



PROGRAMS COMMITTEE MEETING
“This is an Open Public Meeting”

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

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

1. Guy Dalpe: Cesar Chavez Student Center, SFSU, 1650 Holloway Avenue Room C-134, San Francisco
2. Gigi Kiama: University Corporation at CSUMB, 100 Campus Center, Bldg. 201, Seaside
3. Haleh Minakary: Cal Poly Pomona Foundation, CSU Pomona, 3801 W. Temple Ave., Bldg. 55, Pomona
4. Mark Day: Santos Manuel Student Union, CSU San Bernardino, 5500 University Parkway, San Bernardino
5. Jun Reina: Capital Public Radio, Inc., CSU Sacramento, 7055 Folsom Boulevard, Sacramento
6. Jason Porth: The University Corporation, San Francisco State, 1600 Holloway Avenue, ADM 361, San Francisco

Meeting Date: February 26, 2015
Time: 1:00 p.m. (Teleconference)

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

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

A. CALL TO ORDER

B. PUBLIC COMMENTS

C. GENERAL ADMINISTRATION

- 1. Approval of the Agenda Order** A p. 3
The committee will be asked to approve today’s meeting agenda order
- 2. Approval of Meeting Minutes – January 7, 2015** A p. 4
The committee will be asked to review and approve the minutes from the last Programs Committee meeting on January 7, 2015
- 3. FY 14/15 AORMA Liability Program Memorandum of Coverage** A p. 18
The committee will be asked to approve the recommended revisions to the FY 14/15 AORMA Liability Program Memorandum of Coverage
- 4. FY 15/16 AORMA Liability Program Member Allocation** A p. 61
The committee will be asked to approve a change to the FY 15/16 Liability Program Member Allocation
- 5. FY 15/16 AORMA Crime Program Member Allocation** A p. 62
The committee will be asked to approve a change to the FY 15/16 Crime Program Member Allocation

A Public Entity Joint Powers Authority

D. INFORMATION ITEMS

- | | | |
|--|----------|--------------|
| 1. 2015 CSURMA AORMA Meeting Calendar | I | <i>p. 89</i> |
| 2. FY 14/15 Long Range Action Plan | I | <i>p. 92</i> |
| 3. CSURMA AORMA Committee and Standing Committee Roster | I | <i>p. 96</i> |

E. ADJOURNMENT

The next PC meeting is scheduled for June 25, 2015 at 1:00pm via teleconference

APPROVAL OF THE AGENDA ORDER

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MEETING MINUTES – JANUARY 7, 2015

ISSUE: The Committee will be asked to review and approve the draft minutes from the January 7, 2015, Programs Committee meeting.

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Meeting Minutes – January 7, 2015

**MINUTES OF THE CSURMA AORMA
PROGRAMS COMMITTEE MEETING
JANUARY 7, 2015
TELECONFERENCE MEETING
10:00 AM**

MEMBERS PRESENT

Guy Dalpe, Cesar Chavez Student Center (San Francisco State University)
Mark Day, Santos Manuel Student Union (CSU San Bernardino) – *Participated as a non-voting member until 11:14 AM when he joined the meeting from his meeting location*
Gigi Kiama, University Corporation (CSU Monterey Bay)
Jun Reina, Capital Public Radio, Inc. (CSU Sacramento)

ABSENT MEMBERS

Haleh Minakary, The Cal Poly Pomona Foundation, Inc. (Cal Poly Pomona)

STAFF, GUESTS AND CONSULTANTS

Tevea Him, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.
Melinda Coil, SDSU Research Foundation

A. CALL TO ORDER

The meeting was called to order by Guy Dalpe at 10:02 AM.

B. PUBLIC COMMENTS

There were no public comments.

C. GENERAL ADMINISTRATION

C1. Approval of the Agenda Order

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

First: Jun Reina
Second: Gigi Kiama

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

Motion carried.

C2. Approval of Minutes – November 4, 2014

A motion was made to approve the minutes of the November 4, 2014 meeting.

First: Gigi Kiama
Second: Jun Reina

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

Motion carried.

C3. Approval of the FY 15/16 Revised Liability Program Member Allocation Formula

The Programs Committee reviewed the FY 15/16 Liability Program Member Allocation. Mimi noted that the AORMA Committee approved the basic allocation formula at its last meeting; therefore, Staff is recommending that the Programs Committee approve the FY 15/16 liability program member allocation as presented along with the allocation factors.

A motion was made to approve the FY 15/16 Liability Program Member Allocation as well as Items 1 through 9 shown below.

1. Four basic rates
 - a. Basic - \$488 per \$1,000,000 in expenditures
 - b. EPL - \$1,065 per \$1,000,000 in payroll
 - c. Premises - \$50 per 1,000 in square footage
 - d. Auto - \$150 per auto
2. Maximum premium for calculating the size credit - \$65,000
3. Maximum size credit rate percentage – 30%
4. Maximum collared rate percentage increase – 30%

5. Maximum collared rate percentage decrease – 13%
6. Capped excess premium - \$85,000
7. Minimum administrative costs - \$600
8. Maximum administrative costs - \$60,000
9. Minimum premium - \$2,000

First: Jun Reina
Second: Gigi Kiama

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

Motion carried.

C4. Approval of the FY 15/16 Workers’ Compensation Program Member Allocation

The Programs Committee reviewed the FY 15/16 Workers’ Compensation Program Member Allocation and rates.

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

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

Mimi noted that the collars have been removed from the member allocation formula because the rates have been collared.

Mimi also noted that the WCIRB issues two different sets of rates – Pure Premium Rates and Insurer Rates. The Pure Premium Rates do not include administrative and other overhead costs

that an insurer would incur. Something very important to note is that AORMA’s FY 15/16 rates are 26% and 38% lower than the WCIRB’s Pure Premium Rates.

All of the class code rates received a rate reduction, except class code 1007 which increased 29%. Because of this, the member’s combined rate within the allocation was not capped. Some members received premium increases in excess of 30% due to the following:

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

The committee reviewed the recommended Workers’ Compensation rates for the FY 15/16 term.

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

A motion was made to approve the recommended basic rates shown above.

First: Jun Reina
Second: Gigi Kiama

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

Motion carried.

Mimi explained that effective March 20, 2014, Policy and Procedure W-3 was revised to remove the termination clause for those members with an experience modification factor in excess of 1.25 for three consecutive years. The Policy and Procedure now states that the Program Administrator will assist members in creating a plan to reduce their experience modification factors and that the plan will be presented to the Programs Committee for review and approval. Staff is now suggesting that the Programs Committee remove the 25% surcharge penalty for those members with an experience modification factor in excess of 1.25. A 25% penalty is excessive and is not common practice within the commercial workers’ compensation market.

Workers’ compensation insurers do not include penalties in their pricing but instead rely on the insured’s experience modification factor as the only surcharge to the insured’s premium.

The Programs Committee considered the following recommendations:

1. Remove from the calculation the 25% surcharge for those members with an experience modification factor in excess of 1.25
2. Remove from the calculation the minimum and maximum collars

A motion was made to remove the 25% surcharge from the FY 15/16 Workers’ Compensation Member Allocation and to remove the minimum and maximum collars.

First: Gigi Kiama
Second: Jun Reina

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

Motion carried.

Mimi was directed to complete the revisions to Policy and Procedure W-1 based on the decisions at today’s meeting.

C5. Approval of the FY 15/16 Property Program Member Allocation

The Programs Committee reviewed the final member allocation and the allocation factors for FY 15/16 Property Program Member Allocation. The AORMA Committee approved the total property program costs for FY 15/16 of \$2,357,000. The total property program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure P-1. The Programs Committee reviewed the allocation factors that are included within the allocation formula.

1. Basic rates – reduced 18% as compared to FY 14/15 rates
 - a. .1424 - real property and business interruption / rents
 - b. .1709 - business personal property
 - c. The based rates for FY 14/15 were .1730 and .2076
2. Maximum premium for calculating the size credit - \$600,000 – no change from FY 14/15 calculation

3. Maximum size credit rate percentage – 30% (one member received the entire 30% size credit) - no change from the FY 14/15 calculation.
4. Maximum collared rate percentage – No members are collared.
5. Minimum collared rate percentage – No members are collared.
6. Minimum premium – \$600 - no change from FY 14/15 calculation.
7. Loss ratio surcharge schedule – no change from FY 14/15 calculation.
 - a. Less than 20% - 0%
 - b. Between 20% and 40% - 5%
 - c. Between 40% and 60% - 10%
 - d. Between 60% and 80% - 15%
 - e. Between 80% and 100% - 20%
 - f. Excess of 100% - 25%

Mimi explained that due to the rate reduction, most members received a premium reduction of between 12% and 18%. An explanation of the premium change was noted for those members outside of the average reduction.

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

A motion was made to approve the FY 15/16 Property Program Member Allocation as presented.

First: Jun Reina
Second: Gigi Kiama

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

Motion carried.

A revised motion was made to approve the FY 15/16 Property Program Member Allocation along with the allocation factors 1 – 7 as noted below:

1. Basic rates
 - a. .1424 - real property and business interruption / rents;
 - b. .1709 - business personal property
2. Maximum premium for calculating the size credit - \$600,000
3. Maximum size credit rate percentage – 30%
4. Maximum collared rate percentage – No collar
5. Minimum collared rate percentage – No collar
6. Minimum premium – \$600
7. Loss ratio surcharge schedule
 - a. Less than 20% - 0%
 - b. Between 20% and 40% - 5%
 - c. Between 40% and 60% - 10%
 - d. Between 60% and 80% - 15%
 - e. Between 60% and 80% - 20%
 - f. Excess of 100% - 25%

First: Jun Reina
Second: Gigi Kiama

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

Motion carried.

Mimi was directed to update Policy and Procedure P-1 based on the decisions at today's meeting.

C6. Approval of the FY 15/16 Crime Program Member Allocation

The Programs Committee reviewed the FY 15/16 Crime Program Member Allocation. Mimi explained that the minimum collared rate was removed as no members were subject to this collar. Only two members were subject to the maximum rate collar. For FY 16/17, it appears that the rate collars will not be necessary. The Programs Committee reviewed the allocation factors.

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

The committee directed staff to update the program member names. It appears that UEI Sacramento appears in the place of UEC San Bernardino.

A motion was made to approve the FY 15/16 Crime Program Member Allocation along with the allocation factors 1 – 7 noted above.

First: Gigi Kiama
Second: Jun Reina

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

Motion carried.

C7. Approval of the FY 15/16 Employment Practices Liability Deductibles

Mimi explained that in accordance with Policy and Procedure L-7 – Employment Practices Liability Deductible (EPL), the Programs Committee is responsible for approving each member’s minimum EPL deductible for FY 15/16. The committee reviewed the minimum EPL deductible formula and schedule.

It is the policy of CSURMA AORMA that annually a minimum EPL deductible will be determined for each Member. The formula for determining the minimum EPL deductible is based on number and cost of EPL claims paid, at June 30, for the last five fiscal years. If a Member has more than one EPL claim payment within the last five fiscal years, then the total amount paid within those five years for all claims exceeding \$25,000 will be applied to the following schedule:

Level 1	Paid losses of \$75,000 or less	\$25,000 deductible
Level 2	Paid losses of \$75,001 to \$175,000	\$50,000 deductible
Level 3	Paid losses of \$175,001 to \$275,000	\$75,000 deductible
Level 4	Paid losses in excess of \$275,001	\$100,000 deductible

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

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

Auxiliary Organization	FY 15/16	FY 14/15	FY 13/14
California State University, East Bay Foundation, Inc.	\$50,000	\$50,000	\$50,000
California State University, Fresno Foundation	\$75,000	\$50,000	\$25,000
California State University, Long Beach Research Foundation	\$75,000	\$75,000	\$50,000

Cal State L.A. University Auxiliary Services, Inc.	\$50,000	\$50,000	\$50,000
The Cal Poly Pomona Foundation, Inc.	\$100,000	\$75,000	\$100,000
University Enterprises, Inc., CSU Sacramento	\$75,000	\$50,000	\$25,000
San Diego State University Research Foundation	\$100,000	\$75,000	\$50,000
San Jose State University Research Foundation	\$75,000	\$50,000	\$25,000
Cal Poly Corporation	\$50,000	\$50,000	\$50,000

The committee reviewed the minimum ELP deductible calculation.

A motion was made to approve the FY 15/16 Employment Practices Liability deductibles as noted above.

First: Gigi Kiama
Second: Jun Reina

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

Motion carried.

C8. Approval of the Dividend Distribution for the Liability and Workers’ Compensation Programs

Mimi explained that the AORMA Committee approved the following dividends at its meeting in September, 2014:

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

Based on the approved calculation in Policy and Procedure A-4 – Dividends and Assessments, the total dividend has been allocated to the program members.

A motion was made to approve the AORMA Liability Program July, 2015 dividend distribution.

First: Jun Reina
Second: Gigi Kiama

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

Motion carried.

A motion was made to approve the AORMA Workers’ Compensation Program July, 2015 dividend distribution.

First: Jun Reina
Second: Gigi Kiama

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

Motion carried.

Guy Dalpe directed staff to review how the dividend for Cesar Chavez Student Center was distributed between ASI and UCorp.

C9. Approval of the FY 14/15 Long Range Action Plan for the Programs Committee

The Programs Committee reviewed the LRP items that were assigned to the committee:

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

A motion was made to approve the FY 14/15 Long Range Action Plan for the Programs Committee.

First: Mark Day
Second: Jun Reina

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			

Haleh Minakary				X
Mark Day	X			
Jun Reina	X			

Motion carried.

C10. Approval of the 2015 Meeting Dates for the Programs Committee

The Programs Committee reviewed the proposed meeting dates for 2015. Mimi noted that AORMA’s policy and procedure requires that all of the member allocation formula be reviewed every three years. The committee decided to meet in-person when conducting the allocation formula review.

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

A motion was made to approve the Programs Committee meeting dates noted above.

First: Gigi Kiama
Second: Jun Reina

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

Motion carried.

D. INFORMATION ITEMS

The information items were reviewed, but there was no discussion.

- D1. 2015 CSURMA AORMA Meeting Calendar**
- D2. FY 14/15 Long Range Action Plan**
- D3. CSURMA AORMA Committee and Standing Committee Roster**

Guy Dalpe noted that Jason Porth, the new Executive Director for the University Corporation at San Francisco State, would be a great addition to the Programs Committee. The committee members agreed and directed Mimi to ask Robert de Wit to appoint Jason to the Programs Committee.

E. ADJOURNMENT

A motion was made to adjourn the meeting at 11:24 AM

First: Mark Day
Second: Gigi Kiama

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

Motion carried.

FY 14/15 AORMA LIABILITY PROGRAM MEMORANDUM OF COVERAGE

ISSUE: The Programs Committee is being asked to consider the following changes to the AORMA Liability Program Memorandum of Coverage (MOC):

1. The AORMA Liability Program was designed to provide Broadcaster's and Publisher's Liability coverage. The coverage has existed within the liability program because it was not specifically excluded. In order to further clarify the intent of the liability MOC, a definition for media wrongful act, as well as specific exclusions, has been included in the MOC.
2. The Medical Malpractice Exclusion was revised so that the exclusion does not apply to phlebotomists.
3. Exclusion A, within the Domestic Hired Automobile Physical Damage endorsement, has been revised to remove 15-Passenger Vans as an excluded type of vehicle. The liability MOC does not exclude auto liability coverage when driving a 15-Passenger Van; however, the Domestic Hired Automobile Physical Damage endorsement excludes physical damage coverage for any rented 15-Passenger Van.
4. Exclusion N within the Domestic Hired Automobile Physical Damage endorsement was revised in 2014 to include coverage for off-road operation of a rented vehicle. Exclusion G remains on the endorsement, "... AORMA will not pay for loss arising out of any violation of the rental car agreement."

Steven Karp, who is a part of the AOA Research Administration Committee (RAC), asked that the Programs Committee reconsider coverage for off-road operation of a rented vehicles in violation of the rental car agreement. At HSU vehicles are rented and driven on non-paved roads to conduct required research or campus field trips. Steven reiterates that from his discussion with the RAC, this is a CSU system-wide practice and is not contained to just the research auxiliaries. When Steven recently met with the Chairs from the HSU Science College, they also stated that they had class field trips in rental vehicles that were not always on paved roads. Steven is asking the Programs Committee to reconsider allowing the intentional violation of the rental car agreement when using the rented vehicle on non-paved but official city, county, state or federal roads. Steve explains that these would be official marked dirt or gravel roads that are not covered under the current rental car insurance agreement.

RECOMMENDATION: Staff recommends that the Committee discuss these revisions and make a recommendation for the AORMA Committee to consider.

FISCAL IMPACT: Unknown at this time. These revisions broaden the coverage within the AORMA Liability Program and therefore, claims may be paid under these coverage extensions.

BACKGROUND: None.

PUBLICATION: The revised Memorandum of Coverage will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. FY 14/15 Liability Memorandum of Coverage (with suggested revisions)



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

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

The California State University Risk Management Authority Auxiliary Organizations Risk Management Alliance (hereinafter called CSURMA AORMA) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.

This Memorandum of Coverage does not provide insurance, but instead provides for pooled-insurance. This Memorandum is a negotiated agreement among the **Members** of the CSURMA AORMA, and none of the parties to the Memorandum is entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This Memorandum shall be applied according to the principles of contract law, giving full effect to the intent of the **Members** of the CSURMA AORMA.

In consideration of payment of the contribution and subject to the limit of liability set forth in the Declarations and other terms of this Memorandum, as follows:

SECTION I - COVERAGES

Subject to the **Member's retained limit**, the CSURMA AORMA agrees:

To pay on behalf of any **Covered Party** those sums for **ultimate net loss** which the **Covered Party** shall become obligated to pay as **damages**, by reason of liability imposed by law, because of **bodily injury, property damage, errors and omissions, unfair employment practices liability, and personal injury or media wrongful act**, to which this Memorandum applies, caused by an **occurrence**.

SECTION II - 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 **retained limit**, without the prior written consent of the CSURMA AORMA.

SECTION III - LIMITATIONS UPON CSURMA AORMA'S LIABILITY

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

The CSURMA AORMA’s liability for **damages** shall only be for the **ultimate net loss** less the amount of the **Member’s Retained Limit** not to exceed the limit of coverage shown in Item 1 of the Declarations, as the result of any one **occurrence** or the amount shown in Item 4 because of all **occurrences** for any one **Member** during each **coverage period**.

However, in the event of an **occurrence**, which involves more than one CSURMA AORMA **Member**, only one **retained limit** and one limit of liability shall apply to such **occurrence**, irrespective of the number of CSURMA AORMA **Members** involved in that **occurrence**. Liability for the **retained limit** shall be apportioned among all of the involved **Members** according to the amounts of their respective **retained limits** under this Memorandum.

For the purpose of determining the CSURMA AORMA limit of liability and the **retained limit** of the **Member**, all **damages** arising out of continuous repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

This Memorandum applies to **occurrences**, which take place anywhere during the specified **coverage period** stated in the Declarations of this Memorandum. An **occurrence** with duration of more than one **coverage period** shall be treated as a single **occurrence** arising during the **coverage period** when the **occurrence** ends (which shall in no event be deemed later than the date on which the claimant files suit), and under no

circumstances shall the fact that said **occurrence** has a duration of more than one **coverage period** entitle a **Covered Party** to more than one limit of coverage.

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 retained limit** 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 retained limit**, 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.

Bodily injury or **personal injury** damages resulting from **non-employment harassment** will be deemed to have occurred at the time of the last **non-employment harassment** 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 **non-employment harassment** taking place thereafter, (2) victims of **non-employment harassment**, or (3) locations where the **non-employment harassment** took place. Only the Memorandum of Coverage in effect during which such **non-employment harassment** last occurred will apply to such single occurrence of **non-employment harassment**. Coverage does not apply to any **covered party** who is found by a court of law to have committed a criminal act of **non-employment harassment**.

SECTION IV - COVERED PARTIES

The parties covered by this Memorandum are:

- A. The **Member** is a signatory to the CSURMA Joint Powers Authority and is named on the Declarations Page.
- B. The following individually and collectively are covered parties, when acting solely within the scope of their duties, office, or employment for the named **Member**:
 - 1. The governing board;
 - 2. Officers;
 - 3. **Employees**; and
 - 4. Authorized Individuals acting as volunteers.
- C. 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 named **Member**.

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

1. 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** 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
2. 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.

D. **Additional Covered Party** as defined in Section VI A. of this Memorandum.

E. 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

The coverage provided by this Memorandum does not apply to any of the following:

A. Aircraft

To any liability for **damages** arising out of the ownership, maintenance, loading or unloading, use or operation of any aircraft capable of flight, airfields, runways, hangers, buildings or other property in connection with aviation activities. This exclusion does not apply to static aircraft, or to an **unmanned aerial vehicle**.

B. Asbestos

To any liability for **damages** arising, in whole or in part, out of actual or alleged, threatened or suspected, inhalation of, ingestion or, contact with, exposure to, existence or, or presence of asbestos; or

Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of or in any way responding to or assessing the effects of asbestos by any **Covered Party** or by any other person or entity.

C. Assault and Battery

To any liability for **damages** arising out of assaults and batteries, except for assault and battery committed or directed for the purpose of protecting persons or property or where same are not committed by or at the direction of the **Member**.

D. Aviation Activities

To liability for **damages** arising out of the ownership, maintenance, loading or unloading, use or operation of any:

1. **Aircraft**
2. Airfields;
3. Runways;
4. Hangars; or
5. 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.

E. Contractual Obligations

1. To any liability for **damages** of non-tort causes of action related to breach of contract proceedings; or
2. To any liability for which the **Member** is obligated to pay **damages** by reason of assumption of liability in any contract or agreement. This exclusion does not apply to liability for **damages**:
 - a. Assumed in a contract or agreement that is an executed **Member** contract as that term is defined herein, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement: or
 - b. Liability for **damages** that the **Member** would have in the absence of the contract or agreement.

F. Cyber Liability

Damages, or loss, costs or expenses because of **bodily injury, personal injury, property damage, ~~or~~ errors and omissions** or media wrongful act arising directly or indirectly out of:

1. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

2. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, costs or expenses incurred by any **covered party** or others arising out of that which is described in Paragraphs 1 and 2 above.

G. Electronic Communication

1. Arising out of electronic or other publication, transmission, dissemination or storage of material, if done by or at the direction of the **Member** with knowledge of its falsity;
2. Arising out of electronic or other publication, transmission, dissemination or storage of material whose first publication, transmission, dissemination or storage took place before the beginning of the policy period; or,
3. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the **Member**.

This exclusion does not apply to:

1. Personal injury arising from a **Member's** broadcasting activities; or,
2. Liability arising from the managerial, advisory, supervisory or controlling obligation of one **Covered Party** over the actions of another **Covered Party**.

H. Employment Benefit

To any obligation for which the **Member** may be held liable under any Workers' Compensation or disability benefits law or under any similar law, plan or agreement; except as provided within the Fiduciary Liability Coverage endorsement.

I. Employment Liability

To **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.

J. ERISA

To any obligation of the **Member** under the "Employment Retirement Income Security Act of 1974" and any law amendatory thereto or any similar federal, state or local statute; except as provided within the Fiduciary Liability Coverage endorsement.

K. Fiduciary Liability

To liability arising out of;

1. The purchase, or sale, or offer of sale, or solicitation of any security, debt, bank deposit or financial interest or instrument;
2. 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
3. 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.

L. Funds, Grants or Appropriations

To any liability for **damages** for either the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations, nor for the return of such funds, grants, or appropriations for any reason(s).

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 SIR program sublimit of \$250,000 per **occurrence**.

M. Intentional Conduct

Any liability arising out of criminal, fraudulent, known false or dishonest acts or omissions committed by or at the direction of the **Covered Party**. CSURMA AORMA may at its sole discretion, agree to waive this exclusion in order to supply certain payments under Section II. Defense and Settlements if the judgment or final adjudication is adverse to the participating **Covered Party**, the **Covered Party** will reimburse CSURMA AORMA for all defense costs.

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

N. Lack of Occurrence

To injuries or **damages** which do not arise out of an **occurrence** as defined in this Memorandum.

O. 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.

P. Lead

Any loss or liability arising out of, or contributed to or caused by lead as described below:

1. **Bodily injury, property damage or personal injury** arising out of , resulting from, caused by or contributed to by the toxic or pathological properties of lead, lead compounds or lead contained in any materials;
2. Any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead;
3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts 1 or 2 above; or
4. Any obligation to share damages with or repay someone else who much pay damages in connection with parts 1, 2 or 3 above.

Q. Medical Malpractice

Liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Member** including individuals providing professional medical services (Professional Medical Services include anyone engaged in the practice of medicine and whose operations are not exempted elsewhere in this exclusion). This includes, but is not limited to:

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

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

1. Ambulance operations, occupational physical examinations, student nursing programs, other student medical training programs, infirmaries, non-clinic nursing services or services of the **Member's employees** who are nurses, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, phlebotomist, or physical therapists;
2. **Unfair employment practices** liability;
3. First Aid to any person;
4. Any medical services clinic that does not perform invasive surgery of any kind; or
5. Operations performed by coroners.

R. Mold

Any **bodily injury, personal injury, advertising injury or property damage** arising directly or indirectly out of, resulting from, caused by or contributed to by:

1. Any fungus(es) or spore(s);
2. Any solid, liquid, vapor, or gas produced by or arising out of any fungus(es) or spore(s);
3. Any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(es) or spore(s);
4. Any intrusion, leakage, or accumulation of water or any other liquid that contains, harbors, nurtures or acts as a medium for fungus(es) or spore(s);
5. The actual or threatened abatement, mitigation, removal or disposal of fungus(es) or spore(s) or any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(es) or spore(s);
6. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with subparagraphs 1, 2, 3, 4 or 5 above; or

For the purpose of this exclusion fungus(es) includes, but is not limited to, any form or type of mold, mushroom or mildew and spore(s) include any reproductive body produced by or arising out of any fungus(es).

However, CSURMA AORMA will provide coverage up to an amount not exceeding \$600,000 each occurrence and each **Member**, subject to an \$850,000 aggregate limit, per **Member**.

S. Nuclear Material

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

1. With respect to which a **Member** is insured under a nuclear energy liability memorandum issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be a **Covered Party** under any such memorandum but for its termination upon exhaustion of its limit of liability; or
2. Resulting from the hazardous properties of nuclear material and with respect to which:
 - a. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - b. 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.
3. Resulting from the hazardous properties of nuclear material, if:

- a. 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;
- b. 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
- c. 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**.

T. Pollution

To any liability for **damages**, loss, cost or expense:

1. 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** anywhere in the world;
2. Arising out of any claim, suit, governmental direction or request, demand or order, whether by or on behalf of a governmental direction 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**; or
3. Arising from the cost of investigation or attorney's fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize, or in any way respond to **pollutants**.

However, this exclusion does not apply to liability arising out of:

- a. Water, whether recycled, reconditioned or reclaimed;
- b. Any discharge, dispersal, seepage, migration, release or escape directly or indirectly caused by fire, explosion, lightning, windstorm, vandalism, or malicious mischief, riot and civil commotion, flood, collision, or upset of a motor vehicle, railroad vehicle, mobile equipment, automatic sprinkler leakage or **aircraft**;
- c. Any liability arising out of police use of mace, oleoresin capsicum (o.c.), pepper gas or tear gas;
- d. Any liability arising from weed abatement or spraying;
- e. The products hazard or the completed operations hazard; and

- f. Any discharge, dispersal, seepage, migration, release or escape of **pollutants** that meets all of the following conditions:
 - i. It was accidental and neither expected nor intended by the **Covered Party**. This condition would not serve to deny coverage for a specific incident where such discharge, dispersal, seepage, migration, release or escape of **pollutants** was a result of an attempt by any **Covered Party** to mitigate or avoid a situation where substantial third party **bodily injury, property damage or personal injury** could occur; and
 - ii. It was demonstrated as having commenced on a specific date during the **coverage period**; and
 - iii. Its commencement became known to any **Covered Party** within seven (7) calendar days and was further reported to the person responsible for risk management at the **Member** within a reasonable time frame; and
 - iv. Its commencement was reported in writing to CSURMA AORMA within forty (40) calendar days of becoming known to the person responsible for risk management for the **Member**; and
 - v. Reasonable effort was expended by the **Member** to terminate the situation as soon as conditions permitted.

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

- a. Any site or location principally used by any **Member**, or by others on the **Member's** behalf, for the handling, storage, disposal, dumping, processing, or treatment of waste material;
- b. Any fines or penalties;
- c. Any clean-up costs ordered by the superfund program, or any federal, state or local governmental authority. However, this paragraph shall not serve to deny coverage for third party clean-up costs otherwise covered by this exception to this exclusions 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** 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 its derivatives.

U. Silica

Any loss or liability arising out of, or contributed to or caused by silica as described below:

1. Bodily injury, property damage or personal injury arising out of, resulting from, caused by, or contributed to by silica, exposure to silica or the use of silica;
2. Any damages or any loss, cost or expense arising out of any (1) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or (2) request, demand, order or statutory or regulatory requirement that any covered party or any other person or entity should be, or should be responsible for:
 - a. Assessing the presence, absence or amount or effects of silica;
 - b. Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica; or
 - c. Responding to silica in any way other than as described in (a) or (b) above;
3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
4. Any obligation to share damages with or repay someone else in connection with any of the subsections above.

V. Subsidence

To **property damage** arising out of subsidence for any reason.

W. War

Any loss or damage arising directly or indirectly, out of war, including undeclared civil war; 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 insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

X. Watercraft

For liability for **damages** 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 **Member**, but this exclusion does not apply to:

1. Watercraft while ashore; or
2. Watercraft less than fifty (50) feet in length at the waterline.

Y. Under Errors and Omissions Liability

1. **Bodily injury** or **property damage** or **unfair employment practices** or **personal injury** as defined in the Memorandum;
2. The refund of taxes, fees or assessments;

3. a. 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;
- b. 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**;

4. Liability for any **Member** arising out of estimates of probable costs or cost estimates being exceeded or faulty preparation of bid specifications or plans or failure to award contracts in accordance with statute or ordinance which under law must be submitted for bids;
5. Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof; or
6. Liability arising out of the failure to perform or breach of a contractual obligation.

Nothing contained in this exclusion shall limit the **Covered Party's** right of recovery, where applicable, under **bodily injury, property damage, unfair employment practices liability, and personal injury** coverages as provided in this Memorandum.

Z. Under Media Wrongful Acts

1. 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.
2. 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
3. a. 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;
- b. 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**;

SECTION VI – DEFINITIONS

- A. **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 the **Member's** operations or premises owned by or rented to 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 insured under this coverage.

The coverage provided does not apply to any **occurrence** taking place:

1. Prior to the **Members'** operations or occupation of the premises; or
2. After the **Members'** operations have been completed or occupation of the premises has ceased.

The limits of coverage will be limited to the limits required within the terms of the written contract of the limits of liability of this Memorandum, whichever is less, and will apply in excess of the **Members' retained limit** shown in the Declarations. CSURMA AORMA will not be obligated for limits of coverage shown in the written contract that are greater than the limits of liability of this Memorandum.

- B. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air, but does not include **unmanned aerial vehicle**.
- C. **Automobile** or **Auto** shall mean a land motor vehicle, trailer, or semi-trailer, subject to motor vehicle registration, including any attached machinery or equipment and including Mobile Equipment.

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers;

6. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

D. Bodily Injury means bodily harm, sickness, disability or disease. **Bodily injury** shall also mean mental injury, mental anguish, humiliation, shock or death if directly resulting from **bodily injury**, sickness, disability or disease. **Bodily injury** shall include cause and loss of services resulting at any time from the **bodily injury** of any person or persons.

E. 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 ~~Named~~ **Member**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

1. When all operations to be performed by or on behalf of the **Additional Covered Party** under the contract have been completed; or
2. When all operations to be performed by or on behalf of the **Additional Covered Party** at the site of the operations have been completed; or
3. 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 engaged in performing operations as a part of the same project.

Operations with 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 liability arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

F. Coverage Period means the period beginning with the effective date shown in the Declarations and ending on the expiration date shown in the Declarations, unless terminated.

G. Damages mean 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** 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**.

H. Discrimination, as respects **unfair employment practices**, means the actual or alleged failure to employ, failure to promote, or transfer, or the suspension, demotion 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.

I. Employee, as respects **unfair employment practices** and when appearing in boldface type in this Memorandum, means any present or former **employee** of the ~~named~~ **Member** or any applicant for employment by the named **Member**, including independent contractors and /or persons working on retainer, while acting for or on behalf of the ~~named~~ **Member** but only as respects unfair employment practices.

J. Errors and Omissions means any actual or alleged misstatement or misleading statement or act or omission or neglect or breach of duty including misfeasance, malfeasance or nonfeasance by any **Covered Party** individually or collectively in the discharge of their duties with the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.

K. Hired Automobile shall mean an **automobile** used under contract on behalf of the **Member** provided such **automobile** is not owned in full or in part by or registered in the name of (1) the **Member**, or (2) any **Covered Party** who is granted an operating allowance of any sort for the use of such **automobile**.

L. Media Wrongful Act means any actual or alleged:

1. 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;
2. wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
3. libel, slander, disparagement, or any other form of defamation or harm to the character or reputation of any person or entity;
4. outrage, infliction of emotional distress or prima facie tort;
5. infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name;
6. copyright infringement, plagiarism, piracy, beach of implied contract, or misappropriation of property rights, information or ideas;
7. breach of a promise of confidentiality or anonymity;
8. error or omission in content;

9. unfair competition or conspiracy

10. 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 an **Covered Party** in his, 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.

Member Contract means:

1. A contract for a lease of premises including but not limited to premises rented or loaned to you;
2. A sidetrack agreement;
3. Any easement or license agreement;
4. An obligation, as required by ordinance;

5. An elevator maintenance agreement;

~~5-6.~~ Any indemnification or hold harmless agreement entered into by a **covered party** in connection with the distribution of media; or

~~6-7.~~ That part of any contract or agreement pertaining to the **Member's** business under which the **Member** assumes tort liability of another party to pay for **bodily injury, property damage, ~~or~~ personal injury or media wrongful act** to a third party or organization or **unfair employment practices**. Tort liability means liability that would be imposed by law in the absence of any contract or agreement.

However, it does not include that part of any contract or agreement:

- a. That indemnifies an architect, engineer, or surveyor, his agents or “**employees**”, for injury or damage arising out of preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs, or specifications or giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- b. To any claim, judgment or agreement from any arbitration proceeding wherein CSURMA AORMA is not entitled to exercise with the **Covered Party**, the **Covered Party's** rights in the choice of arbitrators, and in the conduct of such proceedings.

~~K-M.~~ **Non-Owned Automobile** shall mean an **automobile** not owned by or furnished for the regular use of the **Member**.

~~L-N.~~ **Non-employment harassment** means actual or alleged unwelcome or offensive;

1. Physical conduct, including sexual molestation; or

2. Verbal or written conduct or conduct using visual images, including such conduct by electronic means,

against anyone other than a present or former employee of, or an applicant for employment with, the **Member** and shall include any actual or alleged breach of duty by a **covered party** causing, contributing or leading to such **non-employment harassment**.

M.O. Occurrence means an accident or event, during the **coverage period** including continuous or repeated exposure to conditions, which result in injury or damage to which this coverage applies; provided, such injury or damage is neither expected nor intended from the standpoint of the **Member**.

With respect to **personal injury**, "**occurrence**" means an offense described in the definition of that term in this "Section VI - Definitions," that is committed during the **coverage period**.

With respect to **Errors & Omissions**, "**occurrence**" means an offense described in the definition of that term in this "Section - VI Definitions" that is committed during the **coverage period**, provided that the injury is neither expected nor intended from the standpoint of the **Member**.

N.P. Owned Automobile shall mean an **automobile** owned in full or in part by or registered in the name of the **Member**. **Automobile** furnished by the **Member** for driver education purposes shall be considered an **owned automobile**.

O.Q. Personal Injury means:

1. False arrest, detention, or imprisonment or malicious prosecution;
2. Publication or utterance of libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
3. Wrongful entry or eviction or other invasion of the right of private occupancy;
4. **Discrimination** or violation of civil rights other than **unfair employment practices**, not intentionally committed by or at the direction of the **Member**;
5. Sexual harassment not intentionally committed by or at the direction of the **Member**; or
6. **Unfair Employment Practices**.

P.R. Pollutants mean 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 **pollutants** as used herein are not defined to mean potable water or agricultural water or water furnished to commercial users.

Q.S. Property Damage means:

1. Physical injury to or destruction of tangible property which occurs during the **coverage period**, including the loss of use thereof at any time resulting there from; or

2. Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the **coverage period**.

R.T. Retained Limit, as contained in the Declarations of this Memorandum, means the amount of paid claim liability for **damages** covered by this Memorandum, for which the **Member** is responsible on a per **occurrence** basis, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. The **Member's retained limit** also includes defense fees and costs expended by the **Member** in defense of a claim to the extent that the claim is potentially covered under this Memorandum, and also includes court costs, allocated loss adjustment expenses and other associated costs and expenses, but does not include any salaries of the **Member's** regular **employees**, nor any defense fees or costs incurred in the defense of claims for which there was never any potential for coverage under this Memorandum.

S.U. Ultimate Net Loss as contained in the Declarations of this Memorandum, means the amount of paid claims liability for **damages** for which the **Covered Party** is liable, on a per **occurrence** 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. The **ultimate net loss** also includes defense fees and costs incurred by the **Member** in defense of the claim and also includes court costs, allocated loss adjustment expenses, and other associated costs and expenses, but does not include any salaries of the **Member's** regular **employees**. **Ultimate net loss** shall not include any **damages** recovered against a **Member** or defense expenses incurred because of liability that is not covered by this Memorandum.

F.V. Unfair Employment Practices means:

1. Any circumstance relating to a past, present or prospective **employee** of the **Member** (and the spouse, child, parent, brother or sister of that person as a consequence of **unfair employment practices** that person at whom any of the employment-related practices described below is directed) for or arising out of any actual or alleged 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** evaluations; or
2. Sexual or workplace harassment or humiliation of any kind, including but not limited to, the alleged operation of a workplace harassing workplace environment, or
3. Actual or alleged negligence resulting in **damages** to a person that is a “whistle blower”, unlawful **discrimination**, whether direct, indirect, intentional or unintentional, or
4. Failure to provide adequate **employee** policies and procedures.

Unfair employment practices 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 there under:

1. Americans with Disabilities Act of 1992 (ADA);
2. Civil Rights Act of 1991;

3. Age **Discrimination** in Employment Act of 1967 (ADEA), including the Older Workforce Benefit Protection Act of 1990;
4. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
5. Civil Rights Act of 1866, Section 1981; and
6. Fifth and Fourteenth Amendments of the U.S. Constitution.

U.W. **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.

~~U.X.~~ The following definitions are applicable only to Exclusion I:

Hazardous properties include radioactive, toxic or explosive properties;

Nuclear material means source material, special nuclear material or byproduct material;

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;

Spent fuel means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

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:

Nuclear Facility means:

- a. Any **nuclear reactor**;
- b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging **waste**;
- c. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in 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
- d. 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.

Nuclear Reactor means any apparatus designed or used to sustain nuclear fission in a supporting chain reaction or to contain a critical mass of fissionable material.

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

SECTION VII – CONDITIONS

- A. 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.
- B. Termination: Coverage provided under this Memorandum, may be terminated by the CSURMA Board of Directors at any time in accordance with the JPA Agreement Section 23 Termination.
- C. 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.
- D. 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 retained limit** 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 retained limit**, 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:
- a. 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
 - b. 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.
- E. Duties in the Event of an Accident, **Occurrence**, Offense, Claim, Suit or Proceeding: 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.

- F. 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 **unfair employment practices**, 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 Liability Claims Administrator.

- G. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Covered Party** shall not relieve CSURMA AORMA of any of its obligations hereunder.
- H. Separation of Insureds: 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:
1. As if each **Covered Party** were the only **Covered Party**; and

2. Separately to each **Covered Party** against whom the claim is made or suit is brought.
 - I. Limit of Liability: As provided in the Declarations.
 - J. Assignment: No purported assignment of rights or interests under this Memorandum shall bind CSURMA AORMA without its written consent.
 - K. Changes: 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 the CSURMA AORMA, unless and until a written endorsement which expressly so amends this Memorandum or waives a provision thereof has been duly issued by the CSURMA AORMA and made a part of the Memorandum, or unless the CSURMA AORMA Policies and Procedures regarding claims reporting and claims administration and litigation management have been amended by the CSURMA AORMA.
 - L. Transfer of Rights of Recovery Against Others to CSURMA AORMA: If the **Member** or any other **Covered Party** has rights to recover all or part of any payment CSURMA AORMA has made under this coverage, those rights are transferred to CSURMA AORMA. The **Member** or any other **Covered Party** shall do nothing after the loss to impair the recovery. At CSURMA AORMA's request, the **Member** or any other **Covered Party** will bring suit or transfer the rights to CSURMA AORMA and help CSURMA AORMA enforce them.
 - M. Claims Settlement: As stated in the CSURMA AORMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management:
 1. Claim Settlement Authority

The following guidelines apply to settlement authority of CSURMA AORMA, within this Memorandum:

 - a. \$0 to 25,000 – Claims Administrator

The Liability Claims Administrator has authority to settle claims up to, and including, \$25,000 per claim.
 - b. Up to the **Pooled Layer Limit** – AORMA Committee

The AORMA Committee has authority to authorize claims settlement up to the **Pooled Layer Limit**.
 2. Claims Settlement Responsibility:

AORMA Committee shall have the primary responsibility to control and direct settlement negotiations and to determine the terms of any settlement. However, before effecting any settlement, AORMA Committee shall give notice to the **Member** of the terms of the proposed settlement.
 3. **Member** Appeal Process:

First Level Appeal

If a **Member** wishes to appeal a decision regarding whether or not coverage is provided or to appeal a settlement decision, the **Member** must present an appeal in writing to the AORMA Committee within thirty (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 (5) business days of its final decision.

Second Level Appeal

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

- N. 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 or 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 is prosecuted there from, until the suit has been finally determined on appeal. Any person or organization or legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Memorandum to the extent of the coverage afforded by this Memorandum. Nothing contained in this Memorandum 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.



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

**DOMESTIC HIRED AUTOMOBILE PHYSICAL DAMAGE
AMENDATORY ENDORSEMENT - #1**

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

The term “auto(s)” as used in this endorsement means a land motor vehicle designed for travel on public roads, but does not refer to those types of automobiles excluded under Exclusion # 1 below or to mobile equipment.

The term “loss” as used in this endorsement means direct and accidental loss or damage.

SECTION I - COVERED AUTOS

Domestic Hired Autos Only – Only “autos” the **Covered Party** may hire, lease, rent or borrow for no more than thirty (30) consecutive days by execution of a contract within the coverage territory. This does not include any **automobile** a **Covered Party** may lease, hire, rent or borrow from any of **Member employees** or **members** of their household.

SECTION 2 - PHYSICAL DAMAGE COVERAGE

A. Coverage Extensions

1. CSURMA AORMA will pay for “loss” to a covered auto or its equipment under Comprehensive and Collision coverage.
2. The coverage provided by this Endorsement is excess over any other collectible coverage
3. For **Hired Auto** Physical Damage, CSURMA AORMA will pay expenses for which a **Covered Party** becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver 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 for towing and labor costs incurred each time a covered auto of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

B. Limit of Coverage

1. 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.

C. Deductible

For each covered auto, 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.

D. Coverage Territory

Under this Endorsement, CSURMA AORMA will cover accidents and losses occurring:

1. During the Memorandum period shown in the Declarations Page.
2. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America; and Puerto Rico.

SECTION 3 – EXCLUSIONS

- A. CSURMA AORMA will not pay for loss to any expensive, exotic or antique automobile, ~~15-passenger vans~~; 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 automobiles include but are not limited to those manufactured by Aston Martin, Bentley, Bricklin, Daimler, DeLorean, Excalibur, Ferrari, Jensen, Lamborghini, Lotus, Maaserati, Porsche and Rolls Royce. However, selected models of BMW, Mercedes-Benz, Cadillac and Lincoln are covered.
- B. CSURMA AORMA will not pay for loss to any covered auto 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 auto while that covered auto is being prepared for such contest or activity.
- C. CSURMA AORMA will not pay for loss caused by or resulting from any of the following unless caused by other loss that is covered by this coverage:

1. Wear and tear, freezing or mechanical or electrical breakdown; or
 2. Blowouts, punctures or other road damage to tires.
- D. CSURMA AORMA will not pay for loss to any of the following:
1. Tapes, records, discs, or other similar audio, visual data electronic devices designed for use with audio, visual or data electronic equipment.
 2. 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.
 3. 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.
 4. Any accessories used with the electronic equipment described in Paragraph c. above Exclusions 2.c. and 2.d. do not apply to:
 - a. Equipment designed solely for the reproduction of sound and accessories, provided such equipment is permanently installed in the covered auto at the time of the loss or such equipment is removable from a housing unit which is permanently installed in the covered auto at the time of loss, and such equipment is designed to be solely operated by use of the power from the auto's electrical system, in or upon the covered auto
 - b. Any other electronic equipment that is:
 - 1) Necessary for the normal operation of the covered auto or the monitoring of the covered auto's operating system
 - 2) 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 auto normally used by the manufacturer for installation of a radio.
- E. CSURMA AORMA will not pay for loss to a covered auto due to diminution of value.
- F. 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.
- G. CSURMA AORMA will not pay for loss arising out of any violation of the rental car agreement. This exclusion does not apply to off-road operation of a vehicle on non-paved, dirt or gravel official city, county, state or federal roads.
- H. CSURMA AORMA will not cover damage to **autos** that are hired, rented or borrowed for more than thirty (30) consecutive days.
- I. CSURMA AORMA will not pay for loss or theft of personal belongings.
- J. CSURMA AORMA will not pay for loss caused by or resulting from the use of **auto** by **Member** volunteers.
- K. CSURMA AORMA will not pay for damages resulting from any **Covered Party's** personal liability.
- L. CSURMA AORMA will not pay for depreciation of the rental **auto** caused by loss or damage including but not limited to "diminished value".



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

- M. CSURMA AORMA will not pay for 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.
- N. CSURMA AORMA will not cover loss due to off-road operation of the rented **auto**, except when the off-road operation is authorized by a **Covered Party** and is used for an appropriate business operation.
- O. CSURMA AORMA will not pay for confiscation by authorities.
- P. CSURMA AORMA will not pay for **autos** that do not meet the definition of covered **autos**.
- Q. CSURMA AORMA will not pay for losses reported more than forty-five (45) days from the date of loss.

All other terms and conditions in the Memorandum remain unchanged.

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

**MEDICAL PAYMENTS
AMENDATORY ENDORSEMENT - #2**

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

It is agreed that this Memorandum will pay medical expense limit of \$5,000 per any one person 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.

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:

1. First aid administered at the time of an accident;
2. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
3. Necessary ambulance, hospital, professional nursing and funeral services.

The Program will not pay expenses for **bodily injury**:

1. To any **Member**;
2. To a person hired to do work for or on behalf of any **Member** or a tenant of any **Member**;
3. To a person injured on that part of premises the **Member** owns or rents that the person normally occupies;

4. 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;
5. To a person injured while taking part in athletics;
6. To a person who is a student of the California State University or a participant enrolled in a CSU sponsored program;
7. Included with the products-completed operations hazard; and
8. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

All other terms and conditions in the Memorandum remain unchanged.



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

**CALIFORNIA UNINSURED OR UNDERINSURED MOTORISTS
COVERAGE BODILY INJURY
AMENDATORY ENDORSEMENT - #3**

***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 **auto** 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 **auto** 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.
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:
 - (1) 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**;
 - (2) 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
 - (3) 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:
 - (1) 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
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
(CSURMA AORMA)
LIABILITY PROGRAM
MEMORANDUM OF COVERGE**

**NON-SALARIED EMPLOYEE AUTO LIABILITY
AMENDATORY ENDORSEMENT - #4**

***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 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 12/04)

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. 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
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
(CSURMA AORMA)
LIABILITY PROGRAM
MEMORANDUM OF COVERAGE**

**FIDUCIARY LIABILITY
AMENDATORY ENDORSEMENT - #5**

***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 **Covered Party** those sums for **loss** including **Claims Expenses** incurred in the defense and settlement of any **Claim** first made against the **Covered Party** and reported to Underwriters during the **Policy 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: \$350,000 ANY ONE CLAIM

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

C. EXCLUSIONS

Exclusions H - Employee Benefits; J – ERISA; and L - 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. CSU and CSU Campus Auxiliary Organizations
 - c. Elected/Appointed Officials: all past, present and future, including the Member Designated Professional Fiduciary
 - d. 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. **Member** means the signatory to the CSURMA Joint Powers Authority
9. **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

10. **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**.
11. **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.

FY 15/16 AORMA LIABILITY PROGRAM MEMBER ALLOCATION

ISSUE: The FY 15/16 Liability Program premiums for the two Sonoma auxiliary organizations noted below are artificially high due to the collaring of the FY 14/15 premiums. If the premiums were not collared the FY 15/16 premium would be \$20,769 lower.

Auxiliary	FY 14/15	FY 15/16 w/o Collars	FY 15/16 w/ Collars	Diff Between Collared and Uncollared
Sonoma State University Academic Foundation, Inc.	15,384	2,800	13,384	10,584
Associated Students of Sonoma State University	15,839	3,595	13,780	10,185

RECOMMENDATION: Staff recommends that the Programs Committee approve the FY 15/16 Liability Program premium adjustment.

FISCAL IMPACT: The FY 15/16 deposit premiums would be lowered as shown above.

BACKGROUND: The square footage used in the FY 14/15 premium calculation was not the current square footage for both auxiliaries. The FY 14/15 allocation formula included premium and exposure collars. Therefore, even if the auxiliary had a major exposure change, the premiums would not reflect that change.

Auxiliary	FY 14/15 Square Footage	Actual Square Footage
Sonoma State University Academic Foundation, Inc.	90,500	12,800
Associated Students of Sonoma State University	65,109	5,000

PUBLICATION: The auxiliaries will be notified of the premium change.

ATTACHMENT(S): None.

FY 15/16 AORMA CRIME PROGRAM MEMBER ALLOCATION

ISSUE: The Committee will be asked to approve a change to the FY 15/16 AORMA Crime Program Member Allocation for Associated Students, CSU Bakersfield, Inc.

RECOMMENDATION: Staff recommends that the Committee approve the change to the FY 15/16 AORMA Crime Program Member Allocation for Associated Students, CSU Bakersfield, Inc.

FISCAL IMPACT: Associated Students, CSU Bakersfield, Inc.’s premium will be reduced from \$1,517 to \$517.

BACKGROUND: The primary source of revenue for ASI is student fees. When the student fees are received on a quarterly basis, CSU Bakersfield removes the income for the referendum expenses, as shown below of \$2,893,422. These referendum expenses are removed before the funds become available to ASI. ASI’s general and administrative expenses are only \$360,654. Because ASI does not have employees, a minimum premium based on expenses is charged. When including the CSU Bakersfield referendum expenses, the minimum premium is \$1,517. Based on just ASI’s expenses, the minimum premium is \$517. Because ASI never has access to the referendum funds, they should not be charged a minimum premium based on those expenses.

Entity	Expense
Asociated Students, CSU Bakersfield, Inc.	360,654
CSU Bakerfield - Referendum Activities	2,893,422
Activity	Expense
ASI Administration	360,654
Athlectic Referendum	467,045
Children's Center Referendum	135,225
NCAA Referendum	2,188,605
Club Referendum	36,199
AVC Referendum	66,348
Total	3,254,076

PUBLICATION: Associated Students, CSU Bakersfield, Inc. will be made aware of any change approved by the Programs Committee.

ATTACHMENT(S):

- a. Associated Students, CSU Bakersfield, Inc. Financial Audit at June 30, 2014



**ASSOCIATED STUDENTS,
CALIFORNIA STATE UNIVERSITY,
BAKERSFIELD, INC.**

Financial Statements and Supplemental Information

Years Ended June 30, 2014 and 2013

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Financial Statements and Supplemental Information
Years Ended June 30, 2014 and 2013

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5
Supplemental Information:	
Schedules of Expenses by Natural Classification	10
Schedules of Activities by Fund	12
Supplemental Information for Inclusion in the California State University:	
Schedule of Net Position	14
Schedule of Revenues, Expenses, and Changes in Net Position	15
Other Information	16



AKT[®]

CPAS AND BUSINESS CONSULTANTS

Personal. Local. Global.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Associated Students, California State University, Bakersfield, Inc.

We have audited the accompanying financial statements of Associated Students, California State University, Bakersfield, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2014 financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, California State University, Bakersfield, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Associated Students, California State University, Bakersfield, Inc. as of June 30, 2013 were audited by other auditors whose report dated September 19, 2013 expressed an unmodified opinion on those statements.

7676 HAZARD CENTER DRIVE, SUITE 1300, SAN DIEGO, CA 92108

PHONE: 619.810.4940 FAX: 619.810.4941

PORTLAND, OR | SALEM, OR | CARLSBAD, CA | **66** CONDIDO, CA | SAN DIEGO, CA | ANCHORAGE, AK

AKT LLP

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 10-21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

AKT LLP

San Diego, California
September 18, 2014

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Statements of Financial Position
June 30, 2014 and 2013

ASSETS	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash	\$ 12,883	\$ 73,941
Investments	811,502	1,352,507
Accounts receivable	59,577	34,552
Due from related parties	344,929	5,079
Other receivables	-	2,093
Prepaid expenses and other current assets	<u>81</u>	<u>-</u>
Total Current Assets	1,228,972	1,468,172
Property and Equipment, net of accumulated depreciation	<u>155,581</u>	<u>175,160</u>
Total Assets	<u>\$ 1,384,553</u>	<u>\$ 1,643,332</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 80,029	\$ 37,681
Deferred revenue	97,217	13,931
Due to related parties	233,909	223,192
Deposits in excess of withdrawals for agency accounts	<u>135,382</u>	<u>122,259</u>
Total Current Liabilities	546,537	397,063
Net Assets - Unrestricted	<u>838,016</u>	<u>1,246,269</u>
Total Liabilities and Net Assets	<u>\$ 1,384,553</u>	<u>\$ 1,643,332</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Activities**

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted Revenue and Other Support:		
Fees	\$ 2,836,413	\$ 2,837,543
Miscellaneous	4,537	3,905
Interest	4,873	8,199
	<u>2,845,823</u>	<u>2,849,647</u>
Total Unrestricted Revenue and Other Support		
Expenses:		
Program services	2,893,422	2,070,674
General and administrative	360,654	320,033
	<u>3,254,076</u>	<u>2,390,707</u>
Total Expenses		
Change in Net Assets	(408,253)	458,940
Net Assets, beginning	<u>1,246,269</u>	<u>787,329</u>
Net Assets, ending	<u>\$ 838,016</u>	<u>\$ 1,246,269</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Cash Flows**

Years Ended June 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities:		
Change in net assets	\$ (408,253)	\$ 458,940
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	27,357	27,946
Changes in operating assets and liabilities:		
Accounts receivable	(22,932)	62,345
Due from related parties	(339,850)	(5,079)
Prepaid expenses and other assets	(81)	-
Accounts payable and accrued expenses	42,348	(3,766)
Deferred revenue	83,286	(94,781)
Due to related parties	10,717	194,239
Deposits in excess of withdrawals for agency accounts	13,123	21,698
Increase (decrease) in outstanding checks in excess of bank balance	-	(47,149)
Net Cash Provided (Used) by Operating Activities	(594,285)	614,393
Cash Flows from Investing Activities:		
Purchases of property and equipment	(7,778)	-
Net proceeds (purchases) from sale of investments	541,005	(540,452)
Net Cash Provided (Used) by Investing Activities	533,227	(540,452)
Net Increase (Decrease) in Cash	(61,058)	73,941
Cash, beginning	73,941	-
Cash, ending	\$ 12,883	\$ 73,941

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2014 and 2013

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

The Associated Students, California State University, Bakersfield, Inc. (Organization) was formed and operates as a non-profit auxiliary organization of California State University, Bakersfield (CSU Bakersfield or the University) located in Bakersfield, California. The Organization exists as an advocate for students and provides programs which encourage leadership development, educational interests, and cultural awareness both at the university and statewide. The Organization has been in operation since 1976 and became a viable fiscal entity with the introduction of mandatory student fees by an election in 1977. The Organization's primary source of revenue is student fees.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Organization had no temporarily restricted or permanently restricted net assets during the years ended June 30, 2014 and 2013.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2014 and 2013 and therefore no amounts have been accrued.

The Organization files informational and income tax returns in the United States, California, and in local jurisdictions. With few exceptions, the Organization's federal income tax returns for the years prior to 2010 are closed. State and local jurisdictions have statutes of limitations that generally range from three to five years.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2014 and 2013

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Accounts Receivable

The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. A provision for doubtful accounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period of time. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of 3 to 10 years.

Deferred Revenue

Deferred revenue represents the portion of student activity fees collected for the summer session applicable to the next fiscal year.

Deposits in Excess of Withdrawals for Agency Accounts

The Organization holds funds for on-campus clubs to fund club activities. These monies can be drawn upon at any time.

Student Fees

Each matriculated student of the University is required to pay \$119 and \$117 per quarter for student body fees for each of the years ended June 30, 2014 and 2013, respectively. These payments support the Organization's operations and are recognized as revenue when the students enroll.

Fair Value Measurements

The Organization defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Organization applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The fair value of the investments held by the pooled SWIFT account explained in Note 3 reflect the Organization's pro rata share of the market value of the underlying assets in the account.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2014 and 2013

Note 1 – Organization and Summary of Significant Accounting Policies, continued

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2014 and 2013, due to the relative short maturities of these instruments.

Subsequent Events

The Organization has evaluated subsequent events through September 18, 2014, which is the date the financial statements were available to be issued.

Note 2 – Concentrations of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. At June 30, 2014, the Organization's deposits with financial institutions were fully insured. In addition, the Organization has deposited cash pooled with the California State University, US Bank SWIFT account.

Note 3 – Investments and Fair Value Measurement

The Organization's investments are pooled and invested with the California State University, Bakersfield's US Bank SWIFT account to take advantage of an effective investment program. The Organization's share of pooled investments was \$811,502 and \$1,352,507 at June 30, 2014 and 2013, respectively. The SWIFT account consists of a variety of investments such as U.S. agency securities, corporate and fixed income securities, commercial paper, and repurchase agreements.

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. See Note 1 for information regarding investment valuation.

All investments held by the Organization are considered to be Level 2 investments.

Note 4 – Property and Equipment

Property and equipment consist of the following:

	2014	2013
Equipment	\$ 57,807	\$ 56,162
Leasehold improvements	254,852	254,852
	<u>312,659</u>	<u>311,014</u>
Less accumulated depreciation	<u>(157,078)</u>	<u>(135,854)</u>
	<u>\$ 155,581</u>	<u>\$ 175,160</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2014 and 2013

Note 5 – Operating Leases

The Organization leases 1,220 square feet of office space at California State University, Bakersfield from California State University, Bakersfield Student Union, Inc. under non-cancellable agreements expiring through June 2019. Monthly lease payments range from \$2,013 to \$2,355 throughout the contract.

Minimum future lease payments as of June 30, 2014 are due as follows:

Years Ending June 30,	
2015	\$ 24,156
2016	25,181
2017	26,206
2018	27,230
2019	28,255
Thereafter	<u>-</u>
	<u>\$ 131,028</u>

Rental expense was \$23,783 and \$23,964 for the years ended June 30, 2014 and 2013, respectively.

Note 6 – Reclassification

Certain reclassifications have been made to the 2013 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Note 7 – Related Party Transactions

The Organization's salaries are paid by the University and billed to the Organization. The University provides accounting services and leases office space to the Organization. See Note 5 regarding leases.

California State University, Bakersfield Foundation (Foundation) functions to benefit the student body of California the University by operating various campus programs. The Foundation provides program services for student services for the Children's Center. The Organization pays the University and/or the Foundation for these services as approved by the student body.

California State University, Bakersfield Student Union, Inc. (Student Union) functions to benefit the student body of the University by operating various campus programs. The Student Union provides facilities for the Organization to conduct its operations. The Organization pays the Student Union for the use of these facilities.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Notes to Financial Statements**Years Ended June 30, 2014 and 2013

Note 7 – Related Party Transactions, continued

Related party transactions as of and for the years ended June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Expenses:		
Program fees		
University	\$ 2,770,364	\$ 1,923,520
Foundation	133,521	-
Student Union	29,671	-
	<u>\$ 2,933,556</u>	<u>\$ 1,923,520</u>
Due from:		
University	\$ 221,830	\$ 2,616
Foundation	123,099	2,460
Student Union	-	3
	<u>\$ 344,929</u>	<u>\$ 5,076</u>
Due to:		
University	\$ 162,289	\$ 222,612
Foundation	71,620	-
Student Union	-	580
	<u>\$ 233,909</u>	<u>\$ 223,192</u>

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2014

	Program Services	General and Administrative	Total
	<u> </u>	<u> </u>	<u> </u>
Scholarships	\$ 1,814,021	\$ 28,875	\$ 1,842,896
Travel	652,430	28,834	681,264
Supplies	348,051	70,278	418,329
Salaries	14,649	100,420	115,069
Services from other agencies	32,380	24,845	57,225
Benefits	2,280	48,003	50,283
Depreciation	20,460	6,897	27,357
Rent	-	23,783	23,783
Conference and meetings	2,051	9,102	11,153
Professional fees	6,323	3,177	9,500
Insurance	-	7,028	7,028
Dues and subscriptions	-	4,215	4,215
Telephone	405	2,360	2,765
Advertising	180	1,600	1,780
Printing and publications	192	837	1,029
Stipends	-	400	400
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 2,893,422</u>	<u>\$ 360,654</u>	<u>\$ 3,254,076</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2013

	Program Services	General and Administrative	Total
	<u> </u>	<u> </u>	<u> </u>
Scholarships	\$ 1,755,375	\$ 30,225	\$ 1,785,600
Supplies	177,426	23,859	201,285
Services from other agencies	104,121	28,705	132,826
Salaries	11,500	94,155	105,655
Benefits	4,465	45,525	49,990
Depreciation	-	27,946	27,946
Rent	1,362	22,602	23,964
Professional fees	6,080	10,869	16,949
Travel	530	16,187	16,717
Insurance	2,279	6,930	9,209
Conference and meetings	6,099	510	6,609
Dues and subscriptions	-	4,029	4,029
Stipends	-	3,050	3,050
Telephone	399	2,392	2,791
Advertising	-	2,055	2,055
Printing and publications	1,038	941	1,979
Repairs and maintenance	-	53	53
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 2,070,674</u>	<u>\$ 320,033</u>	<u>\$ 2,390,707</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Activities by Fund

Year Ended June 30, 2014

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Total
Unrestricted Revenue and Other Support:							
Fees	\$ 343,493	\$ 339,484	\$ 121,232	\$ 1,892,298	\$ 91,351	\$ 48,555	\$ 2,836,413
Miscellaneous	241	(4,269)	-	-	-	8,565	4,537
Interest	2,363	641	87	1,344	283	155	4,873
Total Unrestricted Revenue and Other Support	346,097	335,856	121,319	1,893,642	91,634	57,275	2,845,823
Expenses:							
Program services	-	467,045	135,225	2,188,605	36,199	66,348	2,893,422
General and administrative	360,654	-	-	-	-	-	360,654
Total Expenses	360,654	467,045	135,225	2,188,605	36,199	66,348	3,254,076
Change in net assets	(14,557)	(131,189)	(13,906)	(294,963)	55,435	(9,073)	(408,253)
Net Assets, beginning	570,501	139,605	15,246	300,073	57,106	163,738	1,246,269
Net Assets, ending	\$ 555,944	\$ 8,416	\$ 1,340	\$ 5,110	\$ 112,541	\$ 154,665	\$ 838,016

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Activities by Fund

Year Ended June 30, 2013

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Total
Unrestricted Revenue and Other Support:							
Fees	\$ 338,385	\$ 335,739	\$ 120,215	\$ 1,921,974	\$ 72,844	\$ 48,386	\$ 2,837,543
Miscellaneous	3,390	-	-	-	30	485	3,905
Interest	4,215	906	119	2,533	312	114	8,199
Total Unrestricted Revenue and Other Support	345,990	336,645	120,334	1,924,507	73,186	48,985	2,849,647
Expenses:							
Program services	54,813	204,598	110,658	1,645,183	33,318	22,104	2,070,674
General and administrative	289,583	1,230	1,878	7,272	811	19,259	320,033
Total Expenses	344,396	205,828	112,536	1,652,455	34,129	41,363	2,390,707
Change in net assets	1,594	130,817	7,798	272,052	39,057	7,622	458,940
Net Assets, beginning	568,907	8,788	7,448	28,021	18,049	156,116	787,329
Net Assets, ending	\$ 570,501	\$ 139,605	\$ 15,246	\$ 300,073	\$ 57,106	\$ 163,738	\$ 1,246,269

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Net Position

June 30, 2014

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 12,883
Short-term investments	811,502
Accounts receivable, net	404,506
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	81

Total current assets	1,228,972
----------------------	-----------

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	155,581
Other assets	—

Total noncurrent assets	155,581
-------------------------	---------

Total assets	1,384,553
--------------	-----------

Deferred outflows of resources:

Unamortized loss on refunding(s)	—
----------------------------------	---

Total deferred outflows of resources	—
--------------------------------------	---

Liabilities:

Current liabilities:

Accounts payable	263,853
Accrued salaries and benefits payable	—
Accrued compensated absences— current portion	13,330
Unearned revenue	97,217
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Claims Liability for losses and LAE - current portion	—
Depository accounts	—
Other liabilities	172,137

Total current liabilities	546,537
---------------------------	---------

Noncurrent liabilities:

Accrued compensated absences, net of current portion	—
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims Liability for losses and LAE, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	—
Other liabilities	—

Total noncurrent liabilities	—
------------------------------	---

Total liabilities	546,537
-------------------	---------

Deferred inflows of resources:

Deferred inflows from SCAs, grants, and others	—
--	---

Total deferred inflows of resources	—
-------------------------------------	---

Net Position:

Net investment in capital assets	155,581
Unrestricted	682,435

Total net position	\$ 838,016
--------------------	------------

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2014

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$0)	\$	2,836,413
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)		—
Other operating revenues		4,536
Total operating revenues		<u>2,840,949</u>

Expenses:

Operating expenses:

Instruction		—
Research		—
Public service		—
Academic support		—
Student services		1,383,822
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		1,842,896
Auxiliary enterprise expenses		—
Depreciation and amortization		27,357
Total operating expenses		<u>3,254,075</u>
Operating income (loss)		<u>(413,126)</u>

Nonoperating revenues (expenses):

State appropriations, noncapital		—
Federal financial aid grants, noncapital		—
State financial aid grants, noncapital		—
Local financial aid grants, noncapital		—
Nongovernmental and other financial aid grants, noncapital		—
Other federal nonoperating grants, noncapital		—
Gifts, noncapital		—
Investment income (loss), net		4,873
Endowment income (loss), net		—
Interest Expenses		—
Other nonoperating revenues (expenses)		—
Net nonoperating revenues (expenses)		<u>4,873</u>

Income (loss) before other additions (408,253)

State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		<u>(408,253)</u>

Net position:

Net position at beginning of year, as previously reported		1,246,269
Restatements		—
Net position at beginning of year, as restated		<u>1,246,269</u>
Net position at end of year	\$	<u>838,016</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
 Other Information
 June 30, 2014
 (for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2014:

	Balance June 30, 2013	Prior period Adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2014
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	254,852	-	-	254,852	-	-	-	254,852
Leasehold improvements	56,162	-	-	56,162	7,778	(6,134)	-	57,806
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	311,014	-	-	311,014	7,778	(6,134)	-	312,658
Total capital assets	311,014	-	-	311,014	7,778	(6,134)	-	312,658
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	(83,353)	-	-	(83,353)	(25,485)	-	-	(108,838)
Leasehold improvements	(52,501)	-	-	(52,501)	(1,872)	6,134	-	(48,239)
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(135,854)	-	-	(135,854)	(27,357)	6,134	-	(157,077)
Total capital assets, net	175,160	-	-	175,160	(19,579)	-	-	155,581

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2014
(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2014:

Depreciation and amortization expense related to capital assets	\$ 27,357
Amortization expense related to other assets	—
Total depreciation and amortization	<u>\$ 27,357</u>

4 Long-term liabilities activity schedule:

	Balances June 30, 2013	Prior period adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Balance June 30, 2014	Current portion	Long-term portion
Accrued compensated absences	7,821	—	—	7,821	12,221	(6,712)	13,330	13,330	—
Capitalized lease obligations:	—	—	—	—	—	—	—	—	—
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:	—	—	—	—	—	—	—	—	—
Revenue Bonds	—	—	—	—	—	—	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	—	—	—	—	—
Commercial Paper	—	—	—	—	—	—	—	—	—
Note Payable related to SRB	—	—	—	—	—	—	—	—	—
Other:	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	<u>7,821</u>	<u>—</u>	<u>—</u>	<u>7,821</u>	<u>12,221</u>	<u>(6,712)</u>	<u>13,330</u>	<u>13,330</u>	<u>—</u>

85

5 Future minimum lease payments - capital lease obligations:

Year ending June 30:	Principal	Interest	Principal and Interest
2015	—	—	—
2016	—	—	—
2017	—	—	—
2018	—	—	—
2019	—	—	—
2020 - 2024	—	—	—
2025 - 2029	—	—	—
2030 - 2034	—	—	—
2035 - 2039	—	—	—
2040 - 2044	—	—	—
2045 - 2049	—	—	—
2050 - 2054	—	—	—
2055 - 2059	—	—	—
2060 - 2064	—	—	—
Total minimum lease payments	—	—	—
Less amounts representing interest	—	—	—
Present value of future minimum lease payments	—	—	—
Less: current portion	—	—	—
Capitalized lease obligation, net of current portion	—	—	\$ —

6 Long-term debt obligation schedule

Year ending June 30:	Revenue Bonds		All other long-term debt obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020 - 2024	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

7 Calculation of net position

7.1 Calculation of net position - Net investment in capital assets

	Auxiliary Organizations		Total
	GASB	FASB	
Capital assets, net of accumulated depreciation	-	155,581	155,581
Capitalized lease obligations - current portion	-	-	-
Capitalized lease obligations, net of current portion	-	-	-
Long-term debt obligations - current portion	-	-	-
Long-term debt obligations, net of current portion	-	-	-
Portion of outstanding debt that is unspent at year-end	-	-	-
Other adjustments: (please list)	-	-	-
Add description	-	-	-
Net position - net investment in capital asset	\$ -	\$ 155,581	\$ 155,581

7.2 Calculation of net position - Restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$ -	-	-
Endowment investments	-	-	-
Other adjustments: (please list)	-	-	-
Add description	-	-	-
Add description	-	-	-
Net position - Restricted for nonexpendable - endowments per SNP	\$ -	-	-

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2014

(for inclusion in the California State University)

8 Transactions with Related Entities

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	157,563
Payments to University for other than salaries of University personnel		2,612,801
Payments received from University for services, space, and programs		—
Gifts-in-kind to the University from discretely presented component units		—
Gifts (cash or assets) to the University from discretely presented component units		—
Accounts (payable to) University (enter as negative number)		(162,289)
Other amounts (payable to) University (enter as negative number)		221,830
Accounts receivable from University		—
Other amounts receivable from University		—

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$	—
Contributions during the year		—
Increase (decrease) in net OPEB obligation (NOO)		—
NOO - beginning of year		—
NOO - end of year	\$	—

10 Pollution remediation liabilities under GASB Statement No. 49:

Description	\$	Amount
Add description		—
Add description		—
Total pollution remediation liabilities	\$	—
Less: current portion		—
Pollution remediation liabilities, net of current portion		—

11 The nature and amount of the prior period adjustment(s) recorded to beginning net position

	Net Position Class	Amount	
		Dr.	Cr.
Net position as of June 30, 2013, as previously reported		\$	1,246,269
Prior period adjustments:			
1 (list description of each adjustment)			
Net position as of June 30, 2013, as restated		\$	1,246,269

Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

	Debit	Credit
Net position class:		
1 (breakdown of adjusting journal entry)	\$	
Net position class:		
2 (breakdown of adjusting journal entry)		
Net position class:		
3 (breakdown of adjusting journal entry)		
Net position class:		
4 (breakdown of adjusting journal entry)		
Net position class:		
5 (breakdown of adjusting journal entry)		
Net position class:		
6 (breakdown of adjusting journal entry)		
Net position class:		
7 (breakdown of adjusting journal entry)		
Net position class:		
8 (breakdown of adjusting journal entry)		
Net position class:		
9 (breakdown of adjusting journal entry)		
Net position class:		
10 (breakdown of adjusting journal entry)		

2015 CSURMA AORMA MEETING CALENDAR

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

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA – 2015 Meeting Calendar

2015 CSURMA • AORMA MEETING CALENDAR

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

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

2015 CSURMA • AORMA MEETING CALENDAR

JULY, 2015	AUGUST, 2015	SEPTEMBER, 2015
7-8 AORMA Officers Retreat, TBD		9 AORMA New Member Orientation: 9 AORMA LRP: Newport Beach: 10:00 a.m. 10 AORMA: Newport Beach: 9:00 a.m. 10 EC Orientation: Newport Beach: 4:00 pm 11 EC: Newport Beach: 8:30 a.m.
OCTOBER, 2015	NOVEMBER, 2015	DECEMBER, 2015
1 PC: Teleconference: 1:00 p.m. 5 MSLCTC: Teleconference: 10:00 a.m. 22 AORMA: Long Beach: 10:00 a.m. 22 BOD Orientation: Teleconference: 2:00 p.m. 23 EC: Long Beach: 9:00 a.m. 23 BOD: Long Beach: 10:30 a.m. <i>AIME: TBD – 10:30 a.m.</i>		3 AORMA: Long Beach: 10:00 a.m. 4 EC: Long Beach: 8:30 a.m. 10 PC: Teleconference: 1:00 p.m.

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

FY 14/15 AORMA LONG RANGE ACTION PLAN

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

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

CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
AORMA COMMITTEE				
A-1	WORKERS' COMPENSATION POLICIES AND PROCEDURES			
	Staff (Alliant)	Review all workers' compensation policies and procedures and recommend revisions as necessary.	January, 2014	Completed
	PC	Review all workers' compensation policies and procedures and recommend approval to the AORMA Committee, with revisions as appropriate. All workers' compensation policies and procedures have been reviewed.	February 2, 2014	Completed
	AORMA Committee	Review and approve revisions to the workers' compensation policies and procedures.	March 20, 2014	Completed
A-2	CLOSED SESSION POLICY AND PROCEDURE			
	AORMA Committee	Review and approve the new policy and procedure	October 23, 2014	Completed
A-3	MEMBER ALLOCATION FORMULA – RATING PLAN REVIEW POLICY AND PROCEDURE			
	AORMA Committee	Review and approve the new policy and procedure	October 23, 2014	Completed

CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

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

CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
MEMBER SERVICES, LOSS CONTROL AND TRAINING COMMITTEE				
M-1	RISK REDUCTION INNOVATIVE MATCHING GRANT PROGRAM			
	MSLCT Committee	Review revisions to grant criteria within policy and procedure A-6; recommend approval to the AORMA Committee	November, 2014	Completed
	AORMA Committee	Review and approve revisions to grant criteria within policy and procedure A-6	December, 2014	Completed
M-2	AORMA INSURANCE HANDBOOK – IS THIS COVERED?			
	Staff	Complete the AORMA – Is This Covered Handbook	January, 2015	Completed
	MSLCT Committee	Review handbook and recommend revisions as appropriate	January, 2015	N/A
	Staff	Present the handbook during the AOA Session – AORMA What’s Covered and What’s Not	February 9, 2015	Completed
M-3	REAL PROPERTY ACQUISITIONS - CHECKLIST			
	Staff	Complete the AORMA Real Property Acquisitions - Checklist	January, 2015	
	MSLCT Committee	Review checklist and recommend revisions as appropriate	February, 2015	
	AORMA Committee	Review final checklist	March, 2015	
M-4	KEEPING MINORS SAFE WHILE ON CAMPUS - HANDBOOK			
	Staff	Complete the Keeping Minors Safe While on Campus Handbook. The scope of this project was changed by the MSLCTC.	January, 2015	Completed
	MSLCT Committee	Review handbook and recommend revisions as appropriate. The project timeline was changed by the MSLCTC. Each year two or three minor projects will be suggested by the MSLCTC for completion and addition to the handbook. The MSLCTC chose Traveling with Minors and Overnight Wilderness Activities with Minors	February, 2015	Completed
	AORMA Committee	Review final handbook. Review completed sections of the handbook.	June, 2015	

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

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

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

FISCAL IMPACT: None.

BACKGROUND: Contact lists are provided at every meeting.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Committee and Standing Committee Roster

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

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

Member Services, Loss Control & Training Committee

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

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

Programs Committee

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
PC	Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
PC	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
PC	At Large	Haleh Minakary	General Business Manager	Pomona	The Cal Poly Pomona Foundation, Inc.	hminakary@csupomona.edu	909-869-2910
PC	At Large	Mark Day	Executive Director	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	mday@csusb.edu	909-537-7201
PC	At Large	Jun Reina	Chief Operations Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	jporth@sfsu.edu	415-338-6880