



CSURMA BOARD OF DIRECTORS MEETING AGENDA
“This is an Open Public Meeting”

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

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant at (415) 403-1400 twenty-four hours in advance of the meeting. Entrance to the meeting location may require routine provision of identification to building security. However, CSURMA 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.

Meeting Date: May 6, 2016
Time: 10:30 AM

Location: CSU Chancellor’s Office
401 Golden Shore, Munitz Room
Long Beach, CA 90802

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

A. CALL TO ORDER

- 1. **Approval of the Agenda** **A** p. 5

B. PUBLIC COMMENTS

C. CONSENT CALENDAR **A**

The Board is asked to take action on the consent calendar items as a group, except a member may request an item be withdrawn from the Consent Calendar for discussion and action.

- 1. **Approval of Minutes – October 23, 2015** p. 6
The Board will be asked to approve the minutes from their last meeting.
- 2. **CSURMA Treasurer’s Report** p. 19
The Board will be asked to accept the Treasurer Report at December 31, 2015
- 3. **Adoption of the CSURMA’s Conflict of Interest Code** p. 26
The Board will be asked to approve CSURMA’s Conflict of Interest Code

D. GENERAL ADMINISTRATION

- 1. **Adoption of the FY 2016/17 CSURMA Operating Budget** **A** p. 30
The Board will be asked to adopt the proposed FY 2016/17 CSURMA Budget and Resolution No. 01-16 (BOD).

- | | | | |
|------------|--|----------|---------------|
| 2. | Campus Risk Pools Program Funding Status
<i>The Board will receive a report on the campus pooled program funding status.</i> | I | <i>p. 71</i> |
| 3. | Nominating Committee Report and Executive Committee Elections
<i>The Board will receive a report from the Nominating Committee and will be asked to elect representatives to the seats up for reelection.</i> | A | <i>p. 81</i> |
| 4. | Amendment of Policies and Procedures
<i>The Board will be asked to approve amendments to Policy and Procedure Nos. 12, 18, 20 and 24, and will be asked to approve a new Policy and Procedure No. 25, with modifications as appropriate.</i> | A | <i>p. 86</i> |
| 5. | Insurance Renewals Update and Underwriter Meetings Report
<i>The Board will hear a report regarding the progress of the excess insurance renewals.</i> | I | <i>p. 101</i> |
| 6. | Master Enabling Agreement for Transportation
<i>The Board will be asked to review the services provided by GoGround.</i> | I | <i>p. 103</i> |
| 7. | Revised Liability Memorandum of Coverage Effective July 1, 2016
<i>The Board will be asked to approve revisions (via delegation of authority) to the AORMA, Campus and Excess Liability memoranda of coverage.</i> | A | <i>p. 116</i> |
| 8. | FY 2016/17 Long Range Planning Goals
<i>The Board will be asked to review the FY 2016/17 Long Range Action Plan which was approved by the Executive Committee.</i> | I | <i>p. 191</i> |
| 9. | Adoption of Final 2016 CSURMA Meeting Calendar
<i>The Board will be asked to approve the final 2016 CSURMA Meeting Calendar</i> | A | <i>p. 195</i> |
| 10. | Workers' Compensation Claims Administrator Service Performance Audit Presentation
<i>The Board will be asked to review the Workers' Compensation Claims Administration Audit Report</i> | I | <i>p. 197</i> |
| 11. | Risk Program Benchmarking and Trend Analysis
<i>The Board will review the benchmarking and trend analysis reports from CWCI.</i> | I | <i>p. 209</i> |

E. OTHER INSURANCE PROGRAMS

1. **AORMA Programs Update** I p. 216
The Board will receive a verbal report on the activities of the AORMA Committee.
 2. **AIME Programs Update** I p. 217
The Board will receive a verbal report of the activities of the AIME Committee.
- F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1)**
Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). Please refer to the below list of claims that may be discussed. The Committee may assess and evaluate pending claims and related issues and take action or provide direction to Staff regarding the litigation described below.
No items are scheduled for closed session at today's meeting.
- G. INFORMATION ITEMS**
1. **CSU IIPP Work Group** I p. 218
The Board will be asked to review the Movement Motivation IIPP White Paper.
 2. **CSURMA Insurance Requirement in Contracts Manual – Version 9.0** I p. 227
The Board will receive details regarding the publication of the revised IRIC Manual
 3. **Integrated CSU Administrative Manual** I p. 230
The Board will review the three new ICSUAM policies which were adopted by the Executive Committee
 4. **CSURMA Master Investment Policy** I p. 238
The Board will review the amendment to CSURMA's Master Investment Policy which was approved by the Executive Committee.
 5. **Review of the Service Provider Performance Survey Report** I p. 265
The Board will receive a report from Systemwide Risk Management on the CSURMA Vendor Survey.
 6. **CSURMA Administrative Service Calendar** I p. 271
The Board will be asked to review the CSURMA Administrative Service Calendar.
 7. **CSURMA Board of Directors and Staff Contact List** I p. 278
The Board will be asked to review the CSURMA Board of Directors contact information and provide Staff with revisions.

8. Unemployment Insurance Claims Cost Summary Charts

I p. 285

The Board will be asked to review the UI Summary Charts

H. ADJOURNMENT

The next Board of Directors meeting is scheduled for November 2, 2016 at 4:00 PM in Sacramento, CA at the start of the Fitting the Pieces Together Conference.

Please contact Mimi Long mlong@alliant.com or Tevea Him thim@alliant.com with questions.

Teleconference Locations:

1. CSU Chancellor's Office, 401 Golden Shore, Long Beach, CA
2. Humboldt State University, 1 Harpst Street, Arcata, CA
3. California Maritime Academy, 200 Maritime Academy Dr, Vallejo, CA
4. CSU Monterey Bay, 100 Campus Center, Seaside, CA
5. San Diego State University, 5500 Campanile Dr, San Diego, CA
6. San Jose State University, One Washington Square, Clark Hall, Room 500, San Jose, CA
7. Cal Poly San Luis Obispo, San Luis Obispo, CA
8. Sonoma State University, Police and Safety Services, 1801 E. Cotati Ave., Rohnert Park, CA
9. CSU Stanislaus, Safety & Risk Management, One University Circle MSR 290E, Turlock, CA

APPROVAL OF THE AGENDA

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

RECOMMENDATION: The Board of Directors is asked to review and approve the proposed agenda before discussion of any business.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MINUTES – OCTOBER 23, 2015

ISSUE: The Board of Directors will be asked to review and approve the draft minutes from its October 23, 2015 meeting.

RECOMMENDATION: It is recommended that the Board of Directors approve the minutes from its October 23, 2015 meeting, including corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: The minutes reflect the actions taken by the Board of Directors at its last meeting.

PUBLICATION: The approved minutes will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. CSURMA Board of Directors Meeting Minutes – October 23, 2015

**MINUTES OF THE
CSURMA BOARD OF DIRECTORS MEETING**

October 23, 2015

**CSU CHANCELLOR'S OFFICE, DUMKE ROOM
401 Golden Shore • Long Beach, CA**

10:30 AM

A. CALL TO ORDER

The meeting was called to order at 10:30 a.m. by Linda Hawk

All Board of Directors and guests introduced themselves.

A1. Approval of the Agenda

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

MOTION: Jeff Wood

SECOND: Lisa Chavez

MOTION CARRIED

B. PUBLIC COMMENTS

There were no public comments.

C. CONSENT CALENDAR

C1. Approval of Minutes – April 27, 2015

C2. Treasurer's Report at June 30, 2015

C3. Adoption of Meeting Dates for Calendar Year 2016

A motion was made to approve or accept each action item on the Consent Calendar as presented.

MOTION: Guy Dalpe

SECOND: Kevin Saunders

MOTION CARRIED

D. GENERAL ADMINISTRATION

D1. Independent Auditor’s Financial Audit Report as of June 30, 2015

Kelly Cox noted that KPMG completed the Independent’s Auditors Report and indicates it includes an unmodified opinion on the financial statements as well as the supplementary information. Cox states that there are no items of significance to report.

A motion was made to approve the audited financial report ending June 30, 2015 as presented.

MOTION: Jody Van Leuven

SECOND: Guy Dalpe

MOTION CARRIED

D2. FY 16/17 Pooled Program Funding Status

D2a. Campus Risk Pool Funding Status at June 30, 2015

The Board reviewed the funding status reports of CSURMA’s major risk pool programs. Leong reports that Staff used the most recent actuarial reports and June 30 financial statements to prepare these reports. He also notes that Staff finds that the Campus Liability and Campus Workers’ Compensation programs are financially strong. The Athletic Injury Medical Expense and AORMA reports are in good health but are not being reviewed today, as they are reviewed separately by the AIME Committee and the AORMA Committee.

D2b. Evaluation of Potential Campus Risk Pool Dividends and Assessments

Rob Leong explained that CSURMA adopted three ratios which are used as guidance to determine the maximum dividend available to be released. The Premium to Surplus ratio is a measure of how surplus is leveraged against possible pricing inaccuracies. The Surplus to Retention ratio is a measure of the maximum amount that surplus could decline due to a single loss. The Outstanding Reserves to Surplus ratio is a measure of how surplus is leveraged against possible reserve inaccuracies. Based on these ratios, IDL/NDL/UI programs do not have enough surplus to recommend a dividend. Within the liability and workers’ compensation program, there is an opportunity to release a dividend.

Leong noted that historically the practice has been to declare a dividend of up to fifty percent (50%) of unencumbered program funds where available and an assessment to cover existing and anticipated funding shortfalls for funds that have a negative fund balance.

Leong states that the Executive Committee is recommending that the Board approve a dividend from the liability program of \$5,038,862 and a dividend from the workers’ compensation program of \$3,461,497. The dividend allocation is based on the percentage of total contributions by each campus for the past five years.

A motion was made to approve a dividend from the liability program of \$5,038,862 and a dividend from the workers' compensation program of \$3,461,497, payable in November, 2016 as presented in the agenda packet and to delegate authority to the AIME Committee to determine if a dividend can be distributed from the AIME risk pool in accordance with CSURMA's policies and procedures.

MOTION: Jody Van Leuven

SECOND: Lisa Kao

MOTION CARRIED

D2c. Actuarial Reports for Campus Liability, Campus Workers' Compensation and Athletic Injury Medical Expense (AIME) Programs

Rob Leong summarized the actuarial reports. Leong noted that the loss rates within the liability program are based on FTE. These rates are now flattening out. There was an increase between FY 14/15 to FY 15/16. The claim frequency between FY 13/14 and FY 14/15 was flat; however, the claim severity increased slightly. Within the workers' compensation program, the recommended loss rate of \$0.94 is a slight increase from FY 15/16; however, this rate is substantially lower than the WCIRB rate, of 2.02, for the same class code. The TPA has been aggressive in settling claims through Compromise and Release or Stipulation which might result in a claim cost spike. The TPA settled 317 claims in FY 14/15. The claim frequency between FY 13/14 and FY 14/15 is down significantly; however, the claim severity increased. The AIME rate is per athlete and increased slightly from \$371 to \$389.

This item is for information only as the Executive Committee reviewed the reports at its September 11, 2015 meeting, and accepted the actuary's findings and recommendations for use in CSURMA's financial reporting, rate setting, and funding evaluations.

D3. FY 2016/2017 Rates and Gross Funding Campus Coverage Programs

Rob Leong explained that the Executive Committee is recommending adoption of the rates and funding for the upcoming fiscal year as shown in the table below.

CAMPUS COVERAGE PROGRAMS FUNDING RECOMMENDATION

Coverage Program	FY 15/16 Actual	FY 16/17 Proposed	\$ Change	% Change
Liability	\$13,514,960	\$14,240,860	\$725,900	5.4%
Workers' Compensation	37,744,986	37,823,215	78,229	0.2%
IDL/NDI/UI	13,500,000	13,500,000	0	0.0%
Property ⁽¹⁾	8,000,000	8,250,000	250,000	3.1%
Auto Liability ⁽²⁾	688,468	845,823	157,355	22.9%

AIME ⁽³⁾	3,897,503	3,897,503	0	0.0%
Total	\$77,345,917	\$78,557,401	\$1,211,484	1.6%

Staff prepared FY 2016/17 funding recommendations using the draft actuarial reports dated August 3, 2015. The General Liability Program costs include premium deposits for Student Professional Liability Insurance Program and Student Academic Field Experience for Credit Liability Insurance Program. The Liability Program uses payroll as the rating basis. The actual payroll for FY 14/15 is used in the calculation. Payroll did increase which resulted in an overall program increase.

The Campus Property Program costs includes Blanket Employee Fidelity coverage and Cyber Risk insurance. The total FY 16/17 funding requirement for the Property Program is \$9,147,000; however, to keep rates relatively flat, Staff is proposing that \$897,000 be drawn from retained earnings within the property fund. The proposed FY 16/17 funding is \$250,000 higher than FY 15/16 to fund the new Fine Arts, Archives and Artifacts Program for FY 16/17.

The Auto Liability is covered by the State Vehicle Liability Self-Insurance Program and its costs are determined by the Office of Risk and Insurance Management (ORIM) in March, 2016 each year. The Auto Liability costs were actually increased by ORIM in March, 2015; however, the Auto Liability costs are charged to the campuses one year in arrears.

The funding recommendations have *not* been discounted for expected investment income, with the exception of the Workers' Compensation Program funding. Workers' Compensation was discounted due to favorable pricing from the CSAC Excess Insurance Authority.

A motion was made to adopt the Campus coverage programs funding on an undiscounted basis, except Workers' Compensation, which is discounted for expected investment income, for FY 2016/17 as presented in the table above and to authorize the Executive Committee discretion to finalize rates on a discounted basis when it meets in March, 2016.

MOTION: Mike Lee
SECOND: Kevin Saunders

MOTION CARRIED

D4. Policy and Procedure No. 15 – Responsibilities of the Treasurer and the Secretary-Auditor

Daniel Howell reviewed the recommended changes within Policy and Procedure No. 15. To avoid potential lapses in coverage while insurance negotiations are being finalized, the Secretary-Auditor may at times be directed by the Executive Committee to finalize insurance negotiations with delegated authority to bind the insurance as necessary. Historically, on an annual basis the Executive Committee has delegated this authority. Policy and Procedure No. 15 has been amended

to grant authority to the Secretary-Auditor to finalize negotiations and bind existing coverages. Howell confirmed that this delegation of authority extends to existing coverage programs only. The Secretary-Auditor does not have authority to bind new coverage programs. The Secretary-Auditor will also provide a report summarizing the insurance bound at a subsequent Executive Committee meeting.

A motion was made to adopt the proposed amendments to Policy and Procedure No. 15.

MOTION: Guy Dalpe
SECOND: Jody Van Leuven

MOTION CARRIED

D5. Draft Policy and Procedure No. 23 - Additional Covered Party Endorsement

Daniel Howell noted that the procedures outlined in Policy and Procedure No. 23 are the steps that are already being followed when issuing an additional insured endorsement. The draft policy and procedure does not change the current procedures; it just confirms the current practice. The new policy and procedure is intended to address those situations where the CSURMA Program Administrators and Systemwide Risk Management are not comfortable with the request for additional insured coverage. It outlines the review, denial and appeal process.

A motion was made to adopt draft Policy and Procedure No. 23 as presented.

MOTION: Mike Lee
SECOND: Jody Van Leuven

MOTION CARRIED

D6. Review of FY 2015/2016 Long Range Planning Goals

Daniel Howell updated the Board on the long range planning goals adopted by the Executive Committee.

- LRP-1 – Form 700 electronic Filing, which will be presented at this meeting.
- LRP-2 – Workers’ Compensation Claims Closure Initiative.
- LRP-3 – Agility Recovery Property Loss Recovery Program.
- LRP-4 – Additional Covered Party – Policy and Procedure
- LRP-5 – On-Line Education Multi-State Surety Initiative.
- LRP-6 – Student Placement Agreements
- LRP-7 – CSU / UC Workers’ Compensation Summit
- LRP-8 – Campus and AORMA Risk Program Benchmarking and Trend Analysis
- LRP-9 – Special Events Risk Management Manual
- LRP-10 – Insurance Policy Database

D7. Resolution Recognizing the Contributions

A motion was made to adopt the Resolutions recognizing the contributions of George Ashkar, Kurt Borsting, David Prenovost, Cynthia Teniente-Matson, Michael Thorpe and Patricia Worley.

- George Askhar – Resolution No. 03-15
- Kurt Borsting – Resolution No 04-15
- David Prenovost – Resolution No. 05-15
- Cynthia Teniente-Matson – Resolution No. 06-15
- Michael Thorpe – Resolution No. 07-15
- Patricia Worley – Resolution No. 08-15

MOTION: Kevin Saunders

SECOND: Mike Lee

MOTION CARRIED

E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS

E1. AORMA Programs Status Report

Guy Dalpe, the AORMA Vice-Chair, updated the Board on the recent activities of the AORMA Committee. The AORMA Committee is considering extending the term of the AORMA Committee Chair beyond the current one-year term. A dividend from the liability program of \$871,000 and from the workers' compensation of \$300,000 was declared. The AORMA Committee Member Services, Loss Control and Training Committee will be merged into the Programs Committee. A smart phone application is being reviewed which will include CSURMA's contract information.

F. CLOSED SESSION

There were no items scheduled for closed session.

G. INFORMATION ITEMS

G1. Program Administrator's Stewardship Report

Daniel Howell let the Board know that each year the Program Administrators prepare a Stewardship Report for the Board. The Stewardship Report describes the activities and accomplishments of CSURMA and its Program Administrators.

G2. California Fair Political Practices Commission – Statement of Economic Interest (Form 700) Electronic Filing

Daniel Howell explained that at its meeting on September 11, 2015, the Executive Committee approved a contract with SouthTech Systems as the platform which will be utilized by the Board members and applicable consultants to electronically complete and file their Statement of Economic Interest (Form 700) with the California FPPC.

Grant Gyulnazaryan, the Vice President and Chief Financial Officer of SouthTech Systems provided an online demonstration on how to file CSURMA related Form 700's going forward.

G3. On-Line Education Multi-State Surety Initiative

Zachary Gifford explained that California State University campuses offer online courses to students outside of California; i.e., distance learning. Because these educational tools have crossed state lines, an insurance bond is generally required by other state jurisdictions. The Executive Committee directed the Program Administrators to research the feasibility of securing a blanket bond covering all 23 campuses within the CSU. Current legislation is in the works which may make this issue moot. Staff will update the Board as additional information becomes available.

G4. Benchmarking Project Status

Zachary Gifford explained that at their March 2015 long range planning meeting, the CSURMA Executive Committee determined that CSURMA should establish a regular practice of benchmarking CSURMA performance to internal and external standards. CSURMA has joined the California Workers' Compensation Institute (CWCI), a statewide claims database that will allow CSURMA to evaluate program performance for the campuses and auxiliary organizations. The Chancellor's Office Systemwide Risk Management has begun the process of developing standards for a balanced scorecard approach that includes liability, property, workers' compensation and AIME program benchmarks. The Chancellor's Office Systemwide Risk Management is also looking to develop data sharing protocols with other universities, starting with the University of California.

The first CWCI report is expected by January 2016. The CWCI report results will allow staff to identify performance measures.

G5. Insurance Policy Database

Zachary Gifford explained that at its March 2015 long range planning meeting, the CSURMA Executive Committee determined that CSURMA should establish a database of insurance policy records for the California State University and participating auxiliary organizations. Staff has been investigating products specifically designed for insurance policy management. Staff expects that a recommendation will be presented to the CSURMA Executive Committee at their January 10, 2016 meeting.

G6. Development of Fine Arts, Archives and Artifacts Program

Robert Leong explained that at the September 11, 2015 meeting, the Executive Committee approved the addition of the Fine Arts, Archives and Artifacts sub-program to the Property Program. CSU has had a history of usually self-insuring personal property (i.e. building contents). Campuses have added “fine arts” coverage when required by exhibition loan agreements, and certain collections have been specifically insured. The fall 2015 launch of the New University Museum at San Francisco State University has highlighted the need for CSU to evaluate how it protects its fine arts, archives and artifacts. With the support of the CSU Systemwide Office of Risk Management, an interdisciplinary working group at SFSU has met with the Program Administrator to create an insurance program with broad coverage, including earthquake and water damage, very low deductibles, and automatic coverage for incoming and outgoing exhibitions.

The program is being called the “Fine Arts, Archives and Artifacts Program” (FAAAP). For purposes of administration and accounting, FAAAP will be classified by CSURMA as a sub-program of the Property Insurance Program, similar to the treatment of the Fidelity Insurance Program. It is expected to launch this winter with SFSU. All remaining campuses will be offered to participate by July 1, 2016.

G7. Student Placement Agreements

Zachary Gifford explained that the CSURMA Executive Committee adopted a Long Range Planning item that directs staff to develop more master agreements with student practicum hosting partners. A recent serious injury to a student teacher (non-CSU related) at a San Mateo County Schools Insurance Group insured school led to a movement by three large schools JPA’s to bar any student placements not including workers’ compensation coverage provided by a university of the placed students. The draft agreement being directed to numerous school districts was clearly unacceptable to CSU. To prevent adoption of an unacceptable agreement, Zachary Gifford and Daniel Howell met with leadership of the three JPA’s to agree on language that could be acceptable to school district insurers and the CSU. The sample agreements have been reviewed by CSU Office of General Counsel, finalized and are attached. It is expected that large school JPA’s throughout the state will be adopting the samples as their baseline for student teaching placements.

The CSU Systemwide Office of Risk Management will work with risk management and procurement professionals to communicate the approved language. Campuses and school districts are allowed to alter the terms of the sample agreements; however, modification of the insurance and indemnity terms should not be made without discussion with University Counsel and the Systemwide Office of Risk Management.

G8. CSURMA Administrative Service Calendar

Linda Hawk directed Board’s attention to the CSURMA Administrative Services Calendar contained in the agenda packet. She encouraged everyone to review the Administrative Services Calendar as part of their fiduciary responsibility as Board members.

G9. CSURMA Board of Directors and Staff Contact List

The Board was asked to review the attached Board of Directors contact information and provide Staff with revisions.

H. ADJOURNMENT

The meeting was adjourned at 11:57 A.M.

**CSURMA BOARD OF DIRECTORS MEETING
ATTENDANCE**

October 24, 2015

**CSU CHANCELLOR'S OFFICE, DUMKE ROOM
401 Golden Shore • Long Beach, CA**

10:30 AM

Board of Directors:

Campus Name	Representative	Present ✓	Alternate	Present ✓
CSU Bakersfield	Thom Davis	<i>✓ In Person</i>	Tim Ridley	<i>✓ In Person (non-voting)</i>
CSU Office of the Chancellor	Robert Eaton	<i>✓ In Person</i>	Vacant	
CSU Channel Islands	Katharine Hullinger	<i>✓ In Person</i>	Caroline J. Doll	
CSU Chico	Michael Thorpe	<i>Teleconference</i>	Lorraine B. Hoffman	
CSU Dominguez Hills	Stephen J. Mastro	<i>✓ In Person</i>	Jeff Wood	<i>✓ In Person</i>
CSU East Bay	Nyassa Love		Debbie Chaw	☐
CSU Fresno	Debbie Adishian-Astone		Lisa Kao	<i>✓ In Person</i>
CSU Fullerton	Lori Gentles		Michael Coughlin	<i>✓ In Person</i>
Humboldt State University	Michael Burghart	<i>Teleconference</i>	Joyce Lopes	
CSU Long Beach	Mary Stephens	<i>✓ In Person</i>	Felissa Waynick	
CSU Los Angeles	Lisa Chavez	<i>✓ In Person</i>	Kevin Brady	<i>✓ In Person (non-voting)</i>
California Maritime Academy	Vineeta Dhillon	<i>Teleconference</i>	Franz Lozano	
CSU Monterey Bay	Kevin Saunders	<i>✓ In Person</i>	Lenore Reed	
CSU Northridge	Daniela Cross	<i>✓ In Person</i>	Ron Norton / Jason Wang	
Cal Poly Pomona	Sharon Reiter	<i>✓ In Person</i>	Valerie Eberle	<i>✓ In Person (non-voting)</i>



California State University Risk Management Authority

DRAFT

CSU Sacramento	Mike Lee	<i>✓ In Person</i>	Kirtland Stout	<i>✓ In Person (non-voting)</i>
CSU San Bernardino	Jody Van Leuven	<i>✓ In Person</i>	Douglas R. Freer	
San Diego State University	Thomas McCarron		Jessica Rentto	<i>Teleconference</i>
San Francisco State University	Ronald Cortez		Jay Orendorff	<i>✓ In Person</i>
San Jose State University	Mark Loftus	<i>Teleconference</i>	Josee Larochele	<i>Teleconference (non-voting)</i>
Cal Poly (San Luis Obispo)	Dru Zachmeyer		David Ragsdale	
CSU San Marcos	Linda Hawk	<i>✓ In Person</i>	Erin Fullerton	<i>✓ In Person (non-voting)</i>
Sonoma State University	Tyson Hill	<i>Teleconference</i>	Nathan Johnson	
CSU Stanislaus	Amy Thomas	<i>Teleconference</i>	Douglas Dawes	

Campus Name	Representative	Present ✓
University Glen Corporation	Dave Nirenberg	
Fresno Association Inc., CSU Fresno	Keith Kompsi	<i>✓ In Person</i>
Humboldt State University Center	Dave Nakamura	<i>✓ In Person</i>
California State University, Long Beach Foundation	Brian Nowlin	
Forty-Niner Shops, Inc., CSU, Long Beach	Robert de Wit	
University Corporation, CSU Monterey Bay	Gigi Kiama	<i>✓ In Person</i>
University Enterprises, Inc. (UEI)	Jim Reinhart	<i>✓ In Person</i>
University Union Operation of CSUS, Inc.	Leslie Davis	<i>✓ In Person</i>
San Jose State University Research Foundation	Cheree Aguilar	<i>✓ In Person</i>
Associated Students, Inc., Cal Poly San Luis Obispo	Dwayne Brummett	<i>✓ In Person</i>
CSU Fullerton Auxiliary Services Corporation	Frank Mumford	
Cesar Chavez Student Center, San Francisco	Guy Dalpe	<i>✓ In Person</i>

Staff, Guests and/or Consultants Present:

Kelly Cox, CSU Office of the Chancellor
Zachary Gifford (Secretary/Auditor), CSU Office of the Chancellor
Tevea Him, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc.
William Hsu, CSU Office of General Counsel
Alice Kim, CSU Office of the Chancellor
Rob Leong, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.
Liezl Sangalang, KPMG
Rebecca Skidmore, CSU Office of the Chancellor
Mark Thomas, KPMG

CSURMA TREASURER'S REPORT

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 Board is asked to review the Quarterly Investment Report ending December 31, 2015. The CSURMA Treasurer will be on hand to answer questions.

RECOMMENDATION: Staff recommends the Board accept the Treasurer's Report, as presented at today's meeting.

FISCAL IMPACT: None.

BACKGROUND: The objective of reviewing the investment of funds is to assure that policies and procedures are in effect to protect and preserve the JPA's financial assets.

PUBLICATION: None.

ATTACHMENT(S):

- a. Certification of Funds Letter dated February 11, 2016
- b. Quarterly Investment Report Ending December 31, 2015



Officers

Linda Hawk
Chair - 760-750-4950

Dr. Ming Tung (Mike) Lee
Vice Chair - 916-278-6312

Robert Eaton
Treasurer - 562-951-4572

Zachary Gifford
Secretary-Auditor - 562-951-4568

To: Executive Committee
CSU Risk Management Authority

From: Robert Eaton *RE*
Treasurer
CSU Risk Management Authority

Re: Quarterly Investment Report
Ending December 31, 2015

Date: February 11, 2016

Government Code Section 53646(b)(1) requires the Authority's Treasurer to submit to the legislative body (Executive Committee), a quarterly investment report. Attached is the quarterly investment report ending December 31, 2015. The report contains a portfolio summary which includes market value, return, yield, weighted average maturity (WAM), and duration for each of CSURMA Investment Portfolios: Fixed Income Portfolio with TCW (Met West) and CSU's SWIFT Portfolio.

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

Robert Eaton
Treasurer
CSU Risk Management Authority

CSURMA

Quarterly Investment Report

October 1, 2015 - December 31, 2015

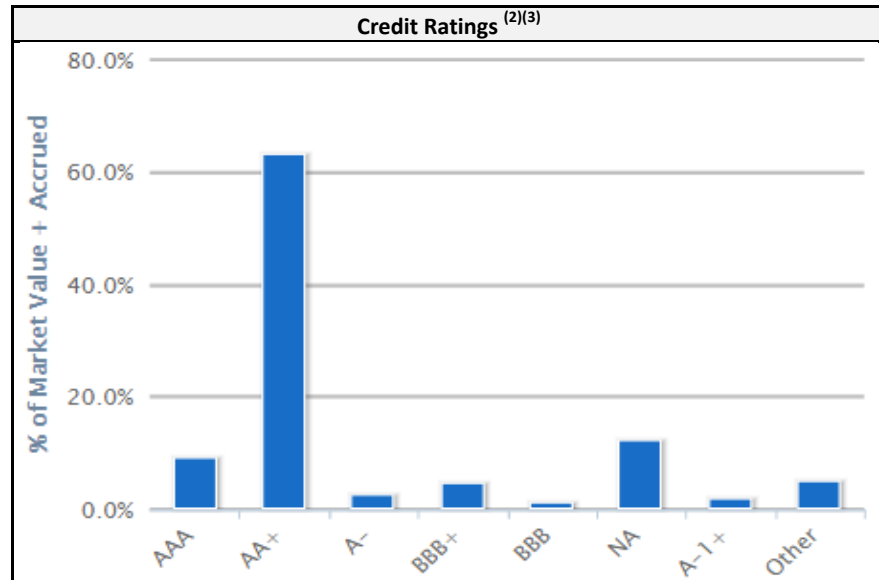
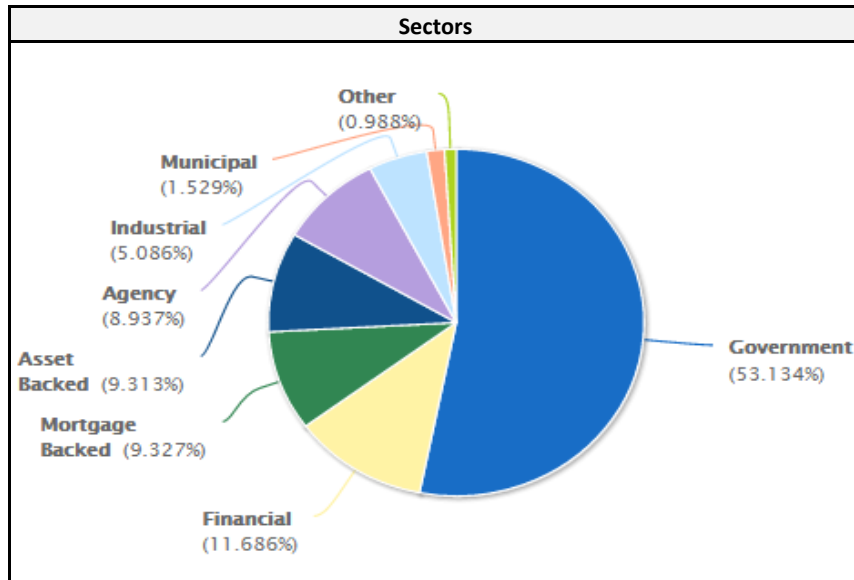
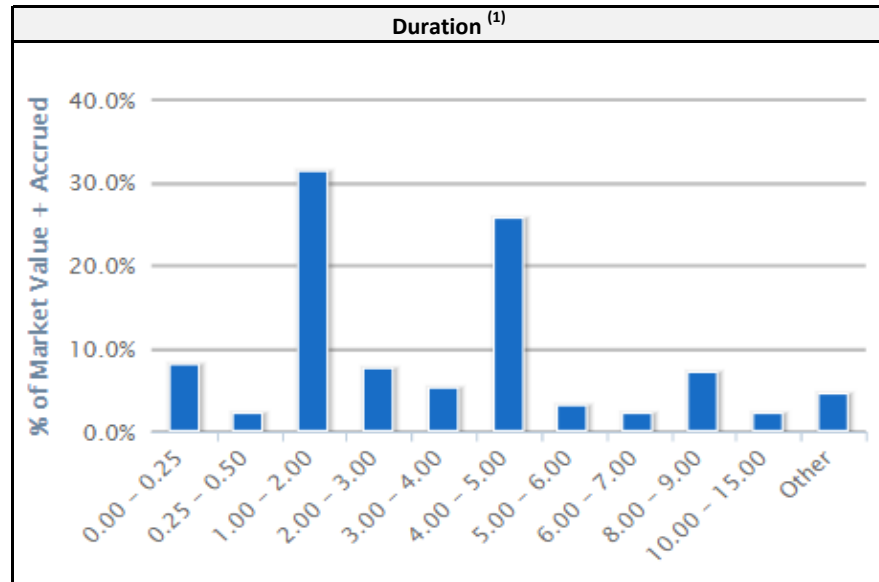
Prepared by Treasury

California State University Risk Management Authority

Fixed Income Portfolio (Auxiliary Investment Platform)

As of 12/31/2015

Portfolio Summary Total	
Total Assets	130,380,640
Duration	3.535
Yield	1.692
Avg Credit Rating	AA-/Aa3
QE Performance	-0.554%



⁽¹⁾ The Other category combines duration ranges and in aggregate equals 4.464% of the portfolio.

⁽²⁾ The Other category contains assets that do not fall within the top seven specific credit ratings. These assets make up 4.923% of the portfolio.

⁽³⁾ The NA category contains assets that do not have credit ratings available. These assets make up 12.359% of the portfolio.

California State University Risk Management Authority

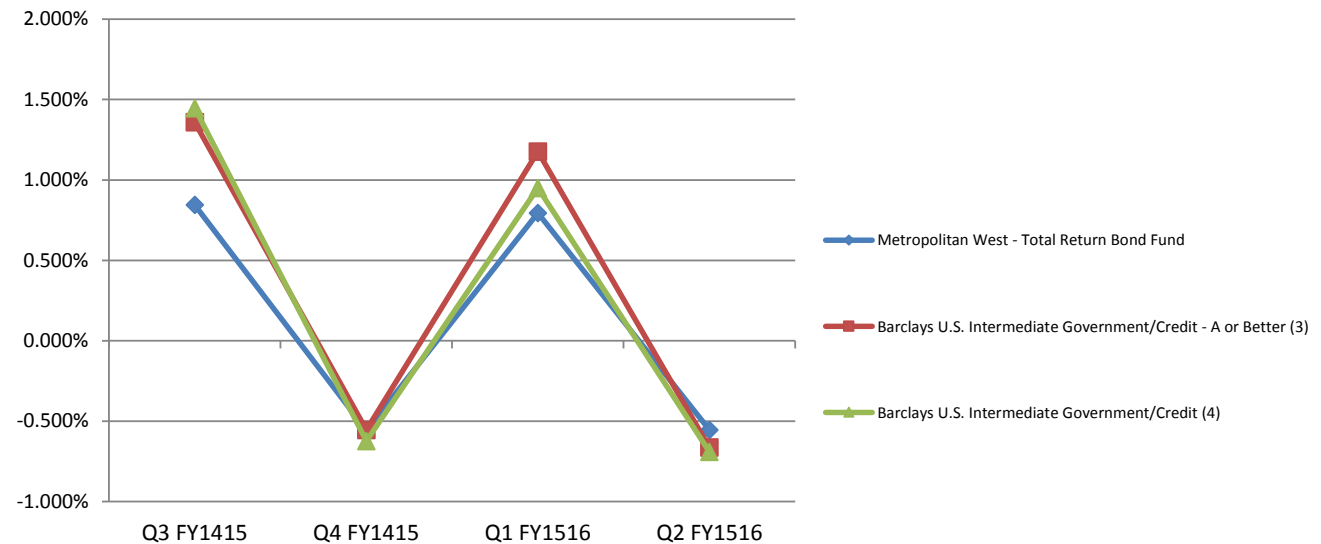
Fixed Income Portfolio (Auxiliary Investment Platform)

Performance Summary

Period Ending 12/31/2015

Account / Index	Market Value	3 Month ⁽¹⁾	Trailing 12 Month ⁽¹⁾	Trailing 3 Year ⁽¹⁾	Trailing 5 Year ⁽¹⁾	Since Inception ⁽¹⁾	Yield	WAM ⁽²⁾	Duration
	12/31/15	10/01/15 - 12/31/15	01/01/15 - 12/31/15	01/01/13 - 12/31/15	01/01/11 - 12/31/15	07/01/07 - 12/31/15			
Metropolitan West - Total Return Bond Fund	130,380,640	-0.554%	0.519%	0.732%	2.190%	3.976%	1.692	6.400	3.535
Barclays U.S. Intermediate Government/Credit - A or Better ⁽³⁾		-0.664%	1.306%	1.035%	2.366%	3.068%	1.738	4.130	3.850
Barclays U.S. Intermediate Government/Credit ⁽⁴⁾		-0.691%	1.069%	1.098%	2.578%	3.415%	2.058	4.296	3.969

Account / Index	Q3 FY1415	Q4 FY1415	Q1 FY1516	Q2 FY1516	Trailing 12 Month ⁽¹⁾
	01/01/15 - 03/31/15	04/01/15 - 06/30/15	07/01/15 - 09/30/15	10/01/15 - 12/31/15	01/01/15 - 12/31/15
Metropolitan West - Total Return Bond Fund	0.844%	-0.557%	0.794%	-0.554%	0.519%
Barclays U.S. Intermediate Government/Credit - A or Better ⁽³⁾	1.359%	-0.554%	1.177%	-0.664%	1.306%
Barclays U.S. Intermediate Government/Credit ⁽⁴⁾	1.447%	-0.623%	0.949%	-0.691%	1.069%



(1) Represents Total Return on the portfolio (Income Return plus Price Return)

(2) Weighted Average Maturity

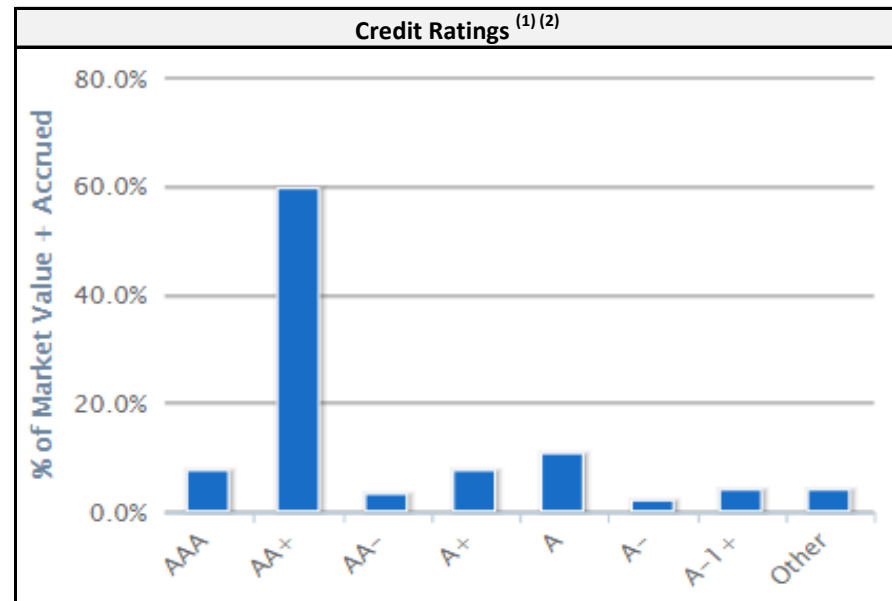
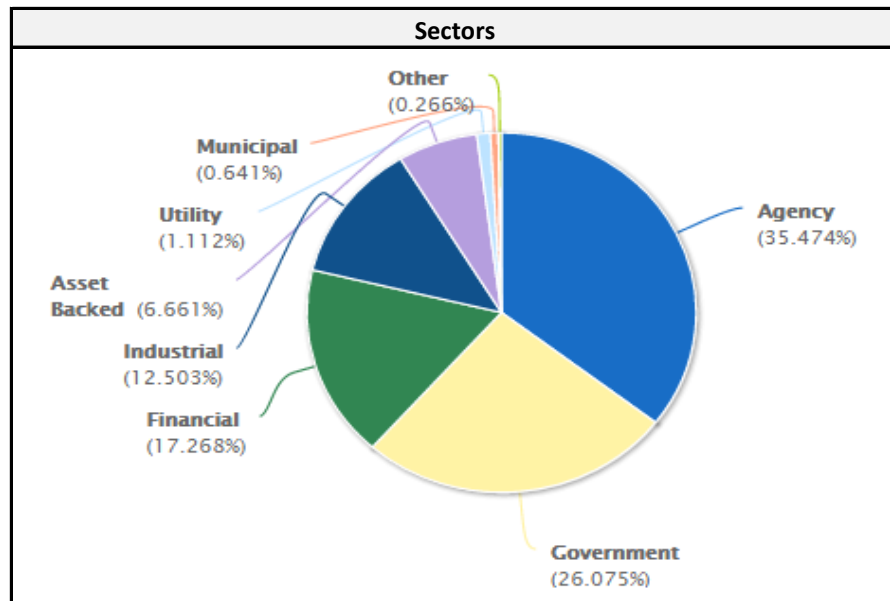
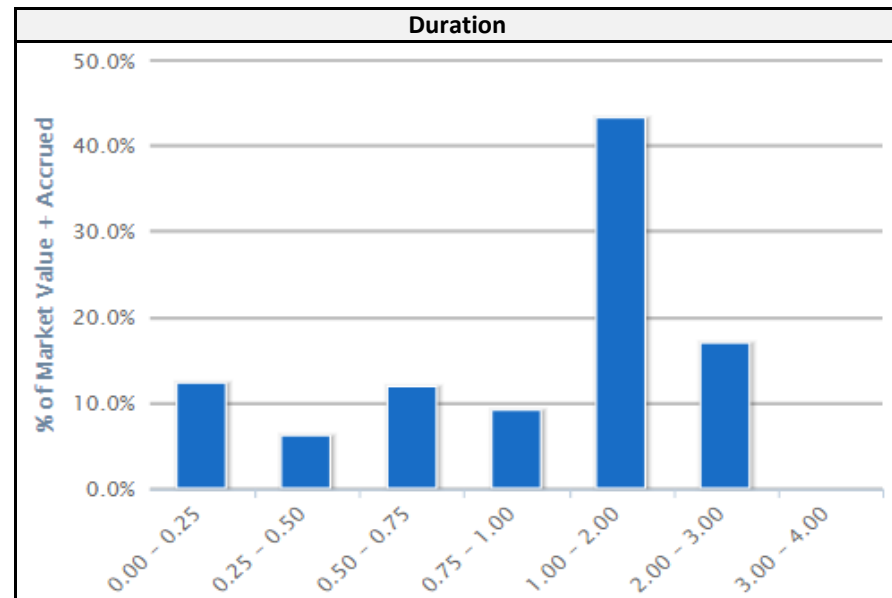
(3) Portfolio Benchmark as of 05/2014.

(4) Portfolio Benchmark prior to 05/2014.

California State University SWIFT Portfolio

As of 12/31/2015

Portfolio Summary Total	
Total Assets	50,891,708
Duration	1.261
Yield	1.026
Avg Credit Rating	AA-/Aa3
QE Performance	-0.200%



⁽¹⁾ The other bucket contains assets that do not fall within the top seven credit ratings. These assets make up 4.200% of the portfolio

⁽²⁾ Clearwater grouped short term A-1+ securities with long term securities into the AAA which they deemed comparable credit rating groupings. This has been requested to be parsed out for future reports

California State University Risk Management Authority

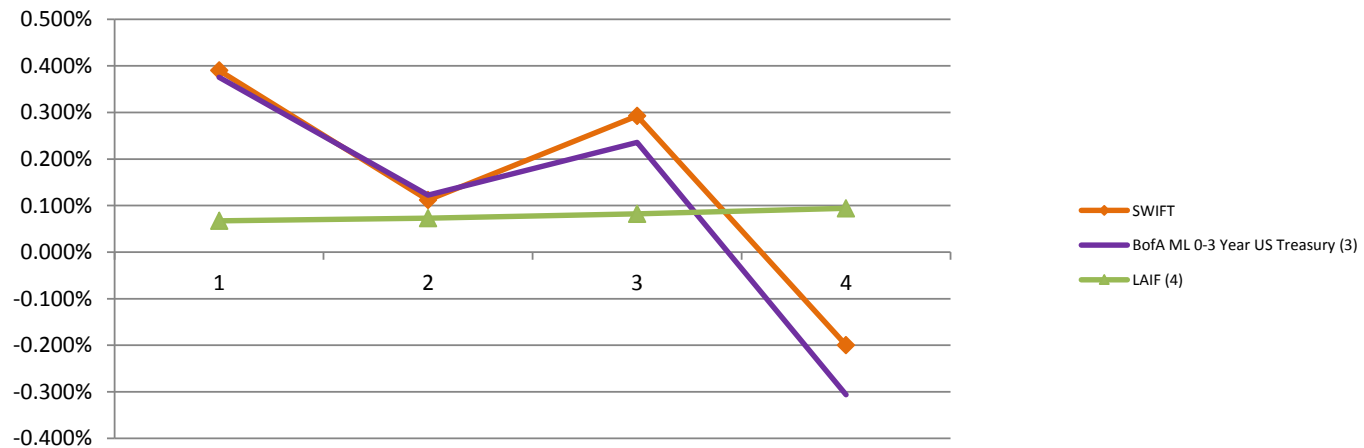
SWIFT Portfolio

Performance Summary

Period Ending 12/31/2015

Account / Index	Market Value	3 Month ⁽¹⁾	Trailing 12 Month ⁽¹⁾	Trailing 3 Year ⁽¹⁾	Trailing 5 Year ⁽¹⁾	Since Inception ⁽¹⁾	Yield	WAM ⁽²⁾	Duration
	12/31/15	10/01/15 - 12/31/15	01/01/15 - 12/31/15	01/01/13 - 12/31/15	01/01/11 - 12/31/15	07/01/07 - 12/31/15			
SWIFT - CSU Systemwide Investment Fund Trust	50,891,708	-0.200%	0.595%	0.553%	0.647%	1.305%	1.026	1.522	1.261
BofA ML 0-3 Year US Treasury ⁽³⁾		-0.306%	0.426%	0.394%	0.539%	1.730%	0.889	1.440	1.409
LAIF - Local Agency Investment Fund ⁽⁴⁾		0.094%	0.317%	0.276%	0.327%	1.071%	0.377		

Account / Index	Q3 FY1415	Q4 FY1415	Q1 FY1516	Q2 FY1516	Trailing 12 Month ⁽¹⁾
	01/01/15 - 03/31/15	04/01/15 - 06/30/15	07/01/15 - 09/30/15	10/01/15 - 12/31/15	01/01/15 - 12/31/15
SWIFT	0.390%	0.112%	0.293%	-0.200%	0.595%
BofA ML 0-3 Year US Treasury ⁽³⁾	0.376%	0.122%	0.235%	-0.306%	0.426%
LAIF ⁽⁴⁾	0.067%	0.073%	0.082%	0.094%	0.317%



(1) Represents Total Return on the portfolio (Income Return plus Price Return)

(2) Weighted Average Maturity

(3) SWIFT Portfolio Benchmark

(4) LAIF returns calculated by CSUCO Treasury

ADOPTION OF THE CSURMA'S CONFLICT OF INTEREST CODE

ISSUE: The Committee will be asked to review and approve its current Conflict of Interest Code.

RECOMMENDATION: Staff recommends that the Board approve the CSURMA Conflict of Interest Code as presented.

FISCAL IMPACT: None.

BACKGROUND: CSURMA is required to review and approve its Conflict of Interest Code every even numbered year. CSURMA's Conflict of Interest Code was amended in December, 2012 to revise the titles of those individuals required to complete the Form 700. No changes were recommended in 2014 and no changes are recommended for 2016.

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The FPPC requires a biennial examination of current programs to ensure that the CSURMA's code requires disclosure by agency officials who make or participate in making governmental decisions.

PUBLICATION: None.

ATTACHMENT(S):

- a. Conflict of Interest Code for the CSURMA

CONFLICT OF INTEREST CODE FOR THE CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

The Political Reform Act (Cal. Gov. Code Sect. 81000, *et seq.*) requires that state and local government agencies adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the conflict of interest of code of the CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY.

Designated positions shall file their statements with the California State University Risk Management Authority who will make the statements available for public inspection and reproduction. (Cal. Gov. Code Sect. 81000). Statements for all designated positions will be retained by the CALIFORNIA STATE UNIVERSITY MANAGEMENT AUTHORITY. Upon receipt of the statements, the **Authority** shall make and retain copies and forward the originals to the **Fair Political Practices Commission**. All original statements will be retained by the **Fair Political Practices Commission**.

**APPENDIX TO
CONFLICT OF INTEREST CODE OF THE
CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY**

Designated Positions* *:

Disclosure Category:

Members of the AORMA Committee	All
Attorney	All
Risk Management Consultant***	All
Secretary-Auditor	All
Claims Administrators* * *	All
Other Consultants * * *	All

Officials who manage public investments**:

It has been determined that the positions listed below manage public investments and will file a Statement of Economic Interest pursuant to California Government Code Section 87200:

- Members of Board of Directors
- Alternate Members of Board of Directors
- Members of Executive Committee
- Chair
- Vice-Chair
- Program Director* * *
- Treasurer

**Certain CSURMA employees and officers may hold more than one position. In the case of an employee or officer who holds two designated positions, that person need file only one economic disclosure statement covering both/all designated positions. In the case of an employee or official who holds a designated position or positions and is also classified as an official who manages public investments, that person need file only the Statement of Economic Disclosure required under California Government Code Section 57200 for both/all of his or her positions.

* * * With respect to consultants, the Chair of the CSURMA may determine in writing whether a particular consultant is hired to perform a range of duties which are limited in scope, and thus, is not required to comply with the disclosure requirements described in these categories. Such determination shall include a description of the consultant's duties, and, based on that description, a statement of the extent of disclosure requirements. The Chair shall forward a copy of this determination to the Fair Political Practices Commission. Nothing herein excuses any such consultant from any other provisions of this Conflict of Interest Code.

If these positions are held by business firms, the statement shall be filed by the individual in the firm who has primary responsibility for conducting the firm's business activities for the CSURMA.

Disclosure Categories

Persons designated to report in any of the following categories shall disclose relevant information concerning:

Category 1. Business entities which are the type to supply the CSURMA materials, products, supplies, commodities or equipment utilized by the CSURMA.

Category 2. Business entities which are the type to supply the CSURMA services, including professional services, utilized by the CSURMA.

Category 3. Business entities engaged in the business of insurance including, but not limited to, insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers and actuaries.

Category 4. Financial institutions including, but not limited to, banks, savings and loans

- (a) Investments in~
- (b) Sources of income from~ or
- (c) His or her status as a director, officer, partner, trustee, employee or any position of management in any business entities hereafter described.

associations and credit unions in which the CSURMA has deposited or invested funds during the year preceding the filing of the statement.

Category 5. Business entities which either have claims pending or during the year preceding the filing of the statement, filed a claim against the CSURMA or any member of the CSURMA.

ADOPTION OF THE FY 2016/17 CSURMA OPERATING BUDGET

ISSUE: CSURMA's operating budget is to be adopted each year by the Board of Directors for the upcoming fiscal period. CSURMA's next fiscal year begins on July 1, 2016. The Chancellor's Office Enterprise Accounting Services and the Program Administrators worked together to develop the proposed FY 2016/17 budget as attached herein. AORMA separately develops a budget for its coverage programs, which has been approved for inclusion in CSURMA's operating budget. The Executive Committee reviewed the proposed FY 2016/17 operating budget and recommends its adoption by the Board of Directors at today's meeting.

Major features of the proposed **Campus Programs** budget include:

- Increase in Total contributions from \$77,345,917 to \$78,818,221.
- Increase in Liability contributions from \$13,514,960 to \$14,240,860 due to actuarial projected claim trend.
- Slight increase in Workers' Compensation contributions from \$37,744,986 to \$37,823,215 (discounted) due to actuarial projected claim trend.
- No change in IDL/NDI/UI contributions from \$13,500,000 due to claims trend.
- Increase in Property contributions from \$8,000,000 to \$8,250,000 for new Fine Arts, Archives & Artifacts program (FAAAP). Premiums are subject to adjustment based on final reported total insured values (TIV).
- Increase in Auto Liability contributions from \$688,468 to \$845,823 per current Motor Vehicle Self-Insurance Account (MVIA) allocation for FY 15/16. Actual 2016/17 MVIA will be issued by DGS later this month.
- Increase in AIME contributions from \$3,897,503 to \$4,158,323 (discounted) per recommendation of the AIME Committee due to claims trend.

The proposed Campus programs operating budget would develop Total Revenues of \$74,233,215, Total Operating Expenses of \$74,538,120, and Total Non-Operating Revenues of \$2,127,765, generating Net Surplus of \$1,822,859 additions to retained earnings.

The preceding does not include Dividend Distributions during FY 2016/17, which, if any, will increase expenditures and decrease fund reserves.

Major features of the proposed **AORMA Programs** budget include:

- Slight decrease in Total contributions from \$13,427,580 to \$13,210,576.
- Increase in Liability contributions from \$3,831,957 to \$3,880,956 due to actuarial projected claim trend and projected reinsurance premiums.

- Liability Program Reinsurance Premiums increased from \$850,000 to \$1,400,000 based on marketing results (the reinsurance premiums are shown as negative operating revenues within the budget)
- Increase in Workers' Compensation contributions from \$4,496,250 to \$4,523,000 due to actuarial projected claim trend and projected excess insurance premium.
- Increase in Property contributions from \$2,204,231 to \$2,368,714 due to change in total insured values and expected insurance premiums. Premiums are subject to adjustment based on final reported total insured values (TIV) and final negotiated rates.
- Increase in Crime from \$299,468 to \$310,552 due to claims experience.
- Decrease in Unemployment Insurance contributions of \$2,595,674 to \$2,127,354 due to claims trend.

The proposed AORMA programs operating budget would develop Total Operating Revenues of \$10,131,576 Total Operating Expenses of \$11,494,635, and Total Non-Operating Revenues of \$350,975, generating a deficit \$1,012,083 to be funded by retained earnings.

Staff will be present at today's meeting to review the proposed budget.

RECOMMENDATION: The Board is asked to adopt the proposed budget for FY 2016/17 as presented.

FISCAL IMPACT: The proposed operating budget would develop Total Operating Revenues of \$91,123,123, Total Operating Expenses of \$89,432,357, and Total Non-Operating Revenues of \$2,500,000, generating Net Surplus of \$4,190,766 to be added to retained earnings. *The preceding does not include Campus Dividend Distributions, which if any, will increase expenditures and decrease fund reserves.*

BACKGROUND: The proposed budget is detailed by program in the draft document included with the agenda packet.

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft FY 2016/17 CSURMA Budget of Revenues and Expenses
- b. Resolution #01-16 (BOD) – Adopting CSURMA Operating Budget FY 2016/17

CSURMA

Cash Flow Budget of Revenues and Expenses Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

Executive Committee and Board of Directors
May 6, 2016

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

TOTAL: ALL FUNDS

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	97,531,829	98,787,129	1,255,300
Reinsurance Premiums	-7,114,006	-7,664,006	-550,000
Total Operating Revenues	<u>90,417,823</u>	<u>91,123,123</u>	<u>705,300</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	62,792,191	59,479,626	-3,312,565
Deductible Recoveries	-5,381,360	-5,381,360	0
Claims Administrators	4,783,683	4,492,631	-291,052
Management Information System	35,000	85,000	50,000
Program Administrators	2,559,903	2,592,251	32,348
Brokerage Commissions & Fees	1,290,820	1,290,820	0
Insurance Premiums (net of brokerage)	38,192,443	38,442,443	250,000
Taxes, Assessments & Fees	265,500	265,500	0
Actuarial Services	56,000	386,000	330,000
Claims Audit	22,000	22,000	0
Coverage Counsel	16,000	16,000	0
Program Legal	2,500	24,500	22,000
Miscellaneous Program Services	171,755	10,000	-161,755
Workshop/Training Expenses	219,000	329,000	110,000
Loss Control Expenses	1,002,399	1,064,466	62,067
Appraisals	0	0	0
Reinsurance Recovery	-18,353,854	-16,452,994	1,900,860
Program Committee	30,688	0	-30,688
Dividend Distributions	9,671,883	1,171,524	-8,500,359
Total Direct Program Expenses	<u>97,376,551</u>	<u>87,837,407</u>	<u>-9,539,144</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

TOTAL: ALL FUNDS

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	43,000	43,000	0
Executive Committee & Board Expenses	34,000	34,000	0
JPA Insurance	27,500	27,500	0
Memberships, Associations & Dues	7,450	7,450	0
Chancellor's Office Accounting Services	345,000	350,000	5,000
Chancellor's Office Risk Management Service	1,004,914	1,013,000	8,086
JPA Accreditation	0	0	0
JPA Legal	105,000	105,000	0
Miscellaneous Expenses	15,000	15,000	0
Total General & Administrative Expenses	<u>1,581,864</u>	<u>1,594,950</u>	<u>13,086</u>
Total Operating Expenses	<u>98,958,415</u>	<u>89,432,357</u>	<u>-9,526,058</u>
Non-Operating Revenues			
Investment Income	2,500,000	2,500,000	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>
Net Surplus (Deficit)	<u>-6,040,592</u>	<u>4,190,766</u>	
Beginning Retained Earnings	66,061,048	60,020,455	
Ending Retained Earnings	60,020,455	64,211,221	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Draft 9

GENERAL FUND

**To allocate General Expenses
across All Program Funds**

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	0	0	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Draft 9

GENERAL FUND

**To allocate General Expenses
across All Program Funds**

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget Change
Total Direct Program Expenses	<u>0</u>	<u>0</u>	<u>0</u>
General & Administrative Expenses			
Financial Audit	43,000	43,000	0
Executive Committee & Board Expenses	34,000	34,000	0
JPA Insurance	27,500	27,500	0
Memberships, Associations & Dues	7,450	7,450	0
Chancellor's Office Accounting Services	345,000	350,000	5,000
Chancellor's Office Risk Management Service	1,004,914	1,013,000	8,086
JPA Accreditation	0	0	0
JPA Legal	105,000	105,000	0
Miscellaneous Expenses	15,000	15,000	0
Total General & Administrative Expenses	<u>1,581,864</u>	<u>1,594,950</u>	<u>13,086</u>
Total Operating Expenses	<u>1,581,864</u>	<u>1,594,950</u>	<u>13,086</u>
Non-Operating Revenues			
Investment Income	2,500,000	2,500,000	0
Interest Income - Loans (separate fund)	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

TOTAL: CAMPUS PROGRAMS

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	77,345,917	78,818,221	1,472,304
Reinsurance Premiums	-4,585,006	-4,585,006	0
Total Operating Revenues	<u>72,760,911</u>	<u>74,233,215</u>	<u>1,472,304</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	57,544,296	53,123,917	-4,420,379
Deductible Recoveries	-5,331,360	-5,331,360	0
Claims Administrators	4,529,795	4,223,978	-305,817
Management Information System	35,000	74,984	39,984
Program Administrators	1,013,001	1,045,349	32,348
Brokerage Commissions & Fees	1,175,981	1,175,981	0
Insurance Premiums (net of brokerage)	32,214,172	32,464,172	250,000
Taxes, Assessments & Fees	200,000	200,000	0
Actuarial Services	45,000	318,906	273,906
Claims Audit	12,000	12,000	0
Coverage Counsel	10,000	10,000	0
Program Legal	0	22,000	22,000
Miscellaneous Program Services	170,004	8,551	-161,453
Workshop/Training Expenses	170,848	281,653	110,805
Loss Control Expenses	733,452	782,918	49,467
Appraisals	0	0	0
Reinsurance Recovery	-11,621,856	-15,150,355	-3,528,499
Program Committee	2,000	0	-2,000
Dividend Distributions	8,500,359	0	-8,500,359
Total Direct Program Expenses	<u>89,402,692</u>	<u>73,262,694</u>	<u>-16,139,997</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

TOTAL: CAMPUS PROGRAMS

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	33,996	34,386	390
Executive Committee & Board Expenses	26,880	27,189	308
JPA Insurance	21,741	21,991	249
Memberships, Associations & Dues	5,890	5,958	68
Chancellor's Office Accounting Services	272,756	279,883	7,127
Chancellor's Office Risk Management Service	794,482	810,061	15,579
JPA Accreditation	0	0	0
JPA Legal	83,013	83,965	952
Miscellaneous Expenses	11,859	11,995	136
Total General & Administrative Expenses	<u>1,250,617</u>	<u>1,275,426</u>	<u>24,809</u>
Total Operating Expenses	<u>90,653,309</u>	<u>74,538,120</u>	<u>-16,115,189</u>
Non-Operating Revenues			
Investment Income	2,155,798	2,127,765	-28,033
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,155,798</u>	<u>2,127,765</u>	<u>-28,033</u>
Net Surplus (Deficit)	<u>-15,736,600</u>	<u>1,822,859</u>	
Beginning Retained Earnings	49,880,404	34,143,804	
Ending Retained Earnings	34,143,804	35,966,663	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS LIABILITY PROGRAM

(Fund 10)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,514,960	14,240,860	725,900
Reinsurance Premiums	-170,000	-170,000	0
Total Operating Revenues	<u>13,344,960</u>	<u>14,070,860</u>	<u>725,900</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	15,547,871	9,937,699	-5,610,172
Deductible Recoveries	-5,331,360	-5,331,360	0
Claims Administrators	81,909	88,600	6,691
Management Information System	35,000	42,303	7,303
Program Administrators	204,172	176,494	-27,678
Brokerage Commissions & Fees	317,819	317,819	0
Insurance Premiums (net of brokerage)	3,691,323	3,691,323	0
Taxes, Assessments & Fees	200,000	200,000	0
Actuarial Services	36,000	86,027	50,027
Claims Audit	10,000	10,000	0
Coverage Counsel	10,000	10,000	0
Program Legal	0	22,000	22,000
Miscellaneous Program Services	152,506	1,562	-150,944
Workshop/Training Expenses	47,051	75,638	28,587
Loss Control Expenses	480,967	495,687	14,721
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	5,038,862	0	-5,038,862
Total Direct Program Expenses	<u>20,522,120</u>	<u>9,823,792</u>	<u>-10,698,328</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS LIABILITY PROGRAM

(Fund 10)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	6,019	6,280	262
Executive Committee & Board Expenses	4,759	4,966	207
JPA Insurance	3,849	4,016	167
Memberships, Associations & Dues	1,043	1,088	45
Chancellor's Office Accounting Services	48,289	51,118	2,829
Chancellor's Office Risk Management Service	140,657	147,949	7,293
JPA Accreditation	0	0	0
JPA Legal	14,697	15,335	639
Miscellaneous Expenses	2,100	2,191	91
Total General & Administrative Expenses	<u>221,411</u>	<u>232,943</u>	<u>11,532</u>
Total Operating Expenses	<u>20,743,531</u>	<u>10,056,736</u>	<u>-10,686,795</u>
Non-Operating Revenues			
Investment Income	560,194	562,159	1,965
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>560,194</u>	<u>562,159</u>	<u>1,965</u>
Net Surplus (Deficit)	<u>-6,838,377</u>	<u>4,576,284</u>	
Beginning Retained Earnings	17,289,228	10,450,851	
Ending Retained Earnings	10,450,851	15,027,135	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS WORKERS' COMPENSATION PROGRAM

(Fund 11)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	37,744,986	37,823,215	78,229
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>37,744,986</u>	<u>37,823,215</u>	<u>78,229</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	22,139,260	23,686,074	1,546,814
Deductible Recoveries	0	0	0
Claims Administrators	4,132,886	3,880,378	-252,508
Management Information System	0	19,396	19,396
Program Administrators	415,409	474,710	59,301
Brokerage Commissions & Fees	413,662	413,662	0
Insurance Premiums (net of brokerage)	24,146,033	24,146,033	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,000	138,867	132,867
Claims Audit	2,000	2,000	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	12,705	4,148	-8,557
Workshop/Training Expenses	66,129	168,276	102,147
Loss Control Expenses	196,132	231,385	35,253
Appraisals	0	0	0
Reinsurance Recovery	-11,621,856	-15,150,355	-3,528,499
Program Committee	0	0	0
Dividend Distributions	3,461,497	0	-3,461,497
Total Direct Program Expenses	<u>43,369,857</u>	<u>38,014,574</u>	<u>-5,355,283</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS WORKERS' COMPENSATION PROGRAM

(Fund 11)

<i>Amended</i>	<i>Proposed</i>	
FY 15/16	FY 16/17	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

General & Administrative Expenses

Financial Audit	16,809	16,680	-129
Executive Committee & Board Expenses	13,291	13,189	-102
JPA Insurance	10,750	10,667	-83
Memberships, Associations & Dues	2,912	2,890	-22
Chancellor's Office Accounting Services	134,864	135,767	903
Chancellor's Office Risk Management Service	392,830	392,948	118
JPA Accreditation	0	0	0
JPA Legal	41,045	40,730	-315
Miscellaneous Expenses	5,864	5,819	-45
Total General & Administrative Expenses	<u>618,365</u>	<u>618,690</u>	<u>325</u>
Total Operating Expenses	<u>43,988,221</u>	<u>38,633,263</u>	<u>-5,354,958</u>

Non-Operating Revenues

Investment Income	1,303,274	1,225,509	-77,765
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>1,303,274</u>	<u>1,225,509</u>	<u>-77,765</u>

Net Surplus (Deficit) **-4,939,961** **415,461**

Beginning Retained Earnings 21,537,093 16,597,132
Ending Retained Earnings 16,597,132 17,012,593

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS IDL NDL UI PROGRAM *

(Fund 12)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,500,000	13,500,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>13,500,000</u>	<u>13,500,000</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	13,500,000	13,000,000	-500,000
Deductible Recoveries	0	0	0
Claims Administrators	60,000	60,000	0
Management Information System	0	6,923	6,923
Program Administrators	175,120	170,408	-4,712
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	47,424	47,424
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	2,504	1,481	-1,023
Workshop/Training Expenses	23,652	23,424	-228
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>13,761,276</u>	<u>13,309,660</u>	<u>-451,616</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS IDL NDL UI PROGRAM *

(Fund 12)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	6,012	5,953	-59
Executive Committee & Board Expenses	4,754	4,707	-46
JPA Insurance	3,845	3,807	-37
Memberships, Associations & Dues	1,042	1,031	-10
Chancellor's Office Accounting Services	48,236	48,458	223
Chancellor's Office Risk Management Service	140,501	140,252	-248
JPA Accreditation	0	0	0
JPA Legal	14,680	14,538	-143
Miscellaneous Expenses	2,097	2,077	-20
Total General & Administrative Expenses	<u>221,166</u>	<u>220,825</u>	<u>-341</u>
Total Operating Expenses	<u>13,982,442</u>	<u>13,530,485</u>	<u>-451,957</u>
Non-Operating Revenues			
Investment Income	130,520	134,264	3,743
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>130,520</u>	<u>134,264</u>	<u>3,743</u>
Net Surplus (Deficit)	<u>-351,922</u>	<u>103,779</u>	
Beginning Retained Earnings	1,716,222	1,364,300	
Ending Retained Earnings	1,364,300	1,468,079	

* Industrial Disability, Non-industrial Disability, Unemployment Insurance

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS PROPERTY PROGRAM

(Fund 13)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	8,000,000	8,250,000	250,000
Reinsurance Premiums	-4,415,006	-4,415,006	0
Total Operating Revenues	<u>3,584,994</u>	<u>3,834,994</u>	<u>250,000</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	3,363,266	3,363,266	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	4,230	4,230
Program Administrators	208,176	213,307	5,131
Brokerage Commissions & Fees	442,500	442,500	0
Insurance Premiums (net of brokerage)	3,511,193	3,761,193	250,000
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	28,980	28,980
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,891	905	-986
Workshop/Training Expenses	14,016	14,315	299
Loss Control Expenses	56,353	55,846	-507
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>7,597,395</u>	<u>7,884,542</u>	<u>287,147</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS PROPERTY PROGRAM

(Fund 13)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	3,563	3,638	76
Executive Committee & Board Expenses	2,817	2,877	60
JPA Insurance	2,278	2,327	48
Memberships, Associations & Dues	617	630	13
Chancellor's Office Accounting Services	28,584	29,613	1,029
Chancellor's Office Risk Management Service	83,260	85,710	2,450
JPA Accreditation	0	0	0
JPA Legal	8,700	8,884	185
Miscellaneous Expenses	1,243	1,269	26
Total General & Administrative Expenses	<u>131,062</u>	<u>134,949</u>	<u>3,887</u>
Total Operating Expenses	<u>7,728,457</u>	<u>8,019,490</u>	<u>291,034</u>
Non-Operating Revenues			
Investment Income	110,920	142,612	31,692
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>110,920</u>	<u>142,612</u>	<u>31,692</u>
Net Surplus (Deficit)	<u>-4,032,543</u>	<u>-4,041,885</u>	
Beginning Retained Earnings	8,356,648	4,324,105	
Ending Retained Earnings	4,324,105	282,220	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS ATHLETIC INJURY MEDICAL EXPENSE

(Fund 14)

	<i>Amended</i>	<i>Proposed</i>	
	FY 15/16	FY 16/17	Budget
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Operating Revenues			
Contributions	3,897,503	4,158,323	260,820
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>3,897,503</u>	<u>4,158,323</u>	<u>260,820</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,993,899	3,136,878	142,979
Deductible Recoveries	0	0	0
Claims Administrators	255,000	195,000	-60,000
Management Information System	0	2,132	2,132
Program Administrators	10,124	10,430	306
Brokerage Commissions & Fees	2,000	2,000	0
Insurance Premiums (net of brokerage)	19,800	19,800	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	3,000	17,608	14,608
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	399	456	57
Workshop/Training Expenses	20,000	0	-20,000
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	2,000	0	-2,000
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>3,306,222</u>	<u>3,384,304</u>	<u>78,082</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS ATHLETIC INJURY MEDICAL EXPENSE

(Fund 14)

<i>Amended</i>	<i>Proposed</i>	
FY 15/16	FY 16/17	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

General & Administrative Expenses

Financial Audit	1,593	1,834	241
Executive Committee & Board Expenses	1,260	1,450	190
JPA Insurance	1,019	1,173	154
Memberships, Associations & Dues	276	318	42
Chancellor's Office Accounting Services	12,783	14,926	2,143
Chancellor's Office Risk Management Service	37,235	43,201	5,966
JPA Accreditation	0	0	0
JPA Legal	3,891	4,478	587
Miscellaneous Expenses	556	640	84
Total General & Administrative Expenses	<u>58,613</u>	<u>68,019</u>	<u>9,406</u>
Total Operating Expenses	<u>3,364,835</u>	<u>3,452,323</u>	<u>87,489</u>

Non-Operating Revenues

Investment Income	50,889	63,221	12,332
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>50,889</u>	<u>63,221</u>	<u>12,332</u>

Net Surplus (Deficit) **583,557** **769,221**

Beginning Retained Earnings 981,214 1,564,771
Ending Retained Earnings 1,564,771 2,333,992

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS AUTO LIABILITY PROGRAM *

(Fund 15)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	688,468	845,823	157,355
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>688,468</u>	<u>845,823</u>	<u>157,355</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	845,823	845,823	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>845,823</u>	<u>845,823</u>	<u>0</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CAMPUS AUTO LIABILITY PROGRAM *

(Fund 15)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>845,823</u>	<u>845,823</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net Surplus (Deficit)	<u>-157,355</u>	<u>0</u>	
Beginning Retained Earnings	0	-157,355	
Ending Retained Earnings	-157,355	-157,355	

* Vehicle Liability Self-Insurance Program
State Motor Vehicle Self-Insurance Account

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

TOTAL: AORMA PROGRAMS

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,427,580	13,210,576	-217,004
Reinsurance Premiums	-2,529,000	-3,079,000	-550,000
Total Operating Revenues	<u>10,898,580</u>	<u>10,131,576</u>	<u>-767,004</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,143,313	6,251,127	1,107,814
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	248,888	263,653	14,765
Management Information System	0	6,774	6,774
Program Administrators	1,274,402	1,274,402	0
Brokerage Commissions & Fees	62,182	62,182	0
Insurance Premiums (net of brokerage)	3,138,240	3,138,240	0
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	11,000	48,937	37,937
Claims Audit	10,000	10,000	0
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	1,751	1,449	-302
Workshop/Training Expenses	48,152	47,347	-805
Loss Control Expenses	268,948	281,548	12,600
Appraisals	0	0	0
Reinsurance Recovery	-6,731,998	-1,302,639	5,429,359
Program Committee	28,688	0	-28,688
Dividend Distributions	1,171,524	1,171,524	0
Total Direct Program Expenses	<u>4,699,089</u>	<u>11,278,544</u>	<u>6,579,454</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

TOTAL: AORMA PROGRAMS

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	6,188	5,826	-363
Executive Committee & Board Expenses	4,893	4,606	-287
JPA Insurance	3,958	3,726	-232
Memberships, Associations & Dues	1,072	1,009	-63
Chancellor's Office Accounting Services	49,651	47,420	-2,231
Chancellor's Office Risk Management Service	144,622	137,246	-7,376
JPA Accreditation	0	0	0
JPA Legal	15,111	14,226	-885
Miscellaneous Expenses	2,159	2,032	-126
Total General & Administrative Expenses	<u>227,654</u>	<u>216,091</u>	<u>-11,563</u>
Total Operating Expenses	<u>4,926,743</u>	<u>11,494,635</u>	<u>6,567,892</u>
Non-Operating Revenues			
Investment Income	342,933	350,975	8,042
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>342,933</u>	<u>350,975</u>	<u>8,042</u>
Net Surplus (Deficit)	<u>6,314,770</u>	<u>-1,012,083</u>	
Beginning Retained Earnings	12,963,580	19,278,350	
Ending Retained Earnings	19,278,350	18,266,267	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	3,831,957	3,880,956	48,999
Reinsurance Premiums	-850,000	-1,400,000	-550,000
Total Operating Revenues	<u>2,981,957</u>	<u>2,480,956</u>	<u>-501,001</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,157,383	1,700,777	543,394
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	15,000	15,000	0
Management Information System	0	1,990	1,990
Program Administrators	596,230	596,230	0
Brokerage Commissions & Fees	39,939	39,939	0
Insurance Premiums (net of brokerage)	404,339	404,339	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,000	16,145	11,145
Claims Audit	5,000	5,000	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	427	426	-1
Workshop/Training Expenses	18,477	18,447	-30
Loss Control Expenses	118,199	122,095	3,896
Appraisals	0	0	0
Reinsurance Recovery	-5,993,779	0	5,993,779
Program Committee	8,619	0	-8,619
Dividend Distributions	871,524	871,524	0
Total Direct Program Expenses	<u>-2,796,142</u>	<u>3,749,411</u>	<u>6,545,553</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,669	1,711	43
Executive Committee & Board Expenses	1,320	1,353	34
JPA Insurance	1,067	1,095	27
Memberships, Associations & Dues	289	297	7
Chancellor's Office Accounting Services	13,389	13,931	541
Chancellor's Office Risk Management Service	39,001	40,320	1,319
JPA Accreditation	0	0	0
JPA Legal	4,075	4,179	104
Miscellaneous Expenses	582	597	15
 Total General & Administrative Expenses	 <u>61,392</u>	 <u>63,482</u>	 <u>2,090</u>
 Total Operating Expenses	 <u>-2,734,750</u>	 <u>3,812,894</u>	 <u>6,547,644</u>
 Non-Operating Revenues			
Investment Income	107,283	98,507	-8,776
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>107,283</u>	 <u>98,507</u>	 <u>-8,776</u>
 Net Surplus (Deficit)	 <u>5,823,990</u>	 <u>-1,233,431</u>	
 Beginning Retained Earnings	 2,523,912	 8,347,902	
Ending Retained Earnings	8,347,902	7,114,471	

Includes Cyber Risk Liability

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	4,496,250	4,523,000	26,750
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,496,250</u>	<u>4,523,000</u>	<u>26,750</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,671,580	3,236,000	564,420
Deductible Recoveries	0	0	0
Claims Administrators	205,000	219,765	14,765
Management Information System	0	2,319	2,319
Program Administrators	351,636	351,636	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	2,483,349	2,483,349	0
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	6,000	18,989	12,989
Claims Audit	5,000	5,000	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	756	496	-260
Workshop/Training Expenses	13,905	14,011	106
Loss Control Expenses	135,222	138,985	3,763
Appraisals	0	0	0
Reinsurance Recovery	-738,219	-1,302,639	-564,420
Program Committee	9,906	0	-9,906
Dividend Distributions	300,000	300,000	0
Total Direct Program Expenses	<u>5,510,634</u>	<u>5,534,411</u>	<u>23,776</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,998	1,995	-3
Executive Committee & Board Expenses	1,580	1,577	-3
JPA Insurance	1,278	1,276	-2
Memberships, Associations & Dues	346	346	-1
Chancellor's Office Accounting Services	16,031	16,235	204
Chancellor's Office Risk Management Service	46,696	46,990	294
JPA Accreditation	0	0	0
JPA Legal	4,879	4,871	-8
Miscellaneous Expenses	697	696	-1
 Total General & Administrative Expenses	 <u>73,505</u>	 <u>73,985</u>	 <u>479</u>
 Total Operating Expenses	 <u>5,584,139</u>	 <u>5,608,395</u>	 <u>24,256</u>
 Non-Operating Revenues			
Investment Income	172,862	159,993	-12,870
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>172,862</u>	 <u>159,993</u>	 <u>-12,870</u>
 Net Surplus (Deficit)	 <u>-915,027</u>	 <u>-925,402</u>	
 Beginning Retained Earnings	 3,966,235	 3,051,208	
Ending Retained Earnings	3,051,208	2,125,806	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	2,204,231	2,368,714	164,483
Reinsurance Premiums	-1,679,000	-1,679,000	0
Total Operating Revenues	<u>525,231</u>	<u>689,714</u>	<u>164,483</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	1,215	1,215
Program Administrators	254,828	254,828	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	21,000	21,000	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	6,802	6,802
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	246	260	14
Workshop/Training Expenses	6,817	7,338	521
Loss Control Expenses	15,527	18,219	2,692
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	5,707	0	-5,707
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>554,124</u>	<u>559,661</u>	<u>5,538</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,050	1,045	-5
Executive Committee & Board Expenses	830	826	-4
JPA Insurance	671	668	-3
Memberships, Associations & Dues	182	181	-1
Chancellor's Office Accounting Services	8,422	8,503	81
Chancellor's Office Risk Management Service	24,530	24,609	78
JPA Accreditation	0	0	0
JPA Legal	2,563	2,551	-12
Miscellaneous Expenses	366	364	-2
 Total General & Administrative Expenses	 <u>38,614</u>	 <u>38,746</u>	 <u>132</u>
 Total Operating Expenses	 <u>592,738</u>	 <u>598,407</u>	 <u>5,670</u>
Non-Operating Revenues			
Investment Income	17,283	25,418	8,135
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>17,283</u>	 <u>25,418</u>	 <u>8,135</u>
 Net Surplus (Deficit)	 <u>-50,224</u>	 <u>116,725</u>	
 Beginning Retained Earnings	 1,695,428	 1,645,204	
Ending Retained Earnings	1,645,204	1,761,929	

* AORMA Property includes Cyber Risk and ID Fraud; AORMA Fidelity is Crime only.

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	299,468	310,552	11,084
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>299,468</u>	<u>310,552</u>	<u>11,084</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	50,000	50,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	159	159
Program Administrators	24,432	24,432	0
Brokerage Commissions & Fees *	22,243	22,243	0
Insurance Premiums	229,552	229,552	0
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	892	892
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	33	34	1
Workshop/Training Expenses	926	962	36
Loss Control Expenses	0	286	286
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	394	0	-394
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>327,580</u>	<u>328,561</u>	<u>980</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	138	137	-1
Executive Committee & Board Expenses	109	108	-1
JPA Insurance	88	88	-1
Memberships, Associations & Dues	24	24	0
Chancellor's Office Accounting Services	1,108	1,115	7
Chancellor's Office Risk Management Service	3,226	3,226	0
JPA Accreditation	0	0	0
JPA Legal	337	334	-3
Miscellaneous Expenses	48	48	0
 Total General & Administrative Expenses	 <u>5,079</u>	 <u>5,080</u>	 <u>1</u>
 Total Operating Expenses	 <u>332,659</u>	 <u>333,640</u>	 <u>982</u>
Non-Operating Revenues			
Investment Income	3,437	4,686	1,249
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>3,437</u>	 <u>4,686</u>	 <u>1,249</u>
 Net Surplus (Deficit)	 <u>-29,754</u>	 <u>-18,403</u>	
 Beginning Retained Earnings	 329,070	 299,316	
Ending Retained Earnings	299,316	280,914	

* AORMA Crime separated from AORMA Property beginning July 1, 2011

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	2,595,674	2,127,354	-468,320
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,595,674</u>	<u>2,127,354</u>	<u>-468,320</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,014,350	1,014,350	0
Deductible Recoveries	0	0	0
Claims Administrators	28,888	28,888	0
Management Information System	0	1,091	1,091
Program Administrators	47,276	47,276	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	6,109	6,109
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	289	233	-56
Workshop/Training Expenses	8,027	6,590	-1,437
Loss Control Expenses	0	1,963	1,963
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	4,063	0	-4,063
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,102,893</u>	<u>1,106,500</u>	<u>3,607</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,334	938	-396
Executive Committee & Board Expenses	1,055	742	-313
JPA Insurance	853	600	-253
Memberships, Associations & Dues	231	163	-69
Chancellor's Office Accounting Services	10,701	7,636	-3,064
Chancellor's Office Risk Management Service	31,169	22,101	-9,068
JPA Accreditation	0	0	0
JPA Legal	3,257	2,291	-966
Miscellaneous Expenses	465	327	-138
Total General & Administrative Expenses	<u>49,064</u>	<u>34,798</u>	<u>-14,266</u>
Total Operating Expenses	<u>1,151,957</u>	<u>1,141,298</u>	<u>-10,659</u>
Non-Operating Revenues			
Investment Income	42,068	62,371	20,303
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>42,068</u>	<u>62,371</u>	<u>20,303</u>
Net Surplus (Deficit)	<u>1,485,785</u>	<u>1,048,427</u>	
Beginning Retained Earnings	4,448,934	5,934,719	
Ending Retained Earnings	5,934,719	6,983,147	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

PURCHASED INSURANCE PROGRAM *

(Fund 20)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	435,000	435,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>435,000</u>	<u>435,000</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	43,500	43,500	0
Insurance Premiums (net of brokerage)	391,500	391,500	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>435,000</u>	<u>435,000</u>	<u>0</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

PURCHASED INSURANCE PROGRAM *

(Fund 20)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>435,000</u>	<u>435,000</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net Surplus (Deficit)	<u>0</u>	<u>0</u>	
Beginning Retained Earnings	57,457	57,457	
Ending Retained Earnings	57,457	57,457	

* Participant Accident Insurance (PAI), Auto Physical Damage (APD), International Progr

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

OWNER CONTROLLED INSURANCE PROGRAM

(Fund 16)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	6,118,518	6,118,518	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>6,118,518</u>	<u>6,118,518</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	3,137	3,137
Program Administrators	272,500	272,500	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	2,366,117	2,366,117	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	17,569	17,569
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,638,617</u>	<u>2,659,323</u>	<u>20,706</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

OWNER CONTROLLED INSURANCE PROGRAM

(Fund 16)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	2,725	2,698	-27
Executive Committee & Board Expenses	2,154	2,133	-21
JPA Insurance	1,743	1,726	-17
Memberships, Associations & Dues	472	467	-5
Chancellor's Office Accounting Services	21,862	21,962	101
Chancellor's Office Risk Management Service	63,678	63,566	-113
JPA Accreditation	0	0	0
JPA Legal	6,654	6,589	-65
Miscellaneous Expenses	951	941	-9
Total General & Administrative Expenses	<u>100,238</u>	<u>100,083</u>	<u>-155</u>
Total Operating Expenses	<u>2,738,855</u>	<u>2,759,406</u>	<u>20,551</u>
Non-Operating Revenues			
Investment Income	0	19,169	19,169
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>19,169</u>	<u>19,169</u>
Net Surplus (Deficit)	<u>3,379,663</u>	<u>3,378,281</u>	
Beginning Retained Earnings	2,981,373	6,361,036	
Ending Retained Earnings	6,361,036	9,739,317	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CLUB SPORTS INSURANCE PROGRAM

(Fund 17)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	204,814	204,814	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>204,814</u>	<u>204,814</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	104,582	104,582	0
Deductible Recoveries	0	0	0
Claims Administrators	5,000	5,000	0
Management Information System	0	105	105
Program Administrators	0	0	0
Brokerage Commissions & Fees	9,157	9,157	0
Insurance Premiums (net of brokerage)	82,413	82,413	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	588	588
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>201,153</u>	<u>201,846</u>	<u>693</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2016 to June 30, 2017

Proposed
Draft 9

CLUB SPORTS INSURANCE PROGRAM

(Fund 17)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	91	90	-1
Executive Committee & Board Expenses	72	71	-1
JPA Insurance	58	58	-1
Memberships, Associations & Dues	16	16	0
Chancellor's Office Accounting Services	732	735	3
Chancellor's Office Risk Management Service	2,132	2,128	-4
JPA Accreditation	0	0	0
JPA Legal	223	221	-2
Miscellaneous Expenses	32	32	0
Total General & Administrative Expenses	<u>3,355</u>	<u>3,350</u>	<u>-5</u>
Total Operating Expenses	<u>204,508</u>	<u>205,196</u>	<u>688</u>
Non-Operating Revenues			
Investment Income	1,269	2,091	822
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>1,269</u>	<u>2,091</u>	<u>822</u>
Net Surplus (Deficit)	<u>1,575</u>	<u>1,709</u>	
Beginning Retained Earnings	178,234	179,809	
Ending Retained Earnings	179,809	181,518	

Launched beginning August 1, 2012

CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

BOARD OF DIRECTORS RESOLUTION NO. 01-16 (BOD)

Resolution Adopting CSURMA Operating Budget for FY 2016/17

The Board of Directors of the California State University Risk Management Authority finds and determines that the FY 2016/17 operating budget shall be as follows:

Major features of the **Campus Programs** budget include:

- Increase in Total contributions from \$77,345,917 to \$78,818,221.
- Increase in Liability contributions from \$13,514,960 to \$14,240,860 due to actuarial projected claim trend.
- Slight increase in Workers' Compensation contributions from \$37,744,986 to \$37,823,215 (discounted) due to actuarial projected claim trend.
- No change in IDL/NDI/UI contributions from \$13,500,000 due to claims trend.
- Increase in Property contributions from \$8,000,000 to \$8,250,000 for new Fine Arts, Archives & Artifacts program (FAAAP). Premiums are subject to adjustment based on final reported total insured values (TIV).
- Increase in Auto Liability contributions from \$688,468 to \$845,823 per current Motor Vehicle Self-Insurance Account (MVIA) allocation for FY 15/16. Actual 2016/17 MVIA will be issued by DGS later this month.
- Increase in AIME contributions from \$3,897,503 to \$4,158,323 (discounted) per recommendation of the AIME Committee due to claims trend.

Campus programs operating budget would develop Total Revenues of \$74,233,215, Total Operating Expenses of \$74,538,120, and Total Non-Operating Revenues of \$2,127,765, generating Net Surplus of \$1,822,859 additions to retained earnings.

Major features of the **AORMA Programs** budget include:

- Slight decrease in Total contributions from \$13,427,580 to \$13,210,576.
- Increase in Liability contributions from \$3,831,957 to \$3,880,956 due to actuarial projected claim trend and projected reinsurance premiums.
- Liability Program Reinsurance Premiums increased from \$850,000 to \$1,400,000 based on marketing results (the reinsurance premiums are shown as negative operating revenues within the budget)
- Increase in Workers' Compensation contributions from \$4,496,250 to \$4,523,000 due to actuarial projected claim trend and projected excess insurance premium.
- Increase in Property contributions from \$2,204,231 to \$2,368,714 due to change in total insured values and expected insurance premiums. Premiums are subject to adjustment based on final reported total insured values (TIV) and final negotiated rates.
- Increase in Crime from \$299,468 to \$310,552 due to claims experience.
- Decrease in Unemployment Insurance contributions of \$2,595,674 to \$2,127,354 due to claims trend.

CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

AORMA programs operating budget would develop Total Operating Revenues of \$10,131,576 Total Operating Expenses of \$11,494,635, and Total Non-Operating Revenues of \$350,975, generating a deficit \$1,012,083 to be funded by retained earnings.

CSURMA’s operating budget would develop Total Operating Revenues of \$91,123,123, Total Operating Expenses of \$89,432,357, and Total Non-Operating Revenues of \$2,500,000, generating Net Surplus of \$4,190,766 to be added to retained earnings. *The preceding does not include Campus Dividend Distributions, which if any, will increase expenditures and decrease fund reserves.*

* * * * *

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the Board of Directors of the California State University Risk Management Authority as follows:

- 1) The California State University Risk Management Authority does hereby adopt the FY 2016/17 operating budget as presented herein.
- 2) The CSURMA Treasurer is hereby authorized pursuant to California Government Code Section 53607 to invest or reinvest funds of CSURMA, or to sell or exchange securities so purchased and may also delegate responsibilities, as appropriate, to the Assistant Vice Chancellor of Financing, Treasury and Risk Management of the CSU (Assistance Vice Chancellor) in his/her capacity as staff to CSURMA.

* * * * *

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 Board of Directors of the California State University Risk Management Authority held on May 6, 2016 which was approved by the following votes:

AYES, and in favor thereof, members:

NOES, members:

ABSTAIN, members:

ABSENT, members:

Linda Hawk, Chair

Zachary Gifford, Secretary-Auditor

CAMPUS RISK POOLS FUNDING STATUS

ISSUE: In accordance with the CSURMA's adopted funding policy for its self-funded pooling programs, Staff prepared an analysis of the pooled programs funding position relative to the actuary's projection for CSURMA's minimum funding requirements and expected cash expenditures for program administration through June 30, 2016. The Executive Committee, at its March 10, 2016 meeting, reviewed the pooled programs funding position to determine if there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures. The Executive Committee will again review CSURMA's funding position in light of the year-end audited financial statements when completed, and determine at that time if there are ample surplus to consider a release of dividends to the members, or if an assessment is necessary.

RECOMMENDATION: No action is requested at this time. This item is provided for the benefit of the Board of Directors as information only.

FISCAL IMPACT: No applicable.

BACKGROUND: Prior to FY 1995/1996, the CSU Chancellor's Office paid all liability, Workers' Compensation and IDL/NDL/UI claims and related expenses. CSU funded these liabilities on a cash basis as the claims became payable. Beginning in FY 1995/1996, the campuses became accountable for these liabilities. The *Risk Pool* was developed as a funding mechanism so that campuses could share primary layer costs while simultaneously being encouraged to manage risks. Each campus' base budget was increased by a pro rata share of the systemwide budget for these liabilities.

The CSURMA (successor to the *Risk Pool*) inherited prior years' claim liabilities when it was formed. The Board of Directors adopted a policy of fully funding each year's liabilities as they are incurred. That is, campuses will pay a premium to CSURMA for each fiscal year to cover all projected costs of claims attributed to that fiscal year, even though the claims will be paid over future years.

PUBLICATION: None.

ATTACHMENTS:

- a. CSURMA Policy & Procedure No. 7 – Self-Insured Program Funding
- b. Estimated Pool Funding Projected to FYE 2016
- c. Target Surplus Funding Analyses
- d. CSURMA Actuarial Reports dated September 16, 2015 and February 2, 2016 (*available at the meeting for reference*)



CSURMA

POLICY AND PROCEDURE NO. 7

EFFECTIVE: JANUARY 1, 2000
REVISED: APRIL 27, 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. Adopted funding shall 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.



CSURMA

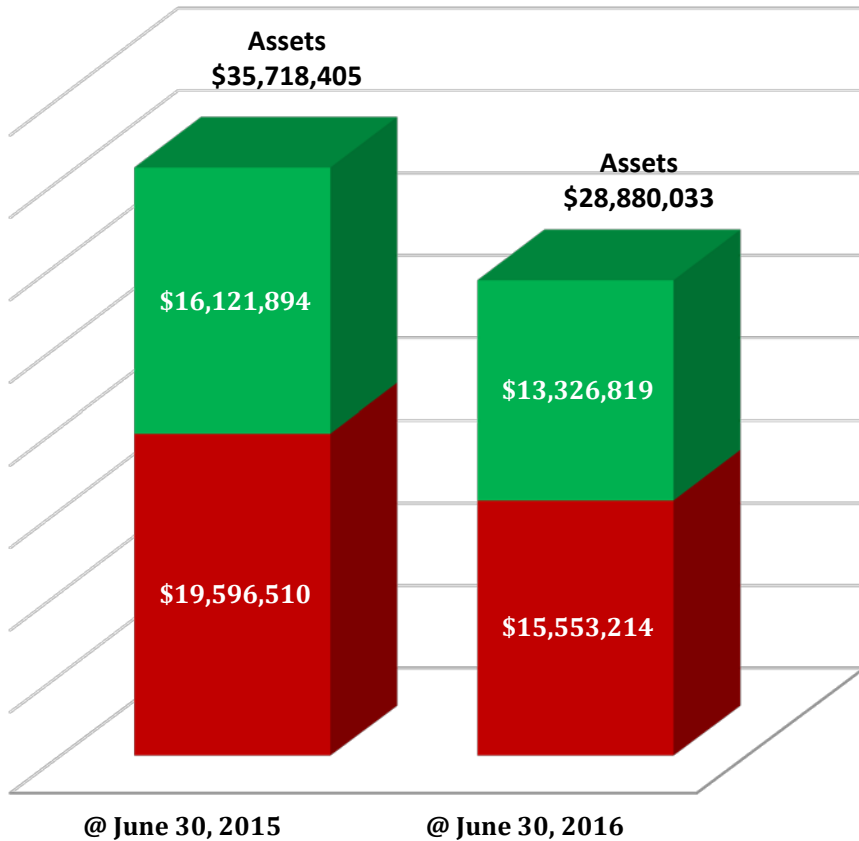
POLICY AND PROCEDURE NO. 7

Staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' funding status in accordance with this Policy & Procedure No. 7.

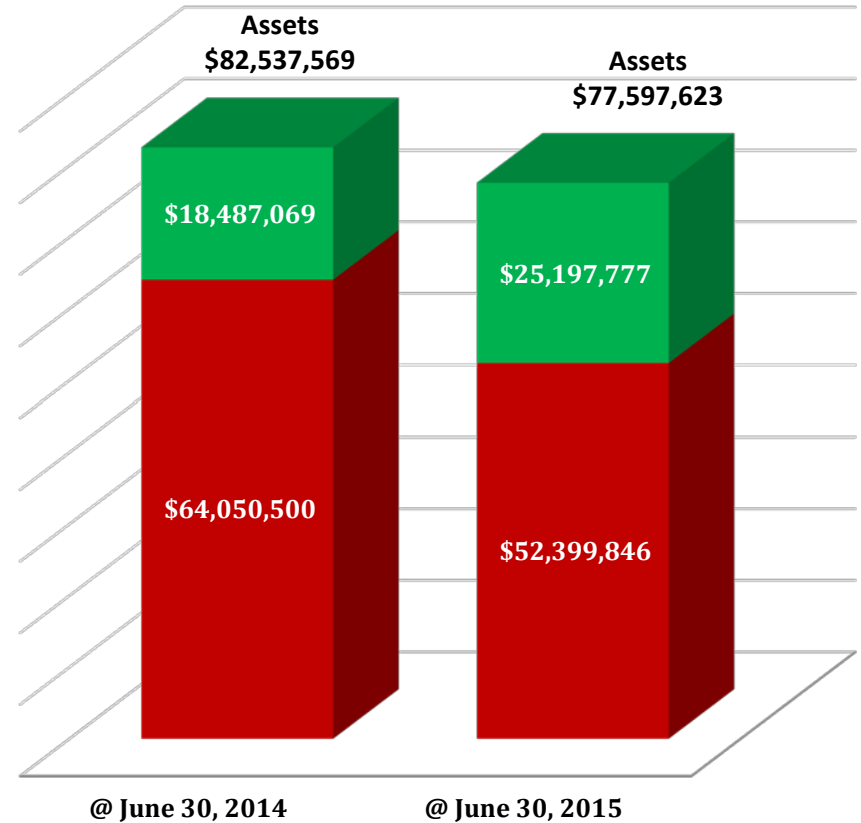
Campus Risk Pools

Estimated Funding Projected to FYE 2016 (undiscounted)

Campus Liability



Campus Workers' Compensation



■ Unencumbered Funds

■ The Estimated Outstanding Liabilities are undiscounted and include the Unallocated Loss Adjustment Expense @ 70% Confidence Level

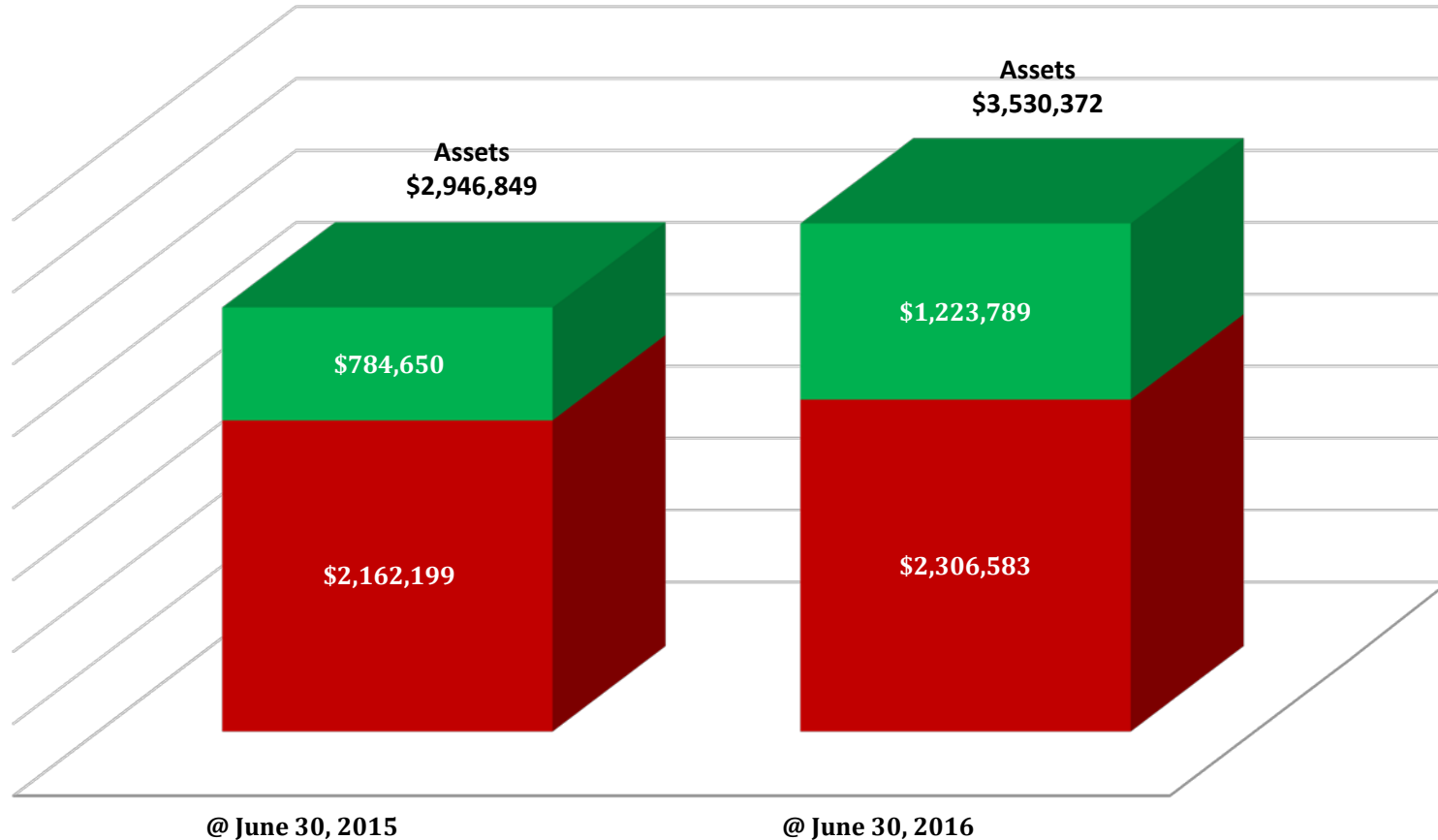
■ Unencumbered Funds

■ The Estimated Outstanding Liabilities are undiscounted and include the Unallocated Loss Adjustment Expense @ 70% Confidence Level

Athletic Injury Medical Expense

Estimated Funding Projected to FYE 2016 (undiscounted)

Athletic Injury Medical Expense



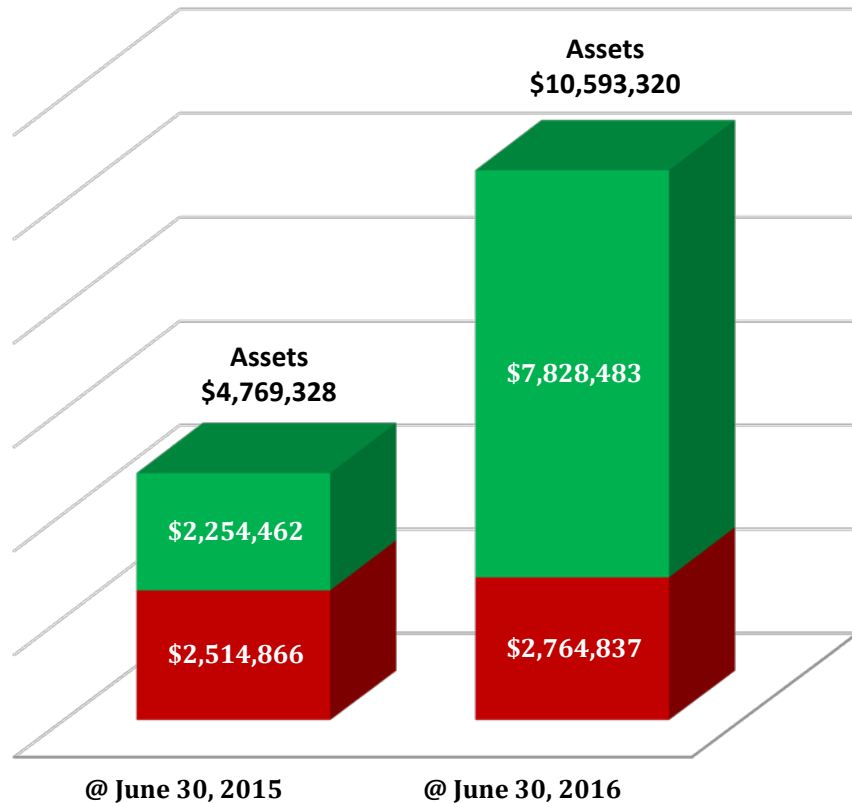
■ Unencumbered Funds

■ The Estimated Outstanding Liabilities are undiscounted and include the Unallocated Loss Adjustment Expense @ 70% Confidence Level

AORMA Risk Pools

Estimated Funding Projected to FYE 2016 (undiscounted)

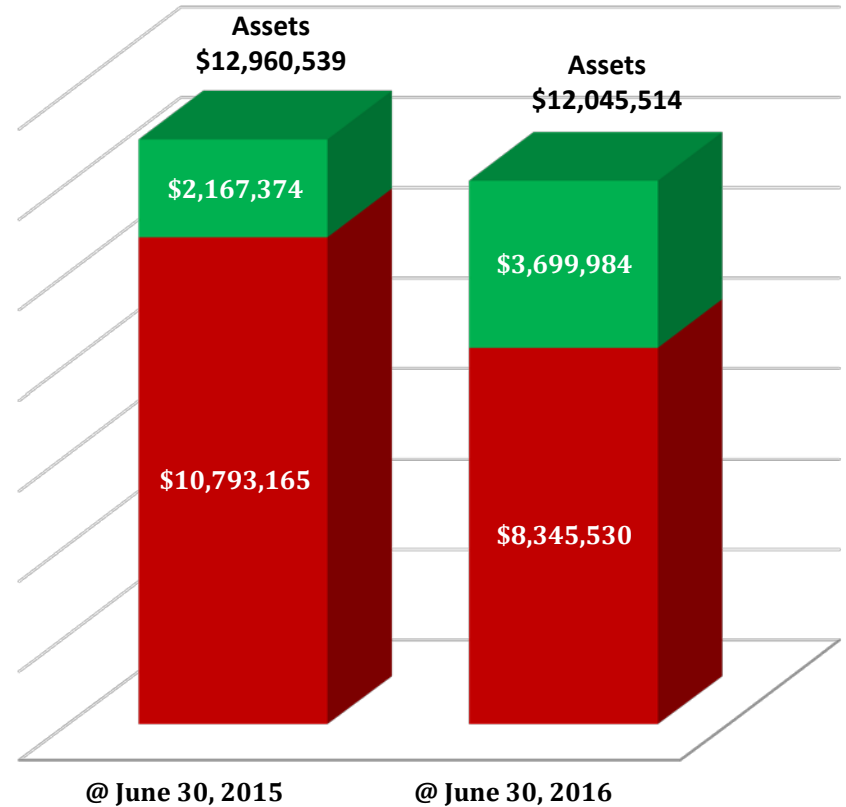
AORMA Liability



■ Unencumbered Funds

■ The Estimated Outstanding Liabilities are undiscounted and include the Unallocated Loss Adjustment Expense @ 70% Confidence Level

AORMA Workers' Compensation



■ Unencumbered Funds

■ The Estimated Outstanding Liabilities are undiscounted and include the Unallocated Loss Adjustment Expense @ 80% Confidence Level

Campus Liability Coverage Fund
Target Surplus Funding Analysis at \$5,000,000 SIR
As of 12/31/15 Projected to 6/30/16

Gross Premium (FY 15/16):	\$13,514,960
Maximum Retention:	\$5,000,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/16	\$12,917,952 <i>Expected, Undiscounted, Net of Deductibles</i>
Est. Outstanding Liabilities @ 6/30/16	\$14,468,106 at 70% Confidence
Est. Fund Balance @ 6/30/16	\$28,880,033
Est. Funded Loss & ULAE @ 6/30/16	\$15,553,214 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$13,326,819

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$4,504,987	0.47
Surplus to Retention	> 1:1	\$5,000,000	5.78
O/S Reserve to Surplus	≤ 5:1	\$2,583,590	0.45

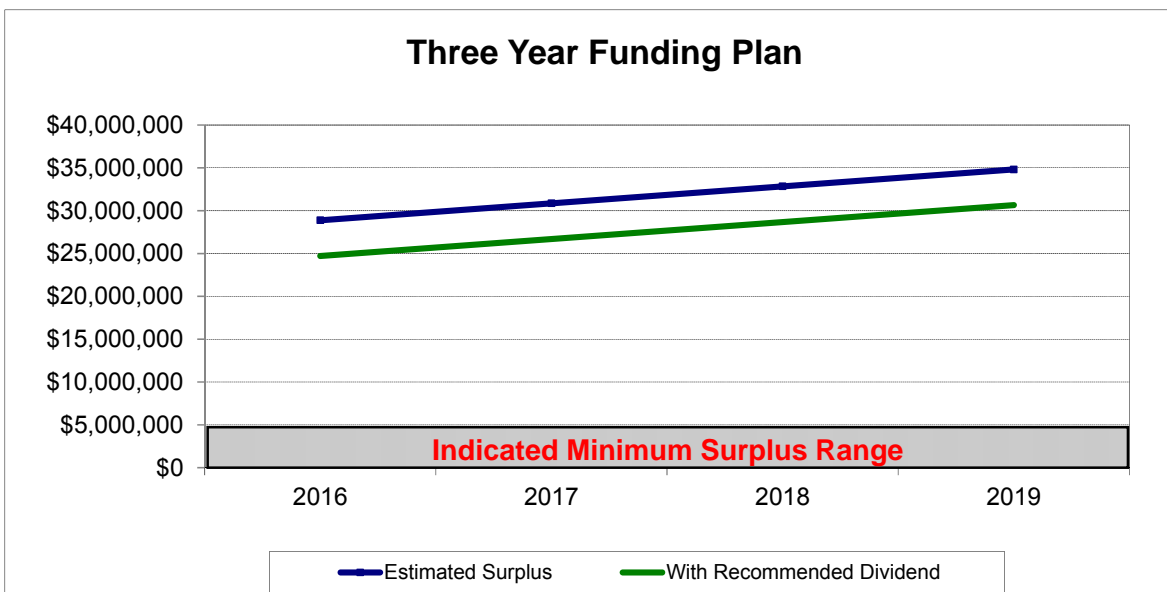
Maximum Dividend Available:	\$8,326,819
Recommended Dividend 50%:	\$4,163,410

2015/16 Pool Funding Options

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$13,196,700	-
at 70% Actuarial Confidence	1.150	\$15,176,205	\$1,979,505

Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/16	N/A	\$28,880,033	\$24,716,624
2016/17 - Collection @ 70% CL	\$1,979,505	\$30,859,538	\$26,696,129
2017/18 - Collection @ 70% CL	\$1,979,505	\$32,839,043	\$28,675,634
2018/19 - Collection @ 70% CL	\$1,979,505	\$34,818,548	\$30,655,139



Campus Workers' Compensation Coverage Fund
Target Surplus Funding Analysis at \$2,500,000 SIR
As of 12/31/15 Projected to 6/30/16

Gross Premium (FY 15/16):	\$37,744,986
Maximum Retention:	\$2,500,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/16	\$47,302,952 <i>Expected, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/16	\$49,668,100 at 70% Confidence
Est. Fund Balance @ 6/30/16	\$77,597,623
Est. Funded Loss & ULAE @ 6/30/16	\$52,399,846 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$25,197,777

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$12,581,662	0.49
Surplus to Retention	> 2:1	\$5,000,000	31.04
O/S Reserve to Surplus	≤ 5:1	\$9,460,590	0.61

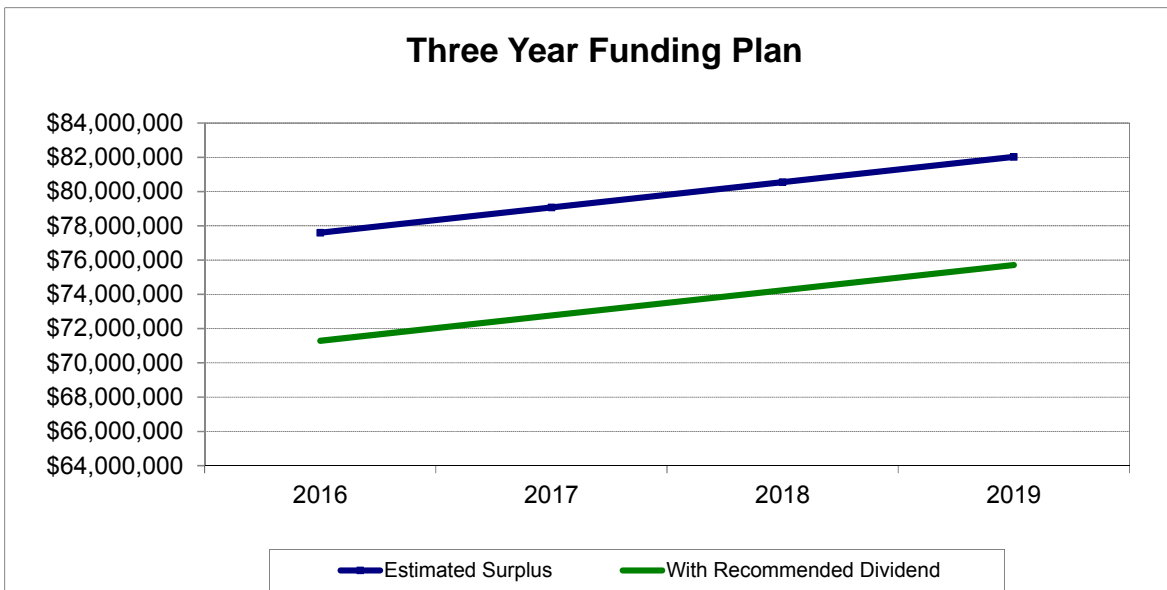
Maximum Dividend Available:	\$12,616,115
Recommended Dividend 50%:	\$6,308,058

2015/16 Pool Funding Options

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$29,505,525	-
at 70% Actuarial Confidence	1.050	\$30,980,801	\$1,475,276

Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/16	N/A	\$77,597,623	\$71,289,565
2016/17 - Collection @ 70% CL	\$1,475,276	\$79,072,899	\$72,764,841
2017/18 - Collection @ 70% CL	\$1,475,276	\$80,548,175	\$74,240,118
2018/19 - Collection @ 70% CL	\$1,475,276	\$82,023,452	\$75,715,394



Athletic Injury Medical Expense Coverage Fund

Target Surplus Funding Analysis at \$90,000 SIR

As of 12/31/15 Projected to 6/30/16

Gross Premium (FY 15/16):	\$3,897,503
Maximum Retention:	\$90,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/16	\$1,950,599 <i>Expected, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/16	\$2,145,659 at 70% Confidence
Est. Fund Balance @ 6/30/16	\$3,530,372
Est. Funded Loss & ULAE @ 6/30/16	\$2,306,583 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$1,223,789

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 6:1	\$649,584	1.10
Surplus to Retention	> 5:1	\$450,000	39.23
O/S Reserve to Surplus	≤ 5:1	\$390,120	0.55

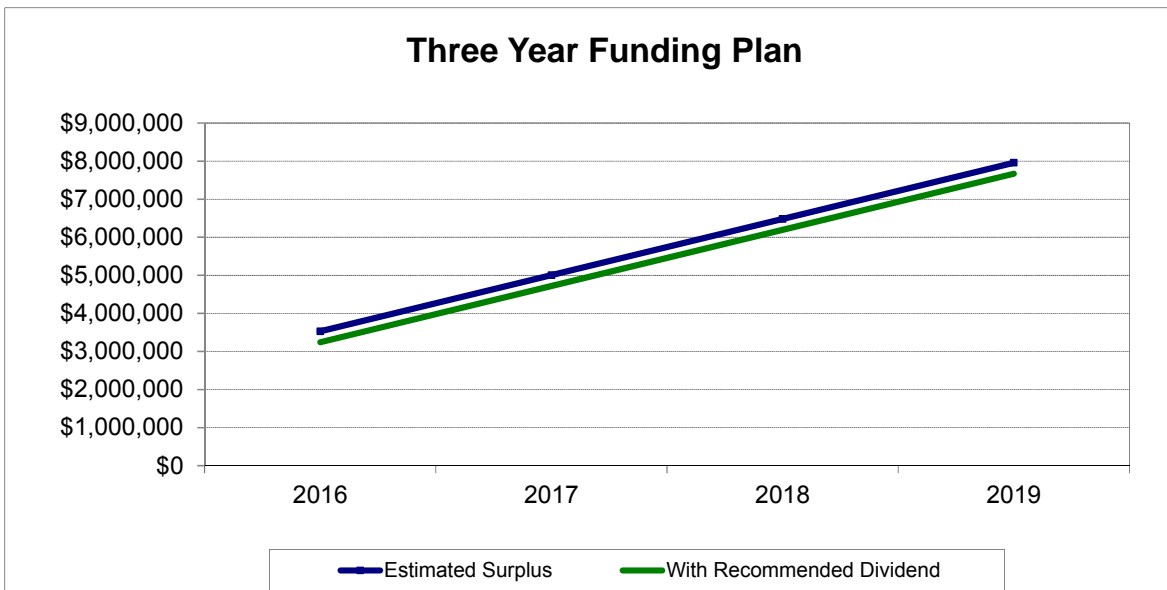
Maximum Dividend Available:	\$574,205
Recommended Dividend 50%:	\$287,102

2015/16 Pool Funding Options

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$29,505,525	-
at 70% Actuarial Confidence	1.050	\$30,980,801	\$1,475,276

Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/16	N/A	\$3,530,372	\$3,243,270
2016/17 - Collection @ 70% CL	\$1,475,276	\$5,005,648	\$4,718,546
2017/18 - Collection @ 70% CL	\$1,475,276	\$6,480,925	\$6,193,822
2018/19 - Collection @ 70% CL	\$1,475,276	\$7,956,201	\$7,669,098



**NOMINATING COMMITTEE REPORT AND
EXECUTIVE COMMITTEE ELECTIONS**

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. At the January 10th Executive Committee meeting, Linda Hawk appointed a Nominating Committee of Robert Eaton, Lisa Chavez and Jody Van Leuven. An election is held by the CSURMA Board of Directors at the May 6, 2016 meeting. Four seats are up for election:

- Chair, Linda Hawk currently holds this seat
- Vice Chair, Mike Lee currently holds this seat
- Seat #3, Kevin Saunders currently holds this seat
- Seat #4, Scott Apel currently holds this seat as an interim Executive Committee member. Apel was appointed by Linda Hawk as an interim member to fill the vacancy due to Lori Gentles' departure.

RECOMMENDATION: It is recommended that the Board of Directors receive the Nominating Committee's report and take action to elect representatives to the pending open seats.

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

PUBLICATION: None.

BACKGROUND: CSURMA's Executive Committee is comprised of nine voting members and one non-voting member. The CSURMA Treasurer is appointed by the CSU Executive Vice Chancellor, Business and Finance and the CSURMA Secretary-Auditor is appointed by the CSURMA Executive Committee. The Secretary-Auditor is a non-voting seat. Six seats are elected from among Campus members and two seats are held by the AORMA Committee Chair and AORMA Committee Vice-Chair.

Regular elections of members are conducted pursuant to Policy and Procedure No. 18 – Board of Directors Participation and Executive Committee Nominations and Elections Process.

ATTACHMENT(S):

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

**CSURMA
EXECUTIVE COMMITTEE TERMS OF OFFICE**

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	July 1, 2016 to June 30, 2017
Chair - (even year)	Morishita	Morishita	Matson	Matson	Matson	Matson	Matson/Hawk	Hawk	TBD
Vice-Chair - (even year)	Graham	Matson	Rodriguez	Rodriguez	Rodriguez	Rodriguez/ Hawk	Hawk/Lee	Lee	TBD
CSU Seat #1 - (odd year)	Matson	Rodriguez	Morishita	Hawk	Hawk	Hawk/Chavez	Chavez	Chavez	Chavez
CSU Seat #2 - (odd year)	Risser/Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	Van Leuven	Van Leuven
CSU Seat #3 - (even year)	D. West	Wight	Wight	Wight	Gentles	Gentles	Gentles	Gentles/Apel	TBD
CSU Seat #4 - (even year)	Garcia	Garcia	McCarron	McCarron	McCarron	Lee	Lee	Saunders	TBD
AORMA Seat #5 - Chair	Prenovost	Mimnaugh	Brown	Worley	Borsting	Brummett	DeWit	Mumford	Mumford
AORMA Seat #6 - Vice Chair	Jackson	Brown	Worley	Borsting	Brummett	DeWit	Mumford	Dalpe	Dalpe
CSU Seat #7/Treasurer - Appointed by EVC/CFO	Hordyk/ Nickles	Ashkar	Ashkar	Ashkar	Ashkar	Ashkar	Ashkar	Eaton	Eaton
Secretary/Auditor - Appointed CSURMA EC	Minnick	Minnick	Minnick	Minnick	Minnick/ Rodriguez	Rodriguez/Eaton	Eaton	Gifford	Gifford

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 May 2016 Board of Directors meeting.



CSURMA

POLICY AND PROCEDURE NO. 18

ADOPTED: March 22, 2013

EFFECTIVE: March 22, 2013; Revised January 10, 2016

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

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

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, Executive 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.



CSURMA

POLICY AND PROCEDURE NO. 18

-
- d. The Program Administrator will conduct orientations for new Board members.

AMENDMENT OF POLICIES AND PROCEDURES

ISSUE: The Executive Committee adopted Resolution No. 04-13 (EC) directing review of CSURMA's policies and procedures on a regular basis to ensure administrative processes remain relevant and effective. 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 reviewed all of the even-numbered policies and procedures at its meetings on January 11, 2016 and March 11, 2016. Most of the proposed changes are minor and intended to establish formatting conformance. However, substantive revisions are recommended to policy and procedure nos. 14, 18 and 20, and a new policy and procedure, no. 24, is being recommended. The changes are summarized below.

1. Policy and Procedure 14 – *Campus Risk Pool Dividends and Assessments* – Revised to grant authority to the Executive Committee to declare a dividend if overall funding is sufficient to support such action.
2. Policy and Procedure 18 – *Board of Directors Participation and Executive Committee Nominations and Elections Process* – Amended to clarify the policy and process of CSURMA representation on outside committees and boards.
3. Policy and Procedure 20 and 24 – *Owner Controlled Insurance Program (OCIP) and Builder's Risk Insurance Program (BRIP)* – As recommended by CPDC and Systemwide Risk Management, the OCIP and BRIP sections of the policy and procedure were separated into two different policies and procedures.

RECOMMENDATION: The Executive Committee recommends that the Board approve the revisions to Policies and Procedures 14, 18, 20 and 24.

FISCAL IMPACT: None.

BACKGROUND: Please refer to the policies and procedures attached for further information on the issues addressed in this agenda item.

PUBLICATION: The revised Policies and Procedures will be uploaded onto the CSURMA website.

ATTACHMENT(S):

- a. Policy and Procedure No. 14 – *Campus Risk pool Dividends and Assessments*
- b. Policy and Procedure No. 18 – *Board of Directors Participation, Executive Committee Nominations and Elections*
- c. Policy and Procedure No. 20 – *Owner Controlled Insurance Program*
- d. Policy and Procedure No. 24 – *Builders Risk Insurance Program*



CSURMA

POLICY AND PROCEDURE NO. 14

ADOPTED:

OCTOBER 28, 2011

EFFECTIVE:

OCTOBER 28, 2011; ~~REVISED JANUARY 10, 2016~~
MAY 6, 2016

SUBJECT:

CAMPUS RISK POOL DIVIDENDS & ASSESSMENTS

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. Words in capital letters are defined at the end of this document.

POLICY

It is the policy of Executive Committee that:

- Evaluation of the funding for each Campus Risk Pool Self-Insured Program (“PROGRAM”) shall be made based on all coverage periods combined for that particular program rather than on each coverage period on its own. The availability of any dividend or need for any assessment will be determined based on the program’s overall funding relative to the Target Reserve Funding Goal detailed in the separate Policy and Procedure No. 13.
- Assessments and Dividends shall be allocated to the MEMBERS based on participation in “open” policy periods only.
- Unless the Executive Committee takes specific action to the contrary, a coverage period shall be considered “closed” for dividend and assessment purposes five (5) years from the expiration of that period (i.e. 6/30/~~03~~13 for FY07/08).
- Assessments are a responsibility of membership and shall be allocated to all members who participated in the open policy periods which the assessment is based on, regardless of whether they are current members at the time the assessment is declared.
- Dividends are a privilege of membership and shall be allocated only to the current members in the program at the time the dividend is declared who participated in one or more of the open policy periods which the dividend is based on.

PROCEDURE

1. **Annual Funding Analysis** – Each year the Program ~~Administrator~~Director will analyze the current funding position of the programs in accordance with the Target Reserve Funding Goal detailed in Policy and Procedure No. 13. This analysis will, in part, determine whether each program’s overall funding is sufficient to consider a dividend or is depleted to the point of considering an assessment. The Program ~~Administrator’s~~Director’s analysis will be reviewed by the Executive Committee.
2. **Closure of Policy Periods** - Upon reaching five (5) years of maturity after the end of a coverage period, that period shall be "closed" and there shall be no further dividends or

assessments allocated with respect to those program periods. Notwithstanding the above, the Executive Committee may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last five (5) policy periods shall always remain "open" unless the Executive Committee takes specific action to declare any of the last five (5) policy periods closed.

3. **Dividends and Assessments** - Dividends and assessments shall be allocated to the MEMBERS based upon the proportion of all premiums paid to the PROGRAM in all "open" periods only. For purposes of allocating dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered collectively.
4. **DECLARATION OF ASSESSMENTS** – Based on the recommendation of the Executive Committee, assessments will be declared as needed by the Board of Directors, and will be collected from a MEMBER in accordance with its proportionate funding to the PROGRAM during all “open” policy periods, whether or not they currently participate in the Program at the time of the assessment.
5. **DECLARATION OF DIVIDENDS** – ~~On the recommendation of the Executive Committee,~~ The Executive Board of Directors may ~~Committee may~~ declare dividends if overall funding is sufficient to support such action. Upon such a declaration, the dividend shall be allocated to those MEMBERS currently participating in the Program at the time the dividend is payable, based on the proportionate funding of all “open” policy periods.

MEMBER APPEAL PROCESS

If a MEMBER wishes to appeal any decision regarding the application of this Dividend/Assessment Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary-~~Auditor~~ within ~~forty-five~~thirty (30~~45~~) days of the disputed decision. The Secretary-~~Auditor~~ shall ~~present~~place the MEMBER appeal ~~to~~on the Executive Committee agenda at its next available regularly scheduled meeting. The Executive Committee will review the appeal at its next available regularly scheduled meeting and inform the MEMBER of the final decision within five (5) business days of its decision.



DEFINITIONS:

EXECUTIVE COMMITTEE – The governing body of CSURMA’s Campus Risk Pool Programs.

MEMBER – Any campus or the Chancellor’s Office participating in Campus Risk Pool Programs

PROGRAM – For purposes of dividends and assessments, CSURMA’s Campus Risk Pool Programs are the Liability, SAFECLIP, SPLIP, AIME, Workers’ Compensation, Property and Crime Programs.

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



CSURMA

POLICY AND PROCEDURE NO. 18

ADOPTED: March 22, 2013

EFFECTIVE: March 22, 2013

REVISED: ~~;~~ ~~Revised~~ January 10, 2016, May 6, 2016

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

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

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, Executive 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:

CSURMA

POLICY AND PROCEDURE NO. 18

- ~~e.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.
 - ~~e.b.~~ The Nominating Committee will evaluate potential candidates and provide a report to the Board of Directors at the spring meeting.
 - ~~e.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.
- 2.3. Other than the AORMA Chair representing the CSURMA AORMA programs to the Auxiliary Organizations Association, no member or alternate of a CSURMA Executive Committee or Board of Directors shall represent the CSURMA without the prior written approval of the CSURMA Chair and that any proposal to do so shall be submitted to the CSURMA Secretary-Auditor for review and recommendation to the CSURMA Chair at least 30 days prior to such proposed representation. Costs of representing CSURMA will be subject to CSURMA Policy and Procedure and any other requirements established by the CSURMA Executive Committee or Board of Directors.



CSURMA

POLICY AND PROCEDURE NO. 20

ADOPTED: September 13, 2013

AMENDED: November 6, 2013, ~~January 10, 2016~~ May 6, 2016

EFFECTIVE: January 1, 2012

SUBJECT: Owner Controlled Insurance Program ~~and
Builder's Risk Insurance Program~~

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

PURPOSE:

CSURMA launched the Owner Controlled Insurance Program (OCIP) ~~and Builder's Risk Insurance Program (BRIP)~~ to realize a cost savings, improve coverage, and efficiently administer General Liability, Completed Operations Liability, ~~Property,~~ Workers' Compensation, ~~and Course of Construction environmental and design professional coverage~~ for all ~~contractors performing construction work on CSU's Major Capital Outlay~~ construction projects ~~over \$10,000,000, and for the BRIP, all projects exceeding the threshold for Minor Capital Outlay Projects~~ as established by the CSU Chancellor's Office Capital Planning, Design and Construction Office (CPDC). The purpose of this Policy and Procedure is to describe the operation of the ~~OCIP~~ two programs and provide a process for CSURMA and CPDC to collaborate on administering the programs efficiently and effectively.

Commented [JH1]: Leave in

POLICY:

It is the policy of CSURMA that the Program Administrator, Alliant Insurance Services, Inc., Chancellor's Office Accounting Department (Accounting) and Systemwide Office of Risk Management will collaborate with CPDC to administer the OCIP ~~and BRIP~~ as described in this Policy and Procedure.

PROCEDURE:

PART A: CSURMA OCIP

Section 1: General Procedures

1. CSURMA shall pay the insurance premiums and deductible collateral up front to the Program Administrator, and CSURMA will recover the advanced monies on a project-by-project basis, through CPDC, as described herein.
2. The Program Administrator shall manage the OCIP carrier contracts, collect required data from the contractors directly each month, and develop and maintain a quarterly report which will be used by CSURMA to invoice CPDC for the cost of the OCIP on a per-project basis. The quarterly report shall contain:
 - Projects started, continuing, or completed in each quarter
 - Completed projects shall not drop off report
 - Project start and completion dates



CSURMA

POLICY AND PROCEDURE NO. 20

- CPDC project name and CPDC project number
 - Initial Construction Contract Value, which varies by procurement method as follows:
 - For CM at Risk or Design-Bid-Build: Total construction contract award amount
 - For Design-Build: Total contract award minus pre-construction and design costs
 - Initial premiums and deductible collateral for each project
 - Updated, final / completed premiums and deductible collateral for each project based on final labor costs and loss rates.
 - Total premiums and deductible collateral for all projects
 - Audited final labor costs
 - Final labor costs as a percentage of the Initial Construction Contract Value for each project
 - Estimated final value for reduced contractor insurance costs for each project
 - Claims & loss report with actual to date loss rate (provided separately).
3. For the initial Program Period (OCIP I), the Program Administrator's billings to CSURMA will be based on the programs' fixed premiums and a 68% loss rate of the maximum aggregate deductible, which equates to a 2.072% project billing rate relative to the Initial Construction Contract Value (a total of \$10,358,204.00 program cost).
 4. CSURMA's billings to CPDC will be based on a pro-rata portion of the fixed premiums at a 1.672% project billing rate relative to the Initial Construction Contract Value of projects as enrolled.
 5. For OCIP I, CPDC will provide a guarantee for \$1,519,400 of Deductible Collateral and Loss Adjusting Factor to cover the difference between the 68% loss rate CSURMA has billed for and the 100% loss rate. This guarantee will be backed by CPDC's seismic self-insured trust fund account. If OCIP I's loss rate exceeds a 68% loss rate, CPDC will reimburse CSURMA the actual cost difference up to \$1,519,400.
 6. For OCIP I, CSURMA will underwrite an additional \$2,000,000 to bring the total of the Deductible Collateral and Loss Conversion Factor costs down. This equates to a 25.5% Loss Rate and a total 1.672% billing rate relative to the Initial Construction Contract Value of projects as enrolled.
 7. When the Program Administrator reconciles the total program costs for OCIP I with CSURMA based on actual percentage loss of the deductible collateral, CSURMA shall reconcile its invoicing to CPDC to reflect those adjusted actual costs, and, if the loss rate is under 25%, CSURMA shall credit CPDC as appropriate for the actual program costs. Reconciliation of OCIP I is expected 18-24 months after the completion of the initial 5-year program, but may happen sooner.
 8. If there is a credit described in Paragraph 6 above, the credit may, upon agreement by CPDC, be applied to a second OCIP II program, and/or any unapplied funds shall be returned by CSURMA to CPDC for deposit in the system-wide seismic self-insured trust fund account.

Section 2: OCIP Enrollment and Invoicing

1. The Program Administrator shall enroll new projects in OCIP with an Initial Construction Contract Value of \$10,000,000 or more during the construction contract award process. There will be a pre-enrollment period for contractors and their subcontractors in the months leading up to a construction contract award. During this time the contractors will receive enrollment and safety information and will submit cost of insurance documentation for the policies the CSURMA OCIP will replace.
2. Projects with an Initial Construction Contract Value that is less than \$10,000,000 may enroll in OCIP upon the recommendation of CPDC and approval by the Program Underwriters.



CSURMA

POLICY AND PROCEDURE NO. 20

3. The Program Administrator shall provide a quarterly report, adding new projects that have started construction during the quarter, along with the initial premium for each project. The Program Administrator will also provide updated information to the existing projects in the quarterly report. The Program Administrator shall submit the quarterly report to Accounting and CPDC program administrators simultaneously for review and approval.
4. When CPDC and CSURMA approve the quarterly reports Accounting will use them as the basis to invoice CPDC for the initial insurance costs of the enrolled projects based on a 1.672% of Initial Construction Contract Value. CPDC will approve or reject CSURMA invoices via email within 10 business days of receipt.
5. All invoicing shall be done on templates as agreed upon by CPDC and CSURMA.
6. Upon approval of the invoices by CPDC, CSURMA shall collect the monies invoiced for the projects via Cash Posting Order (CPO).
7. CPDC shall maintain a separate account for OCIP, and CSURMA shall collect the monies invoiced from that account via CPO.

Section 3: OCIP Project Completion Activities

1. At the completion of a project The Program Administrator shall add to the quarterly report:
 - Final labor costs
 - Project completion date
 - Final premium amounts
 - Confirmation that all contractor closeout materials have been submitted. Within 30 days of completion the Program Administrator shall separately provide a clearance letter to CPDC for release of contractor retention.
 - Other required information as described in "Procedure" Section #2.
2. As described above, the Program Administrator shall submit the quarterly report to Accounting and CPDC for review and approval.
3. The Program Administrator's quarterly reports will be used as the basis for Accounting to invoice CPDC for the final additive or deductive reconciliation of insurance costs for the enrolled projects, based on final labor costs.
4. To benefit enrolled projects with predictable OCIP insurance costs, there shall be no premium adjustment for projects that are completed within five percent (5%) of their original projected premium cost. Projects that are completed with a final calculated premium cost exceeding 105% of their original projected premium cost shall be invoiced at 0.73% of the amount exceeding 105%. Projects that are completed with a final calculated premium cost lower than 95% of their original projected premium cost shall be credited the amount less than the original projected premium cost.
5. Upon CPDC's approval of the invoices, CSURMA shall collect the monies invoiced via CPO to recover, or credit as necessary, the final premiums from the project.

Section 4: OCIP Program Closeout

1. After completion of a project, and over the duration of OCIP policy coverage, the Program Administrator shall continue to administer project claims.



CSURMA

POLICY AND PROCEDURE NO. 20

2. Following completion of the initial OCIP I program term (expected to achieve program target enrollment by 36 months from January 1, 2012), CSU, acting through CPDC, may close out or re-enroll in a second CSURMA OCIP II program with the Program Administrator and the carrier(s). At that time premium dividends and deductible obligations will be subject to a final settlement based on total construction value and actual loss rates. During and after this time the Program Administrator and the carriers may still be actively involved with outstanding claims, but the projects' premiums and dividends may be closed.
3. Any additive or deductive adjustments made to the total program costs based on the reconciliation(s) described above shall be passed through to CPDC via a CSURMA reconciliation billing. This is expected no later than 18-24 months after the CSURMA OCIP I program closeout.
4. In no case shall CPDC pay in excess of CSURMA's actual costs for OCIP I, as identified in Section 1 (3). These actual costs are anticipated to be \$10,358,204 as adjusted by actual loss rates and the total cost of enrolled projects.
5. Because the benefits of the OCIP apply systemwide, CSURMA shall not allocate a charge for missed investment income on advanced premiums.

PART B: CSURMA BRIP

Section 1: General Administration

- ~~1. Annually by the program anniversary date of July 1, the Program Administrator, the Program Underwriters, and CPDC shall develop a quarterly payment schedule based on anticipated project enrollment. A schedule of premium deposits would include: July 1 for new policy year deposit, October 1, first quarter premiums, January 1 for second quarter premiums, and April 1 for third quarter premiums. For subsequent years, the July 1 deposit would include all projects enrolled in the fourth quarter along with the new policy year deposit.~~
- ~~2. The quarterly payment schedule of premium deposits may be adjusted by mutual agreement with the underwriters if project starts or construction amounts vary from the information on which the anticipated payment schedule is based.~~
- ~~3. a) Premium Deposit Invoice.
The Program Administrator shall provide quarterly premium deposit invoices to CPDC based upon the agreed upon quarterly premium deposit payment schedule, and these invoices will include the project name and CPDC project number. CPDC will pay these premium deposit invoices within 30 business days of receipt.~~
~~b) Reconciliation Invoice.
The Program Administrator shall also provide quarterly reconciliation invoices to CPDC, based on CPDC's quarterly reports. These reports shall contain, for the preceding quarter detail of initial premiums for actual new construction starts and final premium adjustments on completed projects that are deemed closed by CPDC. The quarterly reconciliation invoices shall also detail all CPDC payments of premium deposit invoices made and credit previous payment of premium deposit invoices from the actual amount due on each invoice. If the quarterly reconciliation invoice after the application of previously paid premium deposit invoices, is 1) a net credit, this credit shall be debited from the next quarterly premium deposit invoice due as identified in the premium deposit payment schedule, 2), if a net add, the amount shall be carried over to the following quarterly premium deposit invoice or year-end premium audit invoice calculation.~~



CSURMA

POLICY AND PROCEDURE NO. 20

- ~~4. The Program Administrator will identify and include applicable premium taxes / fees to be added to each invoice at the rates established by the Department of Insurance. CPDC completed, closed projects exceeding \$5,000,000 in construction cost will pay the applicable final adjusted premium and tax / fee rate, when invoiced, based on the policy year when originally enrolled in BRIP.~~
- ~~5. The Program Administrator will provide the carrier's endorsements to CPDC naming each project enrolled with each reconciliation invoice. The endorsements will include each project's name and CPDC project number. Additionally The Program Administrator will prepare and send evidence of coverage certificates immediately as each project is enrolled as required by campuses for their contractors performing work on enrolled projects.~~

Section 5PART C: Definitions

As used in this Policy and Procedure, the following terms are defined:

Accounting (Department): CSURMA has engaged the CSU Chancellor's Office Department of Financial Services to perform OCIP and BRIP accounting duties on behalf of the CSURMA.

~~**BRIP Construction Cost** varies by procurement method as follows:~~

- ~~o Design Bid Build: Construction Contract Value less 12% for OH&P.~~
- ~~o CM at Risk: Construction Contract Value less Construction Phase Services/Site Management Fee, CM Contingency, and CM OH&P.~~
- ~~o Design Build: Contract Value less preconstruction and design services and 12% for OH&P.~~

~~Final Construction Cost – Construction Cost plus all construction contract change orders.~~

CSURMA: CSURMA is the California State University Risk Management Authority which is a joint powers authority separate from the CSU and its participating auxiliary organizations. CSURMA has established various programs for insurance and self-insurance to serve the University and the OCIP ~~and BRIP~~ program ~~s~~ ~~are~~ programs of the CSURMA.

CPDC: CSU's Department of Capital Planning, Design and Construction in the Chancellor's Office is the primary client for the OCIP ~~and BRIP~~ programs and the designated representative for managing the programs internal to the CSU.

OCIP Initial Construction Contract Value - varies by procurement method as follows:

- For CM at Risk or Design-Bid-Build: total construction contract award amount
- For Design-Build: total contract award less pre-construction and design costs

Program Administrator: CSURMA has appointed Alliant Insurance Services, Inc. as Program Administrator responsible for designing and implementing the programs serving the CSU and auxiliary organization participants.

Program Underwriters: The insurance companies that underwrite the OCIP ~~and BRIP~~ insurance policies.

Systemwide Office of Risk Management: CSURMA has engaged the CSU Chancellor's Office Department of Risk Management and Public Safety to provide risk management consulting services to the CSURMA including oversight of programs.

ADOPTED: September 13, 2013 [as part of P&P No. 20](#)

AMENDED: November 6, 2013; ~~January 10, 2016~~ [May 6, 2016](#)

EFFECTIVE: -January 1, 2012

SUBJECT: Builder's Risk Insurance Program

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

PURPOSE:

CSURMA launched the Builder's Risk Insurance Program (BRIP) to realize a cost savings, improve coverage, and efficiently administer Course of Construction coverage for all projects exceeding the threshold for Minor Capital Outlay Projects as established by the CSU Chancellor's Office Capital Planning, Design and Construction Office (CPDC). The purpose of this Policy and Procedure is to describe the operation of BRIP and provide a process for CSURMA and CPDC to collaborate on administering the program efficiently and effectively.

POLICY:

It is the policy of CSURMA that the Program Administrator, Alliant Insurance Services, Inc., Chancellor's Office Accounting Department (Accounting) and Systemwide Office of Risk Management will collaborate with CPDC to administer the BRIP as described in this Policy and Procedure.

PROCEDURE:

Section 1: General Administration

1. Annually by the program anniversary date of July 1, the Program Administrator, the Program Underwriters, and CPDC shall develop a quarterly payment schedule based on anticipated project enrollment. A schedule of premium deposits would include: July 1 for new policy year deposit, October 1, first quarter premiums, January 1 for second quarter premiums, and April 1 for third quarter premiums. For subsequent years, the July 1 deposit would include all projects enrolled in the fourth quarter along with the new policy year deposit.
2. The quarterly payment schedule of premium deposits may be adjusted by mutual agreement with the underwriters if project starts or construction amounts vary from the information on which the anticipated payment schedule is based.
3. a) Premium Deposit Invoice.
The Program Administrator shall provide quarterly premium deposit invoices to CPDC based upon the agreed upon quarterly premium deposit payment schedule, and these invoices will include the project name and CPDC project number. CPDC will pay these premium deposit invoices within 30 business days of receipt.
- b) Reconciliation Invoice.

The Program Administrator shall also provide quarterly reconciliation invoices to CPDC, based on CPDC's quarterly reports. These reports shall contain, for the preceding quarter detail of initial premiums for actual new construction starts and final premium adjustments on completed projects that are deemed closed by CPDC. The quarterly reconciliation invoices shall also detail all CPDC payments of premium deposit invoices made and credit previous payment of premium deposit invoices from the actual amount due on each invoice. If the quarterly reconciliation invoice after the application of previously paid premium deposit invoices, is 1) a net credit, this credit shall be debited from the next quarterly premium deposit invoice due as identified in the premium deposit payment schedule, 2), if a net add, the amount shall be carried over to the following quarterly premium deposit invoice or year-end premium audit invoice calculation.

4. The Program Administrator will identify and include applicable premium taxes / fees to be added to each invoice at the rates established by the Department of Insurance. CPDC completed, closed projects exceeding \$5,000,000 in construction cost will pay the applicable final adjusted premium and tax /fee rate, when invoiced, based on the policy year when originally enrolled in BRIP.
5. The Program Administrator will provide the carrier's endorsements to CPDC naming each project enrolled with each reconciliation invoice. The endorsements will include each project's name and CPDC project number. Additionally The Program Administrator will prepare and send evidence of coverage certificates immediately as each project is enrolled as required by campuses for their contractors performing work on enrolled projects.

PART B: Definitions

As used in this Policy and Procedure, the following terms are defined:

Accounting (Department): CSURMA has engaged the CSU Chancellor's Office Department of Financial Services to perform OCIP and BRIP accounting duties on behalf of the CSURMA.

BRIP Construction Cost – varies by procurement method as follows:

- o Design-Bid-Build: Construction Contract Value, ~~less 12% for OH&P.~~
- o CM at Risk: Construction Contract Value, ~~less Construction Phase Services/Site Management Fee, CM Contingency, and CM OH&P.~~
- o Design-Build and Collaborative Design Build: Contract Value less preconstruction and design services, ~~and 12% for OH&P.~~
- o Final Construction Cost –Construction Cost plus all construction contract change orders.

CSURMA: CSURMA is the California State University Risk Management Authority which is a joint powers authority separate from the CSU and its participating auxiliary organizations. CSURMA has established various programs for insurance and self-insurance to serve the University and the ~~OCIP~~ and BRIP program ~~is~~ are programs of the CSURMA.

CPDC: CSU's Department of Capital Planning, Design and Construction in the Chancellor's Office is the primary client for the ~~OCIP and~~ BRIP programs and the designated representative for managing the programs internal to the CSU.

Program Administrator: CSURMA has appointed Alliant Insurance Services, Inc. as Program Administrator responsible for designing and implementing the programs serving the CSU and auxiliary organization participants.



CSURMA

POLICY AND PROCEDURE NO. 24

Program Underwriters: The insurance companies that underwrite the ~~OCIP and~~ BRIP insurance policies.

Systemwide Office of Risk Management: CSURMA has engaged the CSU Chancellor's Office, ~~Office~~ Department of Risk Management ~~and Public Safety~~ to provide risk management consulting services to the CSURMA including oversight of programs.

INSURANCE RENEWALS UPDATE AND UNDERWRITER MEETINGS REPORT

ISSUE: Most of CSURMA's insurance and reinsurance programs renew July 1, 2016. In April 2016, CSURMA's Treasurer, Robert Eaton and Secretary-Auditor, Zachary Gifford, completed meetings with insurance underwriters in preparation for final renewal negotiations. Following is a brief overview of the major renewals:

- **Liability:** The AORMA primary excess liability program will experience a substantial increase due to recent losses. The University excess tower will be stable with possibly an increase that follows the increase in full time equivalent students. We are negotiating with underwriters to expand the use of reinsurance into the excess layers.
- **Property:** The AORMA program will likely see a flat rate renewal and the University program an increase due to a recent large loss.
- **Workers' Compensation:** The initial 18 month primary coverage program with CSAC EIA is up for renewal and initial terms are showing that the renewal cost should come in below CSU and AORMA's expected loss cost as calculated. Cost will increase with payroll increases.
- **Other Coverages:** The insurance market is relatively stable and CSURMA loss histories are good. We expect renewal costs to be near expiring. The Foreign Travel Insurance Program may see an increase in cost due to claims experience. The new Fine Arts, Artifacts and Archives property insurance program is being expanded to a Systemwide offering.

Robert Eaton, Zachary Gifford and Daniel Howell will be present at today's meeting to report on the meetings. The CSURMA Secretary-Auditor has been previously authorized to renew programs and report back to the Board of Directors.

RECOMMENDATION: This item is for information only. No action is recommended.

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

BACKGROUND: CSURMA representatives met with CSURMA's program underwriters in London on April 19-20, 2016, and in New York and Bermuda on November 30 through December 4, 2015. CSURMA was represented by Steve Relyea, CSU Executive Vice Chancellor and Chief Financial Officer in New York and Bermuda, and all meetings were

attended by Robert Eaton, CSU Assistant Vice Chancellor, Financing, Treasury and Risk Management, Zachary Gifford, 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 seven days of meetings there were over 20 meetings with over 35 market participants.

PUBLICATION: None.

ATTACHMENT(S): None.

MASTER ENABLING AGREEMENT FOR TRANSPORTATION

ISSUE: At the Executive Committee's long range planning meeting on March 10, 2016, Zachary Gifford highlighted GoGround transportation management services and its benefits to members who charter bus transportation for university activities. GoGround vets all transportation carriers who must meet GoGround's safety standards and insurance levels as minimum requirements to be an approved transportation carrier. Additionally, GoGround maintains excess insurance on top of the primary insurance held by the transportation carriers. Transportation rates are lower from GoGround due to its volume of business.

The Executive Committee included as a Long Range Action Plan item the development of a Master Enabling Agreement for Transportation, using GoGround as a basis to qualify bus charters. The project includes identifying transportation carriers currently used by campuses, obtaining and reviewing contract proposals, and negotiating terms for a master transportation services enabling agreement. Representative from GoGround are present today to present their service capabilities and benefits to CSU.

RECOMMENDATION: This item is for information only; the Executive Committee, at its meeting today, will have reviewed the draft Master Enabling Agreement for Transportation and if appropriate will have approved the agreement.

FISCAL IMPACT: None. There is no fee for using GoGround services. Actual transportation cost is the responsibility of the campus organizer.

BACKGROUND: Gifford presented an overview of GoGround to the Campus Risk Managers in a meeting on October 23, 2015, which was enthusiastically received and recommended for further exploration. Also, CSURMA's insurance underwriters have been asking about the experience of transportation providers used by campuses and auxiliary organizations.

PUBLICATION: None.

ATTACHMENT(S):

a. GoGround PowerPoint Presentation



TRANSPORTATION SAFETY EXCHANGE

Powered by CSS, Inc.

— Expect a Higher Standard —



GOGROUND

OFFICIAL TRANSPORTATION MANAGEMENT PARTNER
WORLD MEETING OF FAMILIES 2015

The CalState logo consists of the word 'CalState' in a white, bold, sans-serif font, centered on a red rectangular background that has a faint map of California overlaid on it.

CalState

March 1, 2016

© 2013 Transportation Safety Exchange, Inc. • Powered by CSS, Inc. • www.transportationsafetyexchange.com



Introduces



to

CalState

GOGROUND is a leading group and event ground transportation management firm serving large scale festivals, collegiate & professional athletics and special events.

GOGROUND is the most experienced ground transportation management specialist of its kind in North America. It is an expert at charter bus services and has the largest standing network of bus operators in the industry.

GOGROUND is the exclusive ground transportation partner of the NCAA championships and was also the “Official Transportation Partner of the World Meeting of Families”.

Expect a Higher Standard



GOGROUND Clientele




— Expect a Higher Standard — 3



Focus



GOGROUND's sole focus is ground transportation and it's mission and passion is to make every aspect of the group transportation experience for event organizers and guests the best it can be.

Both **GOGROUND** and  share the same focus and passion for safety as transporting your passengers safely is our highest priority.




Expect a Higher Standard



GOGROUND and *and*



GOGROUND and  have worked closely together over the years to bring the importance of safety to the forefront with regard to passenger ground transportation.

GOGROUND uses  carriers for charter work.

— *Expect a Higher Standard* — 5

The / **GOGROUND** / **CSU** **Transportation Safety Program**

GOGROUND will use TSX Approved operators for charter work for CSU members. If a non-approved carrier has been requested to join TSX by one of our CSU subscribers, **GOGROUND** will contact TSX to see if there are any major safety issues with this operator. If the carrier appears to be a good candidate to work with TSX, **GOGROUND** will use the carrier for charter work provided that they become TSX approved within 6 months or they no longer will be used.

Every CSU Member Institution subscriber should strive to support the **TSX / GOGROUND / CSU Transportation Safety Program** by informing their carriers this 6 month window to become TSX approved is a requirement by their university. If they don't make TSX approval by an operator mandatory, the program loses its purpose and puts these CSU member universities at much greater risk.

— *Expect a Higher Standard* — 6



Reducing CSU Liability



Once again, if CSU member institutions do not make it university policy that they will not use a carrier unless they are TSX approved, their liability substantially increases.

Carrier comment on why they will not become



“We continue to do business with the CSU’s and only one of them has asked us about TSX participation, **and did not make that a requirement.** Unless that changes, we cannot justify the additional expenditure.”

— *Expect a Higher Standard* — 7



GOGROUND

CalState



It takes between 1 and 12 hours for CSU member staff personnel to find and charter reliable passenger ground transportation. This translates to many dollars spent for this personnel to locate, negotiate price, determine risk and charter with ground transportation passenger carriers.

GOGROUND helps reduce this cost as CSU member institutions can simply contact **GOGROUND** for all their charter needs.

— *Expect a Higher Standard* — 8



Cost of Doing Business with **GOGROUND**



The cost of doing business with **GOGROUND** is approximately 5%. **GOGROUND** can either work under a blanket contract or they can set up a management fee for each individual CSU member institution.

GOGROUND can also set up a Transportation Management Portal for each individual CSU member institution.



CSU Member Institutions

Who Would Benefit from Using the *TSX / GOGROUD / CSU Transportation Program*



— *Expect a Higher Standard* — 10



CalState



© 2016 Transportation Safety Exchange, Inc.

• Powered by CSS, Inc. • www.transportationsafetyexchange.com

— Expect a Higher Standard —

REVISED LIABILITY MEMORANDUM OF COVERAGE
EFFECTIVE JULY 1, 2016

ISSUE: Coverage provided under CSURMA's self-insured programs is governed by a memorandum of coverage (MOC) agreement that serves in place of an insurance agreement. With pending changes to both the AORMA Liability Program and Campus Liability Risk Pool Program, the Board will be asked to delegate authority to the AORMA Committee to adopt revisions to the AORMA Liability Program MOC and to the Executive Committee for the Campus Liability Risk Pool MOC and Excess Liability Coverage Program for coverage effective July 1, 2016.

- AORMA Liability Program: With the likely change in reinsurers, a new MOC will probably be needed.
- Campus Liability Risk Pool Program: The campus risk pool form has not been updated since July 1, 2007 and this year appeared an appropriate time to review considering excess reinsurer willingness to offer coverage on a reinsured basis.
- Excess Liability Coverage Program: The University and auxiliary organizations are jointly covered in the Excess Liability Coverage Program attaching at \$5 million. The lead underwriter, Ironshore has indicated a willingness to cover the program on a reinsured basis.

Staff will be present at today's meeting to report on the proposed changes.

RECOMMENDATION: The Board of Directors will be asked to delegate authority to the Executive Committee and the AORMA Committee to adopt revisions to the MOC's to be effective July 1, 2016.

FISCAL IMPACT: There is no cost expected from the recommended action at today's meeting. However, changes in coverage may impact future funding requirements to the extent that coverage is broadened or limited.

BACKGROUND: The Memoranda of Coverage will be delivered to the members following renewal of the programs.

PUBLICATION: None.

ATTACHMENTS:

- a. Draft AORMA Liability Program MOC
- b. Draft Campus Liability Risk Pool MOC

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

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

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

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

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

SECTION I – DEFINITIONS

- A. **Additional Covered Party** means any person, organization, board member or estate who is specifically endorsed to this Memorandum by written endorsement and to whom or to which the **Member** is obligated by virtue of written contract to provide coverage as is afforded by this Memorandum, but only with respect to operations performed by or on behalf of the **Member** or facilities owned or used by the **Member**. The limit and scope of coverage afforded by endorsement to this Memorandum shall be no broader than that which is required by such contract and shall in no event be broader than the coverage afforded by this Memorandum or endorsements to this Memorandum.

The coverage does not extend, either with respects to defense or indemnity to the sole negligence, or to the willful misconduct or any **person or organization obligated by written contract or by a specific endorsement**.

- B. **Administration**, with respect to **Employee Benefits Liability**, means:
1. Providing information to **Employees**, including their dependents and beneficiaries, with respect to eligibility for or scope of **Employee Benefit Programs**;
 2. Handling records in connection with the **Employee Benefit Program**; or
 3. Effecting, continuing or terminating any **Employees'** participation in any benefit included in the **Employee Benefit Program**.

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

- C. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air, but does not include **Unmanned Aerial Vehicle**.
- D. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but **automobile** does not include **Mobile Equipment**.
- E. **Auto Liability** means liability for **Bodily Injury** or **Property Damage** arising from the ownership, maintenance, operation, use, loading or unloading of an **Automobile**.
- F. **Bodily Injury** means bodily injury, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the Policy Period. **Bodily Injury** includes damages claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.
- G. **Claim** means:
 - 1. A written demand to a Member for payment of Damages received by the CSURMA AORMA Secretary-Auditor or by the chief executive, Risk Manager, or general counsel of a Member; and/or
 - 2. A civil proceeding against a Member in which Damages are sought on account of Bodily Injury, Property Damage, Personal Injury or a Medical Malpractice Occurrence, Errors and Omissions Occurrence, Employee Benefits Liability Occurrence or Employment Practices Liability Occurrence to which this insurance applies, including an arbitration or other alternative dispute resolution proceeding in which monetary Damages are sought and to which the Member must or does submit with our written consent.
- H. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of **operations** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such **operations** have been completed or abandoned and occurs away from premises owned by or rented to **you**. **Operations** include materials, parts or equipment furnished in connection therewith. **Operations** shall be deemed completed at the earliest of the following time:
 - 1. When all operations to be performed by or on behalf of you at the site of the operations have been completed.
 - 2. When all operations to be performed by or on behalf of you under the contract have been completed;
or
 - 3. When the portion of the work out of which the injury or Damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project

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

- 1. Operations in connection with the transportation of property unless the Personal Injury or Property Damage arises out of a condition in or on a vehicle created by the Loading or Unloading of that vehicle by any Insured; or

2. The existence of tools, uninstalled equipment or abandoned or unused materials.

I. **Coverage Period** means the period of coverage provided under this Memorandum as shown on the Declarations Page.

J. **Covered Individuals** means persons who are past or present elected or appointed officials, employees or appointed volunteers of the **Member**, whether or not compensated while acting for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. Covered Individuals do not include employees of nonmember organizations, including, but not limited to auxiliary organizations, alumni associations and volunteer university support groups.

K. Covered Party means the entities or individuals named in Section IV – COVERED PARTIES as being covered by this document.

L. Dam means any artificial barrier together with appurtenant works which:

1. Is twenty-five feet or more in height from the foot of a natural bed of stream or watercourse; or
2. Has water impounding capacity of fifty acre feet or more.

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

M. Damages includes damages for death and for care and loss of services resulting from Personal Injury and damages for loss of use of property resulting from Property Damage, and losses for Wrongful Acts as defined in this Policy.

N. Defense costs means reasonable fees charged by an attorney, including expenses of a claims servicing organization the Member has engaged, and all other reasonable fees, costs, including third-party attorney's fees and costs as authorized by law or under contract, and expenses attributable to the investigation, defense, administration or appeal of a claim or suit within the scope of coverage afforded by this policy. Defense costs shall include any allocated claims expenses, salaries or overhead incurred by attorneys who are employees of the California State University's Office of General Counsel. However, such expenses in "defense costs" shall be limited at \$250 per hour.

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

P. **Employee** means:

1. Any person who has an assigned work schedule for the Member and is on the Member's regular payroll; and
2. Any person who is leased to the Member through a staffing or temporary agency and is working for the Member under the Member's supervision, including a Leased Worker.
3. Employee does not include independent contractors. An Employee's status as a Covered Party will be determined as of the date of the Occurrence or Wrongful Act upon which a Claim involving the Employee is based; and
4. As respects Employment Practices Liability and Employee Benefit Liability and when appearing in boldface type in this Memorandum, means any present or former Employee of the named Covered Party; and
5. Solely as respects Employment Practices Liability arising from alleged Discrimination with respect to negligent hiring, only, Employee includes an applicant for employment

Q. Employee Benefits Liability means liability for actual or alleged Errors and Omissions in the Administration of a Member's Employee Benefit Program.

R. Employee Benefit Program means a program providing some or all of the following benefits to Employees:

1. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts;
2. Profit sharing plans, Employee savings plans, Employee stock ownership plans, pension plans and stock subscription plans; and
3. Unemployment insurance, social security benefits, workers' compensation and disability benefits.

S. **Employment Practice Liability** means any claim or **suit** by a past, present or prospective employee of CSURMA AORMA (and the spouse, child, parent, brother or sister of that person as a consequence of **employment practices liability** at whom any of the **employment practices liability** is directed) arising out of the following **wrongful acts**: wrongful dismissal, discharge, or termination, either actual or constructive, of employment; employment related misrepresentation; **retaliation**; wrongful failure or refusal to employ or promote; wrongful deprivation of career opportunity or reassignment; wrongful discipline; failure to grant tenure or negligent employee evaluation; sexual or workplace harassment or humiliation of any kind, including, but not limited to, the alleged operation of a harassing workplace environment; negligence resulting in **damages** to a person that is a **whistle-blower**; unlawful discrimination, whether direct, indirect, intentional or unintentional; failure to provide adequate employee policies and procedures; or any act, error, or omission in the **administration** of the **CSURMA AORMA's Employee Benefit Program**. **Employment practices liability** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not limited to allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:

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

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

T. **Errors and Omissions** means any actual or alleged misstatement or misleading statement or act or omission or neglect or breach of duty or lack of ordinary skill in the performance of a professional act including misfeasance, malfeasance or nonfeasance by **Covered Individuals** individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.

U. **Impaired Property** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

1. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
2. You have failed to fulfill the terms of a contract or agreement;

If such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or "your" fulfilling the terms of the contract or agreement.

V. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.

W. **Leased Worker** means a person leased to the **Member** by a labor-leasing firm under a previously executed written agreement between the **Member** and the labor-leasing firm, to perform duties related to the conduct of the **Member**.

X. **Loss Adjustment Expense** means all costs and expenses incurred by the **Member** in connection with the investigation, appraisal, negotiation, adjustment, settlement, litigation, defense or appeal of a specific **claim** or loss, including but not limited to defense attorney fees, court costs, costs of supersedeas and appeal bonds, monitoring counsel expenses, post-judgment interest, pre-judgment interest (unless included as part of an award), subrogation, salvage and recovery expense, costs and expenses in connection with coverage questions and legal actions and other associated costs and expenses. **Loss Adjustment Expense** shall also include a pro-rata share of salaries and expenses of **Member** in-house counsel who are **Employees** while working as outside adjusters according to time spent on specific **claims**, fees and expenses of outside adjusters, including Third Party Administrators (TPA), associated with specific **claims**, but excluding any **Loss Adjustment Expense** and fees paid to a TPA that are not allocable to a specific **claim**. **Loss Adjustment Expense** does not include salaries and expense of Entity **Employees** except as provided above as well as office and other overhead expenses.

Y. **Medical Malpractice Liability** means liability for **Bodily Injury** arising from **Medical Malpractice**.

- Z. **Media Wrongful Act** means any actual or alleged:
1. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
 2. Wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
 3. Libel, slander, disparagement, or any other form of defamation or harm to the character or reputation of any person or entity;
 4. Outrage, infliction of emotional distress or prima facie tort;
 5. Infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name;
 6. Copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
 7. Breach of a promise of confidentiality or anonymity;
 8. Error or omission in content;
 9. Unfair competition or conspiracy
 10. Breach of an indemnification or hold harmless agreement relating to claims arising out of the media, but only when such claims allege a **Media Wrongful Act** falling within sections 1-9 above; solely when committed or allegedly committed by an **Covered Party** in is, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media.
- AA. **Member** means the Member named in the Declarations.
- BB. **Member's Retained Limit** - As shown on the Declaration Page of this Memorandum the amount of each **Ultimate Net Loss** which the **Member** has to pay irrespective of the amount of the **Ultimate Net Loss**.
- CC. **Mobile Equipment** means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises you own or rent;
 3. Vehicles that travel on crawler treads;
 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a) Power cranes, shovels, loaders, diggers or drills; or

- b) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- 5. Vehicles not described in Paragraph 1, 2, 3 or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a) Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b) Cherry pickers and similar devices used to raise or lower workers;
- 6. Vehicles not described in Paragraph 1, 2, 3, or 4 above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **Mobile Equipment** but will be an **Automobile**.

- a) Equipment designed primarily for:
 - i. Snow removal;
 - ii. Road maintenance, but not construction or resurfacing; or
 - iii. Street cleaning;
- b) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c) Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment.

However, **Mobile Equipment** does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

DD. **Mold(s)** means to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces molds.

EE. **Occurrence:**

- 1. With respect to **Bodily Injury** or **Property Damage** means an accident or event, including continuous or repeated exposure to conditions, which, during the coverage period, results in injury or damage to which this coverage applies; provided, such injury or damage is neither expected nor intended from the standpoint of the **Member**.
- 2. With respect to **Personal Injury: Occurrence** means any of the offenses described in the definition of **Personal Injury** in this Section I - Definitions, that is committed during the **Coverage Period**.

3. With respect to **Medical Malpractice: Occurrence** means an **Occurrence** arising out of the conduct described in the definition of **Medical Malpractice** in this Section I - Definitions, that is committed during the **Coverage Period**.
4. With respect to **Errors and Omissions: Occurrence** means any of the conduct described in the definition of **Errors and Omissions** in this Section I - Definitions that is committed during the **Coverage Period**.
5. With respect to **Employment Practices Liability: Occurrence** means any of the conduct described in the definition of **Employment Practices Liability** in this Section I – Definitions that is committed during the **Coverage Period**.
6. With respect to **Employee Benefit Liability: Occurrence** means any of the conduct described in the definition of **Employee Benefits Liability** in this Section I – Definitions that is committed during the **Coverage Period**.
7. With respect to **Media Wrongful Acts: Occurrence** means any of the conduct described in the definition of **Media Wrongful Act** in this Section I – Definitions that is committed during the **Coverage Period**.

FF. **Personal Injury** means any of the following offenses:

1. False arrest, detention, or imprisonment or malicious prosecution;
2. Shock, mental anguish, mental injury or humiliation
3. Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual’s right of privacy;
4. Wrongful entry or eviction or other invasion of the right of private occupancy;
5. Discrimination or violation of civil rights other than Employment Practices Liability, not intentionally committed by or at the direction of the Covered Party;

GG. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. The term **Pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users.

HH. **Property Damage** means:

1. Physical injury to or destruction of tangible property which occurs during the coverage period, including the loss of use thereof at any time resulting from therefrom;
2. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an **Occurrence** during the coverage period.

- II. **Sexual Harassment** shall mean any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or person acting in concert, which causes physical and/or mental injuries. **Sexual Harassment** also includes the above conduct when:
1. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment, or a basis for employment decisions affecting a person; or
 2. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

Sexual Harassment does NOT include **Sexual Misconduct** as defined in this Memorandum.

JJ. **Sexual Misconduct** means:

1. The actual, attempted or alleged abuse or molestation of a person by another person, or persons acting in concert which causes physical and/or mental injuries. Sexual molestation includes: sexual abuse, sexual assault, sexual exploitation or sexual injury; or
2. The negligent employment, investigation, supervision, reporting to the proper authorities or failure to report the above of a **Covered Person**.

KK. **Ultimate Net Loss** as contained in the Declarations of this Memorandum means the amount of paid **Claims** and liability for **Damages** for which the **Member** is responsible on a per **Occurrence** basis, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** includes defense attorney fees and costs of the **Member** in defense of the **claim** and also includes court costs, **Loss Adjustment Expenses**, and other associated costs and expenses, but does not include any salaries of the **Member's** regular employees. **Ultimate Net Loss** shall not include any of the above-described expenses for damages against a **Member** or defense expenses incurred because of liability excluded by this Memorandum.

LL. **Unfair Employment Practices** means:

1. Any circumstance relating to a past, present or prospective **employee** of the **Member** (and the spouse, child, parent, brother or sister of that person as a consequence of **unfair employment practices** that person at whom any of the employment-related practices described below is directed) for or arising out of any actual or alleged wrongful dismissal, discharge, or termination either actual or constructive, of employment, employment related misrepresentation, retaliation, wrongful failure or refusal to employ or promote, wrongful deprivation of career opportunity or reassignment, wrongful discipline, failure to grant tenure or negligent **employee** evaluations; or
2. Sexual or workplace harassment or humiliation of any kind, including but not limited to, the alleged operation of a workplace harassing workplace environment, or
3. Actual or alleged negligence resulting in **damages** to a person that is a "whistle blower", unlawful **discrimination**, whether direct, indirect, intentional or unintentional, or
4. Failure to provide adequate **employee** policies and procedures.

Unfair employment practices shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated there under:

1. Americans with Disabilities Act of 1992 (ADA);
2. Civil Rights Act of 1991;
3. Age **Discrimination** in Employment Act of 1967 (ADEA), including the Older Workforce Benefit Protection Act of 1990;
4. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
5. Civil Rights Act of 1866, Section 1981; and
6. Fifth and Fourteenth Amendments of the U.S. Constitution.

MM. The following definitions are applicable only to Exclusion I:

1. Hazardous properties include radioactive, toxic or explosive properties;
2. Nuclear material means source material, special nuclear material or byproduct material;
3. Source material, special nuclear material and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;
4. Spent fuel means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;
5. Waste means any waste material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph a. or b. thereof;
6. Nuclear Facility means:
 - a) Any **nuclear reactor**;
 - b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging **waste**;
 - c) Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or

- d) Any structure, basin, excavation site premises or place prepared or used for the storage or disposal of **waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- 7. Nuclear Reactor means any apparatus designed or used to sustain nuclear fission in a supporting chain reaction or to contain a critical mass of fissionable material.

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

NN. **Unmanned Aerial Vehicle** means any vehicle without a human pilot aboard capable of flight principally in the air that is designed for the transport of equipment and weighing no more than 100 lbs. maximum take-off weight.

OO. **Your Product** means:

- 1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a) You;
 - b) Others trading under your name; or
 - c) A person or organization whose business or assets you have acquired; and
- 2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- 3. Includes:
 - a) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - b) The providing of or failure to provide warnings or instructions.
 - c) Does not include vending machines or other property rented to or located for the use of others but not sold.

PP. **Your Work:**

- 1. Means:
 - a) Work or operations performed by you or on your behalf; and
 - b) Materials, parts or equipment furnished in connection with such work or operations.
- 2. Includes:
 - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

- b. The providing of or failure to provide warning or instructions.

QQ. **Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between an **Employee** and a **Member** in a manner and/or a reason which is contrary to applicable law.

SECTION II - COVERAGES

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

To pay on behalf of the **Member** those sums for **Ultimate Net Loss** in excess of the **Member's retained limit** which the **Member** shall become obligated to pay as **Damages** (1) by reason of liability assumed by the **Member** by contract because of **General Liability, Automobile Liability, Errors and Omissions Liability, Employee Benefits Liability, Employment Practices Liability, Medical Malpractice Liability** and **Products/Completed Operations Liability** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence** (2) by reason of liability imposed by law because of **General Liability, Automobile Liability, Errors and Omissions Liability, Employee Benefits Liability, Employment Practices Liability, Medical Malpractice Liability** and **Products/Completed Operations Liability** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence**.

SECTION III - LIMITATIONS UPON CSURMA AORMA'S LIABILITY

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

The CSURMA AORMA's liability for **damages** shall be only for the **Ultimate Net Loss** in excess of the **Member's retained limit** not to exceed the **Limit of Liability** shown in the Memorandum, as the result of any one **Occurrence**. There is no limit to the number of **occurrences** during the document period for which **Claims** may be made.

The **Member's retained limit** applies to each such **Occurrence** without regard to exclusions, limitations or exhaustion of aggregate limits in underlying or contributing coverage, insolvency of any insurance carrier or insurance pool, or any circumstances wherein underlying or contributing coverage is uncollectible.

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

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

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

An **Occurrence** with a duration of more than one coverage period shall be treated as a single **Occurrence** arising during the coverage period when the **Occurrence** ends even if the **Occurrence** began before any applicable coverage period of the CSURMA AORMA and under no circumstances shall the fact that said **Occurrence** has a duration of more than one coverage period entitle a **Covered Party** to more than one Limit of Liability or to coverage under more than one Memorandum.

SECTION IV - COVERED PARTIES

The parties covered by the CSURMA AORMA:

- A. The **Member** named in the selected deductible form.
- B. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the named **Member**:
 - 1. Governing Board.
 - 2. Officers.
 - 3. Employees.
 - 4. Non compensated individuals, while acting for or on behalf of the **Member**
- C. **Additional covered parties** as defined in Section I, A. of this document.
- D. **Covered individuals** as defined in Section I, J. of this document.

SECTION V – EXCLUSIONS

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

- A. Aircraft - For any liability for damages arising out of the ownership, maintenance, loading or unloading, use or operation of any aircraft capable of flight. This exclusion does not apply to static aircraft, or to an **Unmanned Aerial Vehicle**.
- B. Asbestos - Arising out of or related to the presence of, or installation or removal of, asbestos or any product containing asbestos material.
- C. Aviation Activities - To liability for **damages** arising out of the ownership, maintenance, loading or unloading, use or operation of any:
 - 1. **Aircraft**
 - 2. Airfields;
 - 3. Runways;
 - 4. Hangars; or

5. Buildings of other properties in connection with aviation activities.

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

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

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

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

- E. **Contractual Obligations** - The actual or alleged failure to perform or breach of any contract, agreement or other guarantee or promise, except this exclusion does not apply to any employment related contracts as provided under Employment Practices Liability.

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

- G. **Employment Benefit Liability**

1. Arising out of an insufficiency of funds to meet any obligations under any plan included in the **Employee Benefit Program**
2. Failure of any investment to perform;
3. Errors in providing information on past performance of investment vehicles; or
4. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the **Employee Benefit Program**.
5. For any **Employee Benefits Liability Claim** for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **Covered Party**, from the applicable funds accrued or other collectible insurance.
6. For taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

Except as provided within the Fiduciary Liability Coverage endorsement.

- H. **Eminent Domain and Inverse Condemnation** - For any loss, damage or expense arising out of or related to, either directly or indirectly, from any claim, suit or demand arising from or in connection with the direct condemnation of property or exercise of power of eminent domain by the Member or on the Member's behalf, or inverse condemnation, or any taking of property by the Member which is compensable under the

Fifth or Fourteenth Amendments to the United States Constitution, or any taking of property by the Member which is compensable under the law of the State in which the Claim is made.

This exclusion shall not apply to physical injury or to destruction of tangible property, including all resulting loss of use of such property, for which the **Member** may be legally responsible and for which recovery is sought for **Claims** for inverse condemnation, by whatever name called; provided, however, that in any case in which a **Claim** for inverse condemnation, by whatever name called, is made against the **Member**, coverage shall only exist for physical injury to or destruction of tangible property, including all resulting loss of use of that property, and there shall be no coverage for reduced value of property (diminution of value), attorney fees, expert fees, severance damages, relocation costs or any other form of relief, however denominated.

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

Except as provided within the Fiduciary Liability Coverage endorsement.

- J. Fiduciary Liability - To liability arising out of;
1. The purchase, or sale, or offer of sale, or solicitation of any security, or decline in price or value of any security, debt, bank deposit or financial interest or instrument;
 2. Any representation made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument; or
 3. Any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument;

Except as provided within the Fiduciary Liability Coverage endorsement.

- K. Funds, Grants or Appropriations - For the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations for the return of such funds, grants, or appropriations for any reason. However, costs to defend any action or suits brought against any **Covered Party** for such causes of action shall be considered **Ultimate Net Loss** unless the **Covered Party's** alleged conduct was outside the scope of employment.

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

- L. Insolvency - Arising by contract, operation of law, or otherwise, from **Covered Party's** participation or membership, whether voluntary or involuntary, in any insolvency fund. "Insolvency Fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever

denominated, established or governed, which provides for any assessment of or payments or assumption by CSURMA AORMA or any **Covered Party** of part or all of any **claim**, debt, charge, fee or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any **claim**, debt, charge, fee or other obligation in whole or in part.

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

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

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

- N. Lack of Occurrence - For injuries or damages which do not arise out of an **Occurrence** as defined in this Memorandum;

- O. Land Use - To any liability for **damages** arising from any claim, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA AORMA shall defend the **Covered Party** up to an amount not exceeding \$250,000 **ultimate net loss** for such liability.

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

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

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

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

This exclusion does not apply to liability arising out of

1. Ambulance operations, occupational physical examinations, student nursing programs, infirmaries, on-clinic nursing services or services of the Insured's employees who are nurses, physician

assistants, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, or physical therapists;

2. Employment Practices Liability;

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

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

S. Non-Compensatory Amounts and/or Damages - For any non-monetary equitable redress or form of relief other than the payment of monetary damages, including but not limited to, declaratory, injunctive or administrative relief or specific performance award, or any cost or expense to comply with any declaratory, injunctive or administrative relief or specific performance award.

T. Nuclear Material - To any liability for **damages** arising out of injury, sickness, disease, death or destruction:

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

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

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

- U. Office of Foreign Assets Control (OFAC) - For any liability for premium or loss under this Memorandum if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.
- V. Pollution - For any loss, cost, or expense:
 - 1. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;
 - 2. Arising out of any **claim**, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **pollutants**:
 - a. At any premises owned, rented or occupied by the **Covered Party**;
 - b. At or from any site or location used by or for the **Covered Party** or others for the handling, storage, dispersal, processing or treatment of waste;
 - c. Which are at any time transported, handled, stored, treated or disposed of; or processed as waste by or for the **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
 - d. At or from any site or location on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations:
 - i. If the **Pollutants** are brought on or to the site or location in connection with such operation; or
 - ii. If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **Pollutants**.

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

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

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

1. Discharge, dispersal, release or escape directly caused by hostile fire, explosion, lightning, windstorm, vandalism or malicious mischief; or
2. Personal injury or property damage which is within the product hazard of the completed operations hazard; or
3. A discharge, dispersal, release or escape of pollutants that meets all of the following conditions:
 - a) It was accidental and was neither expected nor intended by the **Covered Party**.
 - b) It was instantaneous and was demonstrable as having commenced at a specific time and date during the term of this coverage.
 - c) Its commencement became known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party** within ten (10) calendar days.
 - d) Its commencement was reported in writing within forty (40) calendar days of becoming known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party**.
 - e) Reasonable effort was expended by the **Covered Party** to terminate the situation as soon as conditions permitted.

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

2. Any site or location used by others on the **Covered Party’s** behalf, principally for the handling, storage, disposal, dumping, processing or treatment of waste material.
3. Any fines, penalties or exemplary damages.
4. Any clean-up costs ordered by the Superfund program, or any federal, state or local governmental authority. However, this specific exclusion (3) shall not serve to deny coverage for third party clean-up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;
5. Acid rain;
6. Clean up, removal, containment, treatment, detoxification or neutralization of **Pollutants** situated on premises you currently own, rent or occupy at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **Pollutants**; or
7. Water **Pollution** caused by oil or by its derivatives.

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

Arising from **Property Damage** to:

1. Property owned by a **Covered Party**; or
 2. Property rented or leased to a **Covered Party** where the **Covered Party** had assumed liability for damage to or destruction of such property unless the **Covered Party** would have been liable in the absence of such assumption of liability or contractual liability
- X. Silica - Arising out of, in whole or in part, the injurious properties of silica or any product or material containing or composed of silica in any form, under any theory of liability whatsoever. “Silica” means silica occurring in any form, including silicon dioxide, silica particles, silica fibers, silica sand, silica dust or silica compounds, including a mixture or combination of any of the foregoing and any other mineral, dust, particle or any substance or material of any kind or origin.
- Y. Subsidence - For any **Property Damage** arising from or related to **Land Subsidence** for any reason whatsoever, notwithstanding any coverage provided under Exclusion H.
- Z. Terrorism - For any loss, damage, cost or expense directly or indirectly caused by, contributed by, resulting from, or arising out of: (i) an Act of Terrorism as defined under the Terrorism Risk Insurance Act of 2002 or any amendments, renewals or successor legislation thereto in connection with biological, chemical, radiological or nuclear explosion, pollution or contamination; and (ii) any act, whether or not related to terrorism or any act of terrorism in connection with biological, chemical, radiological or nuclear explosion, pollution, contamination; whether in time of peace or war, and regardless of who commits the act, regardless of any other cause or event contributing concurrently or in any other manner.
- AA. War - Arising from war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law or confiscation by order of any government or public authority.
- BB. Watercraft - Arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any **Covered Party**, but this exclusion does not apply to:
1. Watercraft while ashore on premises owned or rented by **Covered Party**;
 2. Watercraft less than fifty (50) feet in length at the waterline.
 3. Watercraft less than seventy five (75) feet in length, with no self-propulsion capabilities
- CC. Wrongful Acts
1. Arising from any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations. This exclusion shall not apply to a **Claim** brought by (i) an **Employee** alleging wrongful termination or retaliation as a result of strike activity or union involvement, or (ii) a law enforcement officer responding within the scope of his or her duties to any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations.

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

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

DD. Under Errors and Omissions Liability;

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

EE. Under Media Wrongful Acts;

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

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

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

SECTION VII – CONDITIONS

- A. Action Against CSURMA AORMA - No action shall lie against CSURMA AORMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA AORMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA AORMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability.
- B. Arbitration:
1. In the event that a question or dispute arises between CSURMA AORMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an occurrence or claim against the **Covered Party**, either the **Covered Party** or CSURMA may make a written request for arbitration. Where such a request is made, arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.
 2. If a **Covered Party** and CSURMA AORMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.
 3. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).
- C. Assignment: No assignment of interest under this Memorandum shall bind CSURMA AORMA without its written consent to endorse hereon.
- D. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Member** or any **Covered Party** shall not relieve CSURMA AORMA of any of its obligations hereunder nor shall such bankruptcy or insolvency increase CSURMA AORMA'S obligations hereunder.
- E. Cancellation and Termination: This Memorandum may, with respect to any **Member**, be cancelled by CSURMA AORMA either for the then-current coverage period or, in the event of expulsion, permanently

upon the occurrence of the events and under terms set forth in the CSURMA AORMA Joint Powers Agreement and the Bylaws.

This Memorandum may be terminated at any time in accordance with the Bylaws of CSURMA AORMA

- F. Changes to the Memorandum: Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this Memorandum nor preclude CSURMA AORMA from asserting any right under the terms of this Memorandum, nor shall the terms of this Memorandum be waived or changed, except by written endorsement issued by CSURMA AORMA to form a part of this Memorandum.
- G. Claims Settlement: As stated in the CSURMA AORMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management:
1. Claim Settlement Authority : The following guidelines apply to settlement authority of CSURMA AORMA, within this Memorandum:
 - a. \$0 to 25,000 – Claims Administrator. The Liability Claims Administrator has authority to settle claims up to, and including, \$25,000 per claim.
 - b. Up to the **Pooled Layer Limit** – AORMA Committee. The AORMA Committee has authority to authorize claims settlement up to the **Pooled Layer Limit**.
 2. Claims Settlement Responsibility: AORMA Committee shall have the primary responsibility to control and direct settlement negotiations and to determine the terms of any settlement. However, before effecting any settlement, AORMA Committee shall give notice to the **Member** of the terms of the proposed settlement.
 3. **Member** Appeal Process:

First Level Appeal

If a **Member** wishes to appeal a decision regarding whether or not coverage is provided or to appeal a settlement decision, the **Member** must present an appeal in writing to the AORMA Committee within thirty (30) days of the disputed decision. The AORMA Committee will review the appeal at its next regularly scheduled meeting and inform the **Member** within five (5) business days of its final decision.

Second Level Appeal

If a **Member** wishes to appeal the AORMA Committee’s decision, the **Member** will notify the CSURMA Secretary-Auditor in writing within five (5) business days of receipt of the AORMA Committee’s decision. The CSURMA Executive Committee will then review the appeal at its next meeting or sooner. The CSURMA Executive Committee’s decision will be the final determination.
- H. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA AORMA’s rules and rates. CSURMA AORMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.

- I. Defense of Claims: Defense fees and costs are included in the **Member's retained limit**. After the amount of the **Member's retained limit** has been exhausted, CSURMA AORMA will pay Defense fees and costs only at a rate agreed to by CSURMA AORMA in writing.

Provided it can be communicated without breach of the **Covered Party's** attorney-client privilege of confidentiality, the CSURMA AORMA shall be entitled to complete access to the **Covered Party's claim** file, the defense attorney's file, and all investigation material and reports, including all evaluations and information on negotiations. The **Covered Party** shall be responsible to report on the progress of the litigation and any significant developments as requested by the CSURMA AORMA, and to provide the CSURMA AORMA with copies of all correspondence provided to the **Covered Party** in which a demand for an amount that is within the CSURMA AORMA's coverage is made.

- J. Drop Down Exclusion: CSURMA AORMA's Limit of Liability stated in the Declarations herein shall not be increased for any reason, including, but not limited to, the refusal or inability, for any reason, of the **Member** to pay its **Member's retained limit** or by the refusal or inability of any underlying or excess insurer to pay, whether by reason of insolvency, bankruptcy, or otherwise.

- K. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit:

1. In the event of an **Occurrence** or **Wrongful Act** that is reasonably likely to involve **CSURMA AORMA**, written notice containing particulars sufficient to identify **Member** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of any injured persons and witnesses, shall be given by or for **Member** to **CSURMA AORMA** or any of **CSURMA AORMA's** authorized agents as soon as practicable after Executive Director of the **Member** has knowledge of the **Occurrence** or **Wrongful Act**.
2. If **Claim** is made or **Suit** is brought against **Member** that is reasonably likely to involve **CSURMA AORMA**, **Member** shall immediately forward to **CSURMA AORMA** every demand, notice, summons or other process received by **Member** and **Member's** representatives.
3. **Member** shall cooperate with **CSURMA AORMA** and upon **CSURMA AORMA's** request assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** because of **Personal Injury, Property Damage or Public Official's Errors and Omissions** with respect to which insurance is afforded under this Policy; and **you** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. **Member** will not, except at **Member's** own cost, voluntarily make any payment, assume any obligation or incur any expense; however, in the event that the amount of **Ultimate Net Loss** becomes certain either through trial court judgment or agreement among **you**, the claimant and us, you may pay the amount of **Ultimate Net Loss** to the claimant to effect settlement and upon submission of due proof thereof, **we** shall indemnify **you** for that part of such payment which is in excess of **Members' retained limit**, or upon **Member's** request, make such payment to the claimant on **your** behalf.
4. In the event of an **Occurrence** or **Wrongful Act**, which is reserved at greater than or equal to fifty (50) percent of **Member's retained limit**, **Member** shall:
 - a. Report said **Occurrence** or **Wrongful Act**; or

- b. Regardless of the reserve amount, report losses without regard to liability falling within the following classifications:
 - i. Fatalities; Spinal cord, paralysis or brain injuries;
 - ii. Amputations; Loss of sight;
 - iii. Serious head injury;
 - iv. Paralysis;
 - v. Severe burns;
 - vi. Sexual Abuse or Molestation.
 - vii. Serious loss of use of any body functions;

5. Whenever **Member** has information from which **Member** may reasonably conclude that an **Occurrence** or **Wrongful Act** covered hereunder involves injuries or **Damages**, which in the event that **you** shall be held liable, are likely to involve this Policy, notice shall be sent to us as soon as practicable; provided, however, that failure to give notice of any **Occurrence** or **Wrongful Act** which at the time of its happening did not appear to involve this Policy, but which at a later date would appear to give rise to **Claims** hereunder, shall not prejudice such **Claims**.

L. Inspection and Audit: **CSURMA AORMA** shall have the right, but not the obligation, to inspect the **Member's** property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of the **Member** or others, to determine or warrant that such property or operations are safe or healthy.

The **Member** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to CSURMA AORMA at the end of the Policy Period and at such times during the Policy Period as we may direct. We may examine and audit **Member's** books and records as they related to this Policy at any time during the Policy Period and extensions thereof and within three (3) years after the final termination of this Policy.

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

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

Moreover, no settlement of any claim shall be paid by CSURMA AORMA without prior written authorization of the Liability Claims Administrator.

N. Other Coverage:

1. Except as provided in F(2), the **Member** must pay the full amount of its **Member's retained limit** in order for coverage under this Memorandum to apply. Payment of the **Member's retained limit** by the **Member** is required in addition to, and regardless of, any payment or payments from any other source for or on behalf of that **Member**. If insurance or any other coverage with any insurer, joint powers authority or other source is available to the **Covered Party** covering a loss also covered hereunder (whether on a primary, excess or contingent basis), the coverage hereunder shall be in excess of, and shall not contribute with, such other insurance or coverage. This coverage shall be in excess of, and shall not contribute with, any insurance or coverage which names a **Covered Party** herein as an **Member** or a **Covered Party**, where such coverage applies to a loss also covered hereunder.
2. If any coverage is available to the Covered Party, whether such coverage is called excess over, or pro rata with other valid and collectible insurance or not, the coverage afforded hereunder shall not apply until such other coverage has been exhausted, provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this Memorandum.
3. CSURMA AORMA acknowledges that a **Member** from time to time may purchase or become an additional insured on underlying insurance with Limits of Liability less than, equal to, or greater than the amount of the **Member's retained limit**, for certain operations, events or hazards for which this Memorandum affords excess coverage. It is agreed that this Memorandum (subject to its Declarations, terms, Conditions, Exclusions, and Endorsements that complete this Memorandum) shall provide insurance in excess of such underlying insurance subject to the following condition:

If the Limits of Liability of the underlying policy are less than the **Member's retained limit** the **Member** shall bear the risk of the difference; however, if such limits are greater than the **Member's retained limit** this Memorandum is in excess of the greater limit.

- O. Premium: The premium designated in the Policy **Declarations** is flat and not adjustable, unless:
1. A material exposure is added under the Policy;
 2. The Limits of Liability are increased or decreased;
 3. The Policy is restricted or broadened by endorsement; or
 4. The Policy Period is increased or shortened
- P. Separation of Insureds: Except with respect to the Section III – Limitations Upon CSURMA AORMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:
1. As if each **Covered Party** were the only **Covered Party**; and
 2. Separately to each **Covered Party** against whom the claim is made or suit is brought.
- Q. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.

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

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

SECTION VII - DEFENSE AND SETTLEMENT

- A. The CSURMA AORMA shall have the right and duty to defend any claim or suit against a **Covered Party** seeking damages to which this Memorandum applies, even if allegations are groundless, false or fraudulent. However, the CSURMA AORMA, at its own expense, shall have the right, but not the duty, to associate itself with any **Covered Party** in the control, negotiation, investigation, defense or appeal of any claim or proceeding which, in the opinion of the CSURMA AORMA or the **Covered Party**, is or may be covered by this document, and for which the **Ultimate Net Loss** therefrom may exceed the **Member's retained limit**. The Covered Party shall fully cooperate with the CSURMA AORMA in all matters pertaining to such claim or proceeding.
- B. No claim shall be settled, whether by out of court settlement, stipulated judgment or otherwise, by a **Covered Party** wherein the **Ultimate Net Loss** exceeds the **Retained Limit**, without the prior written consent of the CSURMA AORMA.

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

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

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

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

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

SECTION I - COVERED AUTOS

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

SECTION 2 - PHYSICAL DAMAGE COVERAGE

A. Coverage Extensions

1. CSURMA AORMA will pay for “loss” to a covered **automobile** or its equipment under Comprehensive and Collision coverage.
2. The coverage provided by this Endorsement is excess over any other collectible coverage
3. For Hired Auto Physical Damage, CSURMA AORMA will pay expenses for which a **Covered Party** becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. However, the most CSURMA AORMA will pay for any expenses for loss of use is \$60 per day, to a maximum of \$1,800.

CSURMA AORMA will pay up to the limits shown in the Declarations for towing and labor costs incurred each time a covered **automobile** of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

B. Limit of Coverage

1. The most CSURMA AORMA will pay for “loss” in any one “accident” is the lesser of:
 - (1) The actual cash value of the damaged or stolen property at the time of the “loss”; or
 - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
 - (3) \$50,000.

C. Deductible

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

D. Coverage Territory

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

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

The coverage territory is:

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

SECTION 3 – EXCLUSIONS

- A. CSURMA AORMA will not pay for loss to any expensive, exotic or antique automobile,; semi-trailer trucks; motorcycles, mopeds, or motorbikes. Antique automobile is defined as any vehicle over twenty (20) years old or any vehicle that has not been manufactured for ten (10) years or more. Examples of excluded expensive or exotic automobiles include but are not limited to those manufactured by Aston Martin, Bentley, Bricklin, Daimler, DeLorean, Excalibur, Ferrari, Jensen, Lamborghini, Lotus, Maaserati, Porsche and Rolls Royce. However, selected models of BMW, Mercedes-Benz, Cadillac and Lincoln are covered.
- B. CSURMA AORMA will not pay for loss to any covered **automobile** while used in any professional or organized racing or demolition contest or stunt activity, or while practicing for such contest or activity. CSURMA AORMA will also not pay for loss to any covered **automobile** while that covered **automobile** is being prepared for such contest or activity.
- C. CSURMA AORMA will not pay for loss caused by or resulting from any of the following unless caused by other loss that is covered by this coverage:
 1. Wear and tear, freezing or mechanical or electrical breakdown; or

2. Blowouts, punctures or other road damage to tires.
- D. CSURMA AORMA will not pay for loss to any of the following:
1. Tapes, records, discs, or other similar audio, visual data electronic devices designed for use with audio, visual or data electronic equipment.
 2. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.
 3. Any electronic equipment, without regard to whether the equipment is permanently installed, that receives or transmits audio, visual, or data signals and that is not designed solely for the reproduction of sound.
 4. Any accessories used with the electronic equipment described in Paragraph c. above Exclusions 2.c. and 2.d. do not apply to:
 - a. Equipment designed solely for the reproduction of sound and accessories, provided such equipment is permanently installed in the covered **automobile** at the time of the loss or such equipment is removable from a housing unit which is permanently installed in the covered **automobile** at the time of loss, and such equipment is designed to be solely operated by use of the power from the **automobile's** electrical system, in or upon the covered **automobile**.
 - b. Any other electronic equipment that is:
 - 1) Necessary for the normal operation of the covered **automobile** or the monitoring of the covered **automobile's** operating system
 - 2) An integral part of the same unit housing any sound reproducing equipment described above in i. above and permanently installed in the opening of the dash or console of the covered **auto** normally used by the manufacturer for installation of a radio.
- E. CSURMA AORMA will not pay for loss to a covered **automobile** due to diminution of value.
- F. CSURMA AORMA will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provisions of this Endorsement.
- G. CSURMA AORMA will not pay for loss arising out of any violation of the rental car agreement. This exclusion does not apply to operation of an **automobile** on non-paved roads, subject to Exclusion N.
- H. CSURMA AORMA will not cover damage to **automobiles** that are hired, rented or borrowed for more than thirty (30) consecutive days.
- I. CSURMA AORMA will not pay for loss or theft of personal belongings.

- J. CSURMA AORMA will not pay for loss caused by or resulting from the use of **automobile** by Member volunteers.
- K. CSURMA AORMA will not pay for damages resulting from any **Covered Party's** personal liability.
- L. CSURMA AORMA will not pay for depreciation of the rental **automobile** caused by loss or damage including but not limited to "diminished value".
- M. CSURMA AORMA will not pay for loss due to intentional acts, or due to the driver(s) being under the influence of alcohol, intoxicants, or drugs, or due to contraband or illegal activities.
- N. CSURMA AORMA will not cover loss due to operation of the rented **automobile** on non-paved roads, except when (1) the off-road operation is authorized by a Covered Party for an appropriate business operation, and (2) the rented **automobile** is appropriate for the condition of the non-paved road.
- O. CSURMA AORMA will not pay for confiscation by authorities.
- P. CSURMA AORMA will not pay for **automobiles** that do not meet the definition of covered **automobiles**.
- Q. CSURMA AORMA will not pay for losses reported more than forty-five (45) days from the date of loss.

All other terms and conditions in the Memorandum remain unchanged.



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

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

**MEDICAL PAYMENTS
AMENDATORY ENDORSEMENT - #2**

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

It is agreed that this Memorandum will pay medical expense limit of \$5,000 per any one person as described below for **bodily injury** caused by an accident:

1. On premises the **Member** owns or rents,
2. On ways next to premises the **Member** owns or rents, or
3. Because of the **Member's** operations;
4. Provided that:
 - a. The accident takes place in the covered territory and during the **coverage period**;
 - b. The expenses are incurred and reported to CSURMA AORMA within one (1) year or the date of the accident; and
 - c. The injured person submits to examination, at CSURMA AORMA's expense, by physicians of the CSURMA AORMA's choice as often as CSURMA AORMA reasonably require.

CSURMA AORMA will make these payments regardless of fault. These payments will not exceed the applicable limit of coverage. CSURMA AORMA will pay reasonable expenses for:

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



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

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

1. To any **Member**;
2. To a person hired to do work for or on behalf of any **Member** or a tenant of any **Member**;
3. To a person injured on that part of premises the **Member** owns or rents that the person normally occupies;
4. To a person, whether or not an employee of any **Member**, if benefits for **bodily injury** are payable or must be provided under workers' compensation or disability benefits law or a similar law;
5. To a person injured while taking part in athletics;
6. To a person who is a student of the California State University or a participant enrolled in a CSU sponsored program;
7. Included with the products-completed operations hazard; and
8. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

All other terms and conditions in the Memorandum remain unchanged.



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

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

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

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

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

Bodily injury to which this additional coverage applies.

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

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

A. Coverage

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

B. Exclusions

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

1. Punitive or exemplary **damages**.

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

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

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

C. **Limit of Liability**

1. Regardless of the number of covered **automobiles**, the **Member**, premiums paid, claims made or **automobiles** involved in the **occurrence**, the most CSURMA AORMA will pay for all damages resulting from any one **occurrence** is the limit of liability for **uninsured or underinsured motorists** coverage shown in the schedule of declarations.
2. For an **automobile** described in Paragraph b. of the definition of **uninsured motor vehicle**, our limit of liability shall be reduced by all sums paid because of **bodily injury** by or for anyone who is legally responsible, including all sums paid or payable under this policy's liability coverage.
3. No one will be entitled to receive duplicate payment under this coverage for any element of **damages** for which payment has been made by or for anyone who is legally responsible.
4. CSURMA AORMA will not make a duplicate payment under this coverage for any element of **damages** for which payment has been made by or for anyone who is legally responsible.

5. CSURMA AORMA will not pay for any element of **damages** if a person is entitled to receive payment for the same element of **damages** under any workers' compensation, disability benefits or similar law.

D. Changes in Conditions

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

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

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

- a. Agreement as to the amount due under this Memorandum has been concluded;
 - b. The **Covered Party** has formally instituted arbitration proceedings against CSURMA AORMA. In the event that the **Covered Party** decides to arbitrate, the **Covered Party** must formally begin arbitration proceedings by notifying CSURMA AORMA in writing, sent by certified mail, return receipt requested; or
 - c. Claim, suit or proceeding, for **bodily injury** has been filed against the **uninsured motorist** in a court of competent jurisdiction.
3. Transfer of Rights of Recovery Against Others to CSURMA AORMA is replaced by the following:
 - a. With respect to Paragraphs a., c. and d. of the definition of **uninsured or underinsured motor vehicle**, if CSURMA AORMA makes any payment, CSURMA AORMA is entitled

to recover what CSURMA AORMA paid from other parties. Any person to or for whom CSURMA AORMA makes payment must transfer to CSURMA AORMA his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

- b. With respect to Paragraph b. of the definition of **uninsured or underinsured motor vehicle**, if CSURMA AORMA makes any payment and the **Covered Party** recovers from another party, the **Covered Party** shall hold the proceeds in trust for CSURMA AORMA and pay back the amount CSURMA AORMA has paid.

4. Other Insurance is replaced by the following:

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

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

E. Additional Definitions

- 1. **Occupying** means in, upon, getting in, on, out or off.
- 2. **Uninsured or underinsured motor vehicle** means a land motor **automobile** or trailer:
 - a. For which no liability bond or policy at the time of an **occurrence** provides at least the amounts required by the applicable law where a covered **automobile** is principally garaged;
 - b. That is an **underinsured motor vehicle**. An **underinsured motor vehicle** is a land motor vehicle or for which the sum of all liability bonds or policies at the time of an **occurrence** provides at least the amounts required by the applicable law where a covered **automobile** is principally garaged but that sum is less than the limit of liability for this coverage;
 - c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent;

- d. That is a hit-and-run **automobile** and neither the driver nor owner can be identified. The **automobile** must make physical contact with a **Covered Party**, a covered **automobile** or an **automobile** a **Covered Party** is occupying; or
- e. That is owned by the **Member** and operated or caused to be operated by a person without the owner's consent in connection with criminal activity that has been documented in a police report.

However, **uninsured motor vehicle** does not include any **automobile**:

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

All other terms and conditions in the Memorandum remain unchanged.

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

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

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

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

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

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

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

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

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

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



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

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

**FIDUCIARY LIABILITY
AMENDATORY ENDORSEMENT - #5**

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

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

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

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

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

B. LIMIT OF LIABILITY: \$350,000 ANY ONE CLAIM

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

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

C. EXCLUSIONS

Exclusions H - Employee Benefits; J - ERISA; and L - Fiduciary Liability do not apply to the **administration** of the **Covered Party's Employee Benefit Plans or Covered Party's Trusts**, but only up to the limit of liability stated above for CSURMA AORMA .

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

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

D. DEFINITIONS

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

1. **Administration** means:
 - a. Providing information, advice, counsel or notice to employees or **Trust** beneficiaries, with respect to the **Employee Benefits Plan** or **Trust**;

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

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

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

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



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

San Jose

Spartan Shops, Inc.

February 1, 1998

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

All other terms and conditions in the Memorandum remain unchanged.

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY
(CSURMA)**

**CAMPUS LIABILITY
POOLED COVERAGE PROGRAM**

Proposed Effective: July 1, 2016

**Presented to the Executive Committee and
The Board of Directors on May 6, 2016**

Revision Draft – 4/29/16

CAMPUS LIABILITY POOLED COVERAGE PROGRAM

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
SECTION I – DEFINITIONS	1
SECTION II – COVERAGES	11
SECTION III – LIMITATIONS UPON CSURMA’S LIABILITY	12
SECTION IV – COVERED PARTIES	12
SECTION V – EXCLUSIONS	13
SECTION VI – CONDITIONS	22
SECTION VII – DEFENSE AND SETTLEMENT	27

CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

COVERAGE TERMS AND CONDITIONS FOR CAMPUS LIABILITY POOLED COVERAGE PROGRAM

Throughout this document, words and phrases that appear in **boldface** type have special meanings. They are defined in SECTION I - DEFINITIONS.

California State University Risk Management Authority, hereinafter called the CSURMA, a California public entity formed pursuant to the State of California Government Code Section 6500 *et seq.*, does hereby agree with the named **Covered Party**, in consideration of payment of the contribution and subject to the Limit of Liability set forth in the Declarations and other terms as described in this document.

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

SECTION I – DEFINITIONS

- A. **Additional Covered Party** means any person, organization, trustee or estate who is specifically endorsed to this Memorandum by written endorsement and to whom or to which the **Member** is obligated by virtue of a written contract to provide coverage as is afforded by this Memorandum, but only with respect to operations performed by or on behalf of the **Member** or facilities owned or used by the **Member**. The limit and scope of coverage afforded by endorsement to this Memorandum shall be no broader than that which is required by such contract and shall in no event be broader than the coverage afforded by this Memorandum or endorsements to this Memorandum.

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

- B. **Administration**, with respects to **Employee Benefits Liability**, means:
1. Providing information to **Employees**, including their dependents and beneficiaries, with respect to eligibility for or scope of **Employee Benefit Programs**;
 2. Handling records in connection with the **Employee Benefit Program**; or
 3. Effecting, continuing or terminating any **Employees'** participation in any benefit included in the **Employee Benefit Program**.

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

- C. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air, but does not include an **unmanned aerial vehicle**.

- D. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but **automobile** does not include **Mobile Equipment**.
- E. **Automobile Liability** means liability for **Bodily Injury** or **Property Damage** arising from the ownership, maintenance, operation, use, loading or unloading of an **Automobile**.
- F. **Bodily Injury** means bodily injury, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the Policy Period. **Bodily Injury** includes damages claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.
- G. **Claim(s)** means:
1. A written demand to a **Member** for payment of **Damages** received by the CSURMA Secretary/Auditor or by the chief executive, Director of Risk Finance and Insurance Services, or general counsel of a **Member**; and/or
 2. A civil proceeding against a Member in which Damages are sought on account of Bodily Injury, Property Damage, Personal Injury or a Medical Malpractice Occurrence, Errors and Omissions Occurrence, **Employee Benefits Liability Occurrence** or Employment Practices Liability Occurrence to which this insurance applies, including an arbitration or other alternative dispute resolution proceeding in which monetary Damages are sought and to which the **Member** must or does submit with our written consent.
- H. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of **operations** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such **operations** have been completed or abandoned and occurs away from premises owned by or rented to **you**. **Operations** include materials, parts or equipment furnished in connection therewith. **Operations** shall be deemed completed at the earliest of the following time:
1. When all operations to be performed by or on behalf of you at the site of the operations have been completed.
 2. When all operations to be performed by or on behalf of you under the contract have been completed; or
 3. When the portion of the work out of which the injury or Damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project
- Operations** which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed. The **Completed Operations Hazard** does not include **Personal Injury** or **Property Damage** arising out of:
1. Operations in connection with the transportation of property unless the Personal Injury or Property Damage arises out of a condition in or on a vehicle created by the Loading or Unloading of that vehicle by any insured; or
 2. The existence of tools, uninstalled equipment or abandoned or unused materials.

- I. **Coverage Period(s)** means the period of coverage provided under this Memorandum as shown on the Declarations Page.
- J. **Covered Individual(s)** means persons who are past or present elected or appointed officials, employees or appointed volunteers of the **Member**, whether or not compensated while acting for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include employees of nonmember organizations, including, but not limited to auxiliary organizations, alumni associations and volunteer university support groups.
- K. **Dam** means any artificial barrier together with appurtenant works which:
1. Is twenty-five feet or more in height from the foot of a natural bed of stream or watercourse; or
 2. Has water impounding capacity of fifty acre feet or more.
- Except, any such barrier which is not in excess of twenty-five (25) feet in height regardless of storage capacity, or which has a storage capacity not in excess of fifteen (15) acre feet regardless of height, shall not be considered a **dam**; and, no structure specifically exempted from jurisdiction by the applicable state agency overseeing **dams** shall be considered a **dam**, unless such structure is under the jurisdiction of any agency of the federal government.
- L. **Damage(s)** includes damages for death and for care and loss of services resulting from Personal Injury and damages for loss of use of property resulting from Property Damage, and losses for Wrongful Acts as defined in this Policy.
- M. **Deductible** - The amount of each **Ultimate Net Loss** which the **Member** has to pay irrespective of the amount of the **Ultimate Net Loss** as shown on the declaration page of this document.
- N. **Defense cost(s)** means reasonable fees charged by an attorney, including expenses of a claims servicing organization the **insured** has engaged, and all other reasonable fees, costs, including third-party attorney's fees and costs as authorized by law or under contract, and expenses attributable to the investigation, defense, administration or appeal of a claim or **suit** within the scope of coverage afforded by this policy. **Defense costs shall include any allocated claims expenses, salaries or overhead incurred by attorneys who are employees of the California State University's Office of General Counsel. However, such expenses in "defense costs" shall be limited at \$250 per hour.**
- O. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion or transfer of any **Employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy. **Discrimination**, other than as respects **Employment Practices Liability**, means **Bodily Injury, Personal Injury** and/or **Errors and Omissions** liability arising from alleged acts, errors or omissions showing favor, prejudice or bias for or against a person because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.
- P. **Employee** means:
1. Any person who has an assigned work schedule for the **Member** and is on the **Member's** regular payroll; and
 2. Any person who is leased to the **Member** through a staffing or temporary agency and is working for the **Member** under the **Member's** supervision, including a **Leased Worker**.

3. As respects **Employment Practices Liability** and **Employee Benefit Liability** and when appearing in boldface type in this Memorandum, means any present or former **Employee** of the named **Covered Party**; and
 4. Solely as respects **Employment Practices Liability** arising from alleged **Discrimination** with respect to negligent hiring, only, **Employee** includes an applicant for employment
- Q. **Employee Benefits Liability** means liability for actual or alleged **Errors and Omissions** in the **Administration** of a **Member's Employee Benefits Program**.
- R. **Employee Benefits Program** means a program providing some or all of the following benefits to **Employees**:
1. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts;
 2. Profit sharing plans, **Employee** savings plans, **Employee** stock ownership plans, pension plans and stock subscription plans; and
 3. Unemployment insurance, social security benefits, workers' compensation and disability benefits.
- S. **Employment Practice Liability** means any claim or **suit** by a past, present or prospective employee of CSURMA (and the spouse, child, parent, brother or sister of that person as a consequence of **employment practices liability** at whom any of the **employment practices liability** is directed) arising out of the following **wrongful acts**: wrongful dismissal, discharge, or termination, either actual or constructive, of employment; employment related misrepresentation; **retaliation**; wrongful failure or refusal to employ or promote; wrongful deprivation of career opportunity or reassignment; wrongful discipline; failure to grant tenure or negligent employee evaluation; sexual or workplace harassment or humiliation of any kind, including, but not limited to, the alleged operation of a harassing workplace environment; negligence resulting in **damages** to a person that is a **whistle-blower**; unlawful discrimination, whether direct, indirect, intentional or unintentional; failure to provide adequate employee policies and procedures; or any act, error, or omission in the **administration** of the **Member's Employee Benefits Program**. **Employment practices liability** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not limited to allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:
1. Americans With Disabilities Act of 1992 (ADA)
 2. Civil Rights Act of 1991
 3. Age Discrimination In Empowerment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990
 4. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy Discrimination Act of 1978;
 5. Civil Rights Act of 1866, Section 1981; and
 6. Fifth and Fourteenth Amendments of the U.S. Constitution.

- T. **Errors and Omissions** means any actual or alleged misstatement or misleading statement or act or omission or neglect or breach of duty or lack of ordinary skill in the performance of a professional act including misfeasance, malfeasance or nonfeasance by **Covered Individuals** individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
- U. **Impaired Property** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
1. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 2. You have failed to fulfill the terms of a contract or agreement;
- If such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your" fulfilling the terms of the contract or agreement.
- V. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
- W. **Leased Worker** means a person leased to the **Member** by a labor-leasing firm under a previously executed written agreement between the **Member** and the labor-leasing firm, to perform duties related to the conduct of the **Member**.
- X. **Loss Adjustment Expense** means all costs and expenses incurred by the Member in connection with the investigation, appraisal, negotiation, adjustment, settlement, litigation, defense or appeal of a specific **claim** or loss, including but not limited to defense attorney fees, court costs, costs of supersedeas and appeal bonds, monitoring counsel expenses, post-judgment interest, pre-judgment interest (unless included as part of an award), subrogation, salvage and recovery expense, costs and expenses in connection with coverage questions and legal actions and other associated costs and expenses. **Loss Adjustment Expense** shall also include a pro-rata share of salaries and expenses of Member in-house counsel who are **Employees** while working as outside adjusters according to time spent on specific **claims**, fees and expenses of outside adjusters, including Third Party Administrators (TPA), associated with specific **claims**, but excluding any **Loss Adjustment Expense** and fees paid to a TPA that are not allocable to a specific **claim**. **Loss Adjustment Expense** does not include salaries and expense of Entity **Employees** except as provided above as well as office and other overhead expenses.
- Y. **Medical Malpractice Liability** means liability for **Bodily Injury** arising from **Medical Malpractice**
- Z. **Media Wrongful Act** means any actual or alleged:
1. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
 2. Wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
 3. Libel, slander, disparagement, or any other form of defamation or harm to the character or reputation of any person or entity;

4. Outrage, infliction of emotional distress or prima facie tort;
5. Infringement or dilution of trademark, tradename, trade dress, title, slogan, service mark or service name;
6. Copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
7. Breach of a promise of confidentiality or anonymity;
8. Error or omission in content;
9. Unfair competition or conspiracy
10. Breach of an indemnification or hold harmless agreement relating to claims arising out of the media, but only when such claims allege a **Media Wrongful Act** falling within sections 1-9 above; solely when committed or allegedly committed by an **Covered Party** in his, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media.

AA. **Member** means the Member named in the Declarations.

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

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

However, self-propelled vehicles with the following types of permanently attached equipment are not **Mobile Equipment** but will be considered an **Automobile**.

1. Equipment designed primarily for:
 - a) Snow removal;
 - b) Road maintenance, but not construction or resurfacing; or
 - c) Street cleaning;
2. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
3. Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment.

However, **Mobile Equipment** does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

CC. **Mold(s)** means to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces molds.

DD. **Named Covered Party** means the **Member** listed in Item 1 of the Declarations including endorsements thereto.

EE. **Occurrence:**

1. With respect to **Bodily Injury** or **Property Damage** means an accident or event, including continuous or repeated exposure to conditions, which, during the coverage period, results in injury or damage to which this coverage applies; provided, such injury or damage is neither expected nor intended from the standpoint of the **Member**.
2. With respect to **Personal Injury: Occurrence** means any of the offenses described in the definition of **Personal Injury** in this Section I - Definitions, that is committed during the **Coverage Period**.
3. With respect to **Medical Malpractice: Occurrence** means an **Occurrence** arising out of the conduct described in the definition of **Medical Malpractice** in this Section I - Definitions, that is committed during the **Coverage Period**.
4. With respect to **Errors and Omissions: Occurrence** means any of the conduct described in the definition of **Errors and Omissions** in this Section I - Definitions that is committed during the **Coverage Period**.
5. With respect to **Employment Practices Liability: Occurrence** means any of the conduct described in the definition of **Employment Practices Liability** in this Section I – Definitions that is committed during the **Coverage Period**.

6. With respect to **Employee Benefit Liability Occurrence** means any of the conduct described in the definition of **Employee Benefits Liability** in this **Section I – Definition** that is committed during the **Coverage Period**.
7. With respect to **Media Wrongful Acts: Occurrence** means any of the conduct described in the definition of **Media Wrongful Act** in this Section I – Definitions that is committed during the **Coverage Period**.

FF. **Personal Injury** means any of the following offenses:

1. False arrest, detention, or imprisonment or malicious prosecution;
2. Shock, mental anguish, mental injury or humiliation;
3. Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
4. Wrongful entry or eviction or other invasion of the right of private occupancy;
5. Discrimination or violation of civil rights other than Employment Practices Liability, not intentionally committed by or at the direction of the Covered Party;

GG. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. The term **Pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users.

HH. **Property Damage** means:

1. Physical injury to or destruction of tangible property which occurs during the coverage period, including the loss of use thereof at any time resulting from therefrom;
2. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an **Occurrence** during the coverage period.

II. **Sexual Harassment** shall mean any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or person acting in concert, which causes physical and/or mental injuries. **Sexual Harassment** also includes the above conduct when:

1. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment, or a basis for employment decisions affecting a person; or
2. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

Sexual Harassment does NOT include **Sexual Misconduct** as defined in this Memorandum.

JJ. **Sexual Misconduct** means:

1. The actual, attempted or alleged abuse or molestation of a person by another person, or persons acting in concert which causes physical and/or mental injuries. Sexual molestation includes: sexual abuse, sexual assault, sexual exploitation or sexual injury; or
2. The negligent employment, investigation, supervision, reporting to the proper authorities or failure to report the above of a **Covered Person**.

KK. **Ultimate Net Loss** as contained in the Declarations of this document means the amount of paid claims and liability for damages for which the **Member** is responsible on a per **occurrence** basis, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** includes defense attorney fees and costs of the **Member** in defense of the claim and also includes court costs, allocated loss adjustment expenses, and other associated costs and expenses, but does not include any salaries of the **Member's** regular employees. **Ultimate Net Loss** includes retrospective benefits ("back wages"), but does not include prospective benefits ("forward wages"), payable as a part of a claim for **Employment Practices Liability** covered under this document. **Ultimate Net Loss** shall not include any of the above-described expenses for damages against a **Member** or defense expenses incurred because of liability excluded by this document.

LL. **Unfair Employment Practices** means:

1. Any circumstance relating to a past, present or prospective **employee** of the **Member** (and the spouse, child, parent, brother or sister of that person as a consequence of **unfair employment practices** that person at whom any of the employment-related practices described below is directed) for or arising out of any actual or alleged wrongful dismissal, discharge, or termination either actual or constructive, of employment, employment related misrepresentation, retaliation, wrongful failure or refusal to employ or promote, wrongful deprivation of career opportunity or reassignment, wrongful discipline, failure to grant tenure or negligent **employee** evaluations; or
2. Sexual or workplace harassment or humiliation of any kind, including but not limited to, the alleged operation of a workplace harassing workplace environment, or
3. Actual or alleged negligence resulting in **damages** to a person that is a "whistle blower", unlawful **discrimination**, whether direct, indirect, intentional or unintentional, or
4. Failure to provide adequate **employee** policies and procedures.

Unfair employment practices shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated there under:

1. Americans with Disabilities Act of 1992 (ADA);
2. Civil Rights Act of 1991;
3. Age **Discrimination** in Employment Act of 1967 (ADEA), including the Older Workforce Benefit Protection Act of 1990;
4. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
5. Civil Rights Act of 1866, Section 1981; and

6. Fifth and Fourteenth Amendments of the U.S. Constitution.

MM. The following definitions are applicable only to Exclusion I:

Hazardous properties include radioactive, toxic or explosive properties;

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

Source material, special nuclear material and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

Waste means any **waste** material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any nuclear facility included within the definition of **nuclear facility** under paragraph a. or b. thereof:

Nuclear Facility means:

- a. Any **nuclear reactor**;
- b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging **waste**;
- c. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- d. Any structure, basin, excavation site premises or place prepared or used for the storage or disposal of **waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

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

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

NN. **Unmanned Aerial Vehicle** means any vehicle without a human pilot aboard capable of flight principally in the air that is designed for the transport of equipment and weighing no more than 100 lbs. maximum take-off weight.

OO. **Volunteer Worker** means a person who is not your **Employee** or an **Employee** who is not acting in his/her capacity as an **Employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by **Member**, and is not paid a fee, salary or other compensation by **Member** or anyone else for their donated work performed for member, except that the person may be reimbursed for expenses they incur while donating time.

PP. **Your Product:**

1. Means:

- 1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a) You;
 - b) Others trading under your name; or
 - c) A person or organization whose business or assets you have acquired; and
- 2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

2. Includes:

- 1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- 2) The providing of or failure to provide warnings or instructions.
- 3) Does not include vending machines or other property rented to or located for the use of others but not sold.

QQ. **Your Work:**

1. Means:

- 1) Work or operations performed by you or on your behalf; and
- 2) Materials, parts or equipment furnished in connection with such work or operations.

2. Includes:

- 1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- 2) The providing of or failure to provide warning or instructions.

RR. **Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between an **Employee** and a **Member** in a manner and/or a reason which is contrary to applicable law.

SECTION II – COVERAGES

Subject to the **Member's Deductible**, the CSURMA agrees:

To pay on behalf of the **Member** those sums for **Ultimate Net Loss** in excess of the **Member Deductible** which the **Member** shall become obligated to pay as **Damages** (1) by reason of liability assumed by the Member by contract because of **General Liability, Automobile Liability, Errors and Omissions Liability, Employee Benefits Liability, Employment Practices Liability, Medical Malpractice Liability** and **Products/Completed Operations Liability** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence** (2) by reason of liability imposed by law because of **General Liability, Automobile Liability, Errors and Omissions–Liability, Employee Benefits Liability, Employment Practices Liability, Medical Malpractice Liability** and **Products/Completed Operations Liability** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence**.

SECTION III – LIMITATIONS UPON CSURMA’S LIABILITY

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

The CSURMA’s liability for **damages** shall be only for the **Ultimate Net Loss** in excess of the **Member’s Deductible** not to exceed the Limit of Liability shown in the Memorandum, as the result of any one **Occurrence**. There is no limit to the number of **occurrences** during the document period for which **Claims** may be made.

The **Member’s Deductible** applies to each such **Occurrence** without regard to exclusions, limitations or exhaustion of aggregate limits in underlying or contributing coverage, insolvency of any insurance carrier or insurance pool, or any circumstances wherein underlying or contributing coverage is uncollectible.

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

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

The term **Covered Party** is used severally and not collectively. The Limit of Liability and **Member’s Deductible** as stated in the Declarations apply separately to each **Covered Party**. In the event of an **Occurrence** for which more than one **Covered Party** is or may be held liable, this Memorandum shall cover each such **Covered Party** as if separate Memoranda had been issued to each **Covered Party**, except that CSURMA’s liability for all **Covered Parties** shall not exceed the Limit of Liability set forth in Declarations.

In the event that the same Occurrence or claim involves more than one Member of the CSURMA, one **Member Deductible** and one **Limit of Liability** coverage will apply per Occurrence or claim.

An **Occurrence** with a duration of more than one coverage period shall be treated as a single **Occurrence** arising during the coverage period when the **Occurrence** ends even if the **Occurrence** began before any applicable coverage period of the CSURMA and under no circumstances shall the fact that said **Occurrence** has a duration of more than one coverage period entitle a **Covered Party** to more than one Limit of Liability or to coverage under more than one Memorandum.

SECTION IV – COVERED PARTIES

The parties covered by the CSURMA:

- A. The **Member** named in the selected deductible form.

- B. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the named **Member**:
1. Members of the Board of Trustees.
 2. Officers.
 3. Employees.
 4. Non compensated individuals, while acting for or on behalf of the **Member**
- C. **Additional covered parties** as defined in Section I, A. of this document.
- D. **Covered individuals** as defined in Section I, E of this document.

SECTION V – EXCLUSIONS

This Memorandum shall not apply to and CSURMA shall not be obligated to make any payment or defense any lawsuit in connection with and **Claims** for liability or **Damages**:

A. Aircraft

For any liability for damages arising out of the ownership, maintenance, loading or unloading, use or operation of any aircraft capable of flight. This exclusion does not apply to static aircraft, or to an **unmanned aerial vehicle**.

B. Asbestos

Arising out of or related to the presence of, or installation or removal of, asbestos or any product containing asbestos material.

C. Aviation Activities

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

1. **Aircraft**

- a. Airfields;
- b. Runways;
- c. Hangars; or
- d. Buildings of other properties in connection with aviation activities.

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

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

D. Bodily Injury

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

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

E. Contractual Obligations

The actual or alleged failure to perform or breach of any contract, agreement or other guarantee or promise, except this exclusion does not apply to any employment related contracts as provided under **Employment Practices Liability**

F. Dams

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

G. Employment Benefit Liability Claim

Arising out of an insufficiency of funds to meet any obligations under any plan included in the **Employee Benefit Program**

For any **Employee Benefits Liability Claim** based upon:

1. Failure of any investment to perform;
2. Errors in providing information on past performance of investment vehicles; or
3. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the Employee Benefit Program.
4. For any Employee Benefits Liability Claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the Covered Party, from the applicable funds accrued or other collectible insurance.
5. For taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

Except as provided within the Fiduciary Liability Coverage endorsement.

H. Eminent Domain and Inverse Condemnation

For any loss, damage or expense arising out of or related to, either directly or indirectly, from any **claim**, suit or demand arising from or in connection with the direct condemnation of property or exercise of power of eminent domain by the **Member** or on the **Member's** behalf, or inverse condemnation, or any taking of property by the **Member** which is compensable under the Fifth or Fourteenth Amendments to the United States Constitution, or any taking of property by the **Member** which is compensable under the law of the State in which the **Claim** is made.

This exclusion shall not apply to physical injury or to destruction of tangible property, including all resulting loss of use of such property, for which the **Member** may be legally responsible and for which recovery is sought for **Claims** for inverse condemnation, by whatever name called; provided, however, that in any case in which a **Claim** for inverse condemnation, by whatever name called, is made against the **Member**, coverage shall only exist for physical injury to or destruction of tangible property, including all resulting loss of use of that property, and there shall be no coverage for reduced value of property (diminution of value), attorney fees, expert fees, severance damages, relocation costs or any other form of relief, however denominated.

I. Employee Retirement Income Security Act (ERISA)

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

Except as provided within the Fiduciary Liability Coverage endorsement.

J. Fiduciary Liability

To any liability arising out of the purchase, sale, or offer of sale, or solicitation, or decline in price or value of any security, debt, bank deposit or financial interest or instrument.

To liability arising out of;

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

Except as provided within the Fiduciary Liability Coverage endorsement.

K. Funds, Grants or Appropriations

For the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations for the return of such funds, grants, or appropriations for any reason. However, costs to defend any action or suits brought against any **Covered Party** for such causes of action- shall be considered **Ultimate Net Loss** unless the **Covered Party's** alleged conduct was outside the scope of employment.

However, CSURMA will defend any action or suits brought against any **Covered Party** for the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations or for the return of such funds, grants or appropriations for such causes of action, unless their alleged conduct was outside the scope of employment, subject to the CSURMA SIR program sublimit of \$1,000,000 per **occurrence**.

L. Insolvency

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

M. Intentional Conduct

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

N. Lack of Occurrence

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

O. Land Use

To any liability for **damages** arising from any claim, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA shall defend the **Covered Party** up to an amount not exceeding \$1,000,000 **ultimate net loss** for such liability.

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

P. Lead

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

Q. Medical Malpractice

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

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

2. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to liability arising out of

1. Ambulance operations, occupational physical examinations, student nursing programs, infirmaries, on-clinic nursing services or services of the Insured's employees who are nurses, physician assistants, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, or physical therapists;
2. Employment Practices Liability;
3. First aid to any person. For the purposes of this exception, first aid means the immediate and emergency care given to an ill or injured person before regular medical aid can be obtained.
4. Any nursing services clinic that does not perform invasive surgery of any kind; or
5. Operations performed by coroners.
6. Volunteer medical personnel while attending an activity sponsored by the Insured or while on school premises under the **Member's** control.

R. Mold

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

S. Non-Compensatory Amounts and/or Damages

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

T. Nuclear Material

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

1. For any loss or liability accruing to the **Covered Party** as a member of, or subscriber to, any association of insurers or reinsurers formed for the purpose of covering nuclear energy risks or as a direct or indirect reinsurer of any such member, subscriber or association.

- a. It is agreed that this Memorandum does not apply under any liability coverage, to *{Injury, sickness, disease, death or destruction, bodily injury or property damage}* with respect to which a **Covered Party** under the Memorandum is also an **Covered Party** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability. The **Member** is, or had such coverage not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
2. Resulting from the hazardous properties of nuclear material, if:
- a. The nuclear material is at any nuclear facility owned by, or operated by or on behalf of a Member, or has been discharged or dispersed therefrom;
 - b. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a Member; or
 - c. The injury, sickness, disease, death or destruction arises out of the furnishing by a Member of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this part c. applies only to injury to or destruction of property at such nuclear facility.

However, this Exclusion shall not apply to liability arising from the use of radioactive materials in instructional laboratories operated by the **Member** and/or research activities sponsored by the **Member**, but only to a sublimit of \$1,000,000 each **occurrence**.

U. OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

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

V. Pollution

For any loss, cost, or expense:

1. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;
2. Arising out of any **claim**, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **pollutants**:
 - a. At any premises owned, rented or occupied by the **Covered Party**;

- b. At or from any site or location used by or for the **Covered Party** or others for the handling, storage, dispersal, processing or treatment of waste;
- c. Which are at any time transported, handled, stored, treated or disposed of; or processed as waste by or for the **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
- d. At or from any site or location on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations:
 - 1) If the **Pollutants** are brought on or to the site or location in connection with such operations; or
 - 2) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **Pollutants**.

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

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

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

- 1. Discharge, dispersal, release or escape directly caused by hostile fire, explosion, lightning, windstorm, vandalism or malicious mischief; or
- 2. Personal injury or property damage which is within the product hazard of the completed operations hazard.
- 3. A discharge, dispersal, release or escape of pollutants that meets all of the following conditions:
 - a. It was accidental and was neither expected nor intended by the **Covered Party**.
 - b. It was instantaneous and was demonstrable as having commenced at a specific time and date during the term of this coverage.
 - c. Its commencement became known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party** within ten (10) calendar days.
 - d. Its commencement was reported in writing within forty (40) calendar days of becoming known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party**.
 - e. Reasonable effort was expended by the **Covered Party** to terminate the situation as soon as conditions permitted.

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

- 4. Any site or location used by others on the **Covered Party's** behalf, principally for the handling, storage, disposal, dumping, processing or treatment of waste material.

5. Any fines, penalties or exemplary damages.
6. Any clean-up costs ordered by the Superfund program, or any federal, state or local governmental authority. However, this specific exclusion (3) shall not serve to deny coverage for third party clean-up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;
7. Acid rain;
8. Clean up, removal, containment, treatment, detoxification or neutralization of **Pollutants** situated on premises you currently own, rent or occupy at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **Pollutants**; or
9. Water **Pollution** caused by oil or by its derivatives.

W. Property Damage

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

Arising from **Property Damage** to:

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

X. Silica

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

Y. Subsidence

For any **Property Damage** arising from or related to **Land Subsidence** for any reason whatsoever, notwithstanding any coverage provided under Exclusion I.

Z. Terrorism

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

AA. War

Arising from war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law or confiscation by order of any government or public authority

BB. Watercraft

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

1. Watercraft while ashore on premises owned or rented by **Covered Party**;
2. Watercraft less than fifty (50) feet in length at the waterline.
3. Watercraft less than seventy five (75) feet in length, with no self-propulsion capabilities

CC. Wrongful Acts

1. Arising from any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations. This exclusion shall not apply to a **Claim** brought by (i) an **Employee** alleging wrongful termination or retaliation as a result of strike activity or union involvement, or (ii) a law enforcement officer responding within the scope of his or her duties to any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations.
2. For injunctions, equitable relief, or any other form of relief other than the payment of money damages.
3. For liability arising out of an alleged willful commission of a crime by **Member** or other dishonest fraudulent, or malicious act. At CSURMA's discretion, however, **CSURMA** will pay for **Defense Costs** until final adjudication, judgment, or settlement to which CSURMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA for all costs associated with the defense.
4. Liability arising out of a **Member's Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled. At CSURMA's discretion, however, CSURMA will pay **Defense Costs** for any **Claim** or **Suit** arising from an alleged willful commission of a crime by a **Member** or other dishonor, fraudulent or malicious act, for any **Claim** or **Suit** arising out of the **Members Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled until final adjudication, judgment, settlement to which CSURMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA for all costs associated with the defense.

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

Under Errors and Omissions Liability

1. Based on **Covered Party's** obtaining of financial gain to which the **Covered Parts** was not legally entitled.

2. Arising out of the willful violation of a penal code or ordinance committed by or with knowledge of consent of any **Covered Party**; except that any act pertaining to any one **Covered Party** shall not be imputed to any other **Covered Party** for the purpose of determining the application of this exclusion.

Under Media Wrongful Acts

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

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

DD. Uninsured/Underinsured Motorists

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

SECTION VI – CONDITIONS

- A. Action Against CSURMA: No action shall lie against CSURMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability.
- B. Arbitration:
 1. In the event that a question or dispute arises between CSURMA and a **Covered Member** concerning the applicability of the coverage provided by this document to an occurrence or claim against the **Covered Party**, either the **Covered Party** or CSURMA may make a written request

for arbitration. Where such a request is made, arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.

2. If a **Covered Member** and CSURMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.
3. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).

- C. Assignment: No assignment of interest under this Memorandum shall bind CSURMA without its written consent to endorse hereon.
- D. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Member** or any **Covered Party** shall not relieve CSURMA of any of its obligations hereunder nor shall such bankruptcy or insolvency increase CSURMA'S obligations hereunder.
- E. Cancellation and Termination: This Memorandum may, with respect to any **Member**, be cancelled by CSURMA either for the then-current coverage period or, in the event of expulsion, permanently upon the occurrence of the events and under terms set forth in the CSURMA Joint Powers Agreement and the Bylaws.

This Memorandum may be terminated at any time in accordance with the Bylaws of CSURMA

- F. Changes to the Memorandum: Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this Memorandum nor preclude CSURMA from asserting any right under the terms of this Memorandum, nor shall the terms of this Memorandum be waived or changed, except by written endorsement issued by CSURMA to form a part of this Memorandum.

~~G. Claims Settlement: As stated in the CSURMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management:~~

~~1. Claims Settlement Authority~~

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

~~a) \$0 to 25,000 — Claims Administrator~~

~~The Liability Claims Administrator has authority to settle claims up to, and including, \$25,000 per claim.~~

~~b) Up to the Pooled Layer Limit — CSURMA Committee~~

~~The CSURMA Committee has authority to authorize claims settlement up to the **Pooled Layer Limit**.~~

~~2. Claims Settlement Responsibility:~~

~~CSURMA Committee shall have the primary responsibility to control and direct settlement negotiations and to determine the terms of any settlement. However, before effecting any settlement, CSURMA Committee shall give notice to the Member of the terms of the proposed settlement.~~

~~3. Member Appeal Process~~

~~First Level Appeal~~

~~If a Member wishes to appeal a decision regarding whether or not coverage is provided or to appeal a settlement decision, the Member must present an appeal in writing to the CSURMA Committee within thirty (30) days of the disputed decision. The CSURMA Committee will review the appeal at its next regularly scheduled meeting and inform the Member within five (5) business days of its final decision.~~

~~Second Level Appeal~~

~~If a Member wishes to appeal the CSURMA Committee's decision, the Member will notify the CSURMA Secretary in writing within five (5) business days of receipt of the CSURMA 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.~~

- H. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA's rules and rates. CSURMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
- I. Defense Payments
- Defense fees and costs are included in the **Member Deductible**. After the amount of the **Member Deductible** has been exhausted, CSURMA will pay Defense fees and costs only at a rate agreed to by CSURMA in writing.
- Provided it can be communicated without breach of the **Covered Party's** attorney-client privilege of confidentiality, the CSURMA shall be entitled to complete access to the **Covered Party's claim** file, the defense attorney's file, and all investigation material and reports, including all evaluations and information on negotiations. The **Covered Party** shall be responsible to report on the progress of the litigation and any significant developments as requested by the CSURMA, and to provide the CSURMA with copies of all correspondence provided to the **Covered Party** in which a demand for an amount that is within the CSURMA's coverage is made.
- J. Drop Down Exclusion: CSURMA's Limit of Liability stated in the Declarations herein shall not be increased for any reason, including, but not limited to, the refusal or inability, for any reason, of the **Member** to pay its **Member's Deductible** or by the refusal or inability of any underlying or excess insurer to pay, whether by reason of insolvency, bankruptcy, or otherwise.
- K. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit Perhaps workable if these are not bolded?

- (1) In the event of an **Occurrence** or **Wrongful Act** that is reasonably likely to involve **CSURMA**, written notice containing particulars sufficient to identify **Member** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of any injured persons and witnesses, shall be given by or for **Member** to **CSURMA** or any of **CSURMA's** authorized agents as soon as practicable after **Member's** Risk Manager, Chief Risk Officer, Assistant Vice Chancellor for Risk Management or a Chief Executive Officer of the **Member** has knowledge of the **Occurrence** or **Wrongful Act**.
- (2) If **Claim** is made or **Suit** is brought against **Member** that is reasonably likely to involve **CSURMA**, **Member** shall immediately forward to **CSURMA** every demand, notice, summons or other process received by **Member** or **Member's** representatives.
- (3) **Member** shall cooperate with **CSURMA** and upon **CSURMA's** request assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **Member** because of **Personal Injury, Property Damage or Public Official's Errors and Omissions** with respect to which insurance is afforded under this Policy; and **you** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. **Member** will not, except at **Member's** own cost, voluntarily make any payment, assume any obligation or incur any expense; however, in the event that the amount of **Ultimate Net Loss** becomes certain either through trial court judgment or agreement among **Member**, the claimant and us, **you** may pay the amount of **Ultimate Net Loss** to the claimant to effect settlement and upon submission of due proof thereof, **CSURMA** shall indemnify **you** for that part of such payment which is in excess of your **Member Deductible**, or upon **Member's** request, make such payment to the claimant on **your** behalf.
- (4) In the event of an **Occurrence** or **Wrongful Act**, which is reserved at greater than or equal to fifty (50) percent of **your** retention, **Member** shall:
 - (a) Report said **Occurrence** or **Wrongful Act**; or
 - (b) Regardless of the reserve amount, report losses without regard to liability falling within the following classifications:
 - (I) Fatalities; Spinal cord, paralysis or brain injuries;
 - (II) Amputations; Loss of sight;
 - (III) Serious head injury;
 - (IV) Paralysis;
 - (V) Severe burns;
 - (VI) Sexual Abuse or Molestation.
 - (VII) Serious loss of use of any body functions;
- (5) Whenever **Member** has information from which **Member** may reasonably conclude that an **Occurrence** or **Wrongful Act** covered hereunder involves injuries or **Damages**, which in the

event that **you** shall be held liable, are likely to involve this Policy, notice shall be sent to us as soon as practicable; provided, however, that failure to give notice of any **Occurrence** or **Wrongful Act** which at the time of its happening did not appear to involve this Policy, but which at a later date would appear to give rise to **Claims** hereunder, shall not prejudice such **Claims**.

L. Inspection and Audit

CSURMA shall have the right, but not the obligation, to inspect the **Member's** property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of the **Member** or others, to determine or warrant that such property or operations are safe or healthy.

The **Member** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to **CSURMA** at the end of the Policy Period and at such times during the Policy Period as we may direct. We may examine and audit **Member's** books and records as they related to this Policy at any time during the Policy Period and extensions thereof and within three (3) years after the final termination of this Policy.

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

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

Moreover, no settlement of any claim shall be paid by **CSURMA** without prior written authorization of the Liability Claims Administrator.

N. Other Coverage

1. Except as provided in F(2), the **Member** must pay the full amount of its **Member's Deductible** in order for coverage under this Memorandum to apply. Payment of the **Member's Deductible** by the **Member** is required in addition to, and regardless of, any payment or payments from any other source for or on behalf of that **Member**. If insurance or any other coverage with any insurer, joint powers authority or other source is available to the **Covered Party** covering a loss also covered hereunder (whether on a primary, excess or contingent basis), the coverage hereunder shall be in excess of, and shall not contribute with, such other insurance or coverage. This coverage shall be in excess of, and shall not contribute with, any insurance or coverage which names a **Covered Party** herein as an **Member** or a **Covered Party**, where such coverage applies to a loss also covered hereunder.
2. If any coverage is available to the Covered Party, whether such coverage is called excess over, or pro rata with other valid and collectible insurance or not, the coverage afforded hereunder shall not apply until such other coverage has been exhausted, provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this Memorandum.

3. CSURMA acknowledges that a **Member** from time to time may purchase or become an additional insured on underlying insurance with Limits of Liability less than, equal to, or greater than the amount of the **Member's Deductible**, for certain operations, events or hazards for which this Memorandum affords excess coverage. It is agreed that this Memorandum (subject to its Declarations, terms, Conditions, Exclusions, and Endorsements that complete this Memorandum) shall provide insurance in excess of such underlying insurance subject to the following condition:

If the Limits of Liability of the underlying policy are less than the **Member's Deductible** the **Member** shall bear the risk of the difference; however, if such limits are greater than the **Member's Deductible** this Memorandum is in excess of the greater limit.

- O. Premium: The premium designated in the Policy **Declarations** is flat and not adjustable, unless:
 1. A material exposure is added under the Policy;
 2. The Limits of Liability are increased or decreased;
 3. The Policy is restricted or broadened by endorsement; or
 4. The Policy Period is increased or shortened
- P. Separation of Insureds: Except with respect to the Section III – Limitations Upon CSURMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:
 1. As if each **Covered Party** were the only **Covered Party**; and
 2. Separately to each **Covered Party** against whom the claim is made or suit is brought.
- Q. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.
- R. Subrogation/Transfer of Rights of Recovery Against Others to CSURMA: CSURMA shall be subrogated to the extent of any payment hereunder, to all of **Member's** rights of recovery and **Member** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **Member** may elect to waive their rights to subrogation prior to a loss. To the extent that **Member** elects to waive such rights, CSURMA shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

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

SECTION VII – DEFENSE AND SETTLEMENT

- A. The CSURMA shall not be obligated to investigate or to defend any claim for damages, or to pay for or to take charge of the investigation or defense of any claim for damages against any **Covered Party**. However, the CSURMA, at its own expense, shall have the right, but not the duty, to associate itself with any **Covered Party** in the control, negotiation, investigation, defense or appeal of any claim or proceeding which, in the opinion of the CSURMA or the **Covered Party**, is or may be covered by this document, and for which the **Ultimate Net Loss** therefrom may exceed the **Deductible**. The Covered Party shall fully cooperate with the CSURMA in all matters pertaining to such claim or proceeding.
- B. No claim shall be settled, whether by out of court settlement, stipulated judgment or otherwise, by a **Covered Party** wherein the **Ultimate Net Loss** exceeds the **Deductible**, without the prior written consent of the CSURMA.

SECTION VIII – POLICY PERIOD, TERRITORY

The Policy Period commences on the effective date shown in the **Declarations**. The Policy Period ends on the earlier of either the expirations date or effective date of cancellation of this **Memorandum**. If a person or organization becomes a **Member** under this **Memorandum** after the effective date, the Policy Period for that person or organization begins on the date the person or organization became a **Member**.

This **Memorandum** applies to **Personal Injury, Property Damage** or **Public Official’s Errors and Omissions** arising out of an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period, anywhere in the world.

FY 2016/17 LONG RANGE ACTION PLAN

ISSUE: The Executive Committee held its long range planning session on March 11, 2016. The planning session consisted of a review of the FY 2015/16 Long Range Action Plan, a report on its status, an evaluation on where efforts should be focused for the next one to three years, and the development of new long range goals for FY 2016/17 and beyond. Based on the discussions during the long range planning session, Staff drafted the FY 2016/17 Long Range Action Plan summarizing goals to be accomplished in the next fiscal year for the Committee's review and approval.

RECOMMENDATION: This item is for information only. The Executive Committee will approve the draft FY 2016/17 Long Range Action Plan with modifications, as necessary at their meeting today.

FISCAL IMPACT: None.

BACKGROUND: The Executive Committee establishes a Long Range Action Plan every year. The planning session is held in March to consider how CSURMA may be refined to improve member services and to evaluate areas of coverage in response to emerging risk.

PUBLICATION: The Long Range Action Plan will be included in every agenda packet.

ATTACHMENT(S):

- a. FY 2016/17 Long Range Action Plan (draft)

FY 2016/17 CSURMA LONG RANGE ACTION PLAN

DRAFT

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-1 MASTER OUT-OF-STATE ON-LINE EDUCATION SURETY					
Search for a blanket surety bond to cover all campuses and auxiliary organizations who provide on-line instruction outside California.	1	Research scope of on-line programs and jurisdictions. Determine if placement of a blanket bond or alternative systemwide placement approach is feasible.	SRM, OGC, PA	August 2016	
	2	Present information to EC for direction.	SRM, OGC, PA	September 2016	
	3	Report on project to BOD.	SRM, OGC, PA	November 2016	
	4	Approval of blanket or alternative surety program as appropriate.	EC	March 2017	
	5	Implement program. Communicate to campus stakeholders.	PA	July 2017	
LRP-2 SPECIAL EVENTS RESOURCE GUIDE					
Create a Special Events Resource Guide. Implement risk management training for special events.	1	Identify and engage consultant to create Special Events Risk Management Manual and training modules.	SRM	August 2015	Completed
	2	Develop subject content for special events risk management manual.	SRM	October 2015	Completed
	3	Oversee design and development of special events risk management manual.	SRM	June 2016	
	4	Roll out manual to all campus and auxiliary organization staff.	SRM	July 2016	
	5	Post manual on the CSURMA website.	PA	August 2016	
	6	Present the Special Events Risk Management Training at Fitting the Pieces Together Conference.	SRM	November 2016	
	7	Roll out special events training on the CSU learning management system.	SRM	July 2017	
LRP-3 BENCHMARKING AND TREND ANALYSIS					
Develop a Workers' Compensation statistical database for comparative analysis and industry benchmarking.	1	Research benchmarking resources available.	PA	April 2015	Completed
	2	Develop conceptual proposal for short and long term benchmarking.	SRM, PA	May 2015	Completed
	3	Approval of initial benchmarking project scope and costs.	EC	May 2015	Completed
	4	Implement initial project.	SRM, PA	September 2015	On-going
	5	Initial report to EC, BOD and CABO.	SRM, PA	October 2015	Completed
	6	Report to AORMA membership at AOA Conference.	SRM, PA	February 2016	Completed
	7	Presentation of sustainable long term benchmarking program.	SRM, PA	September 2016	
	8	Approval of long term benchmarking project scope and costs.	EC	September 2016	
LRP-4 INSURANCE POLICY DATABASE					
Implement an insurance database for	1	Research and identify viable software products.	SRM, PA	January 2016	Completed
	2	Review presentation by Ventif.	EC, BOD	May 2016	
	3	Approve selection of software product.	EC	September 2016	

FY 2016/17 CSURMA LONG RANGE ACTION PLAN

DRAFT

GOAL		ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
coverage history and to provide a reference for litigation matters.	4	Populate database with Phase 1 data.	PA	October 2016	
	5	Present Phase 1 project results and recommendations for Phase 2.	SRM, PA	March 2017	
	6	Approve Phase 2 and ongoing database maintenance plan.	EC	May 2017	
LRP-5 CAPTIVE INSURER					
Complete cost / benefits analysis for a captive insurance company to operate within CSURMA.	1	Identify and engage consultant to evaluate CSURMA's captive utilization options.	EC, SRM, PA	January 2016	Completed
	2	Review the Pinnacle Actuarial Resources initial evaluation of CSURMA's captive utilization options.	EC	May 2016	
	3	Present further evaluation to EC for direction.	EC	September 2016	
	4	Report on project to BOD.	BOD	November 2016	
	5	Oversee formation of captive.	SRM, PA	July 2017	
LRP-6 LOAN POLICY AND INVESTMENT OPTIONS					
Review member loan policy. Explore and evaluate alternate investment strategies.	1	Research viable investment options within the CSU community to invest in certain capital projects.	CO, SRM, PA	August 2016	
	2	Present investment options to EC for direction.	CO, EC	September 2016	
	3	Report on project to BOD.	CO, BOD	November 2016	
	4	Approval of alternate investment options.	EC	December 2016	
		<i>Note: this item may be impacted by potential development of a captive insurer.</i>			
LRP-7 ON-CAMPUS VISITS WITH VICE PRESIDENTS					
Visit Campus VPs to provide updates on rating plans, cost of risk analysis and benchmarking.	1	Schedule meetings with all Campus VPs.	PA	August 2016	
	2	RPTG will meet to review risk pool rating plans.	SRM, RPTG, PA	September 2016	
	3	Cost of Risk Analysis received from Actuary.	PA	October 2016	
	4	Completion of Campus VP presentation.	PA	November 2016	
	5	Completion Campus visits.	SRM , PA	March 2017	
LRP-8 CSURMA COMMUNICATIONS AND OUTREACH PLAN					
Develop and implement communications plan to keep all members apprised	1	Identify strategies for effective communication.	PA	August 2016	
	2	Present communication strategies to CSURMA EC for direction.	EC	September 2016	
	3	Report on project to BOD.	BOD	November 2016	
	4	Implement communication strategies.	PA	December 2016	
	5	Report to EC on long term communication strategies.	EC, PA	March 2017	

FY 2016/17 CSURMA LONG RANGE ACTION PLAN

DRAFT

GOAL		ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
of CSURMA resources.						
LRP-9 MASTER ENABLING AGREEMENT FOR TRANSPORTATION						
Review current transportation management.	1	Identify available transportation carriers and obtain contract proposals.	SRM, PA	May 2016		
	2	Present options to EC for direction.	SRM, PA, EC	May 2016		
	3	Report on project to BOD.	BOD	November 2016		
	Develop a master enabling agreement for charter bus companies.	4	Negotiate final contract for EC approval.	EC	January 2017	
		5	Roll out transportation program.	SRM, PA	January 2017	

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

ADOPTION OF FINAL 2016 CSURMA MEETING CALENDAR

ISSUE: Below are the 2016 Board of Directors and Executive Committee meeting dates. The Fall Board meeting has been schedule for November 2, 2016 at 4:30 PM during the Fitting the Pieces Together Conference in Sacramento. A CABO meeting in San Diego has been scheduled for Friday, September 9, 2016, which conflicts with the CSURMA Executive Committee meeting on the same date. The Executive Committee will decide on a new meeting date during its meeting today and will provide a verbal report to the Board.

January 10, 2016 at 3:00 PM (AOA Conference, Sacramento).....	EC
March 10, 2016 at 2:00 PM (Chancellor’s Office).....	EC
March 11, 2016 at 8:30 AM (Chancellor’s Office)	EC LRP
May 6, 2016 at 8:00 AM (Chancellor’s Office)	EC
May 6, 2016 at 10:30 AM (Chancellor’s Office)	BOD
September 9, 2016 at 8:30 AM (New date and location TBD)	EC
November 2, 2016 at 1:30 PM (Sacramento, FTPC).....	EC
November 2, 2016 at 4:00 PM (Sacramento, FTPC).....	BOD
December 2, 2016 at 8:30 AM (Chancellor’s Office)	EC

RECOMMENDATION: The Board will be asked to approve the final 2016 CSURMA meeting dates.

FISCAL IMPACT: None.

BACKGROUND: None.

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

ATTACHMENT(S):

- a. 2016 CSURMA Meeting Calendar



California State University Risk Management Authority

2016 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
9		AOA EC	Sacramento	25	1:00 PM	PC	Teleconference	10	10:00 AM	AORMA	San Francisco
10	3:00 PM	EC (AOA Conference)	Sacramento					10	2:00 PM	EC	San Francisco
10 - 13		AOA Annual Conference	Sacramento					11	8:30 AM	EC LRP	San Francisco
11	10:30 AM	AIME	Sacramento					18		AOA EC	TBD
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
				2	10:30 AM	AIME	Northridge	17		AOA EC	TBD
				5	10:00 AM	AORMA	Long Beach	23	1:00 PM	PC	Teleconference
				5	2:00 PM	BOD Orientation	Teleconference				
				6	8:00 AM	EC	Long Beach				
				6	10:30 AM	BOD	Long Beach				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
12 - 13	11:00 AM	AORMA Officers Retreat	TBD	19		AOA EC	TBD	7	9:00 AM	AORMA New Member	Sacramento
								7	10:00 AM	AORMA LRP	Sacramento
								8	9:00 AM	AORMA	Sacramento
								8	4:00 PM	EC Orientation	TBD
								9	8:30 AM	EC	TBD
								29	1:00 PM	PC	Teleconference
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
17	10:30 AM	AIME	SF or SJ	18		AOA EC	TBD	1	10:00 AM	AORMA	Long Beach
20	10:00 AM	AORMA	TBD	2	1:30 PM	EC (FTPT Conference)	Sacramento	2	8:30 AM	EC	Long Beach
				2	4:00 PM	BOD (FTPT Conference)	Sacramento	8	8:00 AM	PC	San Francisco
				3-4		FTPT Conference	Sacramento				

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

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

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

**WORKERS' COMPENSATIONA CLAIMS ADMINISTRATOR SERVICE
PERFORMANCE AUDIT PRESENTATION**

ISSUE: CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers' Compensation Risk Pool claims. Pursuant to CSURMA Policy and Procedure No. 5, a regular performance audit is performed to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements outlined in the Service Agreement between CSURMA and Sedgwick CMS. A service performance audit for 2015 was completed by Jacki Graf, CSURMA's Senior Workers' Compensation Claims Consultant in October and November of 2015.

RECOMMENDATION: No specific action is requested.

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

BACKGROUND: CSU is permissibly uninsured for Workers' Compensation. An agreement between CSURMA and Sedgwick CMS for Workers' Compensation claims administration contains performance standards required by CSURMA and associated compliance measurement for each party. Staff will present a high level Executive Summary outlining the most recent audit report's findings. This is the sixth biennial audit conducted of Sedgwick CMS since the inception of the agreement.

PUBLICATION: The Audit Report was presented to the Executive Committee in January 2016, and reviewed with the Chancellor's Office and claims administrator for action.

ATTACHMENTS:

- a. Workers' Compensation Audit 2015 Report – Executive Summary

CSU

The California State University
WORKING FOR CALIFORNIA



Executive Summary Workers' Compensation Audit 2015 Report



Alliant

Alliant Insurance Services, Inc.

100 Pine Street, 11th Floor
San Francisco, CA 94111

Main: (415) 403-1400 ~ Fax: (415) 402-0773
www.alliantinsurance.com

Audit Overview

▶ Audit Process

- Conducted by Alliant – October–November 2015
- Audit Categories –
 - Initial Contact/Documentation
 - Claims Management
 - Process Control



Audit Overview

▶ Audit Sample:

- 9% open inventory
- Files handled by Sedgwick in Oakland and Rancho Cordova

▶ Audit Findings:

- Total Result 90% vs. Compliance Standard 90%
- Two categories @ Standard or >
 - Initial Contact/Documentation – 91%
 - Claims Management – 93%
- One Category below standard
 - Process Control 89%



Score Distribution

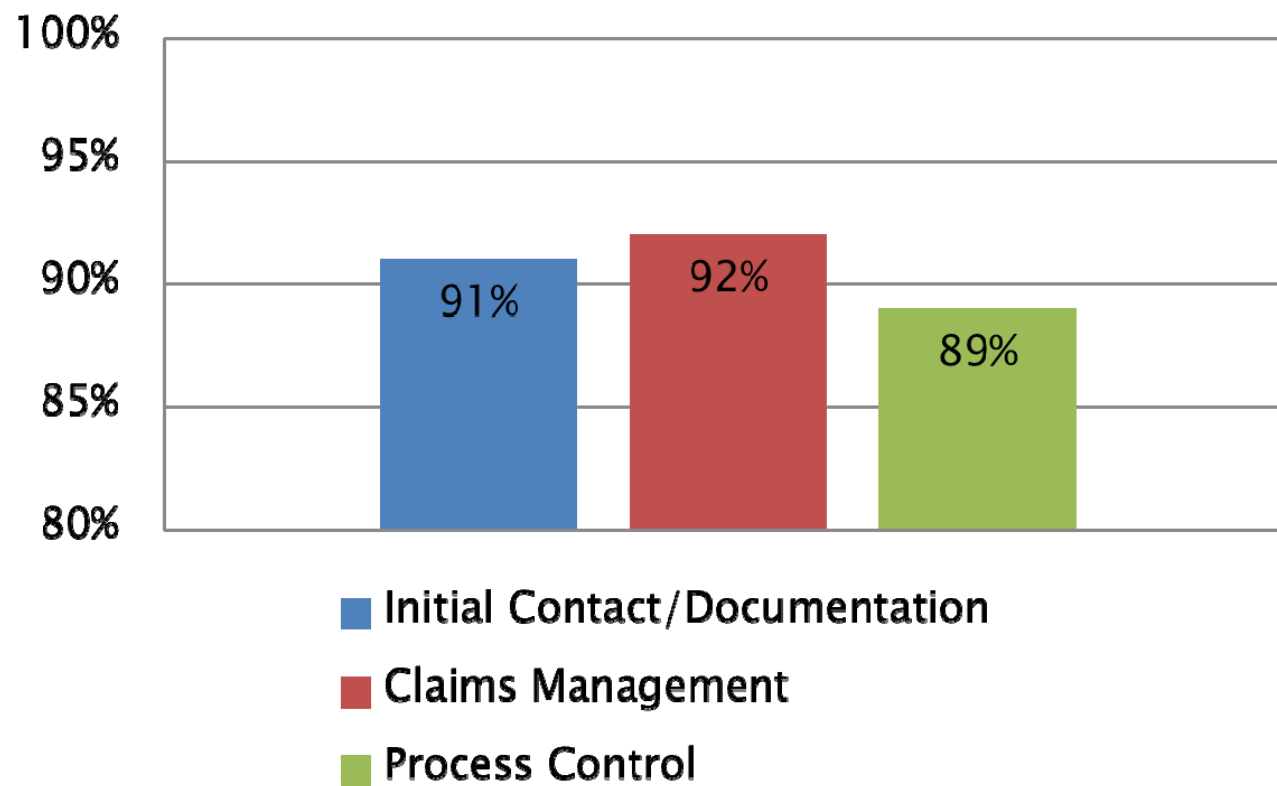
Audit reviewed 53 areas

- ▶ 10 scored at 100%
- ▶ 25 scored between 90% – 99%
- ▶ 8 scored between 80% – 89%
- ▶ 7 scored between 70% – 79%
- ▶ 3 scored below 70%

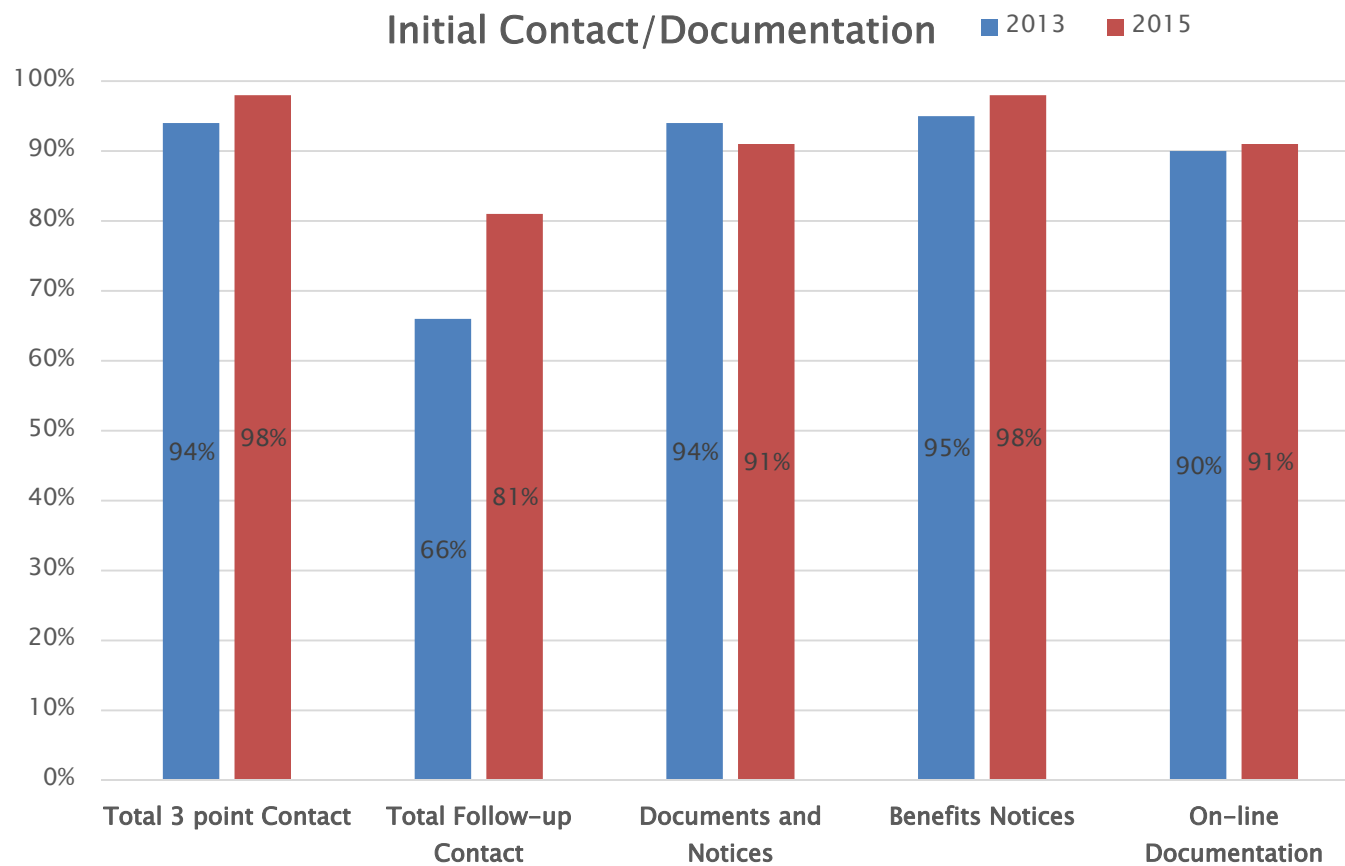


Result Overview

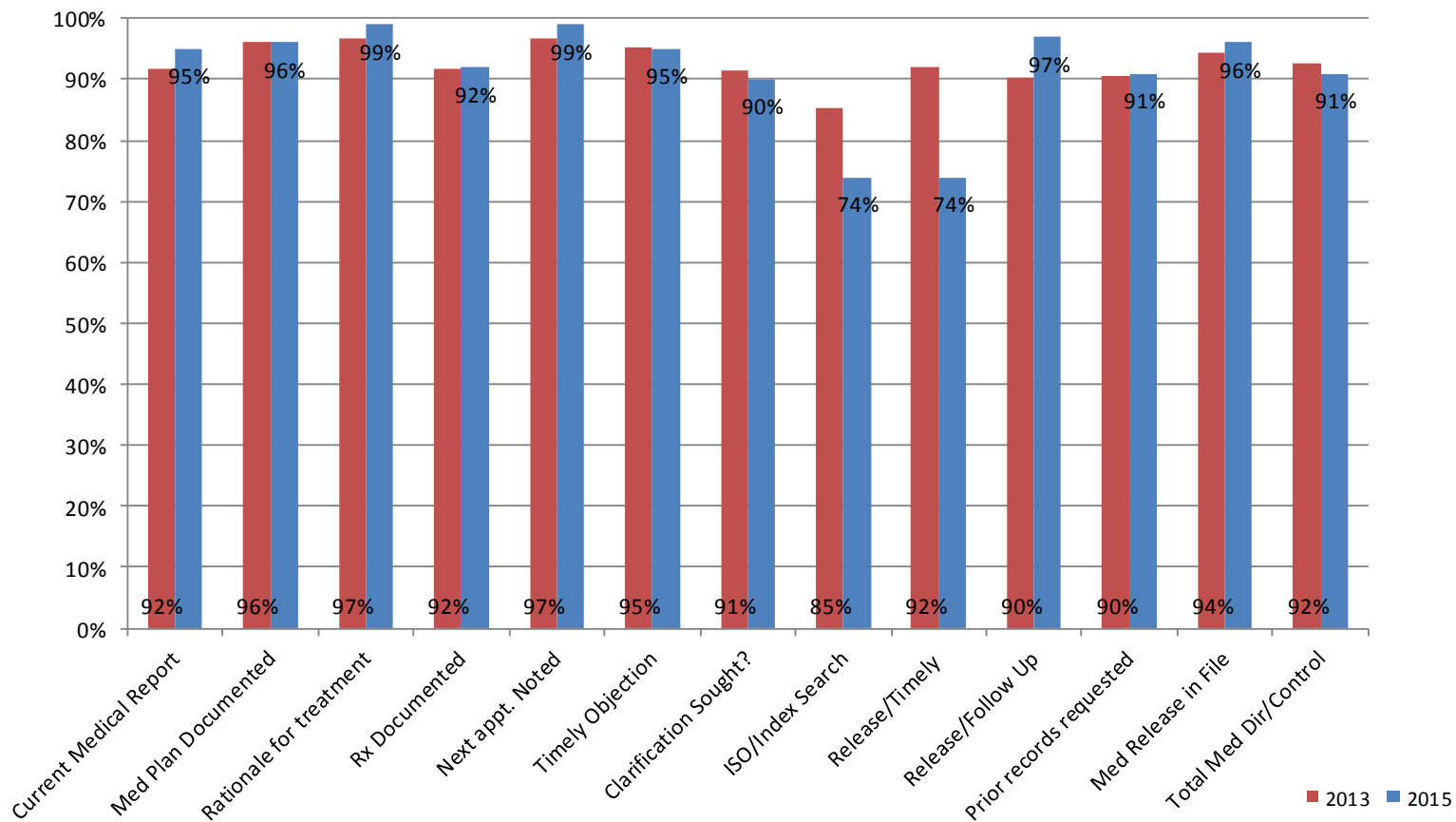
2015 Audit Performance Results



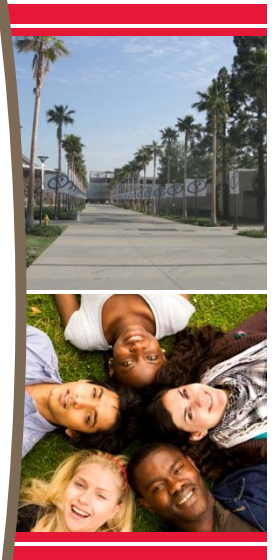
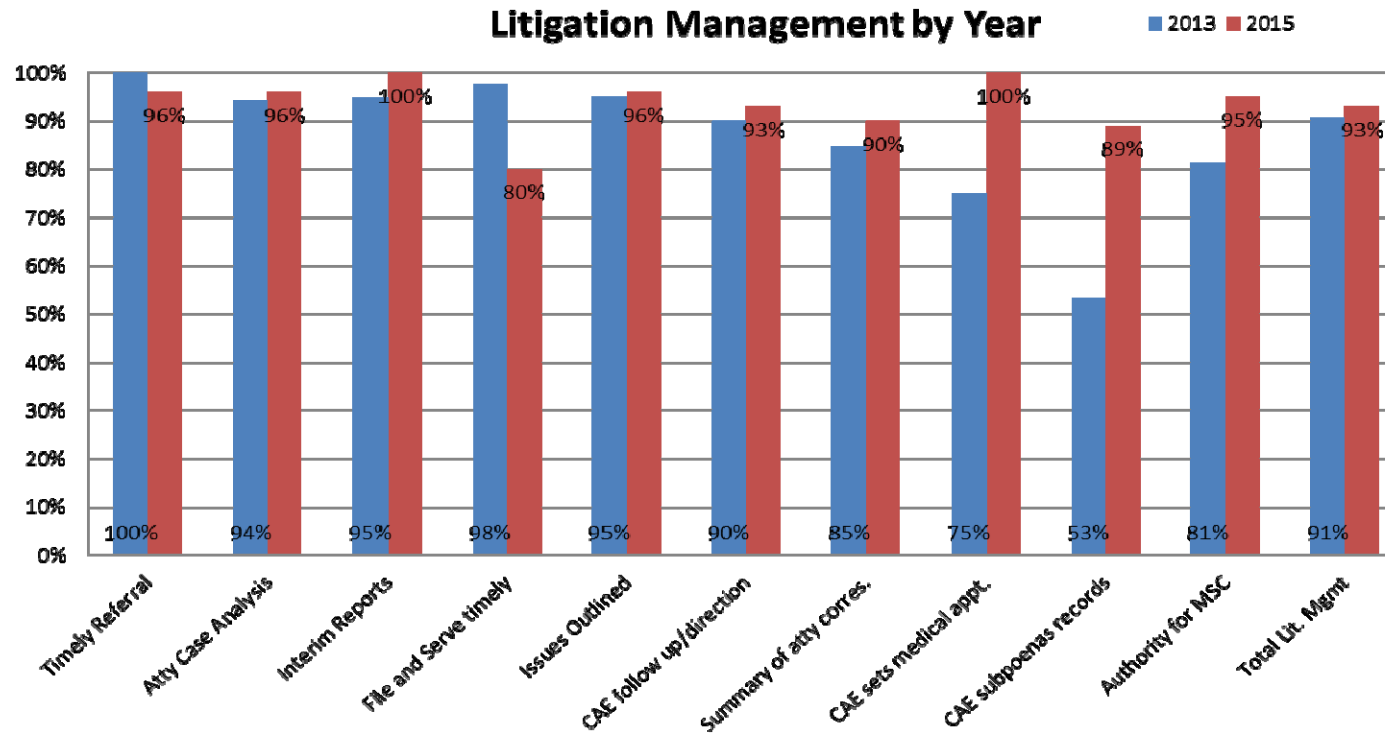
Initial Contact



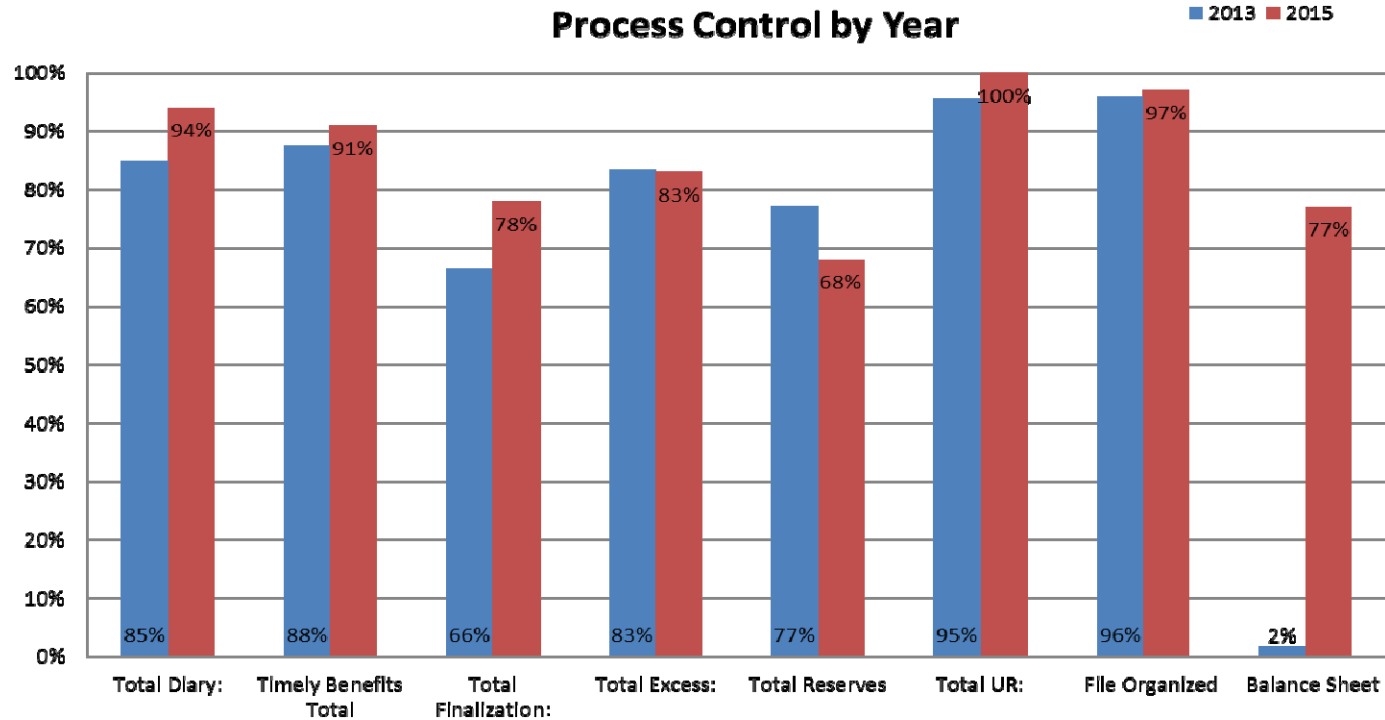
Claim Management



Litigation Management

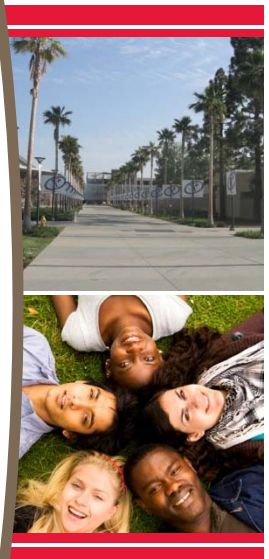


Process Management



Key Target Areas

▶ Supervisor Contact Complete	86%
▶ On Line Documentation	86%
▶ ISO/Index Search	74%
▶ Medical Release Timely	74%
▶ File & Serve Timely	80%
▶ Finalization	78%
▶ Excess Reporting	83%
▶ Reserves	68%
▶ Reconciliation	77%



Recommendations

- ▶ Refresher training & oversight in Key Target Areas
- ▶ Review SAR process to enable timely completion by all parties
- ▶ Reserve Awareness – Identification & response
- ▶ Balance Sheet Reinforcement
- ▶ Excess reporting requirement review
- ▶ Individual staff training/follow up as indicated by audit findings



RISK PROGRAM BENCHMARKING AND TREND ANALYSIS

ISSUE: At the March 2015 long range planning meeting, the CSURMA Executive Committee determined that CSURMA should establish a regular practice of benchmarking CSURMA performance to internal and external standards. Towards that end, the following steps have been taken:

- CSURMA has joined the California Workers' Compensation Institute (CWCI), a statewide database on claims costs that will allow CSURMA to evaluate program performance for the campuses and auxiliary organizations.
- Chancellor's Office Systemwide Risk Management has begun process of developing standards for a balanced scorecard approach that includes liability, property, workers' compensation and AIME program benchmarks.
- Chancellor's Office Systemwide Risk Management is looking to develop data sharing protocols with other universities, starting with the University of California.

The CWCI database is now populated with CSU data for comparative analysis and allows staff to identify performance measures. In addition, the University of California has agreed to join and provide their claims data to CWCI which should provide even more valuable benchmarking opportunities. Jacki Graf will be present at today's meeting for a brief presentation of the on-line database illustrating how the attached example reports are developed.

RECOMMENDATION: No action necessary.

FISCAL IMPACT: No cost is anticipated from action at today's meeting.

BACKGROUND: The CWCI is a not-for-profit organization supported by member contributions based on member size. Insurers and self-insurers contribute data to the CWCI data warehouse and are granted access to prepare reports comparing their own data to various comparative classes of employees, with the names of the claimants and employers kept confidential. Using this data, CSU can identify types of claims and specific geographic regions where improvement can be achieved.

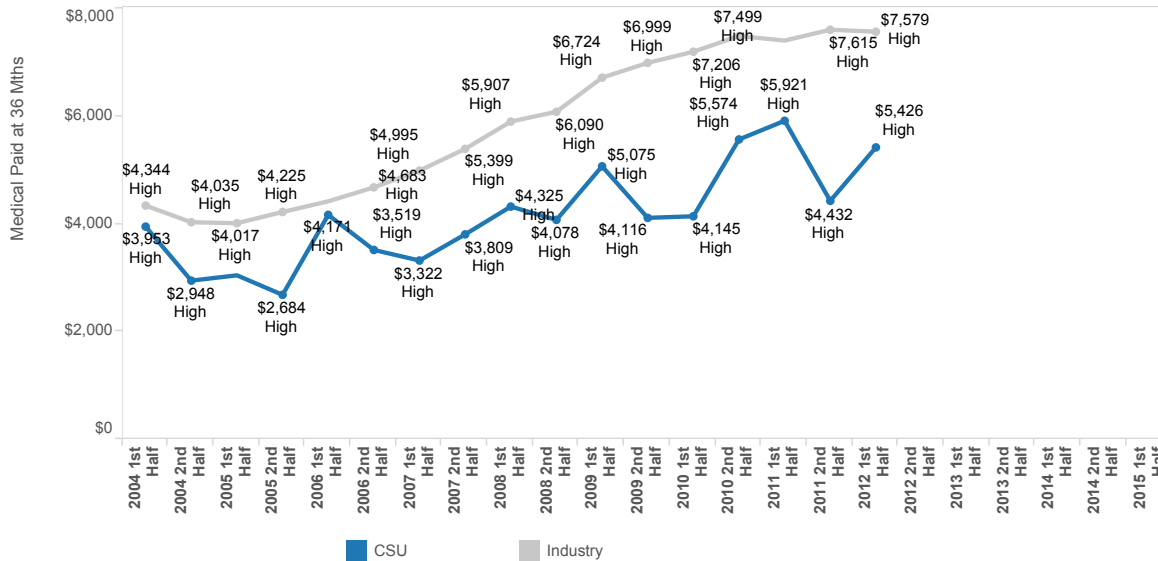
PUBLICATION: None.

ATTACHMENT(S):

- a. Sample CWCI report information for CSU

Industry Claim System 17A (valued as of June 30, 2015)

Benefit Levels at 12, 24 and 36 Months Post Injury by Injury Half Year



- Select Period**
- Medical Paid at 12 Mths
 - Medical Paid at 24 Mths
 - Medical Paid at 36 Mths
 - Indemnity Paid at 12 Mths
 - Indemnity Paid at 24 Mths
 - Indemnity Paid at 36 Mths

- Claim Type**
All
- Claim Status**
All
- Attorney Involvement**
All
- Industry**
All
- Region**
All
- Premium Size**
All
- Denial Flag**
All

Medical Paid at 36 Mths for Open and Closed Claims

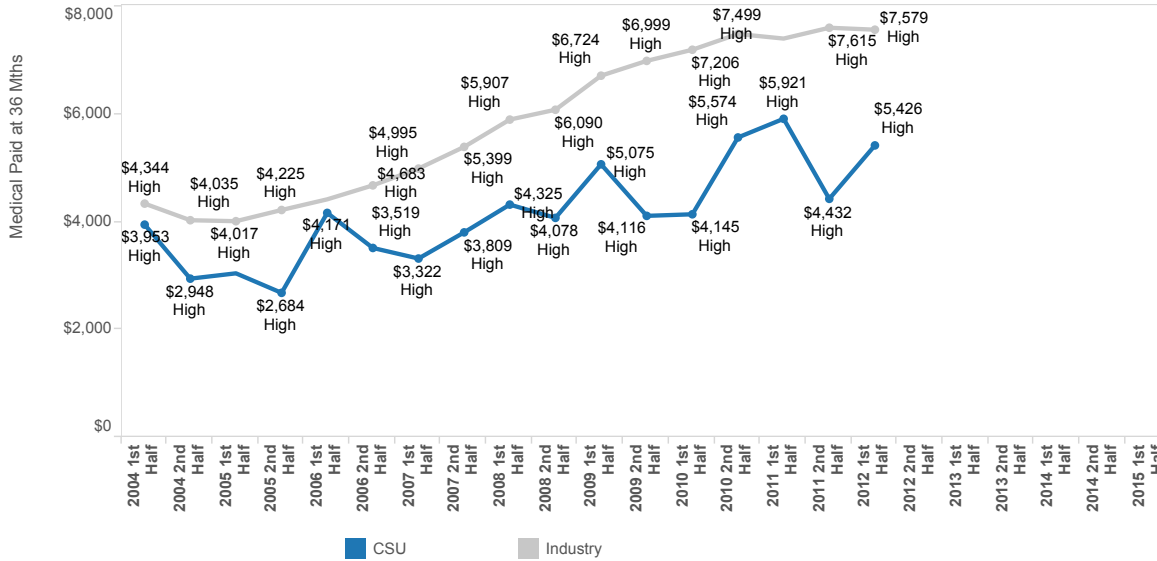
		2004 1st Half	2004 2nd Half	2005 1st Half	2005 2nd Half	2006 1st Half	2006 2nd Half	2007 1st Half	2007 2nd Half	2008 1st Half	2008 2nd Half	2009 1st Half	2009 2nd Half
Closed	CSU	3,532	2,804	2,897	2,415	3,711	2,925	3,029	3,428	3,771	3,658	4,364	3,3
	Industry	3,944	3,686	3,612	3,708	3,871	3,965	4,249	4,544	4,907	5,033	5,353	5,5
Open	CSU	46,326	11,753	12,255	22,217	33,189	22,897	17,063	22,265	21,152	23,016	25,852	16,8
	Industry	25,439	22,928	22,558	25,550	22,768	31,141	30,224	32,356	31,529	32,270	34,608	34,5

- Campus**
All
- Selection % of Total**
- | | |
|-----|------|
| CSU | 100% |
|-----|------|

Reliability ■ High ■ Moderate ■ Low

Industry Claim System 17A (valued as of June 30, 2015)

Benefit Levels at 12, 24 and 36 Months Post Injury by Injury Half Year



- Select Period**
- Medical Paid at 12 Mths
 - Medical Paid at 24 Mths
 - Medical Paid at 36 Mths
 - Indemnity Paid at 12 Mths
 - Indemnity Paid at 24 Mths
 - Indemnity Paid at 36 Mths

- Claim Type**
All
- Claim Status**
All
- Attorney Involvement**
All

- Industry**
All
- Region**
All

- Premium Size**
All

- Denial Flag**
All

- Campus**
All

Selection % of Total

CSU	100%
-----	------

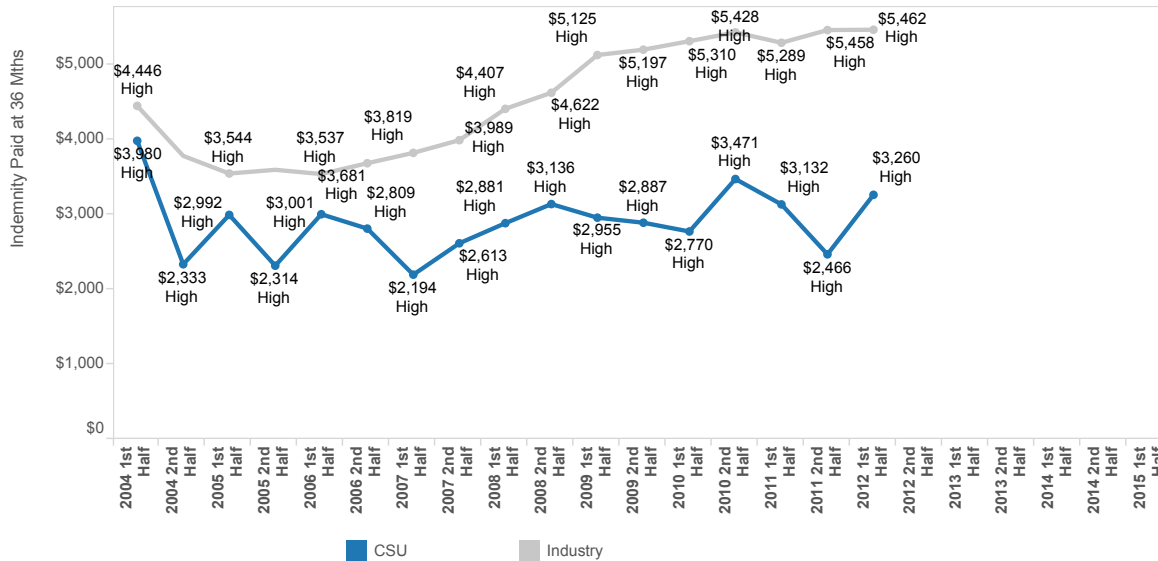
Medical Paid at 36 Mths for Open and Closed Claims

		2004 1st Half	2004 2nd Half	2005 1st Half	2005 2nd Half	2006 1st Half	2006 2nd Half	2007 1st Half	2007 2nd Half	2008 1st Half	2008 2nd Half	2009 1st Half	2009 2nd Half
Closed	CSU	3,532	2,804	2,897	2,415	3,711	2,925	3,029	3,428	3,771	3,658	4,364	3,3
	Industry	3,944	3,686	3,612	3,708	3,871	3,965	4,249	4,544	4,907	5,033	5,353	5,5
Open	CSU	46,326	11,753	12,255	22,217	33,189	22,897	17,063	22,265	21,152	23,016	25,852	16,8
	Industry	25,439	22,928	22,558	25,550	22,768	31,141	30,224	32,356	31,529	32,270	34,608	34,5

Reliability ■ High ■ Moderate ■ Low

Industry Claim System 17A (valued as of June 30, 2015)

Benefit Levels at 12, 24 and 36 Months Post Injury by Injury Half Year



Select Period

- Medical Paid at 12 Mths
- Medical Paid at 24 Mths
- Medical Paid at 36 Mths
- Indemnity Paid at 12 Mths
- Indemnity Paid at 24 Mths
- Indemnity Paid at 36 Mths

Claim Type

All

Claim Status

All

Attorney Involvement

All

Industry

All

Region

All

Premium Size

All

Denial Flag

All

Campus

All

Selection % of Total

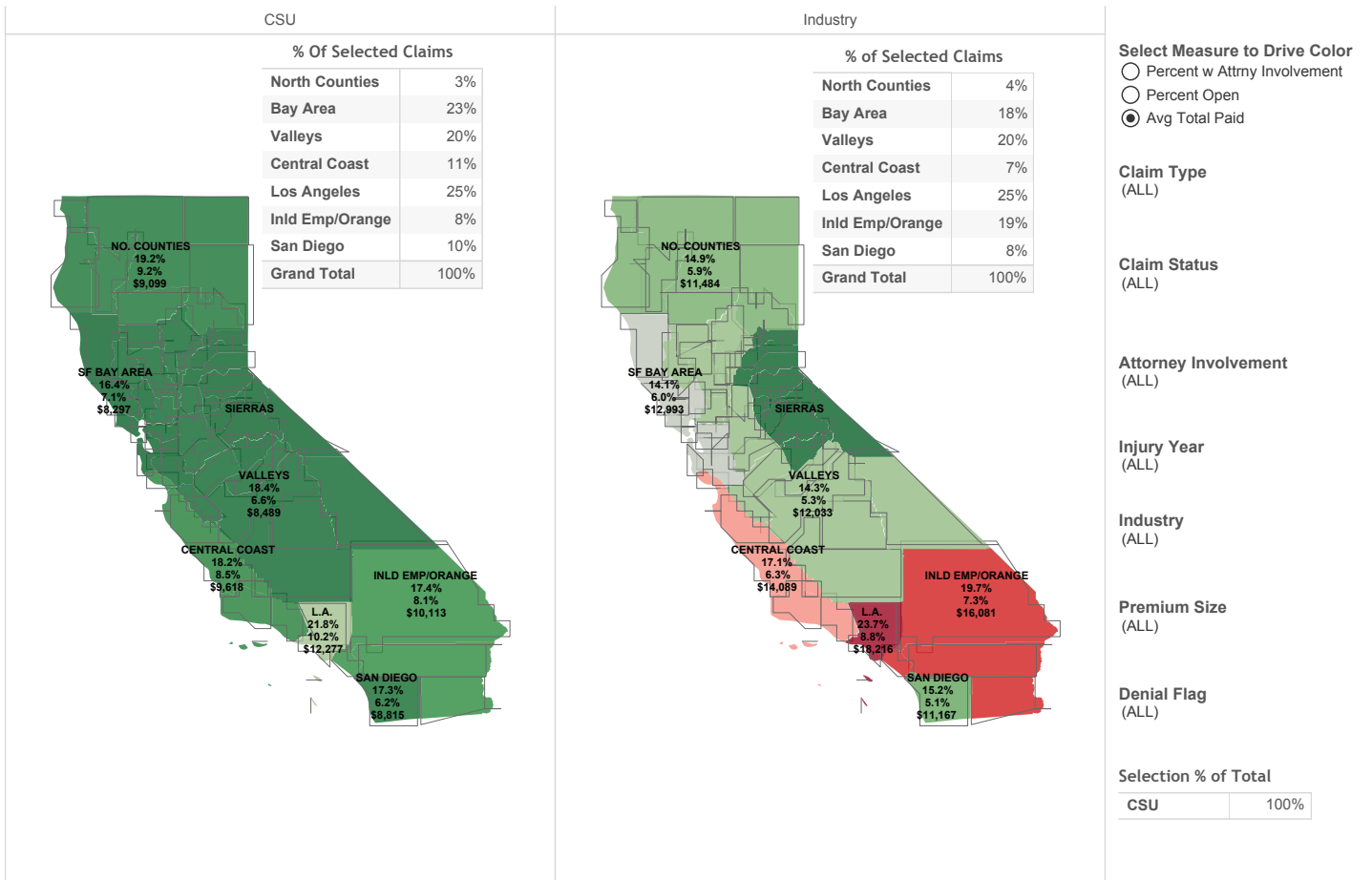
CSU	100%
-----	------

Indemnity Paid at 36 Mths for Open and Closed Claims

		2004 1st Half	2004 2nd Half	2005 1st Half	2005 2nd Half	2006 1st Half	2006 2nd Half	2007 1st Half	2007 2nd Half	2008 1st Half	2008 2nd Half	2009 1st Half	2009 2nd Half
Closed	CSU	3,703	2,233	2,823	1,995	2,594	2,422	1,934	2,417	2,496	2,658	2,443	2,0
	Industry	4,096	3,488	3,205	3,222	3,156	3,225	3,274	3,449	3,711	3,853	4,150	4,1
Open	CSU	31,866	8,449	13,322	25,501	28,681	15,438	14,398	12,135	14,589	24,683	17,921	15,5
	Industry	22,947	19,514	19,049	18,924	16,181	20,519	22,240	21,013	22,242	23,658	24,953	24,8

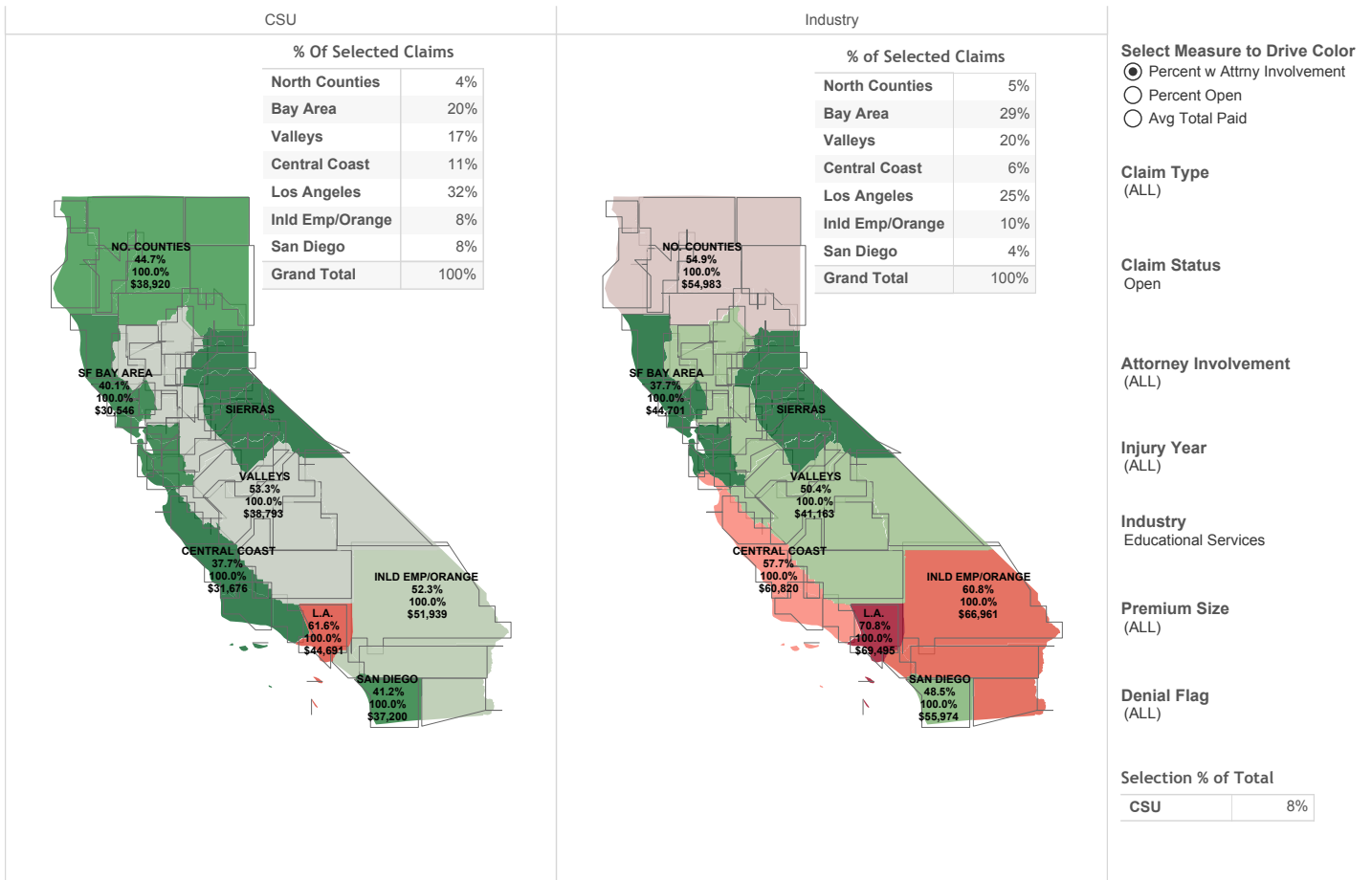
Reliability ■ High ■ Moderate ■ Low

Industry Claim System 17A (valued as of June 30, 2015)



CWCI 2015. All Rights Reserved.

Industry Claim System 17A (valued as of June 30, 2015)



CWCI 2015. All Rights Reserved.

AORMA PROGRAMS UPDATE

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

The 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 86 members, and represents 100% participation.

PUBLICATION: None.

ATTACHMENT(S): None.

AIME PROGRAMS UPDATE

ISSUE: The Athletic Injury Medical Expense (AIME) program continues to address the insurance and risk management needs of its members.

The Executive Committee Liaison for AIME, will report on the activities of the AIME Committee.

RECOMMENDATION: This item is for information only; 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.

CSU IIPP WORKGROUP

ISSUE: “Movement Motivation: The Case for Promoting Movement in Office Workers at CSU Campuses”. A really good read with practical ideas on how to incorporate movement into a desk jockey’s day. The suggestions for movement can be very self-directed and without adverse impact to production. The following can be directly related:

- Training
- Providing the argument toward ergonomic movement in the workplace or
- Pure edification of an alternative ergonomic philosophy and equipment.

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Movement Motivation: The Case for Promoting Movement in Office Workers at CSU Campuses

Movement Motivation: The Case for Promoting Movement in Office Workers at CSU Campuses

Kellie Marshall, CSU Stanislaus
 Jill Millican, CSU East Bay
 Adell Seibles, CSU Sacramento
 Thomas Sneed, CSU East Bay

INTRODUCTION

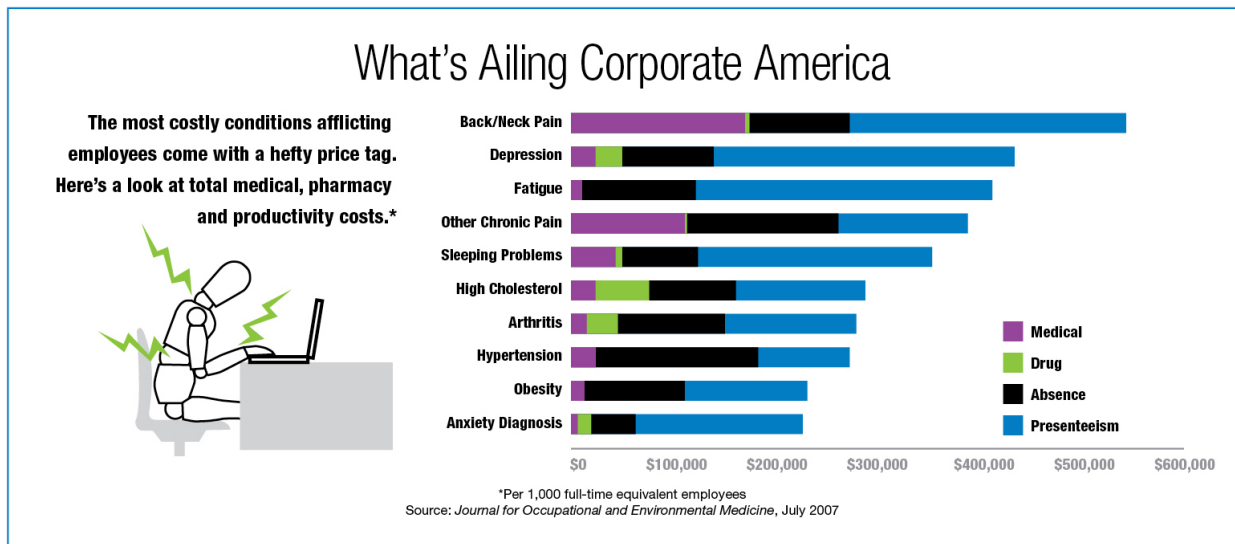
For decades sitting at a desk has been the norm. But thanks to science and research we now know that sedentary behavior causes a host of health and wellness problems – from poor circulation to premature spinal disc degeneration – and is detrimental to our long term well-being. An estimated 70% of the U.S. workforce sits in offices each day and the average American spends around 95% of the workday seated.

Is sitting the problem and standing the solution? Short answer: NO! Prolonged standing is linked to foot pain, varicose veins and static muscle fatigue. It causes joints in the hips and knees to become temporarily immobilized in turn causing damage to tendons and ligaments. People who have sedentary jobs, even those who exercise for an hour or more several times per week, still have a higher risk for developing these illnesses or even dying prematurely.(1) Movement is the key! We need movement, and more of it. Researchers recommend factoring more breaks into the workday and striking a balance between seated and standing positions.(2, 3) Standing for 10-15 minutes every hour boosts circulation, takes pressure off the spine, and balances muscle use. Rebooting the body and mind regularly also enhances productivity and reduces fatigue.

"Today, our bodies are breaking down from obesity, high blood pressure, diabetes, cancer, depression, and the cascade of health ills and everyday malaise that come from what scientists such as myself have named sitting disease."

~ James A. Levine, MD, PhD. *Move a Little, Lose A Lot*, 2009

Fig. 1



This paper will detail the problems with sedentary work habits and its associated costs. It will also outline multiple solutions that can be incorporated to improve our employees' situations, thus lessening the risks, improving attitudes and productivity, and positively affecting the aforementioned costs.

PROBLEM

We have grown to realize that office workers, bolstered by recent research, sit for too long throughout the day. Add to that long commute times, sitting at meals, and engaging in sedentary activities at home, it becomes easy to see how cultural and lifestyle choices can be a negative force on our health status. Research shows that the average American spends an estimated 80% of time sitting while on a computer, on a portable device, watching TV, eating and/or commuting to work, etc.

Fig. 2



As pointed out in the introduction the risk of chronic diseases increases greatly for those who have these sedentary lifestyle habits. By some estimates, over 50% of the US population will become obese or diabetic by 2020. The economic costs associated with sedentary habits both to workers and their employers can be staggering.

Many times, efforts to promote more movement throughout the day and decrease sedentary habits have largely been lacking or ineffective. A survey was taken in 2013 of the various California State University Campuses about whether there was a program in place to teach stretching for employees. The majority of campuses had no formalized stretching, exercise, or movement program in place for employees.

This has likely changed to some extent since then, but we could all probably strive to do more. Even when classes or software is made available, participation and retention rates tend to be marginal at best.(4, 5) When it comes to software solutions, some find that they are too busy when prompted or it pops up at an inconvenient time and they bypass the session. For classes, convenience, flexible time to participate during the work day, and waning interest can all impact participation and retention. We also used to have a false sense of security when it came to exercising regularly. It used to be thought that regular exercise was a buffer against the consequences of working at a desk job. While people who exercise regularly tend to be more fit and healthy than those that do none, exercising outside of the work day does not mitigate or prevent the effects of sedentary work.(1, 6)

The costs associated with sedentary habits in healthcare dollars, absenteeism, presenteeism, and decreased productivity add up to thousands of dollars for individual employees and tens of billions of dollars for all workers in the United States every year. Also, a RAND study from 1989 determined that the lifetime subsidy from others to those with a sedentary life style is \$1900.00.(7) Studies performed from 2005-2007 that looked at data from the populations of Maine, California, and other states showed that the costs for medical care, workers' compensation, and lost productivity, were the higher for those who were inactive when compared to obesity and being overweight.(8, 9) In the table below, which reflects data from California workers, losses from physical inactivity were roughly 40% higher than losses from obesity and overweight combined. One thing that is apparent from these studies and others like them is that the costs incurred as a result of both lifestyle, workplace culture, and workplace environment affect

us all in tangible economic ways. Whether we individually make healthy choices in the workplace or not, the actions of our colleagues also affect us. It follows that this effect is also translated to the organizations that we work for.

Fig. 3

Direct, Indirect, and Total Costs for Physical Inactivity, Obesity, and Overweight in California Adults (in Year 2000 Dollars).

	<i>Medical Care Cost</i>		<i>Workers' Compensation Cost</i>	<i>Lost Productivity Cost</i>		<i>Total Cost</i>
	Treatment	Cost of Prescription Drugs		Absenteeism, Presenteeism, and Short-term	On-the-job Injury	
Physical Inactivity						
Direct	\$241,985,581	\$1,065,943,038	\$50,005,040	\$7,528,629,764	\$274,983,844	\$9,161,574,267
Indirect	\$725,956,744	\$3,197,829,114	\$200,020,159	0	0	\$4,123,806,017
Total Physical Inactivity Cost						\$13,285,353,284
Obesity						
Direct	\$135,520,641	\$595,514,095	\$17,658,344	\$3,364,013,159	0	\$4,112,706,239
Indirect	\$406,561,922	\$1,786,542,286	\$70,633,376	0	0	\$2,263,737,584
Total Obesity Cost						\$6,376,443,823
Overweight						
Direct	\$93,509,242	\$410,605,609	0	0	0	\$504,114,851
Indirect	\$280,527,726	\$1,231,816,827	0	0	0	\$1,512,344,553
Total Overweight Cost						\$2,016,459,404
Total Cost of Physical Inactivity, Obesity, and						\$21,678,256,511

SOLUTION

Generally speaking we need to stand more and we need to move more. Not one or the other, but both. How much we should stand and move is up for scholarly debate, but recent consensus in the UK is for office workers to move for about 2 hours out of an 8 hour work day.(2) Canadian physician, Dr. David Alter, recommends cutting sitting time by 2-3 hours for those sitting at least 12 hours per day.(10) It seems like a lot, that it may interfere with an employee's work day and reduce their productivity. However, if we think about it and take a multicomponent approach to the problem, the guidelines outlined above are approachable.

Strategies for increasing movement.

First off, it is obvious that the goal of 2 hours of movement per work day should be divided into smaller segments throughout the day. There is also no evidence that suggests that one approach or time frame has any advantage over another. There may be some workers where it's feasible to be out of their chair moving to some degree for 15 minutes for every hour worked, adding up to 2 hours. For most workers, that is probably not the case. Depending on the duties being performed, there may be 5 minutes one hour and 30 minutes another. Also, some aspects of an employee's work might be more conducive to standing, such as talking on the phone, for example. Dr. Alan Hedge at Cornell University suggests that for each 30 minutes an employee sit for 20 minutes, stand for 8 minutes, and walk around for 2 minutes. That adds up to more than 2.5 hours per day out of the chair.(3) Is it too much? For some perhaps it is. However, we could all probably stand more than we think if we look at the many ways we can work and conduct our days besides just sitting in a chair. Even if someone thinks that they can't, they probably can still move more. NASA research shows that standing for 2 minutes 16 times per day is enough to at least

maintain bone and muscle density. The following table lists many of those ways we can incorporate movement along with a brief discussion for each.(1, 10, 11)

Fig. 4

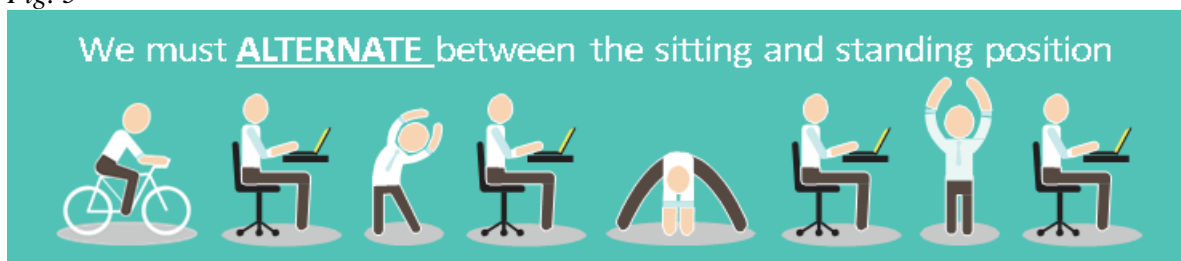
Possible solutions to decrease sedentary time in the office.

Method	Comments
Use a workstation or device that allows work to be done either sitting or standing.	Allows a great deal of flexibility for how long and frequently one could stand or sit. Though an initial cost may be associated with it, it tends to pay for itself over time when used correctly. Some types of furniture may not support this type of equipment and it may interfere with jobs that require personal interaction with others. Caution should be taken with individuals that have conditions aggravated by weight bearing postures.
Use a software solution that reminds employees to take breaks and/or guides them through brief movement or stretching routines.	Can conveniently be added to the individual's computer and usually customized to their needs. Some lose interest and bypass the reminders over time. A cost is typically involved, such as a licensing fee.
Send work to a remote printer.	Makes you take more steps unless this option is not be available or you don't print your work. No cost is associated.
Use a restroom on another floor or in another area.	Makes you take more steps unless multiple restrooms do not exist in the area. No cost is associated.
Visit someone instead of sending an email or text message.	Makes you take more steps. Face to face interaction can have social benefits and allow for easier discussion and dialogue. No cost is associated.
Take a walk during breaks or at lunch.	Makes you take more steps. Also, it provides a mental break from the tasks of the day. No cost is associated.
Take stairs instead of an elevator.	Makes you take more steps and you are working different muscles than walking unless stairs are not present. No cost is associated.
Take a mini break to stretch.	You can work on areas of the body that feel most stressed. It is a gentle and easy activity that costs nothing and can be practiced in any environment.
Hold small group meetings while walking.	Makes you take more steps. There is also evidence that walking stimulates the mind. It may not be practical for larger groups or if the meeting involves materials/technology. No cost is associated.
Conduct or participate in department sanctioned exercise sessions.	It can be a fun, focused, and work on areas of the body that feel most stressed. It can build rapport with co-workers. At least initially, more personal instruction and guidance needs to be given. Costs may or may not be associated based upon how this is implemented.

Strategically alternate tasks that require standing or moving. Alternatively, designate certain tasks as "standing tasks", such as talking on the phone.	This is a way to break up the repetition associated with certain work. Modification of some work tasks may be required. No cost is associated.
Use a device that tracks movement.	Gives biometric data to the user regarding activity and fitness. They can be fun to use. Cost for more technologically advanced devices can be a factor, but there are less expensive alternatives. (i.e. Fitbit vs. pedometer)

Most employees probably can't do all of these. Some might only be able to do a few. But when you look at what is possible, 2 hours of movement doesn't seem so insurmountable. Also, it should be noted that the majority of the actions outlined above are low or no cost to implement.

Fig. 5



Strategies for compliance and retention.

Motivation, compliance, and long term retention have been and will continue to be challenges that we all encounter when attempting to implement and administer movement programs. More people will want to participate in a program if they deem the exercise or activity as an achievable benefit to them, regardless of routine or complexity.(4, 12) Self-efficacy also increases the levels of compliance and adherence to a program over the long term.(12, 13, 14) Additionally, group cohesion, social support, and management involvement have proven to be morale boosters that increase rates of adherence to an exercise program.(13, 15) Conversely, poor psychosocial work environments and low self-efficacy have the opposite effect.(16) The following list contains some suggestions on how adopt and encourage an office activity program.

1. Encourage management buy-in and participation. This is extremely important for the goal of changing the organization's long term culture. It demonstrates leadership from the top, shows the value of your program to employees, and it's good for the managers' health too.
2. Have a fun name or tag line for the activity. Possibly incorporate a mascot or cartoon-like character as a symbol for the program.
3. Advertise the program – Keep the idea in front of staff. One might even be able to partner such a program with other safety or employee policy initiatives that are currently in place.
4. Have department schedule regular task break times.
5. Share information about the benefits of movement during the workday from multi-media sources. There has been a plethora of information recently in both print and visual media.
6. Solicit feedback from the employees about what they would like to do. Allow them to participate in the development or evolution of your program.
7. Train the employees and managers initially with preset, guided routines. This can also be reinforced with brochures, videos, PowerPoint presentations, etc.
8. Keep the activities and movements simple and easy to duplicate, especially in the beginning. Mimic some of the movements that people instinctively do to stretch and move. Encourage them to do them more frequently, beyond any group sessions. Additional complexity can be added once the program is established.

9. Provide department incentives or awards when possible, either for participation or for reaching certain milestones.

Like the methods of movement outlined above, one might not be able to incorporate all of these suggestions. For example, employees at a busy customer service counter can't just stop and all take a break together. They might have to focus on individual task breaks or maybe work with a partner instead. There is no "one" best or only way to promote and maintain a program. A multi-faceted approach is best...consistent and persistent.

CONCLUSION

The data in the workers' compensation column of *Figure 3* shows that approximately 73% of the total costs listed were related to physical inactivity. Internal data from all the CSU campuses show an expenditure of over 14 million dollars for workers' compensation from FY2011-FY2015. That amounts to a potential pool of over 10 million dollars that could have been positively impacted by efforts to encourage workers to move more.

Changing the culture and attitudes of our workplaces in regards to movement and exercise will have a positive effect on employee participation and ultimately their health and well-being. The suggestions outlined above are not meant to replace any efforts that may be in place, but to augment them. The more tools we can give, along with the encouragement and acknowledgement of achievements, the more it will help to move employees toward the positive end of a wellness continuum. Programs should be fluid and ever-changing as new ideas and information become available. They can also be customizable. No two initiatives need be exactly the same, though they should be constructed with the goal of increasing participation and adherence through an institutional and culture shift. Positive changes have the potential for improving employee morale, health, and productivity, which can lead to substantial cost savings for the employer over time.

REFERENCES

1. Biswas, Aviroop, Paul I. Oh, Guy E. Faulkner, Ravi R. Bajaj, Michael A. Silver, Marc S. Mitchell, and David A. Alter. "Sedentary Time and Its Association With Risk for Disease Incidence, Mortality, and Hospitalization in Adults." *Annals of Internal Medicine Ann Intern Med* 162.2 (2015): 123-32. Print.
2. Buckley, John P, Alan Hedge, Thomas Yates, Robert J Copeland, Michael Loosemore, Mark Hamer, Gavin Bradley, and David W Dunstan. "The Sedentary Office: An Expert Statement on the Growing Case for Change towards Better Health and Productivity." *British Journal of Sports Medicine Br J Sports Med* (2015). Print.
3. "Cornell University Ergonomics Web." <http://www.ergo.human.cornell.edu/>
4. Waikar, Avinash M., and Martha E. Bradshaw. "Exercise in the Workplace? Employee Preferences." *International Journal of Manpower*: 16-30.
5. Pressler, Axel, Uta Knebel, Sebastian Esch, Dominik Kölbl, Katrin Esefeld, Johannes Scherr, Bernhard Haller, Arno Schmidt-Trucksäss, Helmut Krcmar, Martin Halle, and Jan Marco Leimeister. "An Internet-delivered Exercise Intervention for Workplace Health Promotion in Overweight Sedentary Employees: A Randomized Trial." *Preventive Medicine*: 234-39.
6. "Too Much Sitting Can Be Deadly—even If You Exercise Regularly." 26 Jan. 2015. <http://americablog.com/2015/01/sitting-can-deadly-even-exercise-regularly.html>
7. Keeler, E B, W G Manning, J P Newhouse, E M Sloss, and J. Wasserman. "The External Costs of a Sedentary Life-style." *American Journal of Public Health* 79.8: 975-81. Print.
8. "The Economic Costs of Physical Inactivity, Obesity, and Overweight in California Adults: Health Care Workers' Compensation, and Lost Productivity." 1 Apr. 2005. <https://www.cdph.ca.gov/HealthInfo/healthyliving/nutrition/Documents/CostofObesityToplineReport.pdf>
9. "Cost of Excess Weight and Sedentary Lifestyles Is Enormous." 23 May 2007. https://www.anthem.com/wps/portal/ahpfooter?content_path=shared/noapplication/f0/s0/t0/pw_ad091614.htm&label=Press%20Room%20Archives%20-%202007
10. "Experts Offer Little Tips to Make Big Changes in Work Health ..." 23 June 2015. <http://www.he.k-state.edu/news/2015/06/23/experts-offer-little-tips-to-make-big-changes-in-work-health/>
11. Loffler, D., B. Wallmann-Sperlich, J. Wan, J. Knott, A. Vogel, and J. Hurtienne. "Office Ergonomics Driven by Contextual Design." *Ergonomics in Design: The Quarterly of Human Factors Applications* 23.3 (2015): 31-35. Print.
12. Rhodes, Ryan E, and Bonnie Fiala. "Building Motivation and Sustainability into the Prescription and Recommendations for Physical Activity and Exercise Therapy: The Evidence." *Physiotherapy Theory and Practice*: 424-41.
13. Chen, C.-Y., P. S. Neufeld, C. A. Feely, and C. S. Skinner. "Factors Influencing Compliance With Home Exercise Programs Among Patients With Upper-Extremity Impairment." *American Journal of Occupational Therapy*: 171-80.

14. Pedersen, Mette Merete, Mette Kreutzfeldt Zebis, Henning Langberg, Otto Melchior Poulsen, Ole Steen Mortensen, Jette Nygaard Jensen, Gisela Sjøgaard, Thomas Bredahl, and Lars Louis Andersen. "Influence of Self-Efficacy on Compliance to Workplace Exercise." *International Journal of Behavioral Medicine*: 365-70.
15. Fraser, Shawn, and Kevin Spink. "Examining the Role of Social Support and Group Cohesion in Exercise Compliance." *Journal of Behavioral Medicine* 25.3: 233-49.
16. Andersen, Lars L. "Influence of Psychosocial Work Environment on Adherence to Workplace Exercise." *Journal of Occupational and Environmental Medicine*: 182-84.

CSURMA INSURANCE REQUIREMENTS IN CONTRACTS MANUAL
VERSION 9.0 (UPDATED APRIL, 2016)

ISSUE: The Insurance Requirements in Contracts Manual has been updated and edited for CSURMA member use from the longstanding manual used in the California public sector. CSU has developed specific Executive Orders, standard agreements and practices that take precedence over the discussion in the manual. Note for example that CSU has promulgated standard waiver, informed consent and indemnification language that should be the basis of agreements entertained by Campus and auxiliary organization personnel. Also, the Office of General Counsel has longstanding experience in matters regularly encountered and Campus University Counsel should be consulted as appropriate. Finally, and perhaps as a starting point when questions arise, the Systemwide Office of Risk Management has a wealth of experience and depth of resources to assist in efforts to establish agreements that protect the University community.

The IRIC manual is a valuable reference guide, but it is not a replacement for the risk manager's best weapon – common sense developed from experience.

The IRIC Manual - version 9.0 has been uploaded onto the CSURMA website.

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

FISCAL IMPACT: None.

BACKGROUND: The purpose of this manual is to serve as a guide in developing proper insurance requirements in contracts. This manual explains how to establish insurance requirements for most contracts, including those with contractors, professional service providers, tenants, vendors, and users of public property, and how to verify their compliance with those requirements during the term of the contract.

It should be noted, however, that risk management is more of an art than a science, and therefore, although this manual will provide guidance in 90% of the cases encountered by the user, there will also be exceptions to the rules contained herein. If the user encounters situations that fall outside of the manual's recommendations, the user should contact its insurance and legal advisors.

This edition has undergone extensive revisions to eliminate older insurance forms and to condense the material to make it easier for those without an insurance background to access and implement

the recommendations. This includes a “basics” section that describes each element of the insurance requirements and provides a single set of specifications that can be used for most contracts. Instructions for the contractor and insurance agent or broker have also been included to make it easier for the contract administrator to request and receive the required coverage.

Another major change is the elimination of most of the customized forms for public agencies. One of the proposed techniques of earlier editions was to request that insurers execute certificates and endorsement forms provided by the public entity. The obvious benefit of this approach is that the public entity knows that it is receiving the coverage it is looking for if the exact endorsement is provided. However, because many insurance forms require prior approval by state regulators, many insurers refused to use custom entity-designed endorsements, and it is no longer practical to obtain them. Also, most of the terms of the insurance requirements have been incorporated within standard insurance forms, lessening the need to spell out specific requirements. Finally, the reality of the emerging cyber and aviation risks has led the editors to create separate chapters on each. The editors recommend that you use the specifications that spell out the form numbers and key terms described in this manual. Some insurers use custom policy documents, and we suggest that you compare the language in those documents to the specifications to verify that you are receiving the recommended coverage.

This manual contains sample standard Insurance Service Office (ISO) industry forms for reference. Occasionally, new editions of these forms are released. These new editions may broaden coverage, but they may also restrict coverage from the previous edition. An attempt is made in each successive version of this manual to include any updated forms, as well as comments on the changes made to old editions, and recommendations on which forms to use. Though a new edition is released, insurance companies may continue to use older editions of these forms. It is, therefore, important that the user check the edition date of the form supplied by contractors, tenants, vendors and users of public property, and/or their agents and brokers. The edition date can usually be found in the lower left-hand corner of the form, following the form number.

This edition contains a review of significant updates to the ISO Commercial General Liability form and related Additional Insured endorsement forms, released April 2013. The impacts of some of these changes are significant and wide ranging. While every attempt is made to present these changes in a concise manner, we strongly encourage you to review with your Legal and Risk Management staff the implications of these changes to your Agency and update your Contracts to “trigger” coverage under these new forms. Otherwise, you may have reduced or even no coverage at claim time! Non-insurance sections of the contract are also very important to the risk management process. Normally, the “Indemnification” and “Scope of Work” sections should be reviewed for unusual language or risky activities. If the contractor’s insurance does not meet the requirements under the contract, it is the contractor’s responsibility to obtain the necessary coverage to satisfy its agreement with your Entity.

Insurance is only one way that the contractor can fulfill its financial responsibilities to your Entity. There should also always be a section in the contract that states that the lack of insurance does not negate the contractor’s obligations under the contract, such as “These Indemnification provisions are independent of and shall not in any way be limited by the Insurance requirements of this

agreement. Entity approval of the Insurance contracts required by this Agreement does not in any way relieve the Contractor from liability under this section.”

As Alliant is not a law firm, we recommend that users of this manual consult with its own insurance professionals or legal counsel for specific language for this section’s wording. Make sure your indemnity language is strong, and if the contractor does not carry sufficient or correct insurance to cover its obligations to your Entity, make certain it does have the assets to indemnify the Entity for those uninsured or underinsured areas of risk.

Finally, a section is included containing the most commonly asked questions from manual users over the years. We have included this section as a resource for the user, to illustrate that risk management is not always a simple process, and to encourage the user to contact its insurance advisor when encountering an “outside the box” situation.

This manual originates from work performed in the late 1970’s by public entity risk managers and consultants, a time when the field of public entity risk management was beginning to come into its own. The editors acknowledge the work of Erin Oberly, a risk management consultant working with Frank James of the Redwood Empire Municipal Insurance Fund (REMIF), for the earliest versions of this manual. Many changes have occurred in the fields of risk management and insurance since its inception, and this manual has kept up with those changes due to the continued support and dedication of public entity risk managers and consultants, including David Born, David Clovis, Joe Risser, and Marcus Beverly. This most recent revision has been prepared with the support of CSAC Excess Insurance Authority with the support of Robert Marshburn of CertifiedRiskManagers.com. Mr. Marshburn is a recognized leader in the field of risk management and public agency contracting. Marjorie Segale, of SegaleConsulting.com developed and edited the additions related to Cyber and Aviation.

Most importantly, this manual reflects the issues encountered by its users, and their feedback continues to be vital in keeping the material up-to-date and useful. We encourage you to contact your insurance or risk management consultant for advice as needed and send questions and suggestions for future editions of this manual to Marcus Beverly at mbeverly@alliant.com, or to Dan Howell at dhowell@alliant.com

PUBLICATION: The IRIC Manual - version 9.0 has been uploaded onto the CSURMA website.

ATTACHMENT(S): None. The updated IRIC Manual – version 9.0 has been uploaded onto the CSURMA website.

INTEGRATED CSU ADMINISTRATIVE MANUAL

ISSUE: The Executive Committee resolved to annually review applicable sections of the Integrated CSU Administrative Manual (ICSUAM) and any updates thereto, as well as CSURMA's data security policies. At its meeting on March 11, 2016, the Executive Committee reviewed the ICSUAM policies and adopted two new sections, as shown below.

Section 1301 – Hospitality, Payment or Reimbursement of Expenses
Section 3000 - General Accounting
Section 8000 - Information Security
Section 1101 – Delegation of Authority to Obligate the University
Section 7100 – Identity Access Management
Section 6000 – Financing, Treasury, and Risk Management – *adopted March 11, 2016*
Section 13000 – Auxiliary Organizations Administration – *adopted March 11, 2016*

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

FISCAL IMPACT: None.

BACKGROUND: Staff reviewed all sections of the Integrated CSU Administrative Manual and determined that the following sections are relevant and beneficial to the operation of CSURMA:

- Section 1300 – Hospitality, Payment and Reimbursement of Expenses
- Section 3000 – General Accounting
- Section 8000 – Information Security
- Section 1101 – Delegation of Authority to Obligate the University
- Section 7100 – Identity Access Management
- Section 6000 – Financing, Treasury, and Risk Management
- Section 13000 – Auxiliary Organizations Administration

CSURMA has specifically adopted its own policies and procedures, such as travel reimbursement (CSURMA P&P No. 17), invoice payments (CSURMA P&P No. 6), use and disposition of equipment (CSURMA P&P No. 16) and it is recommended that CSURMA's adopted policies apply where they overlap with the ICSUAM.

PUBLICATION: None.

ATTACHMENT(S):

- a. ICSUAM Compliance List at February, 2016
- b. Resolution 03-16 EC – Resolution Adopting Administrative Policies and Procedures



Reviewed: Feb 2016

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
Section 1000 – General			
1101.00 – Delegation of Authority to Obligate the University	Yes	CSURMA follows the CO structure for delegation of authority.	No change
1201.00 – Intercollegiate Athletics Administration	No	CSURMA is not involved in intercollegiate athletic programs.	No change
1202.00 – Athletics Trade Usage (Trade Out)	No	CSURMA is not involved in intercollegiate athletic programs.	No change
1203.00 – Fringe Benefits Management	No	CSURMA is not involved in intercollegiate athletic programs.	No change
1204.00 – Cheerleading	No	CSURMA is not involved in intercollegiate athletic programs.	No change
1205.00 – Group Travel	No	CSURMA is not involved in intercollegiate athletic programs.	No change
1206.00 – Inventory Control of Athletic Equipment, Apparel and Gear	No	CSURMA is not involved in intercollegiate athletic programs.	No change
1301.00 – Hospitality, Payment or Reimbursement of Expenses	Yes	CSURMA has hospitality expenses.	No change
1401.00 – Administration of Student Organization Funds	No	CSURMA is not involved in administering student organization funds.	New*
Section 2000 – Budget			
2001.01 – Campus Reserves	No	CSURMA does not maintain reserves in the CSU funds listed.	New*
Section 3000 – General Accounting			
3101.01 – Central Management of Cash and Investment	Yes	CSURMA participates in the CSU consolidated investment pool.	No change
3101.02 – Campus Administration of Systemwide Cash Management Policy	Yes	CSURMA Accounting alerts CO Treasury of individual commercial banking transactions exceeding \$200,000, at least one business day prior to the transaction settlement date.	No change
3102.01 – Sensitive Positions and Cash Handling	Yes	CO General Accounting handles this function on behalf of CSURMA.	No change
3102.02 – Segregation of Cash Handling Duties	Yes	CO General Accounting handles this function on behalf of CSURMA.	No change
3102.03 – Acceptance of Cash and Cash Equivalents	Yes	CO General Accounting handles this function on behalf of CSURMA.	No change
3102.04 – Physical Protection of Cash and Cash Equivalents	Yes	CO General Accounting handles this function on behalf of CSURMA.	No change
3102.05 – Debit/Credit Card Payment Policy	Yes	CSURMA Accounting does not process credit card transactions, but may in the future.	No change
3102.06 – Returned Items	Yes	CO General Accounting handles this function on behalf of CSURMA	No change
3102.08 – Recording Deposits to the General Ledger	Yes	CSURMA Accounting records deposits to Blackbaud General Ledger with sufficient segregation of duties.	No change
3102.09 – Bank Reconciliations	Yes	CSURMA Accounting performs monthly bank reconciliations with sufficient segregation of duties.	No change
3102.10 – Change Funds	Yes	CSURMA Accounting does not maintain change funds, but may in the future.	No change
3102.11 – Deposits and Transfers to the Bank	Yes	CO General Accounting handles this function on behalf of CSURMA	No change
3103.01 – Disbursements - General	Yes	CSURMA Accounting issues paper & electronic disbursements upon approval by SRM.	No change
3103.02 – Outgoing Payments – Electronic and Paper	Yes	CSURMA Accounting issues paper & electronic disbursements upon approval by SRM.	No change
3103.05 – Payroll Payments Issued by AP	Yes	CO AP handles this function on behalf of CSURMA	No change
3103.11 – Petty Cash	Yes	CSURMA Accounting does not maintain a petty cash fund, but may in the future.	No change
3130.01 - Accounts Receivable Management	Yes	CSURMA adopted P&P No.6 to manage the Accounts Receivable process, which complies with this policy.	No change
3150.01 – Administration of University Property	Yes	CSURMA adopted P&P No.16, which complies with this policy.	Combined 3150.01,3151.02,3151.03,3151.04
3151.01 – Capital (Fixed) Assets Reporting to the State Controller’s Office (Superseded by Policy 3150.01)	N/A	CSURMA does not carry capital assets	Superseded by 3150.01
3151.02 – Intangible Assets (Superseded by Policy 3150.01)	N/A	CSURMA does not carry intangible assets	Superseded by 3150.01
3151.03 – Recording Gifts of Property (Superseded by Policy 3150.01)	N/A	CSURMA does not receive gifts of property	Superseded by 3150.01
3151.04 – Equipment (Superseded by Policy 3150.01)	N/A	CSURMA adopted P&P No.16, which complies	Superseded by 3150.01
3250.01 – Disposition of Lost, Unclaimed or Abandoned Property	Yes	CSURMA has no lost, unclaimed and abandoned property for disposition.	No change
3250.02 – Disposition of Unclaimed Negotiable Instruments	Yes	CSURMA reviews outstanding checks monthly and contacts payees if over 60 days.	No change
3552.01 – Cost Allocation / Reimbursement Plans for the CSU Operating Fund	Yes	CSURMA cost allocation/recovery uses the Cost Recovery Fund instead of the CSU Operating Fund.	Revised - Deletes generalized statements about direct/indirect costs, maintaining that both direct and indirect costs should be considered in developing the cost allocation plan (Section 300)
3601.01 – Travel Policy	Yes	CSURMA adopts the CSU Travel Policy.	Revised - Eliminates preapproval requirements for special travel situations, Clarifies the process for prepaid expenses and direct charges, Clarifies allowable reimbursements for those who receive a car allowance
3801.01 – Tax Administration	Yes	CSURMA tax compliance follows direction under SW Tax Administration.	No change
Section 4000 – Police Services (coming soon)			
Section 5000 – Contracts and Procurement			
5000.00 – Contracts and Procurement Policy Introduction	No	CSURMA does not engage in competitive contracting/procurement.	No change



Reviewed: Feb 2016

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
5100.00 - Responsibility and Authority	No	CSURMA does not engage in competitive contracting/procurement.	No change
5101.00 - Delegation to the Chancellor	No	CSURMA does not engage in competitive contracting/procurement.	No change
5102.00 - Delegation to the Campus Presidents	No	CSURMA does not engage in competitive contracting/procurement.	No change
5103.00 - Role of General Counsel	No	CSURMA does not engage in competitive contracting/procurement.	No change
5104.00 - Role of the Chancellor's Office Contract Services & Procurement CS&P Department	No	CSURMA does not engage in competitive contracting/procurement.	No change
5201.00 - Fair and Open Competition	No	CSURMA does not engage in competitive contracting/procurement.	No change
5202.00 - Classification of Contract	No	CSURMA does not engage in competitive contracting/procurement.	No change
5203.00 - Solicitation Methodologies	No	CSURMA does not engage in competitive contracting/procurement.	No change
5204.00 - Strategic Sourcing Options and Alternatives	No	CSURMA does not engage in competitive contracting/procurement.	No change
5205.00 - Low-Value Purchases	No	CSURMA does not engage in competitive contracting/procurement.	New*
5206.00 - Limits on Competition	No	CSURMA does not engage in competitive contracting/procurement.	No change
5208.00 - Multi-Year Contracts	No	CSURMA does not engage in competitive contracting/procurement.	No change
5209.00 - Emergency Transactions	No	CSURMA does not engage in competitive contracting/procurement.	No change
5210.00 - Prohibited Practices	No	CSURMA does not engage in competitive contracting/procurement.	No change
5211.00 - Internal Compliance Audits (Deleted 1/24/2014)	N/A		Deleted 1/24/2014
5212.00 - Protests, Disputes, and Complaints	No	CSURMA does not engage in competitive contracting/procurement.	No change
5213.00 - Vendor Records	No	CSURMA does not engage in competitive contracting/procurement.	No change
5214.00 - Tax-Exempt Financed Acquisitions	No	CSURMA does not engage in competitive contracting/procurement.	No change
5215.00 - Disabled Veteran Business Enterprise (DVBE) Participation Goals	No	CSURMA does not engage in competitive contracting/procurement.	No change
5216.00 - Small and Micro Businesses	No	CSURMA does not engage in competitive contracting/procurement.	No change
5217.00 - Target Area Contract Preference Act (TACPA)	No	CSURMA does not engage in competitive contracting/procurement.	No change
5218.00 - Enterprise Zone Act (EZA) (Deleted 7/9/2014)	No		Deleted 7/9/2014
5219.00 - Community Rehabilitation Programs and Workshops	No	CSURMA does not engage in competitive contracting/procurement.	No change
5220.00 - Non-Discrimination	No	CSURMA does not engage in competitive contracting/procurement.	No change
5221.00 - National Labor Relations Board (NLRB) Compliance	No	CSURMA does not engage in competitive contracting/procurement.	No change
5222.00 - Audit of Contract	No	CSURMA does not engage in competitive contracting/procurement.	No change
5223.00 - Drug-Free Workplace Certification	No	CSURMA does not engage in competitive contracting/procurement.	No change
5224.00 - Prison Industry Authority	No	CSURMA does not engage in competitive contracting/procurement.	No change
5225.00 - Use of the State Department of General Services	No	CSURMA does not engage in competitive contracting/procurement.	No change
5226.00 - Use of Electronic Transmission in Bids	No	CSURMA does not engage in competitive contracting/procurement.	No change
5227.00 - Direct Payments	No	CSURMA does not engage in competitive contracting/procurement.	No change
5228.00 - Accessibility of Public Solicitations and Acquisition of Electronic and Information Technology (E&IT) Goods	No	CSURMA does not engage in competitive contracting/procurement.	New*
5229.00 - Child Support Compliance Act	No	CSURMA does not engage in competitive contracting/procurement.	No change
5231.00 - Ethnicity Race Gender and Sexual Orientation Business Enterprises Participation Contract Requirements	No	CSURMA does not engage in competitive contracting/procurement.	No change
5232.00 - Expatriate Corporations	No	CSURMA does not engage in competitive contracting/procurement.	No change
5233.00 - Risk Allocation and Performance Assurance	No	CSURMA does not engage in competitive contracting/procurement.	No change
5235.00 - CSU Buy Recycled Products Campaign	No	CSURMA does not engage in competitive contracting/procurement.	No change
5235-00-DRAFT - Sustainable Procurement	No	CSURMA does not engage in competitive contracting/procurement.	New*
5240.00 - Standard Contracting Forms and Terms	No	CSURMA does not engage in competitive contracting/procurement.	No change
5245.00 - Advertising in the California State Contracts Register (CSCR)	No	CSURMA does not engage in competitive contracting/procurement.	No change
5250.00 - Procurement Cards (University Liability Credit Cards)	No	CSURMA reimburses CO for expenses paid via the ProCard program.	No change
5251.00 - Corporate Cards (Employee Personal Liability Credit Cards)	No	CSURMA employees are not issued corporate credit cards.	No change
5300.00 - Personal Property	No	CSURMA does not engage in competitive contracting/procurement.	No change
5301.00 - Bid Thresholds for Personal Property	No	CSURMA does not engage in competitive contracting/procurement.	New*
5302.00 - Formal Bidding for Personal Property	No	CSURMA does not engage in competitive contracting/procurement.	No change
5302-00-DRAFT - Formal Bidding for Personal Property	No	CSURMA does not engage in competitive contracting/procurement.	New*
5303.00 - Commodities with Special Purchasing Requirements	No	CSURMA does not engage in competitive contracting/procurement.	No change
5400.00 - Procurement of Services	No	CSURMA does not engage in competitive contracting/procurement.	No change
5401.00 - Solicitation Thresholds for Services	No	CSURMA does not engage in competitive contracting/procurement.	New*
5402.00 - Formal Solicitation for Services	No	CSURMA does not engage in competitive contracting/procurement.	No change



Reviewed: Feb 2016

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
5402.00-DRAFT - Formal Solicitation for Services	No	CSURMA does not engage in competitive contracting/procurement.	New*
5403.00 - Services with Special Purchasing Requirements	No	CSURMA does not engage in competitive contracting/procurement.	No change
5404.00 - Contract Award Report to Department of Fair Employment and Housing	No	CSURMA does not engage in competitive contracting/procurement.	No change
5405.00 - Amendments to Service Agreements	No	CSURMA does not engage in competitive contracting/procurement.	No change
5406.00 - Service Orders	No	CSURMA does not engage in competitive contracting/procurement.	No change
5412.00 - Special Processing Requirements for Contracts	No	CSURMA does not engage in competitive contracting/procurement.	No change
5500.00 - Information Technology Resources (ITR) Procurement Policy	No	CSURMA does not engage in competitive contracting/procurement.	No change
5501.00 - Solicitation for ITR Goods and Services	No	CSURMA does not engage in competitive contracting/procurement.	No change
5502.00 - Formal Solicitation for ITR Goods and Services	No	CSURMA does not engage in competitive contracting/procurement.	No change
5503.00 - Information Technology Resources (ITR) Project Solicitation Plans	No	CSURMA does not engage in competitive contracting/procurement.	No change
5505.00 - Competitive Solicitation	No	CSURMA does not engage in competitive contracting/procurement.	No change
5507.00 - Special Provisions	No	CSURMA does not engage in competitive contracting/procurement.	No change
5602.00 - Sale of License of Intellectual Property	No	CSURMA does not engage in competitive contracting/procurement.	No change
5603.00 - Disposal of Vehicles	No	CSURMA does not engage in competitive contracting/procurement.	No change
5604.00 - Services Provided by the CSU	No	CSURMA does not engage in competitive contracting/procurement.	No change
5606.00 - Services Provided by Campus Auxiliary Organizations (Deleted 2/18/2014)	N/A		Deleted 2/18/2014
5700.00 - Public Agency and Auxiliary Agreements	No	CSURMA does not engage in competitive contracting/procurement.	No change
5701.00 - Interagency Agreements (Deleted 1/24/2014)	N/A		Deleted 1/24/2014
5702.00 - Intra-Agency Agreements	No	CSURMA does not engage in competitive contracting/procurement.	No change
5703.00 - Contracts with Local Government Entities	No	CSURMA does not engage in competitive contracting/procurement.	No change
5704.00 - Contracts with State Boards and Commissions	No	CSURMA does not engage in competitive contracting/procurement.	No change
5705.00 - Printing and Binding Orders	No	CSURMA does not engage in competitive contracting/procurement.	No change
5706.00 - Services Provided by Campus Auxiliary Organizations	No	CSURMA does not engage in competitive contracting/procurement.	No change
5707.00 - Interagency Agreements Administered by the Campus (Deleted 2/25/2015)	N/A		Deleted 2/25/2015
Section 6000 – Financing, Treasury, and Risk Management			
6320.00 - Petty Cash Funds and Change Funds-DRAFT	Yes	CSURMA Accounting does not maintain PCC funds, but may in the future.	Relocated - Consolidates 3102.10 and 3103.11
6330.00 - Incoming Cash and Checks-DRAFT	Yes	CO Accounting Cashier handles this function on behalf of CSURMA	Relocated - Consolidates 3102.03, 3102.04, and 3102.11
Section 7000 – Identity Access Management	Yes		
7100.00 - Identity Access Management	Yes	CO IT handles this function on behalf of CSURMA	No change
Section 8000 – Information Security	Yes		No changes
8000.00 - Introduction and Scope	Yes	CO IT handles this function on behalf of CSURMA	No change
8005.00 - Policy Management	Yes	CO IT handles this function on behalf of CSURMA	No change
8010.00 - Establishing an Information Security Program	Yes	CO IT handles this function on behalf of CSURMA	No change
8015.00 - Organizing Information Security	Yes	CO IT handles this function on behalf of CSURMA	No change
8020.00 - Information Security Risk Management	Yes	CO IT handles this function on behalf of CSURMA	No change
8025.00 - Privacy of Personal Information	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases; certification on the confidential form is in place.	No change
8030.00 - Personnel Information Security	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases; certification on the confidential form is in place.	No change
8035.00 - Information Security Awareness and Training	Yes	CO IT handles this function on behalf of CSURMA	No change
8040.00 - Managing Third Parties	Yes	CO IT handles this function on behalf of CSURMA	No change
8045.00 - Information Technology Security	Yes	CO IT handles this function on behalf of CSURMA	No change
8050.00 - Configuration Management	Yes	CO IT handles this function on behalf of CSURMA	No change
8055.00 - Change Control	Yes	CO IT handles this function on behalf of CSURMA	No change
8060.00 - Access Control	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases; certification on the confidential form is in place.	No change
8065.00 - Information Asset Management	Yes	CO IT handles this function on behalf of CSURMA	No change
8070.00 - Information Systems Acquisition, Development and Maintenance	Yes	CO IT handles this function on behalf of CSURMA	No change
8075.00 - Information Security Incident Management	Yes	CO IT handles this function on behalf of CSURMA	No change
8080.00 - Physical Security	Yes	CO Public Safety handles this function on behalf of CSURMA	No change



Reviewed: Feb 2016

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
8085.00 - Business Continuity and Disaster Recovery	Yes	CO IT handles this function on behalf of CSURMA	No change
8090.00 - Compliance	Yes	CO IT handles this function on behalf of CSURMA	No change
8095.00 - Policy Enforcement	Yes	CO IT handles this function on behalf of CSURMA	No change
8100.00 - Electronic and Digital Signatures	Yes	CSURMA uses digital signatures for travel preapproval.	No change
8105.00 - Responsible Use Policy	Yes	CO IT handles this function on behalf of CSURMA	No change
Section 9000 – Capital Planning, Design, and Construction	No	This is not applicable to CSURMA	No changes
Section I: Capital Outlay and Public Works Contracts	No	This is not applicable to CSURMA	No change
Section II: Physical Master Plan and Off-Campus Centers	No	This is not applicable to CSURMA	No change
Section III: Land Use Planning and Environmental Review	No	This is not applicable to CSURMA	No change
Section IV: Fiscal Resources for Campus Development Programs	No	This is not applicable to CSURMA	No change
Section V: Measurement Devices for Physical Planning	No	This is not applicable to CSURMA	No change
Section VI: Standards for Campus Development Programs	No	This is not applicable to CSURMA	No change
Section VII: Five-Year Capital Improvement Program Procedures And Formats For Capital Outlay Submission	No	This is not applicable to CSURMA	No change
Section IX: Energy Conservation and Utilities Management	No	This is not applicable to CSURMA	No change
Section X: Professional Services for Campus Development - Public Works-Related Service Agreements	No	This is not applicable to CSURMA	No change
Section XI: Project Plan Development for Major Construction Projects	No	This is not applicable to CSURMA	No change
Section XII: Construction Managements	No	This is not applicable to CSURMA	No change
Section 10000 – Information Technology (coming soon)	No	No policy has been created yet.	
Section 11000 – Sponsored Programs Administration	No	This is not applicable to CSURMA	No changes
11000.00 - CSU Sponsored Programs ICSUAM Policy Announcement - Uniform Guidance Addendum	No	This is not applicable to CSURMA	No change
11001.00 - Sponsored Programs Administration Introduction	No	This is not applicable to CSURMA	No change
11002.05 - Subrecipient Monitoring	No	This is not applicable to CSURMA	No change
11003.05 - Allowable Costs	No	This is not applicable to CSURMA	No change
11003.06 - Effort Reporting	No	This is not applicable to CSURMA	No change
11003.07 - Cost Sharing	No	This is not applicable to CSURMA	No change
11005.00 - Externally Funded Equipment & Property Management	No	This is not applicable to CSURMA	No change
11008.00 - Audit Monitoring & Resolution	No	This is not applicable to CSURMA	No change
11010.02 - Financial Conflict of Interest (FCOI)	No	This is not applicable to CSURMA	No change
Section 13000 – Auxiliary Organizations Administration			
13175.00 - Auxiliary Organization External Auditor Firms Qualifications	Yes	Changed adoption from No to Yes. CSURMA is not technically Auxiliary Organization, but complies with this policy.	No change
13680.00 - Placement and Control of Receipts for Campus Activities and Programs	Yes	CSURMA is not technically an Auxiliary Organization, but complies with this policy.	New*
Section 15000 – University Advancement	No	This is not applicable to CSURMA	No changes
15401.00 - Fundraising - Matching Gifts	No	This is not applicable to CSURMA	No change
15501.00 - Naming of California State University Facilities and Properties	No	This is not applicable to CSURMA	No change
15502.00 - Naming of California State University Schools, Colleges, Programs and Other Academic and Non-Academic Units	No	This is not applicable to CSURMA	No change
15701.00 - Fundraising Events	No	This is not applicable to CSURMA	No change

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE
RESOLUTION NO. 03-16 (EC)**

Resolution Adopting Administrative Policies and Procedures

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

- (1) CSURMA has engaged the Chancellor’s Office of the California State University to perform Accounting, General Counsel and Risk Management services.
- (2) The California State University has developed an Integrated CSU Administrative Manual that includes policies and procedures that will be beneficial to the operation of CSURMA for services provided by the Chancellor’s Office.

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) Except as more specifically addressed in a duly adopted CSURMA Policy and Procedure, the California State University Risk Management Authority does hereby adopt the following policies and procedures of the Integrated CSU Administrative Manual as the operating policies and procedures of the CSURMA for services provided by the CSU Chancellor’s Office:
 - a) Section 1101 *Delegation of Authority to Obligate the University*
 - b) Section 1301 *Hospitality, Payment or Reimbursement of Expenses*
 - c) Section 3000 *General Accounting*
 - d) Section 6000 *Financing, Treasury and Risk Management*
 - e) Section 7100 *Identity Access Management*
 - f) Section 8000 *Information Security*
 - g) Section 13175 *Auxiliary Organizations External Auditor Firms Qualifications*
 - h) Section 13680 *Placement and Control of Receipts for Campus Activities and Programs*
- (2) CSURMA staff shall at least annually review with the Executive Committee the applicable Integrated CSU Administrative Manual sections and any updates thereto.

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT 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 March 11, 2016 which was approved by the following vote:

AYES, and in favor thereof, members: Scott Apel, Lisa Chavez, Guy Dalpe, Linda Hawk, Mike Lee, Frank Mumford, Kevin Saunders

NOES, members: None

ABSTAIN, members: None

ABSENT, members: Robert Eaton and Jody Van Leuven


Linda Hawk, Chair


Zachary Gifford, Secretary-Auditor

CSURMA MASTER INVESTMENT POLICY

ISSUE: The Treasurer of CSURMA is directed to adopt the CSURMA Investment Policy and related policies, as the Master Investment Policy of the CSURMA. As noted within Resolution 02-14 (BOD), the Executive Committee will annually review the Master Investment Policy and approve amendments as necessary. The Executive Committee at its March 11, 2016, reviewed and approved the Master Investment Policy with no substantive change from the prior version.

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

FISCAL IMPACT: None.

BACKGROUND: Staff will be available at the meeting to discuss the Master Investment Policy.

PUBLICATION: The approved Resolution and Master Investment Policy have been uploaded into the CSURMA website.

ATTACHMENT(S):

- a. Master Investment Policy and related investment policies
- b. Resolution 02-16 (EC) – CSURMA Master Investment Policy and Related Investment Policies
- c. Resolution 02-14 (BOD) – Resolution to Adopt the CSURMA Master Investment Policy and Investment Policy for the Fixed Income Portfolio

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT
AUTHORITY (CSURMA)**

MASTER INVESTMENT POLICY

March 19, 2015

I. PURPOSE

The purpose of this master investment policy (MIP), and each of CSURMA’s other investment policies (collectively with the MIP, the “Policies”), is to provide a framework for the management of CSURMA assets. The Policies outline objectives, benchmarks, restrictions and responsibilities so that the Executive Committee of CSURMA (EC), officers, staff, consultants, investment managers, members and beneficiaries, and all CSURMA stakeholders clearly understand the objectives and policies of CSURMA’s investment program.

The Policies set forth the guidelines which the EC deems to be appropriate and prudent in consideration of the needs of and the legal requirements applicable to CSURMA’s investment program. The Policies provide criteria against which investment results will be measured and serve as a review document to guide ongoing operations and oversight. The Policies also are intended to ensure that the EC is fulfilling its fiduciary responsibilities in the management of CSURMA investments.

The EC intends for the Policies to be dynamic documents and will review them from time to time. Policies will be modified periodically to reflect the changing nature of CSURMA’s assets and investment programs, organizational objectives, and economic conditions.

In addition, within this MIP, the EC has delegated to the Treasurer of CSURMA (Treasurer) certain authorities that pertain to the ongoing management and administration of CSURMA assets and various investment programs.

II. STRATEGIC OBJECTIVES

The overall objective of the CSURMA investment program is to provide its stakeholders with an appropriate risk-adjusted return on assets available for investment. Because the primary source of CSURMA funding derives from the operations of the California State University (CSU) and because CSURMA has the authority to invest funds pursuant to California Government Code 6509.5, the EC has determined that CSURMA funds should be invested in a manner that draws from both the investment policy of the CSU, specifically, the sections labeled “Investment Policy Statement” and “Investment Authority” of the California State University Investment Policy (Attachment A), which are incorporated by reference into this MIP, as well as California Government Code 6509.5, specifically Section 53601.

Consistent with the California State University Investment Policy, when CSURMA Funds are invested, the primary objective shall be to safeguard the principal, the secondary objective shall be to meet liquidity needs, and the third objective shall be to provide an acceptable risk-adjusted return.

The EC also has the following objectives with respect to funds available for investment:

1. To ensure that CSURMA has, at all times, sufficient funds available to meet immediate liquidity needs.
2. To allow for the investment of funds not immediately needed for liquidity over a longer time horizon with the goal of providing the opportunity for greater risk-adjusted return.
3. To make periodic loans to CSU campuses or auxiliaries to mitigate potentially higher claims liability associated with certain situations.

III. INVESTMENT PORTFOLIOS

Based on the investment objectives, the EC has determined that CSURMA assets should be invested in three portfolios, each with its own investment policy. The three portfolios, along with target ranges are as follows:

<u>Portfolio</u>	<u>Target Range</u>
CSU Systemwide Investment Fund Trust (SWIFT)	25-33%
Fixed Income Portfolio (FIP)	67-75%
Loan Portfolio (to be included within the SWIFT allocation)	0-15%

The SWIFT Investment Policy is attached as Attachment B

The FIP Investment Policy is attached as Attachment C

The Loan Portfolio Policy, titled “Member Loans Policy and Procedure No. 10”, is attached as Attachment D

The EC recognizes that the SWIFT Portfolio and the SWIFT Investment Policy are under the control of the CSU and are not under the EC’s ability to modify.

IV. RESPONSIBILITIES

- A. The EC’s responsibilities include, but are not limited to:
 1. Acting as the investment committee for CSURMA.
 2. Developing and adopting policies to achieve CSURMA’s strategic objectives.
 3. Reviewing policy recommendations made by the Treasurer and staff.
 4. Periodically reviewing and amending the Policies, as appropriate.
- B. The Treasurer’s responsibilities include, but are not limited to:
 1. Recommending policies for EC consideration.
 2. Reviewing policy recommendations made by staff, investment consultants, and/or investment managers.

3. Periodically reviewing the Policies and recommending revisions, as appropriate.
4. Overseeing the engagement of CSU staff (to serve as CSURMA staff), investment consultants, investment managers, and other appropriate specialists.
5. Monitoring the portfolios' investments, risks, and performance.
6. Periodically, but at least annually, reporting to the EC on the portfolios' investments, risks, and performance.

The Treasurer may delegate responsibilities, as appropriate, to the Assistant Vice Chancellor of Financing, Treasury and Risk Management of the CSU (Assistant Vice Chancellor) in his/her capacity as staff to CSURMA.

Approved by the EC:

March 19, 2015

The California State University Investment Policy

The following investment guidelines have been developed for use when investing California State University funds.

Investment Policy Statement

The objective of the investment policy of the California State University (CSU) is to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume in obtaining such return. The Board of Trustees desires to provide the Chancellor and his designees with the greatest possible flexibility to maximize investment opportunities. However, as agents of the trustees, the Chancellor and his designees must recognize the fiduciary responsibility of the trustees to conserve and protect the assets of the portfolios, and by prudent management prevent exposure to undue and unnecessary risk.

When investing CSU funds, the primary objective of the CSU shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the CSU. The third objective shall be to return an acceptable yield.

Investment Authority

The CSU may invest monies held in local trust accounts under Education Code Sections 89721 and 89724 in any of the securities authorized by Government Code Sections 16330 and 16430 and Education Code Section 89724 listed in Section A, subject to limitations described in Section B.

A. State Treasury investment options include:

- Surplus Money Investment Fund (SMIF)
- Local Agency Investment Fund (LAIF)
- State Agency Investment Fund (SAIF)

Eligible securities for investment outside the State Treasury, as authorized by Government Code Section 16430 and Education Code Section 89724, include:

- Bonds, notes or obligations with principal and interest secured by the full faith and credit of the United States;
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States;

- Bonds or warrants of any county, city, water district, utility district or school district;
 - California State bonds, notes, or warrants, or bonds, notes, or warrants with principal and interest guaranteed by the full faith and credit of the State of California;
 - Various debt instruments issued by: (1) federal land banks, (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank Bd., (4) Federal National Mortgage Association, (5) Federal Home Loan Mortgage Corporation, and (6) Tennessee Valley Authority;
 - Commercial paper exhibiting the following qualities: (1) “prime” rated, (2) less than 180 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000, (4) approved by the PMIB. Investments must not exceed 10 percent of corporation’s outstanding paper, and total investments in commercial paper cannot exceed 30 percent of an investment pool;
 - Bankers’ acceptances eligible for purchase by the Federal Reserve System;
 - Certificates of deposit (insured by FDIC, FSLIC or appropriately collateralized);
 - Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Administration;
 - Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration;
 - Student loan notes insured by the Guaranteed Student Loan Program;
 - Debt issued, assumed, or guaranteed by the Inter-American Development Bank, Asian Development Bank or Puerto Rican Development Bank;
 - Bonds, notes or debentures issued by U.S. corporations rated within the top three ratings of a nationally recognized rating service;
- B. In addition to the restrictions established in Government Code Section 16430, the CSU restricts the use of leverage in CSU investment portfolios by limiting reverse repurchase agreements used to buy securities to no more than 20 percent of a portfolio.

Furthermore, the CSU:

- Prohibits securities purchased with the proceeds of a reverse repurchase from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding;
- Limits reverse repurchase agreements to unencumbered securities already held in the purchased with the proceeds of the repurchase (but in any event not more than one year) and;
- Limits reverse repurchase agreements to unencumbered securities already held in the portfolio.

Investment Reporting Requirements

Annually, the Chancellor will provide to the Board of Trustees a written statement of investment policy in addition to a report containing a detailed description of the investment securities held by the CSU, including market values.

(Approved by the CSU Board of Trustees in January 1997; and as amended in September 2011 and November 2013)

**Investment Policy for California State University Systemwide Investment Fund
Trust (SWIFT)
REVISED March 14, 2008**

The California State University Systemwide Investment Fund Trust (CSU SWIFT) has been created to facilitate the centralization of the investment management function on behalf of the California State University (CSU) System and its campuses, departments, auxiliaries, foundations, and other related entities. The following investment guidelines have been developed for management of the CSU SWIFT.

Statement of Investment Policy and Guidelines

When investing campus funds, the primary objective of the investment managers shall be to safeguard the principal. The secondary objective shall be to meet the liquidity need of the campus. The third objective shall be to return an acceptable yield.

The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume in obtaining such return.

Adherence to Policy Guidelines

CSU SWIFT assets are to be managed in accordance with the policy guidelines expressed herein, or expressed by separate written instructions when deviation is deemed prudent and desirable. Written instructions amending this policy document must be signed by the chair of the Investment Committee.

Discretionary Authority

The investment managers are expected to exercise complete investment discretion within the boundaries of the restrictions outlined in this Statement of Investment Policy and Guidelines. Such discretion includes decisions to buy, hold, or sell fixed income securities (including cash equivalents) in amounts and proportions reflective of the managers' current investment strategy.

Communication

The Committee encourages, and the investment managers are responsible for, frequent and open communication with the Committee on all significant matters pertaining to the investment of the assets for the SWIFT. These communications should generally be addressed to the Office of the Vice Chancellor, Business & Finance. In this manner, the Committee expects to be advised of any major changes in investment outlook, investment strategy, portfolio structure, or market value of the assets, and other substantive matters affecting the SWIFT. The Committee also expects to be informed of any significant

changes in the ownership, organizational structure, financial condition, or senior personnel staffing of the investment managers.

The Committee recognizes that the Statement of Investment Policy and Guidelines requires periodic examination and perhaps revision if it is to continue to serve as a working document to encourage effective investment management. Whenever the investment manager believes this Statement should be altered, it is the responsibility of the managers to initiate written communication to the Committee.

Benchmark

Returns of the portfolio will be measured against the Merrill Lynch 0-3 Year U.S. Treasury Index (G1QA).

Investment Authority

The CSU SWIFT may invest in any of the securities authorized by government Code Section 16430 listed in Section A and Code Section 53601.

Securities eligible for investment include;

- Bonds, notes or obligations with principal and interest secured by the full faith and credit of the United States; (no limitations)
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States; (no limitations)
- Bonds or warrants of any county, city, water district, utility district or school district of the state of California; No issuer with a rating below A-/A3 is allowed; (no one issuer to exceed 5% of the portfolio)
- California State bonds or bonds with principal and interest guaranteed by the full faith and credit of the State of California; (no one issue to exceed 5%); (not to exceed 25% of portfolio)
- Obligations of the campus members authorized by California Education Code Section 89760(a).
- Various debt instruments issued by: (1) Federal Land Banks (FFCB), (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank (FHLB), (4) Federal National Mortgage Association (FNMA), (5) Federal Home Loan Mtg. Corp. (FHLMC), and (6) Tennessee Valley Authority (TVA); (no one issuer to exceed 25% of the portfolio)
- Mortgage Pass-Through Securities issued by GNMA, FNMA and FHLMC; (not to exceed 20% of the portfolio)
- Collateralized Mortgage Obligations issued by GNMA, FNMA and FHLMC which at time of purchase pass the FFIEC test; (not to exceed 20% of the portfolio)

- Asset Backed Securities which are rated Aaa by Moody's, AAA by Standard and Poor's, or AAA by Fitch with no rating below the top investment rating. Issuer will be rated at least single A; (no one issuer to exceed 5% of the portfolio); (not to exceed 20% of the portfolio)
- Commercial paper exhibiting the following qualities: (1) "prime" rated, (2) less than 180 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000. Investments must not exceed 10 percent of corporation's outstanding paper, and total investments in commercial paper cannot exceed 30% of an investment pool. Notwithstanding the above, no one issuer to exceed 5% of the portfolio. In addition, A-2/P-2/F-2 commercial paper will be limited to no more than 10% of the portfolio and limited in maturity to 14 days. No purchase will be made of paper rated below A-2/P-2/F-2; (not to exceed 30% of portfolio)
- Banker's acceptances eligible for purchases by the Federal Reserve System; Issuer's will be rated A-1/P-1 or F-1 with no rating below that level; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Certificates of deposit (insured by FDIC, or appropriately collateralized); (not to exceed FDIC insurance limits)
- Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Administration; (not to exceed NCUA insurance limits)
- Negotiable certificates of deposit and bank notes which are rated A-1/P-1 or F-1 if short-term or A- by S&P, A3 by Moody's or A- by Fitch in both cases with no rating below those levels; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration; (no limitations)
- Student Loan Notes insured by the Guaranteed Student Loan Program; (no limitations)
- Debt issued, assumed, or guaranteed by the Inter-American Development Bank or Puerto Rican Development Bank; (no limitations)
- Bonds, notes or debentures (including medium-term notes) issued by U.S. Corporations rated within the top three ratings of a nationally recognized rating service. No issuer with a rating below A3/A- is allowed; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Repurchase Agreements. Repurchase agreements with banks and dealers with which the CSU System, or its agents on its behalf, has entered into a master repurchase contract which specifies terms and conditions or repurchase agreements, and are fully collateralized by delivery to an independent third party custodian for the CSU's System's account or to the CSU's custodian. In order to conform with provisions of the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, only those marketable securities eligible for investment by the

CSU System are permitted as collateral. Treasuries, Agencies and eligible money market instruments will be collateralized at 102%. Corporates and other eligible collateral will be collateralized at 105%. Repurchase Agreements will be conducted exclusively with primary dealers. Repurchase Agreements may not exceed 90 days.

- Reverse Repurchase Agreements. The CSU limits reverse repurchase agreements to unencumbered securities already held in the portfolio. The CSU prohibits securities purchased with the proceeds of a reverse repurchase agreement from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding. Securities subject to a reverse repurchase agreement must have been owned a minimum of 30 days before being delivered in a reverse repurchase agreement. The total of all securities sold on reverse repurchase agreements will not exceed 20% of the market value of the portfolio. Reverse repurchase agreement will not exceed 92 days.
- Money Market Mutual Funds. Money market mutual funds registered with the Securities and Exchange Commission and rated AAA/Aaa by no less than two NRSROs.
- 144A Securities. 144A securities are allowed to be purchased and held in the portfolio; (not to exceed 20% of the portfolio).

Duration Guidelines

The maximum maturity of any security will be 5 years.

The maximum average duration of the portfolio will be 2 years.

For issues that trade to a weighted-average-life (WAL), the WAL will be used as the effective maturity for duration measurement and for maximum maturity constraints.

For issuers with variable interest rates, the reset date will be used as the effective maturity for duration measurement purposes and the legal final maturity date will be used for maximum maturity constraints.

All maturity and duration constraints are measured from trade date.

Concentration/Diversification Guidelines

All concentration guidelines are measured at the time of purchase with the exception of commercial paper which must be less than 30% at all times.

Concentration Limitations:

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Obligations backed by the full faith and credit of the U.S Government	100%	100%
Obligations guaranteed by a federal agency of the U.S. Government	100%	100%
California Municipal Obligations	5%	100%
Obligations of the State of California	5%	25%

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Obligations of campus members authorized under Code Section 89760a	100%	100%
Government-Sponsored Entities (FFCB, FHLB, FNMA, FHLMC, TVA)	25%	100%
Mortgage Pass-Through Securities issued by GNMA, FNMA FHLMC*	20%	20%
Collateralized Mortgage Obligations issued by GNMA, FNMA, FHLMC*	20%	20%
Asset-Backed Securities*	5%	20%
Commercial Paper	5%	30%
Banker's Acceptances	5%	30%
Certificate's of Deposit (insured by FDIC or properly collateralized)	\$100k	100%
Investment Cert. in federal or state credit unions (insured by NCUA)	\$100k	100%
Negotiable Certificates of Deposit	5%	30%
Obligations of the SBA or FHA	100%	100%
Student Loan Notes insured by the Guaranteed Student Loan Program	100%	100%
Obligations guaranteed by the Inter-Amer. Dev. Bank or Puerto Rico Dev.	100%	100%
Corporate Obligations	5%	30%
Repurchase Agreements	5%	100%
Reverse Repurchase Agreements	5%	20%
Money Market Funds	10%	20%

* Mortgage Pass-Through Securities, Collateralized Mortgage Obligations and Asset-Backed Securites may not exceed 20% of the portfolio in aggregate.

For ABS issuers, securities issued by the same originator with different collateral types will not be aggregated at the issuer level for concentration measurement purposes.

Reporting

The Committee expects the Custody Bank to provide access to daily reports of the SWIFT via its online portal to CSU Office of the Chancellor staff, the respective investment managers, and other members of the Investment Committee as directed. Additionally, monthly reports will be provided by the Custody Bank highlighting the respective portfolios of each investment manager and the aggregate portfolio. These reports will include portfolio activity, market valuations, sector metrics, affirmation of compliance, and performance relative to agreed upon benchmarks. If a meeting is scheduled with the Committee, the reports should be received at least one week in advance of the meeting date.

Compliance with Prudence and Diversification Measures

As fiduciary, the investment managers are expected to diversify the portfolio to preserve the principal of the SWIFT assets. If diversification is deemed not to be prudent, the manager must communicate this decision to the Chair of the Investment Committee immediately. The manager is expected to invest the SWIFT assets with ease, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with such aims.

All restrictions, minimum ratings requirements and diversification limitations pertain to the account at the time of purchase. In the event of a downgrade of any security to a level where the new rating would not comply with the minimum rating for new purchases of a similar asset, or a limitation being breached due to a change in portfolio size, the Investment Manager shall notify CSU.

Evaluation and Review

The objective of the evaluation and review process is to monitor the progress of the SWIFT assets in achieving the overall investment objectives. Performance will be measured and reviewed periodically by the Investment Committee. Particular attention will be directed toward determining whether:

- * the funds are achieving their stated objectives,
- * the investment managers are adhering to the guidelines set forth herein,
- * the investment managers are adhering to its stated philosophy and style,
- * the overall policies and objectives continue to be appropriate, reasonable and achievable.

**Investment Policy for the California State University Risk Management Authority
Fixed Income Portfolio
March 19, 2015**

The Organization

The California State University Risk Management Authority (CSURMA) is an association of the California State University (CSU) and auxiliary organizations joined to protect member resources by providing broad coverage and quality risk management services that stabilize risk cost in a reliable, economical and beneficial manner.

History

The Chancellor's Office staff and representatives of auxiliary organizations within the CSU have developed a systematic approach to managing risk exposures across CSU campuses.

On January 1, 1997, the CSURMA was formed by the CSU and those qualified auxiliary organizations of the CSU that opted to join with intentions to participate in the risk management programs to be offered by the CSURMA.

Scope of This Investment Policy

The assets governed by this investment policy statement are funds held for investment in the CSURMA Fixed Income Portfolio (FIP). In meeting the investment needs of the FIP, the general principles of modern portfolio theory will be followed. In doing so, the FIP will be constructed in a way that maximizes expected return for a given level of risk.

Cash flow requirements are not expected of the FIP being managed under this policy statement. However, in the event cash flow is required, it will be met on a total return basis. The following investment guidelines have been developed for management of the FIP.

Statement of Investment Policy and Guidelines

When investing CSURMA funds, the primary objective of the investment manager(s) (IM) for the FIP shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the CSURMA. The third objective shall be to return an acceptable yield.

The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that the CSURMA is willing to assume in obtaining such return.

Delegation of Authority

The Executive Committee of CSURMA (EC) is a fiduciary, and is responsible for directing and monitoring the investment management of FIP assets. As such, the EC is authorized to delegate certain responsibilities to officers and/or staff of CSURMA, as well as professional experts in various fields. These include, but are not limited to:

1. **Treasurer of the CSURMA.** The Treasurer of CSURMA (Treasurer) is responsible for the ongoing general management of the FIP. The Treasurer may delegate, as appropriate, authority contained in this policy statement to the Assistant Vice Chancellor, Financing, Treasury and Risk Management of the CSU. Duties include, but are not limited to, the following:
 - Selection and retention of outside IM as the investment policy dictates. *The Treasurer acts with the EC's authority in all matters relating to IM selection.*
 - Review performance of the FIP to stated objectives. Review and monitor performance of the IM.
 - Determine if overall policies and objectives continue to be appropriate and reasonable and make recommendations to the EC as necessary.
2. **Investment Consultant.** The consultant acts as a discretionary advisor to the Treasurer and may assist the Treasurer in: establishing investment policy, objectives, and guidelines; selecting IMs; reviewing such IMs over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
3. **Investment Manager (IM).** The IM has discretion to purchase, sell, or hold the specific securities that will be used to meet the FIP's investment objectives.
4. **Custodian.** The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the FIP, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the FIP accounts.
5. **Additional specialists.** Additional specialists such as attorneys, auditors, actuaries, trust administrators, and others may be employed by the Treasurer to assist in meeting his/her responsibilities and obligations to administer FIP assets prudently.

The Treasurer will not reserve any control over the day-to-day investment decisions. The IM will be held responsible and accountable to achieve the objectives stated in this policy statement. While it is not believed that the limitations in this policy statement will hamper the IM, the IM should request modifications to this policy statement that they deem appropriate. All expenses for experts must be customary and reasonable, and will be paid out of FIP assets and deducted before returns are calculated to meet

objectives. Goals and objectives must be accomplished net of all expenses necessary to operate and manage the FIP assets.

Adherence to Policy Guidelines

CSURMA assets are to be managed in accordance with the policy guidelines expressed herein, or expressed by separate written instructions when deviation is deemed prudent and desirable. Written instructions amending this policy document must be signed by the Treasurer or his/her delegate.

Discretionary Authority

The IM is expected to exercise complete investment discretion within the boundaries of the restrictions outlined in this statement of investment policy. Such discretion includes decisions to buy, hold, or sell fixed income securities (including cash equivalents) in amounts and proportions reflective of the IM's current investment strategy.

Communication

The Treasurer encourages, and the IM is responsible for, frequent and open communication with the Treasurer and/or his/her delegate on all significant matters pertaining to the investment of the assets for the FIP. These communications should generally be addressed to the Treasurer. In this manner, the Treasurer and/or his/her delegate expects to be advised of any major changes in investment outlook, investment strategy, portfolio structure, or market value of the assets, and other substantive matters affecting the FIP. The Treasurer and/or his/her delegate also expects to be informed of any significant changes in the ownership, organizational structure, financial condition, or senior personnel staffing of the IM and/or investment consultants.

The Treasurer recognizes that this statement of investment policy requires periodic examination and perhaps revision if it is to continue to serve as a working document to encourage effective investment management. Whenever the IM believes this statement of investment policy should be altered, it is the responsibility of the IM to initiate written communication to the Treasurer or his/her delegate.

Benchmark

The benchmark of the FIP shall be the Barclays U.S. Intermediate Government / Credit (G/C) – A or Better Index.

Rating

In all instances, when the term “rating” is used, it denotes a specific rating and not a rating category.

Quality

1. The minimum quality of an asset at time of purchase should be “A-” or better by one nationally recognized statistical rating organization (NRSRO) notwithstanding particular asset rating limitations below.
2. Highest rating of at least one NRSRO shall apply in the case of split rating.
3. The weighted average quality of the portfolio should be AA or better.
4. Money Market Funds selected shall contain securities whose credit rating at purchase would be rated investment grade by Standard and Poors, Moody's, or Fitch.

Investment Authority

The FIP may invest in any of the securities authorized by Government Code Section 16430 or Government Code Section 53601. Securities eligible for investment include:

- Bonds, notes or obligations of the United States, or those with principal and interest secured by the full faith and credit of the United States; (no limitations)
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States; (no limitations)
- Bonds or warrants of any county, city, water district, utility district or school district of the state of California; (no one issuer to exceed 5% of the portfolio)
- California State bonds, notes, or warrants, or those with principal and interest guaranteed by the full faith and credit of the State of California; (no one issue to exceed 5%); (not to exceed 25% of portfolio)
- Various debt instruments issued by: (1) Federal Land Banks (FFCB), (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank (FHLB), (4) Federal National Mortgage Association (FNMA), (5) Federal Home Loan Mtg. Corp. (FHLMC), and (6) Tennessee Valley Authority (TVA); (no one issuer to exceed 25% of the portfolio)
- Mortgage Pass-Through Securities issued by GNMA, FNMA and FHLMC; (not to exceed 20% of the portfolio)
- Collateralized Mortgage Obligations issued by GNMA, FNMA and FHLMC which at time of purchase pass the FFIEC test; (not to exceed 20% of the portfolio)
- Asset Backed Securities up to a maximum maturity of five years that are rated at least Aa3 by Moody's, AA- by Standard and Poor's, or AA- by Fitch with no rating below that

level. Issuer will be rated at least single A; (no one issuer to exceed 5% of the portfolio); (not to exceed 20% of the portfolio)

- Commercial paper exhibiting the following qualities: (1) "prime" rated, (2) less than 181 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000. Investments must not exceed 10 percent of corporation's outstanding paper, and total investments in commercial paper cannot exceed 30% of an investment pool. Notwithstanding the above, no one issuer to exceed 5% of the portfolio. In addition, A-2/P-2/F-2 commercial paper will be limited to no more than 10% of the portfolio and limited in maturity to 14 days. No purchase will be made of paper rated below A-2/P-2/F-2; (not to exceed 30% of portfolio)
- Banker's acceptances eligible for purchases by the Federal Reserve System; Issuer's will be rated A-1, P-1, or F-1 with no rating below that level; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Certificates of deposit (insured by FDIC, or appropriately collateralized); (not to exceed FDIC insurance limits)
- Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Share Insurance Fund; (not to exceed NCUSIF insurance limits)
- Negotiable certificates of deposit and bank notes issued by FDIC insured banks that are rated A-1, P-1, or F-1 if short-term, or A- by S&P, A3 by Moody's, or A- by Fitch, in both cases with no rating below those levels; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration; (no limitations)
- Student Loan Notes insured by the Guaranteed Student Loan Program; (no limitations)
- Debt issued, assumed, or guaranteed by the Inter-American Development Bank or Government Development Bank for Puerto Rico; (no limitations)
- Bonds, notes or debentures with a maximum remaining maturity of five years or less issued by U.S. Corporations rated at least A by S&P, A2 by Moody's, or A by Fitch, with no rating below that level; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Repurchase Agreements. Repurchase agreements with banks and dealers with which the CSURMA, or its agents on its behalf, has entered into a master repurchase contract which specifies terms and conditions or repurchase agreements, and are fully collateralized by delivery to an independent third party custodian for the FIP's account or to the FIP's custodian. In order to conform with provisions of the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, only those marketable securities eligible for investment by the FIP are permitted as collateral. Treasuries, Agencies and eligible money market instruments will

be collateralized at 102%. Corporates and other eligible collateral will be collateralized at 105%. Repurchase Agreements will be conducted exclusively with primary dealers. Repurchase Agreements may not exceed 90 days.

- Reverse Repurchase Agreements. The FIP limits reverse repurchase agreements to unencumbered securities already held in the portfolio. The FIP prohibits securities purchased with the proceeds of a reverse repurchase agreement from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding. Securities subject to a reverse repurchase agreement must have been owned a minimum of 30 days before being delivered in a reverse repurchase agreement. The total of all securities sold on reverse repurchase agreements will not exceed 20% of the market value of the portfolio. Reverse repurchase agreement will not exceed 92 days.

- Money Market Mutual Funds. Money market mutual funds registered with the Securities and Exchange Commission and rated AAA/Aaa by no less than two NRSROs.

- 144A Securities. 144A securities are allowed to be purchased and held in the portfolio; (not to exceed 20% of the portfolio).

Duration Guidelines

The duration of the portfolio will be targeted within -1 or +1 of the duration of the Lehman Brothers Intermediate Government / Credit Bond Index.

For issues that trade to a weighted-average-life (WAL), the WAL will be used as the effective maturity for duration measurement and for maximum maturity constraints.

For issuers with variable interest rates, the reset date will be used as the effective maturity for duration measurement purposes and the legal final maturity date will be used for maximum maturity constraints.

All maturity and duration constraints are measured from trade date.

Concentration/Diversification Guidelines

All concentration guidelines are measured at the time of purchase with the exception of commercial paper which must be less than 30% at all times.

Concentration Limitations:

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Obligations backed by the full faith and credit of the U.S Government	100%	100%
Obligations guaranteed by a federal agency of the U.S. Government	100%	100%
California Municipal Obligations	5%	100%
Obligations of the State of California	5%	25%

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Government-Sponsored Entities (FFCB, FHLB, FNMA, FHLMC, TVA)	25%	100%
Mortgage Pass-Through Securities issued by GNMA, FNMA FHLMC*	20%	20%
Collateralized Mortgage Obligations issued by GNMA, FNMA, FHLMC*	20%	20%
Asset-Backed Securities*	5%	20%
Commercial Paper	5%	30%
Banker's Acceptances	5%	30%
Certificates of Deposit (insured by FDIC or properly collateralized)	\$250k	100%
Share Certificates in federal or state credit unions (insured by NCUSIF)	\$250k	100%
Negotiable Certificates of Deposit	5%	30%
Obligations of the SBA or FHA	100%	100%
Student Loan Notes insured by the Guaranteed Student Loan Program	100%	100%
Obligations guaranteed by the Inter-Amer. Dev. Bank or Puerto Rico Dev.	100%	100%
Corporate Obligations	5%	30%
Repurchase Agreements	5%	100%
Reverse Repurchase Agreements	5%	20%
Money Market Funds	10%	20%

* Mortgage Pass-Through Securities, Collateralized Mortgage Obligations and Asset-Backed Securities may not exceed 20% of the portfolio in aggregate.

For ABS issuers, securities issued by the same originator with different collateral types will not be aggregated at the issuer level for concentration measurement purposes.

Reporting

The Treasurer expects the Custodian to provide access to daily reports of the FIP via its online portal to CSU Office of the Chancellor staff, the IM, and other members of the EC as directed. Additionally, monthly reports will be provided by the Custodian for the FIP. These reports will include portfolio activity, market valuations, sector metrics, affirmation of compliance, and performance relative to agreed-upon benchmarks. If a meeting is scheduled with the Treasurer or his/her delegate, the reports should be received at least one week in advance of the meeting date.

The Investment Consultant shall furnish the Treasurer and/or his/her delegate with a quarterly account review detailing investment performance in addition to a listing of portfolio holdings within the FIP. The Investment Consultant shall also supply timely

information concerning changes in the IM's investment philosophy, management strategy, or ownership and key personnel. In addition, the Investment Consultant must supply the Treasurer and/or his/her delegate with quarterly reports that provide information and analyses necessary for the EC to fulfill its fiduciary responsibility.

Compliance with Prudence and Diversification Measures

As fiduciary, the IM is expected to diversify the portfolio to preserve the principal of the FIP assets. If diversification is deemed not to be prudent, the IM must communicate this decision to the Treasurer or his/her delegate immediately. The IM is expected to invest the FIP assets with ease, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with such aims.

All restrictions, minimum ratings requirements and diversification limitations pertaining to the account are applicable at the time of purchase. In the event of a downgrade of any security held in the account to a level where the updated rating would not comply with the minimum rating for new purchases of a similar asset, or a limitation being breached due to a change in portfolio size, the IM shall notify the Treasurer, the Treasurer's delegate, and/or the Investment Consultant.

Evaluation and Review

The objective of the evaluation and review process is to monitor the progress of the FIP assets in achieving the overall investment objectives. Performance will be measured and reviewed periodically by the Treasurer and/or his/her delegate. Particular attention will be directed toward determining whether:

- * the FIP is achieving its stated objectives,
- * the IM is adhering to the guidelines set forth herein,
- * the IM is adhering to its stated philosophy and style,
- * the overall policies and objectives continue to be appropriate, reasonable and achievable.



CSURMA

POLICY AND PROCEDURE NO. 10

ADOPTED: MAY 13, 2011, January 10, 2016 (AMENDED)
EFFECTIVE: JULY 1, 2011
SUBJECT: MEMBER LOANS

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

POLICY:

It is the policy of CSURMA that, upon recommendation of the Treasurer, the Executive Committee may approve a loan to a Member pursuant to the procedures described herein. No new Member Loan shall be granted without a finding by the Executive Committee that CSURMA has sufficient funds such that the proposed member loan would not impair CSURMA's ongoing operations. Member Loans shall only be granted upon a finding by the Treasurer that the Member has exhausted alternative sources of funding and that a Member Loan is in the best interests of the University.

PROCEDURE:

The following procedures shall be followed in administration of the CSURMA Member Loan program:

- 1. Amount Available for Member Loans** – The amount available for Member Loans shall not exceed 15% of the overall average fund balance for the preceding 12 months and no new Member Loan shall be initiated by the Treasurer without determining that the proposed Member Loan will fall within the 15% limit and that CSURMA will maintain adequate funds to cover its cash needs following the loan. In the interest of fairness, Member Loans to a single Member Campus (and its associated Member Auxiliary Organizations) shall not exceed 5% of the overall average fund balance for the preceding 12 months.
- 2. Member Loan Request** – A member seeking a CSURMA Member Loan shall submit to the Treasurer a written request describing the amount, purpose, proposed terms, and repayment for the requested Member Loan. The request shall describe what steps the Member has taken to secure the requested funds through alternate sources and why the Member is seeking the proposed loan from CSURMA. The Member shall describe the collateral and source of repayment funds for the proposed Member Loan. If a general obligation pledge is proposed by an Auxiliary Organization Member, then that Member must also show adequate cash flow from a specific funding source or adequate reserves to make the debt service payments during the term of the loan. Proposed Member Loans for the acquisition of real estate by an ~~A~~auxiliary organization may not pledge the real estate as collateral for the loan.

- 3. Treasurer's Review and Recommendation** - The Treasurer shall review the Member Loan request and seek additional information as necessary to make a determination. If a favorable determination is made, the Treasurer shall recommend to the Executive Committee the proposed Member Loan including the Treasurer's recommended terms and conditions. Recommended terms shall require that the frequency of interest payments shall be at least quarterly in arrears and at an interest rate at least equivalent to the investment income rate that CSURMA would have earned if the funds had instead been invested during the same calculation period.
- 4. Executive Committee Action** – At duly noticed meeting, the Executive Committee shall take action on the Treasurer's recommendation. If the proposed Member Loan is to be approved, such approval shall be memorialized by resolution directing the Treasurer to prepared the loan note for review and approval by CSURMA's General Counsel.
- 5. Administration of Member Loans** – The Treasurer shall direct the CSURMA Accountant to transfer funds, calculate interest, collect repayment proceeds and prepare reports on the status of outstanding loans. Any failure to make timely payments or proposed change in terms or conditions shall be reported by the Treasurer to the Executive Committee for review and action.

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE
RESOLUTION NO. 02-16 (EC)**

**Resolution to Adopt the California State University Risk Management Authority Master
Investment Policy and Related Investment Policies**

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

- (a) Section 4.3 of the Bylaws of the CSURMA provides that the Executive Committee establish policies and procedures to implement the Agreement, the Bylaws and the operation of specific programs.
- (b) It is the desire of the Executive Committee that, when investing funds, the investment objectives, in order of importance, shall be to safeguard the principal through sufficient number and diversity of investments; provide adequate liquidity to meet normal cash needs, scheduled extraordinary cash needs, and unforeseen cash needs; and maintain a constant rate of return representative of current market yield direction.
- (c) Significant effort and energy has been expended in the creation and maintenance of the investment policies of the CSURMA, which is designed to meet those objectives.
- (d) Pursuant to California Government Code Section 53646(a)(2) the Treasurer of the CSURMA shall annually render to the Executive Committee an Investment Policy for review.
- (e) The Executive Committee has reviewed the CSURMA Master Investment Policy and related policies and finds that they reasonably set forth the procedure, guidelines, and criteria for the operation of the investment program of the CSURMA.

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) Treasurer of the California State University Risk Management Authority is directed to adopt the California State University Risk Management Authority Master Investment Policy and related policies, as the Investment Policies of the California State University Risk Management Authority per the attached documents and annually present them to the Executive Committee for review and amendment as necessary.

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT 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 March 11, 2016 which was approved by the following vote:

AYES, and in favor thereof, members: Scott Apel, Lisa Chavez, Guy Dalpe, Linda Hawk, Mike Lee, Frank Mumford, and Kevin Saunders

NOES, members: None

ABSTAIN, members: None

ABSENT, members: Robert Eaton, Jody Van Leuven



Linda Hawk, Chair



Zachary Gifford, Secretary-Auditor

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

**BOARD OF DIRECTORS
RESOLUTION NO. 02-14 (BOD)**

**Resolution to Adopt the California State University Risk Management Authority Master
Investment Policy and Investment Policy for the Fixed Income Portfolio**

The Board of Directors of the California State University Risk Management Authority (CSURMA) finds and determines as follows:

- (a) Section 4.3 of the Bylaws of the CSURMA provides that the Executive Committee establish policies and procedures to implement the Agreement, the Bylaws and the operation of specific programs.
- (b) It is the desire of the CSURMA Board of Directors that, when investing funds, the investment objectives, in order of importance, shall be to safeguard the principal through sufficient number and diversity of investments; provide adequate liquidity to meet normal cash needs, scheduled extraordinary cash needs, and unforeseen cash needs; and maintain a constant rate of return representative of current market yield direction.
- (c) Significant effort and energy has been expended in the creation and maintenance of the investment policies of the CSURMA, which is designed to meet those objectives.
- (d) Pursuant to California Government Code Section 53646(a)(2) the Treasurer of the CSURMA shall annually render to the Executive Committee an Investment Policy for review.
- (e) The Executive Committee has reviewed the California State University Risk Management Authority Master Investment Policy and Investment Policy for the Fixed Income Portfolio and finds that they reasonably set forth the procedure, guidelines, and criteria for the operation of the investment program of the California State University Risk Management Authority.

In consideration of the foregoing findings and determinations, IT IS RESOLVED by the Board of Directors of the California State University Risk Management Authority as follows:

- (1) The Treasurer of the California State University Risk Management Authority is directed to adopt the California State University Risk Management Authority Master Investment Policy and related policies, including changing the benchmark of the Fixed Income Portfolio from Barclay's U.S. Intermediate Government-Credit Index to Barclay's U.S. Intermediate Government-Credit – A or Better Index, as the Investment Policies of the California State University Risk Management Authority per the attached documents and annually present them to the Executive Committee for review and amendment as necessary.

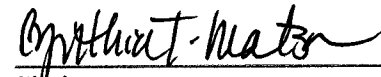
I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Board of Directors of the California State University Risk Management Authority held on the 9th day of May, 2014 which was approved by the following vote:

AYES, and in favor thereof, members:

NOES, members:

ABSTAIN, members:

ABSENT, members:



Chair

Cynthia Teniente-Matson

ATTEST:



Secretary-Auditor

Robert Eaton

REVIEW OF THE SERVICE PROVIDER PERFORMANCE SURVEY REPORT

ISSUE: CSURMA strives to provide consistency and reliability over time. One key component to accomplishing this goal is evaluating those organizations that provide services to CSURMA. On an annual basis CSU Systemwide Risk Management contacts CSURMA members who regularly use vendor services and asks them to complete an on-line vendor survey.

The complete 2015 Vendor Survey Report will be posted on the CSURMA website.

RECOMMENDATION: This is an information only item; no action is recommended at this time.

FISCAL IMPACT: None.

BACKGROUND: The Service Provider Performance evaluation will assist CSURMA with additional information to support strategic planning. The evaluation is tailored to meet the requirements of CSURMA members and maintain respondent confidentiality in order to elicit candid comments.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA 2015 Annual Vendor Survey Report



CSURMA 2015 Annual Vendor Survey Report

CSURMA Executive Committee Meeting

March 10, 2016

Alliant Insurance Services – San Francisco, CA

A foundation of CSURMA has been the concept of consistency and reliability over time. One key component to accomplishing this foundational element is evaluating those organizations that provide service to CSURMA. As such, on an annual basis the vendor survey is deployed and please allow this as our report regarding the outcome of the 2015 Annual CSURMA Vendor Survey.

The CSU Systemwide Risk Management annually contacts CSURMA/AORMA members who regularly use vendor services and ask that they complete the on-line survey. For 2015 the following vendors and service providers were listed on the campus survey:

CAMPUS VENDORS:

Alliant (Program Admin)

Alliant (Insurance Broker)

Alliant (W/C consulting)

*LawRoom (HR required web-based training)**

*Praesidium (Consulting for minors on campus)**

CO Enterprise Accounting

Equifax-TALX (UI claims)

Sedgwick CMS (W/C claims)

Alliant (Claims – property/crime/GL-2011)

CO Risk Management (liability claims)

CO Risk Management (Consulting)

A-G Admin (AIME)

*Health Special Risk, Inc. (AIME)**

*Ventiv (iVOS – W/C & Liability)**

Belfor (property restoration)

*Praesidium (Consulting for minors on campus)**

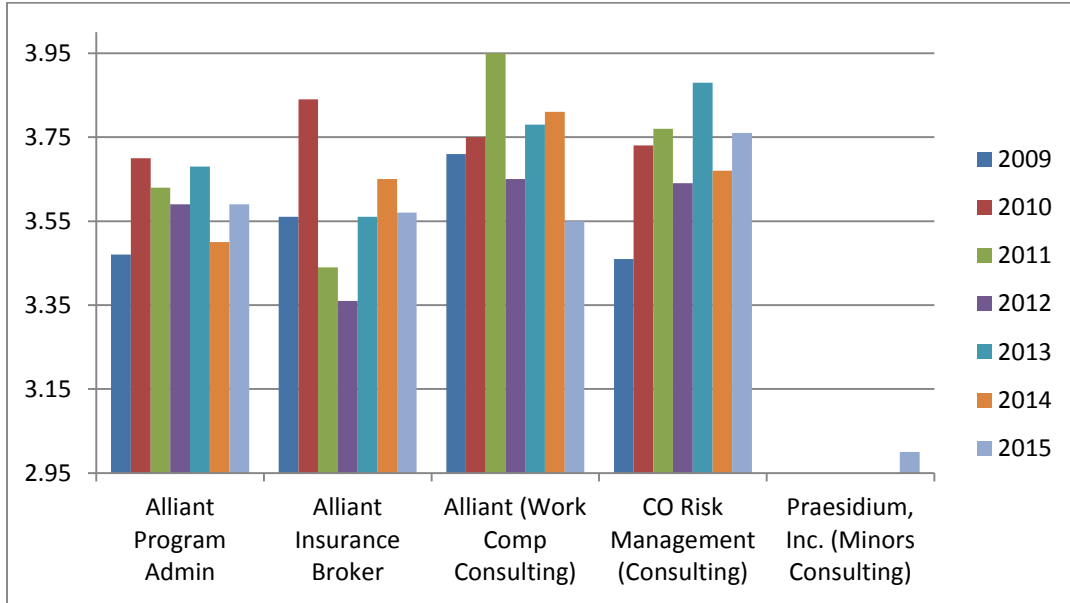
*Note: LawRoom replaced Workplace Answers (WA) for web-based compliance training, we left on the chart for comparison. Praesidium was added as a new service (minors on campus) – only 12 responses this year. Ventiv is the new company that emerged from Aon eSolutions to continue to host and upgrade the iVOS claims systems. And finally, Health Special Risk, Inc. took over the handling of the AIME claims July 2015, with A-G Administrators continuing to handle the older claims, so both were surveyed.

The type of vendor has been grouped into three categories for multi-year comparison:

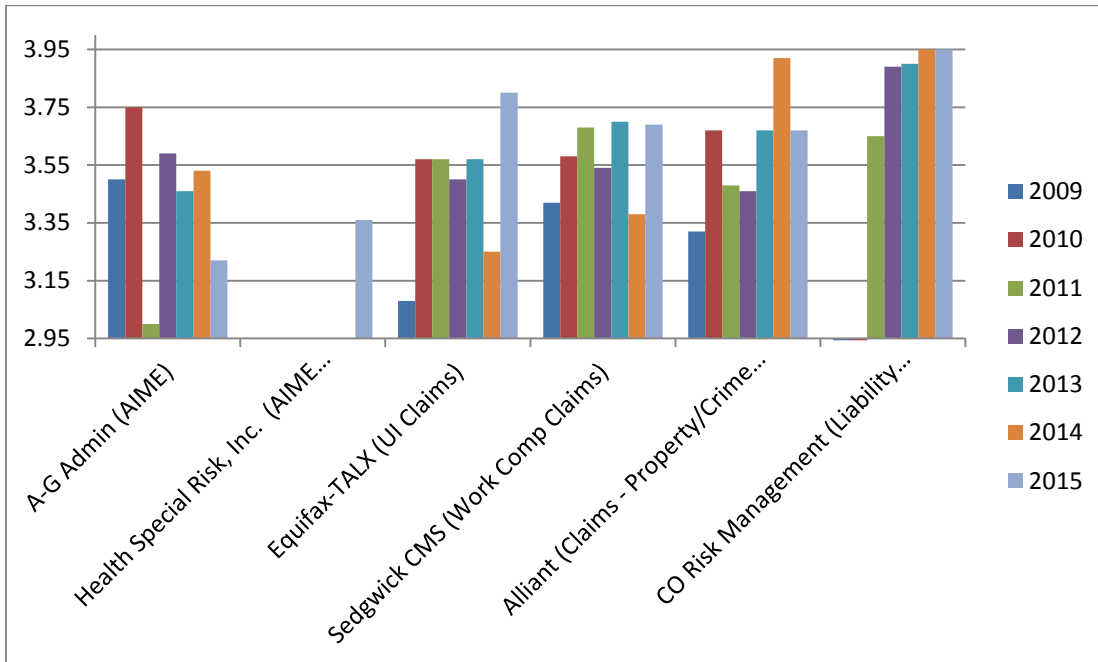
- Administration/Consulting
- Claims Handling
- Miscellaneous Services

We have graphed the “Overall Satisfaction level” question response to summarize the vendors’ performance with 4.0 being a perfect score.

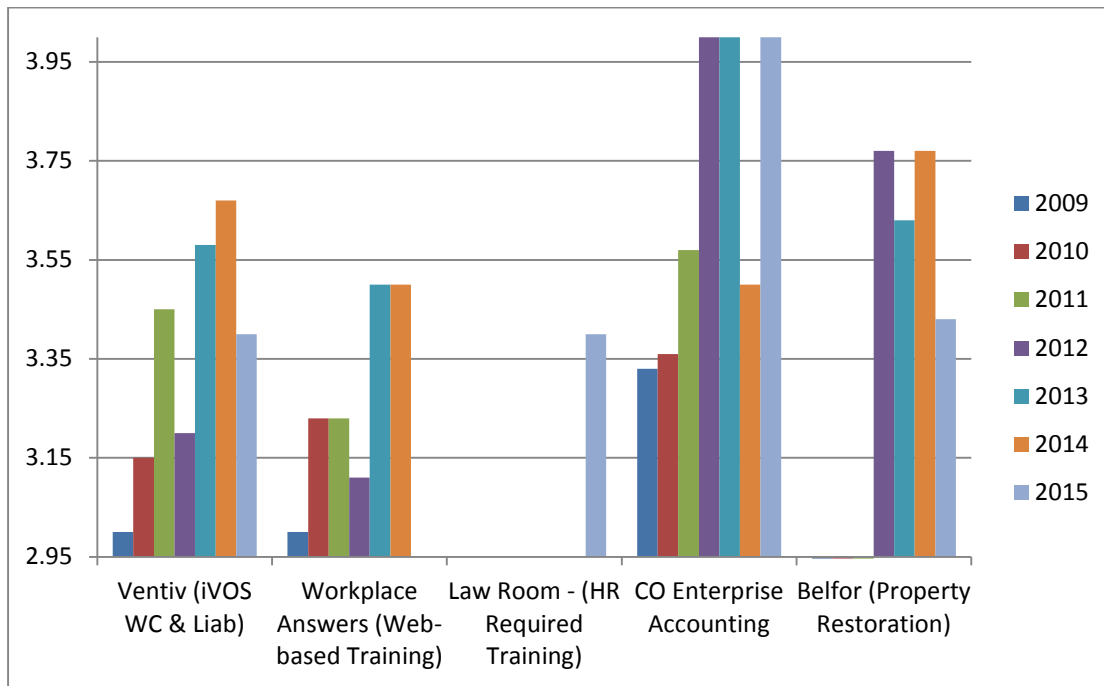
Administration/Consulting



Claims



Miscellaneous Services



For 2015 the following vendors and service providers were listed on the auxiliaries' survey:

AUXILIARY VENDORS:

Alliant (Program Admin)

Alliant (Insurance Broker)

CO Risk Management (Consulting)

Employers Group (HR consulting)

Alliant (Claims – property/crime)

Carl Warren & Co. (Liability claims)

Sedgwick CMS (W/C claims)

E-Group (UI claims)

Alliant (Loss control & safety)

Target Safety (Web-based training)

CO Enterprise Accounting

*Praesidium (Consulting for minors on campus)**

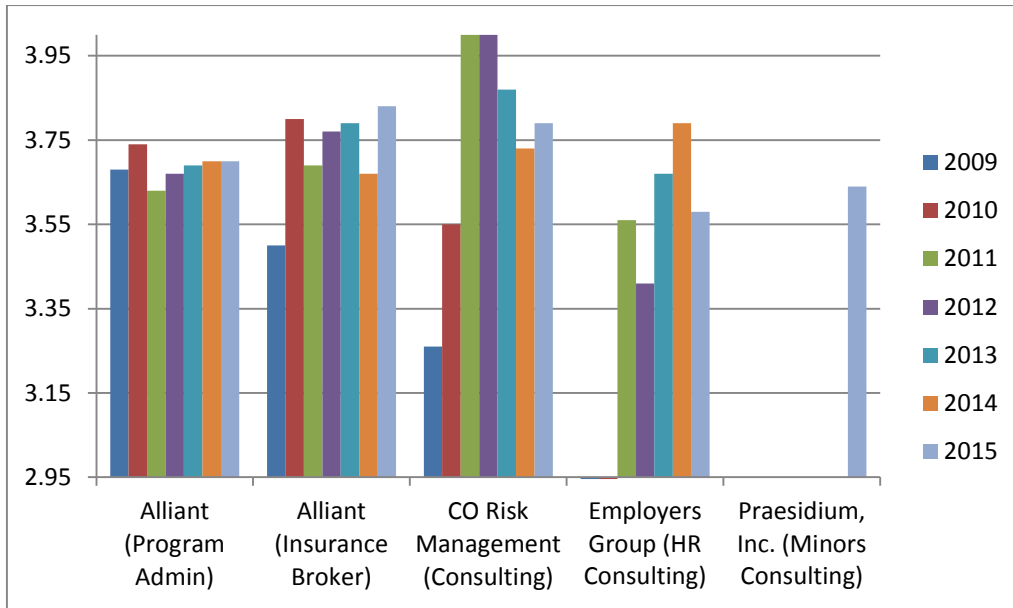
*Note: LawRoom replaced Workplace Answers (WA) for web-based compliance training, we left on the chart for comparison. Praesidium was added as a new service (minors on campus).

As with the campuses, we have grouped the type of vendor into three categories for multi-year comparison:

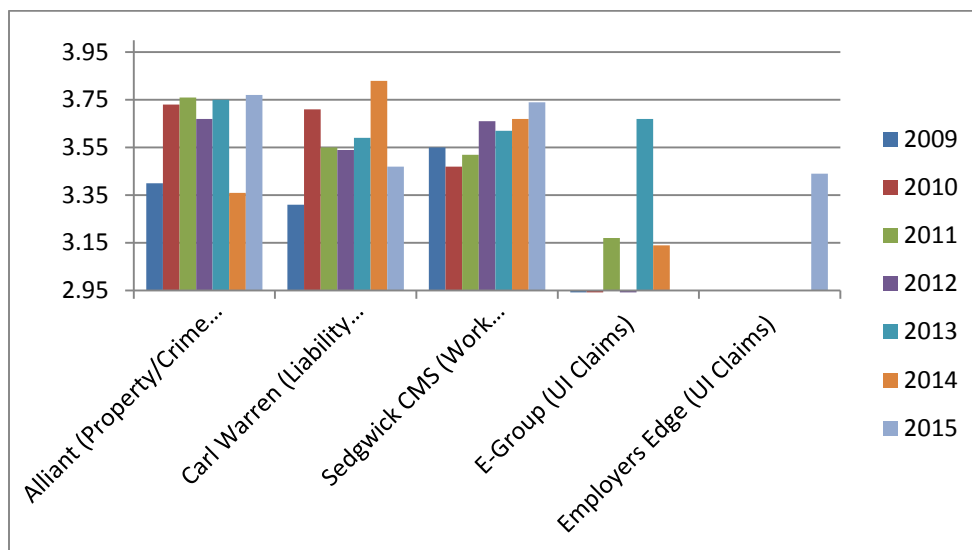
- Administration/Consulting
- Claims Handling
- Miscellaneous Services

We have graphed the “Overall Satisfaction level” question response to summarize the vendors’ performance with 4.0 being a perfect score.

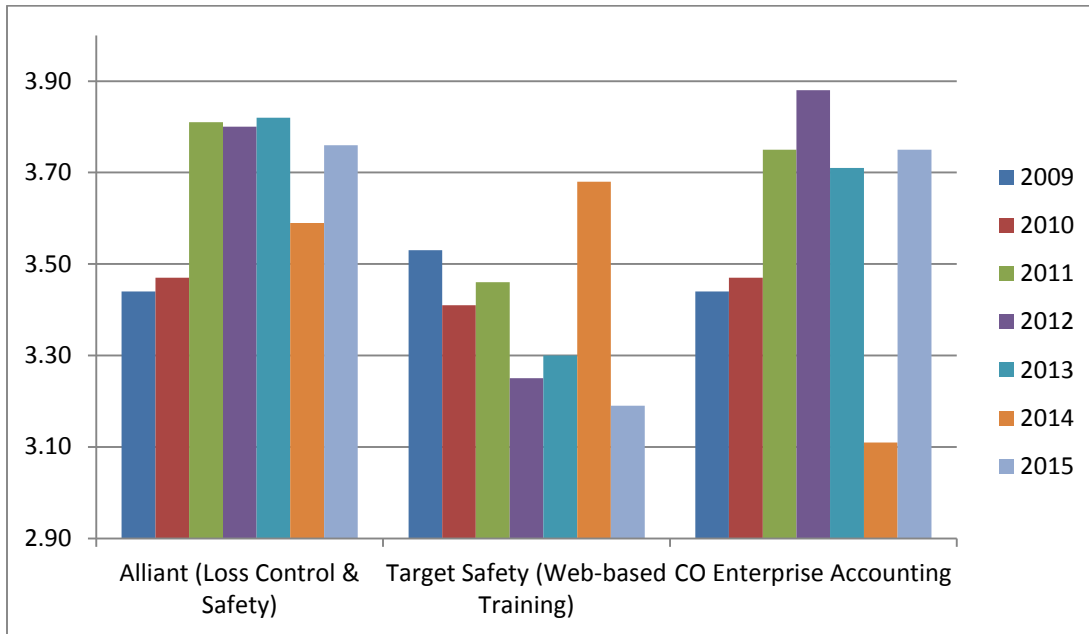
Administration/Consulting



Claims



Miscellaneous Services



Survey information

- **Campus Survey**
 - Sent out January 25, 2016 to 161 campus personnel.
 - Respondents could limit response to the vendors they worked with.
 - 2 reminders were sent out and the survey closed on February 15, 2016.
- **Auxiliary Survey**
 - Sent out January 25, 2016 to 371 auxiliary personnel.
 - Respondents could limit response to the vendors they worked with.
 - 2 reminders were sent and the survey closed on February 15, 2016.

Overall the vendors and those who provide services to CSURMA continue to score well. If it is the desire of the CSURMA Executive Committee, we can request that vendors and service providers deliver a response to the vendor in time for the May 6, 2016 CSURMA Executive Committee meeting.

The complete survey responses will be posted at the CSURMA shared documents site at: <http://www.csurma.org/shared/programs/Pages/default.aspx> or e-mail Zachary Gifford at zgifford@calstate.edu.

CSURMA ADMINISTRATIVE SERVICE CALENDAR

ISSUE: This item is provided as an information item to advise the Board of Directors 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 Board of Directors 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 Services Calendar

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
JANUARY 2016				
01/02/16	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed
01/06/16	Statement of Facts – Roster of Public Agencies - file with Secretary of State	Alliant Staff	Tevea Him	Completed
01/07/16	Announce the new AORMA Committee Vice Chair as well as open seats on the AORMA Committee	Nominations Committee	Mimi Long	Completed
01/10/16	CSURMA AOA CONFERENCE	Alliant Staff	Mimi Long	Completed
01/10/16	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
01/11/16	AIME Committee Meeting	Alliant Staff	Stacey Weeks	Completed
01/15/16	FORM 700 - JPA ADMIN sends Form 700 to CSURMA FILERS, including EC, BOD, AORMA, Standing Committees, and designated consultants, including identified Alliant personnel	Alliant Staff	Tevea Him	Completed
01/31/16	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed
01/31/16	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
FEBRUARY 2016				
02/01/16	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
02/01/16	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 12/31	Alliant Staff	Tevea Him	Completed
02/01/16	UIP - Send EDD Claims Information to Individual Members	Alliant Staff	Tevea Him	Completed
02/01/16	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	---
02/01/16	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Jacki Graf	---
02/01/16	AORMA Workers' Compensation program claims administration audit (every even year)	Alliant Staff	Jacki Graf	---
02/01/16	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	---
02/01/16	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long	---
02/15/16	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
02/25/16	AORMA Program Committee Meeting (Teleconference)	Alliant Staff	Mimi Long	Completed
MARCH 2016				
03/01/16	Annual Review of (1) Data Security Policies and (2) the Integrated CSU Administration Manual	Alliant Staff	Mimi Long	Completed
03/01/16	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	Pending
03/01/16	Approval by EC Resolution allowing Treasurer to invest or reinvest funds (annual approval required - see Res 01-15 BOD)	BOD and Alliant Staff	Tevea Him	Completed
03/01/16	Approval of Conflict of Interest Code by BOD every even-number year - File with FPPC as required.	BOD and Alliant Staff	Tevea Him	Completed
03/01/16	Chancellor's Office Services Budget Proposals	Alliant Staff	Mimi Long	Completed
03/01/16	CSURMA Budget	Alliant Staff	Robert Leong	Completed
03/01/16	CSURMA Master Investment Policy and Investment Policy for the Fixed Income Portfolio	Alliant Staff	Mimi Long	Completed
03/01/16	CSURMA Mid-Term Budget Amendments	Alliant Staff	Robert Leong	Completed
03/01/16	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
03/01/16	Review the Auxiliary Service Provider Report	Alliant Staff	Mimi Long	Completed
03/01/16	Appointment of the Campus Programs RPTG - Spring 2016 (FY 2017/2018)	Alliant Staff	Robert Leong	
03/01/16	Appointment of the Student Insurance Programs RPTG - Spring 2016 (FY 2017/2018)	Alliant Staff	Robert Leong	
03/10/16	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
03/10/16	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
03/11/16	CSURMA EC LRP Meeting	Alliant Staff	Mimi Long	Completed
03/15/16	FORM 700 - Follow up - JPA ADMIN follows up with FILER, prepares status report for CSURMA EC review at Long Range Planning meeting	Alliant Staff	Tevea Him	Completed
03/15/16	Quarterly Risk Management Report	Alliant Staff	Mimi Long	Completed
03/19/16	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
03/20/16	Forward slate of nominees to fill the open seats on the AORMA Committee	Alliant Staff	Mimi Long	Completed
03/31/16	Approval by BOD Resolution allowing Treasurer to invest or reinvest funds (annual approval required - see Res 01-15 BOD)	BOD and Alliant Staff	Tevea Him	Completed
03/31/16	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him	Completed
03/31/16	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	Completed
APRIL 2016				
04/01/16	Campus Risk Pool Administrator verifies Campus Primary and Alternate representative remain in place by contacting campus representatives (i.e. ensure no leave of absence, retirement, change in duties, etc.)	Alliant Staff	Tevea Him	Completed
04/01/16	FORM 700 - JPA ADMIN sends all forms received to FPPC for processing	Alliant Staff	Tevea Him	Completed
04/01/16	Send out ballot for AORMA Committee term beginning on July 1, 2016	Alliant Staff	Tevea Him	Completed
04/30/16	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
MAY 2016				
05/02/16	AIME Committee Meeting	Alliant Staff	Stacey Weeks	Completed
05/06/16	Receive back all AORMA Committee ballots for the term beginning on July 1, 2016	Alliant Staff	Tevea Him	in process
05/05/16	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
05/05/16	CSURMA BOD NMO Meeting via Teleconference	Alliant Staff	Mimi Long	Completed
05/06/16	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
05/06/16	CSURMA BOD Meeting	Alliant Staff	Mimi Long	Completed
05/01/16	Develop a benchmarking project for the EC to review	Alliant Staff	Jacki Graf	
05/11/16	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
05/15/16	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
05/30/16	Send out appointment letters to the newly appointed AORMA Standing Committee Chairs for the term beginning on July 1, 2016	AORMA Chair/Alliant Staff	Tevea Him	
05/30/16	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2016	AORMA Chair/Alliant Staff	Tevea Him	
05/30/16	Send out appointment letters to the newly elected Executive Committee members for the term beginning on July 1, 2016	AORMA Chair/Alliant Staff	Tevea Him	
05/30/16	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 3/31/16	Alliant Staff	Tevea Him	Completed
05/30/16	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2016	Alliant Staff	Tevea Him	Completed
05/30/16	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2016	Alliant Staff	Mimi Long	
JUNE 2016				
06/01/16	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	
06/01/16	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
06/15/16	Quarterly Risk Management Report	Alliant Staff	Mimi Long	
06/23/16	AORMA Program Committee Meeting (Teleconference)	Alliant Staff	Mimi Long	
06/30/16	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: Carl Warren & Company - July 1, 2011 to June 30, 2016</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: CO Enterprise Accounting / Financial Services - July 1, 2015 to June 30, 2016</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: Genesis Reinsurance Corp - July 1, 2010 to June 30, 2015</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: UC Office of Risk Services Performing Arts Center of Excellence - November 1, 2013 to June 30, 2017</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: A-G Administrator (AIME) - July 1, 2009 to June 30, 2017</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: Alliant Loss Control Services - July 1, 2014 to June 30, 2015</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: CO OGC / Legal - July 1, 2014 to June 30, 2015</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: CO Risk Management - July 1, 2014 to June 30, 2015</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: Praesidium - July 1, 2014 to June 30, 2015</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: Target Safety dba Target Solutions - July 1, 2012 to June 30, 2015</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: Employers Group - July 1, 2014 to June 30, 2017</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: Employers Risk - July 1, 2013 to June 30, 2018</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: HSR - July 1, 201? to June 30, 2019</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: Agility - July 1, 2015 to June 30, 2016</i>	Alliant Staff	Mimi Long	
06/30/16	<i>Expiring Contract: Sedgwick - July 1, 2013 to June 30, 2018</i>	Alliant Staff	Mimi Long	
06/30/16	Government Compensation Report (request from CSU Accounting and post on CSURMA website)	Accounting	Tevea Him	
06/30/16	Request COI from all vendor's contract	Alliant Staff	Mimi Long	
JULY 2016				
07/01/16	<i>Expiring Contract: CSAC Excess Insurance Authority - January 1, 2015 to July 1, 2016</i>	Alliant Staff	Mimi Long	
07/01/16	<i>Expiring Contract: CSAC Excess Insurance Authority - July 1, 2015 to July 1, 2016</i>	Alliant Staff	Mimi Long	
07/01/16	<i>Expiring Contract: Witt O'Brien's, LLC (formally Witt Group Holdings, LLC) - July 1, 2014 to July 1, 2016</i>	Alliant Staff	Mimi Long	
07/01/16	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin	
07/01/16	FORM 700 - JPA ADMIN sends entering and leaving office notices to AORMA FILERS who will be taking office on AORMA and Standing Committees	Alliant Staff	Tevea Him	
07/01/16	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	
07/04/16	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin	
07/05/16	Request a review of the claims activity within the UIP – claims activity variations of more than 10% above or below pricing levels used will resulting in a pricing adjustment	Alliant Staff	Mimi Long	
07/05/16	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	
07/07/16	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	
07/14/16	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	
07/15/16	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong	
07/15/16	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	
7/19-20/2016	AORMA Officers Retreat – San Francisco, CA	AORMA Officers	Mimi Long	
07/21/16	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
07/21/16	Upon receipt of loss data begin semi-annual loss charts for RM meeting in October and to be sent to members	Alliant Staff	Robert Leong	
07/28/16	FORM 700 - FORMS DUE TO FPPC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him	
07/31/16	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong	
07/31/16	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report	Alliant Staff	Robert Leong	
07/31/16	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	
07/31/16	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Hsan Htein	
07/31/16	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate (every three years)	Liability TPA	Mimi Long	
07/31/16	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
AUGUST				
08/01/16	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him	
08/01/16	Research the single bond approach & report back at the September meeting	Alliant Staff	Dan Howell	
08/01/16	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him	
08/01/16	Send out letter to regarding Foreign Travel Authority Confirmation	Alliant Staff	Tevea Him/Stacey Weeks	
08/01/16	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long	
08/01/16	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	
08/11/16	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
08/15/16	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	
08/31/16	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff	Mimi Long	
08/31/16	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long	
08/31/16	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long	
08/31/16	Completion of Financial Audit	CSU Accounting	Mimi Long	
08/31/16	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	
SEPTEMBER				
09/01/16	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	
09/01/16	Stewardship Report	Alliant Staff	Robert Leong	
09/07/16	<i>AORMA Long Range Plan meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
09/07/16	<i>AORMA New Committee Member Orientation meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
09/08/16	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
09/13/16	<i>CAJPA Fall Conference and Training Seminar -South Lake Tahoe</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
09/14/16	CAJPA Standards review (2014 and every 3 years thereafter)	Alliant Staff	Mimi Long	
09/15/16	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Van Rin	
09/15/16	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
09/29/16	<i>AORMA Program Committee Meeting (Teleconference)</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
09/30/16	Completion of the AORMA Committee (September Letter) updating all AORMA members on the funding and dividends approved for the upcoming fiscal year	Alliant Staff/AORMA C	Mimi Long	
9/TBD/2016	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
9/TBD/2016	<i>CSURMA EC Orientation Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
OCTOBER				
10/01/16	Request completion of the Liability application	Alliant Staff	Mimi Long	
10/01/16	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long	
10/15/16	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
10/15/16	Poll eligible AORMA Committee members to determine which members are willing to be nominated for the Vice Chair position	Nominations Committee	Mimi Long	
10/17/16	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>	
10/20/16	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
10/31/16	Create Government Compensation Report page on CSURMA website for public viewing	Alliant Staff	Tevea Him	
10/31/16	CSURMA Quarterly EPL Deductible Recoverys ending September 30 (Begin Task)	Alliant Staff	Van Rin	
10/31/16	<i>Expiring Contract: Praesidium - October 31, 2015 to October 1, 2016</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
10/31/16	Government Compensation Report (request from CSU Accounting)	Accounting	Tevea Him	
10/31/16	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	
10/TBD/2016	<i>CSURMA BOD NMO Meeting via Teleconference</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
NOVEMBER				
11/01/16	FORM 700 - Campus Risk Pool Administrator sends request to campus president to confirm appointments of primary and alternate representative to BOD (Note: AORMA Representatives are maintained through their election process)	Alliant Staff	Tevea Him	
11/02/16	<i>CSURMA BOD Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
11/02/16	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
11/28/16	Campus Risk Pool Deductible - Confirm (every 3 years - 2014, 2017, 2020)	Alliant Staff	Robert Leong	
11/28/16	Send campus risk pool renewal budget (Budget)	Alliant Staff	Robert Leong	
11/28/16	Send campus risk pool renewal budget (Early Bird Renewal Letter)	Alliant Staff	Robert Leong	
11/30/16	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	
11/30/16	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30	Alliant Staff	Tevea Him	
DECEMBER				
12/01/16	2016 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Rebecca Skidmore	
12/01/16	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
12/01/16	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	
12/01/16	P & P Outlining Underwriting Guidelines for Granting Additional Insured Status	Alliant Staff	Dan Howell	
12/02/16	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
12/08/16	<i>AORMA Program Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
12/15/16	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff	Tevea Him	
12/15/16	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
12/30/16	Financial Audit - mail to Secretary of State and County Auditor	Alliant Staff/Accounting	Tevea Him	
12/31/16	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	
12/31/16	<i>Expiring Contract: Alliant Insurance Services (Brokerage Agreement) - January 1, 2014 to December 31, 2015</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
12/31/16	<i>Expiring Contract: Alliant Insurance Services (Program Admin Agreement) - January 1, 2014 to December 31, 2015</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
12/31/16	<i>Expiring Contract: Enterprises Rent A Car - January 1, 2015 - December 31, 2015</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	

CSURMA BOARD OF DIRECTORS AND STAFF CONTACT LIST

ISSUE: Attached is a list of phone numbers and e-mail addresses for members of the CSURMA Board of Directors and CSURMA Staff.

RECOMMENDATION: Staff recommends 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 via email at thim@alliant.com.

FISCAL IMPACT: None

BACKGROUND: An accurate and current list facilitates better communication among the Board members and with staff.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA Board of Directors and Staff Contact List

CSURMA BOARD OF DIRECTORS MEMBERS

as of April 2016

Representative /Alternate	Member	Position	Campus	Organization	E-Mail	Telephone Number
Representative	Thom Davis	Vice President for Business and Administrative Services	Bakersfield	California State University, Bakersfield	tdavis31@csub.edu	661-654-2287
Alternate	Tim Ridley, CSP, ARM-P	Associate Vice President Human Resources	Bakersfield	California State University Bakersfield	tridley1@csub.edu	661-654-2066
Representative	Robert Eaton	Interim Assistant Vice Chancellor	Chancellor's Office	California State University, Office of the Chancellor	reaton@calstate.edu	562-951-4671
Alternate	Steve Relyea	Executive Vice Chancellor and CFO	Chancellor's Office	CSU Chancellor's Office	srelyea@calstate.edu	562-951-4600
AORMA Rep	Dave Nirenburg	Senior Director	Channel Islands	University Glen Corporation	dave.nirenberg@csuci.edu	805-437-2668
Representative	Katharine Hullinger	Risk Manager	Channel Islands	California State University, Channel Islands	katharine.hullinger@csuci.edu	805-437-8846
Alternate	Caroline J. Doll	Director, Special Projects for F&A	Channel Islands	California State University, Channel Islands	Caroline.Doll@csuci.edu	805-437-3232
Representative	Michael Thorpe	Risk Manager	Chico	California State University, Chico	methorpe@csuchico.edu	530-898-6588
Alternate	Lorraine B. Hoffman	Vice President, Business & Finance	Chico	California State University, Chico	lbhoffman@csuchico.edu	530-898-6231
Representative	Stephen J. Mastro	Associate Vice President, Administration and Finance	Dominguez Hills	California State University, Dominguez Hills	smastro@csudh.edu	310-243-3707
Alternate	Jeff Wood	Risk Manager	Dominguez Hills	California State University, Dominguez Hills	jwood@csudh.edu	310-243-2895
Representative	Nyassa Love	Risk Management & Internal Control	East Bay	California State University, East Bay	nyassa.love@csueastbay.edu	510-885-2743
Alternate	Debbie Chaw	Interim Vice President Administration & Finance/CFO	East Bay	California State University, East Bay	debbie.chaw@csueastbay.edu	510-885-3804
Representative	Debbie Adishian-Astone	Interim Vice President for Administration Services and Associate Vice President for Auxiliary Operations	Fresno	California State University, Fresno	debbiea@csufresno.edu	559-278-0802
Alternate	Lisa Kao	Associate Dir EHS, Risk Mgmt & Sustainability	Fresno	California State University, Fresno	lisak@csufresno.edu	559-278-6910
AORMA Rep	Keith Kompasi	Director, Foundation Financial Services	Fresno	Fresno Association Inc., CSU Fresno	kkompasi@csufresno.edu	559-278-0838
Representative	Michael Coughlin	Risk Manager	Fullerton	California State University, Fullerton	mcoughlin@fullerton.edu	657-278-8673
Alternate	John Beisner	Vice President Human Resources, Diversity and Inclusion	Fullerton	California State University, Fullerton	jbeisner@fullerton.edu	714-278-2425
AORMA/EC	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
Representative	Michael Burghart	Risk Manager	Humboldt	Humboldt State University	michael.burghart@humboldt.edu	707-826-5746
Alternate	Joyce Lopes	Vice President for Administration and Finance	Humboldt	Humboldt State University	joyce.lopes@humboldt.edu	707-826-3351
AORMA Rep	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
Representative	Scott Apel	Associate Vice President	Long Beach	California State University Long Beach	scott.apel@csulb.edu	562-985-8716
Alternate	Felissa Waynick, ARM-P	Risk Manager	Long Beach	California State University, Long Beach	felissa.waynick@csulb.edu	562-985-2396
AORMA/EC	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU, Long Beach	rdewit@csulb.edu	562-985-5549
AORMA Rep	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Foundation	Brian.Nowlin@csulb.edu	562-985-4690

CSURMA BOARD OF DIRECTORS MEMBERS

as of April 2016

Representative /Alternate	Member	Position	Campus	Organization	E-Mail	Telephone Number
Representative	Lisa Chavez	VP, Administration/CFO	Los Angeles	California State University, Los Angeles	lchavez10@cslanet.calstatela.edu	323-343-3500
Alternate	Kevin Brady	Director Risk Mgmt & EHS	Los Angeles	California State University, Los Angeles	kbrady@cslanet.calstatela.edu	323-343-3527
Representative	Marianne Spotorno, CSP	Director of Safety and Risk Management	Maritime	California Maritime Academy	mspotorno@csum.edu	707-654-1076
Alternate	Franz Lozano	Vice President for Administration and Finance	Maritime	California Maritime Academy	flozano@csum.edu	707-654-1038
Representative	Kevin Saunders	Vice President Administration & Finance	Monterey	California State University, Monterey Bay	kesaunders@csumb.edu	831-582-3398
Alternate	Lenore Reed	Director of Enterprise Risk Management & Records	Monterey	California State University, Monterey Bay	lreed@csumb.edu	831-582-4766
AORMA Rep	Gigi Kiama	Human Resources Director	Monterey	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
Representative	<i>Vacant</i>		<i>Northridge</i>	<i>California State University, Northridge</i>		
Alternate	Jason Wang	Sr. Director Physical Plant Management	Northridge	California State University, Northridge	jason.wang@csun.edu	818-677-6579
Representative	Sharon Reiter	Associate Vice President for Human Resource Services	Pomona	California State Polytechnic University	sreiter@cpp.edu	909-869-3016
Alternate	Valerie Eberle	University Risk Manager	Pomona	California State Polytechnic University	vjeberle@cpp.edu	909-869-4846
Representative	Mike Lee	Vice President, Administration and Chief Financial Officer	Sacramento	California State University, Sacramento	mikelee@csus.edu	916-278-6312
Alternate	Kirtland Stout	Director, Risk Mgmt & Business Continuity Planning	Sacramento	California State University, Sacramento	kirtland@csus.edu	916-278-7233
AORMA Rep	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslied@saclink.csus.edu	916-278-2904
AORMA Rep	Jim Reinhart	Executive Director	Sacramento	University Enterprises, Inc. (UEI)	Jim.Reinhart@csus.edu	916-278-7001
Representative	Jody Van Leuven	Executive Director	San Bernardino	California State University, San Bernardino	jody.vanleuven@csusb.edu	909-537-3939
Alternate	Douglas R. Freer	Vice President for Administration and Finance and Chief Financial Officer	San Bernardino	California State University, San Bernardino	dfreer@csusb.edu	909-537-5130
Representative	Thomas McCarron	VP for Business & Financial Affairs	San Diego	San Diego State University	tmccarron@mail.sdsu.edu	619-594-6017
Alternate	Jessica Rentto	Associate Vice President Administration	San Diego	San Diego State University	jrentto@mail.sdsu.edu	619-594-8640
Representative	Ronald Cortez	Vice President Administration & Finance/CFO	San Francisco	San Francisco State University	rsortez@sfsu.edu	415-338-2521
Alternate	Michael Beatty	Risk Manager	San Francisco	San Francisco State University	mbeatty@sfsu.edu	415-338-1124
AORMA Rep	Guy Dalpe	Managing Director	San Francisco	Cesar Chavez Student Center, San Francisco	gdalpe@sfsu.edu	415-338-1044
Representative	Mark Loftus	Risk & Compliance Manager	San Jose	San Jose State University	mark.loftus@sjsu.edu	408-924-2159
Alternate	Josee Larochelle	AVP for Finance	San Jose	San Jose State University	Josee.Larochelle@sjsu.edu	408-924-1550
AORMA Rep	Cheree Aguilar	Senior Director, Human Resources	San Jose	San Jose State University Research Foundation	cheree.aguilar@sjsu.edu	408-924-1505
Representative	Dru Zachmeyer	Director, Contracts & Procurement/Risk & Real Estate Management	San Luis Obispo	California Polytechnic State University, San Luis Obispo	dzachmey@calpoly.edu	805-756-6473

CSURMA BOARD OF DIRECTORS MEMBERS

as of April 2016

Representative /Alternate	Member	Position	Campus	Organization	E-Mail	Telephone Number
Alternate	Cindy Vizcaino Villa	Senior Vice President for Administration & Finance, CFO	San Luis Obispo	California Polytechnic State University, San Luis Obispo	cvvilla@calpoly.edu	805-756-2171
AORMA Rep	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
Representative	Linda Hawk	Vice President Finance & Administrative Services	San Marcos	California State University, San Marcos	lhawk@csusm.edu	760-750-4950
Alternate	Erin Fullerton	Risk Manager	San Marcos	California State University, San Marcos	efullerton@csusm.edu	760-750-4516
Representative	Tyson Hill	Interim Senior Director for Risk Management	Sonoma	Sonoma State University	tyson.hill@sonoma.edu	707-664-4039
Alternate	Nathan Johnson	Chief and Executive Director	Sonoma	Sonoma State University	nathan.johnson@sonoma.edu	707-664-4444
Representative	Amy Thomas	Asst Director of Safety & Risk Management	Stanislaus	California State University, Stanislaus	Althomas@csustan.edu	209-667-3035
Alternate	Douglas Dawes	Vice President for Business and Finance	Stanislaus	California State University, Stanislaus	ddawes@csustan.edu	209-667-3077

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
JPA Program Administrator – Alliant Insurance Services, Inc.				
Certificate of Insurance Requests	Hsan Htein Van Rin	hhhtein@alliant.com vrin@alliant.com	415-403-1452 415-403-1408	415-874-4810 415-874-4810
General CSURMA Coverage Questions	Robert Leong Amy Souissi Van Rin Hsan Htein Daniel Howell	rleong@alliant.com amy.souissi@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1457 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
General AORMA Coverage Questions	Mimi Long Amy Souissi Van Rin Hsan Htein Daniel Howell	mlong@alliant.com amy.souissi@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1457 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
Inland Marine	Van Rin Hsan Htein Mimi Long	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
Participant Accident Insurance (PAI)	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Special Events Insurance	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Foreign Travel Program	Stacey Weeks Van Rin	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
General Risk Management Questions	Mimi Long Van Rin Hsan Htein Daniel Howell Amy Souissi	mlong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com amy.souissi@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426 415-403-1457	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
Workers' Compensation Claims Consultant	Jacki Graf	jgraf@alliant.com	415-403-1438	415-874-4810
Alliant Claims Consulting	Robert Frey Diana Walizada Michelle Maffei Martin Fox-Foster Elaine Kim	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
Form 700	Tevea Him	thim@alliant.com	415-403-1416	415-402-0773
Website and Technology Questions	Tevea Him Myron Leavell	thim@alliant.com mleavell@alliant.com	415-403-1416 415-403-1404	415-874-4810 415-874-4810

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
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
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	William Hsu	whsu@calstate.edu	562-951-4500	562-951-4956
	Steve Relyea	srelyea@calstate.edu	562-951-4600	562-951-4971
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	Michael Clements	mclements@calstate.edu	562-951-4091	
	Jessica Liu	jliu@calstate.edu	562-951-4621	
	Cindi Le	cle@calstate.edu	562-951-4651	
Daisy Thompson	dthompson@calstate.edu	562-951-4567		

Coverage	Contact	E-Mail Address	Office	Fax
Loss Control Consultants – Alliant Risk Control				
Alliant Risk Control Consulting	Brent Escoubas	bescoubas@alliant.com	949-260-5013	

Coverage	Contact	E-Mail Address	Office	Fax
Online Training - TargetSolutions				
Business Manager	Jennifer Jones	jennifer.jones@targetsolutions.com	858-376-1632	858-487-8762
Account Manager	Stacy L. Schaefer	stacy.schaefer@targetsolutions.com	858-376-1610	

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
Unemployment Insurance Claims Administrator – Employers Edge				
Client Services	Angie Hansen	ahansen@employersedge.com	720-891-4900 x116	720-420-7356
Unemployment Claims Operations, Claim Specialist	Reina Gonzales	rgonzales@employersedge.com	720-891-4900 x139	720-420-7390
Tax Analyst	Larry Blankenship	lblankenship@employersedge.com	720-891-4900 x108	720-420-7430
Appellate Level	Jen Venable Jamie Clark	jvenable@employersedge.com jclark@employersedge.com	720-891-4900 x114 720-891-4900 x122	720-420-7354 720-420-7396
Account Management	Steve Bell	sbell@employersedge.com	720-891-4900 x101	720-420-7431

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

UNEMPLOYMENT INSURANCE CLAIMS COSTS SUMMARY CHARTS

ISSUE: Attached for information only is the Unemployment Insurance Claims report showing a quarter by quarter comparison of claims costs and also a nine-year cost history.

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

FISCAL IMPACT: It appears the UI/NDL/IDL program will end the fiscal year within budget.

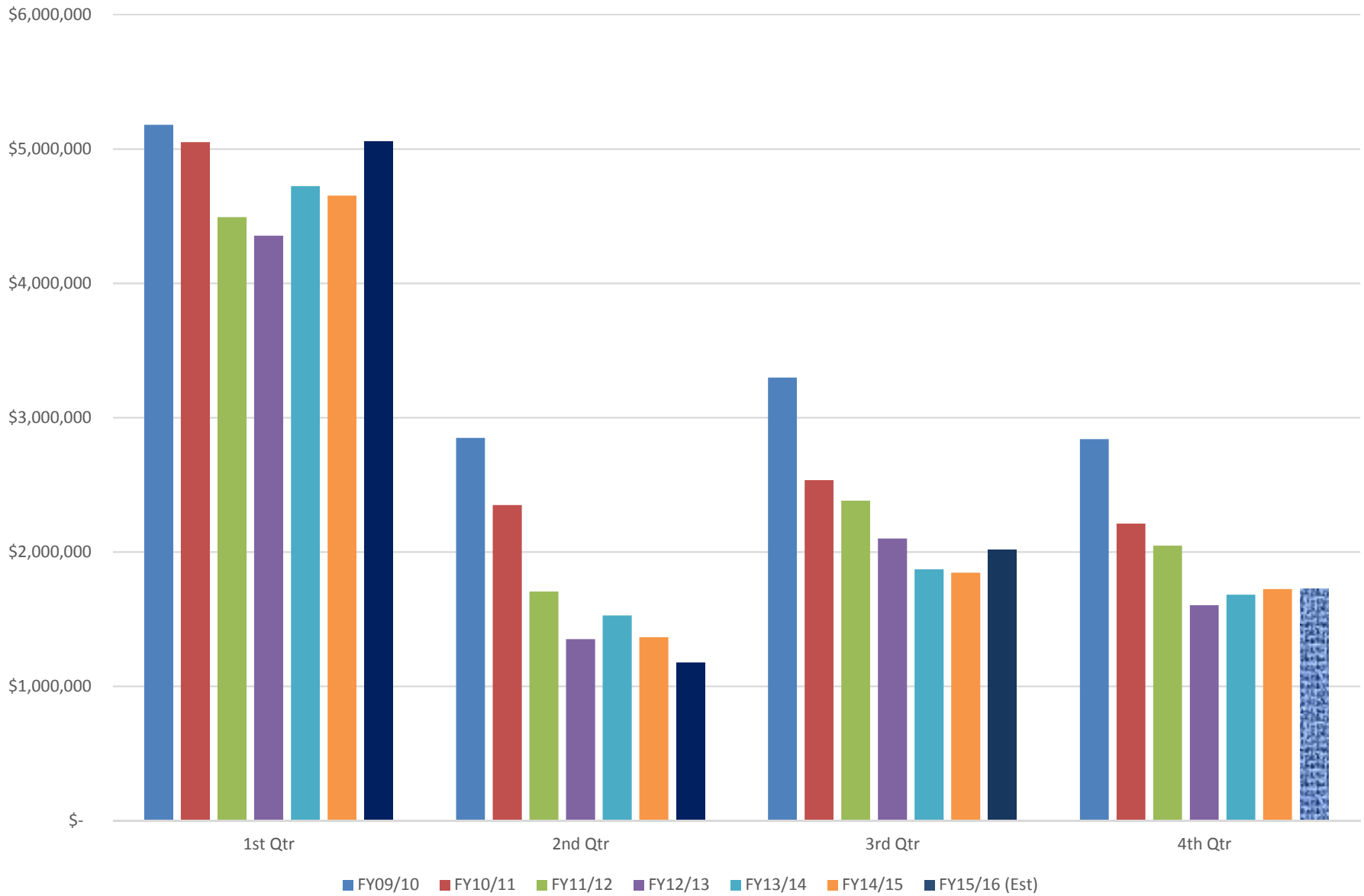
BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. UI Summary Charts

UI Comparison by Quarter
 FY2009/10 - 2015/16 (Est)



FY 07-08	\$	5,702,010
FY 08-09	\$	7,957,340
FY 09-10	\$	14,164,977
FY 10-11	\$	12,144,047
FY 11-12	\$	10,625,425
FY 12-13	\$	9,406,429
FY 13-14	\$	9,802,245
FY 14-15	\$	9,585,673
FY 15-16 (Est)	\$	9,972,851

