

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE
RESOLUTION NO. 01-16 (EC)**

Resolution Approving CSURMA Midterm Budget Amendment for FY 2015/16

The Executive Committee of the California State University Risk Management Authority finds and determines that the FY 2015/16 operating budget shall be amended as follows:

- (1) Decrease Contributions by \$468,399 for actual premium deposits for AORMA coverage programs.
- (2) Increase Claims Payments & Legal Expenses by \$4,617,655 per latest actuarial estimates for Campus Liability, Campus Workers' Compensation, AIME, AORMA Liability, AORMA Workers' Compensation; and per staff's estimate based on current loss trend for IDL/NDI/UI and AORMA UIP.
- (3) Increase Deductible Recoveries by \$1,331,360 (Campus Liability) per latest actuarial estimate.
- (4) Increase Claims Administrators by \$125,000 (AIME) for new third-party administrator and run-off of old claims (injuries occurring prior to 7/1/15).
- (5) Increase Brokerage Services & Fees by \$413,662 for new CSAC-EIA Primary and Excess Workers' Compensation financing plan.
- (6) Increase Insurance Premiums by \$322,355: +\$140,000 BRIP premium true-up, +\$25,000 new Fine Arts policy, and +\$157,355 DGS actual allocation for Auto Liability
- (7) Increase Actuarial Services by \$30,000 for anticipated study to establish a captive insurer.
- (8) Increase Miscellaneous Program Services by \$10,000 for website update.
- (9) Increase Workshop/Training Expenses by \$30,000 for Risk Management Design services (Special Events Resource Guide).
- (10) Increase Loss Control Expenses by \$72,000 for Agility Recovery subscription for emergency resources: power generators, office space, and IT connectivity.
- (11) Increase Reinsurance Recovery by \$6,295,572 per latest actuarial estimates and actual amount recovered by AORMA Liability (\$5,993,779).
- (12) Increase Dividend Distribution by \$7,848,150 for actual amounts distributed to members in July (AORMA) and October (CSU).

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Please refer to the Midterm Budget Amendments worksheet for details on the cost allocation between Campus and AORMA programs, including details by coverage fund.

The effect of the above adjustments decreases Total Contributions by \$468,399, increases Total Expenses by \$5,841,891 resulting Total Operating Revenue of \$90,098,069 (net of reinsurance premiums), Total Operating Expenses of \$98,958,415, and Non-Operating Income of \$2,500,000, resulting in a Net Deficit of \$6,360,346. The Ending Balance at June 30, 2016 is estimated to be \$59,700,701.

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:

The California State University Risk Management Authority does hereby amend the FY 2015/16 operating budget as presented herein.

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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 10, 2016 which was approved by the following votes:

AYES, and in favor thereof, members: Lisa Chavez, Guy Dalpe, Linda Hawk, Frank Mumford, and Kevin Saunders

NOES, members: None

ABSTAIN, members: Robert Eaton and Mike Lee

ABSENT, members: Scott Apel and Jody Van Leuven



Linda Hawk, Chair



Zachary Gifford, Secretary-Auditor