pooled layer funding requirements at a 70% and 80% confidence level along with the costs for the claims administration, program administration and excess insurance.

**RECOMMENDATION:** The Committee will be asked to review two Liability Program funding options for FY 17/18 and to take action as appropriate.

**FISCAL IMPACT:** Two funding options are being presented. See the charts below for a comparison.

Liability Program			
70% Confidence Level (Discounted)			
Expense Item	Current Program Costs 70% CL / Discounted	Proposed Program Costs 70% CL / Discounted	% Change
Pool Layer Funding	1,700,777	1,770,878	4.12%
Claims Administration	14,000	15,000	7.14%
Program Administration	812,179	813,000	0.10%
Reinsurance / Excess Insurance	1,434,459	1,500,000	4.57%
<b>Total Costs</b>	<b>3,961,415</b>	<b>4,098,878</b>	<b>3.47%</b>
80% Confidence Level (Discounted)			
Expense Item	Current Program Costs 70% CL / Discounted	Proposed Program Costs 80% CL / Discounted	% Change
Pool Layer Funding	1,700,777	2,166,071	27.36%
Claims Administration	14,000	15,000	7.14%
Program Administration	812,179	813,000	0.10%
Reinsurance / Excess Insurance	1,434,459	1,500,000	4.57%
<b>Total Costs</b>	<b>3,961,415</b>	<b>4,494,071</b>	<b>13.45%</b>

*The current program is funded at a 70% confidence level and is discounted for investment value. The discount rate is calculated based on a 2% yield on investments.*

**BACKGROUND:** Prior to FY 14/15, the liability program was funded at an 80% confidence level. Beginning FY 14/15, the AORMA Committee decided to begin funding the program at a 70% confidence level. This decision was made because the program was sufficiently funded and a significant increase in surplus was not required.

**PUBLICATION:** The funding option approved by the AORMA Committee will be included in the “September Update Letter” which will be sent to all of the AORMA members.

**ATTACHMENT(S):**

- a. FY 17/18 Liability Program – Total Funding 70% and 80% Confidence Level

**80% Confidence Level (Discounted)**

CSURMA AORMA FY 2017/2018 Liability Program Total Estimated Funding					
Expense Item	Actual Program Costs FY 13/14 \$350,000 SIR	Actual Program Costs FY 14/15 \$350,000 SIR	Actual Program Costs FY 15/16 \$350,000 SIR	Program Costs FY 16/17 \$500,000 SIR	Proposed FY 17/18 \$500,000 SIR
Actuarial Recommended Estimated Pooled Layer - Funding	1,565,000	1,675,550	1,774,778	1,700,777	2,166,071
Claims Administration	12,600	13,300	14,000	14,000	15,000
Program Administration Fees	727,678	751,572	769,101	812,179	813,000
Reinsurance / Excess Liability Insurance	1,193,751	1,227,876	1,280,435	1,434,459	1,500,000
<b>Total Costs:</b>	<b>3,499,029</b>	<b>3,668,298</b>	<b>3,838,314</b>	<b>3,961,415</b>	<b>4,494,071</b>
<b>Difference from prior year:</b>	-2.29%	4.84%	4.63%	3.21%	13.45%

Actuarial Recommended Estimated Pooled Layer Funding (based on the actuarial report dated August 5, 2016)  
 Claims Administration (per the Carl Warren & Company contract, the annual service fee will increase to \$15,000)  
 JPA Program Administration Fee (an increase or decrease is not contemplated)  
 Reinsurance / Excess Liability (a 5% increase is included)

**70% Confidence Level (Discounted)**

CSURMA AORMA FY 2017/2018 Liability Program Total Estimated Funding					
Expense Item	Actual Program Costs FY 13/14 \$350,000 SIR	Actual Program Costs FY 14/15 \$350,000 SIR	Actual Program Costs FY 15/16 \$350,000 SIR	Program Costs FY 16/17 \$500,000 SIR	Proposed FY 17/18 \$500,000 SIR
Actuarial Recommended Estimated Pooled Layer - Funding	1,565,000	1,675,550	1,774,778	1,700,777	1,770,878
Claims Administration	12,600	13,300	14,000	14,000	15,000
Program Administration Fees	727,678	751,572	769,101	812,179	813,000
Reinsurance / Excess Liability Insurance	1,193,751	1,227,876	1,280,435	1,434,459	1,500,000
<b>Total Costs:</b>	<b>3,499,029</b>	<b>3,668,298</b>	<b>3,838,314</b>	<b>3,961,415</b>	<b>4,098,878</b>
<b>Difference from prior year:</b>	-2.29%	4.84%	4.63%	3.21%	3.47%

Actuarial Recommended Estimated Pooled Layer Funding (based on the actuarial report dated August 5, 2016)  
 Claims Administration (per the Carl Warren & Company contract, the annual service fee will increase to \$15,000)  
 JPA Program Administration Fee (an increase or decrease is not contemplated)  
 Reinsurance / Excess Liability (a 5% increase is included)

**REVIEW AND APPROVAL OF THE  
 FY 17/18 WORKERS' COMPENSATION PROGRAM – TOTAL FUNDING**

**ISSUE:** Based on the information within the FY 17/18 actuarial study, staff has prepared the attached exhibit which shows the pooled layer funding requirements at a 70% and 80% confidence level along with the costs for the claims administration, program administration and excess insurance.

**RECOMMENDATION:** The Committee will be asked to review two Workers' Compensation Program funding options for FY 17/18 and to take action as appropriate. In order to provide pricing stability as well as the accumulation of surplus within the program, Staff recommends continuing the current protocol of accepting the actuary's recommended funding level for the pooled layer rather than basing the funding on the CSAC EIA reinsurance pricing. Staff believes that the CSAC EIA reinsurance pricing for FY 17/18 will be close to the CSURMA actuary's recommended funding at "discounted expected." Therefore, the pool will continue to increase surplus while funding at a 70% or 80% confidence level.

**FISCAL IMPACT:** Two funding options are being presented. See the charts below for a comparison.

<b>Workers' Compensation Program</b>			
<b>70% Confidence Level</b>			
<b>Expense Item</b>	<b>Current Program Costs 70% CL / Discounted</b>	<b>Proposed Program Costs 70% CL / Discounted</b>	<b>% Change</b>
Pooled Layer Funding	3,236,000	3,162,000	-2.29%
Claim Administration	219,765	224,160	2.00%
Program Administration	606,521	607,000	0.08%
Excess Insurance	487,597	488,000	0.08%
<b>Total Costs</b>	<b>4,549,883</b>	<b>4,481,160</b>	<b>-1.51%</b>
<p><i>The current program is funded at a 70% confidence level and is discounted for investment value. The discount rate is calculated based on a 2% yield on investments.</i></p>			

80% Confidence Level			
Expense Item	Current Program Costs 70% CL / Discounted	Proposed Program Costs 80% CL / Discounted	% Change
Pooled Layer Funding	3,236,000	3,468,000	7.17%
Claim Administration	219,765	224,160	2.00%
Program Administration	606,521	607,000	0.08%
Excess Insurance	487,597	488,000	0.08%
<b>Total Costs</b>	<b>4,549,883</b>	<b>4,787,160</b>	<b>5.22%</b>
<i>The current program is funded at a 70% confidence level and is discounted for investment value. The discount rate is calculated based on a 2% yield on investments.</i>			

**BACKGROUND:** The workers’ compensation program has historically been funded at an 80% confidence level. Beginning January 1, 2015, CSURMA and AORMA entered into an 18 month reinsurance agreement with CSAC EIA. The cost for the reinsurance is lower than AORMA’s recommended “discounted expected” funding. The reinsurance contract should allow surplus within workers’ compensation program to increase even with funding at a 70% confidence level.

**PUBLICATION:** The funding option approved by the AORMA Committee will be included in the “September Update Letter” which will be sent to all of the AORMA members.

**ATTACHMENT(S):**

- a. FY 16/17 Workers’ Compensation Program – Total Funding 70% and 80% Confidence Level - Discounted

Draft

**80% Confidence Level (Discounted)**

CSURMA AORMA FY 2017/2018 Workers' Compensation Program Total Estimated Funding						
Expense Item	Actual Program Costs FY 12/13 \$500,000 SIR	Actual Program Costs FY 13/14 \$500,000 SIR	Actual Program Costs FY 14/15 \$500,000 SIR	Actual Program Costs FY 15/16 \$500,000 SIR	Program Costs FY 16/17 \$500,000 SIR	Proposed FY 17/18 \$500,000 SIR
Pooled Layer Funding	\$2,928,900	\$3,149,900	\$3,108,750	\$3,208,750	\$3,236,000	\$3,468,000
Claims Administration	\$207,089	\$207,089	\$211,231	\$215,456	\$219,765	\$224,160
JPA Program Administration	\$538,104	\$539,787	\$529,743	\$552,131	\$606,521	\$607,000
Excess Insurance	\$477,508	\$467,704	\$483,420	\$485,365	\$487,597	\$488,000
<b>Total Expenses:</b>	<b>\$4,151,601</b>	<b>\$4,364,480</b>	<b>\$4,333,144</b>	<b>\$4,461,702</b>	<b>\$4,549,883</b>	<b>\$4,787,160</b>
<b>Difference from prior year:</b>	<b>12.40%</b>	<b>5.13%</b>	<b>-0.72%</b>	<b>2.97%</b>	<b>5.00%</b>	<b>5.22%</b>
Actuarial Recommended Estimated Pooled Layer - Rate	\$0.95	\$1.03	\$1.04	\$1.08	\$1.08	\$0.96

Actuarial Recommended Estimated Pooled Layer Funding (per the actuarial report dated August 5, 2016)  
 Claims Administration (increase per current contract with Sedgwick CMS)  
 JPA Program Administration Fee (no increase or decrease is contemplated)  
 Excess Insurance (no increase or decrease is contemplated)

Draft

**70% Confidence Level (Discounted)**

CSURMA AORMA FY 2017/2018 Workers' Compensation Program Total Estimated Funding						
Expense Item	Actual Program Costs FY 12/13 \$500,000 SIR	Actual Program Costs FY 13/14 \$500,000 SIR	Actual Program Costs FY 14/15 \$500,000 SIR	Actual Program Costs FY 15/16 \$500,000 SIR	Program Costs FY 16/17 \$500,000 SIR	Proposed FY 17/18 \$500,000 SIR
Pooled Layer Funding	\$2,928,900	\$3,149,900	\$3,108,750	\$3,208,750	\$3,236,000	\$3,162,000
Claims Administration	\$207,089	\$207,089	\$211,231	\$215,456	\$219,765	\$224,160
JPA Program Administration	\$538,104	\$539,787	\$529,743	\$552,131	\$606,521	\$607,000
Excess Insurance	\$477,508	\$467,704	\$483,420	\$485,365	\$487,597	\$488,000
<b>Total Expenses:</b>	<b>\$4,151,601</b>	<b>\$4,364,480</b>	<b>\$4,333,144</b>	<b>\$4,461,702</b>	<b>\$4,549,883</b>	<b>\$4,481,160</b>
<b>Difference from prior year:</b>	<b>12.40%</b>	<b>5.13%</b>	<b>-0.72%</b>	<b>2.97%</b>	<b>5.00%</b>	<b>-1.51%</b>
Actuarial Recommended Estimated Pooled Layer - Rate	\$0.95	\$1.03	\$1.04	\$1.08	\$1.08	\$0.96

Actuarial Recommended Estimated Pooled Layer Funding (per the actuarial report dated August 5, 2016)  
 Claims Administration (increase per current contract with Sedgwick CMS)  
 JPA Program Administration Fee (no increase or decrease is contemplated)  
 Excess Insurance (no increase or decrease is contemplated)

**REVIEW AND APPROVAL OF THE  
FY 16/17 PROPERTY PROGRAM - TOTAL FUNDING**

**ISSUE:** Staff has prepared the attached exhibit which shows the proposed costs for the FY 17/18 Property Program.

**RECOMMENDATION:** Staff recommends that the Committee review and approve the FY 17/18 Property Program costs of \$2,075,000 which is a 4.86% increase over the FY 16/17 program costs.

**FISCAL IMPACT:** See the funding comparison below. The recommended funding option will result in a 4.86% increase.

Property Program			
Expense Item	Current Program Costs	Proposed Program Costs	% Change
Pooled Layer Funding	250,000	250,000	0.00%
Excess Insurance	1,401,411	1,500,000	7.03%
Program Administration	327,408	325,000	-0.74%
<b>Total Costs</b>	<b>1,978,819</b>	<b>2,075,000</b>	<b>4.86%</b>

**BACKGROUND:** The AORMA Property Program pooled layer has an aggregate limit of \$250,000. Which means the majority of AORMA’s property losses will be capped at the aggregate pooled layer of \$250,000.

At June 30, 2016, the Property Program has a fund balance of \$1,895,009. At its next meeting, the Programs Committee will be asked to (1) review the fund balance against probable additional liabilities to the pool, (2) review recommended changes to the Property Program Memorandum of Coverage, and (3) consider recommending a release of funds back to the Members.

**PUBLICATION:** The funding option approved by the AORMA Committee will be included in the “September Update Letter” which will be sent to all of the AORMA members. The Budgeting Letter, sent in January, 2017, will include the member’s final property rate.

**ATTACHMENT(S):**

- a. FY 17/18 Property Program – Total Funding

Draft

<b>CSURMA AORMA FY 2017/2018 Property Program Total Estimated Funding \$100,000 SIR / \$250,000 Aggregate SIR</b>					
<b>Expense Item</b>	<b>Actual Program Costs FY 13/14</b>	<b>Actual Program Costs FY 14/15</b>	<b>Actual Program Costs FY 15/16</b>	<b>Program Costs FY 16/17</b>	<b>Proposed FY 16/17</b>
Estimated Pooled Layer Funding	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Excess Insurance Premium	\$2,849,135	\$1,717,748	\$1,672,962	\$1,401,411	\$1,500,000
Program Administrative Costs	\$306,692	\$296,388	\$313,809	\$327,408	\$325,000
<b>Total Expenses:</b>	<b>\$3,405,827</b>	<b>\$2,264,136</b>	<b>\$2,236,771</b>	<b>\$1,978,819</b>	<b>\$2,075,000</b>
<b>Difference from prior year:</b>	4.46%	-33.52%	-1.21%	-11.53%	4.86%

Estimated Pooled Layer Funding (no change is contemplated)  
Excess Insurance Premium (includes a 7% increase)  
Administrative costs (no increase or decrease is contemplated)

**REVIEW AND APPROVAL OF THE  
 FY 16/17 CRIME PROGRAM – TOTAL FUNDING**

**ISSUE:** Staff has prepared the attached exhibit which shows the proposed costs for the FY 17/18 Crime Program.

**RECOMMENDATION:** Staff recommends that the Committee review and approve the FY 17/18 Crime Program costs of \$277,000 which is a 15% decrease compared to the FY 16/17 program costs. The Crime Program has an annual aggregate of \$100,000. At June 30, 2016, the Crime Program fund balance was \$408,581; therefore, Staff is recommended that the Committee waive the pooled layer funding for FY 17/18.

**FISCAL IMPACT:** See the funding comparison below. The recommended funding option will result in a 15% decrease.

Crime Program			
Expense Item	Current Program Costs	Proposed Program Costs	% Change
Pooled Layer Funding	50,000	-	-100.00%
Excess Insurance	244,421	245,000	0.24%
Program Administration	31,845	32,000	0.49%
<b>Total Costs</b>	<b>326,266</b>	<b>277,000</b>	<b>-15.10%</b>

**BACKGROUND:** The AORMA Crime Program pooled layer has a \$25,000 per claim limit and an aggregate limit of \$100,000. Because of this, AORMA’s crime losses, within the pooled layer, in any one year cannot exceed \$100,000; therefore, an actuarial study is not necessary. Currently, the Crime Program has a fund balance of \$408,581. Because the program’s surplus is sufficient to cover all claims paid within FY 16/17 and FY 17/18, Staff recommends that the Committee waive funding of the pooled layer for 17/18.

**PUBLICATION:** The funding option approved by the AORMA Committee will be included in the “September Update Letter” which will be sent to all of the AORMA members.

**ATTACHMENT(S):**

- a. FY 17/18 Crime Program – Total Funding

Draft

<b>CSURMA AORMA FY 2017/2018 Crime Program Total Estimated Funding \$25,000 SIR / \$100,000 Aggregate SIR</b>					
<b>Expense Item</b>	<b>Actual Program Costs FY 13/14</b>	<b>Actual Program Costs FY 14/15</b>	<b>Actual Program Costs FY 15/16</b>	<b>Program Costs FY 16/17</b>	<b>Proposed FY 17/18</b>
Estimated Pooled Layer Funding	\$75,000	\$50,000	\$50,000	\$50,000	\$0
Excess Insurance Premium	\$202,258	\$212,443	\$212,630	\$244,421	\$245,000
Program Administrative Costs	\$29,640	\$28,901	\$30,109	\$31,845	\$32,000
<b>Total Expenses:</b>	<b>\$306,898</b>	<b>\$291,344</b>	<b>\$292,739</b>	<b>\$326,266</b>	<b>\$277,000</b>
<b>Difference from prior year:</b>	6.65%	-5.07%	0.48%	11.45%	-15.10%

*Estimated Pooled Layer Funding* - At June 30, 2015, the crime program had a fund balance of \$408,581.

*Excess Insurance Premium* - No increase or decrease is anticipated.

*Administrative Costs* - No increase or decrease is anticipated.

**POLICY AND PROCEDURE W-3**  
**CLAIMS HANDLING PROCEDURES AND GUIDELINES**

**ISSUE:** AORMA requires that all Policies and Procedures be reviewed biennially. Staff has reviewed Policy and Procedure W-3 – Workers’ Compensation Claims Handling Procedures and Guidelines. Minor revisions have been identified. The bulk of the changes are a result of the claim system conversion from iVOS to Sedgwick’s proprietary claims system called Juris. The claims conversion also required a change in the banking arrangements that could be integrated with the Juris system. This document has been updated to reflect Sedgwick’s current claims administration practice.

**RECOMMENDATION:** Staff recommends reviewing and approving the revisions to Policy and Procedure W-3, with additional changes as appropriate.

**FISCAL IMPACT:** No fiscal impact is anticipated.

**BACKGROUND:** None.

**PUBLICATION:** When the Policy and Procedure is approved by the AORMA Committee it will be uploaded to the CSURMA website.

**ATTACHMENT(S):**

- a. Policy and Procedure W-3 – Claims Handling Procedures and Guidelines (draft)



**CSURMA AORMA**

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

**(Formerly W-4)**

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**SUBJECT: CLAIMS HANDLING PROCEDURES AND GUIDELINES**

**ADOPTED: DECEMBER 8, 2009**

**EFFECTIVE: DECEMBER 8, 2009**

**AMENDED: SEPTEMBER 16, 2010  
MARCH 20, 2014  
SEPTEMBER 8, 2016**

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**PURPOSE:**

The purpose of this Policy & Procedure is to describe the roles and responsibilities of the Workers' Compensation Third Party Claims Administrator (**TPA**) and the participants in the CSURMA Auxiliary Organizations Risk Management Alliance (**AORMA**) in the reporting and handling of claims.

**POLICY:**

It shall be the policy of the **AORMA** to ensure that Workers' Compensation claims are administered by the following general guidelines.

**PROCEDURE:**

- In the event of a Workers' Compensation occurrence likely to involve **AORMA**, written or verbal notice regarding the occurrence shall be given by the Member to the **AORMA** Third Party Administrator no later than five calendar days from the date of the Member's knowledge. Such notice shall include the Employer's First Report of Occupational Injury or Illness (Form 5020). Be sure to include circumstances of the occurrence, and the names and addresses of any injured parties, and witnesses. [The ~~five~~ \(5\) day requirement to report injuries is a Labor Code requirement.](#)
- As outlined in **AORMA** Policy & Procedure W-5, failure to report occurrences as required may be cause for denial of coverage if **AORMA** is prejudiced due to the lack of timely reporting. The following will serve as the **AORMA** Workers' Compensation Program procedures and guidelines and are based upon the current contract with **TPA**.

***Claim Reporting Procedures***

The auxiliaries report all claims to **TPA** via e-mail or fax within five calendar days of notice as required by California Statute by completion of a Form 5020. The Claims Supervisor assigns new losses to appropriate handler for contact and investigation. After an initial investigation, the Claims Examiner makes a determination -as to the appropriate claim type.

Indemnity claims will be managed by the Claims Examiner. Medical First Aid Only claims will be managed by the Claims Support Associate. Medical First Aid Only claims are defined as claims estimated at less than ~~\$2,500~~\$3,000 in medical costs, no anticipated permanent disability and with no loss of work.

Record Only claims in the Juris (-Sedgwick claims system) are considered “Incident Only” claims. This claim type does not have a claims status attached to it. It is neither open nor closed. It serves as a reporting function only. will be closed by the Claims Examiner as soon as all the appropriate claim information is completed.

All new indemnity claims will be reviewed by the Claims Supervisor within 5 (five) working days of receipt by **TPA** or within 5 (five) days of conversion to indemnity claim.

### ***Initial Investigation***

The Claims Examiner will conduct a thorough investigation to determine compensability immediately upon receipt of the claim. The Claims Examiner makes all the initial contacts necessary to make this determination and will follow the question format provided by **TPA** management which outlines the information to be requested for each of the contacts. The Claims Examiner **TPA** will contact the Auxiliary Organization Workers’ Compensation Claim Coordinator (**Coordinator**)—, the injured employee, and the injured ~~employee’s supervisor~~employee’s supervisor and physician. Physician contact is not necessary if (1) a Doctor’s First Report of Occupational Injury or Illness (Form 5021) is in the file, (2) there is no lost time, and (3) there are no disputes.

### ***3-Point Contact – Employee, Employer and Physician***

The Claims Examiner will make 3-Point Contact on all “pending” claims within one business day after receiving notice of the claim. Communication with the injured employee will be available in the employee’s primary language or with translation upon request.

Notice of claim is defined as:

- Notice of a pending claim in iVOSJuris.
- Phone call, fax or e-mail from the **Coordinator** (Form 5020)
- Doctor’s First Report of Occupational Injury or Illness (Form 5021)
- Notice of Representation (no contact with injured employee)
- Application of Adjudication of Claim (no contact with injured employee)
- DWC-1 Claim Form

If the **TPA** receives the first notice of claim, **TPA** will notify the **Coordinator** of the details of the claim, request additional information from the **Coordinator** as needed and set up the claim in iVOSJuris. The **Coordinator** will complete the Form 5020.

If it is determined after initial contact that a claim is ~~a Record Only or~~ a First Aid, the claim will be closed. If later a bill is received, the file will be reopened for payment of the bill and closed.

If the Claims Examiner/Claims Support Assistant is unable to complete all the initial contacts, the Claims Examiner will continue contact attempts for three days. Should the contact attempts be unsuccessful a “Call Me Card” or e-mail will be sent to contact the respective party. All attempts at communication will be documented in Notepad. Documentation of a “Call Me Card” will be stored in Correspondence. Assistance from the **Coordinator** must be requested if contact with the injured employee cannot be made after three unsuccessful attempts. The work and home telephone number of the injured employee is a required field for a “pending” claim and therefore needs to be made available to the Claims Examiner. Alternative contact numbers, email addresses or a mailing address can be requested if the Claims Examiner is unable to make contact.

***No claim will be accepted without completion of the 3-point contact unless there is concurrence from the Coordinator.***

3-Point Contact will be documented in [iVOSJuris](#) on the day the contact occurs.

The **Claims Supervisor** review of all new claims at five days will ensure that contact is completed and documented. If contact is complete, the **Claims Supervisor** will so note in Notepad. If contact is not complete, the **Claims Supervisor** will document in Notepad the contacts that need completion and require that the Claims Examiner continue contacts until all have been completed. The **Claims Supervisor** will keep the file on close diary until all contacts are made.

### ***Acceptance/Denial Issues***

If the Claims Examiner determines that a claim should be denied, the Claims Examiner will notify the **Coordinator** of the investigation results and recommendation to deny benefits prior to notifying the injured employee. All recommendations for denials must be approved by the **Claims Supervisor** and documented in Notepad. All denied claims will have a reason for the denial entered in the claim system.

If the injured worker does not pursue a claim, **TPA** will not delete the claim. The Claims Examiner/Claims Support Assistant will notify the employee in writing of Sedgwick’s confirmation and understanding that the employee does not wish to pursue the claim. The claim will be coded with an appropriate claim type (e.g., Record Only, Medical Only, Indemnity, etc.)

The Claims Examiner has fourteen (14) days to determine if a claim will be delayed. Medical treatment will continue to be provided during the ninety (90) day discovery period up to a limit of \$10,000, per labor code statute, or until the case is denied.

The Claims Examiner has up to ninety (90) days to make a compensability decision. The ninety (90) days starts with the employer’s knowledge of injury.

### ***Initial Documents***

The DWC-1, 5020 and 5021 forms are required documents in the claim file. If the DWC-1 is not in the file, evidence of attempts to solicit the DWC-1 form must be in the file. All are required in every claim file prior to closure.

If the **Claims Examiner/Claims Support Assistant** does not have the DWC-1 form when completing set-up of the claim, a claim form will be forwarded to the employee's home address immediately upon receipt of the notice of injury unless it is noted that a DWC-1 claim form was not provided by the **Coordinator**.

If the DWC-1 is not received within sixty days, the **Claims Examiner/Claims Support Assistant** will notify the **Coordinator** via email. This process applies to accepted claims only.

A copy of the 5020 DWC-1, and the 5021 will be clearly documented in SIR (Scanned Information Retrieval system). If a 5021 has not been submitted, the file must contain a copy of a request for the 5021. The 5021 request will be saved to the claim in [iVOSJuris](#) Correspondence.

A claim must not be closed without these documents, or proof that the DWC-1 was provided to the employee, in the claim file.

### ***Medical Releases***

**TPA** will request Medical Releases within five (5) working days of file make-up on all files. If the signed release is not returned within fourteen (14) days, and the injury has not resolved (such as in a Medical Only claim), the **Claims Examiner/Claims Support Assistant** will contact the **Coordinator** and request assistance. The process applies to Indemnity files as well as Medical Only files where treatment is continuing beyond the fourteen days.

Upon receipt of the medical release, **TPA** will order appropriate medical records as needed.

### ***Medical Direction and Control***

The **Claims Examiner/Claims Support Assistant** is responsible for coordinating the provision of prompt, appropriate and effective medical treatment for auxiliary employees. The **Claims Examiner/Claims Support Assistant** will exercise all reasonable efforts to obtain current physician reports in accordance with CCR 9785 (California Code of Regulations concerning treating physicians) on all claims where medical treatment is active.

Within fourteen calendar days of notification of change of treating physician, the **Claims Examiner/Claims Support Assistant** will send the complete medical file with CCR 9785 notification to the treating physician.

If the injured employee is absent from work, notification of the auxiliary organization's return to work policy, and the injured worker's job description, if necessary, will be sent to the treating physician. Notification will be by letter and available in Correspondence.

A copy of CCR 9785 will be sent to the treating physician within five working days upon any request made by the workers' compensation auxiliary **Coordinator**.



The Claims Examiner will request updated medical reports on Future Medical (FM) claims where treatment is being sought. On non-active FM claims, the Claims Examiner will document a strategy for administrative closure.

The Claims Examiner will document requests for authorization of treatment procedures in the [iVOSJuris](#) Notepad. The **Claims Examiner/Claims Support Assistant** will respond to requests for authorization of treatment and surgery on accepted cases in accordance with Utilization Review guidelines and requirements.

The treatment plan will be documented in [iVOSJuris](#) Notepad including the next treatment date. The **Claims Examiner/Claims Support Assistant** will document any medication, by name, which has been authorized by the physician for the employee in [iVOSJuris](#) Notepad. Updates will be requested as medication changes.

No agreement to utilize an AME will be made without the approval of the Claims Examiner. In litigated cases, the Claims Examiner will notify the defense attorney of this requirement.

All bills will be paid or objected to within thirty (30) calendar days from date-stamp receipt.

### ***Documentation***

**TPA** will caption all [iVOSJuris](#) Notepad entries using appropriate [iVOSJuris](#) system-defined headings. All entries will contain documentation with appropriate detail, identify the issues of the claim, and describe the plan of action being taken to resolve these issues. An Action Plan will be documented in [iVOSJuris](#) Notepad every ninety (90) days on Indemnity files and every one hundred eighty (180) days on Future Medical files.

Medically authorized restrictions will be documented in the [iVOSJuris](#) Notepad and updated every time the restrictions are modified by the physician.

Medical records that are received via medical release or subpoena must be summarized in [iVOSJuris](#) Notepad.

### ***Diary***

#### **CLAIMS EXAMINER DIARY**

Every active indemnity file will be reviewed at least once every thirty (30) days. Diary activity will include contact with unrepresented injured employees, at minimum, every sixty (60) days.

Claims with ongoing temporary disability benefits will be reviewed every fourteen (14) calendar days. Review includes a phone call to the treating physician to determine return to work capability. Documentation of the review and verification of disability will appear in Notepad.

Future medical diary is no less than one hundred eighty (180) days as warranted by activity on the claim. Future Medical cases are defined as claims where the only benefit obligations are the payment of awarded permanent disability and undisputed future medical care.

*Follow-up telephone contact will be made with unrepresented injured employees who are losing time from work every fourteen (14) calendar days. Follow-up telephone contact with all other unrepresented injured employees must occur at a minimum every sixty (60) days (Future Medical file excluded).*

#### CLAIMS SUPPORT ASSISTANT DIARY

Medical Only claims will be reviewed at minimum at sixty days. At ninety (90) days, the Claims Support Assistant will review for conversion to Indemnity or closure.

#### SUPERVISOR DIARY

Claims Supervisor will review all new indemnity claims five (5) days after receipt. The Claims Supervisor will re-set a diary on each new claim as appropriate depending on the severity of the issues or medical treatment but no less than one hundred eighty (180) days. Delayed claims will be reviewed at forty-five (45) and eighty (80) days within the first ninety (90) days. Acceptance after delay and denials will be reviewed and approved by the manager. These reviews will be documented under the Management Review heading in the claim Notepad.

Supervisors will effectively manage assignments of **Claims Examiner/Claims Support Assistant** personnel to ensure caseloads are meeting the claims handling standards. An inventory count by claim type will be kept for each Claims Examiner's caseload on a monthly basis.

#### *Temporary Disability*

Temporary disability is paid every two weeks.

Verification of the employee's disability is the responsibility of the Claims Examiner. The Claims Examiner must verify with the treating physician that the employee is unable to work his/her customary job duties, or able to return to work either in a modified position, or at his/her regular job duties.

The Claims Examiner should contact the physician, if necessary, and/or confirm through medical reporting medical verification of disability every two weeks to coincide with the temporary disability check issuance. Potential for return to work must be discussed and documented. Restrictions will be clarified and discussed with the **Coordinator** for return to work possibilities.

#### *Litigation*

**TPA** is to utilize approved auxiliary organization defense counsel in every case. The Claims Examiner will make the selection of counsel on each claim in coordination with the **Coordinator**. **TPA** recommends use of defense counsel as required by its defense counsel referral criteria. However, referrals will be made at the request of the **Coordinator** as well. **TPA** requires that defense counsel adhere to **AORMA's** Defense Counsel Guidelines. These guidelines will be included with each litigation referral.



**TPA** will notify the **Coordinator** upon receipt of an Application for Adjudication of Claim within five (5) working days. **TPA** will assign claims to Counsel within five days after receipt of notice of approval from the **Coordinator**. **TPA** will notify the **Coordinator** by telephone or email of assignment to Counsel on a claim, and confirm by sending the **Coordinator** a copy of the letter to the selected Counsel confirming engagement.

Case analysis is to be provided by counsel within thirty days of referral. A copy of the initial case analysis will be sent to the **Coordinator** and documented in the [iVOSJuris](#) Notepad. The Claims Examiner will follow up with the defense attorney if a case analysis is not received within thirty (30) calendar days from date of referral. Subsequent reports will be sent to **TPA** and the **Coordinator** depending on the activity of the claim, but no less frequently than ninety (90) days.

The Claims Examiner will continue to manage the file, including performing administrative tasks, such as setting medical appointments, appointment letters and medical record requests. These tasks are to be completed by **TPA** staff with few exceptions.

The Claims Examiner will audit all attorney bills for appropriateness of payment.

The Claims Examiner and the **Coordinator** will determine who should attend hearings.

#### ***Mandatory Settlement Conference at WCAB***

Upon notification of the Mandatory Settlement Conference (MSC) date, the following procedure will occur:

In litigated cases, a request for authority will be sent to **AORMA** thirty (30) days prior to defense counsel filing a Declaration of Readiness to proceed, or five (5) days after receipt of the Declaration of Readiness to proceed from applicant's counsel. Thirty (30) days prior to defense counsel filing a Declaration of Readiness to Proceed, **TPA** will provide **AORMA** and Member with a comprehensive case review and/or SAR (settlement authorization request).

**TPA** will attend an MSC as deemed necessary.

Subrogation will be pursued when appropriate unless otherwise indicated by the **Coordinator**. If any legal action must be filed in any court other than the Workers' Compensation Appeals Board on behalf of the auxiliary organization, **TPA** must have approval from the CSURMA **AORMA** Committee.

#### ***Communications***

**TPA** Supervisor and Claims Examiner for **TPA** will utilize professional, courteous and effective communication skills at all times and will respond to telephone and email inquiries within one (1) working day. All e-mail communications that are pertinent to a particular claim should be placed in the [iVOSJuris](#) Notepad.



### ***Index System***

**TPA** will index all disputed or lost time injury claims at claim setup and annually thereafter relying on Sedgwick's account number with the Index System.

### ***Reserving***

The initial reserve will be set up within five (5) working days of the receipt of the claim. Claims are to be reserved on a "most probable ultimate cost" basis from the date the claim is set up. Reserve amounts will be evaluated and adjusted on a regular basis, but at a minimum, within thirty (30) days of any event or change in medical prognosis that will affect the ultimate outcome of the claim. Reserves should also be reviewed concurrent with Diary and Action Plan review. "Stair-stepping" is to be avoided. All reserve calculations will be clearly reflected in the claim file.

Sedgwick Claims Supervisors will review all reserve changes above the authority of each Claims Examiner.

Reserves will be reviewed with each action plan.

### ***Investigations***

**TPA** recommends use of outside investigators as required by their claim investigation criteria and best practices. In addition to manager [or supervisor](#) approval, assignment of an outside investigator requires prior contact, approval and coordination with the **Coordinator**.

***OSHA Reporting –The members bear the responsibility to complete a manual OSHA log as required by California law.***

### ***Resolution***

Upon receipt of any permanent and stationary report, the Claims Examiner will determine if the disability described in the report is appropriate for the circumstances of the injury. The Claims Examiner may self-rate if the disability is clear. However, **AORMA** prefers that the Claims Examiner solicit an independent rating prior to issuing advances. Based on what is learned from the rating, additional clarification may be needed from the physician. The Claims Examiner will seek clarification from the physician or object as appropriate.

Upon receipt of the supplemental report with the clarifying information, the Claims Examiner may need to solicit an additional independent rating in order to ensure that the Claims Examiner is confident of the total value of permanent disability. If the dollar amount of the rating and/or the dollar value of the total amount of permanent disability advance to be made exceed(s) \$25,000, the Permanent Disability Benefit letter requires approval from a supervisor.

Within five (5) calendar days after the Claims Examiner has determined that the report is appropriate, the Claims Examiner will submit the report to the Disability Evaluation Unit (DEU) for a Summary Rating.



A Settlement Authority Request (SAR) must be submitted to the Operations Manager at **TPA**, the **CSURMA AORMA** Workers' Compensation Committee or the **CSURMA AORMA** Committee depending on the level of the settlement value requested in accordance with the Claims Settlement Policy and Procedure. This requires timeliness in getting the independent rating in order to avoid penalties for not issuing a timely permanent disability advance.

Upon receipt of the Summary Rating from the Disability Evaluation Unit (DEU), the Claims Examiner verify the rating used in the SAR and amend the SAR, if necessary.

If the claim is litigated, the Claims Examiner must notify the defense attorney that negotiations cannot begin without authority. The Claims Examiner is responsible for getting that authority to the attorney within two (2) working days of receipt of authority. If applicant's attorney files the Declaration of Readiness to Proceed (DOR) for settlement purposes, the SAR must be submitted within five (5) days of receipt of the notification.

### ***Settlement Authority***

Various levels of settlement authority have been established as respects this **AORMA** coverage under **AORMA** Policy & Procedure W-5. The Member has no authority to settle claims.

All settlement authority requests must be presented using the Settlement Authorization Request (SAR) form.

The **SAR** must be complete and thorough. It must include a brief history of the injury, a description of the permanent disability and its dollar value, the medical prognosis and its dollar value, and any other costs that are included in the proposed settlement. It must include a complete outline of all issues and defenses. All ratings, both applicant and defense must be stated. It must state the Claims Examiner opinion regarding settlement versus taking the case to trial.

Managers must approve all requests for authority.

If a response from the authorizing body is not received in thirty (30) days, the Claims Examiner will notify the Claims Consultant via email. If timing is **urgent**, this will be indicated in the email along with a deadline date, as well as notifying the Claims Consultant by voicemail.

### ***Return to Work Issues***

The Claims Examiner will provide all information to the **Coordinator** regarding return to work restrictions and permanent modifications immediately upon knowledge.

### ***Excess Carrier Reporting and Settlement Requirements***

Any claim with a date of injury after May 1, 2004 must be reported by **TPA** to the respective excess carrier immediately, but in no event later than ten (10) calendar days from the date the **Coordinator** is notified or becomes reasonably aware of such accident or disease which may involve the excess carrier or includes any of the following:

- a. Injuries to spinal cord (including Cauda Equina), paraplegia, or quadriplegia;

- b. Fatality;
- c. Amputation of a major extremity;
- d. Blindness;
- e. Second degree burns on 25% or more of the body or third degree burns on 10% or more of the body
- f. Serious head or brain injuries (including skull fracture);
- g. Multiple fractures – involving more than one member or any non union of any part of the body;
- h. Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
- i. Massive internal injuries affecting body organs;
- j. Any occurrence which causes serious injury or death to two or more employees
- k. Any occurrence, which results in disability exceeding one (1) year.
- l. Any occurrence that results in permanent and total disability 100% - (including but not limited to 100% by statute: loss of both eyes/sight, loss of both hands (or the use thereof), “practically total paralysis,” brain injury resulting in incurable imbecility or insanity.
- m. Any occurrence that involves unusual exposure to the coverage—examples include sexual molestation, HIV, AIDS, rape, class actions and bad faith allegations, or other serious violation, which may involve excess;
- n. Total incurred in excess of 50% of the Self Insured Retention [or per Excess reporting requirements](#) (~~Currently \$250,000~~)

Attachments to the first report will include:

- Face sheet to include summary of case, pertinent claimant information such as claim number, date of injury, date of birth, date of hire, average weekly wages, TTD, PD rate. The Claims Examiner must list all the issues and the plan of action recommended in order resolving these issues. Any subrogation aspects must be described and discussed.
- Reserve breakdown
- Printout of all payments, sorted by category
- AME, QME, P&S and/or current medical reports advising status of claim (AME = Agreed Medical Evaluator; QME = Qualified Medical Evaluator; P&S= Permanent and Stationary)
- Copies of all Applications filed, Workers’ Compensation Appeals Board (WCAB) Awards & Findings & Awards (F&As)
- Defense attorney evaluation
- Copies of investigation reports
- All notices and legal papers relating to the claim or suit
- Any other pertinent data

Subsequent reports will be made on a quarterly basis (unless excess carrier advises otherwise).

Attachments to the subsequent reports will include:

- Face sheet to include summary of case, pertinent claimant information such as claim number, Date of Injury, Date of Birth, Date of Hire, Average Weekly Wage, Total Temporary Disability and Permanent Disability Rate. The report must provide the status of the case and the steps proposed to resolve all the remaining issues.



- Reserve breakdown
- Printout of all payments, sorted by category
- Current medical report(s)
- Any of the prior reporting requirements that occur subsequent to the initial excess report.

The Claims Manager [and/or Supervisor](#) will review and authorize all excess reports. The reports will be submitted to the Excess carrier with a hard copy of all attachments. The hard copy attachments are to be submitted only to Excess carrier.

The process is the same for interim status reports and final reporting.

Once confirmation is received from Excess carrier, the Claims Examiner will make a copy of the confirmation for the claim file and update the system that confirmation was received from the Excess Carrier.

If the employee files a Serious and Willful claim, defense costs are not reimbursable by the Excess Carrier. Requests for reimbursement must exclude these costs.

### ***Fraud Claims***

Suspected fraudulent activity (material misrepresentation by the employee) must be reviewed with the Claims Supervisor, the **Coordinator** and the **AORMA** Claims Consultant to determine the merits of the case. [The case will also be discussed with the CSURMA SIU manager, J.D Wesson, who serves as the Investigation and SIU oversight manager for AORMA and CSU.](#) The case will be prepared for submission to the District Attorney and Department of Insurance once a decision to refer the case to the authorities has been made. Fraud referral activity will be documented on the claim in [iVOSJuris](#) Management Review Notepad.

### ***Balance Sheet***

**TPA** will complete a Balance Sheet on all open files at one year from date of injury, annually at the anniversary of claim set up and annually thereafter on each file at SAR evaluation and at closing of the claim. The Balance Sheet will be kept in Correspondence or a hard copy in the claims file.

### ***Escrow Fund***

[Changes have been made to the Trustee Account as a result of the transition to Sedgwick's Juris claims system effective July 1, 2016. The Oakland Corporate office of TPA administers a trustee account on behalf of AORMA from which benefit payments and expenses will be made. The Claims Accounting Department at Sedgwick will issue all checks. The Claims Accounting Department will also prepare monthly bank reconciliations. Sedgwick Claims Management administers benefit payments and expense payments on behalf of AORMA. The account utilized is an AORMA owned account through Wells Fargo. Sedgwick will issue all payments on claims linked to this account. The Client Banking department located in Memphis, TN will prepare monthly reconciliations.](#)



Checks issued over \$4050,000.00 require funding verification. Such requests should be forwarded to the **AORMA** Accountant at the CSU Chancellor's Office, along with supporting documentation.

**TPA** will submit replenishment requests ~~monthly or as needed.~~  
biweekly.

### ***Check Issuance***

~~All checks are issued by Sedgwick. Bob Blankenship, TPA Treasury Director's facsimile signature will be used for all checks. AORMA staff and consultants are not authorized to sign checks. There will be no manual checks under any circumstances.~~

All checks for claims that are linked to this account are issued by Sedgwick. Joey House, Managing Director Accounting and Financial Service and Kevin Hawkins, Sr. Vice President Finance are the facsimile signatures that will be used for all checks. There will be no manual checks under any circumstances.

### ***Reports***

The Claims Manager will provide a monthly report of **TPA** and **AORMA** penalties no later than the 10<sup>th</sup> of each month.

**TPA** will also provide reports to the **Coordinator** for each Member as follows:

Quarterly claim summary report - inception to date

- Claim summary report of all claims created in the last quarter
- Ad hoc reports by client request

**POLICY AND PROCEDURE L-8**  
**LIABILITY PROGRAM MEMBER ALLOCATION FORMULA**

**ISSUE:** The AORMA Liability Program Member Allocation Formula was revised effective July 1, 2015. Staff created Policy and Procedure L-8 to document the allocation formula which has been approved by the Programs Committee and the AORMA Committee. The Policy and Procedure also notes the allocation criteria which requires annual approval by the Programs Committee.

**RECOMMENDATION:** The Program Committee recommends approval of Policy and Procedure L-8 with revisions as appropriate.

**FISCAL IMPACT:** No fiscal impact is anticipated.

**BACKGROUND:** None.

**PUBLICATION:** When the Policy and Procedure is approved by the AORMA Committee it will be posted on the CSURMA website.

**ATTACHMENT(S):**

- a. Policy and Procedure L-8 – Liability Program Member Allocation Formula (draft)



**CSURMA AORMA**

**POLICY & PROCEDURE NO. L-8**

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<b>SUBJECT:</b>	<b>LIABILITY PROGRAM MEMBER ALLOCATION FORMULA</b>
<b>ADOPTED:</b>	<b>SEPTEMBER 8, 2016</b>
<b>EFFECTIVE:</b>	<b>SEPTEMBER 8, 2016</b>
<b>AMENDED:</b>	<b>N/A</b>

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**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 December, the Programs 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 December, the Programs 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. 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:

<b>Loss Exposure</b>	<b>Exposure Basis</b>
Automobile Liability (AL)	Number of owned autos
Premises Liability (PL)	Total square footage owned, occupied, operated or maintained
Other Liability (OL)	Total expenditures
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 \*\***

<b>1.</b>	<b>5</b>	*	<b>\$150</b>	=	<b>\$750</b>
	Number of owned autos		Per Auto		AL Basic premium
	<b>150,000</b>	*	<b>\$50</b>	=	<b>\$7,500</b>
	Square Footage		Per 1,000 of square footage		PL Basic premium
	<b>\$20,000,000</b>	*	<b>\$400</b>	=	<b>\$8,000</b>
	Expenditures		Per 1,000,000 of expenditures		OL Basic premium
	<b>\$5,000,000</b>	*	<b>\$1,200</b>	=	<b>\$6,000</b>
	Payroll		Per 1,000,000 of payroll		EPL Basic premium
			<b>Total</b>		<b>\$22,250</b>
					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 \*\***

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

<b>1.</b>	<b>\$20,693</b> Basic premium for pooled layer w/ size credit	*	<b>.945</b> Loss rating discount or surcharge	=	<b>\$19,555</b> 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.*

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

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

**Final Premium w/o Collars:**

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

**Collared Premium:**

- Prior year's final premium w/o deductible credit is multiplied by the maximum collared percentage increase. *Result – maximum collared premium.*
- Prior year's final premium w/o deductible credit is multiplied by the maximum collared rate decrease. *Result – minimum collared premium.*
- 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 \*\***

<b>1.</b>	<b>\$35,000</b>	+	<b>10%</b>	=	<b>\$38,500</b>
	Prior year's final premium w/o deductible credit		Maximum collared percentage increase		Maximum collared premium
<b>2.</b>	<b>\$35,000</b>	-	<b>10%</b>	=	<b>\$31,500</b>
	Prior year's final premium w/o deductible credit		Maximum collared percentage decrease		Minimum collared premium
<b>3.</b>	<b>\$44,874</b>	>	<b>\$38,500</b>	=	<b>\$38,500</b>



**CSURMA AORMA**

**POLICY & PROCEDURE NO. L-8**

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
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**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.

**POLICY AND PROCEDURE A-2: AORMA COMMITTEE AND  
STANDING COMMITTEE ROLES AND RESPONSIBILITIES**

**ISSUE:** The Committee will be asked to approve revisions to Policy and Procedure A-2 – AORMA Committee and Standing Committee Roles and Responsibilities. The role of the AORMA Committee Chair has been expanded to include;

1. Authority to call meetings from time to time and in compliance with applicable open meeting regulations to conduct business and planning for the AORMA program including an AORMA Officer’s Retreat.
2. Authority to invite additional attendees to meetings as the Chair deems appropriate and to authorize reimbursement of invitee travel expenses provided the expenses are within amounts budgeted for AORMA expenses and in compliance with AORMA travel expense reimbursement Policy and Procedure.

These changes have been added so that the Chair can invite to the Officer’s Retreat a meeting facilitator who can guide and manage the retreat to ensure that the objectives are met effectively, with clear thinking and good participation.

**RECOMMENDATION:** Staff recommends that the Committee review and approve the changes to Policy and Procedure A-2 with additional revisions as appropriate.

**FISCAL IMPACT:** The fiscal impact is unknown at this moment, but additional costs would be incurred should the Chair invite a guest or meeting facilitator to the Officer’s Retreat.

**BACKGROUND:** None.

**PUBLICATION:** The approved Policy and Procedure will be posted on the CSURMA website.

**ATTACHMENT(S):**

- a. Policy and Procedure A-2 – AORMA Committee and Standing Committee Roles and Responsibilities (*Revisions Date – 2016 09 08*)

**SUBJECT:** AORMA COMMITTEE AND STANDING  
COMMITTEE ROLES AND RESPONSIBILITIES

**ADOPTED:** AUGUST 19, 2003

**EFFECTIVE:** JULY 1, 2003

**AMENDED:** DECEMBER 7, 2005  
MAY 14, 2009  
OCTOBER 29, 2009  
JANUARY 11, 2010  
SEPTEMBER 16, 2010  
SEPTEMBER 13, 2012  
MAY 8, 2014  
DECEMBER 10, 2015  
SEPTEMBER 8, 2016

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

**PURPOSE:**

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

**POLICY:**

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

**PROCEDURE:**

The AORMA COMMITTEE will conduct elections and appointments in accordance with the CSURMA Joint Powers Agreement, Bylaws and AORMA Policy and Procedure A-1. A copy of Policy and Procedure A-1 describing roles and responsibilities of Committee members will be provided to Committee nominees and participants.

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

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

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

1. Representative of the AORMA Committee to the AOA Executive Committee and attendance at AOA Executive Committee meetings.
2. Attendance and participation in CSURMA Executive Committee meetings (approximately four times per year).

3. Availability for regular communication with, and direction of CSURMA Program Administrator staff.
4. Availability to respond to CSURMA Auxiliary Organizations member questions and concerns.
5. A commitment toward professional development in the area of risk management and representation of CSURMA at conferences and meetings, such as the AOA Annual Conference, the CSURMA Fitting the Pieces Together Conference and other conferences as appropriate.
6. Authority to appoint an at-large AORMA Committee member or the First Vice Chair or Second Vice Chair if that seat on the AORMA Committee is vacated mid-term.
7. Authority to establish task groups as necessary.
8. Authority to appoint the Standing Committee Chair, members of the AORMA Standing Committee and task groups (in consultation with the AORMA Standing Committee Chair).
9. Service on Standing Committee, task groups and ad hoc committees as appropriate.
10. Attend and present at CSURMA Board of Directors meetings.
11. Authority to call meetings from time to time and in compliance with applicable open meeting regulations to conduct business and planning for the AORMA program including an AORMA Officer's Retreat.
- ~~10.~~12. Authority to invite additional attendees to meetings as the Chair deems appropriate and to authorize reimbursement of invitee travel expenses provided the expenses are within amounts budgeted for AORMA expenses and in compliance with AORMA travel expense reimbursement Policy and Procedure.

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

1. Be prepared to serve in the Chair position should the Chair vacate its seat mid-term.
2. Attend and participate in the CSURMA Executive Committee meetings.

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

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

**AORMA Standing Committees**

1. The AORMA Committee reserves the right to create and dissolve any or all Standing Committees at any time. The AORMA Committee shall appoint Standing Committees to provide support to the AORMA Committee. These Standing Committees are as follows:
  - a. Programs Committee
  - b. Executive Officers
2. Standing Committee membership will be as follows:
  - a. Programs Committee – A minimum of five members, at least two of whom shall be AORMA Committee members.
  - b. Executive Officers – The AORMA Committee Chair, First Vice Chair and Second Vice Chair.
3. Every spring, the membership of each Standing Committee will recommend to the AORMA Committee Chair a nominee from the AORMA Committee for the Chair position of their respective Standing Committee.
4. The AORMA Committee Chair shall appoint Standing Chairs annually for a one-year term effective on July 1. The Chair of any Standing Committee must simultaneously be a member of the AORMA Committee.
5. AORMA Standing Committee appointments are at the discretion of the AORMA Committee Chair. It is expected that appointed members be prepared to serve for at least one complete two-year term. Standing Committee members may serve a maximum of three consecutive two-year terms, with an effective date of July 1 of the year in which they are appointed. Upon being termed out of a Standing Committee, a person may serve again on the same Standing Committee after sitting out a period of one year.
6. No auxiliary organization will have multiple representatives serving simultaneously on any AORMA Standing Committee.
7. Reasonable travel expenses associated with participation on AORMA Standing Committees are reimbursable as provided in CSURMA’s travel reimbursement policy.
8. Representatives are individually appointed, not direct representatives of their respective auxiliary organizations. It is expected that representatives will approach their responsibilities from the perspective of the good of the CSURMA Auxiliary Organizations programs as a whole, rather than just their individual organization’s benefit.
9. Standing Committees shall develop recommendations for the AORMA Committee and take action within delegated authority.

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

## **ADDENDUM**

### **AORMA STANDING COMMITTEE DESCRIPTIONS**

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

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

#### **Executive Officers Committee**

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

#### **Programs Committee**

The Programs Committee will oversee 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. The Committee will assist in the development of relationships between the AORMA and the AOA, as well as continue to strengthen the relationships between the CSURMA and its Auxiliary Organization membership. The Committee will utilize newsletters, member surveys, annual reports and other methods of communicating the benefits of AORMA membership to the members. The Committee will direct staff in the development of "value-added" services such as the Certificate Tracking Program, OAYSYS-Net Property database, claims reports, service provider evaluations and the professional development through risk management training of the AORMA membership.

The Committee will assist in the development, implementation and evaluation of various training programs aimed at developing safety and loss control awareness among the AORMA membership. The Committee will also lead professional development of the AORMA membership in the field of risk management and be responsible for the allocation of the risk management budget among the various safety and risk control service providers.



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. A-2**

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**LIABILITY MEMORANDUM OF COVERAGE**  
**EFFECTIVE JULY 1, 2016**

**ISSUE:** At its meeting on May 5, 2016, the AORMA Committee delegated authority to the CSURMA Secretary/Auditor to finalize the AORMA Liability Program Memorandum of Coverage (MOC) to be used effective July 1, 2016, subject to ratification by the AORMA Committee at its September meeting.

The final version of the MOC is attached for the Committee's review. Staff will present a summary of the revisions and highlight significant changes at today's meeting.

**RECOMMENDATION:** The AORMA Committee is asked to review the MOC and ratify the changes that became effective July 1, 2016.

**FISCAL IMPACT:** There is no direct fiscal impact as the recommended revisions serve to clarify AORMA's original intent. However, changes in coverage may impact future funding requirements to the extent that coverage is broadened or limited.

**BACKGROUND:** The MOC has been customized to meet the specific needs of the CSU Auxiliary Organizations. Insurance companies regularly review their policy forms and make revisions to reflect industry trend and claims experience. Similarly, it is prudent for AORMA to review its coverage form and make amendments as necessary to maintain coverage quality for its members, and as may be needed for effective placement of reinsurance and excess insurance to manage AORMA's claim liabilities.

**PUBLICATION:** This approved MOC will be uploaded to the CSURMA website.

**ATTACHMENTS:**

- a. MOC Declarations
- b. MOC Terms and Conditions



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

**MEMORANDUM OF COVERAGE**

**DECLARATIONS**

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

**Item 1: Member**

See the **Member** listing attached.

**Item 2: Coverage Period:**

July 1, 2016 to July 1, 2017

**Item 3: Limits of Liability:**

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

**Item 5: Sub-Limits / Coverage Extensions** *(Provided through the CSURMA AORMA Liability Program pooled layer):*

1. Medical Payments .....\$5,000 – per any one person
2. California Uninsured or Underinsured Motorists  
 (bodily injury only): .....\$250,000 - bodily injury only
3. Domestic Hired Automobile Physical Damage..... \$50,000 - each accident
4. Fiduciary Liability Coverage (Claims Made Basis):..... \$350,000 – each occurrence
5. Funds, Grants or Appropriations (defense only) ..... \$250,000 – each occurrence
6. Land Use (defense only)..... \$250,000 – each occurrence
7. Nuclear Materials (limited coverage):..... \$250,000 – each occurrence

**Item 6: Member’s Deductible**

1. Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences of Wrongful Acts *(except Employment Practices Liability):* .....\$0
2. Employment Practices Liability *(all Members except as noted below):*.....\$25,000 - each occurrence
3. Employment Practices Liability ..... \$50,000 – each occurrence
  - a. California State University, East Bay Foundation, Inc.
  - b. Cal State L.A. University Auxiliary Services, Inc.
  - c. Cal Poly Corporation
  - d. University Enterprises, Inc., CSU Sacramento
4. Employment Practices Liability ..... \$75,000 – each occurrence
  - a. California State University, Long Beach Research Foundation
  - b. California State University, Fresno Foundation
  - c. San Jose State University Research Foundation
5. Employment Practices Liability ..... \$100,000 – each occurrence
  - a. San Diego State University Research Foundation
  - b. Cal Poly Pomona Foundation, Inc.
6. Non-Salaried Employees (of the California State University) Auto Liability .....\$1,000,000 – each occurrence/accident
7. Domestic Hired Automobile Physical Damage – Comprehensive and Collision ..... \$1,000 - each accident
8. Domestic Hired Automobile Physical Damage – Comprehensive and Collision *(when the use of the hired vehicle on a non-paved road violates the rental car agreement)*..... \$5,000 - each accident

**Item 7: Retroactive Dates:**

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

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

**Item 9: Claims Administrator:**

Carl Warren & Company  
Attn: Mauri McGuire  
P.O. Box 7059  
Ventura, CA 93006  
(805) 650-7020 Ext 1003  
mmcguire@carlwarren.com

To be valid, this agreement must be signed by our Program Administrator.



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

**Item 1: Member**

**Member Listing**

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

Campus		Auxiliary Organization
27	Fullerton	Cal State Fullerton Philanthropic Foundation
28	Fullerton	CSU Fullerton Auxiliary Services Corporation
29	Humboldt	Associated Students, Humboldt State University
30	Humboldt	Humboldt State University Advancement Foundation
31	Humboldt	Humboldt State University Center Board of Directors
32	Humboldt	Humboldt State University Sponsored Programs Foundation
33	Long Beach	Associated Students, California State University, Long Beach
34	Long Beach	California State University, Long Beach Research Foundation
35	Long Beach	CSULB 49er Foundation
36	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach
37	Los Angeles	Associated Students, California State University, Los Angeles, Inc.
38	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
39	Los Angeles	California State University, Los Angeles Foundation
40	Los Angeles	University-Student Union Board, California State University, Los Angeles
41	Maritime Academy	California Maritime Academy Foundation, Inc.
42	Maritime Academy	The Associated Students of the California Maritime Academy
43	Monterey Bay	Foundation of California State University, Monterey Bay
44	Monterey Bay	The University Corporation at Monterey Bay
45	Northridge	Associated Students, California State University, Northridge, Inc.
46	Northridge	California State University, Northridge Foundation
47	Northridge	North Campus University Park Development Corporation
48	Northridge	The University Corporation, CSU Northridge
49	Northridge	University Student Union of California State University, Northridge
50	Pomona	Associated Students Inc., California State Polytechnic University, Pomona
51	Pomona	The Cal Poly Pomona Foundation, Inc.
52	Sacramento	Associated Students of California State University, Sacramento
53	Sacramento	Capital Public Radio, Inc., CSU Sacramento
54	Sacramento	The University Foundation at Sacramento State
55	Sacramento	University Enterprises, Inc., CSU Sacramento
56	Sacramento	University Union Operation of CSUS, Inc.
57	San Bernardino	Associated Students Inc., California State University, San Bernardino
58	San Bernardino	CSUSB Philanthropic Foundation

Campus		Auxiliary Organization
59	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino
60	San Bernardino	University Enterprises Corporation at CSUSB
61	San Diego	Associated Students, San Diego State University
62	San Diego	Aztec Shops, Ltd., San Diego State University
63	San Diego	San Diego State University Research Foundation
64	San Diego	The Campanile Foundation
65	San Francisco	Associated Students, Inc., San Francisco State University
66	San Francisco	San Francisco State University Foundation
67	San Francisco	The University Corporation, San Francisco State
68	San Jose	Associated Student, San Jose State University
69	San Jose	San Jose State University Research Foundation
70	San Jose	Spartan Shops, Inc., San Jose State University
71	San Jose	The Student Union of San Jose State University
72	San Jose	The Tower Foundation, San Jose State University
73	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo
74	San Luis Obispo	Cal Poly Corporation
75	San Luis Obispo	California Polytechnic State University Foundation
76	San Marcos	California State University San Marcos Foundation
77	San Marcos	San Marcos University Corporation
78	San Marcos	The Associated Students of California State University, San Marcos
79	San Marcos	University Auxiliary and Research Services Corporation
80	Sonoma	Associated Students of Sonoma State University
81	Sonoma	Sonoma State Enterprises, Inc.
82	Sonoma	Sonoma State University Academic Foundation, Inc.
83	Stanislaus	Associated Students, Inc., California State University, Stanislaus
84	Stanislaus	California State University, Stanislaus Auxiliary and Business Services
85	Stanislaus	California State University, Stanislaus Foundation
86	Stanislaus	University Student Union of California State University, Stanislaus
87	N/A	Auxiliary Organization Associations
88	N/A	Auxiliaries Multiple Employer VEBA

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

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

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

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

**SECTION I – COVERAGES**

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

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

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

**SECTION II - DEFINITIONS**

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

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

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

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

2. **Administration**, with respect to **Employee Benefits Liability**, means:

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

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

3. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air, but does not include **Unmanned Aerial Vehicle**.

4. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment.

5. **Bodily Injury** means **Bodily Injury**, sickness, disease or death, including but not limited to **shock, mental anguish, mental injury and humiliation** sustained by any person that occurs during the **Coverage Period**. **Bodily Injury** includes **Damages claimed by** any person or organization for care, loss of services or death resulting at any time from the **Bodily Injury**.

6. **Claim** means:

- A. A written demand to a **Member** for payment of **Damages** received by the CSURMA AORMA Secretary-Auditor or by the chief executive, Risk Manager, or general counsel of a **Member**; and/or
- B. A civil proceeding against a **Member** in which **Damages** are sought on account of
  - 1) **Bodily Injury or Property Damage,**
  - 2) **Personal Injury,**
  - 3) **Errors and Omissions,**
  - 4) **Employee Benefits Liability,**
  - 5) **Employment Practices Liability**
  - 6) **Media Wrongful Acts,**

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

7. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **Member**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following time:
- A. When all operations to be performed by or on behalf of the **Additional Covered Party** at the site of the operations have been completed.
  - B. When all operations to be performed by or on behalf of the **Additional Covered Party** under the contract have been completed; or
  - C. When the portion of the work out of which the injury or **Damages** arise has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project

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

- A. Operations in connection with the transportation of property unless the **Personal Injury** or **Property Damage** arises out of a condition in or on a vehicle created by the loading or unloading of that vehicle by any **Member**; or
  - B. The existence of tools, uninstalled equipment or abandoned or unused materials.
8. **Coverage Period** means the period of coverage provided under this Memorandum as shown on the Declarations Page.
9. **Covered Individual(s)** means persons who are past or present elected or appointed officials, **Employees, whether or not compensated**, or authorized volunteers of the **Member**, while acting within the scope of their duties, office or employment for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include **Employees** of nonmember organizations, including, but not limited to alumni associations and volunteer university support groups.
10. **Dam** means any artificial barrier together with appurtenant works which:
- A. Is twenty-five feet or more in height from the foot of a natural bed of stream or watercourse; or
  - B. Has water impounding capacity of fifty acre feet or more.

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

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

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

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

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

12. **Deductible** means the amount of each **Ultimate Net Loss** which the **Member** is obligated to pay. The deductible is stated in the Declarations. Any deductible amount paid by CSURMA AORMA shall be promptly reimbursed to CSURMA AORMA by the **Member**.

13. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion, transfer, suspension, or termination of any **Employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy. **Discrimination**, other than as respects **Employment Practices Liability**, means **Bodily Injury**, **Personal Injury** and/or **Errors and Omissions** arising from alleged acts, errors or omissions showing favor, prejudice or bias for or against a person because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.

14. **Employee** means:

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

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

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

21. **Loss Adjustment Expense** means all costs and expenses incurred by the **Member** in connection with the investigation, appraisal, negotiation, adjustment, settlement, litigation, defense or appeal of a specific **Claim** or loss, including but not limited to CSURMA AORMA approved defense attorney fees, court costs, costs of supersedes and appeal bonds, monitoring counsel expenses, post-judgment interest, pre-judgment interest (unless included as part of an award), subrogation, salvage and recovery expense, costs and expenses in connection with coverage questions and legal actions and other associated costs and expenses. Loss Adjustment Expense shall include any allocated **Claims** expenses, salaries or overhead incurred by attorneys who are **Employees** of the California State University's Office of General Counsel. However, such expenses shall be limited at \$250 per hour. **Loss Adjustment Expense** shall also include fees and expenses of outside adjusters, including Third Party Administrators (TPA), associated with specific **Claims**, but excluding any **Loss Adjustment Expense** and fees paid to a TPA that are not allocable to a specific **Claim**. **Loss Adjustment Expense** does not include salaries and expense of **Member's Employees** except as provided above as well as office and other overhead expenses.
22. **Member** means the **Member** named on the Declarations Page.
23. **Mold(s)** means to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces **Molds**.
24. **Occurrence** means an accident, act, error, offense, omission or event **Media Wrongful Act** or **Wrongful Act** during the **Coverage Period**, including continuous or repeated exposure, which results in damages, neither expected nor intended by the **Member**. An **occurrence** taking place over more than one **Coverage Period** shall be deemed to have taken place during the **Coverage Period** when the **occurrence** ended and shall be treated as a single **occurrence** in that **Coverage Period**.
25. **Media Wrongful Act Occurrence** means any actual or alleged:
- A. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
  - B. Wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
  - C. Libel, slander, disparagement, or any other form of defamation or harm to the character or reputation of any person or entity;
  - D. Outrage, infliction of emotional distress or prima facie tort;
  - E. Infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name;
  - F. Copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
  - G. Breach of a promise of confidentiality or anonymity;
  - H. Error or omission in content;
  - I. Unfair competition or conspiracy
  - J. Breach of an indemnification or hold harmless agreement relating to **Claims** arising out of the media, but only when such **Claims** allege a **Media Wrongful Act** falling within sections 1-9 above;

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

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

26. **Personal Injury** means any of the following offenses:
- a. False arrest, detention, or imprisonment or malicious prosecution;
  - b. Shock, mental anguish, mental injury or humiliation
  - c. Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
  - d. Wrongful entry or eviction or other invasion of the right of private occupancy;
  - e. **Discrimination** or violation of civil rights other than **Employment Practices Liability**, not intentionally committed by or at the direction of the **Member**;
27. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **Waste**. **Waste** includes materials to be recycled, reconditioned or reclaimed. The term **Pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users.
28. **Property Damage** means:
- a. Physical injury to or destruction of tangible property which occurs during the **Coverage Period**, including the loss of use thereof at any time resulting therefrom;
  - b. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an **Occurrence** or **Wrongful Act** during the **Coverage Period**.
29. **Sexual or Workplace Harassment** shall mean any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or person acting in concert, which causes physical and/or mental injuries. **Sexual or Workplace Harassment** also includes the above conduct when:
- a. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment, or a basis for employment decisions affecting a person; or
  - b. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
- Sexual or Workplace Harassment** does NOT include **Sexual Misconduct** as defined in this Memorandum.
30. **Sexual Misconduct** means:
- A. The actual, attempted or alleged abuse or molestation of a person by another person, or persons acting in concert which causes physical and/or mental injuries. Sexual molestation includes: sexual abuse, sexual assault, sexual exploitation or sexual injury; or

- B. The negligent employment, investigation, supervision, reporting to the proper authorities or failure to report the above of a Covered Person.
31. **Territory** means an **Occurrence** or a **Wrongful Act** that takes place during the **Coverage Period**, anywhere in the world as well as **Claims** brought anywhere in the world.
32. **Ultimate Net Loss** means the amount of paid **Claims** liability for **Damages** for which the **Member** is liable on a per **Occurrence** or **Wrongful Act** basis, either by (1) adjudication, or (2) compromise with the prior written consent of the CSURMA AORMA, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** includes defense attorney fees and costs of the **Member** in defense of the **Claim** and also includes court costs, **Loss Adjustment Expenses**, and other associated costs and expenses, but does not include any salaries of the **Member's** regular **Employees**. **Ultimate Net Loss** includes retrospective benefit ("back wages"), but does not include prospective benefits ("forward wages"), payable as part of a **Claims** for **Employment Practices Liability** covered under this Memorandum. **Ultimate Net Loss** shall not include any of the above-described expenses for **Damages** against a **Member** or defense expenses incurred because of liability excluded by this Memorandum.
33. The following definitions are applicable only to **Exclusion T – Nuclear Material**:
- A. **Hazardous Properties** include radioactive, toxic or explosive properties;
- B. **Nuclear Material** means source material, special **Nuclear Material** or byproduct material;
- C. Source material, special **Nuclear Material** and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- D. **Spent Fuel** means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**;
- E. **Waste** means any **Waste** material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any **Nuclear Facility** included within the definition of **Nuclear Facility** under paragraph a. or b. thereof;
- F. **Nuclear Facility** means:
- 1) Any **Nuclear Reactor**;
  - 2) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **Spent Fuel**, or (3) handling, processing or packaging **Waste**;
  - 3) Any equipment or device used for the processing, fabricating or alloying of special **Nuclear Material** if at any time the total amount of such material in the custody of the **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
  - 4) Any structure, basin, excavation site premises or place prepared or used for the storage or disposal of **Waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- G. **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a supporting chain reaction or to contain a critical mass of fissionable material.

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

34. **Unmanned Aerial Vehicle** means any vehicle without a human pilot aboard capable of flight principally in the air that is designed for the transport of equipment and weighing no more than 100 lbs. maximum take-off weight.
35. **Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between an **Employee** and a **Member** in a manner and/or a reason which is contrary to applicable law.

### SECTION III - DEFENSE AND SETTLEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

An **Occurrence** or **Wrongful Act** with a duration of more than one **Coverage Period** shall be treated as a single **Occurrence** or **Wrongful Act** arising during the **Coverage Period** when the **Occurrence** or **Wrongful Act** ends and under no circumstances shall the fact that said **Occurrence** or **Wrongful Act** have a duration of more than one **Coverage Period** entitle a **Covered Party** to more than one Limit of Liability or to coverage under more than one Memorandum.

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

## SECTION V - COVERED PARTIES

The parties covered by the CSURMA AORMA:

1. The **Member**.
2. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the **Member**:
  - A. Governing Board.
  - B. Officers.
  - C. **Employees**.

- D. Non-compensated individuals, while acting for or on behalf of the **Member**.
3. Additional Covered Parties as defined in Section II, 1. of this document.
4. **Covered Individuals** as defined in Section II, 9. of this document.
5. Any person while using an owned **Automobile**, or non-owned **Automobile**, or a hired **Automobile** and any person or organization legally responsible for the use thereof, including garage operations, provided the actual use of the **Automobile** is by or with permission of the **Member**.

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

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

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

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

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

## SECTION V – EXCLUSIONS

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

1. Aircraft  
The ownership, maintenance, loading or unloading, use or operation of any **Aircraft** capable of flight. This exclusion does not apply to static **Aircraft**, or to an **Unmanned Aerial Vehicle**.
2. Asbestos  
The presence of, or installation or removal of, asbestos or any product containing asbestos material.
3. Assault and Battery  
Arising out of assaults and batteries, except for assault and battery committed by or directed for the purpose of protecting persons or property or where same are not committed by or at the direction of the **Member**.
4. Aviation Activities

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

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

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

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

This exclusion shall not apply, however, to the ownership, maintenance, loading or unloading, use or operation of any **Unmanned Aerial Vehicle**.

5. Bodily Injury

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

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

6. Contractual Obligations

The actual or alleged failure to perform or breach of any contract, agreement or other guarantee or promise, except this exclusion does not apply to any employment related contracts as provided under **Employment Practices Liability**. This exclusion does not apply to liability for **damages** that the **Member** would have in the absence of the contract or agreement.

7. Dams

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

8. Employee Benefits Liability

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

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

Except as provided within the Fiduciary Liability Coverage endorsement.

9. ERISA

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

Except as provided within the Fiduciary Liability Coverage endorsement.

10. Fiduciary Liability

To liability arising out of;

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

Except as provided within the Fiduciary Liability Coverage endorsement.

11. Funds, Grants or Appropriations

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

12. Insolvency

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

13. Intentional Conduct

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

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

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

14. Lack of Occurrence or Wrongful Act

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

15. Land Use

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

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

16. Lead

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

17. Medical Malpractice

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

- A. The rendering or failure to render:
  - a. Medical, surgical, dental, x-ray or nursing service or treatment, or furnishing of food or beverages in connection therewith;
  - b. Any service or treatment related to physical or mental health or of a professional nature;
  - c. Any cosmetic or tonsorial service or treatment.
- B. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to liability arising out of

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

- C. First aid to any person. For the purposes of this exception, first aid means the immediate and emergency care given to an ill or injured person before regular medical aid can be obtained.
- D. Any medical services clinic that does not perform invasive surgery of any kind; or
- E. Operations performed by coroners.
- F. Volunteer medical personnel while attending an activity sponsored by the Member or while on school premises under the **Member's** control.

18. Mold

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

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

19. Non-Compensatory Amounts and/or Damages

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

20. Nuclear Material

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

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

- 3) The injury, sickness, disease, death or destruction arises out of the furnishing by a **Member** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any **Nuclear Facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this part c. applies only to injury to or destruction of property at such **Nuclear Facility**.

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

21. Office of Foreign Assets Control (OFAC)

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

22. Pollution

For any loss, cost, or expense:

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

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

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

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

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

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

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

23. Property Damage

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

Arising from **Property Damage** to:

- A. Property owned by a **Covered Party**; or

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

24. Silica

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

25. Subsidence

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

26. Terrorism

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

27. War

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

28. Watercraft

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

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

29. Wrongful Acts

- A. Arising from any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations. This exclusion shall not apply to a **Claim** brought by (i) an **Employee** alleging **Wrongful Termination** or retaliation as a result of strike activity or union involvement, or (ii) a law enforcement officer responding within the scope of his or her duties to any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations.

- B. For injunctions, equitable relief, or any other form of relief other than the payment of money **Damages**.
- C. Liability arising out of an alleged willful commission of a crime by **Member** or other dishonest fraudulent, or malicious act. At CSURMA AORMA's discretion, however, CSURMA AORMA will pay for **Loss Adjustment Expense** until final adjudication, judgment, or settlement to which CSURMA AORMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA AORMA for all costs associated with the defense.
- D. Liability arising out of a **Member's Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled. At CSURMA AORMA's discretion, however, CSURMA AORMA will pay **Loss Adjustment Expense** for any **Claim** or Suit arising from an alleged willful commission of a crime by a **Member** or other dishonor, fraudulent or malicious act, for any **Claim** or Suit arising out of the Members **Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled until final adjudication, judgment, settlement to which CSURMA AORMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA AORMA for all costs associated with the defense.

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

30. Under Errors and Omissions Liability:

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

31. Under Media Wrongful Acts:

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

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

32. Uninsured/Underinsured Motorists

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

## SECTION VII - COVERAGE EXTENSIONS

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

1. On premises the **Member** owns or rents,
2. On ways next to premises the **Member** owns or rents, or
3. Because of the **Member's** operations;
4. Provided that:
  - A. The accident takes place in the covered **territory** and during the **Coverage Period**;
  - B. The expenses are incurred and reported to CSURMA AORMA within one (1) year or the date of the accident; and
  - C. The injured person submits to examination, at CSURMA AORMA's expense, by physicians of the CSURMA AORMA's choice as often as CSURMA AORMA reasonably require.
    - 1) CSURMA AORMA will make these payments regardless of fault. These payments will not exceed the applicable limit of coverage. CSURMA AORMA will pay reasonable expenses for:
      - a) First aid administered at the time of an accident;
      - b) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
      - c) Necessary ambulance, hospital, professional nursing and funeral services.
    - 2) The Program will not pay expenses for **Bodily Injury**:
      - a) To any **Member**;
      - b) To a person hired to do work for or on behalf of any **Member** or a tenant of any **Member**;
      - c) To a person injured on that part of premises the **Member** owns or rents that the person normally occupies;
      - d) To a person, whether or not an **Employee** of any **Member**, if benefits for **Bodily Injury** are payable or must be provided under workers' compensation or disability benefits law or a similar law;

- e) To a person injured while taking part in athletics;
- f) To a person who is a student of the California State University or a participant enrolled in a CSU sponsored program;
- g) Included with the products- **Completed Operations Hazard**; and
- h) Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

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

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

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

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

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

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

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

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

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

1. Loss to any Expensive, Exotic or Antique **Hired Automobile**; semi-trailer trucks; motorcycles, mopeds, or motorbikes. Antique **Automobile** is defined as any vehicle over twenty (20) years old or any vehicle that has not been manufactured for ten (10) years or more. Examples of excluded Expensive or Exotic vehicles include but are not limited to those manufactured by Aston Martin, Bentley, Bricklin, Daimler, DeLorean, Excalibur, Ferrari, Jensen, Lamborghini, Lotus, Maerati, Porsche and Rolls Royce. However, selected models of BMW, Mercedes-Benz, Cadillac and Lincoln are covered.
2. Loss to any **Hired Automobile** while used in any professional or organized racing or demolition contest or stunt activity, or while practicing for such contest or activity. CSURMA AORMA will also not pay for Loss to any covered **Hired Automobile** while that covered **Hired Automobile** is being prepared for such contest or activity.
3. Loss caused by or resulting from any of the following unless caused by other Loss that is covered by this coverage:
  - A. Wear and tear, freezing or mechanical or electrical breakdown; or
  - B. Blowouts, punctures or other road damage to tires.
4. Loss to any of the following:
  - A. Tapes, records, discs, or other similar audio, visual data electronic devices designed for use with audio, visual or data electronic equipment.
  - B. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.
  - C. Any electronic equipment, without regard to whether the equipment is permanently installed, that receives or transmits audio, visual, or data signals and that is not designed solely for the reproduction of sound.
  - D. Any accessories used with the electronic equipment described in Exclusion d.iii do not apply to:
    - 1) Equipment designed solely for the reproduction of sound and accessories, provided such equipment is permanently installed in the covered **Hired Automobile** at the time of the loss or such equipment is removable from a housing unit which is permanently installed in the covered **Hired Automobile** at the time of loss, and such equipment is designed to be solely operated by use of the power from the covered **Hired Automobile's** electrical system, in or upon the covered **Hired Automobile**.
    - 2) Any other electronic equipment that is:
      - a) Necessary for the normal operation of the covered **Hired Automobile** or the monitoring of the covered **Hired Automobile's** operating system
      - b) An integral part of the same unit housing any sound reproducing equipment described above in i. above and permanently installed in the opening of the dash or console of the covered **Hired Automobile** normally used by the manufacturer for installation of a radio.

- E. CSURMA AORMA will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provisions of this Endorsement.
- F. Loss arising out of any violation of the rental car agreement. This exclusion does not apply to operation of a **Hired Automobile** on non-paved roads when the off-road operation is authorized by a **Covered Party** for an appropriate business operation and the **Hired Automobile** is appropriate for the conditions of the non-paved road.
- G. Damage to **Hired Automobile's** that are hired, rented or borrowed for more than thirty (30) consecutive days.
- H. Loss or theft of personal belongings.
- I. **Damages** resulting from any **Covered Party's** personal liability.
- J. Loss due to intentional acts, or due to the driver(s) being under the influence of alcohol, intoxicants, or drugs, or due to contraband or illegal activities.
- K. CSURMA AORMA will not pay for confiscation by authorities.
- L. CSURMA AORMA will not pay for losses reported more than forty-five (45) days from the date of loss.

#### SECTION VIII – CONDITIONS

1. Action Against CSURMA AORMA - No action shall lie against CSURMA AORMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA AORMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA AORMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability.
2. Arbitration:
  - A. In the event that a question or dispute arises between CSURMA AORMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an **Occurrence** or **Wrongful Act** or **Claim** against the **Covered Party**, either the **Covered Party** or CSURMA AORMA may make a written request for arbitration. Where such a request is made, arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.
  - B. If a **Covered Party** and CSURMA AORMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision

agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.

- C. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).
3. Assignment: No assignment of interest under this Memorandum shall bind CSURMA AORMA without its written consent to endorse hereon.
4. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Member** or any **Covered Party** shall not relieve CSURMA AORMA of any of its obligations hereunder nor shall such bankruptcy or insolvency increase CSURMA AORMA'S obligations hereunder.
5. Cancellation and Termination:  
Coverage provided under this Memorandum may be terminated at any time in accordance with the terms set forth in the CSURMA Joint Powers Agreement and Bylaws and the Policies and Procedures.
6. Changes to the Memorandum: This Memorandum may not be amended or changed in any respect, nor shall any provision of this Memorandum be deemed to have been waived by CSURMA AORMA, unless and until a written endorsement which expressly amends this Memorandum or waives a provision thereof has been duly issued by CSURMA AORMA and made a part of this Memorandum, unless the CSURMA AORMA policies and procedures regarding claims reporting and claims administration and litigation management have been amended by CSURMA AORMA.
7. Claims Settlement: As stated in the CSURMA AORMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management:
8. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA AORMA's rules and rates. CSURMA AORMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
9. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit: The following provisions and the provisions of the CSURMA AORMA Memorandum and Policy and Procedure on claims reporting and Claims Administration and Litigation Management are conditions precedent to coverage under this Memorandum. The **Covered Party's** failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA AORMA.
1. In the event of any **occurrence** or an offense which may result in a claim, suit or proceeding against a **Covered Party**, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the **Member** to the Third Party Claims Administrator (TPA) as soon as practicable.
  2. When the **Member** submits the first claim report, the following information shall be included, if available and applicable:
    - a. How, when and where the **occurrence** or offense took place;
    - b. The names and addresses of any injured persons and witnesses;
    - c. The nature and location of any injury or damage arising out of the **occurrence** or offense;

- d. Incident reports;
  - e. Investigation reports;
  - f. Police reports;
  - g. Claim notices and **Member** and any other involved **Covered Party** response(s);
  - h. Medical reports; and
  - i. Other information helpful to CSURMA AORMA.
3. The **Member** and any other involved **Covered Party** shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the **Member** or other involved **Covered Party** to the TPA and authorize CSURMA AORMA to obtain records and other information;
- a. Late Reporting Penalties
    - i. If an **occurrence**, offense, claim, suit or proceeding is not reported by the **Member** to the TPA within the timeframes set below; the following late reporting schedule shall apply;
    - ii. If an **occurrence**, offense, claim or suit is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
    - iii. If an **occurrence**, offense, claim or suit is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply; or
    - iv. If an **occurrence**, offense, claim or suit is reported more than 12 months late as determined by the TPA, no recovery will be available to the **Member** or other involved **Covered Party**.
4. The **Member** and any other involved **Covered Party** will cooperate with CSURMA AORMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA AORMA, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply.
10. Inspection and Audit: CSURMA AORMA shall have the right, but not the obligation, to inspect the **Member's** property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of the **Member** or others, to determine or warrant that such property or operations are safe or healthy.
- The **Member** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to CSURMA AORMA at the end of the **Coverage Period** and at such times during the **Coverage Period** as we may direct. CSURMA AORMA may examine and audit **Member's** books and records as they related to this Policy at any time during the **Coverage Period** and extensions thereof and within three (3) years after the final termination of this Policy.

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

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

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

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

1. Primary Coverage

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

2. Excess Coverage:

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

3. Method of Sharing:

- b. If all of the other coverage permits contribution by equal shares, CSURMA AORMA will also permit contribution by equal shares. Under this approach, each coverage

provider contributes equal amounts until the applicable limit of liability has been paid or none of the **ultimate net loss** remains, whichever comes first; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. Coverage

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

B. Exclusions

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

1. Punitive or exemplary **Damages**.

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

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

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

#### C. Limit of Liability

1. Regardless of the number of covered **Automobiles**, the **Member**, premiums paid, **Claims** made or **Automobiles** involved in the **Occurrence**, the most CSURMA AORMA will pay for all **Damages** resulting from any one **Occurrence** is the limit of liability for Uninsured or Underinsured Motorists coverage shown in the schedule of Declarations Page.
2. For an **Automobile** described in Paragraph b. of the definition of Uninsured Motor Vehicle, our limit of liability shall be reduced by all sums paid because of **Bodily Injury** by or for anyone who is legally responsible, including all sums paid or payable under this policy's liability coverage.
3. No one will be entitled to receive duplicate payment under this coverage for any element of **Damages** for which payment has been made by or for anyone who is legally responsible.

4. CSURMA AORMA will not make a duplicate payment under this coverage for any element of **Damages** for which payment has been made by or for anyone who is legally responsible.
5. CSURMA AORMA will not pay for any element of **Damages** if a person is entitled to receive payment for the same element of **Damages** under any workers' compensation, disability benefits or similar law.

D. Changes in Conditions

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

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

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

- a. Agreement as to the amount due under this Memorandum has been concluded;
- b. The **Covered Party** has formally instituted arbitration proceedings against CSURMA AORMA. In the event that the **Covered Party** decides to arbitrate, the **Covered Party** must formally begin arbitration proceedings by notifying CSURMA AORMA in writing, sent by certified mail, return receipt requested; or
- c. **Claim**, suit or proceeding, for **Bodily Injury** has been filed against the Uninsured Motorist in a court of competent jurisdiction.

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

4. Other Insurance is replaced by the following:

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

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

E. Additional Definitions

1. Occupying means in, upon, getting in, on, out or off.
2. Uninsured or Underinsured Motor Vehicle means a land motor **Automobile** or trailer:
  - a. For which no liability bond or policy at the time of an **Occurrence** provides at least the amounts required by the applicable law where a covered **Automobile** is principally garaged;
  - b. That is an Underinsured Motor Vehicle. An Underinsured Motor Vehicle is a land motor vehicle or for which the sum of all liability bonds or policies at the time of an **Occurrence** provides at least the amounts required by the applicable law where

a covered **Automobile** is principally garaged but that sum is less than the limit of liability for this coverage;

- c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent;
- d. That is a hit-and-run **Automobile** and neither the driver nor owner can be identified. The **Automobile** must make physical contact with a **Covered Party**, a covered **Automobile** or an **Automobile** a **Covered Party** is occupying; or
- e. That is owned by the **Member** and operated or caused to be operated by a person without the owner's consent in connection with criminal activity that has been documented in a police report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**FIDUCIARY LIABILITY  
AMENDATORY ENDORSEMENT - #3**

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

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

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

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

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

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

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

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

C. EXCLUSIONS

Exclusion 7 - Employee Benefits Liability Claim, Exclusion 9 – Employee Retirement Income Security Act (ERISA) and Exclusion 10 - Fiduciary Liability do not apply to the **Administration of the Covered Party's Employee Benefit Plans** or **Covered Party's Trusts**, but only up to the limit of liability stated above for CSURMA AORMA .

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

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

#### D. DEFINITIONS

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

1. **Administration** means:
  - a. Providing information, advice, counsel or notice to **Employees** or Trust beneficiaries, with respect to the Employee Benefits Plan or Trust;
  - b. Providing interpretations of the Employee Benefits Plan or Trust;
  - c. Handling records in connection with the Employee Benefits Plan or Trust, or
  - d. Effecting enrollment, termination or cancellation of **Employees**, participants, or beneficiaries under the Employee Benefit Plan.
  
2. **Claim** means:
  - a. A written demand for specific monetary, non-pecuniary, or injunctive relief;
  - b. A criminal or civil proceeding for monetary, non-pecuniary or injunctive relief which is commenced by;
    - i. Service of a complaint or similar pleading; or
    - ii. Return of an indictment (in the case of criminal proceeding); or
    - iii. Receipt or filing of a notice of changes; or
  - c. A formal agency or regulatory proceeding to which a **Covered Party** is subject  
Made against a **Covered Party** alleging a **Wrongful Act**.
  
3. **Claims Expenses** mean reasonable expenditures incurred by a **Covered Party** in defense of a **Claim** covered under this endorsement, including but not limited to, cost of investigations, experts, adjustment services, legal services, court costs and similar expenses; provided however that **Claims Expenses** does not include wages or salaries of a **Covered Party**, or cost of attachment or similar bonds.
  
4. **Covered Party** means any natural person who was, is now, or becomes:
  - a. A trustee, **Member** of the board of directors, officer, in-house general counsel or an **Employee** of the **Member** of an Employee Benefit Plan or Trust, while acting in his or her capacity as a fiduciary of an Employee Benefit Plan or Trust or as a person performing **Administration** for an Employee Benefit Plan or Trust, or who is;
  - b. Assigned to act as a trustee, or an agent for finances of an Employee Benefit Plan or Trust.
  
5. Employee Benefit Plan means a program providing some or all of the following benefits to **Employees**:
  - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an

**Employee** may subscribe to such benefits and such benefits are made generally available to those **Employees** who satisfy the plan's eligibility requirements;

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

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

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

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

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

## **AORMA WORKERS' COMPENSATION PROGRAM CLAIMS ADMINISTRATION AUDIT REPORT**

**ISSUE:** CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers' Compensation Risk Pool claims. Pursuant to CSURMA Policy and Procedure No. 5, a regular performance audit is performed to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements outlined in the Service Agreement between CSURMA and Sedgwick CMS. A service performance audit on the AORMA for 2016 was completed by Jacki Graf, CSURMA's Workers' Compensation Claims Consultant in June 2016. This is the 4<sup>th</sup> audit of the AORMA WC program.

**RECOMMENDATION:** Staff recommends that the Committee review and accept the audit report.

**FISCAL IMPACT:** No direct fiscal impact is expected from action on this item at today's meeting.

**BACKGROUND:** CSU is permissibly uninsured for Workers' Compensation. An agreement between CSURMA and Sedgwick CMS for Workers' Compensation claims administration contains performance standards required by CSURMA and associated compliance measurement for each party. A brief summary of the audit findings follows:

1. A 19% sample of the open indemnity/future medical inventory was reviewed.
2. Overall score 88%. This is the strongest result to date, a 2% increase over 2014 result.
3. Category results - Initial Contact/Documentation: 89%, Claims Management: 89%, Process Control 87%.
4. Areas of Strength
  - a. Medical direction / control – 9 or the 12 categories reviewed scored at 95% or above,
  - b. Attorney referral,
  - c. Attorney case analysis,
  - d. Attorney reports,
  - e. Issues outlined,
  - f. Diary

5. Areas to focus upon in coming year;
  - a. Employee follow - up contact,
  - b. Supervisory contact,
  - c. Indexing on converted medical only files and annual follow-up,
  - d. Diversity in attorney selection,
  - e. Establishment of a consistent file and service process,
  - f. Timely response to attorney direction,
  - g. Improvement to settlement authorization timeliness,
  - h. Response to changes in file status from a reserve standpoint within 30 days,
  - i. Timely identification of initial excess reporting,
  - j. Compliance with claims balance worksheet requirements.

The audit confirmed that the files are well handled and the two examiners serving the AORMA program are knowledgeable. They have good working relationships with the Members and manage the files appropriately through timely diary. Good supervisory involvement is noted in the files on a regular basis.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Workers' Compensation Program Claims Administration Audit Report

**csurma · aorma**

California State University Risk Management Authority  
Auxiliary Organizations Risk Management Alliance



# CSURMA AORMA WORKERS' COMPENSATION CLAIMS TPA AUDIT REPORT (2016)



**Alliant**

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# Introduction

## 1. INTRODUCTION

The California State University Risk Management Authority (CSURMA) is a joint powers authority between the CSU and its 88 not-for-profit auxiliary organizations joined to protect member resources by providing broad coverage and quality risk management services that stabilize risk cost in a reliable, economical and beneficial manner.

Currently, all auxiliary organizations participate in the Auxiliary Organization Risk Management Alliance known as AORMA. 56 of these AORMA members have employees of which 49 participate in the AORMA Workers' Compensation program.

In May 2004, two auxiliary organizations, Associated Students, San Diego State University and University Center, Humboldt State University, formed AO-COMP, Inc., a mutual benefit corporation, to self-insure its workers' compensation liabilities. AO-COMP was the state's first self-insured group (SIG) for not-for-profit organizations. AO-COMP, Inc. grew to include 44 auxiliary organizations. In 2006, AO-COMP, Inc. received permission from the State of California's Manager of Self-Insured Plans, to sell all outstanding liabilities to the CSURMA, a Joint Powers Authority comprised of the CSU and its Auxiliary Organizations in Good Standing. The AORMA WC Program continues to operate as a self-insured program of the CSURMA JPA.

Sedgwick, formerly Octagon, has been the Third Party Administrator (TPA) since the inception of the AORMA's Workers Compensation program.

Three prior Worker's Compensation claims program audits took place in 2009, 2011 and 2014 respectively, pursuant with CSURMA Policy and Procedure No. 5.

The 4th audit of the AORMA Workers' Compensation claims program was undertaken in June 2016. The intent of this audit is to evaluate the program's performance in accordance with the Claims Handling Procedures and Guidelines per Policy and Procedure W-4.

This report contains the result of the audit. It has been a pleasure to provide claims auditing services on behalf of AORMA Workers' Compensation program.

This report contains the result of the audit. It has been a pleasure to provide claims auditing services on behalf of AORMA Workers' Compensation program.

**ALLIANT INSURANCE SERVICES**

**Jacki Graf**

**2. EXECUTIVE SUMMARY**

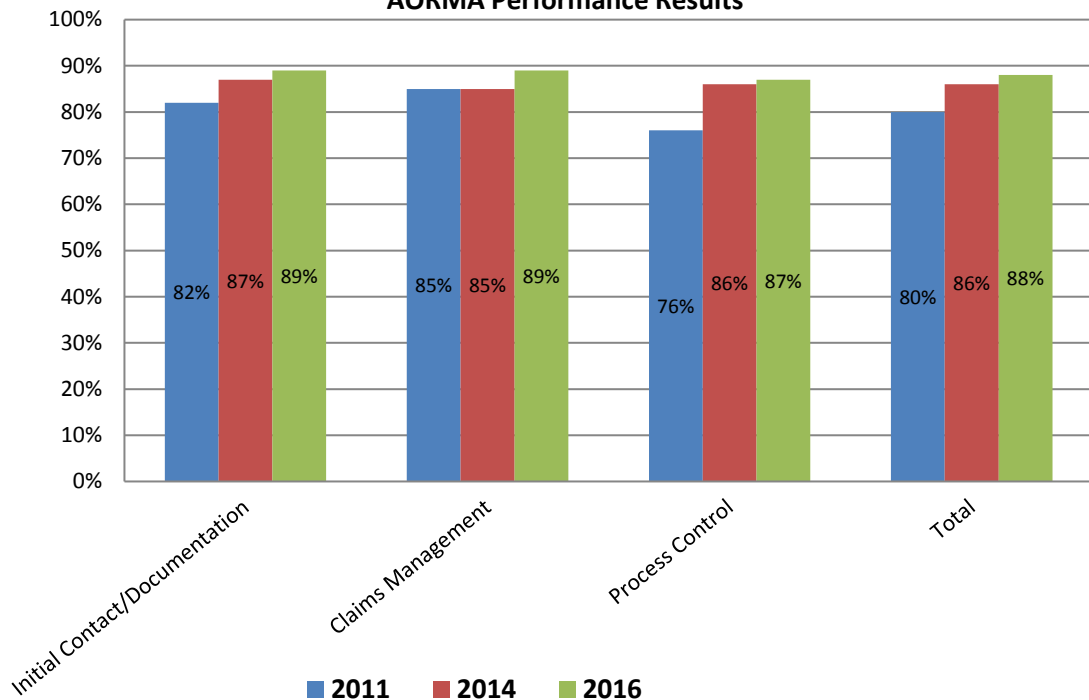
**2.1 OVERVIEW**

An audit of 24 workers' compensation files (19% of the open indemnity/future medical inventory) was performed in May/June 2016 through the iVOS claims system. The claim files were viewed on line in the iVOS claims management system and documentation compared, as needed, to the scanned paper file in SIR (Scanned Information Retrieval).

The files were selected from the following claim populations, new claims, delayed claims, high dollar value claims, disability management claims and complex claims

Sedgwick's audit score for this review was 88% overall. This is an increase of 2% over the 2014 audit and the strongest result to date. The Audit results are summarized in three categories: Initial Contact/Documentation, Claims Management and Process Control. The chart below illustrates the 2016 audit result and compares same with the 2014 and 2011 findings.

**Table 1: 2011/2014/2016  
AORMA Performance Results**



**2.2 FINDINGS**

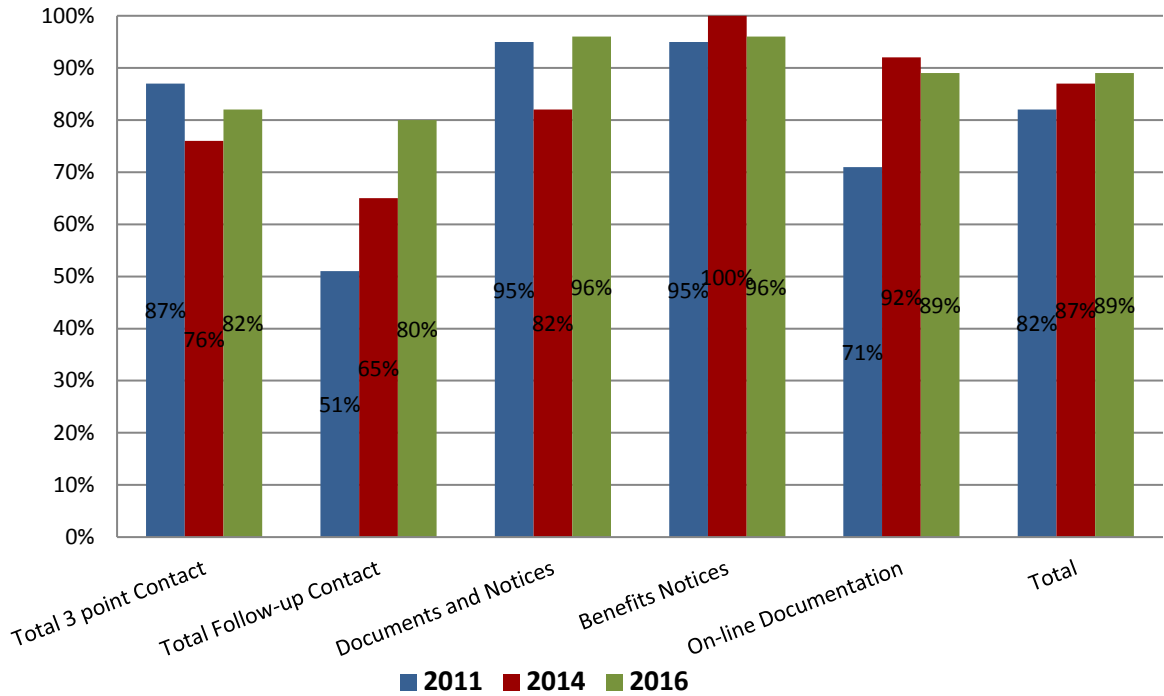
This section will address the findings in the major audit areas of Initial Contact and Documentation, Claims Management and Process Control.

**2.2.1 FINDINGS – INITIAL CONTACT AND DOCUMENTATION**

The overall result in this category was 89%. This represents a 2% point improvement from 2014 result.

The chart below illustrates the subcategories within this section and compares the 2016 with the 2014 and 2011 results.

**Table 2: Initial Contact and Documentation**



**FINDINGS**

Subcategories meeting the standard of performance (85%) are: Documents and Notices: 96%, Benefit Notices 96% and On-line Documentation 89%.

The areas where the result was below standard are: 3 Point Contact 82% and Follow-up Contact 80%. It is noted that both of these categories enjoyed an increase in performance of 6% and 15% respectively.

**Initial Contact and Documentation Comments:**

**3 Point Contact** improved 6%. Employee and Coordinator contacts are strong. The area where improvement is needed is in the Supervisor category. This was targeted as an area of concern in the last review and has actually lost ground. It is this reviewer's opinion, supervisor contact is necessary in many instances to understand the mechanism of injury and any pertinent employment factors that can affect claims handling and decisions. Should direct supervisor contact be deemed unnecessary, the file documentation should reflect this.

**Follow - up contact** increased by 15%, missing standard by 5%. On-going employee contact will resolve questions/concerns from the injured worker about the worker's compensation process, will provide the examiner with information to better handle the claim file and is believed to reduce litigation. The employee follow up contact met goal in the Disability Management and New files, but was not sustained in the High dollar or Delayed claims.

Good claims practices support ongoing employee contact to positively impact the employee's claim's experience and therefore lessen litigation in this inventory.

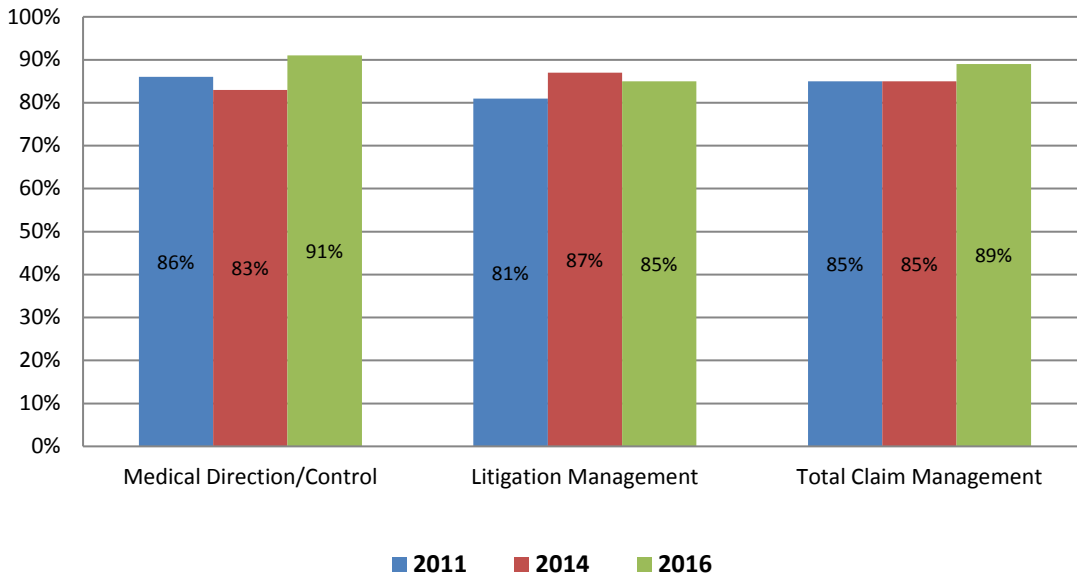
**Benefit Notices** is strong at 96%

**On-Line Documentation** lost a bit of ground with a 3% drop in score. Not all action plans were current. Some may have an updated entry date in the notepad, but did not reflect current information; they were merely an exact cut and paste of the prior action plan. Some did not contain documentation of the current claim status. Prior record summary was also inconsistent.

**Documents and Notices** improved. Previously there was a concern about the filing of the claim form in the scanned claim file. In this review, documents were noted in the file and located in SIR.

**2.2.2 FINDINGS – CLAIMS MANAGEMENT**

**Table 3: Claims Management**



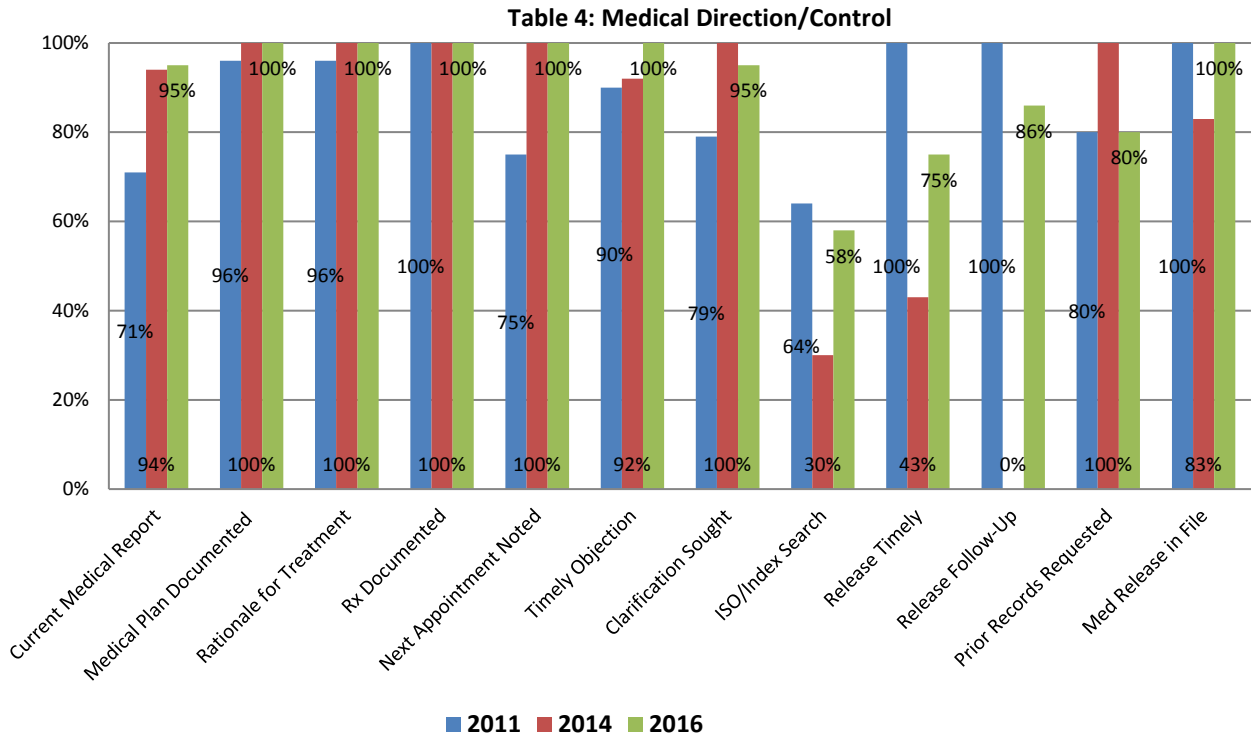
The category of Claims Management is composed of two subcategories: Medical Direction/Control and Litigation Management.

Sedgwick achieved 89% in the overall Claims Management category. In the respective subcategories, the scores achieved were: 91% in Medical Direction and 85% in Litigation Management.

The Claims Management result in 2016 improved 8% in the Medical Direction/Control category, and lost 2% in the Litigation Management category. This resulted in over improvement of 2%.

**FINDINGS**

The breakdown within each sub category is displayed in the charts below:



**Comments:**

Medical Direction/Control: 91%

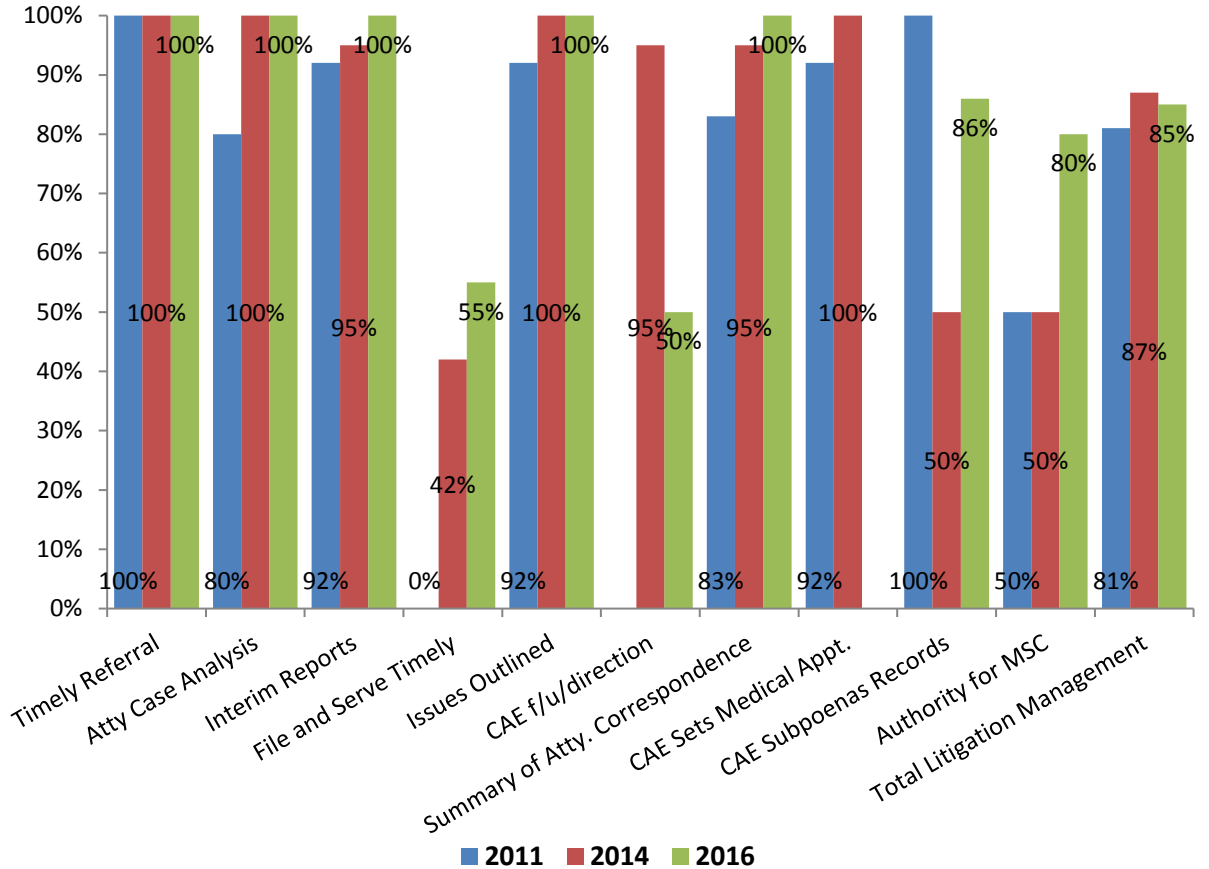
There was some fluctuation in the sub categories. Excellent results in all categories except for a handful.

Three areas are not at standard:

- **ISO Search:** 58% - this is a less than satisfactory result, while improved from last audit of 43%. Files had initial ISO indexes, but follow up indexing annually did not occur regularly. I believe this can be controlled by Business Rule in the iVOS system. A similar type of automatic prompt will need to be established in the Juris system going forward.
- **Release Timely:** 75% - while below standard, this is a vast improvement from the 2014 result of 43%. There is still some improvement needed, particularly in those files that convert from Medical Only to Indemnity status.
- **Prior Records Requested:** 80% - this areas lost some ground, it was 100% in the prior audit.

**FINDINGS**

**Table 5: Litigation Management**



**Litigation Management:** The overall score in this category changed from 87% to 85%. Excellent scores were achieved in the areas of: Timely Referral (100%), Attorney Case Analysis (100%), Interim Reports (95%), Issues outlined (100%), Summary of Attorney Correspondence (100%), and Examiner Sets Medical appointment (100%).

Examiner Subpoenas Records category achieved above standard score. (86%)

Three areas are below standard: File and Serve Timely (55%), Examiner Follow-Up (50%), and Authority for MSC (80%).

The legal events, strategy and correspondence were well documented in the files reviewed. While the File and Serve process remains below standard, there was an improvement in this area from the last audit finding of 42%. A consistent process needs to be in place for the Filing and Serving of medical reports.

**FINDINGS**

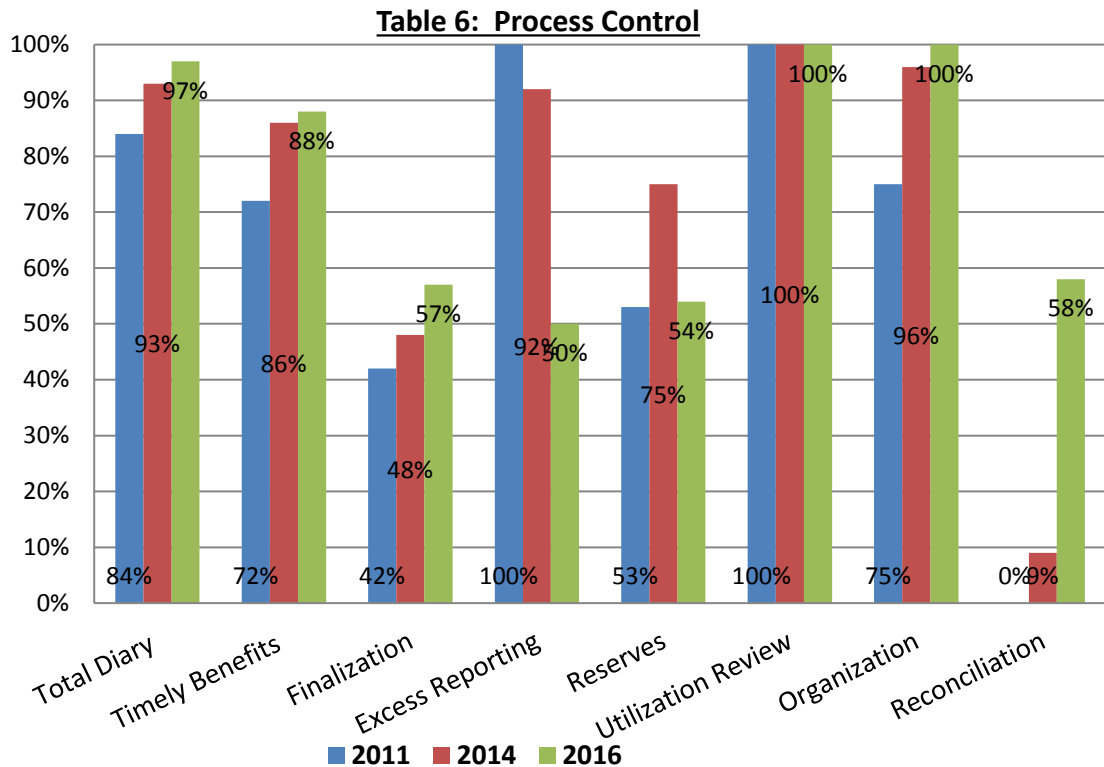
The other area requiring improvement is in that of the Examiner Follow-up category. Defense Attorney correspondence requested informational items and documents on several occasions without action by the examiner. In some instances there were repeated requests for the same information.

I noted a high incidence of litigation in this inventory. From reports run from the system there appears to be legal activity on 49% of the open indemnity/future medical inventory. This finding will be further explored.

There continues to be a strong reliance on a single attorney in this program. It is recommended that the Attorney referrals reflect more diversity in assignment in the future.

**2.2.3 FINDINGS – PROCESS CONTROL**

In the area of process control, Sedgwick achieved a result of 87%; a 1% increase from the last review.



# FINDINGS

## Comments:

- Total Diary: The audit revealed that the examiner regularly reviewed the files at 30 day intervals 97% of the time. The supervisor involvement in the files was consistent at 100%. Excellent result.
- Timely benefits were identified in 88% of the files, an improvement over the last audit finding of 86% of the claims reviewed.
- The Finalization Result is composed of 3 factors: Obtaining a rating within 30 days of a Permanent and Stationary report: 100%, Completing a Settlement Authorization Request within 30 days of the rating: 0% and Accuracy in paying the award: 100%. The rating result is a complete turnaround from the prior result of 63%. No Settlement Authority requests made it through the Sedgwick internal approval process in 30 days. The examiner did prepare the document timely, but management approval process was not completed within the 30 day timeframe.
- Excess reporting evaluates three aspects of the reporting process: Timely initial notification (Carrier Notified): 0%, whether reports were timely (Notified Timely): 50% and Report Current: 67%. One claim was identified that had not been reported to excess, one of the initial reports was late, and one file required an updated report. This area needs much tighter control.
- Reserves are evaluated for adequacy: 54% and whether they were adjusted timely (within 30 days of a change in circumstances affecting the monetary exposure): 54%. This area has reverted to the result in the 2011 review. The probable dollar exposure is not recognized in a timely manner and therefore not changed timely.
- The Utilization Review result was 100%.
- The Organization result was 100%.
- Reconciliation has improved to 58%. This is still not at standard, but a marked improvement over the 9% result in the last review.

## 2.3 RECOMMENDATIONS

Listed below are recommendations by category:

### 2.3.1 General Recommendations & Comments

An annual review of the Claims Handling procedures in light of the audit findings is recommended.

**2.3.2 Initial Contact and Documentation**

**AORMA WC Reporting and Contact Review** – Annual review of the WCC contact sheet should continue.

**Initial Contact** – Good efforts in this category. The only area to focus on is that of Supervisory Contact. If it is deemed that speaking with the injured worker’s supervisor will not be valuable in the claim, the file should be so documented. I think in most instances a direct supervisor will have information that will be necessary and helpful in the management of the file.

**Follow-up Contact** – I again stress that maintaining follow-up contact with the injured worker throughout the life of a claim is a critical component of the investigation and claims management. Files that are in delayed status would particularly benefit from follow up contact with the employee to ensure they understand the process.

Whether this is due to contacts not being made or lack of documentation of the follow up contact cannot be determined accurately due to the absence of such documentation. Claims practices support ongoing employee contact to mitigate litigation. This finding may be having an impact on the litigation rate in this inventory.

**2.3.3 Claim Management**

Overall claim management met standard.

**2.3.4 Medical Direction/Control**

Institute the following procedures:

1. As was recommended in the last audit, a review of the index process is needed to ensure that indexing is completed at claim inception and annually thereafter. Should a claim close and a subsequent request for treatment be received, indexing should also take place. Claims that change from Medical Only status to Indemnity status need to be flagged for indexing. The results of the index check should be reviewed by the examiner and documented in notepad for relevancy to the claim.
2. Review the medical release and medical history process and ensure this is consistently sent out as required.

**2.3.5 Litigation Management**

1. Seek to diversify the attorney referral assignments within a reasonable geographic area and to broaden the attorney pool used to handle the AO WC assignments. The legal panel provides adequate resources and should be utilized.
2. Consistently File and Serve medical reports in a timely fashion. A copy of the transmittal cover letter shall be maintained in the claim file.
3. Examiner shall timely respond to all requests from defense attorney and document same in claim notes or correspondence.

**2.3.6 Process Control**

**Settlement Authorization Requests:** Sedgwick needs to ensure that the review of the settlement authority request by all levels of Sedgwick management is completed within 30 days of the rating of Permanent and Stationary report.

**Reserves:** Timely respond to changes in a claim file's financial exposure within 30 days of knowledge of an event that affects the potential claim cost.

**Excess reporting:** Review the Excess reporting requirements and adhere to same. When there is a doubt about reporting, make a report. System alerts/automatic diaries should be created in the Juris claims system to ensure adherence to the reporting requirements.

**Claims Balance Worksheet:** review the requirements for this process. This procedure should be done annually, and at the following points in time; changing from one benefit type to another, SAR preparation and at file closing. System prompts should be in place to ensure compliance.

### 3. AUDIT

As the AORMA WC unit went paperless in January 2010, an online audit of the AO WC claims files was conducted by Alliant in May and June of 2016. A total of 24 files were reviewed; representing 19% of the current open inventory.

Criteria for the audit encompassed the following three major categories:

- **INITIAL CONTACT AND DOCUMENTATION**
- **CLAIMS MANAGEMENT**
- **PROCESS CONTROL**

Results in each category were compared against the AORMA Claim Service Instructions which reflect good claims handling practice.

**AUDIT RESULTS**

**4. AUDIT RESULTS**

**OVERVIEW:** Results by category are listed as a percentage. There are 3 major categories: Initial Contact/Documentation, Claim Management and Process Control. There are sub categories under each of the major categories. Categories are assessed against the requirements from the Client Service Instructions and good claims practices.

**ASSESSMENT:** The table on the next page displays all the scores by category and compares the results in 2016 with that of 2014. Results above standard (85%) in 2016 are highlighted in green and 2016 results below 80% are highlighted in yellow. The chart also show the difference in score from 2014 to 2016 and the deviation from standard 85%.

**AUDIT RESULTS**

Table 1 2014 /2016 AORMA Results	2014	2016	Change	Deviation Standard
Initial Contact/Documentation	87%	89%	2%	4%
Claims Management	85%	89%	4%	4%
Process Control	86%	87%	1%	2%
<b>Total</b>	<b>86%</b>	<b>88%</b>	<b>2%</b>	<b>3%</b>
<b>Table 2: Initial Contact and Documentation</b>				
Total 3 point Contact	76%	82%	6%	-3%
Total Follow-up Contact	65%	80%	15%	-5%
Documents and Notices	82%	96%	14%	11%
Benefits Notices	100%	96%	-4%	11%
On-line Documentation	92%	89%	-3%	4%
<b>Total</b>	<b>87%</b>	<b>89%</b>	<b>2%</b>	<b>4%</b>
<b>Table 3: Medical Direction/Control</b>				
Current Medical Report	94%	95%	1%	10%
Medical Plan Documented	100%	100%	0%	15%
Rationale for Treatment	100%	100%	0%	15%
Rx Documented	100%	100%	0%	15%
Next Appointment Noted	100%	100%	0%	15%
Timely Objection	92%	100%	8%	15%
Clarification Sought	100%	95%	-5%	10%
ISO/Index Search	30%	58%	28%	-27%
Release Timely	43%	75%	32%	-10%
Release Follow-Up	0%	86%	86%	1%
Prior Records Requested	100%	80%	-20%	-5%
Med Release in File	83%	100%	17%	15%
<b>Table 4: Litigation Management</b>				
Timely Referral	100%	100%	0%	15%
Atty Case Analysis	100%	100%	0%	15%
Interim Reports	95%	100%	5%	15%
File and Serve Timely	42%	55%	13%	-30%
Issues Outlined	100%	100%	0%	15%
CAE follow up/direction	95%	50%	-45%	-35%
Summary of Atty Correspondence	95%	100%	5%	15%
EX Subpoenas Records	50%	86%	36%	1%
Authority for MSC	50%	80%	30%	-5%
<b>Table 5: Process Control</b>				
Total Diary	93%	97%	4%	12%
Timely Benefits	86%	88%	2%	3%
Finalization	48%	57%	9%	-28%
Excess Reporting	92%	50%	-42%	-35%
Reserves	75%	54%	-21%	-31%
Utilization Review	100%	100%	0%	15%
Organization	96%	100%	4%	15%
Reconciliation	9%	58%	49%	-27%

## 5. Staffing

**OVERVIEW:** The current staffing model allows for a team of dedicated examiners plus a Supervisor and an assistant located in the Rancho Cordova office. The Supervisor assigned to the AORMA claims also has supervisory duties over the campus claims unit in Rancho Cordova.

**ASSESSMENT:** The claims examiners assigned to the AORMA WC claim files possesses a SIP certificate. All three major areas are at or exceed the 85% compliance standard.

The current supervisor has been in place on the AORMA Program for over 5 years. The primary examiner was made permanent December 2010, following a several months as a temporary examiner on the desk. A second examiner was added to the AO inventory in 2015. The caseload had become too high for one examiner, so an examiner from the campus program now handles the Auxiliaries on the Northridge campus. Both examiners enjoy good relationships with the employer contacts and the audit reflects solid claims handling. Both hold a SIP certificate. The three major areas reviewed in the audit exceed the 85% compliance standard.

Staffing appears adequate for the size and complexity of the claim inventory.

**AORMA COMMITTEE MEETING - OCTOBER 20, 2016**  
**DISCUSSION OF MEETING LOCATION**

**ISSUE:** Currently the AORMA Committee is scheduled to meet on October 20, 2016. The location for this meeting has not been finalized.

**RECOMMENDATION:** Staff recommends that the Committee discuss the proposed meeting date and items to be discuss in October and provide direct to Staff as appropriate.

**FISCAL IMPACT:** No fiscal impact is anticipated.

**BACKGROUND:** None.

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

**ATTACHMENT(S):** None.

## **MAXIMUM ALLOWABLE HOURLY RATE FOR LEGAL COUNSEL**

**ISSUE:** Policy and Procedure L-3 – Legal Counsel Selection, stipulates that Carl Warren & Company (AORMA’s liability third party claims administrator) will survey legal counsel compensation, at least every 36 months, and recommend to the AORMA Committee a fair and equitable maximum allowable hourly rate. Carl Warren believes that they have an acceptable list of employment attorneys at who are willing to work at a rate of \$225 per hour. Currently, most non-employment attorneys are billing \$185 per hour.

CSU Systemwide Risk Management reiterates that if Legal Counsel is handling the defense of any University case, then Legal Counsel must be retained at the University’s hourly rate. The AORMA Committee has accepted this caveat and has included it in Policy and Procedure L-3.

**RECOMMENDATION:** Mauri McGuire, from Carl Warren & Company believes that there are a sufficient numbers of attorneys on AORMA’s list of approved attorneys who will work at the \$225 rate. However, AORMA’s maximum rate has not been increased in several years and therefore, a discussion of increasing the maximum hourly rate for legal counsel is appropriate.

**FISCAL IMPACT:** To be determined. Increasing the maximum hourly rate for legal counsel will increase AORMA’s overall claim costs.

**BACKGROUND:** Policy and Procedure L-3 – Legal Counsel Selection, states the following:

The TPA shall maintain and update the AORMA APPROVED LEGAL COUNSEL LIST of attorneys (not firms) to which claims will be assigned. [The TPA shall at least every 36 months survey LEGAL COUNSEL Compensation and recommend to AORMA a fair and equitable MAXIMUM ALLOWABLE HOURLY RATE for LEGAL COUNSEL](#) which will address 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. However, if LEGAL COUNSEL is handling the defense of any University case, then LEGAL COUNSEL will be retained at the University’s hourly rate.

**PUBLICATION:** If an increase to the maximum allowable hourly rate for legal counsel is approved, this information will be included in the annual or quarterly update letter that is distributed to the AORMA members.

**ATTACHMENT(S):**

- a. Approved legal counsel list, including hourly rate
- b. AORMA P&P L-3 Legal Counsel Selection

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Sheppard, Mullin, Richter & Hampton LLP  
Jim Curry Available statewide \$365 combined rate  
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James Wu  
925-658-0300

**SUBJECT: LEGAL COUNSEL SELECTION**

**ADOPTED: DECEMBER 7, 2006**

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

**EFFECTIVE: JANUARY 1, 2007**

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

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

**POLICY**

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 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 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.

3. If LEGAL COUNSEL is handling the defense of any University case, then LEGAL COUNSEL will be retained at the University's hourly rate.
4. 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.
5. 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.-
6. 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.
7. Except as permitted by Paragraph Nos. 9, 10 and 11 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.
8. 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.
9. 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.
10. 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. 10 c(i), the MEMBER shall affirmatively waive its rights under No. 9 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.
11. 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.
12. AORMA will pay for INDEPENDENT COUNSEL and LEGAL COUNSEL selected and engaged pursuant to Paragraph Nos. 9 and 10 above. AORMA *will not pay for* MONITORING COUNSEL engaged pursuant to Paragraph 11, above.
13. In conjunction with LEGAL COUNSEL, selected pursuant to No. 9, 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. 9, above, may participate in the defense of the litigation but shall not interfere with AORMA's right of control.
14. 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.

**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**

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**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.

## **PRAESIDIUM PROPOSAL**

**ISSUE:** At its meeting on May 6, 2016, the CSURMA Executive Committee approved an extension of the contract with Praesidium for prevention of abuse of minors for the term July 1, 2016 to June 30, 2017. The Praesidium products and services are now offered on an “ala carte” basis. Each campus will receive a \$2,000 stipend to be used on any product or service. All Praesidium billings will run through Systemwide Risk Management (SRM) for initial payment. SRM will then seek reimbursement from the Campus or Auxiliary Organization as appropriate.

In addition to the \$2,000 per campus stipend, Praesidium will perform four regional workshops within FY 16/17.

**RECOMMENDATION:** No action is recommended; however, the Committee may provide direction to Staff as appropriate.

**FISCAL IMPACT:** This item is for discussion only and no fiscal impact is expected. The CSURMA Executive Committee did approve the contract costs of \$12,000 for the four Regional Workshops as well as \$2,000 per campus (\$48,000) and these costs have been included in the FY 16/17 CSURMA budget.

**BACKGROUND:** See the brochure attached for additional details.

**PUBLICATION:** Information explaining the products and services available through Praesidium has been sent to all members separately.

**ATTACHMENT(S):**

- a. Praesidium / CSURMA Partnership Brochure

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# Praesidium CSURMA Partnership

JULY 1, 2016 - JUNE 30, 2017



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■ CONTACT  
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# Protecting Minors on Campus Together

*As part of the systematic approach to managing risk exposures, CSURMA is providing free and discounted resources across the CSU campuses and auxiliary organizations to help manage the risk of minors. By expanding our partnership with Praesidium, CSURMA will provide a unique jump-start opportunity to customize your campus efforts.*

## **BUILDING ON YOUR CONTINUING EFFORTS**

To fully integrate minors on campus initiatives and commit to cultural changes, senior campus and auxiliary leadership should understand this risk, the potential impact on campus, and best-practice standards designed to reduce the likelihood of an incident and mitigate harm. CSURMA is sponsoring **four regional workshops with Praesidium** to facilitate this leadership commitment.

CSURMA is also making it easier to access abuse prevention services through a system-wide contract, establishing a **\$2,000 credit** for each campus to boost your existing efforts. Instead of providing one service across the system, beginning July 1, 2016 you will have the flexibility to choose what works best for you.

# Our Products and Services

CLICK ON THE ITEM BELOW FOR MORE INFO



# Praesidium Guardian Certification™

You or a selected employee committed to protecting those in your care will receive the information and skills they need to become your “boots on the ground” expert on organizational abuse prevention. Praesidium Guardians join a national community of certified Praesidium Guardians for support, guidance, and cutting edge information.

## WHAT MAKES A GOOD CANDIDATE?

Good candidates may come from any number of positions in your organization: risk management compliance, human resources, training, legal, program, and so on. What's more important is that the selected individual cares deeply about the safety of those in care; be respected by colleagues; be well-organized; and have the time and flexibility to spend up to a few hours a week executing Praesidium Guardian™ responsibilities.

## WHAT ARE THE BENEFITS?

Your expertise as a Certified Praesidium Guardian™ demonstrates to consumers and your campus community how seriously your organization takes the care of their loved ones. In fact, many carriers financially recognize the value of Praesidium's services. And of course, your credential is a valuable career enhancement.

Register now for the next  
Praesidium Guardian  
Certification Class!

November 8-10, 2016  
Dallas, TX

*Limited Seats Available*



## THE GUARDIAN EXPERIENCE

The Praesidium Guardian™ Experience has three main components: online preparation activities; a three-day instructor-led workshop; and a Work and Learn Assignment, an individually designed skills application exercise. The online preparation activities include completing approximately 8-10 hours of online courses focusing on Praesidium's proprietary risk management model, the Praesidium Safety Equation™. This content prepares you for the workshop that is highly interactive experience, packed full of engaging activities, group discussions, and actual field work. You will learn best practices in organizational abuse prevention and organizational change strategies to implement and maintain the best practices.

Work and Learn Assignment involves you completing structured activities in your own organization with guidance from Praesidium—actually applying on the job what you've learned from the training. Throughout all components of the certification process—and beyond—you benefit from access to Praesidium experts and to the online Praesidium Community where you connect with other Certified Praesidium Guardian™ colleagues from across the nation.

Enroll now to become an expert in organizational abuse prevention and join a rapidly growing national association of similarly committed individuals. Become a Certified Praesidium Guardian™. You'll earn a valuable credential you can carry throughout your career.

# Training Solutions

## ARMATUS® LEARN TO PROTECT SYSTEM

Adults directly involved in providing services to minors, those who supervise others directly involved with minors, and those who manage or oversee programs serving minors should know how offenders operate, how to recognize warning signs, when and how to intervene to interrupt interactions that may foretell of abuse, mandated reporting requirements, and how to manage high risk situations in their own programs. This training can be provided online where participants must demonstrate mastery and completion can be documented.

At the core of the system is a range of online courses, 25-45 minutes in length, designed to ignite the learning process and provide learners with the tools they need to implement best practices in abuse prevention. Armatus® online courses include actionable learning objectives, research-validated content, engaging graphics, frequent interactivity and a content mastery quiz. In addition to the online courses, learners are supported with a variety of tools.

Armatus® comes with a robust database that allows organizations to confirm in real time who has completed training.

***A limited number of courses remain available on the CSU Learning Management System.***





## **ON-SITE ABUSE PREVENTION**

To continue the blended learning environment and facilitate a campus-specific application of the key learning points, Praesidium recommends at least one on-site abuse prevention training for all campuses. Target audiences include all individuals who work with minors, including campus and auxiliary employees, staff, faculty, students, interns, volunteers, and chaperones.

Praesidium offers an array of on-site workshops and seminars for front-line employees and volunteers, supervisors, administrators, and board members covering screening and selection, best practices in abuse risk management, how to prevent peer-to-peer sexual abuse, legal issues in abuse risk management, and many others. Workshops can be tailored to meet the needs of each audience.

## **YOUR BOUNDARIES. YOUR CALL!™**

This three-part video series teaches children between fifth and twelfth grades how to protect themselves if someone tries to violate their emotional, physical, or behavioral boundaries.

## **EDUCATIONAL WEBINARS AND ABUSE PREVENTION TIPS/UPDATES**

Praesidium can conduct regular abuse risk management seminars on a wide range of topics including sexual harassment, social networking, bullying, internal incident investigations, how offenders operate, reputational risk management, creating a culture of safety, quality assurance methods, employee and volunteer screening and selection for abuse risk, and others.

# Risk Assessments and the Path to Accreditation

## *KNOW YOUR SCORE!*<sup>TM</sup> ONLINE SELF ASSESSMENT

Individuals complete an online self-assessment, or in-depth questionnaire about existing policies and procedures in their program or organization. The self-assessment allows organizations to quickly learn the strength of their policies and practices designed to keep those in their care safe from abuse. The completed self-assessment provides organizations with a blueprint and sample resources to address any potential abuse prevention gaps.



## COMPREHENSIVE ON-SITE RISK ASSESSMENT WITH PRAESIDIUM ACCREDITATION

Praesidium's Safety Analysts conduct a comprehensive on-site risk assessment of your campus or auxiliary programs. This review may include all youth programs, a select subset of programs within a department, or simply one program. The assessment includes a review by our team of your policies, on-site architectural inspections, interviews with employees and volunteers at various levels, interviews with administrators, analysis of claims and incident data, and direct observations of programs in operation. At the conclusion of the assessment, the organization can request The Praesidium Report,<sup>TM</sup> which may include detailed findings and custom-tailored risk management recommendations. Upon implementation of the recommendations, the organization is eligible to attain Praesidium Accreditation status for three years. During the accreditation period, Praesidium will conduct several follow up visits (additional travel costs and expenses will apply).



# More Assessment Solutions

## **ON-SITE MANAGEMENT SYSTEMS REVIEW**

Praesidium's Management Systems Review identifies potential high-level gaps in an organization's risk management practices related to preventing the sexual abuse of children or vulnerable adults by an employee, a volunteer, or by another program participant. Praesidium analyzes the organization's existing policies; interviews key representatives from program, human resources, risk management, legal, and training; and reviews past incidents, allegations or litigation related to abuse. At the conclusion of this on-site review, Praesidium shares the findings with key leaders and outlines high level recommendations to address potential exposures.

## **MINORS ON CAMPUS SURVEY**

Praesidium's heat map process utilizes a minors on campus survey to identify all programs serving minors on campus at a higher education institution and in the community. This brief survey asks some basic questions to identify any program serving minors that an individual or department operates, sponsors, or hosts and is customizable in many respects. Among other things, this survey also identifies the number of minors served and various program characteristics, including risk level and ownership. Praesidium provides a comprehensive analysis of the data, along with recommendations in areas including policy development, training, monitoring and supervision, and relationships with third parties. The survey can also be tailored to accommodate other industries and risks.

# Screening Solutions

## CRIMINAL BACKGROUND CHECKS

Praesidium offers several standard and customizable criminal background check packages plus other a la carte background check services. Adopting a solid screening and selection process is your first line of defense in preventing offenders from entering your program. Consistent and efficient screening processes discourage would-be offenders from targeting your organization. Failure to discover a known offender endangers those in your care and your organization. The organization's reputation, financial stability and trust within the community can be severely affected.

## CRIMINAL BACKGROUND CHECKS SYSTEM FEATURES

### Flexibility

- Web-based, use it anywhere
- Limitless package options suit all hiring needs and levels of access
- Mix and match order input method
- Choose the right billing process, from monthly invoices or applicant pay

### Control

- Get email updates every step of the process
- Customized messaging and deadlines for applicants
- User based permissions support a multi-level organization so user only have access to the sensitive information they need

### Management

- Configure up to 10 billing codes to easily sort applicants into departments and programs
- Set system reminders for re-screening based on your policy
- Use with Armatus LTP training for effortless, centralized compliance management

## CRIMINAL BACKGROUND CHECK PROCESS

**Input:** Paperless, electronic consent and data entry or collect paper forms and key in orders  
Bulk upload functionality available for both data entry methods

**Research:** Praesidium's online platform is open 24/7 so you always know what is happening  
Most reports are complete and returned in 1 to 3 business days

**Review:** Reports are returned with visual flags and notations when there are potential issues  
Adverse action functionality is built into the Praesidium system to help you stay compliant  
Praesidium expert available for help

## SCREENING AND SELECTION TOOLKIT

Less than five percent of offenders have a criminal history. Because criminal background checks can't be relied on to screen out offenders, organizations must use other methods to prevent potentially harmful adults from gaining access to their clients. Praesidium's Screening and Selection Toolkit provides organizations with everything necessary to effectively screen and select employees and volunteers. The Toolkit includes policies, forms (applications, interviewing questions, and reference forms), and guidelines for identifying high-risk and low-risk responses during interviews, reference checks, and on applications. It also identifies six applicant characteristics that are critical for adults working with children and vulnerable adults and a scoring system to evaluate applicants on each characteristic. The complete package includes one-day intensive on-site training that teaches hiring managers how to use the screening and selection toolkit.

# Consultation, Reporting Mechanisms and Crisis Management

## MODEL POLICIES AND POLICY ANALYSIS

Clear policies set the stage for safe environments by defining acceptable and unacceptable employee and volunteer conduct. Policies also facilitate effective monitoring and supervision by helping others to recognize and take action when they see policy violations. Praesidium can provide model policies, review and revise existing policies, or help your organization draft policies that address the protection of minors at the campus or program level.

## ONLINE COMMUNITY

Praesidium's online community allows individuals from across organizations and programs to connect and share their abuse prevention experiences, challenges, and successes. Praesidium's team of experts facilitates and monitors discussions to provide quick tips and initial consultation.

## GENERAL CONSULTATION

Does one of your campuses have concerns about a summer applicant? Does a Risk Manager need advice on how to manage a particular youth program's interactions with minors? Want to discuss their screening and selection practices? Not sure how to respond to a report of suspicious interactions between an employee and a program participant? Praesidium can be available over the phone to discuss anything that may forewarn of an incident or lead to an abuse claim. Our experts include psychologists, social workers, attorneys, private investigators, policy analysts, doctoral level educators, and human resource professionals, all with extensive experience in organizational abuse risk management.





### **TOLL-FREE CONFIDENTIAL HELPLINE**

In most cases of abuse in organizations, individuals often report having seen or heard something suspicious, inappropriate, or of concern, yet failed to take action. Praesidium's consultation services allow your campuses a way to report concerns as well as an open line of communication in the event of an incident or crisis.

### **CRISIS MANAGEMENT AND ON-SITE VICTIM'S ASSISTANCE**

In the event that a campus has an allegation or incident of suspicious or inappropriate interactions or suspected abuse, a member of Praesidium's team can be available to provide a range services, including on-site consultation, response coordination, investigation, and victim's assistance.

# Praesidium Pricing Listing<sup>1</sup>

CSURMA is making it easier to access abuse prevention services through this system-wide contract, establishing a \$2,000 credit for each campus to boost your existing efforts. Instead of providing one service across the system, beginning July 1, 2016 you will have the flexibility to choose what works best for you.

Contact Praesidium today to access these products and services.

## **CONTACT**

**CANDACE COLLINS, JD**

**DIRECTOR OF HIGHER EDUCATION**

**CCOLLINS@PRAESIDIUMINC.COM**

**PRAESIDIUMINC.COM**



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## Praesidium Guardian Certification

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- Individual attendee, Arlington, TX class \$4,950

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- Additional attendee, Arlington, TX class \$4,000

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- CSU-Specific program in California \$39,000

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## Armatus® Learn to Protect System<sup>2</sup>

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- Per Course \$8

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## On-site Training

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- Campus Leadership Presentation, per day \$2,000

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- Abuse Prevention Training, per day \$2,000

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## Educational Webinars and Abuse Prevention Tips/Updates

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- Regular email tips on abuse prevention Complimentary

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- Two educational webinars on abuse prevention Complimentary

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- Additional educational webinar \$500

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- Content for CSU publications Available upon request

# Praesidium Pricing Listing<sup>1</sup>

## Know Your Score!<sup>TM</sup> Online Self Assessment

- Per campus \$2,000

10 Assessments initiated in the KYS! system regardless of whether an assessment is completed or archived

KYS! demonstrative and marketing webinars

Existing written sample resources
- Each additional assessments regardless of whether an assessment is completed or archived \$500

## Comprehensive On-Site Risk Assessment with Praesidium Accreditation

- Pricing depends on number of programs and locations \$5,000+

## On-Site Management Systems Review

- Pricing depends on number of programs and locations \$4,000 - \$10,000

Includes one training for leadership during on-site session

## Minors on Campus Survey

- Pricing depends on level of customization \$6,000+

## Screening and Selection Toolkit

- Toolkit and one day of on-site training related to training and selection \$6,000

## Criminal Background Checks À la Carte Pricing <sup>2-5</sup>

▪ Employment Credit	\$7
▪ Multi State Criminal and Sex Offender Database with Name and Address Locator	\$10
▪ 7 Year County Criminal Records Search: 1 County	\$7
▪ 7 Year County Criminal Records Search: All Counties Provided/Developed	\$25
▪ County Civil Record Search (upper): 1 County	\$12
▪ Statewide Criminal Search: 1 State	\$9
▪ Federal Criminal records Search: 1 State, All Districts	\$9
▪ Federal Civil Records Search: 1 State, All Districts	\$12
▪ DOJ National Sex Offender Registry Search	\$4
▪ Motor Vehicle Records Search	\$4
▪ Employment Verification	\$11
▪ Education Verification	\$10
▪ Personal Reference: 1 Reference	\$13
▪ Professional License Verification: 1 License	\$9
▪ International Criminal Search: 1 Jurisdiction	\$25 + In Country Acquisition Fee

## Packaged Criminal Background Checks <sup>2-5</sup>

▪ Packaged Pricing	Available Upon Further Consultation
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## Policy Analysis and Sample Policies

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- Depends on the nature and extent of analysis and samples (i.e., individual program procedure versus campus-wide policy) \$1,000 - \$25,000

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## Access to Praesidium's Online Community

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- Pricing requires additional consultation with CSURMA to further define TBD

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## General Consultation

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- Full day, on-site \$2,000
- Per hour, off-site \$250

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## Toll-Free Confidential Helpline

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- One-time initial set-up fee \$1,000
- Annual maintenance fee \$500
- Per call \$250

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## Crisis Management and On-Site Victim's Assistance

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- On-site, per day \$2,000
- Off-site consultation, per hour \$250

**Additional Pricing Notes**

1. Pricing does not include reasonable travel costs and expenses. Reasonable travel costs and expenses will be separately billed.
2. Third-party record keeper fees may apply and will be passed on at cost when incurred.
3. Criminal records found in the Multi State Database check are subject to verification at the source and additional costs may apply.
4. International in-country acquisition fees will be passed on at cost.
5. Criminal background check services require a separate contract with the campus or auxiliary.



Praesidium exists to help you protect those in your care from abuse and to help preserve trust in your organization.

# Protecting Minors on Campus Together

## ABOUT

### PRAESIDIUM

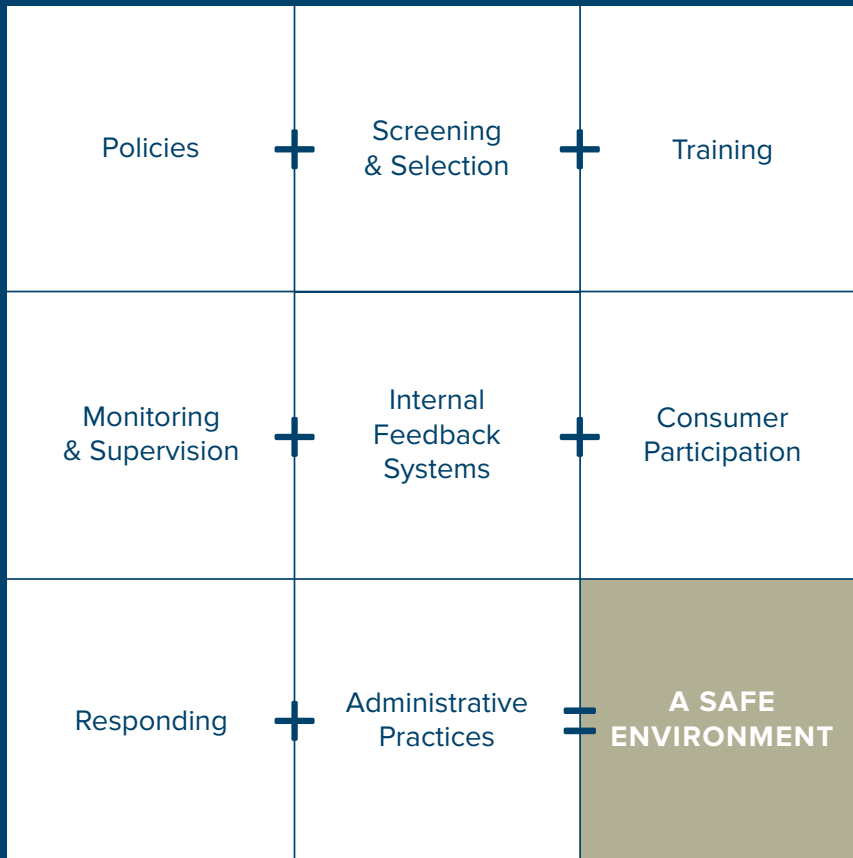
Since 1991, Praesidium's mission is "to help you protect those in your care from abuse and to help preserve trust in your organization." Praesidium works with organizations across the world to prevent the sexual abuse of children and vulnerable adults, to prevent false allegations of abuse against innocent employees and volunteers, and to prevent the loss of reputation and revenue for organizations serving vulnerable populations. The founders of Praesidium have over 30 years of experience working in abuse risk management. For the past two decades Praesidium has served more than 4,000 clients and offers a full range of risk management and loss control services. Praesidium's clients include higher education institutions, public and private schools, churches, camps, youth development organizations, water parks, long-term care facilities, hospitals, luxury resorts, social service programs, sports programs, fitness clubs, and child care centers.



# Praesidium's Scientific Methodology

Using current research and root cause analysis, Praesidium developed its own abuse risk management model, The Praesidium Safety Equation.® Root cause analyses of several thousand incidents of abuse across industries demonstrated that risks fell into eight organizational operations: Policies,

Selection and Screening, Training, Monitoring and Supervision, Consumer Participation, Feedback Systems, Responding, and Administrative Systems. By implementing best practices in each of these operations, Praesidium determined that risks could be reduced or eliminated.



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Ready to discuss  
your abuse prevention efforts?

**Let's get started.**

[WWW.PRAESIDIUMINC.COM](http://WWW.PRAESIDIUMINC.COM)



■ **CONTACT**  
**CANDACE COLLINS, JD**  
**DIRECTOR OF HIGHER EDUCATION**  
**CCOLLINS@PRAESIDIUMINC.COM | PRAESIDIUMINC.COM**



**MASTER ENABLING AGREEMENT FOR TRANSPORTATION  
WITH GOGROUND**

**ISSUE:** At its meeting on May 6, 2016, the CSURMA Executive Committee approved a master enabling agreement (MEA) with GoGround. The MEA will be available to all CSU Campuses as well as CSU Auxiliary Organizations. All GoGround transportation carriers are TSX safety certified and carry insurance limits of between \$5MM and \$20MM. GoGround carries \$11MM in excess insurance. Because of the standardization of service, GoGround is able to provide cost savings.

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

**FISCAL IMPACT:** None. All costs associated with this agreement will be billed directly to the user.

**BACKGROUND:** None.

**PUBLICATION:** Information will be provided to all Member once the MEA is finalized.

**ATTACHMENT(S):**

- a. GoGround PowerPoint Presentation



# TRANSPORTATION SAFETY EXCHANGE

Powered by CSS, Inc.

— Expect a Higher Standard —



## GOGROUND

OFFICIAL TRANSPORTATION MANAGEMENT PARTNER  
WORLD MEETING OF FAMILIES 2015

The CalState logo consists of the word 'CalState' in a white, bold, sans-serif font, centered on a red rectangular background that has a faint map of California overlaid on it.

# CalState

## March 1, 2016

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**Introduces**



**to**

**CalState**

**GOGROUND** is a leading group and event ground transportation management firm serving large scale festivals, collegiate & professional athletics and special events.

**GOGROUND** is the most experienced ground transportation management specialist of its kind in North America. It is an expert at charter bus services and has the largest standing network of bus operators in the industry.

**GOGROUND** is the exclusive ground transportation partner of the NCAA championships and was also the “Official Transportation Partner of the World Meeting of Families”.

*Expect a Higher Standard*



# GOGROUND Clientele




— Expect a Higher Standard — 3



Focus



**GOGROUND's** sole focus is ground transportation and it's mission and passion is to make every aspect of the group transportation experience for event organizers and guests the best it can be.

Both **GOGROUND** and  share the same focus and passion for safety as transporting your passengers safely is our highest priority.




*Expect a Higher Standard*



# **GOGROUND** and *and*



**GOGROUND** and  have worked closely together over the years to bring the importance of safety to the forefront with regard to passenger ground transportation.

**GOGROUND** uses



carriers for charter work.

— *Expect a Higher Standard* — 5

# The / **GOGROUND** / **CSU** **Transportation Safety Program**

**GOGROUND** will use TSX Approved operators for charter work for CSU members. If a non-approved carrier has been requested to join TSX by one of our CSU subscribers, **GOGROUND** will contact TSX to see if there are any major safety issues with this operator. If the carrier appears to be a good candidate to work with TSX, **GOGROUND** will use the carrier for charter work provided that they become TSX approved within 6 months or they no longer will be used.

**Every CSU Member Institution subscriber** should strive to support the **TSX / GOGROUND / CSU Transportation Safety Program** by informing their carriers this 6 month window to become TSX approved is a requirement by their university. If they don't make TSX approval by an operator mandatory, the program loses its purpose and puts these CSU member universities at much greater risk.

— *Expect a Higher Standard* — 6



## Reducing CSU Liability



Once again, if CSU member institutions do not make it university policy that they will not use a carrier unless they are TSX approved, their liability substantially increases.

**Carrier comment on why they will not become**



“We continue to do business with the CSU’s and only one of them has asked us about TSX participation, **and did not make that a requirement.** Unless that changes, we cannot justify the additional expenditure.”

— *Expect a Higher Standard* — 7



**GOGROUND**

**CalState**



It takes between 1 and 12 hours for CSU member staff personnel to find and charter reliable passenger ground transportation. This translates to many dollars spent for this personnel to locate, negotiate price, determine risk and charter with ground transportation passenger carriers.

**GOGROUND** helps reduce this cost as CSU member institutions can simply contact **GOGROUND** for all their charter needs.

— *Expect a Higher Standard* — 8



## Cost of Doing Business with **GOGROUND**



The cost of doing business with **GOGROUND** is approximately 5%. **GOGROUND** can either work under a blanket contract or they can set up a management fee for each individual CSU member institution.

**GOGROUND** can also set up a Transportation Management Portal for each individual CSU member institution.



# CSU Member Institutions

## Who Would Benefit from Using the *TSX / GOGROUD / CSU Transportation Program*



— Expect a Higher Standard — 10



CalState



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*Expect a Higher Standard*

## **FINE ARTS, ARCHIVES AND ARTIFACTS PROGRAM LAUNCH**

**ISSUE:** Staff will provide an overview of the coverages available effective July 1, 2016, through the Fine Arts, Archives, and Artifacts Program (FAAAP). The program includes;

- “All risk” including earthquake and flood coverage;
- No deductible; except 10% for earthquake (per item damaged);
- Worldwide coverage;
- Appraisals are not required;
- “Wall to wall”, “nail to nail” coverage – while on your property, in transit, out on loan and during return transit.
- \$25MM limit; \$2.5MM sub-limit for each unscheduled item; \$5MM sub-limit for transit (per conveyance);
- No reporting required for incoming and outgoing exhibits.

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

**FISCAL IMPACT:** None. The cost for this program is included within the property rates for FY 16/17 which have already been published.

**BACKGROUND:** None.

**PUBLICATION:** The Members have received separate communication regarding this new program.

**ATTACHMENT(S):**

- a. Announcement of the CSURMA Fine Arts, Artifacts and Archives Program (FAAAP) AORMA Bulletin (sent to all Members on June 6, 2016)



May 27, 2016

**Announcement of the CSURMA Fine Arts, Artifacts and Archives Program (FAAAP) ....**

We are pleased to announce the launch of the ***Fine Arts, Archives, and Artifacts Program (FAAAP)*** effective July 1, 2016. FAAAP includes the following features and benefits:

- “All risk” including earthquake and flood coverage;
- No deductible; except 10% for earthquake (per item damaged);
- Worldwide coverage;
- Appraisals are not required;
- “Wall to wall”, “nail to nail” coverage – while on your property, in transit, out on loan and during return transit.
- \$25MM limit; \$2.5MM sub-limit for each unscheduled item; \$5MM sub-limit for transit (per conveyance);
- No reporting required for incoming and outgoing exhibits.

This coverage is automatic, effective July 1, 2016, and there is nothing you need to do to effect this coverage.

The following pages provide a brief overview of the coverage provided in the FAAAP.

Thank you,

Daniel Howell  
Senior Executive Vice President  
Alliant Insurance Services, Inc.

P.J. Skarlanic  
Assistant Vice President  
Alliant Insurance Services, Inc.

## Fine Art, Artifacts and Archives Coverage - Coverage Overview

<b>Insurance Company:</b>	Lloyd's of London
<b>A.M. Best Rating:</b>	A (excellent), XV (\$2 Billion or greater)
<b>State Covered Status:</b>	Non-Admitted
<b>Policy/Coverage Term:</b>	July 1, 2016 to June 30, 2017
<b>Premises Insured:</b>	CSU Campuses and Auxiliary Organizations
<b>Perils:</b>	"All Risks" of Physical Damage including Flood, Earthquake Shock, Boiler Explosion and Machinery Breakdown
<b>Interest:</b>	Fine Arts, Artifacts and Archives of whatsoever nature comprising inward and outward loans, but excluding general contents, fixtures and fittings, textbooks and academic materials and the like.
<b>Territorial Scope:</b>	Worldwide
<b>Limit:</b>	\$25,000,000 any one occurrence and in the annual aggregate
<b>Sub-Limits:</b>	\$2,500,000 – single article limit (for unscheduled items) \$5,000,000 – worldwide transit (per conveyance) \$5,000,000 – unnamed locations
<b>Deductible:</b>	Nil, Except 10% for earthquake
<b>Reporting Requirements:</b>	<p><b>For exhibits owned by you, you must:</b></p> <p>Keep and maintain an inventory in which individual details of all exhibits are kept.</p> <p><b>For exhibits lent by or to you, you must:</b></p> <p>Issue a written loan agreement in respect of each item lent to you or by you and keep a record of all loan agreements issued. The loan agreement shall include the value of the exhibit(s) agreed between you and the lender.</p> <p><b>Exhibits not recorded in the above manner are not covered under this insurance.</b></p>

## Fine Art, Artifacts and Archives Coverage - Frequently Asked Questions

<p><b>What is needed to obtain coverage, and do I need to provide CSURMA staff and/or the insurance carrier with a Schedule of Values?</b></p>	<p>Nothing is required from you to obtain coverage.</p> <p>The CSU Systemwide Office of Risk Management has already approved the binding of this program. CSURMA Staff will transition any Fine Art, Artifacts &amp; Archive related items that you are currently insuring on the Property or Inland Marine policies to the FAAAP.</p> <p>A complete Schedule of Values is not required to obtain coverage through the FAAAP. One of the biggest benefits of moving to a true Fine Arts policy form is the administrative ease of obtaining, and renewing coverage. Unlike Property or Inland Marine underwriters, Fine Art underwriters can work off of a general understanding of the makeup of your collection; types of objects, where they are housed, protections in place, etc. The only exception to this is the Per Item sublimit of \$5MM. This requires that all artworks valued over \$2.5M must be reported in order to have coverage.</p>
<p><b>Do I need to report incoming/outgoing loans and exhibitions?</b></p>	<p>No.</p> <p>Unlike the Property and Inland Marine policies, the FAAAP provides automatic coverage for both your owned artworks out on loan and artworks of others on loan to you where there is a lending agreement in place. You need to keep in mind the limits and sub-limits of the policy to assure there is adequate coverage. Contact CSURMA staff if you think a loan may approach or even exceed the policy limits and additional limits can be purchased on an as needed basis.</p>
<p><b>Describe the elements of coverage provided through the FAAAP.</b></p>	<p>Coverage is provided on what's referred to as "Wall to Wall, Nail to Nail". This means coverage is provided during all components typical of Fine Arts, Artifacts &amp; Archives; items while on your property, in transit, out on loan at other location and during return transit.</p>
<p><b>Are appraisals required?</b></p>	<p>No.</p> <p>Appraisals are not required to have coverage through the FAAAP. If you have appraisal information on hand that information would be helpful for CSURMA staff to have, but appraisals will not be required.</p>
<p><b>What will my premium be?</b></p>	<p>All costs associated with the FAAAP are included within your AORMA Property Program rate for FY 16/17.</p>



California State University Risk Management Authority

<p><b>In case of a loss or damage to the items insured through the FAAAP, what valuation method will be used?</b></p>	<p>Market Value.</p> <p>At the time of loss or damage to an insured item, a claims adjuster will be assigned to your claim. The claims adjuster will work with you to determine an appropriate Market Valuation of the item. Amongst many things, the adjuster will consider any recent appraisals, recent comparable sales at auction or otherwise, other unrelated claims to similar artworks, etc. The adjuster will be a specialist in Fine Arts, Artifacts &amp; Archives, rather than one who only has experience adjusting real property and related infrastructure.</p>
<p><b>Who do I contact to report a claim, and what is the process?</b></p>	<p>Report all claims to CSURMA claims staff, Martin Fox-Foster or Elaine Kim. Martin or Elaine will report the claim to the insurance carrier and an adjuster will be assigned. As with all other lines of coverage provided by CSURMA, claims staff will be your advocate and stay involved in the matter throughout the life of the claim.</p> <p>Martin Fox-Foster <a href="mailto:martin.fox-foster@alliant.com">martin.fox-foster@alliant.com</a> 415-403-1417</p> <p>Elaine Kim <a href="mailto:ekim@alliant.com">ekim@alliant.com</a> 415-403-1458</p>
<p><b>Who do I contact with additional questions on the FAAAP?</b></p>	<p>CSURMA staff, Mimi Long or Van Rin.</p> <p>Mimi Long <a href="mailto:mlong@alliant.com">mlong@alliant.com</a> 415-403-1423</p> <p>Van Rin <a href="mailto:vrin@alliant.com">vrin@alliant.com</a> 415-403-1408</p>

**CSURMA AORMA 2016 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 – 2016 Meeting Calendar



California State University Risk Management Authority

## 2016 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
9		AOA EC	Sacramento	25	1:00 PM	PC	Teleconference	10	10:00 AM	AORMA	San Francisco
10	3:00 PM	EC (AOA Conference)	Sacramento					10	2:00 PM	EC	San Francisco
10 - 13		AOA Annual Conference	Sacramento					11	8:30 AM	EC LRP	San Francisco
11	10:30 AM	AIME	Sacramento					18		AOA EC	TBD
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
				2	10:30 AM	AIME	Northridge	17		AOA EC	TBD
				5	10:00 AM	AORMA	Long Beach	23	1:00 PM	PC	Teleconference
				5	2:00 PM	BOD Orientation	Teleconference				
				6	8:00 AM	EC	Long Beach				
				6	10:30 AM	BOD	Long Beach				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
19 - 20	11:00 AM	AORMA Officers Retreat	San Francisco	19		AOA EC	TBD	7	9:00 AM	AORMA New Member	Sacramento
								7	10:00 AM	AORMA LRP	Sacramento
								8	9:00 AM	AORMA	Sacramento
								23	8:30 AM	EC Orientation	Newport Beach
								23	10:00 AM	EC	Newport Beach
								29	1:00 PM	PC	Teleconference
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
17	10:30 AM	AIME	SF or SJ	18		AOA EC	TBD	1	10:00 AM	AORMA	Long Beach
20	10:00 AM	AORMA	San Francisco	2	1:30 PM	EC (FTPT Conference)	Sacramento	2	8:30 AM	EC	Long Beach
				2	4:00 PM	BOD (FTPT Conference)	Sacramento	8	8:00 AM	PC	San Francisco
				3-4		FTPT Conference	Sacramento				

AORMA = Auxiliary Organizations Risk Management Alliance Committee  
 AIME = Athletic Injury Medical Expense Committee  
 MSLCTC = AORMA Member Services, Loss Control & Training Committee

PC = AORMA Programs Committee  
 AORMA LRP = AORMA Long Range Planning Meeting  
 AOA = CSU Auxiliary Organizations Association

EC = CSURMA Executive Committee  
 EC LRP = EC Long Range Planning Meeting  
 BOD = CSURMA Board of Directors

**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

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
<b>Certificate of Insurance Requests</b>	<b>Hsan Htein Van Rin</b>	hhhtein@alliant.com vrin@alliant.com	415-403-1452 415-403-1408	415-874-4810 415-874-4810
<b>General CSURMA Coverage Questions</b>	<b>Robert Leong Amy Souissi Van Rin Hsan Htein Daniel Howell</b>	rleong@alliant.com amy.souissi@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1457 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>General AORMA Coverage Questions</b>	<b>Mimi Long Amy Souissi Van Rin Hsan Htein Daniel Howell</b>	mlong@alliant.com amy.souissi@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1457 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Inland Marine</b>	<b>Van Rin Hsan Htein Mimi Long</b>	vrin@alliant.com hhhtein@alliant.com mlong@alliant.com	415-403-1408 415-403-1452 415-403-1423	415-874-4810 415-874-4810 415-874-4810
<b>Participant Accident Insurance (PAI)</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>Special Events Insurance</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>Foreign Travel Program</b>	<b>Stacey Weeks Van Rin</b>	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
<b>General Risk Management Questions</b>	<b>Mimi Long Van Rin Hsan Htein Daniel Howell Amy Souissi</b>	mlong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com amy.souissi@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426 415-403-1457	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Workers' Compensation Claims Consultant</b>	<b>Jacki Graf</b>	jgraf@alliant.com	415-403-1438	415-874-4810
<b>Alliant Claims Consulting</b>	<b>Robert Frey Diana Walizada Michelle Maffei Elaine Kim</b>	rfrey@alliant.com dwalizada@alliant.com mmaffei@alliant.com ekim@alliant.com	415-403-1445 415-403-1453 415-403-1418 415-403-1458	415-403-1466 415-403-1466 415-403-1466 415-403-1466
<b>Form 700</b>	<b>Tevea Him</b>	thim@alliant.com	415-403-1416	415-402-0773
<b>Website and Technology Questions</b>	<b>Yung Lam Tevea Him Myron Leavell</b>	ylam@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1461 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

### CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>CSU Chancellor's Office</b>				
<b>CSU Chancellor's Office</b>	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Rebecca Skidmore	rskidmore@calstate.edu	562-951-4574	562-951-4859
	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Alice Kim	akim@calstate.edu	562-951-4627	562-951-4865
	Kelly Cox	kcox@calstate.edu	562-951-4611	562-951-4865
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	William Hsu	whsu@calstate.edu	562-951-4500	562-951-4956
	Steve Relyea	srelyea@calstate.edu	562-951-4600	562-951-4971
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	Michael Clements	mclements@calstate.edu	562-951-4091	
	Jessica Liu	jliu@calstate.edu	562-951-4621	
	Cindi Le	cle@calstate.edu	562-951-4651	
Daisy Thompson	dthompson@calstate.edu	562-951-4567		

Coverage	Contact	E-Mail Address	Office	Fax
<b>Loss Control Consultants – Alliant Risk Control</b>				
<b>Alliant Risk Control Consulting</b>	<b>Brent Escoubas</b>	bescoubas@alliant.com	949-260-5013	

Coverage	Contact	E-Mail Address	Office	Fax
<b>Online Training - TargetSolutions</b>				
<b>Business Manager</b>	<b>Jennifer Jones</b>	jennifer.jones@targetsolutions.com	858-376-1632	858-487-8762
<b>Account Manager</b>	<b>Stacy L. Schaefer</b>	stacy.schaefer@targetsolutions.com	858-376-1610	

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>Unemployment Insurance Claims Administrator – Employers Edge</b>				
Client Services	Angie Hansen	ahansen@employersedge.com	720-891-4900 x116	720-420-7356
Unemployment Claims Operations, Claim Specialist	Reina Gonzales	rgonzales@employersedge.com	720-891-4900 x139	720-420-7390
Tax Analyst	Larry Blankenship	lblankenship@employersedge.com	720-891-4900 x108	720-420-7430
Appellate Level	Jen Venable Jamie Clark	jvenable@employersedge.com jclark@employersedge.com	720-891-4900 x114 720-891-4900 x122	720-420-7354 720-420-7396
Account Management	Steve Bell	sbell@employersedge.com	720-891-4900 x101	720-420-7431

Coverage	Contact	E-Mail Address	Office	Fax
<b>Human Resources Consulting – Employers Group</b>				
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	Megan Vallone	mvallone@employersgroup.com	213-765-3920	
Training Services	Somaly Heng	sheng@employersgroup.com	213-765-3962	
Employer Advocacy	Ken Tiratira	ktiratira@employersgroup.com	213-765-3915	



## **LIABILITY – CLAIMS REPORTING CONTACT**

**In the event of a loss, please contact:**

**Mauri McGuire**  
Carl Warren & Company  
1000 South Hill Road, Suite 110  
Ventura, CA 93003

E-mail: [mmcguire@carlwarren.com](mailto:mmcguire@carlwarren.com)  
Tel: 805-650-7020 ext. 1003  
Mobile: 805-509-1426  
Fax: 805-658-9950



## **POLLUTION – CLAIMS REPORTING CONTACT**

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

**Report the incident immediately to:**

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

**AND:**

**Alliant Insurance Services, Inc.**  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101

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

**OR**

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

**OR**

**Michelle Maffei, Sr. Claims Advocate**  
Alliant Insurance Services, Inc.  
E-mail: [mmaffei@alliant.com](mailto:mmaffei@alliant.com)  
Tel: 415-403-1418  
Fax: 415-403-1466  
Cell: 415-693-8864

### **After hours claims reporting number**

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



## **CYBER LIABILITY – CLAIMS REPORTING CONTACT**

**Report the incident immediately to:**

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

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

**AND COPY TO:**

**Elaine Kim, Claims Advocate**  
Alliant Insurance Services, Inc.  
E-mail: ekim@alliant.com  
Tel: 415-403-1458  
Fax: 415-403-1466  
Cell: 415-609-2133

**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

**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, Claims Advocate**  
Alliant Insurance Services, Inc.  
E-mail: [ekim@alliant.com](mailto:ekim@alliant.com)  
Tel: 415-403-1458  
Fax: 415-403-1466  
Cell: 415-609-2133

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

**OR:**

**After hours claims reporting number:**

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



## **AUTO PHYSICAL DAMAGE (APD) CLAIMS REPORTING CONTACT**

**Report the incident immediately to:**

**Elaine Kim, Claims Advocate**  
Alliant Insurance Services, Inc.  
E-mail: [ekim@alliant.com](mailto:ekim@alliant.com)  
Tel: 415-403-1458  
Fax: 415-403-1466  
Cell: 415-609-2133

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

**OR:**

**After hours claims reporting number:**

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

E-mail: [rfrey@alliant.com](mailto:rfrey@alliant.com)  
Tel: 415-403-1445  
Fax: 415-403-1466  
Cell: 415-518-8490



## **PROPERTY / BOILER & MACHINERY CLAIMS REPORTING CONTRACT**

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

**OR**

**Diana Walizada, Claims Unit Manager**

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

**OR**

**Michelle Maffei, Sr. Claims Advocate**

Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101  
E-mail: [mmaffei@alliant.com](mailto:mmaffei@alliant.com)  
Tel: 415-403-1418  
Fax: 415-403-1466  
Cell: 415-693-8864

**OR**

**Elaine Kim, Claims Advocate**

Alliant Insurance Services, Inc.  
E-mail: [ekim@alliant.com](mailto:ekim@alliant.com)  
Tel: 415-403-1458  
Fax: 415-403-1466  
Cell: 415-609-2133

**AND COPY TO:**

**Cathryn O'Meara**

McLaren's  
1301 Dove Street, Suite 200  
Newport Beach, CA 92660  
[cathryn.omeara@mclarens.com](mailto:cathryn.omeara@mclarens.com)  
Tel: 949-757-1413  
Fax: 949-757-1692

**After hours claims reporting number:**

**Robert Frey, First Vice President**

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



## WORKERS' COMPENSATION – CLAIMS REPORTING CONTACT

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

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

E-mail: [brian.montagnese@sedgwickcms.com](mailto:brian.montagnese@sedgwickcms.com)  
Tel: 916-851-4441  
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](mailto: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](mailto:biba.olson@sedgwickcms.com)  
Tel: 916-636-4446

**Susan Neville**  
**Adjuster, Northridge Auxiliary Only**  
Sedgwick CMS

E-mail: [susan.neville@sedgwickcms.com](mailto: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](mailto:CSRM@hsri.com)  
Tel: 972-512-5600  
Fax: 972-512-5820  
Tel Toll Free: 866-523-3186



## UNEMPLOYMENT INSURANCE PROGRAM (UIP)

For Unemployment Insurance Program (UIP) claim, please contact Employers Edge directly at:

**Reina Gonzales, Claim Specialist**

Employers Edge  
P.O. Box 351567  
Westminister, CO 80035

Email: [rgonzales@employersedge.com](mailto:rgonzales@employersedge.com)

Tel: (720) 891-4900 x139

**Steve Bell, Account Management**

Employers Edge  
P.O. Box 351567  
Westminister, CO 80035

Email: [s.bell@employersedge.com](mailto:s.bell@employersedge.com)

Tel: (720) 891-4900 x101

## **AORMA'S TRAVEL REIMBURSEMENT POLICY**

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

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

**FISCAL IMPACT:** None.

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

**PUBLICATION:** None.

**ATTACHMENT(S):**

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



## **CSURMA AORMA**

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

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**SUBJECT:** CSURMA AORMA TRAVEL REIMBURSEMENT  
POLICY

**ADOPTED:** MARCH 21, 2013

**AMENDED:** MARCH 19, 2015

**EFFECTIVE:** MARCH 21, 2013

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### **PURPOSE:**

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

### **POLICY:**

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

### **PROCEDURE:**

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



- c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the AUTHORIZED TRAVELER attended.

**DEFINITIONS:**

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

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

**COVERED PURPOSES** – covered purposes shall include attendance at meetings of the CSURMA AORMA Committee, standing committees, task group meetings, program presentations, member meetings, and approved professional development trainings. Any other COVERED PURPOSES must be approved for reimbursement by the AORMA Committee. The AORMA Committee Chair or designee is expected to attend the AOA Executive Committee meetings as the representative of the AORMA Committee and therefore reasonable expenses associated with travel to and from as well as participation in the AOA Executive Committee meetings are reimbursable by CSURMA. 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.

**AORMA COMMITTEE MEMBERS – EFFECTIVE 07/01/16**

**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, 2016

**AORMA Committee**  
**Ten voting members - two alternates - twelve members total**  
**Effective at July 1, 2016**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA	First Vice Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
AORMA	Second Vice Chair	Gigi Kiama	Human Resources Director	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
AORMA	Past Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	rdewit@csulb.edu	562-985-5549
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Research Foundation	Brian.Nowlin@csulb.edu	562-985-4690
AORMA	At Large	Cheree Aguilar	Senior Director, Human Resources	San Jose	San Jose State University Research Foundation	cheree.aguilar@sjsu.edu	408-924-1505
AORMA	At Large	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
AORMA	At Large	Dave Nirenberg	Senior Director	Channel Islands	University Glen Corporation	dave.nirenberg@csuci.edu	805-437-2668
AORMA	At Large	Jim Reinhart	Executive Director	Sacramento	University Enterprises, Inc. (UEI)	Jim.Reinhart@csus.edu	916-278-7001
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslied@saclink.csus.edu	916-278-2904

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
PC	Chair	Gigi Kiama	Human Resources Director	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
PC	At Large	Bill Olmsted	Associate Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744
PC	At Large	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	jporth@sfsu.edu	415-338-6880
PC	At Large	Jun Reina	Chief Operating Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925
PC	At Large	Raven Tyson	Human Resources & Risk Manager	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760

*AORMA Committee Chair serves for a period of four years - Vice Chair, to Chair, to Past President, to Ex-Officio.*  
*Standing Committee Chair serves a one-year term, is appointed by the AORMA Committee Chair, and must be an AORMA Committee member.*  
*AORMA Committee and Standing Committee members may serve a maximum of three consecutive two-year terms (total six years).*

## **CSURMA ADMINISTRATIVE SERVICE CALENDAR**

**ISSUE:** This item is provided as information to advise the AORMA Committee of the various recurring administrative activities and when they take place over the course of the year. It includes items noting when they appear before the AORMA Committee, Executive Committee and Board of Directors. It is to be provided for information with each agenda packet.

**RECOMMENDATION:** It is recommended that the Committee review the CSURMA Administrative Service Calendar and provide direction to staff as appropriate.

**FISCAL IMPACT:** No direct fiscal impact is expected.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Administrative Service Calendar

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>JANUARY 2016</b>				
01/02/16	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed
01/06/16	Statement of Facts – Roster of Public Agencies - file with Secretary of State	Alliant Staff	Tevea Him	Completed
01/07/16	Announce the new AORMA Committee Vice Chair as well as open seats on the AORMA Committee	Nominations Committee	Mimi Long	Completed
<b>01/10/16</b>	<b>CSURMA AOA CONFERENCE</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>01/10/16</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>01/11/16</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	<b>Completed</b>
01/15/16	FORM 700 - JPA ADMIN sends Form 700 to CSURMA FILERS, including EC, BOD, AORMA, Standing Committees, and designated consultants, including identified Alliant personnel	Alliant Staff	Tevea Him	Completed
01/31/16	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed
01/31/16	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
<b>FEBRUARY 2016</b>				
02/01/16	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
02/01/16	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 12/31	Alliant Staff	Tevea Him	Completed
02/01/16	UIP - Send EDD Claims Information to Individual Members	Alliant Staff	Tevea Him	Completed
02/01/16	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	---
02/01/16	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Jacki Graf	---
02/01/16	AORMA Workers' Compensation program claims administration audit (every even year)	Alliant Staff	Jacki Graf	Completed
02/01/16	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	---
02/01/16	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long	---
02/15/16	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
<b>02/25/16</b>	<b>AORMA Program Committee Meeting (Teleconference)</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>MARCH 2016</b>				
03/01/16	Annual Review of (1) Data Security Policies and (2) the Integrated CSU Administration Manual	Alliant Staff	Mimi Long	Completed
03/01/16	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	Completed
03/01/16	Approval by EC Resolution allowing Treasurer to invest or reinvest funds (annual approval required - see Res 01-15 BOD)	BOD and Alliant Staff	Tevea Him	Completed
03/01/16	Approval of Conflict of Interest Code by BOD every even-number year - File with FPPC as required.	BOD and Alliant Staff	Tevea Him	Completed
03/01/16	Chancellor's Office Services Budget Proposals	Alliant Staff	Mimi Long	Completed
03/01/16	CSURMA Budget	Alliant Staff	Robert Leong	Completed
03/01/16	CSURMA Master Investment Policy and Investment Policy for the Fixed Income Portfolio	Alliant Staff	Mimi Long	Completed
03/01/16	CSURMA Mid-Term Budget Amendments	Alliant Staff	Robert Leong	Completed
03/01/16	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
03/01/16	Review the Auxiliary Service Provider Report	Alliant Staff	Mimi Long	Completed
03/01/16	Appointment of the Campus Programs RPTG - Spring 2016 (FY 2017/2018)	Alliant Staff	Robert Leong	Completed
03/01/16	Appointment of the Student Insurance Programs RPTG - Spring 2016 (FY 2017/2018)	Alliant Staff	Robert Leong	Completed
<b>03/10/16</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>03/10/16</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>03/11/16</b>	<b>CSURMA EC LRP Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
03/15/16	FORM 700 - Follow up - JPA ADMIN follows up with FILER, prepares status report for CSURMA EC review at Long Range Planning meeting	Alliant Staff	Tevea Him	Completed
03/15/16	Quarterly Risk Management Report	Alliant Staff	Mimi Long	Completed
03/19/16	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
03/20/16	Forward slate of nominees to fill the open seats on the AORMA Committee	Alliant Staff	Mimi Long	Completed
03/31/16	Approval by BOD Resolution allowing Treasurer to invest or reinvest funds (annual approval required - see Res 01-15 BOD)	BOD and Alliant Staff	Tevea Him	Completed
03/31/16	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him	Completed
03/31/16	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	Completed
<b>APRIL 2016</b>				
04/01/16	Campus Risk Pool Administrator verifies Campus Primary and Alternate representative remain in place by contacting campus representatives ( i.e. ensure no leave of absence, retirement, change in duties, etc.)	Alliant Staff	Tevea Him	Completed
04/01/16	FORM 700 - JPA ADMIN sends all forms received to FPPC for processing	Alliant Staff	Tevea Him	Completed
04/01/16	Send out ballot for AORMA Committee term beginning on July 1, 2016	Alliant Staff	Tevea Him	Completed
04/30/16	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
<b>MAY 2016</b>				
05/02/16	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>	<i>Completed</i>
05/06/16	Receive back all AORMA Committee ballots for the term beginning on July 1, 2016	Alliant Staff	Tevea Him	Completed
05/05/16	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
05/05/16	<i>CSURMA BOD NMO Meeting via Teleconference</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
05/06/16	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
05/06/16	<i>CSURMA BOD Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
05/11/16	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
05/15/16	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
05/30/16	Send out appointment letters to the newly appointed AORMA Standing Committee Chairs for the term beginning on July 1, 2016	AORMA Chair/Alliant S	Tevea Him	Completed
05/30/16	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2016	AORMA Chair/Alliant S	Tevea Him	Completed
05/30/16	Send out appointment letters to the newly elected Executive Committee members for the term beginning on July 1, 2016	AORMA Chair/Alliant S	Tevea Him	Completed
05/30/16	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 3/31/16	Alliant Staff	Tevea Him	Completed
05/30/16	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2016	Alliant Staff	Tevea Him	Completed
05/30/16	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2016	Alliant Staff	Mimi Long	Completed
<b>JUNE 2016</b>				
06/01/16	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	Completed
06/01/16	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
06/15/16	Quarterly Risk Management Report	Alliant Staff	Mimi Long	Completed
06/23/16	<i>AORMA Program Committee Meeting (Teleconference)</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
06/30/16	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	Completed
06/30/16	<i>Expiring Contract: Carl Warren &amp; Company - July 1, 2011 to June 30, 2016</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: CO Enterprise Accounting / Financial Services - July 1, 2015 to June 30, 2016</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: UC Office of Risk Services Performing Arts Center of Excellence - November 1, 2013 to June 30, 2017</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: A-G Administrator (AIME) - July 1, 2009 to June 30, 2017</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: Alliant Loss Control Services - July 1, 2014 to June 30, 2015</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: CO OGC / Legal - July 1, 2014 to June 30, 2015</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: CO Risk Management - July 1, 2014 to June 30, 2015</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: Praesidium - July 1, 2014 to June 30, 2015</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: Target Safety dba Target Solutions - July 1, 2012 to June 30, 2015</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: Employers Group - July 1, 2014 to June 30, 2017</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: Employers Risk - July 1, 2013 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: HSR - July 1, 2015 to June 30, 2019</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: Agility - July 1, 2015 to June 30, 2016</i>	Alliant Staff	Mimi Long	Completed
06/30/16	<i>Expiring Contract: Sedgwick - July 1, 2013 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/16	Government Compensation Report (request from CSU Accounting and post on CSURMA website)	Accounting	Tevea Him	
06/30/16	Request COI from all vendor's contract	Alliant Staff	Hsan Htein	in process
<b>JULY 2016</b>				
07/01/16	<i>Expiring Contract: Witt O'Brien's, LLC (formally Witt Group Holdings, LLC) - July 1, 2014 to July 1, 2016</i>	Alliant Staff	Mimi Long	Completed
07/01/16	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin	
07/01/16	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	Completed
07/04/16	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin	Completed
07/05/16	Request a review of the claims activity within the UIP – claims activity variations of more than 10% above or below pricing levels used will resulting in a pricing adjustment	Alliant Staff	Mimi Long	Completed
07/05/16	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	Completed
07/07/16	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	Completed
07/14/16	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/15/16	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong	Completed
07/15/16	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	Completed
<b>7/19-20/2016</b>	<b>AORMA Officers Retreat – San Francisco, CA</b>	<b>AORMA Officers</b>	<b>Mimi Long</b>	Completed
07/21/16	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/21/16	Upon receipt of loss data begin semi-annual loss charts for RM meeting in October and to be sent to members	Alliant Staff	Robert Leong	
07/28/16	FORM 700 - FORMS DUE TO FPPC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him	
07/31/16	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong	Completed
07/31/16	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report - Present to EC in Sept	Alliant Staff	Robert Leong	
07/31/16	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	Completed
07/31/16	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Hsan Htein	in process

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
07/31/16	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate (every three years)	Liability TPA	Mimi Long	
07/31/16	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
07/31/16	Appointment of the Campus Programs RPTG - Spring 2016 (FY 2017/2018)	Alliant Staff	Robert Leong	Completed
07/31/16	Appointment of the Student Insurance Programs RPTG - Spring 2016 (FY 2017/2018)	Alliant Staff	Robert Leong	
<b>AUGUST</b>				
08/01/16	FORM 700 - JPA ADMIN sends entering and leaving office notices to AORMA FILERS who will be taking office on AORMA and Standing Committees	Alliant Staff	Tevea Him	
08/01/16	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him	in process
08/01/16	Research the single bond approach & report back at the September meeting	Alliant Staff	Dan Howell	in process
08/01/16	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him	in process
08/01/16	Send out letter to regarding Foreign Travel Authority Confirmation	Alliant Staff	Tevea Him/Stage	in process
08/01/16	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long	Completed
08/01/16	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	Completed
08/11/16	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
08/15/16	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	Completed
08/31/16	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff	Mimi Long	in process
08/31/16	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long	Completed
08/31/16	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long	Completed
08/31/16	Completion of Financial Audit	CSU Accounting	Mimi Long	in process
08/31/16	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff	Tevea Him	Completed
Begin Task	Completion of the Public Self-Insurer's Annual Report for CSURMA (must be filed with the state by Oct 1st.)	Alliant Staff	Mimi Long	in process
Begin Task	AORMA Workers' Compensation Desk Audit	Alliant Staff	Mimi Long	
<b>SEPTEMBER</b>				
09/01/16	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	
09/01/16	Stewardship Report	Alliant Staff	Amy Souissi	in process
<b>09/07/16</b>	<b>AORMA Long Range Plan meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/07/16</b>	<b>AORMA New Committee Member Orientation meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/08/16</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/13/16</b>	<b>CAJPA Fall Conference and Training Seminar -South Lake Tahoe</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
09/14/16	CAJPA Standards review (2014 and every 3 years thereafter)	Alliant Staff	Mimi Long	in process
09/15/16	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Van Rin	
09/15/16	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
<b>09/23/16</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/23/16</b>	<b>CSURMA EC Orientation Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/29/16</b>	<b>AORMA Program Committee Meeting (Teleconference)</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
09/30/16	CSURMA Quarterly EPL Deductible Recoverys ending September 30 (Begin Task)	Alliant Staff	Van Rin	

# CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
09/30/16	Completion of the AORMA Committee (September Letter) updating all AORMA members on the funding and dividends approved for the upcoming fiscal year	Alliant Staff/AORMA C	Mimi Long	
<b>OCTOBER</b>				
10/01/16	Request completion of the Liability application	Alliant Staff	Mimi Long	
10/01/16	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long	
10/15/16	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
10/15/16	Poll eligible AORMA Committee members to determine which members are willing to be nominated for the Vice Chair position	Nominations Committee	Mimi Long	
<b>10/17/16</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	
<b>10/20/16</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
10/31/16	Create Government Compensation Report page on CSURMA website for public viewing	Alliant Staff	Tevea Him	
<b>10/31/16</b>	<b>Expiring Contract: Praesidium - October 31, 2015 to October 1, 2016</b>	Alliant Staff	Mimi Long	
10/31/16	Government Compensation Report (request from CSU Accounting)	Accounting	Tevea Him	
10/31/16	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
<b>10/TBD/2016</b>	<b>CSURMA BOD NMO Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>NOVEMBER</b>				
11/01/16	FORM 700 - Campus Risk Pool Administrator sends request to campus president to confirm appointments of primary and alternate representative to BOD (Note: AORMA Representatives are maintained through their election process)	Alliant Staff	Tevea Him	
<b>11/02/16</b>	<b>CSURMA BOD Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>11/02/16</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
11/28/16	Campus Risk Pool Deductible - Confirm (every 3 years - 2014, 2017, 2020)	Alliant Staff	Robert Leong	
11/28/16	Send campus risk pool renewal budget (Budget)	Alliant Staff	Robert Leong	
11/28/16	Send campus risk pool renewal budget (Early Bird Renewal Letter)	Alliant Staff	Robert Leong	
11/30/16	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	
11/30/16	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30	Alliant Staff	Tevea Him	
<b>DECEMBER</b>				
12/01/16	2016 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Rebecca Skidmore	
<b>12/01/16</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
12/01/16	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	
12/01/16	P & P Outlining Underwriting Guidelines for Granting Additional Insured Status	Alliant Staff	Dan Howell	
<b>12/02/16</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>12/08/16</b>	<b>AORMA Program Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
12/15/16	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff	Tevea Him	
12/15/16	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
12/30/16	Financial Audit - mail to Secretary of State and County Auditor	Alliant Staff/Accounting	Tevea Him	
12/31/16	CSURMA Quarterly EPL Deductible Recoveries	Alliant Staff	Van Rin	
<b>12/31/16</b>	<b>Expiring Contract: Alliant Insurance Services (Brokerage Agreement) - January 1, 2014 to December 31, 2015</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
12/31/16	<i>Expiring Contract: Alliant Insurance Services (Program Admin Agreement) - January 1, 2014 to December 31, 2015</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
12/31/16	<i>Expiring Contract: Enterprises Rent A Car - January 1, 2015 - December 31, 2015</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	