



**CSURMA EXECUTIVE COMMITTEE MEETING AGENDA**  
**“This is an Open Public Meeting”**

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

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

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

Meeting Date: February 8, 2015  
Time: 3:00 PM

Primary Location: The Langham Huntington  
1401 South Oak Knoll Avenue  
Pasadena, CA 91106

Legend: **A** = Action  
**I** = Information  
**V** = Verbal  
**S** = Separate

**A. CALL TO ORDER**

- 1. **Approval of the Agenda** **A** p.4

**B. PUBLIC COMMENTS**

**C. CONSENT CALENDAR** **A**

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is asked to take action on the consent calendar items as a group, except that a member may request that an item be withdrawn from the Consent Calendar for discussion and action.*

- 1. **Approval of Minutes – December 5, 2014** p.5  
*The Committee will be asked to approve the minutes from their last meeting.*

- 2. **Financial Report**
  - a. Draft Financial Statement at December 31, 2014 p.16
  - b. Treasurer’s Certification Letter p.28

- 3. **Resolution 01-15 (EC) Delegating Authority of CSURMA Secretary-Auditor to act on behalf of CSURMA relative to the CSAC Insurance Authority** p.30  
*The committee will be asked to approve a delegation of authority for the CSURMA Secretary-Auditor to act on behalf of CSURMA.*

**D. GENERAL ADMINISTRATION**

- 1. **Evaluation of Campus Climate Reporting** **I** p.33  
*The Committee will hear a summary of additional discussions regarding evaluation of a Campus Climate Web Portal.*

2. **High Hazard International Travel Approval Process Update** I p.34  
*The Committee will receive an update on the high hazard international travel approval process.*
3. **Executive Committee Nominations** A p.39  
*The Committee will be asked to review the seats coming available and take action to appoint a Nominating Committee to propose a slate of candidates.*
4. **2015 Long Range Planning Meeting Date, Location, and Agenda** A p.42  
*The Committee is asked to approve the Draft Long Range Planning meeting date, agenda and location.*
5. **OCIP Renewal and Savings Matrix** I p.44  
*The Committee will review an exhibit demonstrating the savings received from the OCIP program.*
6. **Student Placement Agreement Language** I p.78  
*The Committee will be asked to review and approve language to be added to the CSU Service Learning Contracts which stipulate how student injuries will be covered.*
7. **Unmanned Aerial Vehicle and Rocketry Insurance Update** I p.79  
*The Committee will review the (1) memo from Office of General Counsel regarding use UAVs, and (2) memo regarding excess coverage for small model rockets*
8. **Review of Campus Risk Pool Rating Plan for Bond Funded Facilities** I p.88  
*The Committee will hear considerations relative to allocations for property and liability costs for bond funded structures and may take action or provide direction.*
9. **Underwriter Meetings Report** I p.89  
*The committee is asked review the underwriter meeting report and provides direction as needed.*
10. **Concussion Mitigation Training Program Status** I p.122  
*The Committee will receive an update regarding the implementation of the proposed concussion management training.*
11. **Review of Policies and Procedures (Odd Numbered)** A p.124
  - a. No. 1 - Assessments and Disbursements
  - b. No. 3 - Records Retention
  - c. No. 5 - Claims Audits
  - d. No. 7 - Self-Insured Program Funding
  - e. No. 9 - Property Coverage for State-Owned Buildings Leased to Auxiliary Organizations
  - f. No. 11 - CSURMA Operating Budget Process
  - g. No. 13 - Campus Risk Pool Target Reserve Funding Policy
  - h. No. 15 - Responsibilities of Treasurer and Auditor

- i. No. 17 - Reimbursement of Travel Expenses
- j. No. 19 - Campus Risk Pool Claims Settlement Authority
- k. No. 21 - Campus Risk Management Innovation Grant Program

**E. COMMITTEE UPDATES**

- 1. **AIME Program Update**  
*The Committee will receive a verbal report of the AIME programs.* I p.172
- 2. **AORMA Programs Update**  
*The Committee will receive a verbal report on the AORMA programs.* I p.173

**F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1) – A**  
*Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). The matters below may be discussed. The Committee may take action or provide direction to Staff regarding the matters.*

- 1. **SFSU Science Building Loss**
- 2. **CSU v. SELF**

**G. INFORMATION ITEMS**

- 1. **Review of FY 14/15 Long Range Planning Goals** I p.174  
*The Committee will be asked to review and discuss the FY 2014/2015 Long Range planning items.*
- 2. **2015 CSURMA Meeting Calendar** I p.178  
*The Committee will review the 2015 CSURMA Meeting Calendar.*
- 3. **CSURMA Administrative Service Calendar** I p.181  
*The Committee will review the CSURMA Administrative Service Calendar.*
- 4. **CSURMA Executive Committee & Staff Contact List** I p.187  
*The committee will review the contact list, making revisions as appropriate*

**H. ADJOURNMENT A**

*The next CSURMA Executive Committee meeting is scheduled for Thursday, March 19, 2015 at 2:30 pm in Newport Beach. If you have questions regarding the agenda package, please contact Mimi Long at [mlong@alliant.com](mailto:mlong@alliant.com) / (415) 403-1423 or Tevea Him at [thim@alliant.com](mailto:thim@alliant.com) / (415) 403-1416*

**APPROVAL OF THE AGENDA**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**APPROVAL OF MINUTES – DECEMBER 5, 2014**

**ISSUE:** The Executive Committee will be asked to review and approve the draft minutes from its December 5, 2014 meeting.

**RECOMMENDATION:** It is recommended that the Executive Committee approve the minutes from its December 5, 2014 meeting, including corrections as necessary.

**FISCAL IMPACT:** None.

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

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

**ATTACHMENT(S):**

- a. CSURMA Executive Committee Meeting Minutes – December 5, 2014

**MINUTES OF THE  
CSURMA EXECUTIVE COMMITTEE MEETING  
DECEMBER 5, 2014  
ALLIANT INSURANCE SERVICES  
1301 Dove Street, 2<sup>nd</sup> Floor • Newport Beach, CA  
8:30 AM**

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**MEMBERS PRESENT**

Robert de Wit (AORMA Chair) - Forty-Niner Shops, Inc., CSULB  
Lori Gentles - CSU Fullerton  
Linda Hawk (Vice-Chair) - CSU San Marcos  
Mike Lee - CSU Sacramento  
Michael Thorpe - CSU Chico  
Frank Mumford (AORMA Vice-Chair) - CSU Fullerton (*Arrived at 8:45 AM*)  
Cynthia Teniente-Matson (Chair) - CSU Fresno

**MEMBERS ABSENT**

George V. Ashkar (Treasurer) - CSU Office of the Chancellor  
Lisa Chavez - CSU Los Angeles (*Participated via teleconference in a non-voting capacity*)

**STAFF, GUESTS & CONSULTANTS**

Kelly Cox - CSU Office of the Chancellor  
Gordon DesCombes - Alliant Insurance Services, Inc.  
Robert Eaton (Secretary/Auditor) - CSU Office of the Chancellor  
Mike Fleming – CSAC EIA  
Zachary Gifford - CSU Office of the Chancellor  
Jacki Graf - Alliant Insurance Services, Inc.  
Daniel Howell - Alliant Insurance Services, Inc.  
William Hsu - CSU Office of General Counsel  
Robert Leong - Alliant Insurance Services, Inc.  
Mimi Long - Alliant Insurance Services, Inc.

**A. CALL TO ORDER**

The meeting was called to order by the Chair, Cynthia Teniente-Matson at 8:32 AM.

**A1. Approval of the Agenda**

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

**MOTION:** Mike Lee

**SECOND:** Mike Thorpe

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Mike Lee	<b>X</b>			
Frank Mumford				<b>X</b>
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

There were no comments from the public.

**C. CONSENT CALENDAR**

**C1. Approval of Minutes – October 24, 2014**

**C2. Financial Information - Treasurer’s Report @ September 30, 2014**

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

**MOTION:** Mike Thorpe

**SECOND:** Lori Gentles

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Mike Lee	<b>X</b>			
Frank Mumford				<b>X</b>
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**MOTION CARRIED**

**D. GENERAL ADMINISTRATION**

**D1. Risk Management Innovation Grant Program**

Cynthia Teniente-Matson asked Rob Leong to summarize the agenda item. At the last meeting the Executive Committee approved the Risk Management Grant applications submitted by the twelve campuses. The Executive Committee applied the existing grant criteria when approving the grants for the first year. At today’s meeting, the Executive Committee was asked to approve the revisions to the grant criteria and the disposition of the unused funds. Zachary Gifford let the committee know that the CSU WERCS Committee is leading the charge on training the sub-committees with regard to the types of grant projects that are appropriate. Some of the items being discussed are theater safety and/or lab safety. The Executive Committee members reiterated that the unused funds should only be used for innovative Systemwide projects. The committee also requested that applications for the Employee Health & Wellness and Safety & Risk Control grants be combined into one application and that the maximum grant per campus be limited to \$10,000.

A motion was made to approve the revisions to the grant criteria within Policy and Procedure No. 21 – Risk Management Innovation Grant Program and to approve the use of the remaining \$73,433 in unused grant funds for innovative Systemwide grant projects.

**MOTION:** Linda Hawk

**SECOND:** Lori Gentles

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Mike Lee	<b>X</b>			
Frank Mumford	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**MOTION CARRIED**

**D2. Evaluation of Primary Coverage Program for Workers’ Compensation**

Daniel Howell stated the CSAC EIA workers’ compensation program allows CSURMA to purchase workers’ compensation at below the actuarially “expected” funding level, which is an opportunistic purchase. The quote provided by CSAC EIA for workers’ compensation insurance is lower than CSURMA’s estimated losses at an “expected” actuarial confidence level. As shown in the exhibits below, historically, CSURMA’s loses tend to trend up as they mature. By purchasing the CSAC EIA workers’ compensation coverage, CSURMA will lock-in pricing below “expected”. If CSURMA’s losses trend up (as they historically have) CSURMA would receive a significant financial benefit.

The Executive Committee reviewed the exhibits below which show how CSURMA’s workers’ compensation losses tend to trend up from the original “expected” loss picture.

**Campus Workers’ Compensation Risk Pool:**

<b>Valuation Date:</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>% Change from FY Year End</b>
<b>07-08</b>	\$16.587	\$16.678	\$15.869	\$16.293	\$16.668	\$16.849	\$16.959	102.24%
<b>08-09</b>		17.996	19.008	18.743	19.599	20.261	19.889	110.52%
<b>09-10</b>			17.118	16.520	16.362	16.810	17.598	102.80%
<b>10-11</b>				20.657	21.178	22.752	23.318	112.88%
<b>11-12</b>					19.575	20.697	22.347	114.16%
<b>12-13</b>						21.565	21.193	98.27%
<b>13-14</b>							23.201	N/A

**AORMA Workers’ Compensation Risk Pool:**

<b>Valuation Date:</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>% Change from FY Year End</b>
<b>07-08</b>	\$1.992	\$2.326	\$2.420	\$2.768	\$2.793	\$2.875	\$3.035	152.36%
<b>08-09</b>		1.427	1.200	1.281	1.440	1.309	1.428	100.07%
<b>09-10</b>			1.364	1.518	1.655	1.784	1.551	113.71%
<b>10-11</b>				2.770	2.771	2.756	3.108	112.20%
<b>11-12</b>					2.728	2.495	2.353	86.25%
<b>12-13</b>						2.388	2.512	105.19%
<b>13-14</b>							2.184	N/A

Valuation by CSURMA's Actuary (Aon) of Selected Ultimate Claims  
Discounted Expected Value at June 30 Each Year  
All Values in \$ thousands (000)

Purchasing the CSAC EIA workers’ compensation insurance also frees up funds which would normally need to be held in trust to fund future claims. As proposed by staff the program costs invoiced to each member will still include the risk margin to increase the program confidence level to a 70% (Campus Risk Pool) or 80% (AORMA) confidence level. This would allow both programs to release dividends back to its members.

The Executive Committee members asked how CSAC EIA would be different from SELF. Daniel noted that CSAC EIA may assess each member as well; however, the problems with SELF resulted from a number of issues. The SELF excess workers' compensation pool had an extremely low self-insured retention, and the rating did not include member experience modifications factors. Because of this, the members with the low loss ratios left the program and the members with the high loss ratios stayed. This created adverse selection. CSAC EIA does include an experience modification factor in each member's premium calculation. Therefore, the members with the high loss ratios will pay more. Also, SELF did not for many years audit the members' claims administrators and had only one claims consultant on staff to oversee the claims administration of all of the members. CSAC EIA audits each member's claims administrator every two years to verify that the claims are being reserved appropriately and that claims are being administered effectively. CSAC EIA also has seven staff members who are devoted to loss control. SELF required a six month notice of cancellation which made leaving the program difficult. CSAC EIA requires only 60 days' notice of cancellation and the notice of cancellation is rescindable. Also, SELF did not purchase reinsurance for the risk pool. CSAC EIA does purchase reinsurance when the cost to insure the program is less than the cost to self-insure the program. This allows CSAC EIA to transfer the liability for some of its losses.

With regard to dividends and assessments, CSAC EIA calculates each member's percentage based on its premium for a rolling 10-year period. After ten years, the former member would not be subject to any assessments. Dividends, however, are only paid to current members. SELF's assessments were forever. CSAC EIA has had only one assessment in FY 02/03 for \$9,000,000. The SELF assessment was \$60,000,000. Also, SELF based the assessment on payroll and did not include loss rating. CSURMA had the largest payroll percentage in SELF, but had one of the lowest loss ratios. Therefore, CSURMA was responsible for the largest portion of the assessment.

CSAC EIA has a very long history and the program costs are very stable. Members can expect stability in pricing. After 18 months, CSURMA's renewal premium will be calculated. The final numbers will be available for the Executive Committee to review at its March meeting which allow ample time for the 60 days' notice of cancellation should CSURMA decide to leave the program.

Gordon DesCombes wanted to make sure that the Executive Committee is aware of how joining the CSAC EIA program would impact Alliant's compensation. The Alliant Newport Beach office would receive additional compensation as authorized by CSAC EIA for his team's work on the reinsurance program placed for CSAC EIA. The CSURMA team at the Alliant San Francisco office would at the July 1, 2015 renewal no longer be compensated for placement of excess workers' compensation coverage as that coverage would be renewed by CSAC EIA as a part of the EIA XSWC program. Alliant Newport Beach will be compensated by CSAC EIA for the excess coverage renewal at rates determined by CSAC EIA.

A motion was made that CSURMA join the CSAC EIA primary and excess workers' compensation programs for both the Campus Risk Pool and AORMA WC Programs effective

January 1, 2015 with a strong recommendation that CSU seek participation on CSAC EIA’s governing board and committees, especially the worker’s compensation underwriting committee.

**MOTION:** Linda Hawk  
**SECOND:** Mike Thorpe

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Mike Lee	<b>X</b>			
Frank Mumford	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**MOTION CARRIED**

**D3. Liability Claims Administration Audit**

Rob Leong noted that it is the policy of CSURMA that its third-party claims administrators (TPAs) be audited biennially. The audits for Campus Liability, Campus Worker’s Compensation, AIME, and AORMA Liability are to occur in odd-numbered calendar years. Staff solicited proposals from Bickmore Risk Services to perform the claims audits during 2015 for the Campus Liability and AORMA Liability programs. The Campus Workers’ Compensation will be performed by Jacki Graf at Alliant Insurance Services. Rob requested that the Executive Committee defer the AIME claims administration audit pending resolution of the service issues that may result in an RFP for a claims service provider.

Bickmore Risk Services performed the last liability program claims audits 2013. To ensure consistency of review, staff recommended that the Executive Committee authorize the Secretary-Auditor to engage Bickmore as claims auditor for the Campus Liability and AORMA Liability programs. The audit will be completed and presented to the Executive Committee at its March, 2015 meeting. The cost for the audits will be \$10,000 (\$5,000 each); two years ago Bickmore charged \$9,500.

A motion was made to authorize the CSURMA Secretary-Auditor to engage Bickmore Risk Services to perform the claims administration audits for the Campus Liability Risk Pool and AORMA Liability Program and to defer the AIME claims administration audit until the services issues are resolved.

**MOTION:** Mike Lee  
**SECOND:** Linda Hawk

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				X
Lisa Chavez				X
Robert de Wit	X			
Lori Gentles	X			
Linda Hawk	X			
Mike Lee	X			
Frank Mumford	X			
Cynthia Teniente-Matson	X			
Michael Thorpe	X			

**MOTION CARRIED**

**D4. Aviation Operations Liability Insurance - Rocketry**

Daniel noted that some CSU campuses offer rocketry activities and as a part of the curriculum or club activities, students may construct and launch rockets under the supervision of faculty. The Campus Risk Pool -Liability Program does not contemplate this risk exposure and our excess liability insurers have coverage limitations. Staff received a quote from ACE Aviation and Aerospace Group.

ACE quoted a \$5,000,000 limit with annual cost of \$3,881.25 per launching location. According to the survey conducted by staff, only four campuses reported rocketry exposures – Long Beach, Loss Angeles, Pomona and San Diego. Seven launching locations have been identified. This would result in a total annual premium of \$27,168.75. Coverage will only be extended to those accidents occurring at a disclosed launching location.

Daniel noted that the CSU Los Angeles incident is the first in twenty years. The Executive Committee discussed whether to continue to self-insure this exposure in the pooled layer or to purchase the first dollar coverage. Because of the CSULA incident and because auxiliary organizations may also be involved in rocketry the committee felt that it makes sense to purchase the coverage. The committee wanted to make sure the CABO group, as well as the Campus Risk Managers, were aware of this exposure and coverage options, and that only incidents at disclosed launch sites would be covered by the new program. Staff was directed to send out a bulletin to all campus and auxiliary staff. A discussion item will also be added to the February CABO agenda.

A motion was made to authorize the purchase the Aviation Operations Liability Insurance for campus and auxiliary rocketry exposures.

**MOTION:** Mike Thorpe

**SECOND:** Linda Hawk

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				X

Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Mike Lee	<b>X</b>			
Frank Mumford	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**MOTION CARRIED**

**D5. Evaluation of Campus Climate Reporting**

Daniel Howell stated that he and Zachary Gifford had a discussion with CSU’s Academic Affairs regarding whether or not CSU should consider utilizing the UCOP Ethics Point platform for campus climate reporting. The feedback received was that CSU has a pending procurement. The Executive Committee asked Daniel and Zachary to continue to investigate this very important service as there was some understanding that CSU’s pending procurement related to Title IX and sexual assault programs rather than a broader campus climate portal. Staff was asked to provide additional information at the next meeting.

**D6. Underwriter Meetings Report**

Robert Eaton summarized the meetings that were held with CSURMA’s underwriters in London in late November. CSU was represented by CSU Chancellor White, CSU Executive Vice Chancellor & CFO Steven Relyea, CSURMA Secretary-Auditor Robert Eaton and CSURMA Program Director Howell. Meetings were held with Beazley, the Cyber Underwriters, Miller Insurance Services, who provides the underwriting for the SPLIP and SAFECLIP programs, the fidelity program the Trustees E&O including the AORMA fiduciary liability. Meetings with RKHIB and the property underwriters were held as well. Robert reported on the market conditions, uncertainty over renewal of the Federal Government terrorism reinsurance program and pending mergers of our trading partners.

Beazley has agreed to present on Cyber exposures at the Fitting the Pieces Together conference in April, 2015.

**D7. Mental Health Inquiry**

Cynthia Teniente-Matson discussed the Diverse Issues in Higher Education article which provided some insightful information.

**E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS**

**E1. AORMA Programs Update**

Robert de Wit, the AORMA Chair, updated the Executive Committee on recent AORMA Committee activities. The AORMA Committee approved a new Liability Program allocation formula. The minimum required limit on the Participant Accident Insurance policies for childcare or camps involving minors was reviewed and the AORMA Committee recommended providing quotes for increased limits and raising the minimum required limit at a later date. Policy and Procedure L-1 – Liability Claims Reporting was updated to be consistent with the provisions within the Liability Memorandum of Coverage. Similar to the Executive Committee’s decision, the AORMA Committee as well revised its Risk Reduction Grant program to be more innovative in nature. The AORMA Committee also reviewed the optional earthquake coverage available to condominium owner’s to cover assessments by an HOA due to earthquake damage or the owner’s reduction in value due to earthquake damage.

**F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1)**

**F1. Luna et al vs. SJSU**

A motion was made at 10:52 AM to enter closed session.

**MOTION:** Mike Thorpe

**SECOND:** Linda Hawk

NAME	AYE	ABSTAIN	NAY	ABSENT
George Ashkar				<b>X</b>
Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Mike Lee	<b>X</b>			
Frank Mumford	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**MOTION CARRIED**

The Executive Committee came out of closed session at 11:02 AM. Cynthia Teniente-Matson reported that action had been taken during closed session.

**G. INFORMATION ITEMS**

**G1. Review of FY 2014/2015 Long Range Planning Goals**

Daniel Howell briefly reviewed the FY 14/15 Long Range Action Plan. The CSURMA 101 presentation has been completed and is currently being utilized. The actions within the Unemployment Insurance project have been modified and the project is in progress. The Workers’ Compensation Claims Closure Initiative is in progress and the Executive Committee

will hear an update at its March, 2015 meeting. The Workers’ Compensation Reinsurance program is now complete. OCIP Renewal information will be presented at the CABO meeting in February, 2015. The Unmanned Aerial Vehicles project has been completed. Daniel Howell is working with the CSU Chancellors Office on the master insurance and indemnity language within the Student Placement Agreements.

There was no discussion regarding the remaining information items.

- G2. 2015 CSURMA Meeting Calendar**
- G3. CSURMA Administrative Service Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

**H. ADJOURNMENT**

A motion was made to adjourn the meeting at 11:09 AM.

**MOTION:** Mike Lee  
**SECOND:** Frank Mumford

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
George Ashkar				<b>X</b>
Lisa Chavez				<b>X</b>
Robert de Wit	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Mike Lee	<b>X</b>			
Frank Mumford	<b>X</b>			
Cynthia Teniente-Matson	<b>X</b>			
Michael Thorpe	<b>X</b>			

**MOTION CARRIED.**

**DRAFT FINANCIAL STATEMENT AT DECEMBER 31, 2014**

**ISSUE:** The Chancellor's Office Financial Services Accounting prepares Financial Statements for CSURMA. The Draft Financial Statement at December 31, 2014 is provided as an attachment to this item. The Executive Committee is asked to review the Draft Financial Statement as part of the Consent Calendar. The Chancellor's Office Finance Services Accounting will be on hand to answer questions.

**RECOMMENDATION:** It is recommended that the Executive Committee review and accept the Draft Financial Statement at December 31, 2014 as part of the Consent Calendar.

**FISCAL IMPACT:** None.

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

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Draft Financial Statement at December 31, 2014.

**California State University Risk Management Authority**  
**Member Aged Accounts Receivable**  
**As of 1/8/2015**

	Client Name	Current	31-60	Balance
*	Associated Students, Inc., San Luis Obispo	(\$69.00)	\$0.00	(\$69.00)
	CSU Fresno Association	\$28.00	\$0.00	\$28.00
	Humboldt State University Advancement Foundation	\$8,800.00	\$0.00	\$8,800.00
	San Jose State University Research Foundation	\$27,037.00	\$0.00	\$27,037.00
	The University Corporation at Monterey Bay	\$495.08	\$0.00	\$495.08
	University Union, CSU Sacramento	\$354.00	\$0.00	\$354.00
	Totals:	\$36,645.08	\$0.00	\$36,645.08

\* FY 13/14 AORMA WC Final Audit Credit Memos will be applied to 3rd quarter AORMA WC premiums.

**California State University Risk Management Authority  
Outstanding Member Loan Status  
As of 12/31/2014**

**Loan Pool: 15% of the overall average cash and investment for the preceding 12 months (Jan 2014 - Dec 2014)**

**\$ 28,446,437.02**

Member Name	Maturity Date	Original Issue Date	Original Issue Amount	Outstanding Loan Balance 12/31/2014	Outstanding Loan Balance 6/30/2014
Humboldt State University Advancement Foundation	Oct 2017 (Extension)	Aug 2008	\$ 2,535,000.00	\$ 2,000,000.00	\$ 2,000,000.00
CSU Fresno	Sep 2018 (Extension)	Nov 2008	\$ 4,500,000.00	\$ 1,160,318.36	\$ 1,492,420.20
CSU Northridge	Jun 2015	May 2010	\$ 5,000,000.00	\$ 1,514,161.17	\$ 1,514,161.17
CSU Sacramento	Jun 2019	May 2014	\$ 4,000,000.00	\$ 1,573,495.00	\$ -
<b>Total Loans</b>			<b>\$ 16,035,000.00</b>	<b>\$ 6,247,974.53</b>	<b>\$ 5,006,581.37</b>

**Remaining Amount Available for Member Loans**

*(The remaining amount reflects CSU Sacramento Line of credit balance of \$2,426,505.)*

**\$ 19,771,957.49**

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

A single Member loan and its associated Member's Auxiliary Organizations shall not exceed 5% of the overall average cash and investment for the preceding 12 months (Jan 2014 - Dec 2014)

**\$ 9,482,145.67**

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

**Processed from July 1 2014 to December 31 2014**

Dates of Travel	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
10/7/2014	Zachary Gifford	San Francisco	CSAC EIA Meeting	\$ -	\$ -	\$ 259.14	\$ 259.14
10/13/2014	Zachary Gifford	Santa Ana	Gibson vs CSU mediation at Judicate West	\$ -	\$ -	\$ 39.42	\$ 39.42
10/20 - 10/21/14	Zachary Gifford	Oakland / Sacramento	Luna et. al mediation / CABO Meeting	\$ 108.39	\$ 30.59	\$ 428.57	\$ 567.55
10/31/2014	Zachary Gifford	San Francisco	Williams vs SJSU mediation at Judicate West	\$ -	\$ -	\$ 386.37	\$ 386.37
11/5 - 11/6/14	Zachary Gifford	Chico	Chico State University visit with RM, EH&S, Research Foundation, WCC / Meeting with SELF	\$ 99.00	\$ 52.93	\$ 322.81	\$ 474.74
11/12/2014	Zachary Gifford	San Francisco	CSURMA Team Meeting and "Agility" Conference Call	\$ -	\$ -	\$ 260.64	\$ 260.64
11/22 - 11/26/14	Robert Eaton	London	CSU Underwriting Meeting	\$ 918.93	\$ 244.25	\$ 2,240.42	\$ 3,403.60
12/4 - 12/5/14	Zachary Gifford	Newport Beach	AORMA Committee and CSURMA Executive Committee Meeting	\$ -	\$ -	\$ 64.96	\$ 64.96
12/19/2014	Zachary Gifford	San Francisco	Clark Construction et. al vs CSU (SJSU University Village Mediation)	\$ -	\$ -	\$ 431.37	\$ 431.37
<b>Total Travel Expenses from 10/1/14 to 12/31/14</b>				<b>\$ 1,126.32</b>	<b>\$ 327.77</b>	<b>\$ 4,433.70</b>	<b>\$ 5,887.79</b>

**Previously Reported**

7/14 -7/16/14	Zachary Gifford	Folsom, Sonoma, Maritime	CSAC-EIA meeting in Folsom, AORMA Officer's Retreat in Sonoma, and Speaking w/CSU DFO meeting at CalMaritime	\$ 246.52	\$ 21.29	\$ 449.22	\$ 717.03
7/17/2014	Zachary Gifford	Santa Ana	LeClair vs CSULB and CSULB Foundation Mediation at Judicate West	\$ -	\$ -	\$ 34.38	\$ 34.38
7/23/2014	Rebecca Skidmore	Los Angeles	AON Client Meeting	\$ -	\$ -	\$ 4.00	\$ 4.00
8/6 - 8/8/14	Zachary Gifford	San Luis Obispo	AOA HR Committee Meeting, dinner w/committee officers, and two presentations at meeting. CSURMA EC agenda, scheduling needs, etc.	\$ 289.16	\$ 22.00	\$ 236.32	\$ 547.48
8/13/2014	Rebecca Skidmore	Fullerton	OES FEMA Disaster Recovery Training at CSUF	\$ -	\$ -	\$ 19.04	\$ 19.04
8/18 - 8/19/14	Zachary Gifford	San Francisco	Annual CSU/CSURMA Stewardship Meeting: Genex /Scripnet /CypressCare, Sedgwick and CSURMA Team Meeting	\$ 142.67	\$ 21.85	\$ 282.84	\$ 447.36
8/20 - 8/22/14	Rebecca Skidmore	Hayward	CA Public Higher Ed Collaborative Bus and Admin Services Conference at CSUEB	\$ 254.16	\$ 45.09	\$ 461.45	\$ 760.70
9/4/2014	Zachary Gifford	Oxnard	WC "Double Play" meeting, claim files review w/Ingber, Graf Daniels, Defense Attorneys, and WC examiner	\$ -	\$ -	\$ 88.48	\$ 88.48
9/10 - 9/12/14	Zachary Gifford	Newport Beach	AORMA Long Range Planning, AORMA Committee, and CSURMA EC meeting	\$ -	\$ -	\$ 80.64	\$ 80.64

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

Processed from July 1 2014 to December 31 2014

Dates of Travel	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
9/11 - 9/12/14	George V. Ashkar	Newport Beach	CSURMA EC Meeting	\$ 206.32	\$ 55.00	\$ 32.71	\$ 294.03
9/12/2014	Kelly Cox	Newport Beach	CSURMA EC Meeting	\$ -	\$ -	\$ 21.52	\$ 21.52
9/12/2014	Robert Eaton	Newport Beach	CSURMA EC Meeting	\$ -	\$ -	\$ 24.64	\$ 24.64
9/17 - 9/18/14	Zachary Gifford	Reno/Tahoe	CAJPA Conference speaking w/Dr. Kriegel & Dr. Lu (CSUF)	\$ 194.47	\$ 26.03	\$ 532.98	\$ 753.48
9/21 - 9/24/14	Rebecca Skidmore	Louisville, KY	2014 URMIA Conference	\$ 523.38	\$ 89.19	\$ 1,283.00	\$ 1,895.57
9/22/2014	Zachary Gifford	San Diego	Early Neutral Evaluation in Federal Court w/Magistrate Burkhardt re: Richardson vs SDSU	\$ -	\$ -	\$ 141.84	\$ 141.84
9/25/2014	Zachary Gifford	Santa Ana	LeClair vs CSU Mediation at Judicate West	\$ -	\$ -	\$ 39.42	\$ 39.42
<b>Total Travel Expenses from 7/1/14 to 9/30/14</b>				<b>\$ 1,856.68</b>	<b>\$ 280.45</b>	<b>\$ 3,732.48</b>	<b>\$ 5,869.61</b>
<b>GRAND TOTAL</b>				<b>\$ 2,983.00</b>	<b>\$ 608.22</b>	<b>\$ 8,166.18</b>	<b>\$ 11,757.40</b>

# California State University Risk Management Authority

## Balance Sheet - Campus Programs as of 12/31/2014

(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs as of 12/31/2014
<b>Assets:</b>							
Cash and Investments	13,272,829	38,015,628	3,180,507	3,633,156	1,609,606	0	59,711,726
Other long-term investments	25,701,539	72,807,705	6,085,012	6,954,623	3,081,352	0	114,630,231
Accounts receivable	985,257	0	0	0	0	0	985,257
Loan receivable	0	0	0	0	0	0	0
Accrued interest receivable	1,690	4,805	402	459	203	0	7,558
Prepaid insurance	1,915,807	974,289	1,033	441,961	9,037	344,234	3,686,362
Prepaid expense	301,292	2,179,068	280	337,451	38,893	0	2,856,985
<b>Total assets:</b>	<b>42,178,415</b>	<b>113,981,495</b>	<b>9,267,234</b>	<b>11,367,650</b>	<b>4,739,091</b>	<b>344,234</b>	<b>181,878,119</b>
<b>Liabilities:</b>							
Accounts payable	44,983	859,835	2,441,414	7,502	67,982	0	3,421,715
Unearned revenue	6,654,521	16,598,080	6,250,000	2,610,455	1,788,875	344,234	34,246,164
SELF assessment liability	0	10,908,929	0	0	0	0	10,908,929
Reported claims	10,611,337	40,331,339	0	0	133,384	0	51,076,060
Claims incurred but not reported	8,426,560	24,969,777	0	0	1,778,452	0	35,174,789
<b>Total liabilities:</b>	<b>25,737,401</b>	<b>93,667,959</b>	<b>8,691,414</b>	<b>2,617,957</b>	<b>3,768,693</b>	<b>344,234</b>	<b>134,827,657</b>
Fund balance	16,441,014	20,313,535	575,820	8,749,694	970,399	0	47,050,462
<b>Total liabilities and fund balance</b>	<b>42,178,415</b>	<b>113,981,495</b>	<b>9,267,234</b>	<b>11,367,650</b>	<b>4,739,091</b>	<b>344,234</b>	<b>181,878,119</b>

# California State University Risk Management Authority

## Balance Sheet - AORMA Programs as of 12/31/2014

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs as of 12/31/2014
<b>Assets:</b>						
Cash and Investments	2,869,660	4,787,183	650,587	115,087	1,324,740	9,747,257
Other long-term investments	5,505,117	9,188,969	1,252,663	221,147	2,543,827	18,711,722
Accounts receivable	43,820	(69)	1,401	6,168	12,901	64,221
Loan receivable	0	0	0	0	0	0
Accrued interest receivable	363	606	83	15	168	1,234
Prepaid insurance	157,365	217,902	36,620	98,746	248	510,880
Prepaid expense	500,474	356,764	91,948	7,507	55	956,748
<b>Total assets:</b>	<b>9,076,798</b>	<b>14,551,354</b>	<b>2,033,301</b>	<b>448,670</b>	<b>3,881,939</b>	<b>29,992,062</b>
<b>Liabilities:</b>						
Accounts payable	565,551	848,436	2,647	281	368,498	1,785,413
Unearned revenue	1,430,120	25,410	786,704	166,361	0	2,408,594
SELF assessment liability	0	0	0	0	0	0
Reported claims	2,064,682	4,256,597	0	0	0	6,321,279
Claims incurred but not reported	1,063,926	4,812,977	0	0	0	5,876,903
<b>Total liabilities:</b>	<b>5,124,279</b>	<b>9,943,420</b>	<b>789,351</b>	<b>166,642</b>	<b>368,498</b>	<b>16,392,189</b>
Fund balance	3,952,520	4,607,934	1,243,950	282,028	3,513,441	13,599,873
<b>Total liabilities and fund balance</b>	<b>9,076,798</b>	<b>14,551,354</b>	<b>2,033,301</b>	<b>448,670</b>	<b>3,881,939</b>	<b>29,992,062</b>

**California State University Risk Management Authority**  
**Balance Sheet - Miscellaneous Programs as of 12/31/2014**

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Loans	Total Misc Programs as of 12/31/2014	Grand Total All Programs as of 12/31/2014
<b>Assets:</b>						
Cash and Investments	(12,231)	202,126	62,246	(2,165,560)	(1,913,419)	67,545,564
Other long-term investments	(23,346)	381,470	119,134	(4,082,415)	(3,605,157)	129,736,795
Accounts receivable	849	0	0	0	849	1,050,327
Loan receivable	0	0	0	6,247,975	6,247,975	6,247,975
Accrued interest receivable	0	0	8	0	8	8,800
Prepaid insurance	0	83,932	99,506	0	183,437	4,380,679
Prepaid expense	0	278,701	3,922	0	282,622	4,096,355
<b>Total assets:</b>	<b>(34,728)</b>	<b>946,229</b>	<b>284,815</b>	<b>0</b>	<b>1,196,315</b>	<b>213,066,497</b>
<b>Liabilities:</b>						
Accounts payable	0	5,098	2,664	0	7,761	5,214,890
Unearned revenue	0	0	154,195	0	154,195	36,808,953
SELF assessment liability	0	0	0	0	0	10,908,929
Reported claims	0	0	0	0	0	57,397,339
Claims incurred but not reported	0	0	0	0	0	41,051,692
<b>Total liabilities:</b>	<b>0</b>	<b>5,098</b>	<b>156,859</b>	<b>0</b>	<b>161,956</b>	<b>151,381,803</b>
Fund balance	(34,728)	941,131	127,956	0	1,034,359	61,684,694
<b>Total liabilities and fund balance</b>	<b>(34,728)</b>	<b>946,229</b>	<b>284,815</b>	<b>0</b>	<b>1,196,315</b>	<b>213,066,497</b>

# California State University Risk Management Authority

## Income Statement - Campus Programs as of 12/31/2014

(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs
<b>OPERATING REVENUES:</b>							
Contributions	6,915,709	16,598,080	6,250,000	4,924,364	1,788,875	344,234	36,821,260
Reinsurance premiums	(85,000)	0	0	(2,207,503)	0	0	(2,292,503)
<b>Total operating revenues:</b>	<b>6,830,709</b>	<b>16,598,080</b>	<b>6,250,000</b>	<b>2,716,861</b>	<b>1,788,875</b>	<b>344,234</b>	<b>34,528,758</b>
<b>OPERATING EXPENSES:</b>							
<b>DIRECT PROGRAM EXPENSES:</b>							
Claims payment & legal expenses	5,600,183	9,986,313	7,823,246	222,783	1,240,312	0	24,872,837
Deductible recoveries	(1,791,446)	0	0	0	0	0	(1,791,446)
Claims administrators	41,978	1,869,677	32,069	0	65,000	0	2,008,724
Claims management information system	16,537	0	0	0	0	0	16,537
Program administrator	99,596	202,640	85,424	101,550	4,938	0	494,148
Brokerage commissions	166,101	86,071	111	243,425	864	0	496,571
Insurance premiums	1,892,202	1,027,173	0	496,871	6,244	344,234	3,766,724
Taxes, assessments & fees	104,386	0	0	0	0	0	104,386
Actuarial services	4,750	5,250	0	0	2,750	0	12,750
Miscellaneous program services	98	1,394	0	0	0	0	1,492
Workshops/training	17,328	12,259	5,075	3,612	557	0	38,831
Loss control	94,791	14,500	0	0	0	0	109,291
Reinsurance recovery	0	(2,546,175)	0	0	0	0	(2,546,175)
Program committee	0	0	0	0	579	0	579
Dividend distributions	8,677,518	0	0	0	0	0	8,677,518
<b>Total direct program expenses:</b>	<b>14,924,022</b>	<b>10,659,103</b>	<b>7,945,925</b>	<b>1,068,240</b>	<b>1,321,244</b>	<b>344,234</b>	<b>36,262,766</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>							
Financial audit	6,601	15,235	5,736	4,132	1,643	0	33,347
Executive committee & board expenses	595	1,373	517	372	148	0	3,005
JPA insurance	1,189	2,745	1,033	745	296	0	6,008
Memberships, associations & dues	626	1,444	544	392	155	0	3,160
Chancellor's office accounting services	24,947	57,581	21,680	15,618	6,208	0	126,035
Risk management expenses	53,396	123,245	46,404	33,429	13,288	0	269,762
Miscellaneous indirect services	1,939	4,397	1,746	1,250	465	0	9,796
<b>Total general &amp; administrative expenses</b>	<b>89,292</b>	<b>206,020</b>	<b>77,661</b>	<b>55,938</b>	<b>22,203</b>	<b>0</b>	<b>451,113</b>
<b>Total operating expenses:</b>	<b>15,013,313</b>	<b>10,865,123</b>	<b>8,023,585</b>	<b>1,124,177</b>	<b>1,343,447</b>	<b>344,234</b>	<b>36,713,879</b>
<b>NON-OPERATING REVENUES:</b>							
Investment income	233,321	660,939	58,498	63,270	28,576	0	1,044,605
<b>Total non-operating revenues:</b>	<b>233,321</b>	<b>660,939</b>	<b>58,498</b>	<b>63,270</b>	<b>28,576</b>	<b>0</b>	<b>1,044,605</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>24,390,297</b>	<b>13,919,640</b>	<b>2,290,907</b>	<b>7,093,740</b>	<b>496,395</b>	<b>0</b>	<b>48,190,979</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(7,949,283)</b>	<b>6,393,896</b>	<b>(1,715,087)</b>	<b>1,655,954</b>	<b>474,004</b>	<b>0</b>	<b>(1,140,517)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>16,441,014</b>	<b>20,313,535</b>	<b>575,820</b>	<b>8,749,694</b>	<b>970,399</b>	<b>0</b>	<b>47,050,462</b>

# California State University Risk Management Authority

## Income Statement - AORMA Programs as of 12/31/2014

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs
<b>OPERATING REVENUES:</b>						
Contributions	1,866,700	2,125,292	1,487,974	166,361	1,497,364	7,143,691
Reinsurance premiums	(425,000)	0	(773,238)	0	0	(1,198,238)
<b>Total operating revenues:</b>	<b>1,441,700</b>	<b>2,125,292</b>	<b>714,736</b>	<b>166,361</b>	<b>1,497,364</b>	<b>5,945,453</b>
<b>OPERATING EXPENSES:</b>						
<b>DIRECT PROGRAM EXPENSES:</b>						
Claims payment & legal expenses	1,168,046	1,073,038	76,427	0	598,624	2,916,135
Deductible recoveries	(151,147)	0	0	0	0	(151,147)
Claims administrators	6,650	105,616	0	0	16,050	128,316
Claims management information system	0	0	0	0	0	0
Program administrator	290,844	171,530	124,306	11,918	23,062	621,660
Brokerage commissions	31,886	20,039	91,963	7,503	27	151,418
Insurance premiums	157,049	217,539	59,534	98,718	0	532,840
Taxes, assessments & fees	0	0	0	0	0	0
Actuarial services	9,500	5,500	0	0	0	15,000
Miscellaneous program services	0	0	0	0	0	0
Workshops/training	6,659	7,681	5,629	592	5,107	25,668
Loss control	46,525	53,383	0	0	0	99,907
Reinsurance recovery	(160,813)	0	0	0	0	(160,813)
Program committee	2,102	2,410	1,748	185	1,647	8,091
Dividend distributions	464,087	715,802	0	0	0	1,179,889
<b>Total direct program expenses:</b>	<b>1,871,388</b>	<b>2,372,537</b>	<b>359,607</b>	<b>118,917</b>	<b>644,516</b>	<b>5,366,965</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>						
Financial audit	1,754	2,012	1,458	155	1,376	6,755
Executive committee & board expenses	158	181	131	14	124	609
JPA insurance	316	363	263	28	248	1,217
Memberships, associations & dues	0	0	0	0	0	0
Chancellor's office accounting services	6,631	7,606	5,509	585	5,201	25,532
Risk management expenses	14,192	16,280	11,792	1,252	11,131	54,648
Miscellaneous indirect services	517	602	448	47	383	1,996
<b>Total general &amp; administrative expense</b>	<b>23,568</b>	<b>27,044</b>	<b>19,601</b>	<b>2,081</b>	<b>18,463</b>	<b>90,757</b>
<b>Total operating expenses:</b>	<b>1,894,957</b>	<b>2,399,580</b>	<b>379,208</b>	<b>120,998</b>	<b>662,980</b>	<b>5,457,722</b>
<b>NON-OPERATING REVENUES:</b>						
Investment income	49,430	81,960	11,448	1,995	22,775	167,609
<b>Total non-operating revenues:</b>	<b>49,430</b>	<b>81,960</b>	<b>11,448</b>	<b>1,995</b>	<b>22,775</b>	<b>167,609</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>4,356,346</b>	<b>4,800,263</b>	<b>896,974</b>	<b>234,669</b>	<b>2,656,281</b>	<b>12,944,533</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(403,826)</b>	<b>(192,329)</b>	<b>346,976</b>	<b>47,359</b>	<b>857,160</b>	<b>655,339</b>
<b>ENDING RETAINED EARNINGS</b>	<b>3,952,520</b>	<b>4,607,934</b>	<b>1,243,950</b>	<b>282,028</b>	<b>3,513,441</b>	<b>13,599,873</b>

**California State University Risk Management Authority**

**Income Statement - Miscellaneous Programs as of 12/31/2014**

(Unaudited)

	<b>Misc Purchased</b>	<b>OCIP</b>	<b>Club Sports</b>	<b>Total Misc Programs</b>	<b>Grand Total All Programs</b>
<b>OPERATING REVENUES:</b>					
Contributions	287,553	2,932,763	131,780	3,352,095	47,317,047
Reinsurance premiums	0	0	0	0	(3,490,741)
<b>Total operating revenues:</b>	<b>287,553</b>	<b>2,932,763</b>	<b>131,780</b>	<b>3,352,095</b>	<b>43,826,306</b>
<b>OPERATING EXPENSES:</b>					
<b>DIRECT PROGRAM EXPENSES:</b>					
Claims payment & legal expenses	0	0	0	0	27,788,973
Deductible recoveries	0	0	0	0	(1,942,592)
Claims administrators	0	0	2,500	2,500	2,139,539
Claims management information system	0	0	0	0	16,537
Program administrator	0	136,250	0	136,250	1,252,058
Brokerage commissions	56,305	12,507	4,403	73,214	721,204
Insurance premiums	324,027	1,257,569	85,105	1,666,701	5,966,265
Taxes, assessments & fees	0	0	0	0	104,386
Actuarial services	0	0	0	0	27,750
Miscellaneous program services	0	0	0	0	1,492
Workshops/training	0	1,308	0	1,308	65,806
Loss control	0	0	0	0	209,199
Reinsurance recovery	0	0	0	0	(2,706,988)
Program committee	0	0	0	0	8,670
Dividend distributions	0	0	0	0	9,857,407
<b>Total direct program expenses:</b>	<b>380,332</b>	<b>1,407,633</b>	<b>92,008</b>	<b>1,879,973</b>	<b>43,509,704</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>					
Financial audit	0	2,808	90	2,898	43,000
Executive committee & board expenses	0	253	8	261	3,875
JPA insurance	0	506	16	522	7,747
Memberships, associations & dues	0	0	0	0	3,160
Chancellor's office accounting services	0	10,613	341	10,954	162,522
Risk management expenses	0	22,715	731	23,445	347,855
Miscellaneous indirect services	0	865	27	892	12,685
<b>Total general &amp; administrative expenses:</b>	<b>0</b>	<b>37,760</b>	<b>1,214</b>	<b>38,973</b>	<b>580,844</b>
<b>Total operating expenses:</b>	<b>380,332</b>	<b>1,445,393</b>	<b>93,221</b>	<b>1,918,946</b>	<b>44,090,547</b>
<b>NON-OPERATING REVENUES:</b>					
Investment income	0	0	961	961	1,213,174
<b>Total non-operating revenues:</b>	<b>0</b>	<b>0</b>	<b>961</b>	<b>961</b>	<b>1,213,174</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>58,051</b>	<b>(546,239)</b>	<b>88,437</b>	<b>(399,752)</b>	<b>60,735,760</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(92,779)</b>	<b>1,487,370</b>	<b>39,519</b>	<b>1,434,111</b>	<b>948,933</b>
<b>ENDING RETAINED EARNINGS</b>	<b>(34,728)</b>	<b>941,131</b>	<b>127,956</b>	<b>1,034,359</b>	<b>61,684,694</b>

**California State University Risk Management Authority**  
**Income Statement as of 12/31/2014**  
(Unaudited)

	<b>Budget vs. Actual</b>			<b>Percent of Budget</b>
	<b>FY 2014/2015 Budget</b>	<b>Year-to-Date Ending 12/31/2014</b>	<b>Variance</b>	
<b>OPERATING REVENUES:</b>				
Contributions	94,821,327	47,317,047	47,504,280	49.90 %
Reinsurance premiums	(990,000)	(3,490,741)	2,500,741	352.60 %
<b>Total operating revenues:</b>	<b>93,831,327</b>	<b>43,826,306</b>	<b>50,005,021</b>	<b>46.71 %</b>
<b>OPERATING EXPENSES:</b>				
<b>DIRECT PROGRAM EXPENSES:</b>				
Claims payment & legal expenses	55,968,669	27,788,973	28,179,696	49.65 %
Deductible recoveries	(4,050,000)	(1,942,592)	(2,107,408)	47.97 %
Claims administrators	4,661,895	2,139,539	2,522,356	45.89 %
Claims management information system	35,000	16,537	18,463	47.25 %
Program administrator	2,449,686	1,252,058	1,197,629	51.11 %
Brokerage commissions	1,333,557	721,204	612,353	54.08 %
Insurance premiums	20,097,163	5,966,265	14,130,898	29.69 %
Taxes, assessments & fees	235,000	104,386	130,614	44.42 %
Actuarial services	26,000	27,750	(1,750)	106.73 %
Claims audit	22,000	0	22,000	0.00 %
Coverage counsel	16,000	0	16,000	0.00 %
Program legal	2,500	0	2,500	0.00 %
Miscellaneous program services	11,755	1,492	10,263	12.69 %
Workshops/training	109,988	65,806	44,182	59.83 %
Loss control	793,154	209,199	583,955	26.38 %
Reinsurance recovery	(6,161,932)	(2,706,988)	(3,454,944)	43.93 %
Program committee	30,688	8,670	22,018	28.25 %
Dividend distributions	1,823,733	9,857,407	(8,033,674)	540.51 %
<b>Total direct program expenses:</b>	<b>77,404,856</b>	<b>43,509,704</b>	<b>33,895,152</b>	<b>56.21 %</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>				
Financial audit	48,000	43,000	5,000	89.58 %
Executive committee & board expenses	34,000	3,875	30,125	11.40 %
JPA insurance	27,500	7,747	19,753	28.17 %
Memberships, associations & dues	7,450	3,160	4,290	42.42 %
Chancellor's office accounting services	325,000	162,522	162,478	50.01 %
Risk management expenses	935,000	347,855	587,145	37.20 %
JPA legal	5,000	0	5,000	0.00 %
Miscellaneous indirect services	15,000	12,685	2,315	84.57 %
<b>Total general &amp; administrative expenses:</b>	<b>1,396,950</b>	<b>580,844</b>	<b>816,106</b>	<b>41.58 %</b>
<b>Total operating expenses:</b>	<b>78,801,806</b>	<b>44,090,547</b>	<b>34,711,259</b>	<b>55.95 %</b>
<b>NON-OPERATING REVENUES:</b>				
Investment income	2,500,000	1,213,174	1,286,826	48.53 %
<b>Total non-operating revenues:</b>	<b>2,500,000</b>	<b>1,213,174</b>	<b>1,286,826</b>	<b>48.53 %</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>17,529,521</b>	<b>948,933</b>	<b>16,580,588</b>	<b>5.41 %</b>

## **TREASURER'S CERTIFICATION**

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

**RECOMMENDATION:** It is recommended that the Executive Committee accept the Treasurer's Report dated January 28, 2015 as part of the Consent Calendar.

**FISCAL IMPACT:** None.

**BACKGROUND:** The objective of ensuring that CSURMA has sufficient funds is to assure that policies and procedures are in effect and followed to protect and preserve the JPA's financial assets.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Treasurer's Certification Letter dated January 28, 2015



To: Executive Committee  
CSU Risk Management Authority

From: George V. Ashkar  
Treasurer of CSU Risk Management Authority

Re: Treasurer's Certification

Date: January 28, 2015

It is the belief of the Treasurer that the funds held in investments are sufficient to meet the Authority's cash flow needs for the following six (6) months, and the investments are in accordance with the investment policy of the Authority, as duly authorized by the Executive Committee.

A handwritten signature in black ink, appearing to read "George V. Ashkar", is written over a light blue circular stamp. The signature is fluid and cursive.

George V. Ashkar, Treasurer

**RESOLUTION 01-15 (EC) DELEGATING AUTHORITY OF CSURMA  
SECRETARY-AUDITOR TO ACT ON BEHALF OF CSURMA RELATIVE  
TO THE CSAC EXCESS INSURANCE AUTHORITY**

**ISSUE:** CSAC EIA has requested that CSURMA delegate authority to a person or position to act on behalf of CSURMA in all matters relating to CSURMA and CSAC EIA. Resolution 01-15 (EC) delegates authority to the CSURMA Secretary-Auditor to act on behalf of CSURMA in all matter concerning CSAC EIA except those requiring action by the CSURMA Executive Committee or Board of Directors.

**RECOMMENDATION:** Staff recommends that the Executive Committee pass Resolution No. 01-15 (EC) – a Resolution Delegating Authority to the CSURMA Secretary-Auditor to Act on Behalf of the California State University Risk Management Authority.

**FISCAL IMPACT:** None.

**BACKGROUND:** The first authorization that CSAC EIA has requested of the CSURMA Secretary-Auditor is authorization for CSAC EIA to obtain CSURMA’s loss data from the workers’ compensation third party claims administrator – Sedgwick.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Resolution No. 01-15 (EC) – a Resolution Delegating Authority to the CSURMA Secretary-Auditor to Act on Behalf of the California State University Risk Management Authority.
- b. Authorization to Obtain Loss Data

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE  
RESOLUTION NO. 01-15 (EC)**

**A Resolution Delegating Authority to the CSURMA Secretary-Auditor to Act on Behalf of the  
California State University Risk Management Authority**

**WHEREAS**, the CSAC Excess Insurance Authority (Authority) has determined that it is necessary for each member of the Authority to delegate to a person or position authority to act on the member's behalf in matters relating to the member and the Authority; and

**WHEREAS**, except as to those actions that must be approved by the California State University Risk Management Authority (CSURMA), such delegation of authority is necessary in order to carry out the purposes and functions of the Authority with its members; and

**WHEREAS**, in order to ensure a person or position is delegated with authority to act on the member's behalf in matters relating to the member and the Authority, action by the member's governing body is necessary; and

**NOW THEREFORE, BE IT RESOLVED** by the California State University Risk Management Authority as follows:

Except as to actions that must be approved by CSURMA's Executive Committee or Board of Directors, the CSURMA Secretary-Auditor is hereby appointed to act in all matters relating to CSURMA and the Authority.

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Executive Committee of the California State University Risk Management Authority held on the 8th day of February, 2015 which was approved by the following vote:

AYES, and in favor thereof, members:

NOES, members:

ABSTAIN, members:

ABSENT, members:

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Linda Hawk  
CSURMA Executive Committee Acting Chair

**ATTEST:**

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Robert Eaton  
CSURMA Secretary-Auditor



## Authorization to Obtain Loss Data

Member: CSURMA

### Programs:

*(Please check the Programs for which your organization participates and extends its authority)*

Excess Workers' Compensation       Excess Liability

### TPAs:

*(Please indicate your current TPA for the EIA Programs which your organization currently participates. Please indicate N/A or leave the field blank if your organization does not participate in the Program.)*

Excess Workers' Compensation: Sedgwick

Excess Liability : \_\_\_\_\_

### Authorization:

In recognition of the need to obtain loss data, I hereby authorize the CSAC EIA to obtain loss data on behalf of my organization from my current or future third party administrator for the purposes designated below.

*(Please check the box(es) for each authorized use of the loss data.)*

- Annual Renewal and Quarterly Loss Data Collection to be used for actuarial work, underwriting analysis, premium allocations, submission to reinsurers, and to update CSAC EIA Claims System
- Submission to the California Institute for Public Risk Analysis (CIPRA-the state-wide public risk database project) and the Public Entity Risk Institute (PERI-the national public risk database project)
- Agencies related to the CSAC EIA requesting the data for statistical analysis (all personal identifying information will be removed):
  - California Association of Joint Powers Authorities (CAJPA)
  - Public Agency Risk Management Association (PARMA)
  - Public Risk and Insurance Management Association (PRIMA)
  - California Association of School Business Officials (CASBO)
  - California State Association of Counties (CSAC)
  - League of Cities
  - CSAC EIA member agencies

By signing and returning this completed authorization form by fax or regular mail or returning this completed authorization form via email, I hereby give permission for my TPA(s) to provide loss data directly to the EIA as indicated above.

Name: Robert Eaton

Title: CSURMA Secretary-Auditor

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **EVALUATION OF CAMPUS CLIMATE REPORTING**

**ISSUE:** The CSU has a goal of offering opportunities to communicate concerns regarding campus climate. This will have the risk mitigation benefit of avoiding or limiting potentially troublesome situations that can lead to a culture that result in financial liability. The former CSURMA Chair directed staff to evaluate options including the University of California's reporting portal. In October, staff interviewed UC Office of the President Staff regarding the UC's facility. The Chancellor's Office has a project underway that may indirectly address the goal of creating a campus climate reporting portal.

**RECOMMENDATION:** It is recommended that the Executive Committee consider the information provided and provide further direction to staff.

**FISCAL IMPACT:** No fiscal action is expected from action at today's meeting.

**BACKGROUND:** In consideration of the risk management benefits of creating opportunities for the campus community to report concerns, universities have established various reporting mechanisms to receive feedback. From CSURMA staff's understanding, the University of California conducted a "Campus Climate" project that resulted in creating a web portal for reporting incidents or conditions on campus that were cause for investigation.

The UC's web reporting portal was derived from a whistleblower platform (Ethics Point) and adopted to allow reports of other climate concerns. At the UC, it appears, each campus has an appointed administrator for responding to campus climate reports. Usage appears to increase in proportion to promotion of the opportunity to report campus climate concerns.

In discussions with UC, staff learned that there is a pending procurement (for service effective July 1, 2015) to decide the future of UC's vendor support. CSU could initiate a co-procurement as desired.

Following discussion with UCOP representatives, Academic Affairs advised CSURMA staff that there was a campus climate project underway; however that project appears directed at surveying the climate rather than creating an incident reporting portal.

**PUBLICATION:** No publication is expected from consideration of this item at today's meeting.

**ATTACHMENT(S):** None.

**HIGH HAZARD INTERNATIONAL TRAVEL  
APPROVAL PROCESS UPDATE**

**ISSUE:** The Executive Committee at its September 12, 2014 meeting directed Staff to develop traveler tracking software to support the new CSU process. The new traveler tracking process went into effect on January 1, 2015 as follows:

1. Go to [www.csurma.org](http://www.csurma.org). Click the *Request for Foreign Travel* link.
2. Complete the *Travel Request Form*
  - A. Item No. 7 – High Hazardous/War Country Information - allows the Requestor to view and confirm if the destination appears on the High Hazardous List, the War Risk List or the US Travel Warning List.
    - 1) High Hazardous List – Requires Campus President approval
    - 2) War Risk List – Requires Campus President and Chancellor’s Office approvals
    - 3) US Travel Warning List - Requires Campus President approval
  - B. The Requestor can attach up to three documents to the “Request for Foreign Travel” on-line form (i.e. President’s approval; itinerary; participant list with several travelers, etc.)
3. After clicking *Submit* the Requestor will receive confirmation, via email, that the completed Travel Request Form has been forwarded to Alliant
4. Alliant reviews the form and if it is in order confirms coverage, provides the premium, and forwards the travel assist card for the participant to carry while traveling
5. If traveler’s destination appears on the War Risk List, Alliant will forward the completed *Travel Request Form* and attachments to the Chancellor’s Office for approval
6. Upon receipt of the Chancellor’s Office approval, Alliant forwards confirmation of coverage, premium information, and the travel assist card to the Requestor

**RECOMMENDATION:** It is recommended that the Executive Committee discuss the high hazardous travel tracking process and provide further direction to Staff as applicable.

**FISCAL IMPACT:** No fiscal action is expected from action at today's meeting.

**BACKGROUND:** None.

**PUBLICATION:** None at this time.

**ATTACHMENT(S):**

- a. RM 2014-01


*Risk Management*  
401 Golden Shore, 5th Floor  
Long Beach, CA 90802-4210

[www.calstate.edu](http://www.calstate.edu)

## MEMORANDUM

**DATE:** October 27, 2014

**TO:** Chancellor's Office Executive Staff  
Vice Presidents, Business Administration  
Vice Presidents/Provosts, Academic Affairs  
Executive Assistants to Presidents  
Campus Risk Managers

**FROM:** Zachary Gifford, Associate Director  
Systemwide Risk Management 

**Code:** RM 2014-01 (Supersedes: RM 2013-01)

**SUBJECT:** High Hazard International Travel  
Approval Process and Requirement to Purchase Insurance

Effective January 1, 2015, this memorandum supersedes Technical Letter RM 2013-01 and confirms the delegation of authority to the Campus Presidents, or their designees, to approve high hazard international travel for faculty, staff, or students who travel on CSU business. High hazard international travel is defined as travel to any country on the US State Department Travel Warning List or any country on the California State University Risk Management Authority's (CSURMA) foreign traveler underwriter's high hazard country list. Campus President international travel to high hazard countries must be approved by the Chancellor.

*Note that high hazard international travel to "War Risk" countries must continue to be submitted to Systemwide Risk Management in the Chancellor's Office for review and approval following appropriate review and approval at the campus level. "War Risk" countries are countries designated as such by the CSU's Foreign Travel Insurance Program (FTIP) underwriters.*

All faculty, staff, and students who travel internationally on CSU business are required to use the FTIP via CSURMA and report their trips as soon as practical, but no less than 30 days prior to departure for high hazard international travel. Trips must be reported and a FTIP form can be found at <http://www.csurma.org/>.

**CSU Campuses**  
Bakersfield  
Channel Islands  
Chico  
Dominguez Hills  
East Bay

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

Because high hazard international travel destinations require underwriter approval, trips must be reported far enough in advance of the trip as possible. Campuses are advised to check the U.S. State Department website [http://travel.state.gov/travel/cis\\_pa\\_tw/tw/tw\\_1764.html](http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html) and Systemwide Risk Management's website [http://www.calstate.edu/risk\\_management/](http://www.calstate.edu/risk_management/) for the most current high hazard international travel warning information. Both lists are subject to change.

FTIP provides coverage anywhere in the world that is not the United States of America (including territories and possessions) and any country or jurisdiction which is the subject of trade or economic sanctions imposed by the United States of America.

Subject to terms, conditions and applicable exclusions, FTIP benefits include but are not limited to the following:

- General Liability
- Excess Auto Liability
- Primary Medical Expense & Emergency Medical Benefits
- Emergency Medical Evacuation
- Repatriation of Remains
- Political Evacuations & Repatriation Benefit War Risk Coverage
- Accidental Death & Dismemberment Benefit

It is recommended that all employees traveling internationally sign up for the State Department's Safe Traveler Enrollment Program (STEP). This is a system utilized by the U.S. State Department to connect with the traveler, providing information should conditions change in the foreign location and assisting the traveler in an emergency. The traveler need only enroll once and then can update as trips are planned. The on-line enrollment site is <https://travelregistration.state.gov> Should you have any questions, please contact Zachary Gifford, Systemwide Risk Management at 562-951-4580 or [zgifford@calstate.edu](mailto:zgifford@calstate.edu)

### **Process for Campus Presidents' Approvals for High Hazard International Travel**

- Regardless of high hazard international travel or other international travel, campuses have the authority to develop their own travel approval process.
- Every effort should be made to request FTIP coverage 30-days prior to travel by providing the travel request approved by the Campus President or their designee to the CSURMA program administrator, Alliant Insurance Services – for any and all travel to high hazardous countries.
- Requests made to the program administrator **with less than five business days' notice** may not be considered.
- The website for Systemwide Risk Management has resource links available to the appropriate memos and lists ([http://www.calstate.edu/risk\\_management/](http://www.calstate.edu/risk_management/)).

For more information, contact Stacey Weeks at (415) 403-1448, or in Ms. Weeks' absence contact Van Rin at (415) 403-1408.

Should you have questions regarding the travel/insurance, please email Zachary Gifford, Systemwide Risk Management at [zgifford@calstate.edu](mailto:zgifford@calstate.edu) or by calling Systemwide Risk Management at (562) 951-4580.

c: Timothy White, Chancellor  
Steve Relyea, Executive Vice Chancellor and Chief Financial Officer  
George Ashkar, Assistant Vice Chancellor, Financial Services

## **EXECUTIVE COMMITTEE NOMINATIONS**

**ISSUE:** As documented in attached CSURMA Policy and Procedure No. 18, Executive Committee members are nominated by a Nominating Committee, which is appointed by the CSURMA Chair, an election is held by CSURMA the Board of Directors. The Board's next regularly scheduled meeting is on Monday, April, 27 at 4:00 PM in San Diego during the "Fitting the Pieces" systemwide risk management conference.

The Executive Committee currently has one vacant seat due to the departure of Cynthia Teniente-Matson and a second seat will become available July 1, 2015 because Mike Thorpe will have served his maximum three consecutive two-year terms. Prior to the election, the CSURMA Vice Chair, Linda Hawk, will serve as Acting Chair as provided in CSURMA's governing documents.

**RECOMMENDATION:** Staff recommends that the Acting Chair appoint a Nominating Committee to seek nominations for the election to be held at the April, 27, 2015 Board of Directors meeting.

**FISCAL IMPACT:** No fiscal impact is expected by action at today's meeting.

**BACKGROUND:** CSURMA's Executive Committee comprises nine members. The Treasurer is appointed by the EVC/CFO and holds a permanent seat on the EC. Two seats are held by the AORMA Committee Chair and Vice-Chair and six seats are elected from among Campus Board of Directors members.

**PUBLICATION:** None

**ATTACHMENT(S):**

- a) CSURMA Executive Committee Terms of Office Summary
- b) Policy and Procedure No. 18 – Board of Directors Participation and Executive Committee Nominations and Elections Process

## CSURMA

### EXECUTIVE COMMITTEE TERMS OF OFFICE FY 2014/2015 - As Elected

Position (election year)	July 1, 2007 to June 30, 2008	July 1, 2009 to June 30, 2010	July 1, 2010 to June 30, 2011	July 1, 2011 to June 30, 2012	July 1, 2012 to June 30, 2013	July 1, 2013 to June 30, 2014	July 1, 2014 to June 30, 2015	July 1, 2015 to June 30, 2016
Chair - (even year)	Morishita	Morishita	Matson	Matson	Matson	Matson	Matson/ <b>TBD</b>	<b>TBD</b>
Vice-Chair - (even year)	Graham	Matson	Rodriguez	Rodriguez	Rodriguez	Rodriguez/ Hawk	Hawk	<b>TBD</b>
CSU Seat #1 - (odd year)	Matson	Rodriguez	Morishita	Hawk	Hawk	Hawk/Chavez	Chavez	<b>TBD</b>
CSU Seat #2 - (odd year)	Risser/Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	<b>TBD</b>
CSU Seat #3 - (even year)	D. West	Wight	Wight	Wright	Gentles	Gentles	Gentles	Gentles
CSU Seat #4 - (even year)	Garcia	Garcia	McCarron	McCarron	McCarron	Lee	Lee	<b>TBD</b>
AORMA Seat #5 - Chair	Prenovost	Mimnaugh	Brown	Worley	Borsting	Brumett	DeWit	Mumford
AORMA Seat #6 - V Chair	Jackson	Brown	Worley	Borsting	Brumett	DeWit	Mumford	Dalpe
CSU Seat #1/Treasurer - Appointed by EVC/CFO	Hordyk/ Nickles	Ashkar	Ashkar	Ashkar	Ashkar	Ashkar	Ashkar	Ashkar
Secretary/Auditor - Appointed	Minnick	Minnick	Minnick	Minnick	Minnick/ Rodriguez	Rodriguez/Eaton	Eaton	Eaton

Notes:

Michael Thorpe has served the maximum three consecutive two year terms.

The Treasurer is appointed by the CSU Executive Vice Chancellor/CFO and holds a seat on the CSURMA Executive Committee.

The Secretary-Auditor is appointed by the CSURMA Executive Committee and does not hold a voting seat on the Executive Committee.

Names in **RED** indicates seat up for election at April 2015 Board of Directors meeting.



## CSURMA

## POLICY AND PROCEDURE NO. 18

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**ADOPTED:** March 22, 2013

**EFFECTIVE:** March 22, 2013

**SUBJECT:** BOARD OF DIRECTORS PARTICIPATION AND EXECUTIVE COMMITTEE NOMINATIONS AND ELECTIONS PROCESS

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**PURPOSE:** The purpose of this Policy and Procedure No. 18 is to describe the process by which members of the CSURMA Board of Directors are appointed and Executive Committee members are nominated and elected.

**POLICY:** It is the policy of the CSURMA that membership in the Board of Directors shall be adequately documented, and that nomination and election to the Executive Committee shall follow the process described in this Policy and Procedure No. 18. The AORMA Committee may adopt a separate policy and procedure applicable to auxiliary organization representation on the AORMA Committee and Board of Directors.

**PROCEDURE:** The following activities will be performed to effect the above stated policy.

1. Board of Directors Participation:
  - a. The CSU Executive Vice Chancellor, Business & Finance (EVC/CFO) will determine in writing to the Secretary-Auditor how to allocate CSURMA Board votes.
  - b. If votes are to be delegated to a campus, the EVC/CFO's campus designee will provide a written statement to the Secretary-Auditor of which person will be the primary representative of the campus and may designate one alternate representative. If the primary or alternate representative are to be replaced or are no longer eligible to serve, the campus designee will provide a written statement of the replacement.
  - c. The Program Administrator will maintain a list of primary and alternate representatives and will conduct orientations at least annually for new Board members.
2. Executive Committee Nominations and Elections:
  - a. Prior to the spring Board of Directors meeting the Chair will appoint a Nominating Committee to seek nominations for available positions on the Executive Committee.
  - b. The Nominating Committee will evaluate potential candidates and provide a report to the Board of Directors at the spring meeting.
  - c. The Board of Directors will conduct elections at the spring meeting for terms beginning July 1.
  - d. The Program Administrator will conduct orientations for new Board members.

**2015 LONG RANGE PLANNING MEETING DATE,  
LOCATION, AND AGENDA**

**ISSUE:** The CSURMA Executive Committee has scheduled a Long Range Planning meeting on March 19-20, 2015 at the Alliant Office in Newport Beach. Staff recommends a meeting in two sessions:

- The Executive Committee regular business meeting from 2:30 p.m. to 5:00 p.m. on Thursday, March 19, 2015 and
- The Long Range Planning meeting from 8:00 a.m. to 2:00 p.m. on Friday, March 20, 2015.

**RECOMMENDATION:** It is recommended that the Executive Committee review the draft agenda and direct Staff as appropriate. Staff also recommends confirming that there will be a quorum on both meeting dates.

**FISCAL IMPACT:** None.

**BACKGROUND:** The CSURMA Executive Committee has found it beneficial to hold an annual Long Range Planning meeting. Items addressed during the Long Range Planning meeting are of such a nature that full consideration of the topics are not easily addressed at regular business meetings.

**PUBLICATION:** All agendas are posted on the CSURMA website.

**ATTACHMENT(S):**

- a. Draft Long Range Planning Meeting Agenda



**CSURMA EXECUTIVE COMMITTEE MEETING AGENDA**  
**“This is an Open Public Meeting”**

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

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

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

Meeting Date: March 20, 2015  
 Time: 8:00 a.m.

Primary Location: Alliant Insurance Services  
 1301 Dove Street, 2<sup>nd</sup> Floor  
 Newport Beach, CA

Legend: **A** = Action  
**I** = Information  
**V** = Verbal  
**S** = Separate

**8:00 a.m.** Breakfast

- |                  |  |             |
|------------------|--|-------------|
| <b>8:30 a.m.</b> | 1. Review of CSURMA 2014/2015 Long Range Action Plan | <b>A</b> p. |
|                  | 2. Campus Pooled Program Funding Status              | <b>A</b> p. |
|                  | 3. JPA Administration Audit Results                  | <b>A</b> p. |
|                  | 4. Liability Claims Administration Audit Results     | <b>A</b> p. |
|                  | 5. Form 700 Status Update                            | <b>I</b> p. |
|                  | 6. Annual Review of:                                 | <b>A</b> p. |
|                  | • Data security policies                             |             |
|                  | • Applicable ICSUAM policies                         |             |

**12:00 p.m.** Lunch

- |  |  |             |
|--|--|-------------|
|  | 7. Service Provider Performance Evaluation of CSURMA Vendors | <b>A</b> p. |
|  | 8. 2015 Fitting the Pieces Conference                        | <b>I</b> p. |
|  | 9. Workers’ Compensation Double-Play Update                  | <b>I</b> p. |
|  | 10. Development of New Programs and Services                 | <b>A</b> p. |
|  | 11. Development of CSURMA Goals for next one to three years  | <b>A</b> p. |

**2:00 p.m.** Adjournment

## **OCIP RENEWAL AND SAVINGS MATRIX**

**ISSUE:** The CSUMA established effective January 1, 2012, an Owner Controlled Insurance Program (OCIP) providing casualty coverages for CSU's major capital outlay projects with a constructed value exceeding \$10 million. The initial three year term program expired December 31, 2014, and the Executive Committee delegated renewal authority to CPDC acting through the CSURMA Secretary-Auditor. Following extensive negotiations, CPDC did direct CSURMA to renew the OCIP for an additional three years. Despite generally rising rates in the construction casualty market, especially for California workers' compensation risks, the program was renewed at the same rates and terms as expiring due to CSU's excellent loss performance to date.

At the request of CSU's CABO group, staff researched and prepared the attached savings matrix specific to CSU, Bakersfield's projects. There had been some concern that the campus was not receiving the full credit for insurance deductions by contractors covered under the CSURMA OCIP and that contractors were simply making claims under their separate insurance programs. Staff confirmed that contractors involved in the CSU Bakersfield projects had made claims under the CSU OCIP, and also that the industry standard construction insurance programs automatically exclude coverage for claims otherwise covered under an OCIP. After a thorough review of the major subcontractors' insurance programs and rates (system-wide savings study reviewed rate pages from 76% of enrolled contract value) staff calculated the premium savings if traditional insurance costs are harvested correctly at \$363,472 (2.352%) for the Art Center project and \$387,387 (1.217%) for the Student Housing project. The savings do not include any additional savings from the expected CSURMA OCIP dividend if program continues to perform as it has to date.

**RECOMMENDATION:** It is recommended that the Executive Committee consider the information provided and provide further direction to staff.

**FISCAL IMPACT:** No fiscal action is expected from action at today's meeting.

**BACKGROUND:** Please refer to the attachments for further information on the issues address in this agenda item.

**PUBLICATION:** Parts of this agenda item are scheduled to be discussed with CSU's CABO group on February 9, 2015. No further publication is expected from consideration of this item at today's meeting.

**ATTACHMENT(S):**

- a. CSU Rolling OCIP Primary Layer Extension Summary
- b. CSU Rolling OCIP Renewal Proposal
- c. CSU, Bakersfield Project Savings Matrix
- d. CSU OCIP Claims Report Valued at 12 31 14 by Old Republic

## EXTENSION SUMMARY

### COMMERCIAL GENERAL LIABILITY AND WORKER'S COMPENSATION/ EMPLOYER'S LIABILITY

General Liability (GL) Policy A1LG57091302  
 Worker's Compensation (WC) Policy A1LW57091302  
 Old Republic General Insurance Corp (A IX)

#### *Current Program Details*

<b>Program Period:</b>	December 31, 2011 – December 31, 2014
<b>Original Bound Construction Value:</b>	\$500,000,000
<b>Original Bound Payroll:</b>	\$100,000,000
<b>Minimum Fixed Premium:</b>	90% of \$100,000,000 in payroll
<b>GL Rate per \$100 of Payroll:</b>	\$1.64
<b>WC Rate per \$100 of Payroll:</b>	\$1.47

#### *Proposed Extension Details<sup>1</sup>*

<b>Program Period:</b>	December 31, 2011 – December 31, 2017
<b>Payroll<sup>2</sup>:</b>	\$100,000,000
<b>Minimum Fixed Premium:</b>	100% of \$100,000,000 in bound payroll
<b>GL Rate per \$100 of Payroll:</b>	\$1.64
<b>WC Rate per \$100 of Payroll:</b>	\$1.47

#### *Old Republic Audit Schedule and Additional Premium Due Dates:*

12/31/14:	5% of original fixed premium due as a deposit against payroll in excess of \$100m. 5% deposit is approximately \$155,000.
9/31/15:	Review payroll enrolled to date with any additional premium due 12/31/15. Additional premium will be charged for payroll in excess of the original bound \$100,000,000 LESS the \$155,000 deposit.
12/31/15:	Old Republic will perform an internal collateral review and collateral need may be adjusted up or down depending on up to date payroll enrolled and losses incurred.
9/31/16:	Review Payroll enrolled to date with any additional premium due 12/31/16. Additional premium would be charged for payroll in excess of what was paid for the previous year.
12/31/16:	Old Republic will perform an internal collateral review and collateral need may be adjusted up or down depending on up to date payroll enrolled and losses incurred.
12/31/17:	Final audit

<sup>1</sup> All other terms and conditions remain pursuant to the expiring policies.

<sup>2</sup> Payroll amount shown is *not* in addition to the bound payroll amount.

**EXTENSION SUMMARY, Cont.**

**EXCESS LIABILITY – \$25M x Primary**

Policy 0307-2185  
Allied World Assurance Company (A XV)

**EXCESS LIABILITY – \$25M x \$25M**

Policy XCQ G25832061  
ACE Property & Casualty Insurance Company (A+ XV)

**EXCESS LIABILITY – \$25M x \$50M**

Policy EXC 2101127  
Great American Insurance Co. of NY (A XIII)

**EXCESS LIABILITY – \$25M x \$75M**

Policy NHA229637  
RSUI Indemnity Company (A XII)

*Current Program Details*

**Program Period:** December 31, 2011 – December 31, 2014

*Proposed Extension Details<sup>1</sup>*

**Program Period:** December 31, 2011 – December 31, 2017

**EXCESS LIABILITY – \$25M x Primary**

Policy 0307-2185  
Allied World Assurance Company (A XV)

Once the construction value exceeds \$500,000,000 then you will pay for additional projects as they arise.  
Additional premium will be based on bound rates

**EXCESS LIABILITY – \$25M x \$25M**

Policy XCQ G25832061  
ACE Property & Casualty Insurance Company (A+ XV)

Once the construction value exceeds \$500,000,000 then you will pay for additional projects as they arise.  
Additional premium will be based on bound rates

**EXCESS LIABILITY – \$25M x \$50M**

Policy EXC 2101127  
Great American Insurance Co. of NY (A XIII)  
Policy remains non-auditable  
12/31/14: \$50,000 additional premium due

**EXCESS LIABILITY – \$25M x \$75M**

Policy NHA229637  
RSUI Indemnity Company (A XII)  
Policy remains non-auditable  
12/31/14: \$50,000 additional premium due

<sup>1</sup> *All other terms and conditions remain pursuant to expiring policies.*

**CSU CAPITAL IMPROVEMENTS  
OWNER'S PROTECTIVE PROFESSIONAL INDEMNITY (OPPI) PRIMARY AND EXCESS COVERAGE  
2015 RENEWAL PROPOSAL - REVISED**

INSURANCE COMPANY:	<u>PRESENT</u>	<u>PROPOSED</u>
	<b>PRIMARY: Catlin Specialty Insurance Company</b>  <b>EXCESS: Indian Harbor Insurance Company</b>	<b>PRIMARY: Catlin Specialty Insurance Company</b>  <b>EXCESS: Indian Harbor Insurance Company</b>
<b>FIRST NAMED INSURED:</b>	CSU Capital Improvements	CSU Capital Improvements
<b>A.M. BEST GUIDE RATING:*</b>	Catlin: A (Excellent); Financial Size Category XV (\$2 Billion or Greater) as of August 6, 2014  Indian Harbor: A (Excellent); Financial Size Category XV (\$2 Billion or Greater) as of October 29, 2013	Catlin: A (Excellent); Financial Size Category XV (\$2 Billion or Greater) as of August 6, 2014  Indian Harbor: A (Excellent); Financial Size Category XV (\$2 Billion or Greater) as of October 29, 2013
<b>STANDARD &amp; POOR'S RATING:*</b>	Catlin: A, Strong  Indian Harbor: A+, Strong	Catlin: A, Strong  Indian Harbor: A+, Strong
<b>CALIFORNIA STATUS:</b>	Catlin: Non-Admitted  Indian Harbor: Non-Admitted	Catlin: Non-Admitted  Indian Harbor: Non-Admitted
<b>POLICY TERM:</b>	January 18, 2012 to January 18, 2015	January 18, 2015 to January 18, 2018
<b>COVERAGE:</b>	Owners Protective Professional Indemnity and Excess Owners Protective Professional Indemnity	Owners Protective Professional Indemnity and Excess Owners Protective Professional Indemnity
<b>PROJECT:</b>	As advised to Catlin by Alliant on behalf of CSU	As advised to Catlin by Alliant on behalf of CSU
<i>*See last page for additional information</i>		

**CSU CAPITAL IMPROVEMENTS  
OWNER'S PROTECTIVE PROFESSIONAL INDEMNITY (OPPI) PRIMARY AND EXCESS COVERAGE  
2015 RENEWAL PROPOSAL - REVISED**

INSURANCE COMPANY:	<u>PRESENT</u>	<u>PROPOSED</u>												
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<b>LIMITS OF INSURANCE:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Catlin: (Primary)</td> </tr> <tr> <td style="width: 20%;">\$10,000,000</td> <td>Each and every claim or loss</td> </tr> <tr> <td>\$10,000,000</td> <td>Aggregate</td> </tr> <tr> <td colspan="2">Indian Harbor: (Excess of \$10,000,000)</td> </tr> <tr> <td>\$15,000,000</td> <td>Each and every claim or loss</td> </tr> <tr> <td>\$15,000,000</td> <td>Aggregate</td> </tr> </table>	Catlin: (Primary)		\$10,000,000	Each and every claim or loss	\$10,000,000	Aggregate	Indian Harbor: (Excess of \$10,000,000)		\$15,000,000	Each and every claim or loss	\$15,000,000	Aggregate	Same as Expiring
Catlin: (Primary)														
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Indian Harbor: (Excess of \$10,000,000)														
\$15,000,000	Each and every claim or loss													
\$15,000,000	Aggregate													
<b>TOTAL LIMITS OF INSURANCE:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">\$25,000,000</td> <td>Each and every claim or loss</td> </tr> <tr> <td>\$25,000,000</td> <td>Aggregate</td> </tr> <tr> <td colspan="2">Sublimits:</td> </tr> <tr> <td>\$10,000</td> <td>Disciplinary Proceedings</td> </tr> </table>	\$25,000,000	Each and every claim or loss	\$25,000,000	Aggregate	Sublimits:		\$10,000	Disciplinary Proceedings	Same as Expiring				
\$25,000,000	Each and every claim or loss													
\$25,000,000	Aggregate													
Sublimits:														
\$10,000	Disciplinary Proceedings													
<b>SELF-INSURED RETENTION (SIR):</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">\$100,000</td> <td>Each Third-Party Claim and Expense</td> </tr> <tr> <td colspan="2">Important Note: Any project that is a continuation of the work of another project that is otherwise insured under this policy shall be considered the same project for the purpose of determining interrelated claims.</td> </tr> </table>	\$100,000	Each Third-Party Claim and Expense	Important Note: Any project that is a continuation of the work of another project that is otherwise insured under this policy shall be considered the same project for the purpose of determining interrelated claims.		Same as Expiring								
\$100,000	Each Third-Party Claim and Expense													
Important Note: Any project that is a continuation of the work of another project that is otherwise insured under this policy shall be considered the same project for the purpose of determining interrelated claims.														
<b>MINIMUM INSURANCE REQUIREMENTS (MIR):</b>	<ul style="list-style-type: none"> <li>➤ Carrier must be contacted if MIR cannot be met. This must be done prior to carrier accepting a project as enrolled for coverage under this policy.</li> <li>➤ \$1,000,000 Professional Liability from prime architect for project with actual or estimated construction valued up to \$49.99 million.</li> </ul>	Same as Expiring												

**CSU CAPITAL IMPROVEMENTS  
OWNER'S PROTECTIVE PROFESSIONAL INDEMNITY (OPPI) PRIMARY AND EXCESS COVERAGE  
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<b>MINIMUM INSURANCE REQUIREMENTS (MIR, Cont.):</b>	<ul style="list-style-type: none"> <li>➤ \$2,000,000 Professional Liability from prime architect for project with actual or estimated construction values of \$50 million to \$99.99 million.</li> <li>➤ The MIR on any additional projects of \$100 million or greater in actual or estimated construction values can be negotiated at the time of incorporation into the program.</li> </ul>	Same as Expiring
<b>CONDITIONS:</b>	<ol style="list-style-type: none"> <li>1. Policy Amendments: Retroactive date: Initial design of first enrolled project.</li> <li>2. Minimum Premium: \$200,000. Initial Premium is determined by multiplying the policy rate by the Hard Construction Values for all projects that California State University would like insured at inception.</li> <li>3. Projects currently under construction: Projects that are less than 50% complete in construction can be enrolled to program if appropriate premium is paid at inception. If projects that are currently under construction are not enrolled at inception of the program, we will not be able to add these projects at a later date. We will require specific warranty letter from California State University confirming that these projects are not delayed, over budget, or that they are aware of any environmental or design problems, which would reasonable expect to result in a claim otherwise insured by our program.</li> <li>4. Extended Reporting Period Endorsement (ERP): A Five (5) Year ERP will apply upon substantial completion of each project enrolled during the annual policy period. The ERP and construction period will not exceed ten (10) years total. If the construction period is longer than five (5) years for any project, the ERP will be reduced by the amount of time the construction period exceeds 5 years.</li> </ol>	Same as Expiring

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<b>CONDITIONS: (Including but not limited to, cont.):</b>	<p>5. Audit rate: this will vary depending on the coverage option chosen.</p> <p>6. Reinstatement: At program inception, California State University will have the ability to purchase a one time limit reinstatement provision at 12% of the overall policy premium for the program. If the reinstatement is elected, a 12% additional premium will be applied to the initial policy premium, subject to an up-front additional minimum premium of \$25,000. The 12% additional premium will apply to subsequent premium payments as new projects are enrolled to the program. The reinstatement provision will only apply to an unrelated claim and/or project.</p> <p>7. Covered Projects: All projects for which premium is paid and that are included in the bordereaux provided to the Insurer by California State University shall be covered. Any project that commences prior to submittal of the bordereaux to the Insurer will automatically be covered under the policy as long as the premium for the project is paid upon submittal of the bordereaux to the Insurer.</p> <p><b><u>Important Note:</u></b> The following wording is included in the Insuring Agreement(s) of this policy:</p> <p style="padding-left: 40px;">...prior to the effective date of this policy the Named Insured had no knowledge of circumstances which could give rise to a Claim as covered herein...</p> <p>California State University has advised that their desire is to only cover the projects with actual or estimated construction values that exceed \$10 million,</p>	Same as Expiring

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<b>CONDITIONS:</b> (Including but not limited to, cont.):	and not the smaller projects that are undertaken as part of the normal construction activities of the University.  8. Hard Construction Costs: Definition of Hard Construction Costs - Endorsement shall apply.  9. Unintended Failure to Disclose projects endorsement will apply.  10. Absolute asbestos exclusion will apply, but solely as respect any project or work that is known to contain asbestos and is in need of remediation, containment, clean-up or abatement.					
<b>PREMIUM:</b>	Catlin (Primary):	\$450,000	Rate: \$0.90 per \$1,000 of construction cost	Catlin (Primary):	\$450,000	Rate: \$0.90 per \$1,000 of construction cost
	Indian Harbor (Excess):	\$425,000	Rate: \$0.85 per \$1,000 of construction cost	Indian Harbor (Excess):	\$405,000	Rate: \$0.81 per \$1,000 of construction cost
	<b>Total Premium:</b>		\$875,000 (not including 3.20% CA Surplus Lines Taxes and Fees)	<b>Total Premium:</b>		<b>\$855,000</b> (not including 3.20% CA Surplus Lines Taxes and Fees)
<b>MINIMUM EARNED PREMIUM:</b>	100% Earned at inception			100% Earned at inception		
<b>QUOTE VALID UNTIL:</b>				January 19, 2015		

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<b>BINDING CONDITIONS:</b>		Policy cannot be issued until the company receives, reviews, and accepts the following: <ol style="list-style-type: none"> <li>1. Written request to bind.</li> <li>2. Original signed application (Email copy of signed application will satisfy this requirement)</li> <li>3. This conditional indication is issued upon the reliance of the information submitted to Catlin by the applicant. By accepting this indication, applicant accepts the terms and conditions contained and verified that all information is accurate, true and complete and that no pertinent or material information has been withheld or omitted.</li> <li>4. The Insured shall not agree to limit any designer or construction firm's liability unless specifically agreed to in writing by Catlin.</li> </ol>
<b>CONTRACTOR'S POLLUTION LIABILITY (CPL) COVERAGE:</b>	Allied World National Assurance Company Policy # 0307-2750 Effective January 18, 2012 to January 18, 2017	Not Applicable



**CSU CAPITAL IMPROVEMENTS  
OWNER'S PROTECTIVE PROFESSIONAL INDEMNITY (OPPI) PRIMARY AND EXCESS COVERAGE  
2015 RENEWAL PROPOSAL - REVISED**

**DATE PREPARED:** November 25, 2014

**BROKER:**

**ALLIANT INSURANCE SERVICES, INC.  
NEWPORT BEACH, CA 92660  
License No. 0C36861**

Shawn Kraatz  
First Vice President

Michael McIntosh, CISR  
Account Manager

**CLAIMS REPORTING NOTICE -**

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

**THIS IS A CLAIMS MADE POLICY**

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant Insurance Services, Inc.  
1301 Dove Street, Suite 200, Newport Beach CA 92660-2511 ♦ 949-756-0271  
Lic #0C36861 ♦ [www.alliantinsurance.com](http://www.alliantinsurance.com)

**CSU CAPITAL IMPROVEMENTS  
OWNER'S PROTECTIVE PROFESSIONAL INDEMNITY (OPPI) PRIMARY AND EXCESS COVERAGE  
2015 RENEWAL PROPOSAL - REVISED**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliantinsurance.com](http://www.alliantinsurance.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

#### **NY REGULATION 194 DISCLOSURE**

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

#### **FATCA DISCLOSURE**

IMPORTANT NOTICE - The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

#### **NRRA DISCLOSURE**

**IMPORTANT NOTICE:** THE NONADMITTED & REINSURANCE REFORM ACT (NRRA) WENT INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

**Alliant Insurance Services, Inc.**  
1301 Dove Street, Suite 200, Newport Beach CA 92660-2511 ♦ 949-756-0271  
Lic #0C36861 ♦ [www.alliantinsurance.com](http://www.alliantinsurance.com)

# Program Performance – Bakersfield Campus

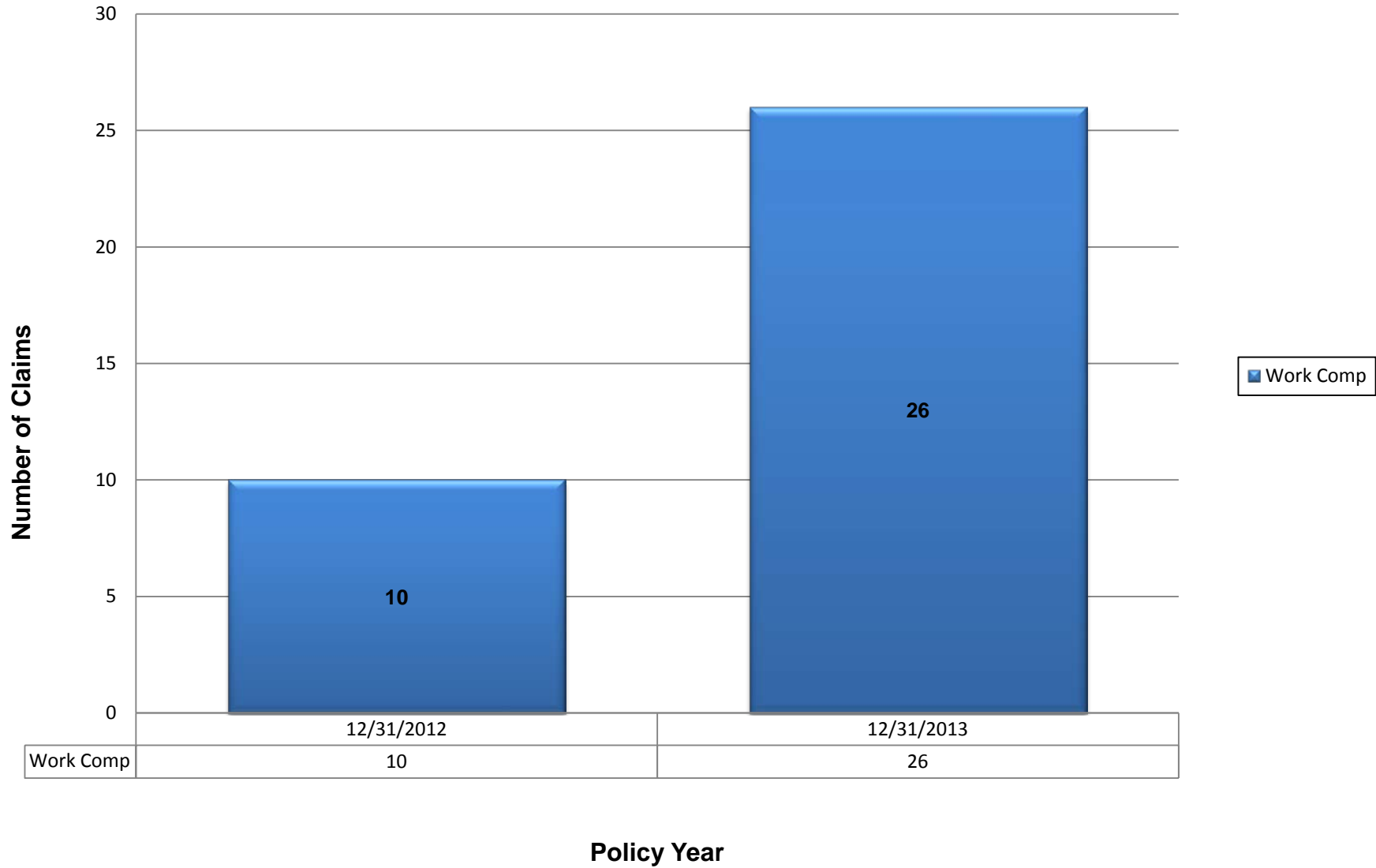
Project	Value*	CSURMA Bill to Project**	Traditional Insurance Cost***	Savings <i>if traditional costs are properly harvested</i>
Bakersfield Art Center/Satellite Plant	\$14,822,811	\$212,411	\$575,882	\$363,472
% of CV		1.433%	3.885%	2.452%
Bakersfield Student Housing	\$20,358,943	\$455,966	\$843,354	\$387,387
% of CV		1.433%	2.650%	1.217%

\*From 2014 Q3 Quarterly Report

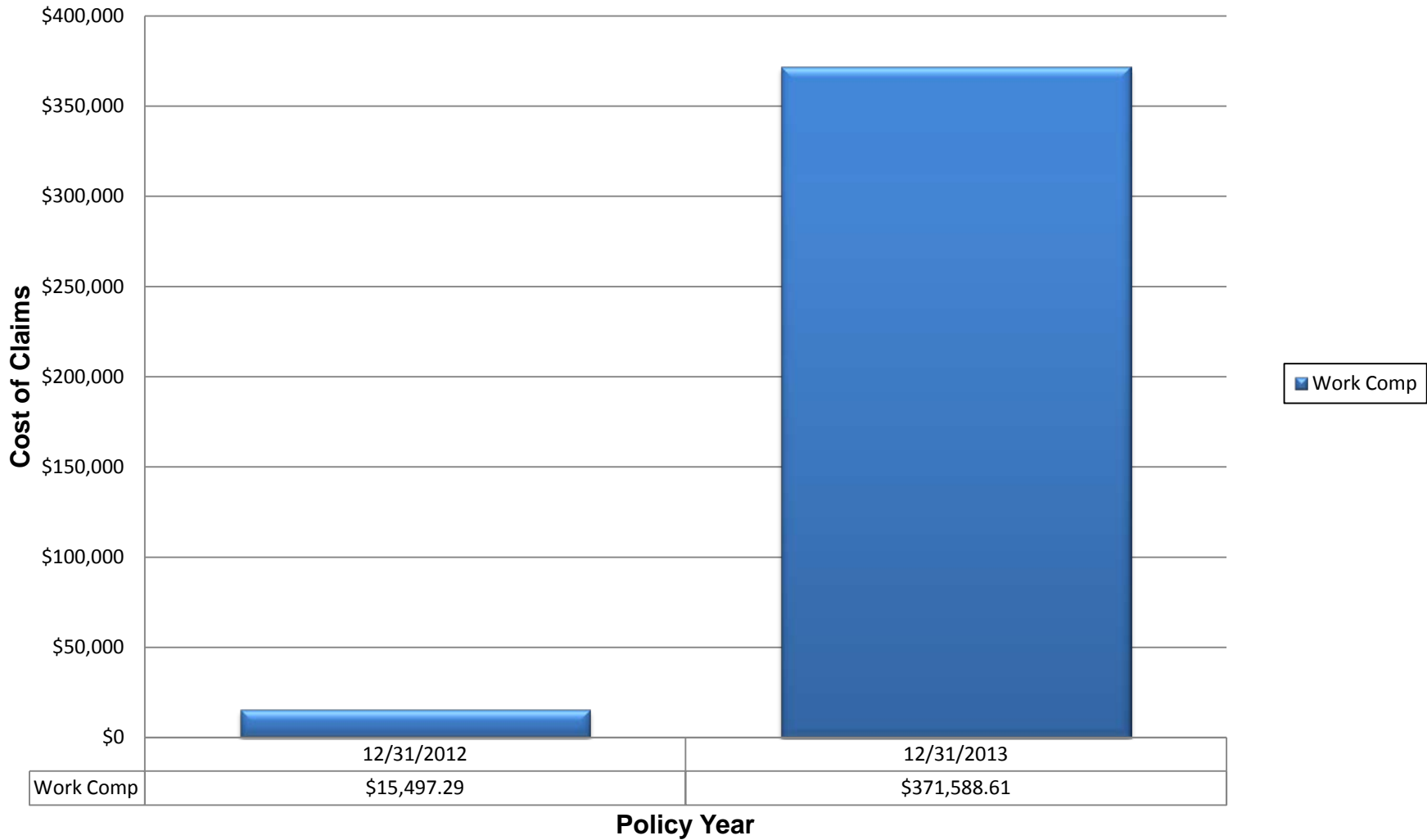
\*\* .045% for CPL, .1% for OPPI, and .094% for XS OPPI removed from 1.672% billing rate

\*\*\* Art Center OCIP savings driven by avoided GC insurance costs

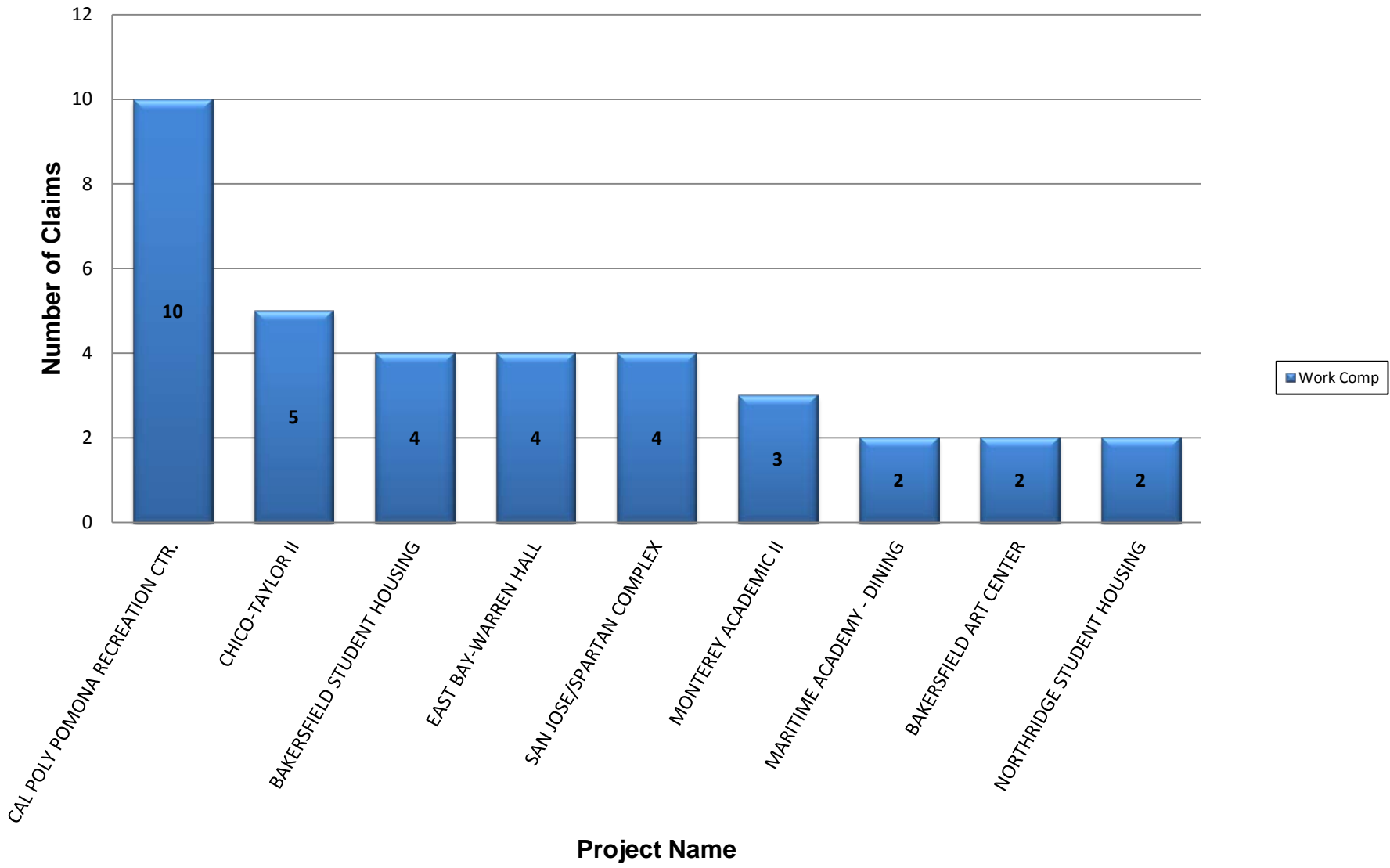
**CSU Rolling OCIP**  
**Number of Claims by Coverage & Policy Year**  
**Losses from 2012-12-31 to 2014-12-31**



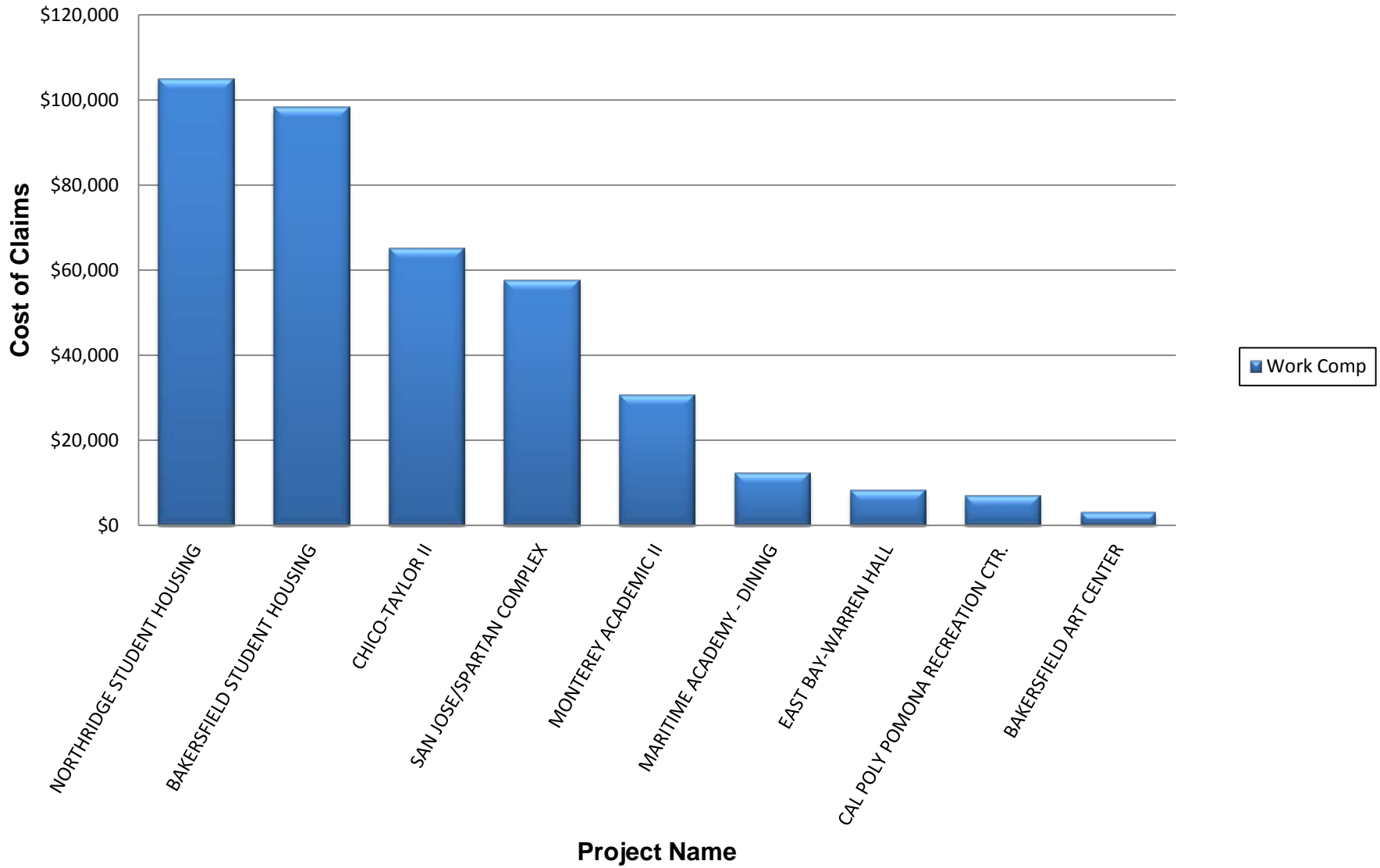
**CSU Rolling OCIP**  
**Cost of Claims by Coverage & Policy Year**  
**Losses from 2012-12-31 to 2014-12-31**



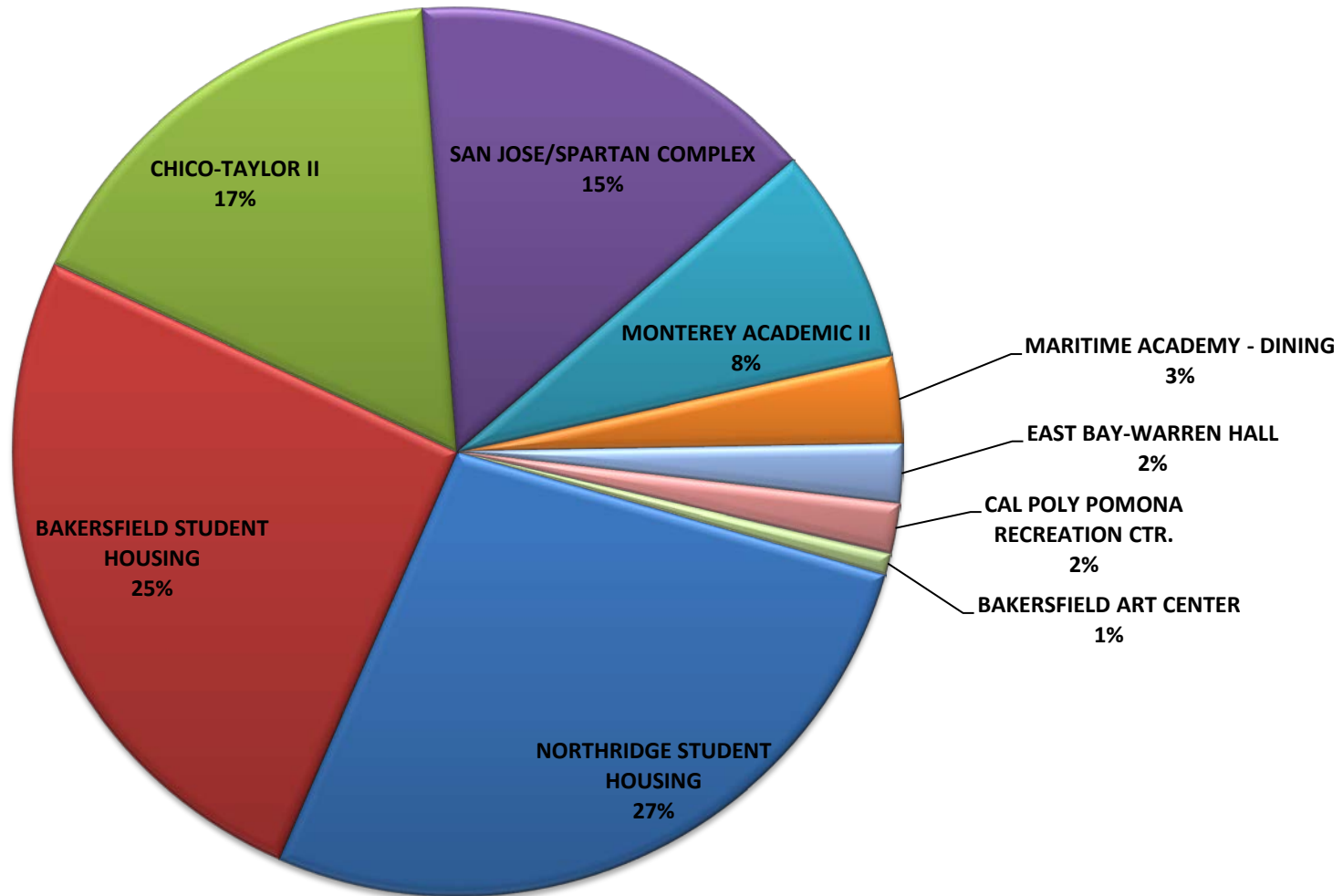
**CSU Rolling OCIP**  
**Number of Claims by Project & Coverage (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



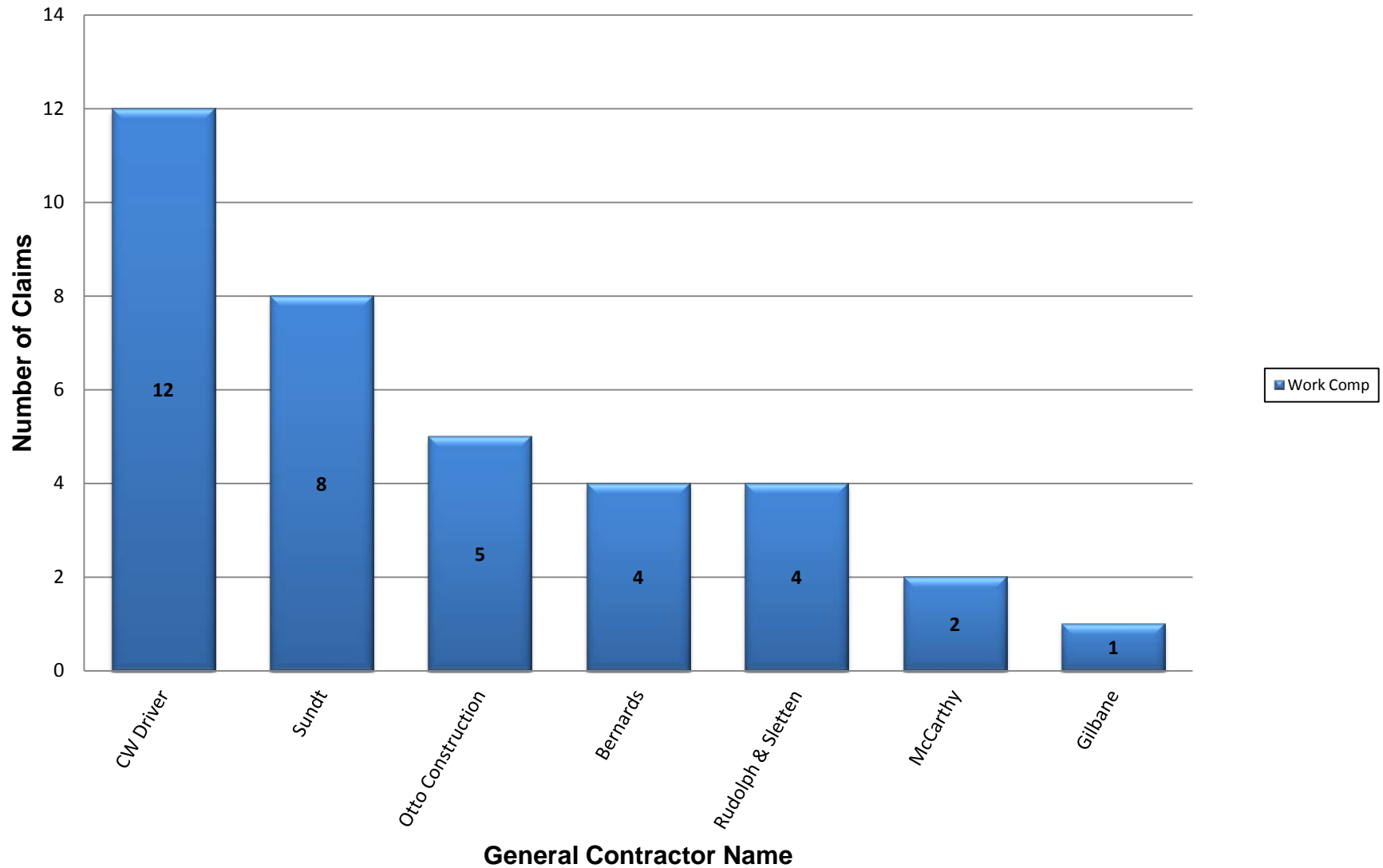
**CSU Rolling OCIP**  
**Cost of Claims by Project & Coverage (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



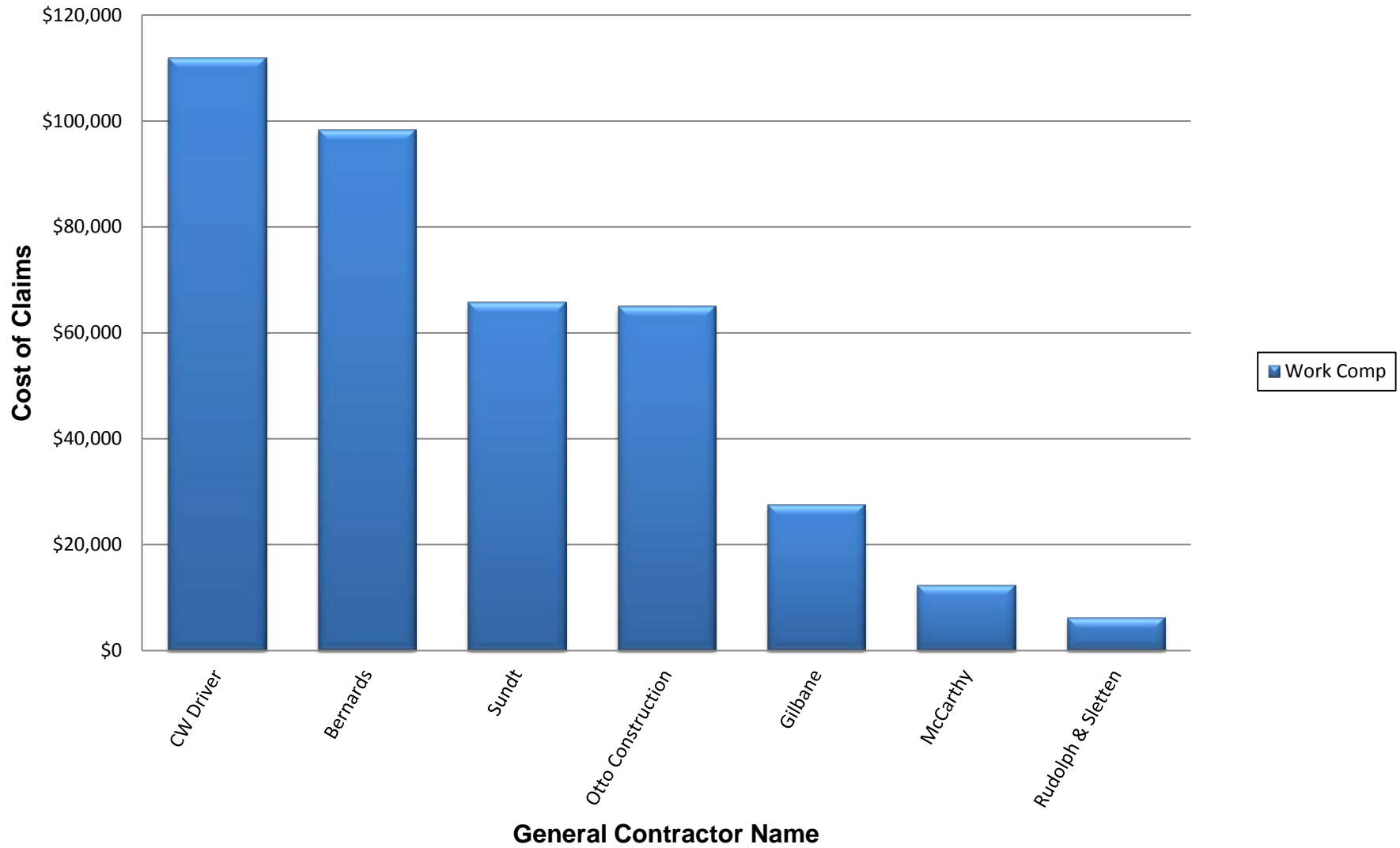
**CSU Rolling OCIP**  
**Percentage of Claims Cost by Project (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



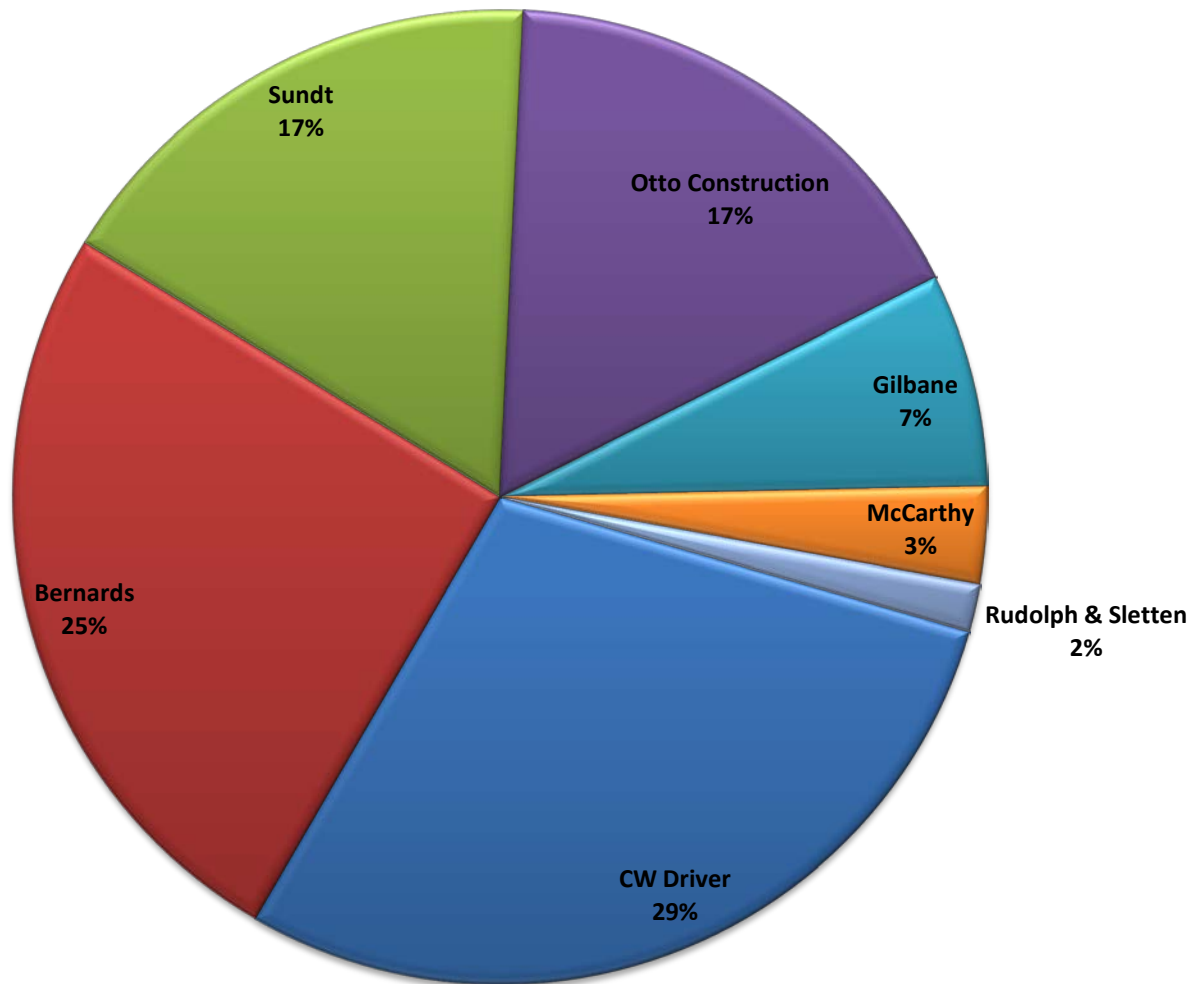
**CSU Rolling OCIP**  
**Number of Claims by General Contractor & Coverage (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



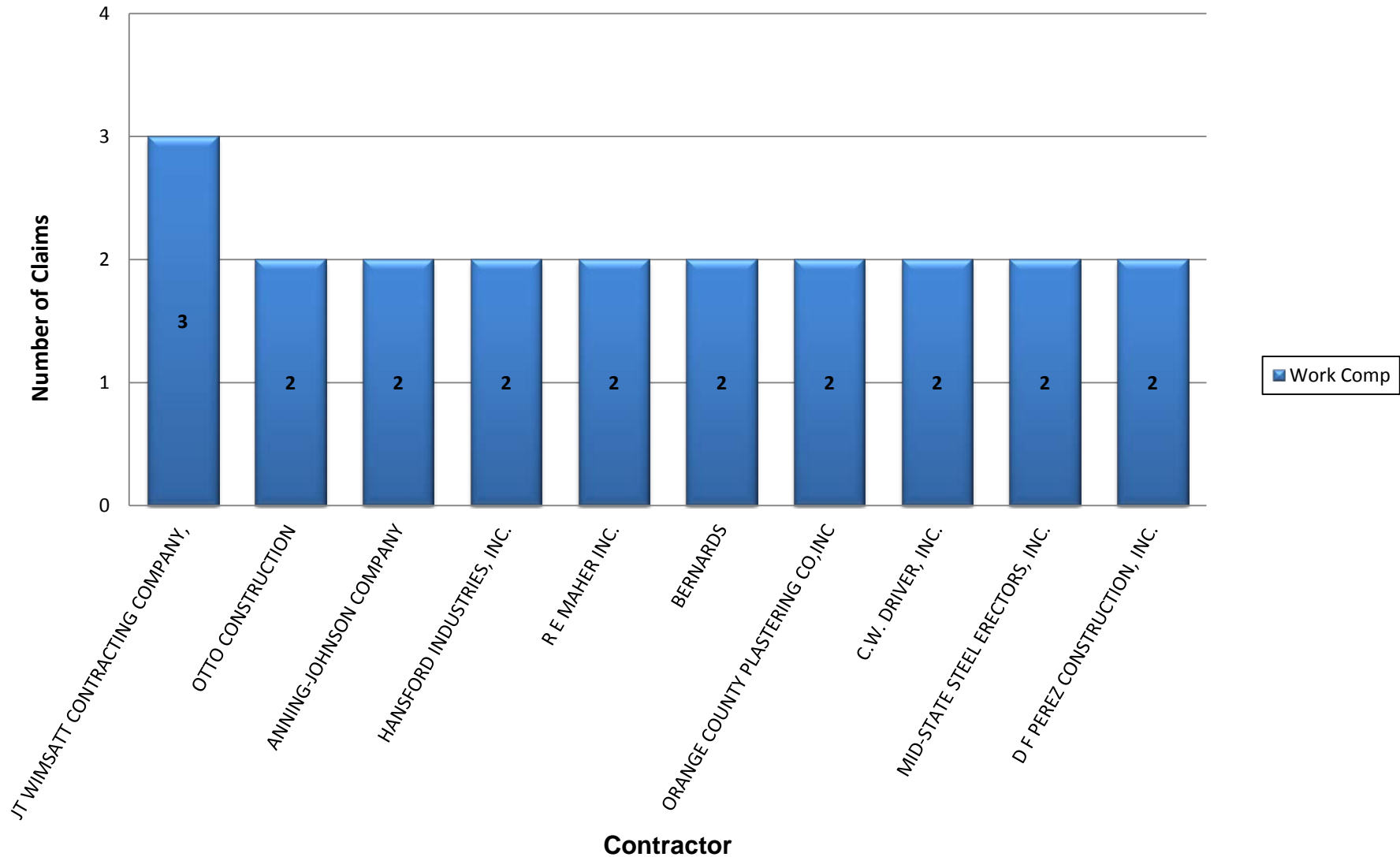
**CSU Rolling OCIP**  
**Cost of Claims by General Contractor & Coverage (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



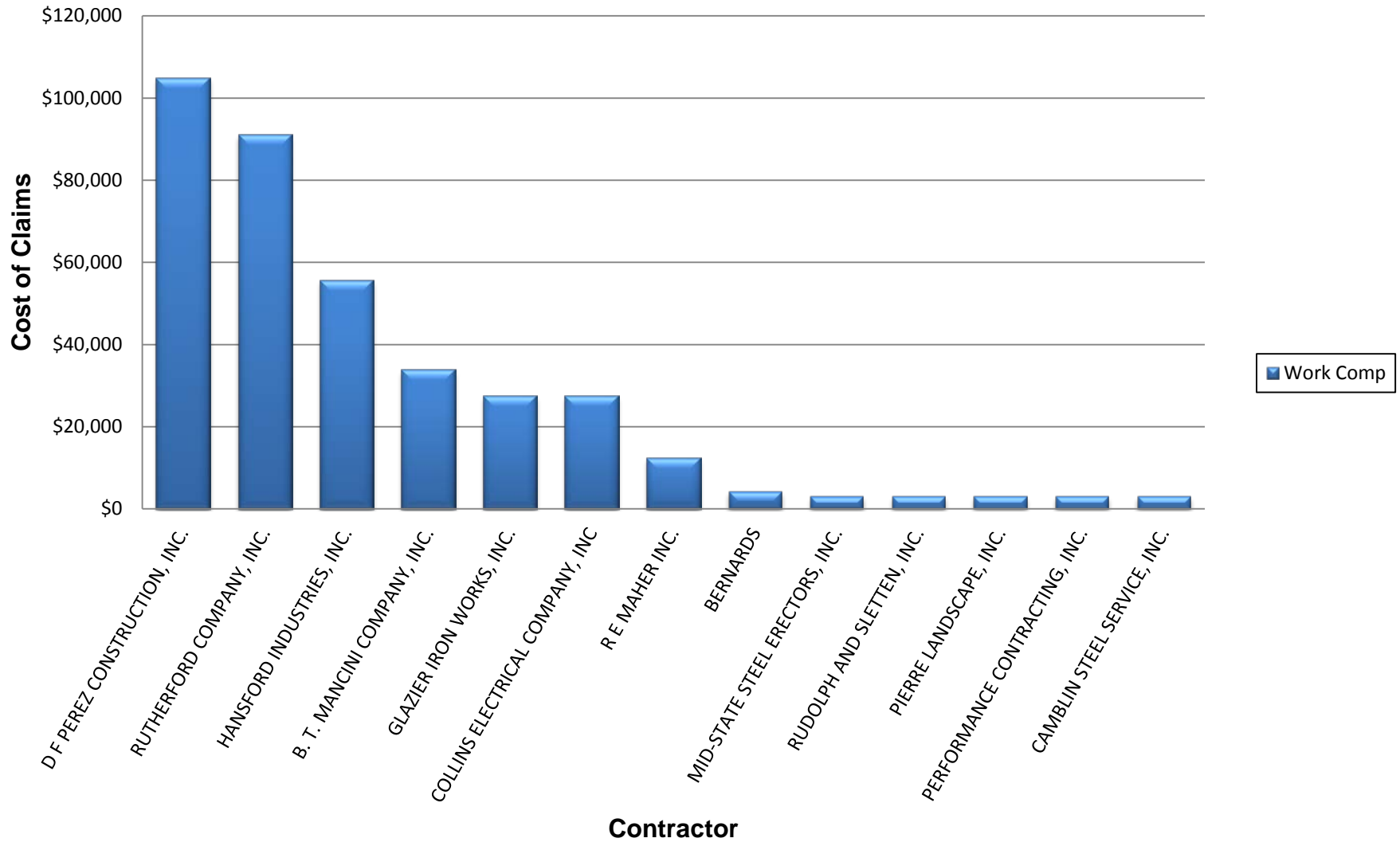
**CSU Rolling OCIP**  
**Percentage of Claim Cost by General Contractor (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



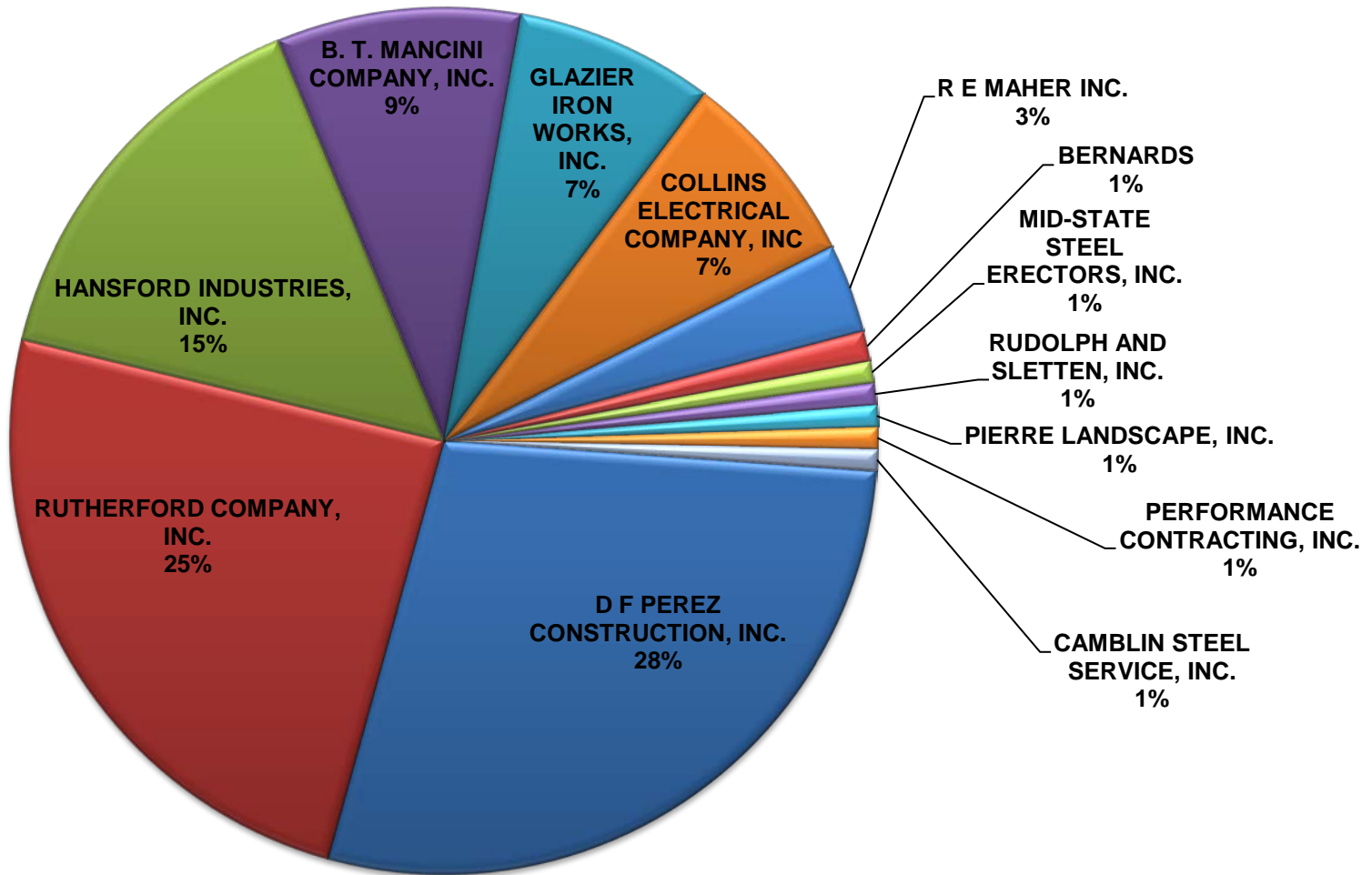
**CSU Rolling OCIP**  
**Number of Claims by Contractor & Coverage (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



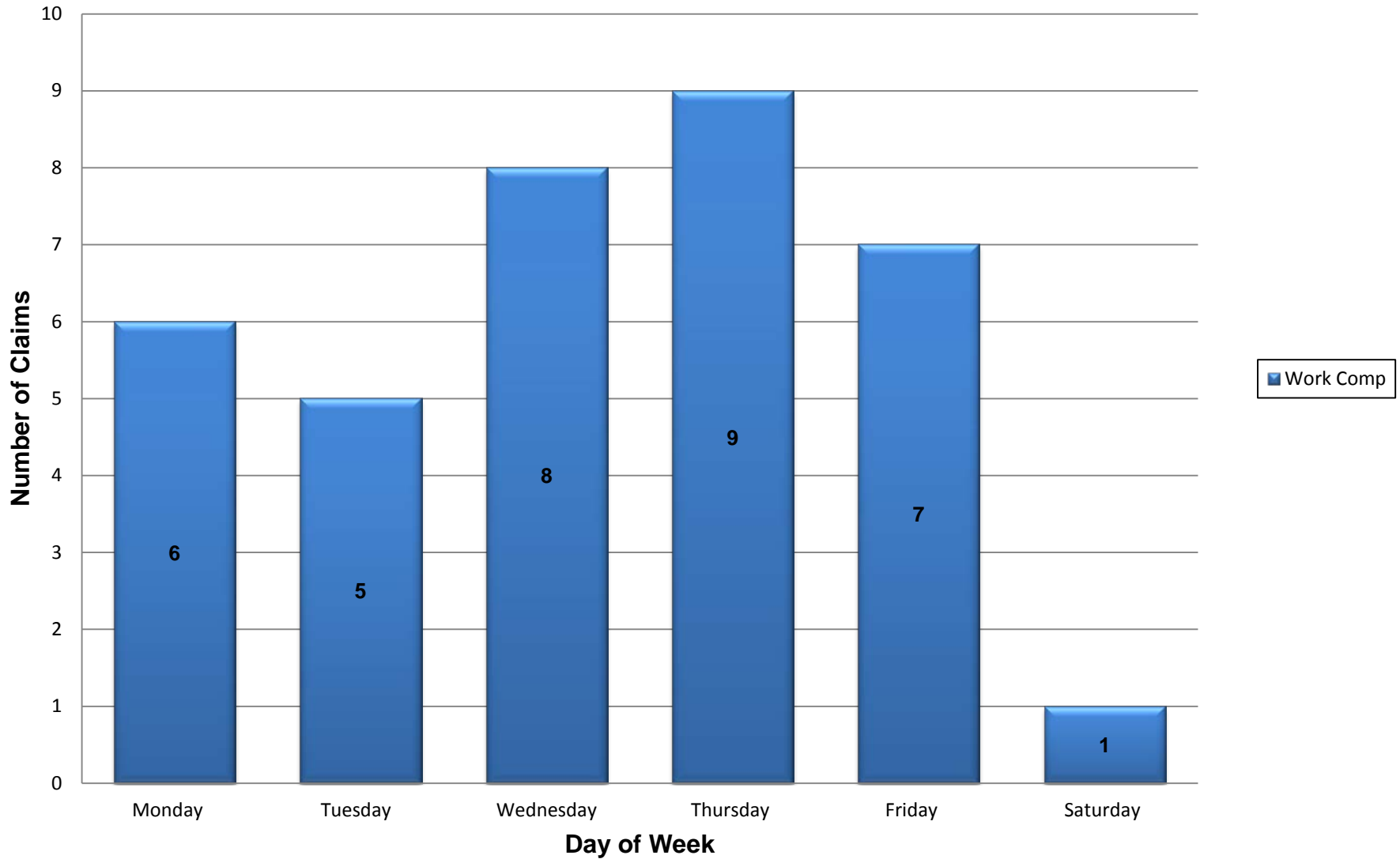
**CSU Rolling OCIP**  
**Cost of Claims by Contractor & Coverage (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



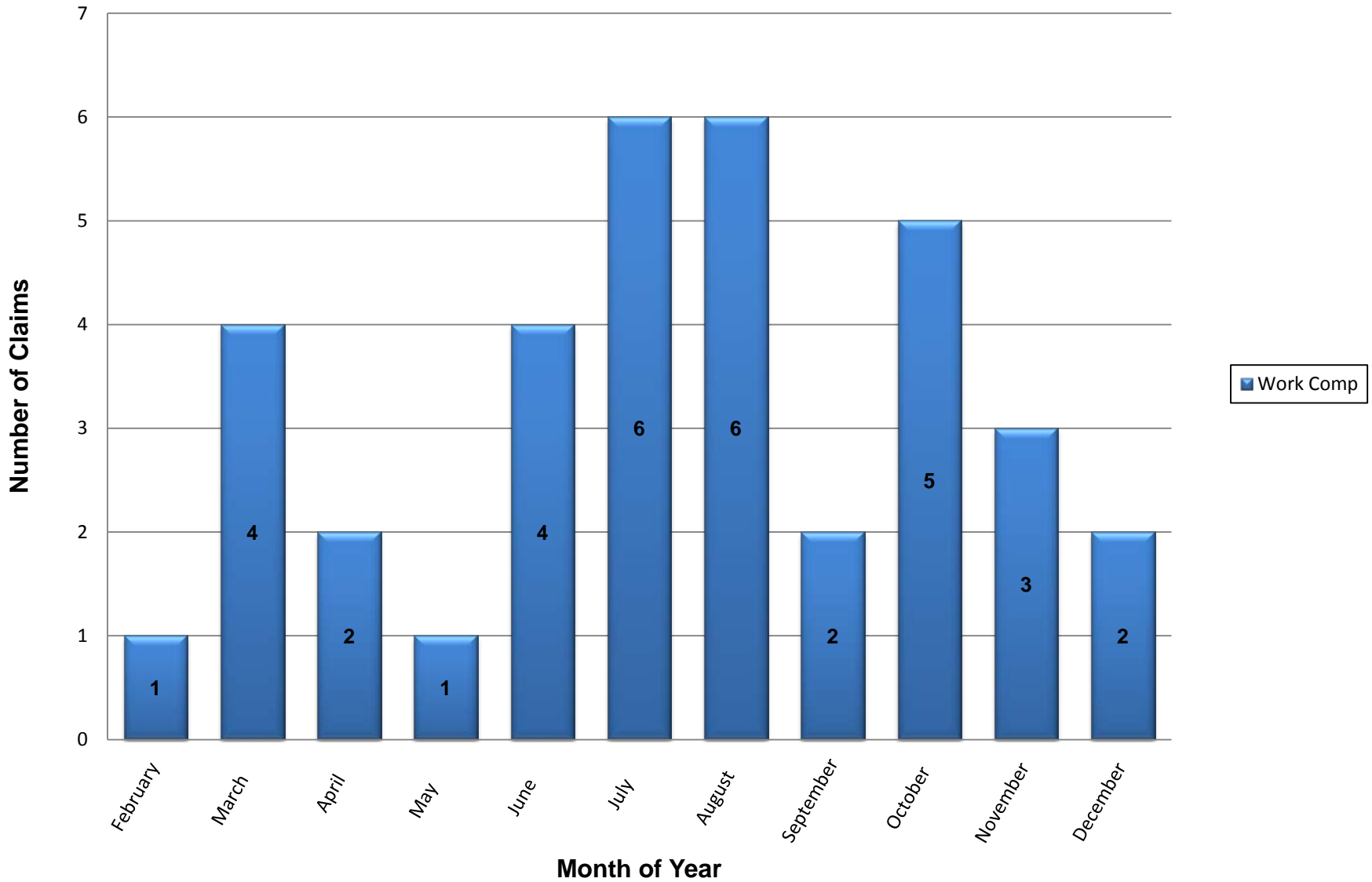
**CSU Rolling OCIP**  
**Percentage of Claims Cost by Contractor (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



**CSU Rolling OCIP**  
**Number of Claims by Day of Week & Coverage**  
**Losses from 2012-12-31 to 2014-12-31**



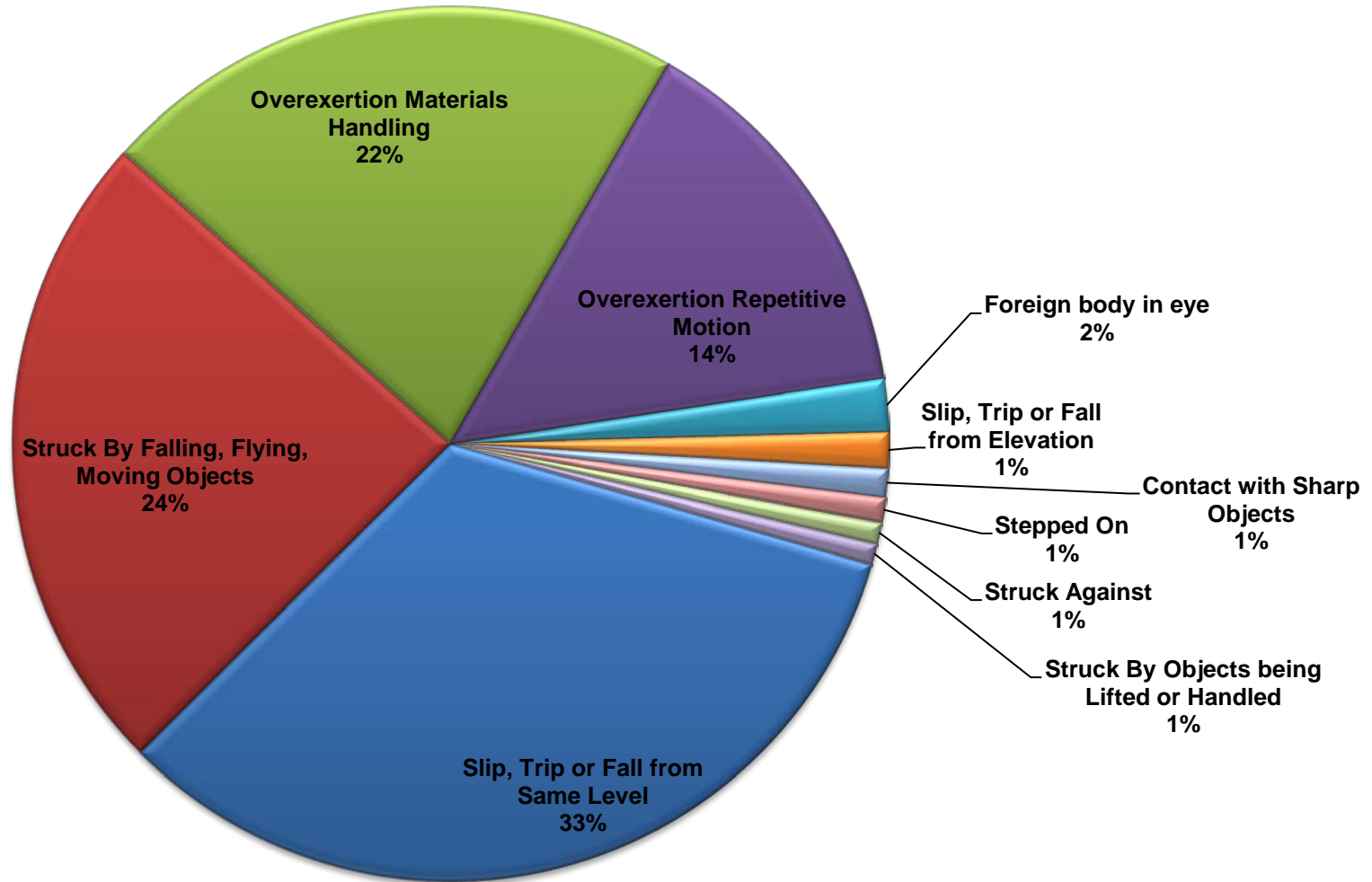
**CSU Rolling OCIP**  
**Number of Claims by Month & Coverage**  
**Losses from 2012-12-31 to 2014-12-31**



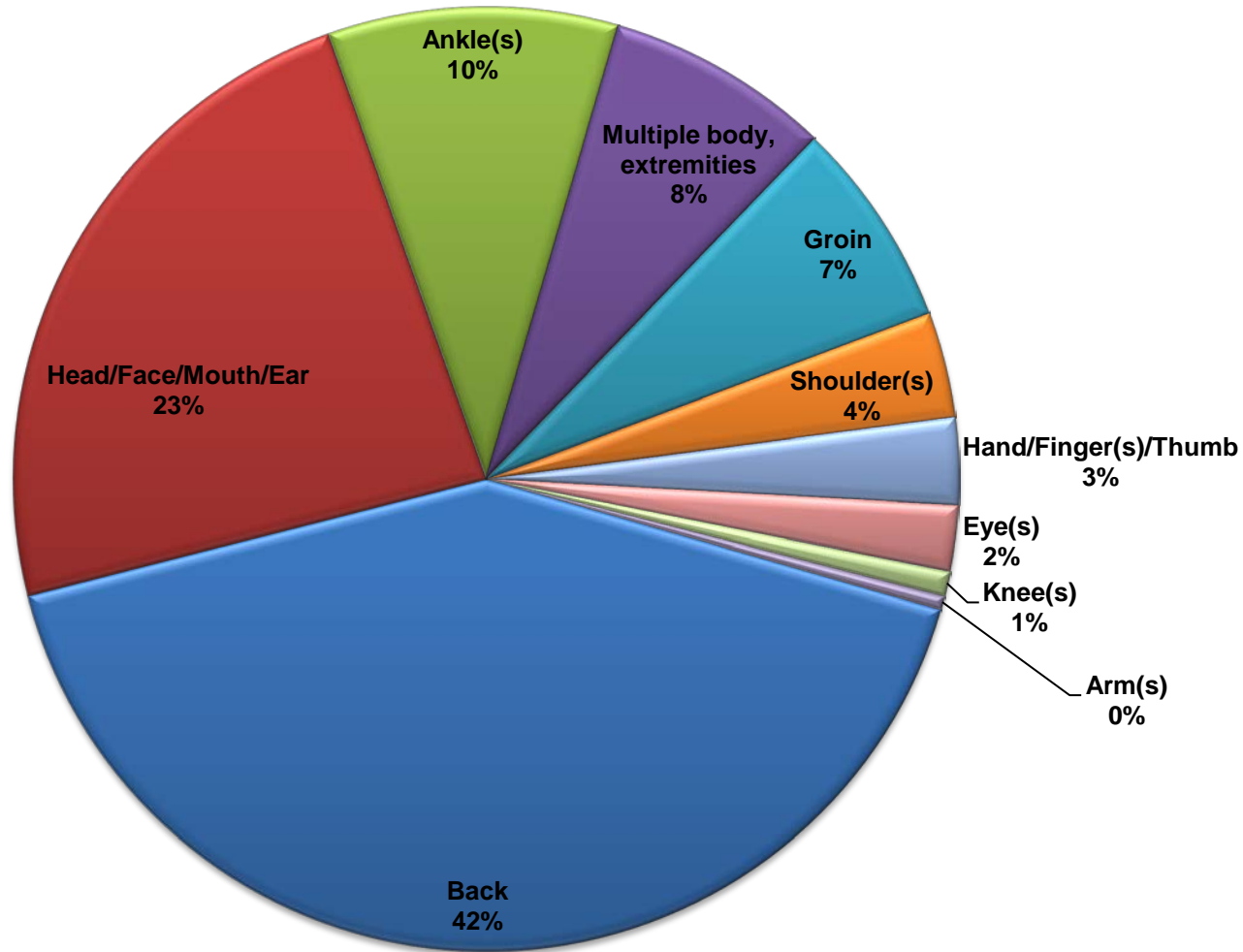
# CSU Rolling OCIP

Percentage of WC Claims Cost by Cause (Top 10)

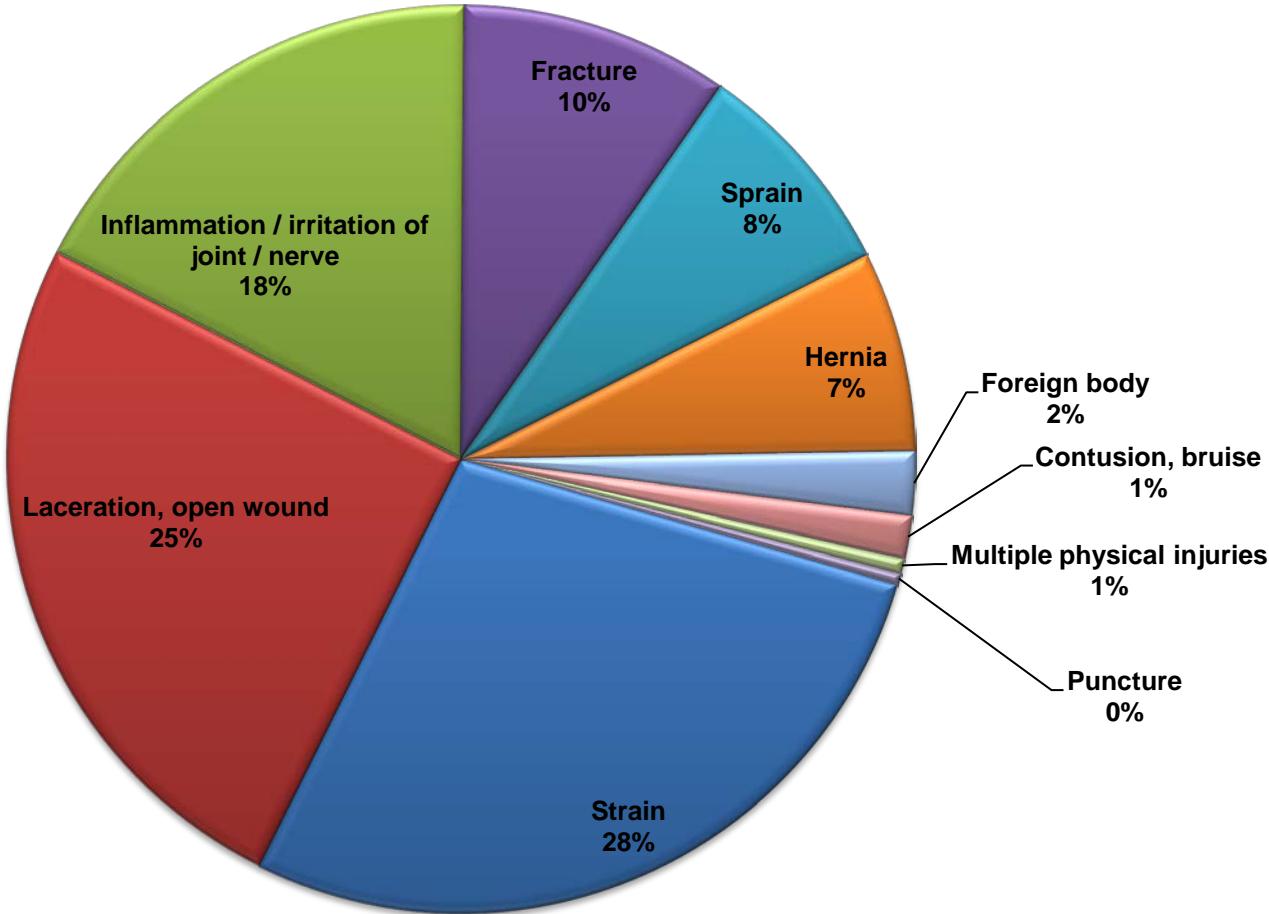
Losses from 2012-12-31 to 2014-12-31



**CSU Rolling OCIP**  
**Percentage of WC Claims Cost by Part of Body (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



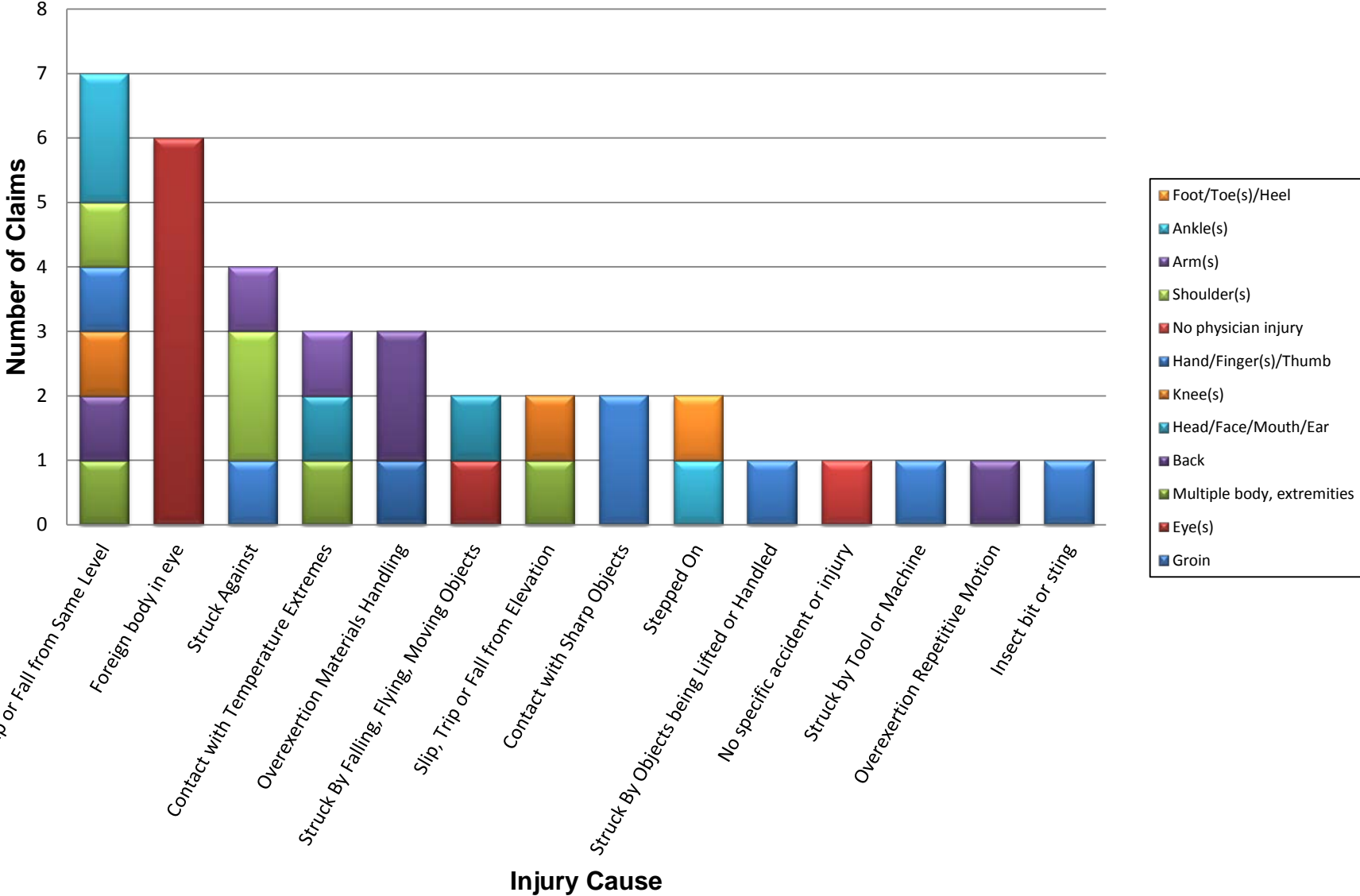
**CSU Rolling OCIP**  
**Percentage of WC Claims Cost by Nature (Top 10)**  
**Losses from 2012-12-31 to 2014-12-31**



## CSU Rolling OCIP

### Number of WC Claims by Cause & Body Part (Top 10)

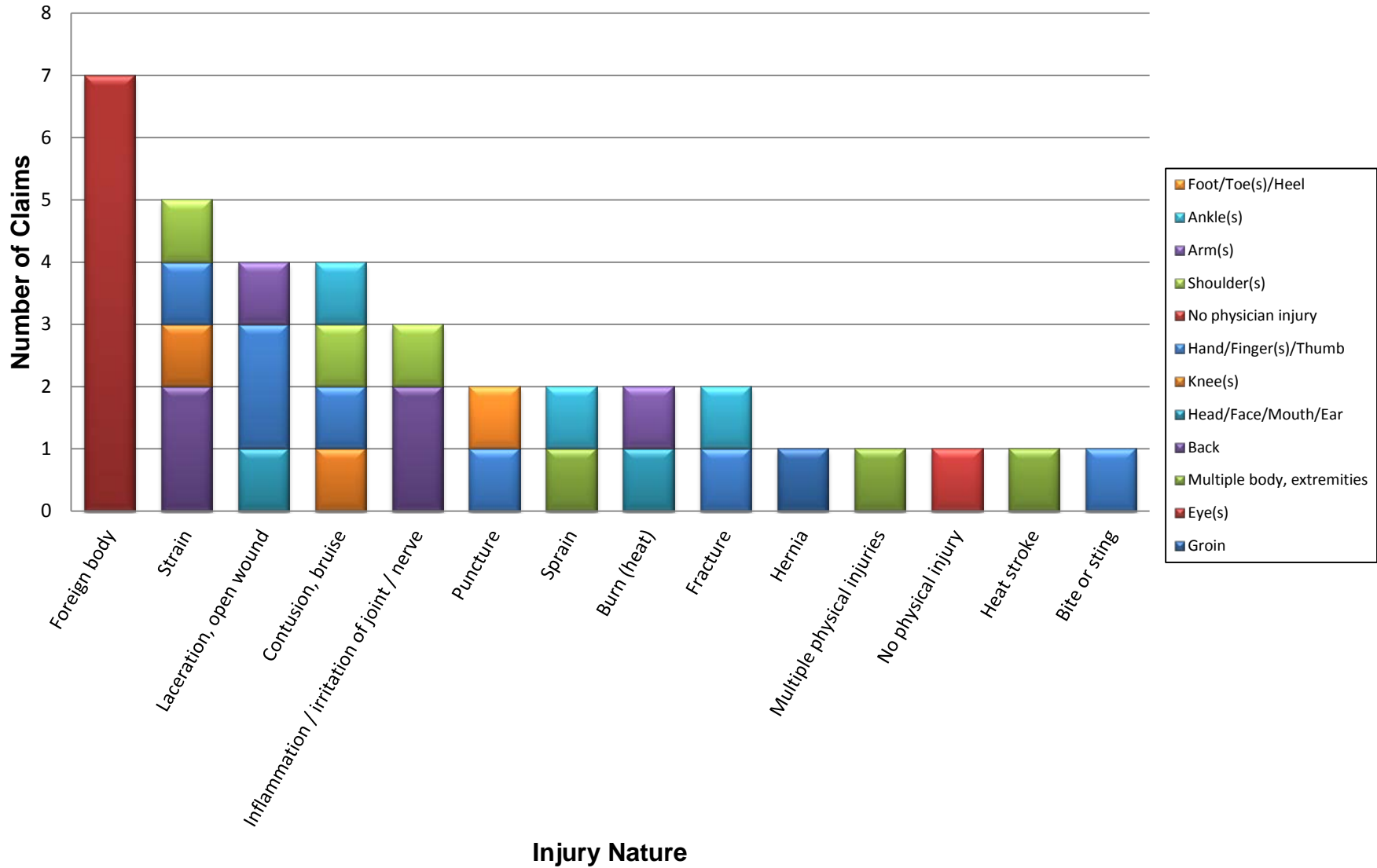
#### Losses from 2012-12-31 to 2014-12-31



## CSU Rolling OCIP

### Number of WC Claims by Nature & Body Part (Top 10)

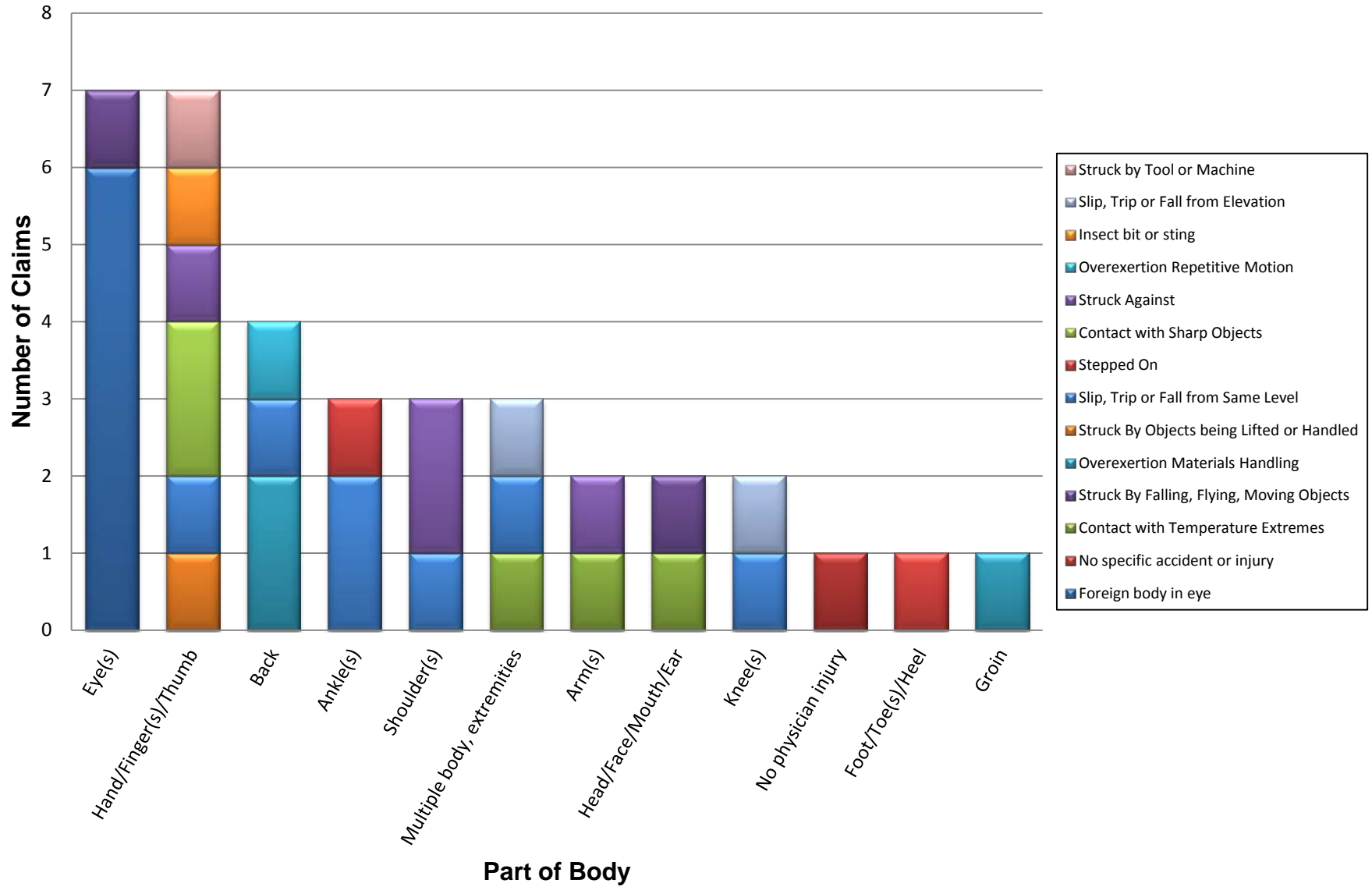
Losses from 2012-12-31 to 2014-12-31



## CSU Rolling OCIP

### Number of WC Claims by Body Part & Cause (Top 10)

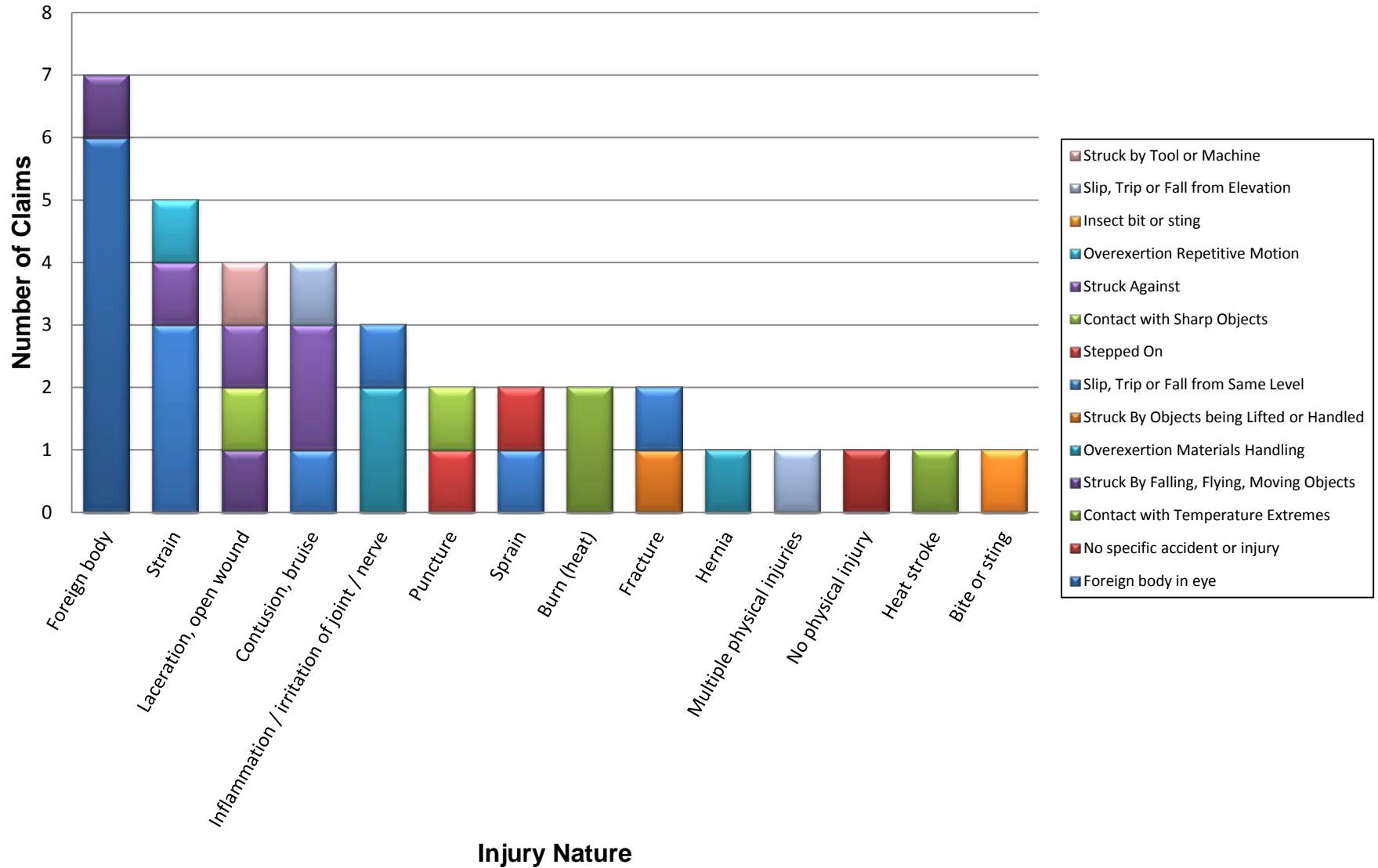
Losses from 2012-12-31 to 2014-12-31



## CSU Rolling OCIP

### Number of WC Claims by Nature & Cause (Top 10)

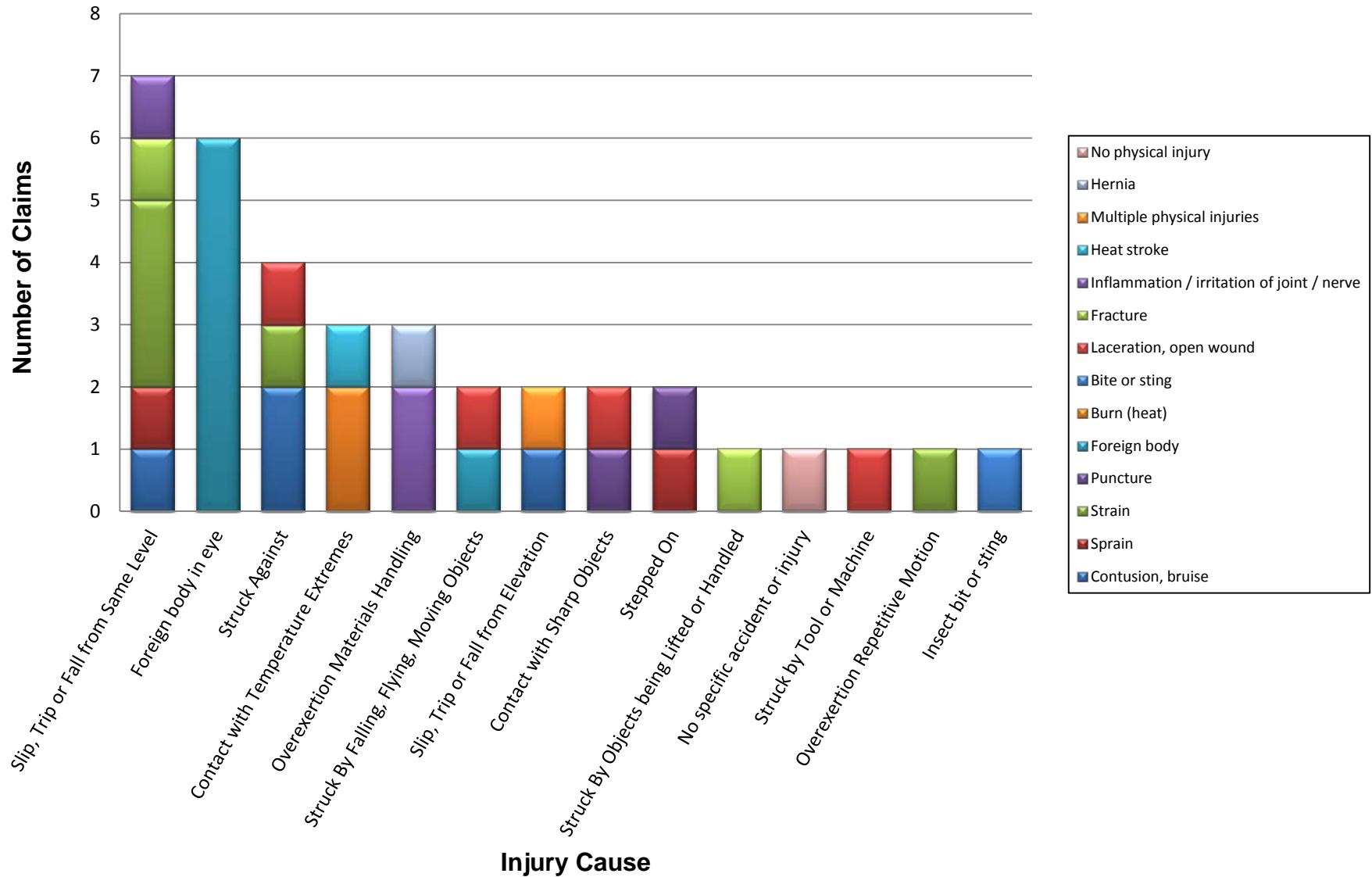
Losses from 2012-12-31 to 2014-12-31



## CSU Rolling OCIP

### Number of WC Claims by Cause & Nature (Top 10)

#### Losses from 2012-12-31 to 2014-12-31



## **STUDENT PLACEMENT AGREEMENT LANGUAGE**

**ISSUE:** In the 2014-2015 CSURMA Executive Committee Long Range Action Plan, the Executive Committee directed staff to review insurance and indemnity language in template student placement agreements with third party host organizations. Staff has performed the review and also included CSURMA's General Counsel in the discussions. Staff and CSURMA General Counsel will be present at today's meeting to discuss findings.

**RECOMMENDATION:** It is recommended that the Executive Committee consider the information provided at today's meeting and provide further direction to staff.

**FISCAL IMPACT:** No fiscal action is expected from action at today's meeting.

**BACKGROUND:** CSU places thousands of students in practicum programs with third party host organizations. These placements include Nursing, Allied Health, Teaching Certification and Service Learning. The placement agreements describe the insurance and indemnity responsibilities of the parties. CSURMA maintains the Student Professional Liability Insurance Program (SPLIP) and the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). SPLIP and SAFECLIP provide General and Professional Liability coverage to the student, CSU and host but do not include Workers' Compensation coverage for injuries to students.

**PUBLICATION:** No publication is expected from consideration of this item at today's meeting.

**ATTACHMENT(S):** None

**UPDATES: UNMANNED AERIAL VEHICLES,  
ROCKETRY LIABILITY INSURANCE**

**ISSUE:** G. Andrew Jones, Associate Vice Chancellor and Deputy General Counsel issued a memo to CSU Presidents dated December 17, 2014 regarding Unmanned Aerial Vehicles (aka Drones). At issue is the increased interest by CSU personnel and students to operate drones, which the Office of General Counsel (OGC) is working hard to assure CSU's UAV use is legally compliant and to position CSU to leverage UAV use. The memo provides a synopsis of current FAA regulations regarding UAV use, which has prompted questions from the campuses. CSURMA's General Counsel, Willy Hsu, will provide an update at today's Executive Committee meeting.

At its December 5, 2014 meeting, the Executive Committee approved the purchase of General Liability insurance to cover Rocketry. The insurance is limited to specified launching locations reported by CSU. Additionally, the insurance broker negotiated terms with CSURMA's excess liability insurers to allow limited coverage for small model rockets as defined by the U.S. Department of Transportation. Staff will provide an update at today's meeting.

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

**FISCAL IMPACT:** To date, no monies have been expended for UAV coverage. As previously approved, \$18,187.00 was drawn from the Campus Liability fund to pay for General Liability insurance covering rocketry at specified locations for an 18 month period from December 8, 2014 to July 1, 2016.

**BACKGROUND:** Staff conducted a survey to all CSU campuses regarding academic work involving UAVs and Rocketry. The additional insurance terms are in response to the survey results.


**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. OGC Memo to CSU Campus Presidents dated December 17, 2014
- b. Ironshore Endorsement to Cover Amateur Rockets - DRAFT
- c. U.S. Department of Transportation, Federal Aviation Administration, Chapter 31 Amateur Rocket and Commercial Space Operations

December 17, 2014

To: CSU Presidents

From: G. Andrew Jones   
*Associate Vice Chancellor and Deputy General Counsel*

Re: Unmanned Aerial Vehicles (aka Drones)

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Recently, a growing number of faculty, staff and students have expressed keen interest in using Unmanned Aerial Vehicles ("UAV") in connection with or as part of their official university activities. You may have also heard UAVs referred to as Unmanned Aircraft Systems ("UAS"). They are most commonly called drones. As the cost of UAVs drops substantially, and the versatility and experience in their multiple possible uses increases, interest by CSU personnel and students in UAV use is both exciting and understandable. We in the OGC share in the excitement and potential that UAVs offer. That said, we also are working hard to assure that CSU's UAV use is legally compliant so as to best position us to leverage UAV use in the near future as legal restrictions begin to ease - a process that we are not just monitoring, but in which we are working hard to be an active participant. In the meantime, this short memo provides a current lay of the land in UAV use.

The operation of UAVs by public universities such as CSU is regulated and controlled by the Federal Aviation Administration ("FAA"). Violations of FAA rules and regulations can result in stiff federal penalties. For that reason, we want to dispel misconceptions that may exist about what is or is not allowable or required under current FAA rules and regulations. Under current FAA rules and regulations:

- All UAVs are subject to FAA rules and regulations. This includes UAVs used or operated by a public university such as CSU.
- Any UAV operated by CSU within United States civilian airspace is subject to FAA rules and regulations. There is no 400 feet or other distance limit to the FAA's jurisdiction.
- In order for a public university such as CSU to operate a UAV, it must apply for and be granted a Certificate of Authorization ("COA") from the FAA. When granted, the COA allows the UAV to be used only for the limited purpose or activity specified in the application. There appears to be no likelihood of a systemwide application for a COA. Rather, this will be a use-by-use and campus-by-campus process.

- There is absolutely *no* public university exemption or exception to the COA requirement. Any faculty, staff or student operating or using a UAV in connection with or as part of his/her official CSU activities *must* obtain a COA, even if it is intended to be used solely for research purposes.
- The FAA will grant a COA to a public entity only if the UAV is being used for a non-commercial purpose. The FAA is the ultimate decider of whether a particular activity is commercial or non-commercial in nature.
- Only public entities are eligible to receive a COA. For example, auxiliary organizations are not public entities within the meaning of the FAA's rules and regulations and, therefore, are not eligible for a COA. Auxiliary organizations are regarded as civil operators subject to a different and more stringent set of rules and regulations. With a few narrow exceptions, the FAA has not authorized the use of UAVs by civil operators.
- Hobbyists and recreational users are not required to obtain a COA before operating a UAV. They are subject to a different set of guidelines and rules. CSU and individuals operating a UAV in connection with their employment capacity do *not* qualify as hobbyists or recreational users.

We hope this information proves useful for you. Your campus should not be operating a UAV in any capacity unless you have obtained a COA from the FAA. If you are operating a UAV without a COA and believe you are exempt from that requirement, please contact the Office of General Counsel so we can discuss your situation in detail.

Again, we are aware and understand that several campuses are highly interested in UAV use, and applying for a COA. We also are aware and understand that this is a significant and important subject for campuses. Please be assured that we in the process of determining how best to help campuses successfully apply for a COA in this complicated and developing regulatory area, and also how CSU can provide input to and influence the development of FAA policy in this area. In that spirit, I am leading a UAV working group at the OGC to pursue these purposes. If you have either questions or information that you would like to share regarding CSU and UAVs, please don't hesitate to contact us.

c: Timothy P. White, Chancellor  
Steven Relyea, Executive Vice Chancellor and Chief Financial Officer  
Ephraim Smith, Executive Vice Chancellor and Chief Academic Officer  
Framroze Virjee, Executive Vice Chancellor and General Counsel  
Garrett Ashley, Vice Chancellor, University Relations and Advancement  
Lori Lamb, Vice Chancellor, Human Resources

Larry Mandel, Vice Chancellor and Chief Audit Officer  
CSU Vice Presidents of Administration & Finance  
CSU Provosts  
CSU Risk Managers



## IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

ENDORSEMENT # ~~13~~DRAFT 01-06-2015

Policy Number: 000541304

Effective Date of Endorsement: July 01, 2014

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### AMENDMENT - UNMANNED AERIAL VEHICLES

This endorsement modifies insurance provided under the following:  
SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

SECTION VI. EXCLUSIONS, (E) is deleted in its entirety and replaced by the following:

- (E) To liability arising out of the ownership, maintenance, **Loading or Unloading**, use of, or operation of any **Aircraft**, airfields, runways, hangars, buildings, or other properties in connection with aviation activities.

This exclusion shall not apply to:

1. **Loading or Unloading of Aircraft** by paramedics, nurses or emergency medical technicians employed by you in the course of medical treatment.
2. Static aircraft used for instructional aircraft maintenance training, and classroom or travel activity associated with an **Aircraft** program or curriculum (non-flight purposes only).
3. Those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots, and garages) or to liability arising out of the ownership, operation, rental, or loan of vehicles licensed for highway use while being operated away from the premises of any airfield.

**4. Unmanned Aerial Vehicles.**

**4.5. Class 1. Amateur Rockets, as defined by the U.S. Department of Transportation, Federal Aviation Administration, Procedures for Handling Airspace Matters, Order JO 7400.2K, Effective Date: April 3, 2014, Chapter 31. Amateur Rocket and Commercial Space Operations, Section 1. General, 31-1-5. DEFINITIONS, c. Amateur Rocket - Class 1 - a model rocket that uses no more than 125 grams (4.4 ounces) of propellant; uses a slow-burning propellant; is made of paper, wood, or breakable plastic; contains no substantial metal parts; and weighs no more than 1,500 grams (53 ounces) including the propellant.**

SECTION VII. DEFINITIONS, is amended as follows:

1. Definition **(A) Aircraft** is deleted in its entirety and replaced by the following:

**Aircraft** means any machine supported in the air by buoyancy or by the dynamic action of air on its surfaces including airplanes, helicopters, gliders, **Unmanned Aerial Vehicles** (aka "Drones"), rockets, satellites, and missiles.

The following definition is added to **SECTION VII. DEFINITIONS**:

**Unmanned Aerial Vehicle** (aka: "Drone") means any vehicle designed to fly in the air with no onboard pilot or crew used principally for the transport of equipment that has a flight weight of 100 lbs or less (flight weight includes the aircraft itself, fuel and other fluids, and all payload), and is used for research and/or educational purposes.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



Authorized Representative

~~January 6, 2015~~ January 7, 2015

Date

4833-8554-0639, v. 1



U.S. DEPARTMENT OF  
TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION

ORDER  
JO 7400.2K  
Effective Date:  
April 3, 2014

Subject: Procedures for Handling Airspace Matters  
This Basic includes Change 1 effective 7/24/14.

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# Chapter 31. Amateur Rocket and Commercial Space Operations

## Section 1. General

### 31-1-1. PURPOSE

This chapter provides guidance, policies, and procedures for processing requests for amateur rocket, commercial launch and reentry vehicle, and commercial launch and reentry site operations in the NAS.

### 31-1-2. AUTHORITY

a. Public Law (PL) 98-575. Congress enacted PL98-575, Commercial Space Launch Act of 1984, codified at 49 USC subtitle IX, Chapter 701, with its purpose to:

1. Promote economic growth and entrepreneurial activity through utilization of the space environment for peaceful purposes.

2. Encourage the U.S. private sector to provide launch vehicles and associated launch services by simplifying and expediting the issuance or transfer of launch licenses and by facilitating and encouraging the utilization of Government-developed space technology.

3. Designate an executive department to oversee and coordinate the conduct of launch operations, to issue and transfer launch licenses authorizing such activities, and to ensure that public health and safety, foreign policy, and national security interests of the United States are satisfied.

b. Title 14 of the Code of Federal Regulations (14 CFR) part 101 prescribes rules governing the operation of moored balloons, kites, amateur rockets, and unmanned free balloons in the United States.

c. 14 CFR Chapter III contains requirements regarding the licensing and operation of launch and reentry sites (commonly referred to as spaceports), and the licensing of launch and reentry vehicle operators intending to operate in, or place a payload in outer space, and certain suborbital rocket launches conducted from within U.S. territory or by U.S. citizens. However, these regulations do not apply to amateur rocket activities or to space activities carried out by the U.S. Government on behalf of the U.S. Government.

### 31-1-3. POLICY

a. ATO service area forwards all requests for Class II amateur rockets that will enter Class A airspace and all Class III requests to the Office of Commercial Space Transportation (AST) for additional safety analysis.

b. All proposals for development of launch or reentry sites, and the conducting of commercial space launches and reentry operations, must be immediately forwarded to AST.

### 31-1-4. CONTROLLING FACILITY

The FAA or DOD facility having control jurisdiction over the affected airspace where the amateur rocket, launch vehicle, or reentry vehicle is projected to operate must be designated as the controlling facility. When multiple facilities may be impacted by an operation, one facility will be designated as the lead and be designated as the controlling agency. The controlling facility will be responsible for the execution of the appropriate airspace management.

### 31-1-5. DEFINITIONS

a. Aircraft hazard area - the predicted location and extent of the airspace potentially containing falling debris generated by an amateur rocket, launch vehicle, reentry vehicle failure, or from the planned jettison of stages or other hardware.

b. Amateur rocket – an unmanned rocket that is propelled by a motor or motors having a combined total impulse of 889,600 Newton-seconds (200,000 pound-seconds) or less; and cannot reach an altitude greater than 150 kilometers (93.2 statute miles) above the Earth's surface.

c. Amateur rocket classes:

1. Class 1 - a model rocket that uses no more than 125 grams (4.4 ounces) of propellant; uses a slow-burning propellant; is made of paper, wood, or breakable plastic; contains no substantial metal parts; and weighs no more than 1,500 grams (53 ounces) including the propellant.

2. Class 2 – a high power rocket, other than a model rocket, that is propelled by a

motor or motors having a combined total impulse of 40,960 Newton-seconds (9,208 pound-seconds) or less.

3. Class 3 – an advanced high power rocket, other than a model rocket or high-power rocket.

d. Applicant - an entity that has submitted a request for waiver/authorization to part 101 for the launch of an amateur rocket, or an entity that has submitted an application to AST for a license or permit to operate a launch vehicle, reentry vehicle, launch site, or reentry site.

e. Ground hazard area - the required separation distance between the launch point and nearest people or property that are not associated with the operation.

f. Launch vehicle - a vehicle built to operate in, or place a payload in, outer space or a suborbital rocket. Chapter III requires that launch vehicle operations be licensed by AST.

g. Operator - an amateur rocket operator or an entity that has received a license or permit from AST to conduct a launch or reentry operation.

h. Reentry vehicle - a reusable launch vehicle designed to return from Earth's orbit or outer space to Earth substantially intact. The performance and maneuverability of reentry vehicles may vary depending upon the design of the vehicle, including those that descend via parachute, those that glide to a landing, and those that use rocket or jet power to land.

### 31-1-6. RESOURCES

a. Current regulations can be viewed at [ecfr.gpoaccess.gov](http://ecfr.gpoaccess.gov) and [www.tripoli.org](http://www.tripoli.org). These are routinely updated, and are more current than the printed versions.

1. Commercial space regulations can be found at 14 CFR Chapter III.

2. Amateur rocket regulations can be found at 14 CFR 101.

b. The FAA's Commercial Space Transportation organization website contains information about current and planned launches, issued licenses, industry news, and announcements.

c. Additional amateur rocketry information can be found at the National Association of Rocketry (NAR) website at [www.NAR.org](http://www.NAR.org).

d. FAA Order 7210.3, Facility Operation and Administration, contains guidance and policy for processing waiver/authorizations and is applicable to waiver/authorizations issued for amateur rocket operations.

**REVIEW OF CAMPUS RISK POOL RATING PLAN FOR  
BOND FUNDED FACILITIES**

**ISSUE:** The CSURMA Board has adopted rating plans for the self-funded coverage programs of the University. The Campus Liability and Campus Property Risk Pools allocate the cost of coverage to bond funded facilities where the premiums are recoverable from the State of California Department of Finance (DOF). This is because these Risk Pool programs replaced the traditional insurance coverage that was formerly purchased for these facilities. The DOF maintains a budget for insurance premiums as required under bond covenants. The availability of DOF funding relieves the campus of the cost of obtaining property and liability coverage.

Now that CSU has been delegated authority to establish its own capital financing program, CSURMA's Secretary-Auditor has pointed out that there will not be any recourse to the DOF for payment of liability and property insurance premiums for debt financed facilities in the future. Staff recommends a Rating Plans Task group be appointed to review the affected plans and recommend any necessary rating plans changes to the CSURMA Executive Committee and Board of Directors.

**RECOMMENDATION:** It is recommended that the Executive Committee consider the information provided at today's meeting and take action as appropriate.

**FISCAL IMPACT:** No fiscal action is expected from action at today's meeting.

**BACKGROUND:** None.

**PUBLICATION:** No publication is expected from consideration of this item at today's meeting.

**ATTACHMENT(S):** None.

## **UNDERWRITER MEETINGS REPORT**

**ISSUE:** CSURMA representatives met with CSURMA's program underwriters in New York on January 21-23, 2015. CSURMA was represented by Robert Eaton, CSU Deputy Assistant Vice Chancellor, Financing, Treasury and Risk Management, Zachary Gifford, CSU Director, Systemwide Risk Management and Daniel Howell, CSURMA Program Director. The main goals of the meetings were:

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

Over the two day period there were eight meetings with 14 market participants. The meetings were primarily focused on CSURMA's Excess Liability Insurance Program. CSURMA faces changes in the renewal structure with the announced withdrawal of Starr Indemnity Liability Company from the California public entity liability insurance market. In addition, CSURMA's Builder's Risk Insurance Program underwriter, Ace, reviewed the market and CSU's major capital construction outlook.

Robert Eaton, Zachary Gifford and Daniel Howell will be present at today's meeting to report on the meetings.

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

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

**BACKGROUND:** None.

**ATTACHMENT(S):**

- a. Excess Liability Program Presentation, January 22, 2015

# Excess Liability Program

January 22, 2015

## CSU Participants

- **Robert Eaton, Deputy Assistant Vice Chancellor, Financing, Treasury, and Risk Management**
- **Zachary Gifford, Director, Systemwide Risk Management**

## Other Risk Team Participants

- **Daniel Howell, Alliant Insurance Services**
- **Brian Frost, AmWINS Group, Inc.**

- **CV's of CSU Representatives**
- **Chancellor's Office Update**
- **Program Underwriting Overview**
- **State of the Market and Renewal Technical Points**

# CV's of CSU Representatives



**DEPUTY ASSISTANT VICE CHANCELLOR,  
FINANCING, TREASURY, AND RISK MANAGEMENT  
THE CALIFORNIA STATE UNIVERSITY**

Robert Eaton is the Deputy Assistant Vice Chancellor For Financing, Treasury, and Risk Management for The California State University. Robert has been with the CSU since 2004 and in 2007 he assumed responsibility for the Department of Financing and Treasury, which handles all of the CSU's systemwide capital raising, banking, and investment activities. In 2013, Robert added the CSU's risk management operations to his areas of responsibility, assuming the role of Secretary/Auditor for the California State University Risk Management Authority. Before joining the CSU, Robert spent thirteen years with Bank of America in corporate banking.

Robert is a graduate of California State University, Fullerton, and currently resides in Long Beach, California with his wife, Andrea, and son, Dylan.



**DIRECTOR, SYSTEMWIDE RISK MANAGEMENT  
THE CALIFORNIA STATE UNIVERSITY**

Zachary is Director, Systemwide Risk Management with the California State University – Office of the Chancellor and has worked for the CSU since 2008. Zachary provides direct assistance to the Systemwide CFO and campuses by providing the day-to-day oversight of the CSU’s property and casualty, workers’ compensation, environmental health & safety, emergency preparedness and business continuity programs.

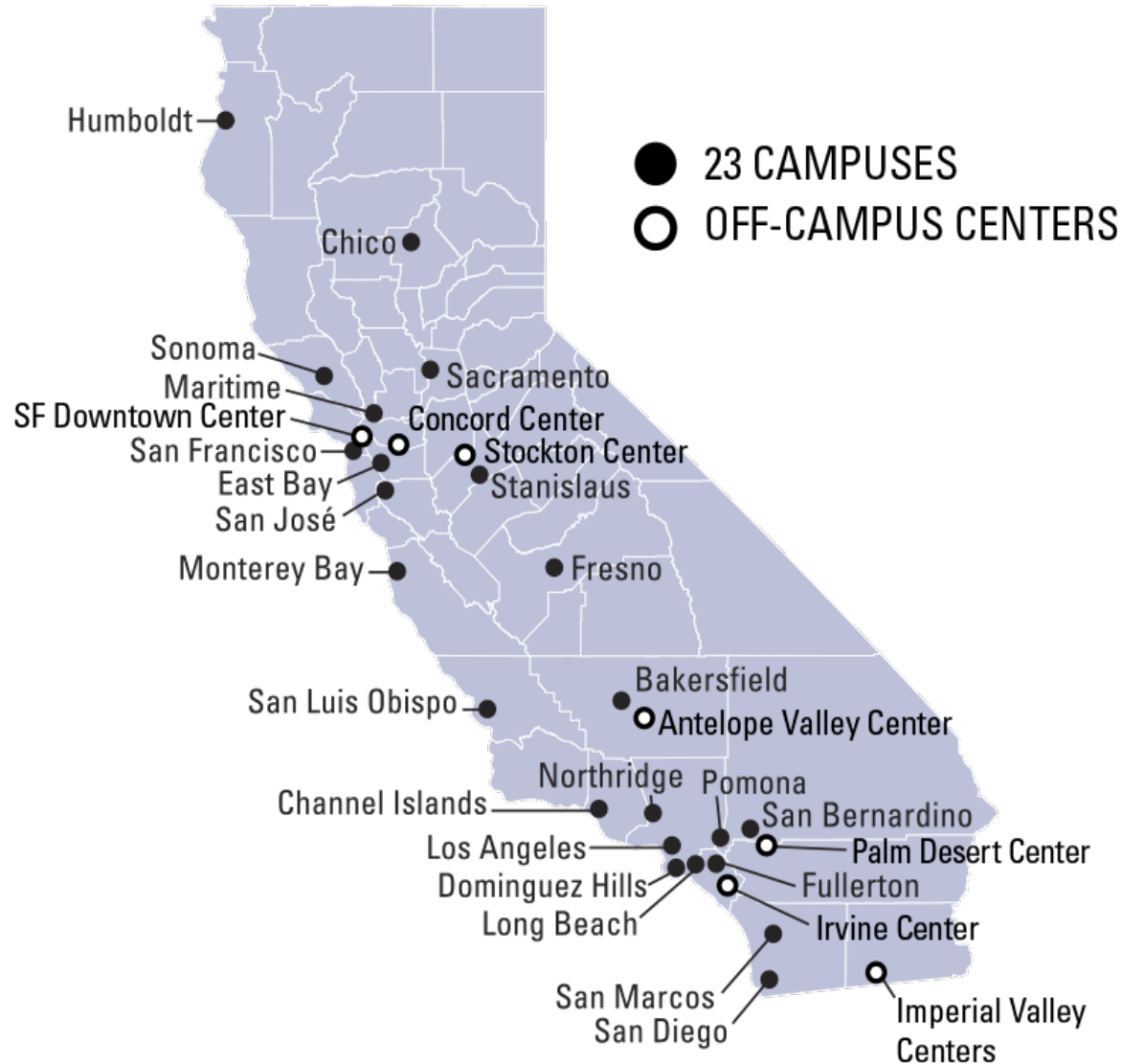
His career at CSU started with the position of Assistant Risk Manager – Property and Casualty and was promoted 18 months after his start date to Associate Director wherein he began his oversight of the workers’ compensation program

Previous to the CSU, Zachary was the Liability Claims Manager for the City of Santa Ana. At the City of Santa Ana, Zachary handled the liability and property programs for this distinctive City that represents the only true urban environment in Orange County, California. This City of nearly 400,000 residents is faced with a wide variety of liability exposures, from civil rights to road design.

After graduating from California State University, Long Beach, Zachary got his start in the field with SAFECO Insurance. Following his experience with SAFECO, Zachary worked with many diverse Governmental Entities while handling claims and providing risk management consultation for third party administrator, Carl Warren & Co.

In addition to his work experience, Zachary has been very active in risk management organizations such as PARMA, California PRIMA, National PRIMA and RIMS.

# Chancellor's Office Update



- Largest, most diversified university system in the USA
- One out of every ten Californians in the workforce are CSU graduates
- Economic backbone of California
- Eight CSU campuses ranked among TIME magazine's Top 100 colleges and universities

CSU is committed to:

- **Access** – for all qualified candidates
- **Affordability** – for all students
- **Quality** – of instruction and university level experience
- **Completion** – of degree programs in a timely manner

- In Fall 2013, approximately 447,000 students were enrolled at the CSU's 23 campuses
- 96% of all enrolled CSU students come from California
- 56% women; 44% men
- 88% undergraduate students; 12% graduate students
- Approximately 100,000 degrees awarded each year
- More than half of the bachelor's degrees and a third of the master's degrees in California each year
- More than 2.7 million alumni

## IN FACT:

- For every **\$1** the state invests in the CSU, the CSU returns **\$5.43**.

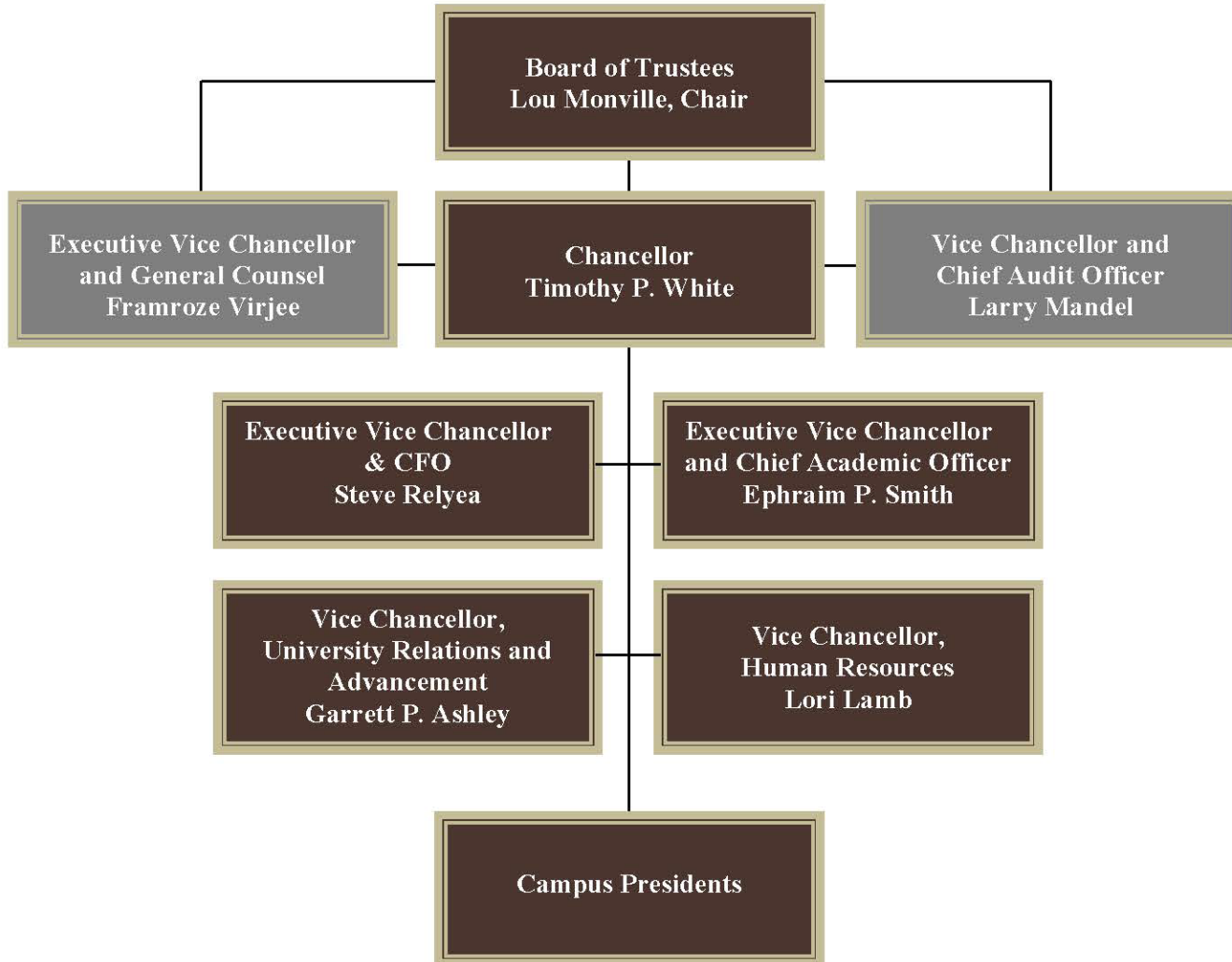


- The CSU sustains more than **150,000 jobs** in the state.



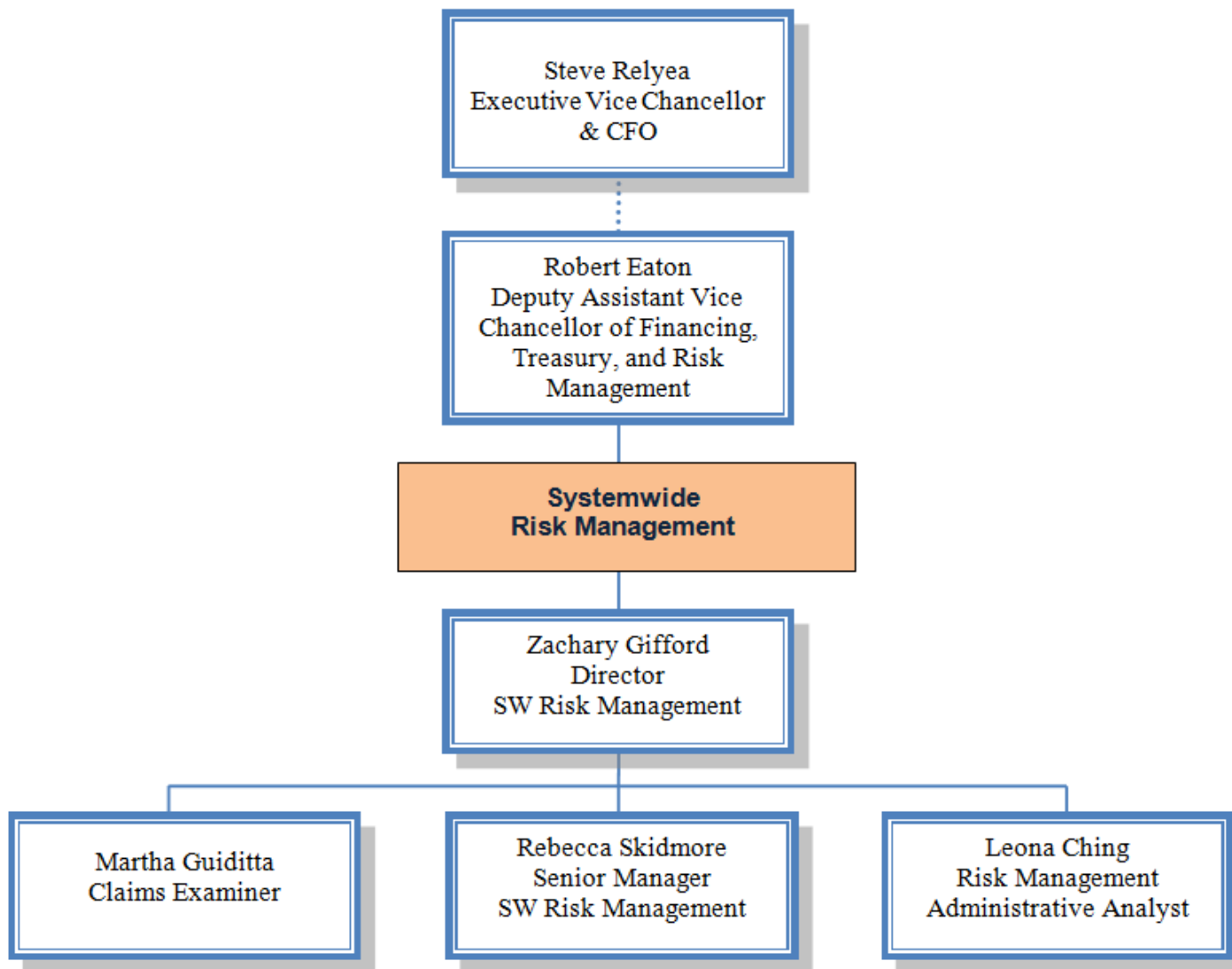
## 150,000 JOBS

- CSU-related expenditures create **\$17 billion** in economic activity.



- Funding Stability
  - State beginning reinvestment in CSU
- Demand outstrips capacity
  - Over 25,000 eligible students turned away annually
- Innovation
  - Emphasis on high impact practices
  - CSU Digital textbook program
  - Bottleneck relief for entry-level courses
  - On-line courses and “e-Academies”

# Financing, Treasury, and Risk Management

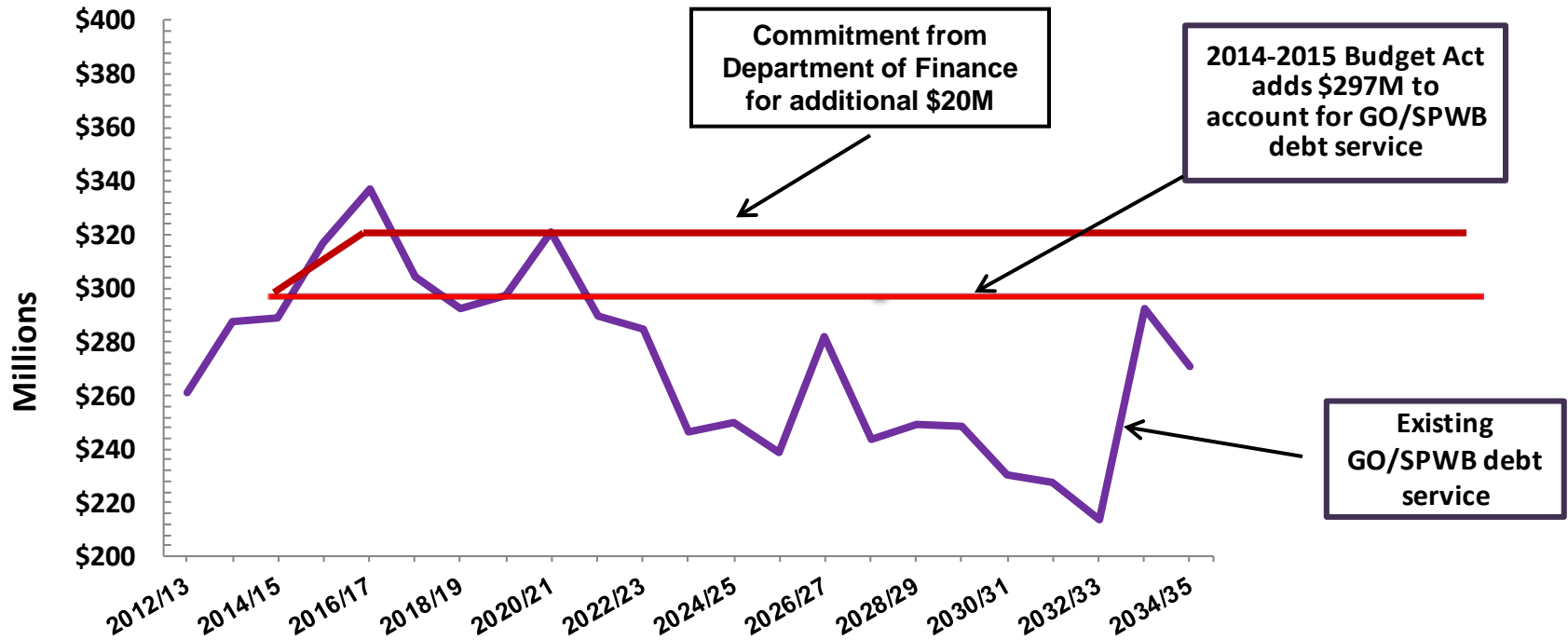


## California State University (\$ in millions)

	Actuals FY 2010-11	Actuals FY 2011-12	Actuals FY 2012-13	Actuals FY 2013-14
<b>Revenues</b>				
Student Tuition & Fees (net)	1,748	2,065	2,081	2,123
State Appropriations				
Non-Capital	2,577	1,996	2,068	2,346
Capital	12	7	17	2
Grant, Contracts & Gifts	1,343	1,382	1,462	1,603
Sales and Services	384	425	438	458
Investment Income	47	59	42	44
Other	(23)	231	267	245
<b>Total</b>	<b>6,088</b>	<b>6,165</b>	<b>6,375</b>	<b>6,821</b>
<b>Expenses</b>				
Total Instruction & Education				
Support Activities	4,121	4,241	4,322	4,537
Institutional Support	628	612	640	686
Operation and Maintenance of Plant	483	509	529	581
Auxiliary Enterprises Expenses	238	265	281	307
Depreciation	397	413	436	424
<b>Total</b>	<b>5,867</b>	<b>6,040</b>	<b>6,208</b>	<b>6,535</b>
Interest Expense	218	213	244	226
<b>Increase (Decrease) in Net Position</b>	<b>3</b>	<b>(88)</b>	<b>(77)</b>	<b>60</b>

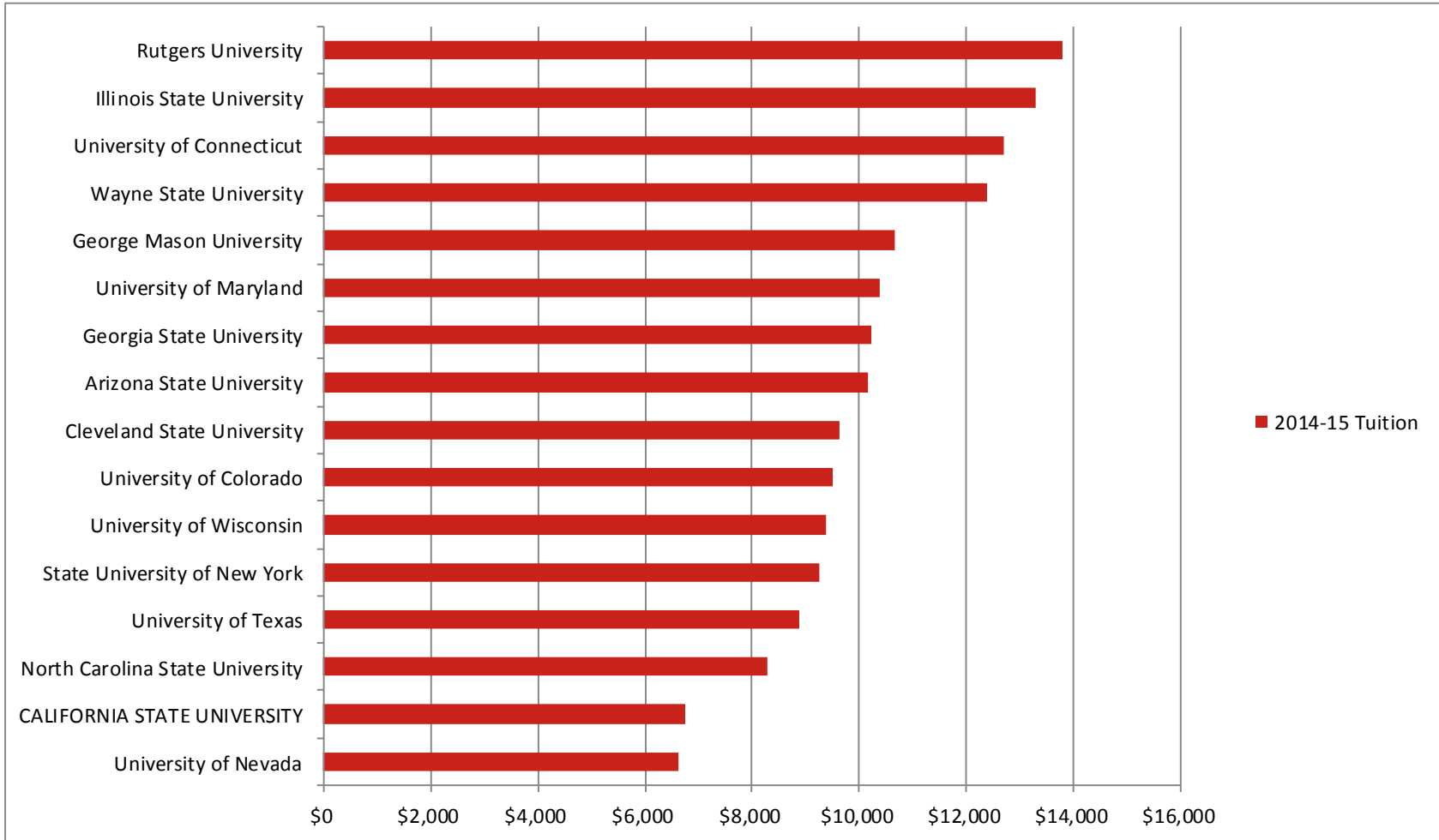
- \$142 million increase in 2014-15 State appropriation support budget for CSU compared to 2013-14
- Second year of Governor's plan to provide annual increases in State appropriation support for CSU through 2016-17
  - \$119 million increase planned for 2015-16
  - \$125 million increase planned for 2016-17
- Additional \$297 million increase to base budget to account for State general obligation and State Public Works Board debt service
- No increase in student tuition fees for 2014-15
- Funding for capital projects continues to be limited

- Budget responsibility for annual debt service on State general obligation and State Public Works Board (SPWB) bonds issued to fund CSU projects shifts from the State to the CSU
- Subject to adjustments that will add an additional \$20 million through 2017-18, no future adjustments to the CSU's base budget to accommodate the shift are expected
- Years in which the State general obligation and SPWB bond debt service exceeds the \$297 million, the CSU will need to use its own resources to meet the shortfall
- Years in which the \$297 million exceeds the State general obligation and SPWB bond debt service, the CSU will have excess cash flow to meet critical needs



- Provides the CSU with greater control in addressing its capital needs
- Authorizes the CSU to pledge its annual general fund support appropriation to secure CSU debt
- Limits use of the annual general fund support appropriation for capital projects (debt service or direct pay) to 12 percent
- Allows other revenues to be pledged to secure debt
- Allows refunding of SPWB bond debt
- Streamlines the project submittal and approval process to the Department of Finance and the legislature

- Record applications for Fall 2014, continuing a multi-year trend of increased demand for admission to the CSU
- 284,000 individual applicants during the initial application filing period—October 1 through November 30, 2013—a year over year increase of 1%
- 178,000 First-Time Freshman applicants during the initial application filing period, a year over year increase of 2.3%



Figures are for Resident Tuition

 CSU Bond Ratings

Moody's  
Investors Service

Aaa

Aa1

Aa2

Aa3

A1

A2

A3

Baa1

Baa2

Baa3

 State G.O. Bond Ratings

Standard &  
Poor's

AAA

AA+

AA

AA-

A+

A

A-

BBB+

BBB

BBB-

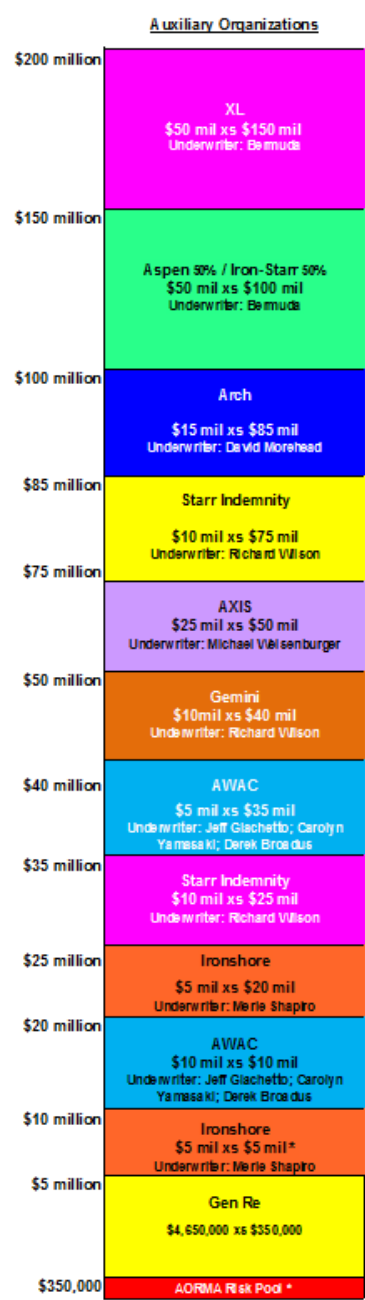
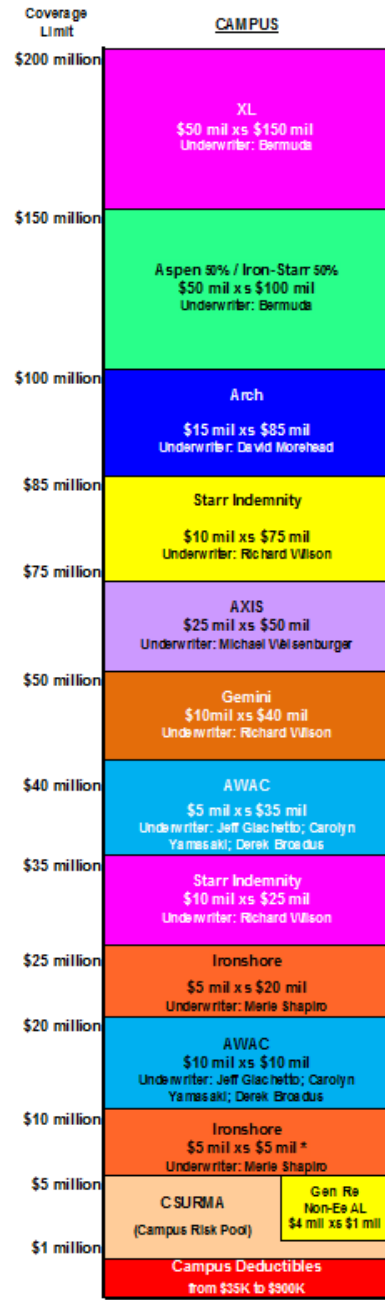
# Summary

- The CSU has a proven track record of strong financial management
  - Implemented a successful, conservative debt management program
  - Maintained its commitment to fiscal integrity by increasing student tuition fees and cutting expenses
  - Developed significantly greater liquidity
- The CSU remains steadfast in its commitment to high educational standards and fiscal responsibility
- The CSU will continue to invest in people, programs, facilities, and technology to preserve its role as the economic engine of California

- The CSU exists to serve students and our programs must be designed to serve students.
- The CSU will continue to build partnerships that support the university mission.
- The CSU is “first in class” in its role and will remain a leader through our combined efforts and success.

[www.calstate.edu](http://www.calstate.edu)

# Program Underwriting Overview



\* \$25,000 - \$100,000 deductible applies to Employment Practices and Directors & Officers Liability

- Items of discussion
  - CSURMA Liability Claims Process
  - Specific Large Loss Review and Risk Management Mitigation
  - CSU Enrollment trends
  - RM Success Stories & Initiatives
  - UAV/Drones:
    - Drone Memorandum from CSU OGC
    - Rocket handling (Aviation policy vs. proposed give-back for Class 1)

**CSU** The California State University

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## **CONCUSSION MITIGATION TRAINING PROGRAM STATUS**

**ISSUE:** At its October 24, 2014 meeting, the Executive Committee approved a proposal for CSURMA to support development of systemwide concussion mitigation training for athletic department and risk management department personnel. Dr. Justus Ortega at Humboldt State University is leading the effort. Status of the program is:

- Materials for Webcast training “Best Practices in University-Wide Concussion Management are in development.
- David Kervella at the Chancellor’s Office is assisting with deploying training modules in the systemwide Learning Management System.
- University of Michigan has been contacted regarding licensing of their training modules as an alternative to development from scratch

Staff will be present at today’s meeting to report on the efforts and expected timing of deliverables.

**RECOMMENDATION:** No action is requested on this item at today’s meeting.

**FISCAL IMPACT:** The cost of the training program is expected not to exceed \$15,000 which will be included in the FY 14/15 midterm budget amendment proposal.

**BACKGROUND:** Insurance underwriters are expressing concern about liability arising from concussive injuries, called “traumatic brain injury” (TBI) in the insurance industry. TBI claims and class action litigation have been multiplying and the cost of the recent settlement by the National Football League (NFL) exceeds \$700 million. Class actions are pending in professional hockey and soccer as well. Further, litigation is pending against the NCAA.

A needs assessment survey among CSU campuses was conducted by Dr. Justus Ortega, Associate Professor / Director, Biomechanics Lab at Humboldt State University, regarding concussive injury management. Additionally, a meeting with CSU’s lead excess liability underwriters was arranged at CSU Fresno on October 3, 2014 to discuss CSU’s concussive injury management practices, meetings with CSUF Athletic Department representatives, and attendance at an athletic event with CSU officials.

**PUBLICATION:** No publication is expected from this item at today's meeting.

**ATTACHMENT(S):** None.

**REVIEW OF POLICIES & PROCEDURES**  
**(ODD-NUMBERED)**

**ISSUE:** The Executive Committee adopted Resolution No. 04-13 (EC) to review the Authority's policies and procedures on a regular basis to ensure administrative tasks of the Authority remain relevant and effective for its operations. The resolution defines the process for the Executive Committee to review even-numbered policies and procedures in even-numbered calendar years, and odd-numbered policies and procedures in odd-numbered calendar years.

The Executive Committee will be asked to review all of the odd-numbered policies and procedures at today's meetings. Staff's suggested revisions to Policy and Procedure Nos. 5, 7 and 13 are shown in redline strikeout on the policies and procedures attached.

**RECOMMENDATION:** In accordance with Resolution No. 04-13 (EC), the Executive Committee is asked to review the even-numbered policies and procedures at today's meeting, and provide direction to staff of its findings and recommendations.

**FISCAL IMPACT:** None.

**BACKGROUND:** To date, the Authority has adopted twenty-one (21) policies and procedures.

**PUBLICATION:** The revised policy and procedure will be posted on the CSURMA website.

**ATTACHMENT(S):**

- a) Resolution No. 04-13 (EC)
- b) No. 1 - Assessments and Disbursements
- c) No. 3 - Records Retention
- d) No. 5 - Claims Audits
- e) No. 7 - Self-Insured Program Funding
- f) No. 9 - Property Coverage for State-Owned Buildings Leased to Auxiliary Organizations
- g) No. 11 - CSURMA Operating Budget Process
- h) No. 13 - Campus Risk Pool Target Reserve Funding Policy
- i) No. 15 - Responsibilities of Treasurer and Auditor
- j) No. 17 - Reimbursement of Travel Expenses
- k) No. 19 - Campus Risk Pool Claims Settlement Authority
- l) No. 21 - Campus Risk Management Innovation Grant Program

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE  
RESOLUTION NO. 04-13 (EC)**

**Resolution to Review CSURMA Policies and Procedures**

The Executive Committee of the California State University Risk Management Authority ("CSURMA") finds and determines as follows:

1. CSURMA has adopted various policies and procedures necessary and beneficial to the operation of the Authority.
2. Periodic review of CSURMA's adopted policies and procedures is necessary to ensure they remain current and appropriate.
3. The Executive Committee and AORMA Committees each hold annual Long Range Planning Meetings at which a review of policies and procedures would be appropriate.

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the Executive Committee of the California State University Risk Management Authority as follows:

1. The CSURMA Executive Committee and AORMA Committees shall each conduct an annual review of their respective policies and procedures at each Committee's annual Long Range Planning Meeting.
2. In the absence of other reasons to review a policy and procedure more frequently, odd numbered policies and procedures shall be reviewed in odd calendar years and even numbered policies and procedures shall be reviewed in even calendar years.
3. The CSURMA Program Administrator shall schedule the reviews in the annual administrative service calendar which shall be included in each Committee's agenda materials for regularly scheduled meetings, and cause the reviews required under this resolution to be included in the Long Range Planning agendas.

\* \* \* \* \*

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Executive Committee of the California State University Risk Management Authority held on September 12-13, 2013 which was approved by the following votes:


AYES, and in favor thereof, members:

NOES, members: None.

ABSTAIN, members:

ABSENT, members:

ATTEST:   
Cynthia Teniente-Matson, Chair

  
\_\_\_\_\_, Secretary-Auditor  
Mary Ann Rodriguez



## **CSURMA**

## **POLICY AND PROCEDURE NO. 1**

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**EFFECTIVE:** AUGUST 5, 1999

**SUBJECT:** ASSESSMENTS AND DISBURSEMENTS

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### **POLICY:**

It is the intent of the California State University Risk Management Authority (CSURMA) to properly manage the funds of the Authority. In this regard, both assessments and disbursements of Authority funds will be handled in accordance with generally accepted accounting principles, and in accordance with any governing JPA documents.

### **PROCEDURE:**

If the Treasurer determines that there is a deficiency of funds in any of the CSURMA programs such that the solvency of the program or Authority itself is threatened, the Treasurer shall notify Executive Committee of such deficiency. The Executive Committee shall notify the Board of Directors and provide the Board with a plan to restore the solvency of the threatened program, or Authority as a whole.

Any plan adopted to restore solvency shall be in accordance with the Authority's governing documents such as the JPA Agreement, Bylaws, Participation Agreements, and any other policies and procedures or resolutions in effect at the time.

If the Treasurer determines that there is a surplus of funds in any of the CSURMA programs, or the Authority as a whole, beyond that which is needed to maintain any established actuarial "confidence level" approved by the Authority, the Treasurer shall notify the Executive Committee. The Executive Committee may recommend a plan for the disbursement of excess funds to the Board of Directors, or they may recommend the establishment of a formal dividend policy and procedure to govern such matters.

Any plan adopted to distribute funds shall be in accordance with the Authority's governing documents such as the JPA Agreement, Bylaws, Participation Agreements, and any other policies and procedures or resolutions in effect at the time.



**CSURMA**

**POLICY AND PROCEDURE NO. 3**

**EFFECTIVE:** AUGUST 8, 1999

**SUBJECT:** RECORDS RETENTION

**POLICY:**

The California State University Risk Management Authority (CSURMA) has an obligation to create and maintain records and information in accordance with accepted records management practices and standards. It shall be CSURMA's policy to maintain records in accordance with the following Records Retention Schedule.

**RECORDS RETENTION SCHEDULE**

<b>Type</b>	<b>Title</b>	<b>Retention Period</b>
<b>ADM</b>	<b>Administration</b> Correspondence Policy and Procedure Accreditation	3 years Permanent Permanent
<b>BC</b>	<b>Boards / Committees</b> Agendas Minutes - Executive Committee Minutes - Program Committees Resolutions	Permanent Permanent Permanent Permanent
<b>BD</b>	<b>Board of Directors</b> Agendas Meeting Notices Minutes of Board Meetings Resolutions	Permanent Permanent Permanent Permanent
<b>CON</b>	<b>Contracts</b> Agreements and Contracts	7 years following end of contract
<b>ELE</b>	<b>Elections</b> General	Permanent

**CSURMA**

**POLICY AND PROCEDURE NO. 3**

Type	Title	Retention Period
<b>FIN</b>	<p><b>Financial</b></p> <p>Accounts Payable  Correspondence  A/P Distribution Journal  Cash Disbursements  Expense Reports  Invoices</p> <p>Accounts Receivable  A/R Register  Aged Trial Balance  Invoices</p> <p>Audit Reporting  Correspondence  Reports  State Controller's Report  Workpapers</p> <p>Banking  Correspondence  Bank Confirmations  Bank Reconciliations  Bank Statements  Canceled and Voided Checks  Deposit Slips  Signature Authorizations</p> <p>Financial Reporting  Correspondence  Reports and Studies  Charts of Accounts</p> <p>Ledgers  Account Analysis  Balance Sheets  General Ledger  Journal Entries</p>	<p>Permanent until reclassified</p> <p>Permanent until reclassified</p> <p>Permanent until reclassified</p> <p>Permanent until reclassified</p> <p>Permanent until reclassified</p> <p>Permanent until reclassified</p>
<b>INS</b>	<p><b>Insurance</b></p> <p>Memorandum of Coverage  Insurance Policies  Endorsements  Premium Deposit Determination  Retrospective Ratings  Claims Audits  Actuarial Studies  Underwriting Files</p>	<p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p>



**CSURMA**

**POLICY AND PROCEDURE NO. 3**

<b>Type</b>	<b>Title</b>	<b>Retention Period</b>
	Certificates of Insurance	Permanent
<b>LGL</b>	<b>Legal</b> General Correspondence Attorney Correspondence Conflicts of Interest Code Conflict of Interest Statements Claims Litigation Opinions	Permanent Permanent Permanent 7 years 7 years 5 years after litigation is concluded Permanent
<b>MEM</b>	<b>Membership</b> Membership Records Program Participation Agreements	Permanent Permanent
<b>MIS</b>	<b>Miscellaneous</b>	Permanent until reclassified



## CSURMA

## POLICY AND PROCEDURE NO. 5

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**EFFECTIVE:** JULY 1, 1999; Revised February 8, 2015

**SUBJECT:** CLAIMS AUDITS

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### **POLICY:**

It is the policy of the California State University Risk Management Authority (CSURMA) that Third-Party Claims Administrators shall be audited on a periodic basis to ensure that CSURMA is receiving high-quality services.

### **PROCEDURE:**

The CSURMA Program Administrator shall take steps to engage the services of an independent, professional claims auditor to audit the CSURMA's risk pooling programs at the following period intervals:

- **Pooled Liability Program** - The Pooled Liability Program shall be audited in the first quarter of the calendar year in even-numbered years;
- **Pooled Workers' Compensation Program** - The Pooled Workers' Compensation Program shall be audited in the first quarter of the calendar year in odd-numbered years; and
- **Other Risk Pooling Programs** - Other risk pooling programs of the CSURMA shall be audited on a periodic basis determined by the CSURMA Executive Committee.

Upon the recommendation of the Program Administrator, the Executive Committee may adjust the audit schedule described above based on CSURMA's business needs such as a planned Request-for-Proposal process, or a need to monitor a vendor's service performance more frequently.



## CSURMA

## POLICY AND PROCEDURE NO. 7

**EFFECTIVE:** ~~JANUARY 1, 2000~~; Revised FEBRUARY 8, 2015

**SUBJECT:** SELF-INSURED PROGRAM FUNDING

### ISSUE:

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

### POLICY STATEMENT:

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

### PROCEDURE:

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

It is the policy of the CSURMA to fund fully the self-insured programs. ~~CSURMA recognizes that its self-insured programs are transitioning from a cash funding basis to an accrual funding basis.~~—Adopted funding shall ~~facilitate this transition by including~~ include sufficient funds projected to pay the following cost elements:

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



~~Staff and the actuary shall perform the calculations needed to establish the funding elements described above. It is expected that all outstanding liabilities will be fully funded by July 1, 2009 and staff~~ Staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' ~~progress toward achieving this funding policy status in accordance with this~~ Policy & Procedure No. 7.



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**CSURMA****POLICY AND PROCEDURE NO. 9**

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**ADOPTED:** March 26, 2009

**EFFECTIVE:** April 17, 2006 and revised March 26, 2009

**SUBJECT:** PROPERTY COVERAGE OF STATE-OWNED BUILDINGS LEASED TO AN AUXILIARY ORGANIZATION AND OTHER SPECIFIED STATE-OWNED BUILDINGS

**SUPERSEDES:** 9-JPA

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**POLICY:**

As a clarification of the insurable interest under the CSURMA property insurance programs, CSURMA has determined that Property Coverage for state-owned buildings is the responsibility of the University including state-owned buildings leased to an Auxiliary Organization, unless there exists a written agreement that the Auxiliary Organization is required to purchase and maintain Property Coverage for the leased building. This Policy and Procedure describes the responsibility and procedure for insuring these buildings and other specified state-owned buildings needing special deductibles in accordance with the CSU policy. This policy and procedure is not intended to impact any cost allocation practices among the campuses and auxiliary organizations that may exist or be developed in the future.

**PROCEDURE:**

As a result of negotiations with insurance companies and accepted by the CSU Office of the Chancellor, the CSURMA Property Coverage program will cover state-owned buildings (real property) that are leased to a CSU Auxiliary Organization as follows:

Effective: December 1, 2005

1. All buildings (real property) owned by the University (State) that are leased to a CSU Auxiliary Organization will be covered by the Campus Property Program, unless there exists a written agreement that the Auxiliary Organization is required to purchase and maintain Property Coverage for the leased building.
2. The University and Auxiliary Organization may agree to apportion that part of the University's Property Coverage premium covering buildings leased to an Auxiliary Organization. Said premium may be payable by the Auxiliary Organization to the University, or if advised by the Campus and Auxiliary Organization, CSURMA will separately invoice the premium to be paid by the Auxiliary Organization.

3. If the lease agreement does not specify responsibility for deductibles and uninsured losses, the Campus and Auxiliary Organization shall determine responsibility for deductibles and uninsured losses.
4. All buildings which are funded by Public Works Bonds (PWB) or State Revenue Bonds (SRB) have as a maximum deductible the amount required in the applicable bond covenants.
5. If an Auxiliary Organization desires a lower deductible, then that lower deductible can be purchased as approved by the underwriters and invoicing of the additional cost shall be directed by the Campus and Auxiliary Organization
6. If it is necessary for other University owned buildings to maintain a deductible other than the standard deductible offered maintained by a Campus Member, then that specified building may be insured at a lower deductible as approved by the underwriters and the additional cost shall be invoiced as agreed.



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**CSURMA****POLICY AND PROCEDURE NO. 11**

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**ADOPTED:** March 26, 2009**EFFECTIVE:** July 1, 2009**SUBJECT:** CSURMA OPERATING BUDGET DEVELOPMENT AND ADOPTION

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**POLICY:**

CSURMA's fiscal period begins on July 1 each year and ends on June 30 of the following year. Upon the Executive Committee's recommendation, an annual operating budget is to be approved and adopted by the Board of Directors at its meeting preceding the beginning of the new budget period.

The operating budget for the Auxiliary Organizations coverage programs are developed separately by the AORMA Committee. The AORMA Committee shall develop its operating budget, and recommend to the Executive Committee its inclusion in the CSURMA Operating Budget for adoption by the Board of Directors.

**PROCEDURE:**

The Chancellor's Office and the Program Administrators shall work together to develop a draft operating budget for the Executive Committee to review and recommend adoption by the Board of Directors with any changes it deems necessary.

The operating budget shall be composed of a General Fund for General and Administrative Expenses (indirect expenses) and separate Program Funds for direct program expenses. The General Fund shall include an estimate for Non-Operating Revenues such as Investment Income, Loan Interest and Miscellaneous Fee Revenue.

Operating Revenues shall include Members' Contributions and Dividends. Operating Expenses and Non-Operating Revenues are allocable to each Program Fund as applicable, and shall be distributed in the following general manner:

General and Administrative Expenses shall be allocated to each Program Fund in proportion that each Program Fund Contribution bears to the Total Contribution for the fiscal period as of the start of the fiscal period; i.e., as of July 1. The proportionate share shall be fixed (locked-in) as of the beginning of the fiscal period for the duration of the fiscal period.

Non-Operating Revenues shall be distributed to each Program Fund that generate opportunities for investment income based on each fund's average monthly balance for Cash and Investments during the fiscal period. For budget development purposes, estimated Non-Operating Revenues



## **CSURMA**

## **POLICY AND PROCEDURE NO. 11**

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for each applicable fund shall be based on the each fund's average monthly cash balance of the preceding twelve months at the time the budget is developed.

Direct Program Expenses shall be allocated to each Program Fund as specified for the coverage as applicable (e.g., claims, claim administration, program administration, brokerage, insurance, actuarial, reinsurance, program committee, etc.). Other Direct Program Expenses shall be allocated to each Program Fund in the proportion directed by the respective Program Committee, which shall generally reflect estimated utilization by/for the applicable coverage.



**CSURMA**

**POLICY AND PROCEDURE NO. 13**

**ADOPTED:** OCTOBER 28, 2011; REVISED FEBRUARY 8, 2015

**EFFECTIVE:** OCTOBER 28, 2011; REVISED FEBRUARY 8, 2015

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

In an effort to assure the long term financial strength of the Campus Risk Pool Programs that include an element of self-insurance, the CSURMA Board of Directors desires to fund the Programs in a responsible manner. Furthermore, in recognition that there is a high degree of uncertainty in actuarial estimates due to the possibility of occasional catastrophic claims and inconsistent or inaccurate case reserving, the Board of Directors desires to establish a Target Reserve Funding Goal that will guide the CSURMA Executive Committee in making annual funding decisions for the Programs.

*Should there be any discrepancy between this document and either the MEMORANDUMS OF COVERAGE or PARTICIPATION AGREEMENTS between the Executive Committee and the MEMBER, the MEMORANDUMS OF COVERAGE and the PARTICIPATION AGREEMENTS will govern.*

**POLICY**

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

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

**PROCEDURE**

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA's accredited independent actuary to perform an actuarial analysis of the Workers' Compensation, AIME and Liability Programs. This analysis shall include estimates of the outstanding losses (including IBNR) at various confidence levels as well as estimates of ultimate losses for the upcoming year(s). The analysis shall also compare the current program funding against the outstanding liabilities and determine the confidence level to which the program is currently funded. Because the Property, SAFELIP, SPLIP and Crime



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

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

**Gross Premium to Unencumbered Reserve Ratio:** Target <3:1  
This ratio is a measure of how the unencumbered reserves are leveraged against possible pricing inaccuracies. A low ratio is desirable.

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

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

**Outstanding Reserves to Unencumbered Reserve Ratio:** Target ≤ 5:1  
This ratio is a measure of how unencumbered reserves are leveraged against possible reserve inaccuracies. A low ratio is desirable.

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

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

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



## **CSURMA**

## **POLICY AND PROCEDURE NO. 13**

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

### **MEMBER APPEAL PROCESS**

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

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



**DEFINITIONS:**

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

**CSURMA** - The California State University Risk Management Authority, a California Joint Powers Authority, comprised of the California State University and its Auxiliary Organizations.

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

**IBNR** – Incurred but Not Reported losses

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

**POOL RETENTION** - The maximum amount of exposure to a single loss retained by the pool over the most recent 5 years.

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

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



## CSURMA

## POLICY AND PROCEDURE NO. 15

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**ADOPTED:** December 9, 2011

**EFFECTIVE:** December 9, 2011

**REVISED:** June 25, 2013

**SUBJECT:** RESPONSIBILITIES OF THE TREASURER AND THE SECRETARY-AUDITOR

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**POLICY:** Pursuant to California Government Code Section 6505 et seq. (referenced below) the CSURMA has designated in the governing documents the officer positions of the Treasurer and the Secretary-Auditor. It is the policy of the CSURMA that there shall a designation of the operational responsibilities of the Treasurer and the Secretary-Auditor as described in this Policy & Procedure No. 15.

**PROCEDURE:** The Treasurer and Secretary-Auditor shall perform the duties specified in California Government Code Section 6505 et seq. and other duties as designated by the Board of Directors, Executive Committee or AORMA Committee. To clarify the roles of the Treasurer and the Secretary-Auditor, the duties and responsibilities of the Treasurer and the Secretary-Auditor are described respectively as follows:

### TREASURER

The Treasurer shall serve as a member of the Executive Committee and have the following duties and responsibilities for CSURMA:

#### 1. FUNDS AND ACCOUNTS:

##### 1.1. ACCOUNTS

1.1.1. The Treasurer shall establish and maintain funds and accounts in compliance with good accounting practice.

##### 1.2. RECEIPT

1.2.1. The Treasurer shall receive all funds for custody by the entity.

1.2.2. The Treasurer ensures all funds are deposited to the proper program fund accounts.

1.2.3. Upon receipt of the approved premium deposit allocation, the Treasurer bills and collects annual premiums, quarterly premiums, and special assessments from all members.

##### 1.3. DISBURSEMENT

1.3.1. The Treasurer shall pay any sums due out of monies of the Authority, as approved for payment.

**2. REPORTING**

- 2.1. The Treasurer maintains a central accounting system for CSURMA.
- 2.2. Unaudited financial statements will be produced as requested by the Executive Committee to show the accounting transactions by fund.
- 2.3. The Treasurer shall engage a certified public accountant or public accountant to perform an independent financial audit as provided by law.
- 2.4. The Treasurer shall create a quarterly investment report for review by the Executive Committee.

**3. CASH AND DEBT MANAGEMENT**

- 3.1. The Treasurer manages the cash flow of CSURMA which includes investing the excess monies over the required immediate expenditures for the Authority.
- 3.2. The Treasurer administers short-term and long-term debt financing, authorized by the Executive Committee
- 3.3. The Treasurer shall maintain a detailed record of every loan, including an entry on the loan register showing each loan and payment.

The duties of the Treasurer vary and play a key fiduciary role in the operation of the Authority.

**SECRETARY-AUDITOR**

The Secretary-Auditor shall have the following duties and responsibilities for CSURMA:

**1. BUDGET**

- 1.1. The Secretary-Auditor shall ensure that all bills are reviewed and approved for payment before payments are issued by the Treasurer.
- 1.2. The Secretary-Auditor may examine the Treasurer's book on behalf of the CSURMA Executive Committee to check for accuracy.
- 1.3. The Secretary-Auditor acts as the CSURMA budget officer and shall be responsible for the preparation and administration of the budget.

**2. MISCELLANEOUS DUTIES**

- 2.1. The Secretary Auditor also conducts the sale of surplus items such as office equipment.
- 2.2. The internal audit duties may also fall under the direction of the Secretary-Auditor as directed by the Executive Committee.
- 2.3. The Secretary-Auditor serves as Secretary of the CSURMA.

The duties of the Secretary-Auditor are directly accountable to the Executive Committee in the implementation of the policies, procedures and programs of the CSURMA.



## **CSURMA**

## **POLICY AND PROCEDURE NO. 17**

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**ADOPTED:** March 22, 2013  
**EFFECTIVE:** March 22, 2013  
**SUBJECT:** TRAVEL REIMBURSEMENT

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### **PURPOSE:**

This Policy and Procedure is intended to formalize the prior existing practices of CSURMA.

### **POLICY:**

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

### **PROCEDURE:**

1. Reimbursement requests will be reported on the AUTHORIZED TRAVELER'S completed State of California – Travel Expense Claim form. The claim form may be forwarded to the AUHORIZED TRAVELER's member accounting department for reimbursement or sent to the CSU Systemwide Office of Risk Management for processing. If the AUTHORIZED TRAVELER is reimbursed by the member's accounting department, that member may then seek reimbursement from CSURMA.
2. The member's accounting department should send the following documents to CSURMA c/o the Systemwide Office of Risk Management:
  - a) Invoices for all reasonable expenses
  - b) Completed State of California – Travel Expense Claim form
  - c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the COVERED TRAVELER attended.
3. The CSURMA Secretary-Auditor or designee shall then process the reimbursement request in the manner of other CSURMA payment requests.



**DEFINITIONS:**

**AUTHORIZED TRAVELERS** – includes CSURMA Executive Committee members and officers, standing committee members and participants in duly established task groups. Other persons, including University personnel traveling on CSURMA related travel shall be reimbursed pursuant to this P&P No. 17 as agreed under separate agreement in advance of the travel. Independent consultants shall not be considered **AUTHORIZED TRAVELERS** under this P&P No. 17 and any travel expenses incurred by independent consultants may be reimbursed as provided under separate consulting agreements.

**COVERED EXPENSES** – includes reasonable expenses incurred by the **AUTHORIZED TRAVELER** as provided under the travel reimbursement policy of the California State University.

**COVERED PURPOSES** – covered purposes shall include attendance at meetings of the CSURMA Executive Committee, standing committees, task group meetings, program presentations, member meetings, approved professional development trainings and other travel approved for University personnel. Any other **COVERED PURPOSES** must be approved for reimbursement by the Executive Committee. Travel to CSURMA Board of Directors Meetings is not a covered purpose. If there is travel to an event that would otherwise be a **COVERED PURPOSE** in conjunction with another event the **AUTHORIZED TRAVELER** would otherwise attend, such as a CSURMA Board of Directors meeting or the CSURMA Fitting the Pieces Together Conference, the **AUTHORIZED TRAVELER** is eligible for reimbursement of **COVERED EXPENSES** to attend the **COVERED PURPOSE** meeting only and there will be no CSURMA reimbursement of the expenses the **AUTHORIZED TRAVELER** would have normally incurred to attend the CSURMA Board of Directors Meeting or the CSURMA Fitting the Pieces Together Conference.



## CSURMA

## POLICY AND PROCEDURE NO. 19

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**ADOPTED:** March 22, 2013

**EFFECTIVE:** March 22, 2013

**SUBJECT:** CSURMA CLAIMS SETTLEMENT AUTHORITY

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**PURPOSE:** The purpose of this Policy and Procedure No. 19 is to describe the process and level of authorities to pay claims incurred by the CSURMA Programs. This Policy and Procedure No. 19 applies solely to the operation of CSURMA and does not affect any policy, process, or authorities of the California State University. The AORMA Committee may adopt policies and procedures for claims settlement authorities for AORMA's self-insured programs.

**POLICY:** It is the policy of the CSURMA that payment of claims covered under the self-insured programs will follow the processes and documentation requirements described in this policy and procedure.

**PROCEDURE:** The following activities will be performed to effect the above stated policy.

1. The following amounts may be authorized for the following programs:
  - a. Liability Program: The campus may authorize payments from CSURMA funds up to the campus deductible, but not more than \$100,000.00. Above \$100,000.00, the CSURMA Secretary-Auditor or designee may authorize payment of CSURMA funds upon written approval from the appropriate University personnel up to the retained amount of the Liability Program.
  - b. Workers' Compensation Program: Upon approval of a Settlement Authorization Request (SAR) from the third party claims administrator, the campus may authorize aggregate claim settlements from CSURMA funds up to \$175,000.00. Above \$175,000.00, the CSURMA Secretary-Auditor or designee may authorize payment of CSURMA funds upon written approval from the appropriate University personnel up to the retained amount of the Workers' Compensation Program.
  - c. Unemployment Insurance/Non-industrial Disability Leave/Industrial Disability Leave Program: The CSURMA Secretary-Auditor or designee may authorize payment from CSURMA funds to reimburse funds expended by the campus for benefits covered under the program.
  - d. Property Program: Upon the receipt from the program claims adjuster of the completed and executed Proof of Loss statement, the CSURMA Secretary-Auditor or designee may authorize payment from CSURMA funds up to the retained amount of the Property Program.
2. The Program Administrator will maintain records of the campus personnel designated to authorize payments and the amount of authorization.



**CSURMA**

**POLICY AND PROCEDURE NO. 19**

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## **CSURMA**

## **POLICY AND PROCEDURE NO. 21**

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**SUBJECT:** **RISK MANAGEMENT INNOVATION GRANT PROGRAM**

**ADOPTED:** **SEPTEMBER 13, 2013**

**EFFECTIVE:** **JULY 1, 2013**

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### **PURPOSE:**

The Risk Management Innovation Grant Program (Program) makes funds available to Campus members (Members) in the Liability and Workers' Compensation programs. It funds specialized training, safety equipment, physical improvements, or other safety related items that will lead to mitigation of risk exposures. The purpose of this *matching grant program* is to encourage Members to facilitate a reduction in claim costs and to enhance existing risk reduction efforts.

### **POLICY:**

1. Annually, the Program Administrator and Systemwide Risk Management will:
  - a. Propose to the Executive Committee a budget for the Program.
  - b. Review the Liability and Workers' Compensation loss information to identify patterns and claims which may be preventable with the (1) purchase, replacement or upgrade of physical property; (2) development of specialized training; or (3) development of risk management programs.
  - c. Identify the focus of the Program for the upcoming fiscal year.
  - d. Draft the Grant Application and recommend a maximum grant amount per Member.
  - e. Send a memo to all Members describing the Program and invite Members to apply for a grant by completing the Grant Application.
2. To access funds under the Program, a Member must complete the Grant Application which is to include:
  - a. A description of the proposed risk reduction project.
  - b. The anticipated timeline for completion of the risk reduction project.
  - c. An estimate of the total cost for the proposed risk reduction project.
  - d. Agreement and approval of Grant Application by the Campus VP of Business & Finance or his/her designee; e.g., Environmental Health & Safety Director, Risk Manager, etc.
3. The Program Administrator will review completed Grant Applications, and if found appropriate and consistent with the purpose of the Program, refer the Grant Application to the Executive Committee for approval.

4. The Member will be expected to complete the proposed risk reduction project within the time period described in the Grant Application. The Executive Committee may rescind the grant if the Member has not started, or completed, the risk reduction project within the timeframe proposed.
5. Fifty percent (50%) of the Member's risk reduction project costs (up to the maximum grant amount approved for each Member) may be reimbursed by the Program. The Member will submit to the Program Administrator the final paid receipt(s) to be used to calculate the Program reimbursement amount.
6. After the grant funds are utilized, the Member will provide a brief report providing information that will assist the Executive Committee in monitoring this Program's effectiveness and the merits of future Program funds.
7. The Program Administrator and Systemwide Risk Management will work with the Grant Recipients to develop benchmarks to evaluate the success of the Program. The Program Administrator and Systemwide Risk Management will also provide guidance to future Grant Recipients based on these historical benchmarks.



**CSURMA**

**POLICY AND PROCEDURE NO. 1**

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**EFFECTIVE:** AUGUST 5, 1999

**SUBJECT:** ASSESSMENTS AND DISBURSEMENTS

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**POLICY:**

It is the intent of the California State University Risk Management Authority (CSURMA) to properly manage the funds of the Authority. In this regard, both assessments and disbursements of Authority funds will be handled in accordance with generally accepted accounting principles, and in accordance with any governing JPA documents.

**PROCEDURE:**

If the Treasurer determines that there is a deficiency of funds in any of the CSURMA programs such that the solvency of the program or Authority itself is threatened, the Treasurer shall notify Executive Committee of such deficiency. The Executive Committee shall notify the Board of Directors and provide the Board with a plan to restore the solvency of the threatened program, or Authority as a whole.

Any plan adopted to restore solvency shall be in accordance with the Authority's governing documents such as the JPA Agreement, Bylaws, Participation Agreements, and any other policies and procedures or resolutions in effect at the time.

If the Treasurer determines that there is a surplus of funds in any of the CSURMA programs, or the Authority as a whole, beyond that which is needed to maintain any established actuarial "confidence level" approved by the Authority, the Treasurer shall notify the Executive Committee. The Executive Committee may recommend a plan for the disbursement of excess funds to the Board of Directors, or they may recommend the establishment of a formal dividend policy and procedure to govern such matters.

Any plan adopted to distribute funds shall be in accordance with the Authority's governing documents such as the JPA Agreement, Bylaws, Participation Agreements, and any other policies and procedures or resolutions in effect at the time.



**EFFECTIVE:** AUGUST 8, 1999

**SUBJECT:** RECORDS RETENTION

**POLICY:**

The California State University Risk Management Authority (CSURMA) has an obligation to create and maintain records and information in accordance with accepted records management practices and standards. It shall be CSURMA's policy to maintain records in accordance with the following Records Retention Schedule.

**RECORDS RETENTION SCHEDULE**

<b>Type</b>	<b>Title</b>	<b>Retention Period</b>
<b>ADM</b>	<b>Administration</b> Correspondence Policy and Procedure Accreditation	3 years Permanent Permanent
<b>BC</b>	<b>Boards / Committees</b> Agendas Minutes - Executive Committee Minutes - Program Committees Resolutions	Permanent Permanent Permanent Permanent
<b>BD</b>	<b>Board of Directors</b> Agendas Meeting Notices Minutes of Board Meetings Resolutions	Permanent Permanent Permanent Permanent
<b>CON</b>	<b>Contracts</b> Agreements and Contracts	7 years following end of contract
<b>ELE</b>	<b>Elections</b> General	Permanent

**CSURMA**

**POLICY AND PROCEDURE NO. 3**

Type	Title	Retention Period
<b>FIN</b>	<p><b>Financial</b></p> <p>Accounts Payable  Correspondence  A/P Distribution Journal  Cash Disbursements  Expense Reports  Invoices</p> <p>Accounts Receivable  A/R Register  Aged Trial Balance  Invoices</p> <p>Audit Reporting  Correspondence  Reports  State Controller's Report  Workpapers</p> <p>Banking  Correspondence  Bank Confirmations  Bank Reconciliations  Bank Statements  Canceled and Voided Checks  Deposit Slips  Signature Authorizations</p> <p>Financial Reporting  Correspondence  Reports and Studies  Charts of Accounts</p> <p>Ledgers  Account Analysis  Balance Sheets  General Ledger  Journal Entries</p>	<p>Permanent until reclassified</p> <p>Permanent until reclassified</p> <p>Permanent until reclassified</p> <p>Permanent until reclassified</p> <p>Permanent until reclassified</p> <p>Permanent until reclassified</p>
<b>INS</b>	<p><b>Insurance</b></p> <p>Memorandum of Coverage  Insurance Policies  Endorsements  Premium Deposit Determination  Retrospective Ratings  Claims Audits  Actuarial Studies  Underwriting Files</p>	<p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent</p>



**CSURMA**

**POLICY AND PROCEDURE NO. 3**

<b>Type</b>	<b>Title</b>	<b>Retention Period</b>
	Certificates of Insurance	Permanent
<b>LGL</b>	<b>Legal</b> General Correspondence Attorney Correspondence Conflicts of Interest Code Conflict of Interest Statements Claims Litigation Opinions	Permanent Permanent Permanent 7 years 7 years 5 years after litigation is concluded Permanent
<b>MEM</b>	<b>Membership</b> Membership Records Program Participation Agreements	Permanent Permanent
<b>MIS</b>	<b>Miscellaneous</b>	Permanent until reclassified



## CSURMA

## POLICY AND PROCEDURE NO. 5

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**EFFECTIVE:** JULY 1, 1999; Revised February 8, 2015

**SUBJECT:** CLAIMS AUDITS

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### **POLICY:**

It is the policy of the California State University Risk Management Authority (CSURMA) that Third-Party Claims Administrators shall be audited on a periodic basis to ensure that CSURMA is receiving high-quality services.

### **PROCEDURE:**

The CSURMA Program Administrator shall take steps to engage the services of an independent, professional claims auditor to audit the CSURMA's risk pooling programs at the following period intervals:

- **Pooled Liability Program** - The Pooled Liability Program shall be audited in the first quarter of the calendar year in even-numbered years;
- **Pooled Workers' Compensation Program** - The Pooled Workers' Compensation Program shall be audited in the first quarter of the calendar year in odd-numbered years; and
- **Other Risk Pooling Programs** - Other risk pooling programs of the CSURMA shall be audited on a periodic basis determined by the CSURMA Executive Committee.

Upon the recommendation of the Program Administrator, the Executive Committee may adjust the audit schedule described above based on CSURMA's business needs such as a planned Request-for-Proposal process, or a need to monitor a vendor's service performance more frequently.



## CSURMA

## POLICY AND PROCEDURE NO. 7

**EFFECTIVE:** ~~JANUARY 1, 2000~~; Revised FEBRUARY 8, 2015

**SUBJECT:** SELF-INSURED PROGRAM FUNDING

### ISSUE:

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

### POLICY STATEMENT:

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

### PROCEDURE:

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

It is the policy of the CSURMA to fund fully the self-insured programs. ~~CSURMA recognizes that its self-insured programs are transitioning from a cash funding basis to an accrual funding basis.~~—Adopted funding shall ~~facilitate this transition by including~~ include sufficient funds projected to pay the following cost elements:

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



~~Staff and the actuary shall perform the calculations needed to establish the funding elements described above. It is expected that all outstanding liabilities will be fully funded by July 1, 2009 and staff~~ Staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' ~~progress toward achieving this funding policy~~ status in accordance with this Policy & Procedure No. 7.



## **CSURMA**

## **POLICY AND PROCEDURE NO. 9**

**ADOPTED:** March 26, 2009

**EFFECTIVE:** April 17, 2006 and revised March 26, 2009

**SUBJECT:** PROPERTY COVERAGE OF STATE-OWNED BUILDINGS LEASED TO AN AUXILIARY ORGANIZATION AND OTHER SPECIFIED STATE-OWNED BUILDINGS

**SUPERSEDES:** 9-JPA

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### **POLICY:**

As a clarification of the insurable interest under the CSURMA property insurance programs, CSURMA has determined that Property Coverage for state-owned buildings is the responsibility of the University including state-owned buildings leased to an Auxiliary Organization, unless there exists a written agreement that the Auxiliary Organization is required to purchase and maintain Property Coverage for the leased building. This Policy and Procedure describes the responsibility and procedure for insuring these buildings and other specified state-owned buildings needing special deductibles in accordance with the CSU policy. This policy and procedure is not intended to impact any cost allocation practices among the campuses and auxiliary organizations that may exist or be developed in the future.

### **PROCEDURE:**

As a result of negotiations with insurance companies and accepted by the CSU Office of the Chancellor, the CSURMA Property Coverage program will cover state-owned buildings (real property) that are leased to a CSU Auxiliary Organization as follows:

Effective: December 1, 2005

1. All buildings (real property) owned by the University (State) that are leased to a CSU Auxiliary Organization will be covered by the Campus Property Program, unless there exists a written agreement that the Auxiliary Organization is required to purchase and maintain Property Coverage for the leased building.
2. The University and Auxiliary Organization may agree to apportion that part of the University's Property Coverage premium covering buildings leased to an Auxiliary Organization. Said premium may be payable by the Auxiliary Organization to the University, or if advised by the Campus and Auxiliary Organization, CSURMA will separately invoice the premium to be paid by the Auxiliary Organization.



3. If the lease agreement does not specify responsibility for deductibles and uninsured losses, the Campus and Auxiliary Organization shall determine responsibility for deductibles and uninsured losses.
4. All buildings which are funded by Public Works Bonds (PWB) or State Revenue Bonds (SRB) have as a maximum deductible the amount required in the applicable bond covenants.
5. If an Auxiliary Organization desires a lower deductible, then that lower deductible can be purchased as approved by the underwriters and invoicing of the additional cost shall be directed by the Campus and Auxiliary Organization
6. If it is necessary for other University owned buildings to maintain a deductible other than the standard deductible offered maintained by a Campus Member, then that specified building may be insured at a lower deductible as approved by the underwriters and the additional cost shall be invoiced as agreed.



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**CSURMA****POLICY AND PROCEDURE NO. 11**

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**ADOPTED:** March 26, 2009**EFFECTIVE:** July 1, 2009**SUBJECT:** CSURMA OPERATING BUDGET DEVELOPMENT AND ADOPTION

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**POLICY:**

CSURMA's fiscal period begins on July 1 each year and ends on June 30 of the following year. Upon the Executive Committee's recommendation, an annual operating budget is to be approved and adopted by the Board of Directors at its meeting preceding the beginning of the new budget period.

The operating budget for the Auxiliary Organizations coverage programs are developed separately by the AORMA Committee. The AORMA Committee shall develop its operating budget, and recommend to the Executive Committee its inclusion in the CSURMA Operating Budget for adoption by the Board of Directors.

**PROCEDURE:**

The Chancellor's Office and the Program Administrators shall work together to develop a draft operating budget for the Executive Committee to review and recommend adoption by the Board of Directors with any changes it deems necessary.

The operating budget shall be composed of a General Fund for General and Administrative Expenses (indirect expenses) and separate Program Funds for direct program expenses. The General Fund shall include an estimate for Non-Operating Revenues such as Investment Income, Loan Interest and Miscellaneous Fee Revenue.

Operating Revenues shall include Members' Contributions and Dividends. Operating Expenses and Non-Operating Revenues are allocable to each Program Fund as applicable, and shall be distributed in the following general manner:

General and Administrative Expenses shall be allocated to each Program Fund in proportion that each Program Fund Contribution bears to the Total Contribution for the fiscal period as of the start of the fiscal period; i.e., as of July 1. The proportionate share shall be fixed (locked-in) as of the beginning of the fiscal period for the duration of the fiscal period.

Non-Operating Revenues shall be distributed to each Program Fund that generate opportunities for investment income based on each fund's average monthly balance for Cash and Investments during the fiscal period. For budget development purposes, estimated Non-Operating Revenues



## **CSURMA**

## **POLICY AND PROCEDURE NO. 11**

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for each applicable fund shall be based on the each fund's average monthly cash balance of the preceding twelve months at the time the budget is developed.

Direct Program Expenses shall be allocated to each Program Fund as specified for the coverage as applicable (e.g., claims, claim administration, program administration, brokerage, insurance, actuarial, reinsurance, program committee, etc.). Other Direct Program Expenses shall be allocated to each Program Fund in the proportion directed by the respective Program Committee, which shall generally reflect estimated utilization by/for the applicable coverage.



**CSURMA**

**POLICY AND PROCEDURE NO. 13**

**ADOPTED:** OCTOBER 28, 2011; REVISED FEBRUARY 8, 2015

**EFFECTIVE:** OCTOBER 28, 2011; REVISED FEBRUARY 8, 2015

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

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In an effort to assure the long term financial strength of the Campus Risk Pool Programs that include an element of self-insurance, the CSURMA Board of Directors desires to fund the Programs in a responsible manner. Furthermore, in recognition that there is a high degree of uncertainty in actuarial estimates due to the possibility of occasional catastrophic claims and inconsistent or inaccurate case reserving, the Board of Directors desires to establish a Target Reserve Funding Goal that will guide the CSURMA Executive Committee in making annual funding decisions for the Programs.

*Should there be any discrepancy between this document and either the MEMORANDUMS OF COVERAGE or PARTICIPATION AGREEMENTS between the Executive Committee and the MEMBER, the MEMORANDUMS OF COVERAGE and the PARTICIPATION AGREEMENTS will govern.*

**POLICY**

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

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

**PROCEDURE**

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA's accredited independent actuary to perform an actuarial analysis of the Workers' Compensation, AIME and Liability Programs. This analysis shall include estimates of the outstanding losses (including IBNR) at various confidence levels as well as estimates of ultimate losses for the upcoming year(s). The analysis shall also compare the current program funding against the outstanding liabilities and determine the confidence level to which the program is currently funded. Because the Property, SAFECLIP, SPLIP and Crime

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

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

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

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

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

COMP)

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

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

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

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

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

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

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

**MEMBER APPEAL PROCESS**

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

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

**DEFINITIONS:**

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

**CSURMA** - The California State University Risk Management Authority, a California Joint Powers Authority, comprised of the California State University and its Auxiliary Organizations.

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

**IBNR** – Incurred but Not Reported losses

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

**POOL RETENTION** - The maximum amount of exposure to a single loss retained by the pool over the most recent 5 years.

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

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



## CSURMA

## POLICY AND PROCEDURE NO. 15

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**ADOPTED:** December 9, 2011

**EFFECTIVE:** December 9, 2011

**REVISED:** June 25, 2013

**SUBJECT:** RESPONSIBILITIES OF THE TREASURER AND THE SECRETARY-AUDITOR

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**POLICY:** Pursuant to California Government Code Section 6505 et seq. (referenced below) the CSURMA has designated in the governing documents the officer positions of the Treasurer and the Secretary-Auditor. It is the policy of the CSURMA that there shall a designation of the operational responsibilities of the Treasurer and the Secretary-Auditor as described in this Policy & Procedure No. 15.

**PROCEDURE:** The Treasurer and Secretary-Auditor shall perform the duties specified in California Government Code Section 6505 et seq. and other duties as designated by the Board of Directors, Executive Committee or AORMA Committee. To clarify the roles of the Treasurer and the Secretary-Auditor, the duties and responsibilities of the Treasurer and the Secretary-Auditor are described respectively as follows:

### TREASURER

The Treasurer shall serve as a member of the Executive Committee and have the following duties and responsibilities for CSURMA:

#### 1. FUNDS AND ACCOUNTS:

##### 1.1. ACCOUNTS

1.1.1. The Treasurer shall establish and maintain funds and accounts in compliance with good accounting practice.

##### 1.2. RECEIPT

1.2.1. The Treasurer shall receive all funds for custody by the entity.

1.2.2. The Treasurer ensures all funds are deposited to the proper program fund accounts.

1.2.3. Upon receipt of the approved premium deposit allocation, the Treasurer bills and collects annual premiums, quarterly premiums, and special assessments from all members.

##### 1.3. DISBURSEMENT

1.3.1. The Treasurer shall pay any sums due out of monies of the Authority, as approved for payment.

**2. REPORTING**

- 2.1. The Treasurer maintains a central accounting system for CSURMA.
- 2.2. Unaudited financial statements will be produced as requested by the Executive Committee to show the accounting transactions by fund.
- 2.3. The Treasurer shall engage a certified public accountant or public accountant to perform an independent financial audit as provided by law.
- 2.4. The Treasurer shall create a quarterly investment report for review by the Executive Committee.

**3. CASH AND DEBT MANAGEMENT**

- 3.1. The Treasurer manages the cash flow of CSURMA which includes investing the excess monies over the required immediate expenditures for the Authority.
- 3.2. The Treasurer administers short-term and long-term debt financing, authorized by the Executive Committee
- 3.3. The Treasurer shall maintain a detailed record of every loan, including an entry on the loan register showing each loan and payment.

The duties of the Treasurer vary and play a key fiduciary role in the operation of the Authority.

**SECRETARY-AUDITOR**

The Secretary-Auditor shall have the following duties and responsibilities for CSURMA:

**1. BUDGET**

- 1.1. The Secretary-Auditor shall ensure that all bills are reviewed and approved for payment before payments are issued by the Treasurer.
- 1.2. The Secretary-Auditor may examine the Treasurer's book on behalf of the CSURMA Executive Committee to check for accuracy.
- 1.3. The Secretary-Auditor acts as the CSURMA budget officer and shall be responsible for the preparation and administration of the budget.

**2. MISCELLANEOUS DUTIES**

- 2.1. The Secretary Auditor also conducts the sale of surplus items such as office equipment.
- 2.2. The internal audit duties may also fall under the direction of the Secretary-Auditor as directed by the Executive Committee.
- 2.3. The Secretary-Auditor serves as Secretary of the CSURMA.

The duties of the Secretary-Auditor are directly accountable to the Executive Committee in the implementation of the policies, procedures and programs of the CSURMA.



## **CSURMA**

## **POLICY AND PROCEDURE NO. 17**

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**ADOPTED:** March 22, 2013  
**EFFECTIVE:** March 22, 2013  
**SUBJECT:** TRAVEL REIMBURSEMENT

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### **PURPOSE:**

This Policy and Procedure is intended to formalize the prior existing practices of CSURMA.

### **POLICY:**

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

### **PROCEDURE:**

1. Reimbursement requests will be reported on the AUTHORIZED TRAVELER'S completed State of California – Travel Expense Claim form. The claim form may be forwarded to the AUHORIZED TRAVELER's member accounting department for reimbursement or sent to the CSU Systemwide Office of Risk Management for processing. If the AUTHORIZED TRAVELER is reimbursed by the member's accounting department, that member may then seek reimbursement from CSURMA.
2. The member's accounting department should send the following documents to CSURMA c/o the Systemwide Office of Risk Management:
  - a) Invoices for all reasonable expenses
  - b) Completed State of California – Travel Expense Claim form
  - c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the COVERED TRAVELER attended.
3. The CSURMA Secretary-Auditor or designee shall then process the reimbursement request in the manner of other CSURMA payment requests.



**DEFINITIONS:**

**AUTHORIZED TRAVELERS** – includes CSURMA Executive Committee members and officers, standing committee members and participants in duly established task groups. Other persons, including University personnel traveling on CSURMA related travel shall be reimbursed pursuant to this P&P No. 17 as agreed under separate agreement in advance of the travel. Independent consultants shall not be considered **AUTHORIZED TRAVELERS** under this P&P No. 17 and any travel expenses incurred by independent consultants may be reimbursed as provided under separate consulting agreements.

**COVERED EXPENSES** – includes reasonable expenses incurred by the **AUTHORIZED TRAVELER** as provided under the travel reimbursement policy of the California State University.

**COVERED PURPOSES** – covered purposes shall include attendance at meetings of the CSURMA Executive Committee, standing committees, task group meetings, program presentations, member meetings, approved professional development trainings and other travel approved for University personnel. Any other **COVERED PURPOSES** must be approved for reimbursement by the Executive Committee. Travel to CSURMA Board of Directors Meetings is not a covered purpose. If there is travel to an event that would otherwise be a **COVERED PURPOSE** in conjunction with another event the **AUTHORIZED TRAVELER** would otherwise attend, such as a CSURMA Board of Directors meeting or the CSURMA Fitting the Pieces Together Conference, the **AUTHORIZED TRAVELER** is eligible for reimbursement of **COVERED EXPENSES** to attend the **COVERED PURPOSE** meeting only and there will be no CSURMA reimbursement of the expenses the **AUTHORIZED TRAVELER** would have normally incurred to attend the CSURMA Board of Directors Meeting or the CSURMA Fitting the Pieces Together Conference.



## CSURMA

## POLICY AND PROCEDURE NO. 19

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**ADOPTED:** March 22, 2013

**EFFECTIVE:** March 22, 2013

**SUBJECT:** CSURMA CLAIMS SETTLEMENT AUTHORITY

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**PURPOSE:** The purpose of this Policy and Procedure No. 19 is to describe the process and level of authorities to pay claims incurred by the CSURMA Programs. This Policy and Procedure No. 19 applies solely to the operation of CSURMA and does not affect any policy, process, or authorities of the California State University. The AORMA Committee may adopt policies and procedures for claims settlement authorities for AORMA's self-insured programs.

**POLICY:** It is the policy of the CSURMA that payment of claims covered under the self-insured programs will follow the processes and documentation requirements described in this policy and procedure.

**PROCEDURE:** The following activities will be performed to effect the above stated policy.

1. The following amounts may be authorized for the following programs:
  - a. Liability Program: The campus may authorize payments from CSURMA funds up to the campus deductible, but not more than \$100,000.00. Above \$100,000.00, the CSURMA Secretary-Auditor or designee may authorize payment of CSURMA funds upon written approval from the appropriate University personnel up to the retained amount of the Liability Program.
  - b. Workers' Compensation Program: Upon approval of a Settlement Authorization Request (SAR) from the third party claims administrator, the campus may authorize aggregate claim settlements from CSURMA funds up to \$175,000.00. Above \$175,000.00, the CSURMA Secretary-Auditor or designee may authorize payment of CSURMA funds upon written approval from the appropriate University personnel up to the retained amount of the Workers' Compensation Program.
  - c. Unemployment Insurance/Non-industrial Disability Leave/Industrial Disability Leave Program: The CSURMA Secretary-Auditor or designee may authorize payment from CSURMA funds to reimburse funds expended by the campus for benefits covered under the program.
  - d. Property Program: Upon the receipt from the program claims adjuster of the completed and executed Proof of Loss statement, the CSURMA Secretary-Auditor or designee may authorize payment from CSURMA funds up to the retained amount of the Property Program.
2. The Program Administrator will maintain records of the campus personnel designated to authorize payments and the amount of authorization.





## **CSURMA**

## **POLICY AND PROCEDURE NO. 21**

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**SUBJECT:** **RISK MANAGEMENT INNOVATION GRANT PROGRAM**

**ADOPTED:** **SEPTEMBER 13, 2013**

**EFFECTIVE:** **JULY 1, 2013**

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### **PURPOSE:**

The Risk Management Innovation Grant Program (Program) makes funds available to Campus members (Members) in the Liability and Workers' Compensation programs. It funds specialized training, safety equipment, physical improvements, or other safety related items that will lead to mitigation of risk exposures. The purpose of this *matching grant program* is to encourage Members to facilitate a reduction in claim costs and to enhance existing risk reduction efforts.

### **POLICY:**

1. Annually, the Program Administrator and Systemwide Risk Management will:
  - a. Propose to the Executive Committee a budget for the Program.
  - b. Review the Liability and Workers' Compensation loss information to identify patterns and claims which may be preventable with the (1) purchase, replacement or upgrade of physical property; (2) development of specialized training; or (3) development of risk management programs.
  - c. Identify the focus of the Program for the upcoming fiscal year.
  - d. Draft the Grant Application and recommend a maximum grant amount per Member.
  - e. Send a memo to all Members describing the Program and invite Members to apply for a grant by completing the Grant Application.
2. To access funds under the Program, a Member must complete the Grant Application which is to include:
  - a. A description of the proposed risk reduction project.
  - b. The anticipated timeline for completion of the risk reduction project.
  - c. An estimate of the total cost for the proposed risk reduction project.
  - d. Agreement and approval of Grant Application by the Campus VP of Business & Finance or his/her designee; e.g., Environmental Health & Safety Director, Risk Manager, etc.
3. The Program Administrator will review completed Grant Applications, and if found appropriate and consistent with the purpose of the Program, refer the Grant Application to the Executive Committee for approval.

4. The Member will be expected to complete the proposed risk reduction project within the time period described in the Grant Application. The Executive Committee may rescind the grant if the Member has not started, or completed, the risk reduction project within the timeframe proposed.
5. Fifty percent (50%) of the Member's risk reduction project costs (up to the maximum grant amount approved for each Member) may be reimbursed by the Program. The Member will submit to the Program Administrator the final paid receipt(s) to be used to calculate the Program reimbursement amount.
6. After the grant funds are utilized, the Member will provide a brief report providing information that will assist the Executive Committee in monitoring this Program's effectiveness and the merits of future Program funds.
7. The Program Administrator and Systemwide Risk Management will work with the Grant Recipients to develop benchmarks to evaluate the success of the Program. The Program Administrator and Systemwide Risk Management will also provide guidance to future Grant Recipients based on these historical benchmarks.

## **AIME PROGRAMS UPDATE**

**ISSUE:** The Athletic Injury Medical Expense (AIME) program continues to address the insurance and risk management needs of its members. Michael Thorpe, Executive Committee Liaison for AIME, will report on the activities of the AIME Committee.

**RECOMMENDATION:** No action is required on this item at today's meeting.

**FISCAL IMPACT:** None.

**BACKGROUND:** AIME is designed to cover medical expenses arising from injuries to student athletes while practicing or competing in inter-collegiate sports programs of the university.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **AORMA PROGRAMS UPDATE**

**ISSUE:** The Auxiliary Organizations Risk Management Alliance (AORMA) continues to address the insurance and risk management needs of its members. All 87+ Auxiliary Organizations in Good Standing purchase insurance coverage through the AORMA.

Robert de Wit, AORMA Chair, will report on the activities of the AORMA Committee.

**RECOMMENDATION:** No action is required on this item at today's meeting.

**FISCAL IMPACT:** None.

**BACKGROUND:** The AORMA was first marketed to CSU Auxiliary Organizations in 1998. Since that time, the program has grown from 12 members to 87+ members, and represents 100% participation.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **REVIEW OF FY 2014/2015 LONG RANGE PLANNING GOALS**

**ISSUE:** Each year the Executive Committee conducts a Long Range Action Plan meeting to gauge progress and to re-evaluate where efforts should be focused. The Committee will review and discuss the FY 2014/2015 Long Range Planning Goals.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** No fiscal impact is expected from today's meeting.

**BACKGROUND:** The CSURMA Executive Committee adopts the FY 2014/2015 Long Range Planning goals to be accomplished. The Committee will receive a report from Staff on the assigned responsibilities and deadlines of the FY 2014/2015 Long Range Planning goals.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 2014/2015 CSURMA Long Range Action Plan

## FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>LRP-1 CSURMA 101</b>				
<b>Develop ppt presentation on "An Introduction to CSURMA" for new CSU staff with objectives to (1) increase awareness of CSURMA, (2) explain Purpose, (3) describe Organizational Structure, and (4) affirm Value.</b>	1. Draft outline of presentation.	PA	08/01/14	Completed
	2. Develop PowerPoint presentation.	PA	09/01/14	Completed
	3. Review/edit PowerPoint presentation	PA, SRM	09/15/14	Completed
	4. Finalize PowerPoint presentation	PA	10/01/14	Completed
	5. Upload to CSURMA website.	PA	10/22/14	Completed
<b>LRP-2 UNEMPLOYMENT INSURANCE</b>				
<b>Evaluate CSU's Unemployment Insurance claim trends and establish methods to improve results.</b>	1. Regular cost analysis trend reports – SRM – Completed – October 2014	PA, SRM, Equifax	09/01/14	Completed
	2. Research additional reports and data that might be available	PA, SRM, Equifax	Nov - Dec 2014	In Progress
	3. Identify what additional data might be necessary to drill down to actual employee trends	PA, SRM, Equifax	Jan, 2015	
	4. Submit a report to the LRP Committee in March – Current trend reports and potential reports	PA, SRM	March, 2015	
	5. LRP/EC Committee decides if data warrants additional action	PA, SRM	March, 2015	
	6. As appropriate – work on obtaining services, data, or other information to continue mitigation efforts	PA, SRM, EC	Jun - Dec, 2015	
<b>LRP-3 WORKERS' COMPENSATION CLAIMS CLOSURE INITIATIVE</b>				
<b>Develop and implement plan to reduce WC claims liability, with specific goal to improve claims settlement and closure of very old claims.</b>	1. Review proposed conceptual plan with Executive Committee	PA, SRM	03/21/14	Completed
	2. Executive Committee Action to begin project	EC	05/09/14	Completed
	3. Identify claims for action, adopt strategy	PA, SRM, Sedgwick, Consultant	06/01/14	Completed
	4. Meeting with campus to obtain support for strategy and action plan	PA, SRM, Sedgwick, Consultant	06/01/14	Completed
	5. Implement Strategy	PA, SRM, Sedgwick, Consultant	Jul - Nov 2014	In Progress
	6. Status report to CSURMA EC	PA, SRM, Sedgwick, Consultant	12/05/14	In Progress
	7. Project Completion Review with EC to determine next steps	PA, SRM	03/01/15	
<b>LRP-4 WORKERS' COMPENSATION REINSURANCE</b>				

## FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>Re-evaluate Primary Workers' Compensation Reinsurance as a vehicle to mitigate CSU's cost of WC claims funding.</b>	1. Review WC funding requirements and actuary's recommendations.	PA, SRM	08/01/14	Completed
	2. Develop coverage specification and proposed rating structure.	PA	09/01/14	Completed
	3. Market plan to underwriters.	PA	Oct - Nov 2014	Completed
	4. Obtain and evaluate carrier quotes.	PA	01/19/15	Completed
	5. Meetings with potential Underwriters	PA, SRM, EC	May 2014 - Feb 2015	
	6. Obtain necessary approvals from SRM, EC.	PA, SRM, EC	Mar 2015	
	7. Effective date of reinsurance, if taken.	Reinsurer	07/01/15	
<b>LRP-5 OCIP RENEWAL</b>				
<b>Develop process and establish timeline to renew the Owner-controlled Insurance Program covering CSU's capital construction</b>	1. Presentations on status of OCIP to CSURMA BOD, CSU CABO	PA, CPDC	May - Aug 2014	Completed
	2. Develop coverage specification and proposed rating structure.	PA, CPDC	07/01/14	Completed
	3. Develop target rating structure.	PA	08/01/14	Completed
	4. Market plan to underwriters.	PA	Aug - Sept 2014	Completed
	5. Obtain and evaluate carrier quotes.	PA, CPDC	10/01/14	Completed
	6. Draft coverage plan summary and rates.	PA	10/01/14	Completed
	7. Obtain necessary approvals from CPDC, SRM, EC.	PA, CPDC, SRM, EC	10/01/14	Completed
	8. Roll out renewal to CABO, Facilities Conference, Campuses	PA, CPDC	Nov - Dec 2014	Completed
<b>LRP-6 UNMANNED AERIAL VEHICLES (UAVs, Drones)</b>				
<b>Develop and implement coverage plan to cover CSU's liability arising from ownership and operation of UAVs (drones) used for research activities.</b>	1. Research ownership, operation and usage of UAVs within CSU.	PA	Mar - Apr 2014	Completed
	2. Research liability issues of the ownership and operation of UAVs.	PA	April, 2014	Completed
	3. Research insurance availability to cover owned and non-owned aviation risks in the ownership and operation of UAVs.	PA	April, 2014	Completed
	4. Draft proposed modification to the Liability MOC to include coverage for UAVs.	PA	April, 2014	Completed
	5. Determine cost to insure or self-insure liability of UAVs	PA	May, 2014	Completed
	6. Present recommendations to EC.	PA, EC	05/09/14	Completed
	7. Present recommendations to BOD.	PA, EC, BOD	05/09/14	Completed
	8. Roll out to campuses and incept coverage.	PA	07/01/14	Completed
<b>LRP-7 STUDENT PLACEMENT AGREEMENTS</b>				
<b>Implement more master insurance and indemnity agreements with key hosting</b>	1. Research existing placement agreements for student internships, particularly in Teaching, Nursing/Allied Health, and Service Learning programs to identify key hosting partners	PA, SRM	08/01/14	Completed
	2. Draft proposed master insurance and indemnity language for student placement agreements and contact key hosting partners	PA, SRM, OGC	Jul - Aug 2014	Completed

## FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>partners</b>	3. Negotiate and execute master insurance and indemnity agreements for student placements with key hosting partners	SRM, OGC, PA, Key Hosts	Sep 2014 - Feb 2015	Ongoing
	4. Report to EC on Progress of Master Insurance and Indemnity Agreements	SRM	03/01/15	

**BOD:** CSURMA Board of Directors

**CABO:** CSU Chief Administrators and Business Officers

**CO:** Chancellor's Office

**CPDC:** CO Capital Planning Design & Construction

**EC:** CSURMA Executive Committee

**OGC:** CSU Office of General Counsel

**PA:** CSURMA Program Administrator

**SRM:** CSU Systemwide Risk Management

## **2015 CSURMA MEETING CALENDAR**

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

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA – 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	<del>MSLCTC: Pasadena: 4:30 p.m.</del>	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

## **CSURMA ADMINISTRATIVE SERVICE CALENDAR**

**ISSUE:** This item is provided as an information item to advise the Executive Committee of the various recurring administrative activities and when they take place over the course of the year. It includes items noting when they appear before the Executive Committee and Board of Directors. It is to be provided for information with each agenda packet.

**RECOMMENDATION:** It is recommended that the Executive Committee review the CSURMA Administrative Service Calendar and provide direction to staff as appropriate.

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

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Administrative Service Calendar



# CSURMA SERVICE CALENDAR

DRAFT  
1/27/2015

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>JANUARY 2015</b>				
01/01/15	Preview on-line training platform and provide recommendation to the MSLCTC for future utilization.	AORMA Members	Mimi Long	
01/01/15	Review loss runs and recommend three to five risk reduction grant project for FY 14/15	Staff	Mimi Long	
01/01/15	Review all workers' compensation policies and procedures and recommend revisions as necessary.	Staff (Alliant)	Mimi Long	
01/02/15	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	
01/06/15	Statement of Facts – Roster of Public Agencies - file with State & County	Alliant Staff	Tevea Him	
01/07/15	Announce the new AORMA Committee Vice Chair as well as open seats on the AORMA Committee	Nominations Committee	Mimi Long	
01/15/15	FORM 700 - JPA ADMIN sends Form 700 to CSURMA FILERS, including EC, BOD, AORMA, Standing Committees, and designated consultants, including identified Alliant personnel	Alliant Staff	Tevea Him	
<b>01/26/15</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	
01/31/15	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	
<b>FEBRUARY 2015</b>				
02/01/15	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
<b>02/08/15</b>	<b>AORMA MSLCTC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>CANCELED</b>
<b>02/08/15</b>	<b>CSURMA AOA CONFERENCE</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>02/08/15</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
02/11/15	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
02/15/15	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
02/17/15	Reminder - Form 700s to Board and Alternate Members	Alliant Staff	Tevea Him	
<b>02/26/15</b>	<b>AORMA PC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
02/28/15	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 12/31	Alliant Staff	Tevea Him	
02/28/15	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	
02/28/15	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	
02/28/15	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	
02/28/15	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long	
<b>MARCH 2015</b>				
03/01/15	Alliant begins contact with various contractors regarding renewal terms	Alliant Staff	Mimi Long	
03/01/15	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
03/14/15	Claims audit of the Liability program (every odd-numbered year) or Workers' Compensation program (every even-numbered year)	Liability Claims Auditor	Mimi Long	
03/15/15	FORM 700 - Follow up No. 4 - JPA ADMIN follows up with FILER, prepares status report for CSURMA EC review at Long Range Planning meeting	Alliant Staff	Tevea Him	
<b>03/19/15</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>03/19/15</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
03/19/15	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Mimi Long	
03/19/15	CSURMA Investment Policy	Alliant Staff	Mimi Long	
03/20/15	Forward slate of nominees to fill the open seats on the AORMA Committee to the AOA Executive Committee for review and comment	Alliant Staff	Mimi Long	
<b>03/20/15</b>	<b>CSURMA EC LRP Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
03/21/15	Form 700's - receive from Board Members and Alternates	Alliant Staff	Tevea Him	

## CSURMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
03/31/15	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him	
<b>APRIL 2015</b>				
04/01/15	Campus Risk Pool Administrator verifies Campus Primary and Alternate representative remain in place by contacting campus representatives ( i.e. ensure no leave of absence, retirement, change in duties, etc.)	Alliant Staff	Tevea Him	
04/01/15	FORM 700 - JPA ADMIN sends all forms received to FPPC for processing	Alliant Staff	Tevea Him	
04/01/15	Send out ballot for AORMA Committee term beginning on July 1, 2015	Alliant Staff	Tevea Him	
<b>04/07/15</b>	<b>AORMA MSLCTC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
04/07/15	Recommend Chair for the MSLCTC for the upcoming term	Alliant Staff	Mimi Long	
04/07/15	Review the Auxiliary Service Provider Report	Alliant Staff	Mimi Long	
04/15/15	Send annual renewal certificate spreadsheet to members - due 1 month	Alliant Staff	Van Rin	
<b>04/23/15</b>	<b>CSURMA BOD NMO Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>04/27/15</b>	<b>CSURMA BOD Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>04/28/15</b>	<b>Fitting the Pieces Conference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
04/30/15	Receive back all AORMA Committee ballots for the term beginning on July 1, 2015	Alliant Staff	Tevea Him	
<b>MAY 2015</b>				
05/01/15	Campus Risk Pool Administrator confirms replacement appointees with campus president, reports changes to JPA ADMIN, JPA ADMIN sends entering and leaving office notices to FILER, Campus Risk Pool Administrator conducts	Alliant Staff	Tevea Him	
<b>05/07/15</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>05/08/15</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
05/11/15	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
05/15/15	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
05/15/15	Send Member Vehicle Schedule/APD Proposal for review	Alliant Staff	Hsan Htein	
<b>05/18/15</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	
05/30/15	Send out appointment letters to the newly appointed AORMA Standing Committee Chairs for the term beginning on July	AORMA Chair/Alliant Staff	Tevea Him	
05/30/15	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2014	AORMA Chair/Alliant Staff	Tevea Him	
05/30/15	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 3/31/14	Alliant Staff	Tevea Him	
05/30/15	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2014	Alliant Staff	Tevea Him	
05/30/15	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2014	Alliant Staff	Mimi Long	
<b>JUNE 2015</b>				
06/01/15	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
06/01/15	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him	
06/01/15	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him	
06/01/15	Send out letter to regarding Forever Travel Authority Confirmation	Alliant Staff	Tevea Him/Stacey Weeks	
<b>06/25/15</b>	<b>AORMA PC Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>06/29/15</b>	<b>AORMA MSLCTC Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>06/30/15</b>	<b>Expiring Contract: Alliant Loss Control Services - July 1, 2014 to June 30, 2015</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>06/30/15</b>	<b>Expiring Contract: TargetSolutions - July 1, 2012 to June 30, 2015</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	

## CSURMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
<b>JULY 2015</b>				
07/01/15	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin	
07/01/15	FORM 700 - JPA ADMIN sends entering and leaving office notices to AORMA FILERS who will be taking office on AORMA and Standing Committees	Alliant Staff	Tevea Him	
07/01/15	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	
07/04/15	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin	
07/05/15	Request a review of the claims activity within the UIP – claims activity variations of more than 10% above or below pricing levels used will resulting in a pricing adjustment	Alliant Staff	Mimi Long	
07/05/15	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	
07/07/15	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	
<b>07/07/15</b>	<b>AORMA Officers Retreat – TBD</b>	<b>AORMA Officers</b>	<b>Mimi Long</b>	
07/14/15	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
07/15/15	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong	
07/15/15	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	
07/21/15	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
07/21/15	Upon receipt of loss data begin semi-annual loss charts for RM meeting in October and to be sent to members	Alliant Staff	Robert Leong	
07/28/15	FORM 700 - FORMS DUE TO FPPC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him	
07/31/15	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong	
07/31/15	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	
07/31/15	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Hsan Htein	
07/31/15	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate	Liability TPA	Mimi Long	
<b>AUGUST 2015</b>				
08/01/15	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long	
08/01/15	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	
08/11/15	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
08/15/15	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	
08/31/15	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited	Alliant Staff	Mimi Long	
08/31/15	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long	
08/31/15	Complete CSURMA's portion of the Public Self-Insurer's Annual Report for CSURMA – then forward to Sedgwick for TPA completion	Alliant Staff	Mimi Long	
08/31/15	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long	
08/31/15	Completion of Financial Audit	CSU Accounting	Mimi Long	
08/31/15	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff	Tevea Him	
Begin Task	Completion of the Public Self-Insurer's Annual Report for CSURMA (must be filed with the state by Oct 1st.)	Alliant Staff	Mimi Long	
Begin Task	AORMA Workers' Compensation Desk Audit	Alliant Staff	Mimi Long	
<b>SEPTEMBER 2015</b>				

## CSURMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
09/01/15	Annual Report of Financial Transactions - start process	Alliant Staff / Accounting	Van Rin	
09/01/15	Stewardship Report	Alliant Staff	Robert Leong	
<b>09/09/15</b>	<b>AORMA Long Range Plan meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/09/15</b>	<b>AORMA New Committee Member Orientation meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/10/15</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/10/15</b>	<b>CSURMA EC Orientation Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>09/11/15</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
09/12/15	CAJPA Standards review (2014 and every 3 years thereafter)	Alliant Staff	Mimi Long	
09/15/15	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Mimi Long	
09/30/15	Completion of the AORMA Committee (September Letter) updating all AORMA members on the funding and dividends approved for the upcoming fiscal year	Alliant Staff/AORMA Chair	Mimi Long	
09/30/15	Completion of Workers' Compensation payroll desk audits	Alliant Staff	Mimi Long	
09/30/15	Send out invoices or checks for the Workers' Compensation payroll audit	Alliant Staff	Mimi Long	
<b>09/15/15</b>	<b>CAJPA Fall Conference and Training Seminar - Lake Tahoe Resort, Harrah's and Harveys</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>OCTOBER 2015</b>				
10/01/15	Annual Report of Financial Transactions - File	Alliant Staff / Accounting	Van Rin	
10/01/15	Request completion of the Liability application	Alliant Staff	Mimi Long	
10/01/15	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long	
<b>10/01/15</b>	<b>AORMA PC Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>10/05/15</b>	<b>AORMA MSLCTC Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
08/11/15	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
10/15/15	Poll eligible AORMA Committee members to determine which members are willing to be nominated for the Vice Chair	Nominations Committee	Mimi Long	
<b>10/22/15</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>10/22/15</b>	<b>CSURMA BOD NMO Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>10/23/15</b>	<b>CSURMA BOD Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>10/23/15</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>TBD</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	
<b>NOVEMBER 2015</b>				
11/01/15	FORM 700 - Campus Risk Pool Administrator sends request to campus president to confirm appointments of primary and alternate representative to BOD (Note: AORMA Representatives are maintained through their election process)	Alliant Staff	Tevea Him	
11/28/15	Campus Risk Pool Deductible - Confirm (every 3 years - 2014, 2017, 2020)	Alliant Staff	Robert Leong	
11/28/15	Send campus risk pool renewal budget	Alliant Staff	Robert Leong	
11/30/15	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	
11/30/15	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30/13	Alliant Staff	Tevea Him	
<b>DECEMBER 2015</b>				
12/01/15	2015 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Rebecca Skidmore	
<b>12/03/15</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	



## CSURMA SERVICE CALENDAR

DRAFT  
1/27/2015

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
12/04/15	CSURMA EC Meeting	Alliant Staff	Mimi Long	
12/10/15	AORMA PC Meeting	Alliant Staff	Mimi Long	
12/15/15	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff	Tevea Him	
12/30/15	Financial Audit - mail to Secretary of State and County of Official Address	Alliant Staff/Accounting	Tevea Him	

## **CSURMA EXECUTIVE COMMITTEE AND STAFF CONTACT LIST**

**ISSUE:** Attached is a list of CSURMA Executive Committee members and the Program Administrators.

**RECOMMENDATION:** It is recommended that members review the list at each meeting for accuracy and make any changes or additions. If there are any changes, please contact Tevea Him at [thim@alliant.com](mailto:thim@alliant.com).

**FISCAL IMPACT:** None.

**BACKGROUND:** An accurate and current list facilitates better communication among Committee Members and Staff.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Executive Committee and Staff Contact List

**CSURMA EXECUTIVE COMMITTEE MEMBERS**  
**Effective at July 1, 2014**

Seat	Member	Position	Campus	Organization	E-Mail	Telephone Number
Acting Chair	Linda Hawk	Vice President, Finance & Administrative Services	San Marcos	California State University San Marcos	lhawk@csusm.edu	760-750-4950
Vice Chair	Ming Tung (Mike) Lee	Vice President, Administration and Chief Financial Officer	Sacramento	California State University Sacramento	mikelee@csus.edu	916-278-6312
CSU Seat #1	Lisa Chavez	Vice-President, Administration and Chief Financial Officer	Los Angeles	California State University Los Angeles	lisa.chavez@calstatela.edu	323-343-3500
CSU Seat #2	Michael Thorpe	Risk Manager	Chico	California State University Chico	methorpe@csuchico.edu	530-898-6588
CSU Seat #3	Lori Gentles	Vice President, Human Resources	Fullerton	California State University Fullerton	lgentles@fullerton.edu	657-278-2560
CSU Seat #4	Vacant					
AORMA Seat #5 - Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc. California State University Long Beach	Robert.Dewit@csulb.edu	562-985-5549
AORMA Seat #6 - V Chair	Frank Mumford	CSU Fullerton Auxiliary Services Corporation	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
Treasurer	George V. Ashkar	Assistant Vice Chancellor, Financial Services	Chancellor's Office	California State University, Office of the Chancellor	gashkar@calstate.edu	562-951-4671
Secretary Auditor	Robert Eaton	Acting Deputy Assistant Vice Chancellor	Chancellor's Office	California State University, Office of the Chancellor	reaton@calstate.edu	562-951-4572



## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
<b>Certificate of Insurance Requests</b>	<b>Hsan Htein Van Rin</b>	hhhtein@alliant.com vrin@alliant.com	415-403-1452 415-403-1408	415-874-4810 415-874-4810
<b>General CSURMA Coverage Questions</b>	<b>Robert Leong Van Rin Hsan Htein Daniel Howell</b>	rleong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>General AORMA Coverage Questions</b>	<b>Mimi Long Van Rin Hsan Htein Daniel Howell Melissa Diaz</b>	mlong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com mdiaz@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426 415-403-1444	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Inland Marine</b>	<b>Van Rin Hsan Htein Mimi Long</b>	vrin@alliant.com hhhtein@alliant.com mlong@alliant.com	415-403-1408 415-403-1452 415-403-1423	415-874-4810 415-874-4810 415-874-4810
<b>Participant Accident Insurance (PAI)</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>Special Events Insurance</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>Foreign Travel Program</b>	<b>Stacey Weeks Van Rin</b>	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
<b>General Risk Management Questions</b>	<b>Mimi Long Van Rin Hsan Htein Daniel Howell</b>	mlong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Workers' Compensation Claims Consultant</b>	<b>Jacki Graf</b>	jgraf@alliant.com	415-403-1438	415-874-4810
<b>Alliant Claims Consulting</b>	<b>Robert Frey Diana Walizada Michelle Maffei Martin Fox-Foster Elaine Kim</b>	rfrey@alliant.com dwalizada@alliant.com mmaffei@alliant.com martin.fox-foster@alliant.com ekim@alliant.com	415-403-1445 415-403-1453 415-403-1418 415-403-1417 415-403-1458	415-403-1466 415-403-1466 415-403-1466 415-403-1466 415-403-1466
<b>Form 700</b>	<b>Tevea Him</b>	thim@alliant.com	415-403-1416	415-402-0773
<b>Website and Technology Questions</b>	<b>Melissa Diaz Myron Leavell</b>	mdiaz@alliant.com mleavell@alliant.com	415-403-1444 415-403-1404	415-874-4810 415-874-4810



California State University Risk Management Authority

CSU Chancellor's Office				
CSU Chancellor's Office	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Rebecca Skidmore	rskidmore@calstate.edu	562-951-4574	562-951-4859
	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Alice Kim	akim@calstate.edu	562-951-4627	562-951-4865
	Kelly Cox	kcox@calstate.edu	562-951-4611	562-951-4865
	Mandy Wong	mwong@calstate.edu	562-951-4578	562-951-4865
	Rima Tanuwidjaja	rtanuwidjaja@calstate.edu	562-951-4621	562-951-4856
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	William Hsu	whsu@calstate.edu	562-951-4500	562-951-4956
	Steve Relyea	srelya@calstate.edu	562-951-4600	562-951-4971
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	Michael Clements	mclements@calstate.edu	562-951-4091	