



## PROGRAMS COMMITTEE MEETING

### “This is an Open Public Meeting”

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

<b>Meeting Date:</b>	January 3, 2013	<b>Location:</b>	Alliant Insurance Services, Inc. 100 Pine Street, 11 <sup>th</sup> Floor San Francisco, CA 94111
<b>Time:</b>	2:00 p.m. (Teleconference)	<b>Legend:</b>	A – Action may be taken I – Information Only

1. Kurt Borsting: ASI., CSU Fullerton, 800 N. State College Blvd., Fullerton
2. Guy Dalpe: Cesar Chavez Student Center, SFSU, 1650 Holloway Avenue Room C-134, San Francisco
3. Mark Day: Santos Manuel Student Union, CSU San Bernardino, 5500 University Parkway, San Bernardino
4. Gigi Kiama: University Corporation at CSUMB, 100 Campus Center, Bldg. 201, Seaside
5. Haleh Minakary: Cal Poly Pomona Foundation, CSU Pomona, 3801 W. Temple Ave., Bldg. 55, Pomona

**A. CALL TO ORDER**

**B. PUBLIC COMMENTS**

**C. GENERAL ADMINISTRATION**

- |           |  |          |              |
|-----------|--|----------|--------------|
| <b>1.</b> | <b>Approval of the Agenda</b><br><i>The Committee will be asked to approve the agenda for today’s meeting</i>  | <b>A</b> | <b>P. 3</b>  |
| <b>2.</b> | <b>Approval of Minutes – October 25, 2012</b><br><i>The Committee will be asked to approve the minutes from its last meetings</i>  | <b>A</b> | <b>P. 4</b>  |
| <b>3.</b> | <b>Approval of FY 13/14 Liability Program Member Cost Allocations</b><br><i>The Committee will be asked to review and approve the FY 13/14 Liability Program cost allocations.</i>                         | <b>A</b> | <b>P. 10</b> |
| <b>4.</b> | <b>Approval of FY 13/14 Workers’ Compensation Program Cost Allocations</b><br><i>The Committee will be asked to review and approve the FY 13/14 Workers’ Compensation Program Member Cost Allocations.</i> | <b>A</b> | <b>P. 14</b> |
| <b>5.</b> | <b>Approval of the FY 13/14 Liability Program Dividend</b><br><i>The Committee will be asked to review and approve the member allocation of the Liability Program dividend</i>                             | <b>A</b> | <b>P. 21</b> |
| <b>6.</b> | <b>Approval of the FY 13/14 Workers’ Compensation Program Dividend</b><br><i>The Committee will be asked to review and approve the member allocation of the Workers’ Compensation dividend</i>             | <b>A</b> | <b>P. 34</b> |
| <b>7.</b> | <b>Review of the Current Workers’ Compensation Program Rating and Allocation Method; Discussion Regarding the Formation of a One-Rate Workers’</b>   | <b>A</b> | <b>P. 38</b> |

**Compensation Program**

*The Committee will be asked to discuss the current rating and allocation method and also to discuss a possible one-rate workers' compensation plan*

- 8. **Review of the Current Property Program Rating and Allocation Method; Discussion of Alternative Rating and Allocation Plans** A P. 43  
*The Committee will be asked to discuss the current rating and allocation method and also to discuss alternative rating and allocation plans*
- 9. **Approval of the FY 13/14 Crime Program Member Cost Allocation; Discussion of Alternative Rating and Allocation Plans** A P. 44  
*The Committee will be asked to approve the FY 13/14 Crime Program member cost allocation and to discuss alternative rating and allocation plans*
- 10. **Review and Approval of AORMA's Workers' Compensation Payroll Rules to Follow** A P. 52  
*The Committee will be asked to review and approve the AORMA Workers' Compensation Payroll Rules to Follow, with revisions as appropriate*
- 11. **Earthquake Insurance Program Discussion** A P. 56  
*The Committee will be asked to discuss options for a CSURMA Earthquake Insurance Program and to give direction to staff as appropriate*
- 12. **Review of the CSURMA Approved Budget for FY 12/13** I P. 58  
*The Committee will be asked to review the administrative costs for each AORMA Program*
- 13. **Policy & Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations** A P. 69  
*The Committee will be asked to review and approve the revised Policy & Procedure L-5, with revisions as appropriate*
- 14. **New California Ventures, LLC** A P. 74  
*The Committee will be asked whether to allow The Fresno State Foundation to extend it Liability Coverage to cover its wholly owned "for-profit" corporation – New California Ventures, LLC*

**D. INFORMATION ITEMS**

- 1. **FY 12/13 Long Range Action Plan** P. 76
- 2. **CSURMA AORMA 2013 Meeting Calendar** P. 84
- 3. **CSURMA AORMA Program Administrator's Contact Lists** P. 85
- 4. **AORMA Committee Members - Effective 7/1/13** P. 95

**E. ADJOURNMENT**

*The next meeting is scheduled for April 18, 2013 at 2:00 p.m. as a teleconference meeting.*

**APPROVAL OF THE AGENDA ORDER**

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

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

**FISCAL IMPACT:** None

**BACKGROUND:** None

**PUBLICATION:** None

**ATTACHMENT(S):** None

**APPROVAL OF MEETING MINUTES – OCTOBER 25, 2012**

**ISSUE:** The Committee will be asked to review and approve the draft minutes from the October 25, 2012 Programs Committee meeting.

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

**FISCAL IMPACT:** None

**BACKGROUND:** None

**PUBLICATION:** None

**ATTACHMENT(S):**

- a. Meeting Minutes – October 25, 2012



**APPROVED**

**MINUTES OF THE CSURMA AORMA  
PROGRAMS COMMITTEE MEETING**

**OCTOBER 25, 2012**

**CSU OFFICE OF THE CHANCELLOR  
Munitz Room, 401 Golden Shore, Long Beach, CA**

**3:03 PM**

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**MEMBERS PRESENT**

Guy Dalpe, Cesar Chaves Student Center, San Francisco State University  
 Kurt Borsting, Associated Students, Inc., CSU Fullerton  
 Gigi Kiama, University Corporation, CSU Monterey Bay  
 Haleh Minakary, The Cal Poly Pomona Foundation, Inc.  
 Mark Day, Santos Manual Student Union of California State University, San Bernardino

**STAFF, GUESTS AND CONSULTANTS**

Mimi Long, Alliant Insurance Services, Inc.

**A. CALL TO ORDER**

The meeting was called to order by Guy Dalpe at 3:03 PM.

**B. PUBLIC COMMENTS**

There were no public comments.

**C. GENERAL ADMINISTRATION**

**C1. Approval of the Agenda**

A motion was made to approve the agenda as presented.

**First: Haleh Minakary**

**Second: Mark Day**

**MOTION CARRIED**

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
Kurt Borsting	X			
Guy Dalpe	X			
Gigi Kiama	X			
Haleh Minakary	X			

Mark Day	<b>X</b>			
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**C2. Approval of Minutes – July 12, 2012**

A motion was made to approve the minutes as presented.

**First: Haleh Minakary**  
**Second: Mark Day**

**MOTION CARRIED**

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
Kurt Borsting	<b>X</b>			
Guy Dalpe	<b>X</b>			
Gigi Kiama	<b>X</b>			
Haleh Minakary	<b>X</b>			
Mark Day	<b>X</b>			

**C3. Review of the FY 13/14 Total Funding for the Liability, Workers’ Compensation, Property and Crime Programs**

Mimi Long reviewed the FY 13/14 total funding with the Committee members.

**Liability** - The liability program funding within the pooled layer decreased slightly based on the actuary’s estimate. The admin costs will remain unchanged. Staff increased the reinsurance / excess liability insurance by 10%. Genesis has not increased its premium since inception of the reinsurance agreement. Staff believes the premium will go up in FY 13/14. The Liability Program costs will increase 2%.

**Workers’ Compensation** - The workers’ compensation pooled layer funding increased from \$2,928,900 to \$3,149,900 based on the actuary’s recommended funding level. The claims administration and general admin costs will remain unchanged. Staff believes that the excess workers’ compensation cost will increase and therefore, the excess insurance premium has gone up by 10%. The Workers’ Compensation Program costs will increase 6%.

**Property** – The property pooled layer funding amount has been increased from \$240,000 to \$250,000. This program has an annual aggregate of \$250,000 and therefore an actuarial study is not necessary. The general administrative costs will remain unchanged. The majority of the program cost is the excess property insurance; this cost was increased by 5%. For FY 13/14, Staff will be issuing final rates in January 2013 rather than an estimated premium. The members can apply the final rate to its total insurable values to calculate the premium due for FY 13/14. The Property Program costs (based on current TIV’s) will increase 4%.

**Crime** – The crime pooled layer funding amount of \$75,000 is historically what has been collected for the shared risk layer. The crime program has a pooled layer of \$25,000 per claim

and \$100,000. The excess insurance costs have been increased by 20%. AORMA has had some significant losses so staff expects the premium to increase again in FY 13/14. The general administrative costs will remain unchanged.

The Committee members would like to review the administrative allocation within the CSURMA AORMA budget during its January 3, 2013.

#### **C4. Review of the FY 13/14 AORMA Liability Program Actuarial Study**

The Programs Committee reviewed the liability actuarial study and the percentage difference between the “Paid Plus Outstanding” at 6/30/11 and 6/30/12 as estimated by the actuary. All of the program years with open claims are trending down. The actuary lowered his projection for FY 13/14 to \$1,565,000 which is a \$53,750 reduction. Mimi explained the purpose of the Estimated Net Outstanding Losses and the Projected Ultimate Net Limited Losses. She also summarized some of the loss trending exhibits.

#### **C5. Review of the FY 13/14 AORMA Workers’ Compensation Actuarial Study**

The Programs Committee reviewed the workers’ compensation actuarial study and the percentage difference between the “Paid Plus Outstanding” at 6/30/11 and 6/30/12 as estimated by the actuary. Most of the program years with open claims are trending up. The actuary increased his projection for FY 13/14 to \$3,149,900 which is a \$221,000 increase. Mimi explained the purpose of the Estimated Net Outstanding Losses and the Projected Ultimate Net Limited Losses. She also summarized some of the loss trending exhibits.

#### **C6. Review of the FY 13/14 Target Surplus Funding and Dividend Calculation**

The Programs Committee reviewed the Target Surplus Funding Analysis and Dividend Calculation report.

##### Workers’ Compensation Program:

The maximum dividend available based on the approved ratios, is \$2,561,779. *Workers’ Compensation Program Surplus @ 7/01/12 (\$5,119,614) – Premium:Surplus Ratio Target (\$2,557,835) = Maximum Dividend Available \$2,561,779.*

##### Liability Program:

The maximum dividend available based on the approved ratios, is \$4,246,850. *Liability Program Surplus @ 7/01/12 (\$6,159,343) – Premium:Surplus Ratio Target (\$1,912,493) = Maximum Dividend Available \$4,246,850.*

Mimi Long let the Program Committee know that the AORMA Committee declared a dividend on both programs of 25% of the maximum dividend available - \$640,445 for workers’ compensation and \$1,061,712 for liability. Last year, 33% of the maximum liability dividend available was declared; however, Staff believes that Genesis may insist on a higher EPL deductible (currently it is \$350,000) of \$500,000 or \$750,000 and it is prudent to keep enough surplus within the liability program to fund the higher deductible.

**D7. Approval of the Long Range Action Plan**

At the September 2012 Long Range Planning meeting, the AORMA Committee updated the FY 12/13 Long Range Action Plan. The following actions/responsibilities were assigned to the Programs Committee to oversee, coordinate and take action on:

- Earthquake Insurance Program
- Explore the Option of a One-Rate Workers’ Compensation Program
- Review Rating Methodology and Recommend Revisions as Required for the Property and Crime Programs
- Review the AORMA Workers’ Compensation Payroll Rules to Follow

The Programs Committee reviewed the LRP and made the following comments:

- P-1 Earthquake Insurance Program – Staff was directed to add as the next action item, “if there is a fiscal ability to start an EQ Insurance Program, Staff will (1) begin the underwriting, rating and pricing of the program, and (2) by the end of January send out estimated program pricing to interested members to ascertain interest in the program.”
- P-3 Property and Crime Programs – Rating Methodology (FY 14/15) – Change April 18, 2012 deadline to April 18, 2013.
- P-4 AORMA Workers’ Compensation Payroll Rules to Follow – Change December 1, 2012 deadline to December 2012.

A motion was made to approve the FY 12/13 Long Range Action Plan with the revisions noted above.

**First: Gigi Kiama**  
**Second: Haleh Minakary**

**MOTION CARRIED**

<b>NAME</b>	<b>AYE</b>	<b>ABSTAIN</b>	<b>NAY</b>	<b>ABSENT</b>
Kurt Borsting	<b>X</b>			
Guy Dalpe	<b>X</b>			
Gigi Kiama	<b>X</b>			
Haleh Minakary	<b>X</b>			
Mark Day	<b>X</b>			

**C8. Approval of the 2013 Meeting Dates for the CSURMA AORMA Programs Committee**

The following meeting dates were proposed:

Date	Day	Time	Location
01/03/13	Thursday	2:00 pm	Teleconference
04/18/13	Thursday	2:00 pm	Teleconference
08/01/13	Thursday	2:00 pm	Teleconference
10/03/13	Thursday	2:00 pm	Teleconference
12/12/13	Thursday	2:00 pm	Teleconference

A motion was made to approve the 2013 meeting dates for the Program Committee.

**First: Kurt Borsting**  
**Second: Gigi Kiama**

**MOTION CARRIED**

NAME	AYE	ABSTAIN	NAY	ABSENT
Kurt Borsting	X			
Guy Dalpe	X			
Gigi Kiama	X			
Haleh Minakary	X			
Mark Day	X			

**D. INFORMATION ITEMS**

The following information items were reviewed by the Committee:

- D1. CSURMA AORMA 2012 and 2013 Meeting Calendar**
- D2. CSURMA AORMA Program Administrator's Contact Lists**
- D3. AORMA Committee Members - Effective 7/1/12**

**E. ADJOURNMENT**

The meeting was adjourned at 4:02 PM.

**APPROVAL OF FY 12/13 LIABILITY PROGRAM MEMBER  
COST ALLOCATIONS**

**ISSUE:** At its September 13, 2012 meeting, the AORMA Committee approved the FY 13/14 Liability Program funding of \$3,665,132. The Programs Committee must now review and approve the allocation of the total program costs to the AORMA members. Costs are allocated to the members based on their exposure information and their loss experience.

**RECOMMENDATION:** Staff recommends that the Committee review and approve the proposed member allocation.

**FISCAL IMPACT:** As noted on the attached Total Funding exhibit, the program costs have increased from \$3,601,724 to \$3,665,132. This is a total percentage increase of 2%.

**BACKGROUND:** None.

**PUBLICATION:** None

**ATTACHMENT(S):**

- a. FY 13/14 Liability Program – Total Funding
- b. FY 13/14 Liability Program – Member Costs Allocation

**CSURMA AORMA  
FY 2013/2014 Liability Program**

**Total Estimated Funding**

<b>Expense Item</b>	<b>Actual FY 10/11 \$350,000 SIR 80% Confidence Level</b>	<b>Actual FY 11/12 \$350,000 SIR 80% Confidence Level</b>	<b>Actual FY 12/13 \$350,000 SIR 80% Confidence Level</b>	<b>Proposed FY 13/14 \$350,000 SIR 80% Confidence Level</b>
Actuarial Recommended Estimated Pooled Layer - Funding	\$2,385,834	\$2,183,182	\$1,618,750	\$1,565,000
Claims Administration	\$15,000	\$15,000	\$15,000	\$15,000
JPA Program Administration Fee	\$645,780	\$680,153	\$796,392	\$796,392
Reinsurance / Excess Liability Insurance	\$1,104,328	\$1,137,458	\$1,171,582	\$1,288,740
<b>Total Expenses:</b>	<b>\$4,150,942</b>	<b>\$4,015,793</b>	<b>\$3,601,724</b>	<b>\$3,665,132</b>
<b>Difference from prior year:</b>		-3.26%	-10.31%	1.76%

**CSURMA AORMA**  
**Liability Program - Member Premium Allocation**  
**FY 13/14**

Layer Funding		\$ 1,565,000	\$ 2,376,392	\$ 1,288,740	\$ 3,665,132	\$ 3,509,894	\$ 155,238
Campus	Auxiliary Member	\$350,000 Pooled Layer Costs	Pooled Layer and Admin Costs	Reinsurance Costs	Total FY 13/14 Liability Program Costs	Total FY 12/13 Liability Program Costs	Percentage Increase or Decrease from Prior Year
Bakersfield	California State University, Bakersfield, Auxiliary for Sponsored Programs Administration	\$ 1,304	\$ 1,979	\$ 1,109	\$ 3,089	\$ 3,021	2%
Bakersfield	Associated Students Inc., California State University, Bakersfield	\$ 2,756	\$ 4,185	\$ 2,339	\$ 6,524	\$ 6,369	2%
Bakersfield	California State University, Bakersfield Foundation	\$ 8,564	\$ 13,004	\$ 7,266	\$ 20,270	\$ 19,789	2%
Bakersfield	Student Union, Inc., California State University, Bakersfield	\$ 1,307	\$ 1,985	\$ 1,109	\$ 3,094	\$ 3,021	2%
Chancellor's Office	California State University Foundation	\$ 631	\$ 958	\$ 535	\$ 1,493	\$ 1,458	2%
Chancellor's Office	California State University Institute	\$ 863	\$ 1,310	\$ 732	\$ 2,042	\$ 1,993	2%
Channel Island	Associated Students, Inc., CSU Channel Islands	\$ 677	\$ 1,027	\$ 586	\$ 1,613	\$ 1,596	1%
Channel Island	California State University Channel Islands Foundation	\$ 896	\$ 1,360	\$ 776	\$ 2,136	\$ 2,114	1%
Channel Island	University Glen Corporation, CSU Channel Islands	\$ 9,868	\$ 14,984	\$ 8,199	\$ 23,183	\$ 22,330	4%
Chico	Associated Students of California State University, Chico	\$ 56,041	\$ 85,096	\$ 46,566	\$ 131,662	\$ 126,822	4%
Chico	The University Foundation, California State University, Chico	\$ 3,771	\$ 5,726	\$ 3,134	\$ 8,860	\$ 8,535	4%
Chico	The CSU, Chico Research Foundation	\$ 47,012	\$ 71,386	\$ 39,063	\$ 110,449	\$ 106,388	4%
Chico	Auxiliary Organization Associations c/o CSU Chico Research Foundation	\$ 618	\$ 938	\$ 535	\$ 1,473	\$ 1,458	1%
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	\$ 2,526	\$ 3,835	\$ 2,098	\$ 5,933	\$ 5,715	4%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State University, Dominguez Hills	\$ 7,428	\$ 11,279	\$ 6,172	\$ 17,451	\$ 16,810	4%
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 11,255	\$ 17,090	\$ 9,754	\$ 26,844	\$ 26,566	1%
East Bay	California State University, East Bay Foundation, Inc.	\$ 26,727	\$ 40,584	\$ 22,208	\$ 62,792	\$ 60,483	4%
East Bay	Associated Students, Inc., California State University, East Bay	\$ 11,967	\$ 18,172	\$ 10,372	\$ 28,544	\$ 28,248	1%
Fresno	Associated Students Inc., CSU Fresno	\$ 1,630	\$ 2,475	\$ 1,412	\$ 3,887	\$ 3,846	1%
Fresno	California State University, Fresno Association	\$ 44,300	\$ 67,269	\$ 35,706	\$ 102,974	\$ 97,245	6%
Fresno	California State University, Fresno Association - Save Mart Center	\$ 29,708	\$ 45,110	\$ 25,746	\$ 70,857	\$ 70,121	1%
Fresno	CSU Fresno Courtyard	\$ 15,177	\$ 23,046	\$ 13,154	\$ 36,201	\$ 35,825	1%
Fresno	CSU Fresno Foundation	\$ 18,826	\$ 28,587	\$ 15,174	\$ 43,760	\$ 41,326	6%
Fresno	Fresno State Programs for Children	\$ 3,671	\$ 5,574	\$ 3,181	\$ 8,755	\$ 8,663	1%
Fresno	The Agricultural Foundation of CSU Fresno	\$ 8,974	\$ 13,626	\$ 7,777	\$ 21,404	\$ 21,182	1%
Fresno	The Athletic Corporation, CSU Fresno	\$ 85,541	\$ 129,891	\$ 68,945	\$ 198,836	\$ 187,773	6%
Fullerton	Associated Students, Cal State University, Fullerton, Inc.	\$ 14,389	\$ 21,849	\$ 11,956	\$ 33,805	\$ 32,562	4%
Fullerton	Cal State Fullerton Auxiliary Services Corporation	\$ 22,196	\$ 33,704	\$ 17,890	\$ 51,594	\$ 48,723	6%
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 2,833	\$ 4,302	\$ 2,455	\$ 6,757	\$ 6,687	1%
Fullerton	CSU Fullerton Housing Authority	\$ 11,360	\$ 17,250	\$ 9,156	\$ 26,406	\$ 24,937	6%
Humboldt	Associated Students of Humboldt State University	\$ 2,722	\$ 4,133	\$ 2,262	\$ 6,395	\$ 6,160	4%
Humboldt	Humboldt State University Advancement Foundation	\$ 653	\$ 992	\$ 566	\$ 1,557	\$ 1,540	1%
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 12,357	\$ 18,764	\$ 10,267	\$ 29,031	\$ 27,964	4%
Humboldt	University Center, Humboldt State University	\$ 23,229	\$ 35,272	\$ 19,301	\$ 54,573	\$ 52,566	4%
Long Beach	Associated Students Inc., CSU Long Beach	\$ 33,046	\$ 50,179	\$ 27,458	\$ 77,637	\$ 74,782	4%
Long Beach	CSULB Research Foundation	\$ 68,186	\$ 103,538	\$ 53,400	\$ 156,939	\$ 145,436	8%
Long Beach	Forty-Niner Shops, Inc. CSU Long Beach	\$ 17,490	\$ 26,559	\$ 14,533	\$ 41,092	\$ 39,582	4%
Long Beach	CSULB 49er Foundation	\$ 1,170	\$ 1,776	\$ 976	\$ 2,752	\$ 2,658	4%
Los Angeles	Associated Students Inc., CSU Los Angeles	\$ 2,879	\$ 4,371	\$ 2,367	\$ 6,738	\$ 6,447	5%
Los Angeles	Cal State Los Angeles University Auxiliary Services, Inc.	\$ 13,036	\$ 19,794	\$ 11,099	\$ 30,893	\$ 30,229	2%
Los Angeles	California State University, Los Angeles Foundation	\$ 1,578	\$ 2,396	\$ 1,368	\$ 3,763	\$ 3,725	1%
Los Angeles	University Student Union, CSU Los Angeles	\$ 11,699	\$ 17,764	\$ 9,468	\$ 27,232	\$ 25,786	6%
Maritime	Associated Students Inc., California Maritime Academy	\$ 1,457	\$ 2,213	\$ 1,177	\$ 3,390	\$ 3,206	6%
Maritime	California Maritime Academy Foundation	\$ 1,504	\$ 2,284	\$ 1,282	\$ 3,566	\$ 3,493	2%
Monterey	Foundation of California State University Monterey Bay	\$ 1,638	\$ 2,487	\$ 1,351	\$ 3,838	\$ 3,680	4%
Monterey	The University Corporation at Monterey Bay	\$ 25,379	\$ 38,538	\$ 21,088	\$ 59,625	\$ 57,433	4%
Northridge	Associated Students Inc., CSU Northridge	\$ 6,608	\$ 10,034	\$ 5,326	\$ 15,360	\$ 14,505	6%
Northridge	CSU Northridge Foundation	\$ 4,746	\$ 7,207	\$ 3,957	\$ 11,164	\$ 10,778	4%
Northridge	North Campus Park Development Corporation	\$ 2,251	\$ 3,419	\$ 1,951	\$ 5,370	\$ 5,315	1%
Northridge	The University Corporation, CSU Northridge	\$ 34,105	\$ 51,787	\$ 27,489	\$ 79,276	\$ 74,866	6%
Northridge	University Student Union, CSU Northridge	\$ 33,152	\$ 50,340	\$ 27,547	\$ 77,887	\$ 75,023	4%
Pomona	Associated Students Inc., Cal Poly Pomona	\$ 31,084	\$ 47,200	\$ 25,828	\$ 73,029	\$ 70,344	4%
Pomona	Cal Poly Pomona Foundation	\$ 65,258	\$ 99,091	\$ 54,224	\$ 153,315	\$ 147,679	4%
Sacramento	Associated Students Inc., CSU Sacramento	\$ 42,090	\$ 63,913	\$ 34,974	\$ 98,886	\$ 95,251	4%
Sacramento	Capital Public Radio, CSU Sacramento	\$ 3,253	\$ 4,939	\$ 2,703	\$ 7,642	\$ 7,361	4%
Sacramento	The University Foundation at Sacramento State	\$ 2,352	\$ 3,571	\$ 2,038	\$ 5,609	\$ 5,550	1%
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 63,220	\$ 95,997	\$ 52,531	\$ 148,529	\$ 143,069	4%
Sacramento	University Union, CSU Sacramento	\$ 10,412	\$ 15,811	\$ 8,652	\$ 24,463	\$ 23,563	4%
San Bernardino	Associated Students Inc., CSU San Bernardino	\$ 4,068	\$ 6,178	\$ 3,526	\$ 9,704	\$ 9,603	1%
San Bernardino	University Enterprises Corporation at CSUSB	\$ 22,578	\$ 34,284	\$ 18,761	\$ 53,045	\$ 51,095	4%
San Bernardino	Santos Manual Student Union, CSU San Bernardino	\$ 5,961	\$ 9,051	\$ 4,953	\$ 14,004	\$ 13,490	4%
San Bernardino	CSUSB Philanthropic Foundation	\$ 1,170	\$ 1,776	\$ 976	\$ 2,752	\$ 2,658	4%

CSURMA AORMA  
 Liability Program - Member Premium Allocation  
 FY 13/14

Layer Funding		\$ 1,565,000	\$ 2,376,392	\$ 1,288,740	\$ 3,665,132	\$ 3,509,894	\$ 155,238
Campus	Auxiliary Member	\$350,000 Pooled Layer Costs	Pooled Layer and Admin Costs	Reinsurance Costs	Total FY 13/14 Liability Program Costs	Total FY 12/13 Liability Program Costs	Percentage Increase or Decrease from Prior Year
San Diego	Associated Students of San Diego State University	\$ 74,203	\$ 112,674	\$ 60,175	\$ 172,850	\$ 163,888	5%
San Diego	Aztec Shops, LTD, San Diego State University	\$ 54,722	\$ 83,093	\$ 45,469	\$ 128,561	\$ 123,835	4%
San Diego	San Diego State University Research Foundation	\$ 89,912	\$ 136,529	\$ 70,151	\$ 206,679	\$ 191,056	8%
San Diego	The Campanile Foundation			\$ -			
San Francisco	Associated Students Inc., San Francisco State University	\$ 5,799	\$ 8,806	\$ 4,819	\$ 13,625	\$ 13,124	4%
San Francisco	San Francisco State University Foundation	\$ 1,552	\$ 2,356	\$ 1,250	\$ 3,606	\$ 3,406	6%
San Francisco	Cesar Chavez Student Center, San Francisco State University	\$ 27,594	\$ 41,901	\$ 22,694	\$ 64,595	\$ 61,808	5%
San Francisco	The University Corporation, San Francisco State	\$ 12,895	\$ 19,581	\$ 10,690	\$ 30,271	\$ 29,115	4%
San Jose	Associated Student Inc., San Jose State University	\$ 4,568	\$ 6,937	\$ 3,959	\$ 10,896	\$ 10,782	1%
San Jose	San Jose State University Research Foundation	\$ 12,953	\$ 19,669	\$ 10,440	\$ 30,109	\$ 28,434	6%
San Jose	Spartan Shops, Inc., San Jose State University	\$ 35,805	\$ 54,369	\$ 29,751	\$ 84,120	\$ 81,027	4%
San Jose	Student Union of San Jose State University	\$ 51,338	\$ 77,954	\$ 42,658	\$ 120,612	\$ 116,178	4%
San Jose	The Tower Foundation, San Jose State University	\$ 945	\$ 1,435	\$ 819	\$ 2,255	\$ 2,231	1%
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	\$ 39,775	\$ 60,397	\$ 32,286	\$ 92,683	\$ 87,930	5%
San Luis Obispo	Cal Poly Corporation	\$ 73,534	\$ 111,659	\$ 60,029	\$ 171,688	\$ 163,488	5%
San Luis Obispo	California Polytechnic State University Foundation	\$ 635	\$ 964	\$ 528	\$ 1,492	\$ 1,438	4%
San Marcos	Associated Students Inc, CSU San Marcos	\$ 4,046	\$ 6,144	\$ 3,507	\$ 9,651	\$ 9,550	1%
San Marcos	Cal State San Marcos Foundation	\$ 2,276	\$ 3,455	\$ 1,891	\$ 5,346	\$ 5,150	4%
San Marcos	The University Corporation of CSU San Marcos	\$ 4,212	\$ 6,395	\$ 3,650	\$ 10,045	\$ 9,940	1%
San Marcos	University Auxiliary & Research Services Corporation at Cal State University San Marcos	\$ 16,502	\$ 25,057	\$ 14,000	\$ 39,058	\$ 38,130	2%
Sonoma State	Associated Students Inc., Sonoma State University	\$ 6,546	\$ 9,940	\$ 5,673	\$ 15,613	\$ 15,451	1%
Sonoma State	Sonoma State Enterprises	\$ 15,091	\$ 22,914	\$ 12,539	\$ 35,454	\$ 34,150	4%
Sonoma State	Sonoma State University Academic Foundation	\$ 6,153	\$ 9,344	\$ 5,333	\$ 14,677	\$ 14,525	1%
Stanislaus	Associated Students Incorporated, California State University, Stanislaus	\$ 2,782	\$ 4,225	\$ 2,312	\$ 6,537	\$ 6,298	4%
Stanislaus	CSU Stanislaus Auxiliary & Business Services	\$ 6,602	\$ 10,025	\$ 5,722	\$ 15,747	\$ 15,584	1%
Stanislaus	CSU Stanislaus Foundation	\$ 9,888	\$ 15,015	\$ 8,570	\$ 23,585	\$ 23,340	1%
Stanislaus	University Student Union of CSU Stanislaus	\$ 1,522	\$ 2,311	\$ 1,319	\$ 3,631	\$ 3,593	1%
<b>Total</b>	<b>89</b>	<b>\$ 1,565,000</b>	<b>\$ 2,376,392</b>	<b>\$ 1,288,740</b>	<b>\$ 3,665,132</b>	<b>\$ 3,509,894</b>	<b>4%</b>

**APPROVAL OF FY 13/14 WORKERS' COMPENSATION PROGRAM MEMBER  
 COST ALLOCATIONS**

**ISSUE:** At its September 13, 2012 meeting, the AORMA Committee approved the FY 13/14 Workers' Compensation Program funding of \$4,444,743. The Programs Committee must now review and approve the allocation of the total program costs to the AORMA members. Costs are allocated to the members based on their proposed payroll for FY 13/14 and loss experience. Staff continues to use the new rating formula based on adjusted rates using the six AORMA Workers' Compensation Classification Codes. The final premiums allocated to the members are collared with minimum and maximum decreases or increases over the prior year's rate. Collaring the rates allows the increases or decreases in payroll to be recognized and also allows for the application of the Experience Modification Factor. The intent is to increase the maximum collar over time to eventually allow the rates to float naturally.

**RECOMMENDATION:** Staff recommends that the Committee review and approve the proposed member allocation, with changes as necessary.

**FISCAL IMPACT:** As noted on the attached Total Funding exhibit, the program costs have increased from \$4,179,683 to \$4,444,743. This is a total percentage increase of 6%.

**BACKGROUND:** The actuary reviews the WCIRB "loss rates" against AORMA's "loss rates" rates for the six AORMA workers' compensation class codes. The actuary's loss rates are not reliable on their own because there are not enough AORMA workers' compensation losses within each class code to establish loss trending. Therefore, a blended rate using the actuary's loss rate and the WCIRB composite rate was established for the six AORMA workers' compensation class codes. The maximum increase to any one rate was kept to 11%.

Class Code	WCIRB Composite Rate	Actuary Loss Rate	% of Each	FY 12/13 AORMA Final Rates	FY 13/14 AORMA Final Rate	Difference
1001	.495	.602	70% vs. 30%	.564	.628	11.61%
1002	1.881	.522	30% vs. 70%	1.000	1.099	10.01%
1004	3.581	1.135	25% vs. 75%	2.090	2.034	-0.53%
1005	2.046	1.884	75% vs. 25%	2.224	2.431	9.41%
1006	3.123	2.796	90% vs. 10%	3.787	3.831	1.17%
1007	1.957	7.214	90% vs. 10%	2.698	2.983	10.66%

The exhibit below demonstrates how the AORMA Actuary Loss Rates are still unreliable due to the fact that AORMA members have not had enough losses in each of the six new class codes to make loss trending practical for the upcoming fiscal year.

<b>Class Code</b>	<b>FY 12/13 Actuary Loss Rates</b>	<b>FY 13/14 Actuary Loss Rates</b>	<b>Rate Difference</b>
1001	0.599	0.602	0.56%
1002	0.591	0.523	-11.50%
1004	0.256	1.136	343.83%
1005	1.912	1.886	-1.34%
1006	3.779	2.799	-25.93%
1007	4.997	7.221	44.51%

The final premium allocations are collared with a maximum rate **increase** of 30%; the maximum rate **decrease** (70% of the prior year's rate) was eliminated because only two members were subject to the collar and removing the collar did not result in an appreciable increase to the other workers' compensation program members.

1. University Student Union of California State University, Stanislaus - \$1,316
2. The Donald P. and Katherine B. Loker University Student Union, Inc. - \$519

By removing the maximum rate decrease collar of 70%, \$1,835 was spread to the remaining workers' compensation members.

Only three members are subject to the maximum rate increase of 30% of the prior year's rate.

1. Forty-Niner Shops, Inc., CSU Long Beach - \$16,359
2. University Enterprises, Inc., CSU Sacramento - \$166,794
3. Associated Students, Inc., San Francisco State University - \$26,954

**PUBLICATION:** The final approved premiums / rates will be sent out to the program members at the end of January, 2013.

**ATTACHMENT(S):**

- a. FY 13/14 Workers' Compensation Program – Total Funding
- b. FY 13/14 Workers' Compensation Program – Member Costs Allocation
- c. FY 13/14 Workers' Compensation Program - Comparisons

**CSURMA AORMA**  
**FY 13/14 Workers' Compensation Program**  
**Total Estimated Funding**

Expense Item	Actual FY 10/11 \$500,000 SIR 80% Confidence Level	Actual FY 11/12 \$500,000 SIR 80% Confidence Level	Actual FY 12/13 \$500,000 SIR 80% Confidence Level	Proposed FY 13/14 \$500,000 SIR 80% Confidence Level
Actuarial Recommended Estimated Pooled Layer - Funding	\$2,452,327	\$2,541,000	\$2,928,900	\$3,149,900
Claims Administration	\$195,000	\$205,000	\$205,000	\$205,000
JPA Program Administration Fee	\$901,125	\$571,204	\$607,735	\$607,990
Excess Insurance	\$406,708	\$416,249	\$438,048	\$481,853
<b>Total Expenses:</b>	<b>\$3,955,160</b>	<b>\$3,733,453</b>	<b>\$4,179,683</b>	<b>\$4,444,743</b>
<b>Difference from prior year:</b>		<b>-5.61%</b>	<b>11.95%</b>	<b>6.34%</b>
Actuarial Recommended Estimated Pooled Layer - Rate	\$0.90	\$0.83	\$0.95	\$1.03

**CSURMA AORMA  
FY 13/14 Workers' Compensation Program  
Member Allocation**

Campus	Auxiliary Organization	Pure - FY 13/14 Rate per \$100 of Payroll	FY 12/13 Rate per \$100 Payroll	FY 13/14 Minimum Collared Premium Rate	FY 13/14 Maximum Collared Premium Rate	FY 13/14 Collared Rate	FY 13/14 Collared Premium	FY 13/14 Exp Mod	Surcharge if > 25%	FY 13/14 Collared Premium w/ Surcharge
				0.50	1.30					
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	1.12	1.02	0.74	1.32	1.12	11,265	95%	0	11,265
Bakersfield	California State University, Bakersfield Foundation	1.68	1.76	0.88	2.29	1.68	16,249	85%	0	16,249
Channel Islands	University Glen Corporation, CSU Channel Islands	2.04	1.86	0.93	2.42	2.04	40,619	93%	0	40,619
Chico	Associated Students of California State University, Chico	1.91	2.21	1.11	2.88	1.91	153,436	74%	0	153,436
Chico	The CSU, Chico Research Foundation	1.04	1.00	0.50	1.31	1.04	133,532	65%	0	133,532
Dominguez Hills	Associated Students, California State University, Dominguez Hills	0.75	0.63	0.31	0.81	0.75	3,185	97%	0	3,185
Dominguez Hills	California State University, Dominguez Hills Foundation	1.67	1.37	0.68	1.78	1.67	79,369	124%	0	79,369
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	0.79	1.26	0.63	1.64	0.79	4,650	91%	0	4,650
East Bay	Associated Students, California State University, East Bay	1.13	0.89	0.44	1.15	1.13	11,363	96%	0	11,363
East Bay	California State University, East Bay Foundation, Inc.	1.02	1.00	0.50	1.30	1.02	28,808	101%	0	28,808
Fresno	California State University, Fresno Association, Inc.	1.74	1.72	0.86	2.23	1.74	109,520	79%	0	109,520
Fresno	The California State University, Fresno Athletic Corporation	1.83	1.66	0.83	2.16	1.83	79,170	67%	0	79,170
Fullerton	Associated Students, California State University, Fullerton, Inc.	1.27	1.27	0.63	1.65	1.27	63,762	70%	0	63,762
Fullerton	CSU Fullerton Auxiliary Services Corporation	1.48	1.38	0.69	1.79	1.48	218,607	92%	0	218,607
Humboldt	Humboldt State University Center	2.57	2.51	1.25	3.26	2.57	79,837	102%	0	79,837
Humboldt	Humboldt State University Sponsored Programs Foundation	2.26	1.84	0.92	2.39	2.26	158,776	169%	39,694	198,470
Humboldt	Associated Students, Humboldt State University	1.62	1.64	0.82	2.13	1.62	2,265	100%	0	2,265
Long Beach	Associated Students, California State University, Long Beach	1.52	1.64	0.82	2.13	1.52	81,101	63%	0	81,101
Long Beach	California State University Long Beach Research Foundation	0.67	0.80	0.40	1.04	0.67	113,527	64%	0	113,527
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	2.28	1.57	0.79	2.04	2.04	143,143	95%	0	143,143
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	1.72	1.72	0.86	2.24	1.72	179,184	100%	0	179,184
Los Angeles	University-Student Union Board, California State University, Los Angeles	1.57	1.36	0.68	1.76	1.57	46,291	97%	0	46,291
Monterey Bay	The University Corporation at Monterey Bay	1.35	1.36	0.68	1.76	1.35	119,005	90%	0	119,005
Northridge	Associated Students, California State University, Northridge, Inc.	1.75	1.75	0.88	2.28	1.75	49,998	80%	0	49,998
Northridge	The University Corporation, CSU Northridge	1.86	1.51	0.76	1.97	1.86	307,377	124%	0	307,377
Northridge	University Student Union of California State University, Northridge	1.44	1.38	0.69	1.80	1.44	81,457	68%	0	81,457
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	1.60	1.54	0.77	2.00	1.60	52,394	81%	0	52,394
Pomona	The Cal Poly Pomona Foundation, Inc.	1.80	1.55	0.77	2.01	1.80	273,920	97%	0	273,920
Sacramento	Associated Students of California State University, Sacramento	2.01	1.82	0.91	2.36	2.01	67,139	92%	0	67,139
Sacramento	University Enterprises, Inc., CSU Sacramento	1.59	0.68	0.34	0.88	0.88	205,746	125%	0	205,746
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.83	0.85	0.43	1.11	0.83	2,681	91%	0	2,681
San Bernardino	University Enterprises Corporation at CSUSB	1.16	1.01	0.50	1.31	1.16	93,324	102%	0	93,324
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	1.46	1.54	0.77	2.00	1.46	28,725	89%	0	28,725
San Diego	Associated Students, San Diego State University	2.27	2.08	1.04	2.71	2.27	179,541	104%	0	179,541
San Francisco	Associated Students, Inc., San Francisco State University	2.45	0.89	0.45	1.16	1.16	24,425	122%	0	24,425
San Francisco	Cesar Chavez Student Center, San Francisco State University	2.50	2.19	1.09	2.84	2.50	51,481	132%	12,870	64,351
San Francisco	The University Corporation, San Francisco State	1.81	1.69	0.85	2.20	1.81	37,437	119%	0	37,437
San Jose	Associated Student, San Jose State University	1.90	1.48	0.74	1.92	1.90	51,694	121%	0	51,694
San Jose	San Jose State University Research Foundation	0.99	0.99	0.49	1.29	0.99	285,205	80%	0	285,205
San Jose	The Tower Foundation, San Jose State University	1.10	1.02	0.51	1.33	1.10	42,960	76%	0	42,960
San Jose	Spartan Shops, Inc., San Jose State University	2.20	2.10	1.05	2.73	2.20	124,609	88%	0	124,609
San Jose	The Student Union of San Jose State University	1.77	1.48	0.74	1.92	1.77	39,421	93%	0	39,421
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	1.82	1.65	0.83	2.15	1.82	114,504	84%	0	114,504
San Luis Obispo	Cal Poly Corporation	1.39	1.58	0.79	2.05	1.39	299,355	57%	0	299,355
San Marcos	University Auxiliary and Research Services Corporation	1.17	1.15	0.58	1.50	1.17	52,422	93%	0	52,422

**CSURMA AORMA  
 FY 13/14 Workers' Compensation Program  
 Member Allocation**

Campus	Auxiliary Organization	Pure - FY 13/14 Rate per \$100 of Payroll	FY 12/13 Rate per \$100 Payroll	FY 13/14 Minimum Collared Premium Rate	FY 13/14 Maximum Collared Premium Rate	FY 13/14 Collared Rate	FY 13/14 Collared Premium	FY 13/14 Exp Mod	Surcharge if > 25%	FY 13/14 Collared Premium w/ Surcharge
				0.50	1.30					
Sonoma	Associated Students of Sonoma State University	1.63	1.76	0.88	2.28	1.63	7,693	173%	1,923	9,616
Stanislaus	Associated Students, Inc., California State University, Stanislaus	1.50	1.27	0.73	1.65	1.50	6,545	91%	0	6,545
Stanislaus	University Student Union of California State University, Stanislaus	1.15	1.20	1.06	1.57	1.15	4,776	95%	0	4,776
48	<b>Totals</b>	1.53	1.35				<b>4,361,491</b>		<b>54,487</b>	<b>4,415,979</b>
									<b>Approved Funding Difference</b>	<b>4,444,743 (28,764)</b>

**CSURMA AORMA**

**FY 13/14 Workers' Compensation Program**

**Comparison Exhibit - FY 12/13 vs FY 13/14**

Campus	Auxiliary	FY 12/13 Exp Mod	FY 13/14 Exp Mod	Diff	FY 12/13 Est Payroll	FY 13/14 Est Payroll	Diff	FY 12/13 Collared Premium	FY 13/14 Collared Premium	Diff	FY 13/14 Uncollared Premium	FY 13/14 Collared Premium	Diff FY 12/13 vs. Collared Premium	Pure, Max or Min Rate
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	1.00	0.95	-5%	914,000	1,010,000	11%	9,285	11,265	21%	11,265	11,265	0%	1.12
Bakersfield	California State University, Bakersfield Foundation	0.70	0.85	21%	1,118,710	968,210	-13%	19,706	16,249	-18%	16,249	16,249	0%	1.68
Channel Islands	University Glen Corporation, CSU Channel Islands	0.75	0.93	24%	1,736,367	1,989,771	15%	32,377	40,619	25%	40,619	40,619	0%	2.04
Chico	Associated Students of California State University, Chico	0.90	0.74	-18%	8,559,299	8,013,935	-6%	189,327	153,436	-19%	153,436	153,436	0%	1.91
Chico	The CSU, Chico Research Foundation	0.72	0.65	-10%	12,857,000	12,830,000	0%	129,153	133,532	3%	133,532	133,532	0%	1.04
Dominguez Hills	Associated Students, California State University, Dominguez Hills	0.96	0.97	1%	411,055	423,386	3%	2,570	3,185	24%	3,185	3,185	0%	0.75
Dominguez Hills	California State University, Dominguez Hills Foundation	0.97	1.24	28%	4,700,000	4,753,000	1%	64,175	79,369	24%	79,369	79,369	0%	1.67
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	0.88	0.91	3%	565,601	586,861	4%	7,128	4,650	-35%	4,650	4,650	0%	0.79
East Bay	Associated Students, California State University, East Bay	0.89	0.96	8%	559,712	1,010,000	80%	4,958	11,363	129%	11,363	11,363	0%	1.13
East Bay	California State University, East Bay Foundation, Inc.	1.24	1.01	-19%	2,618,474	2,823,300	8%	26,247	28,808	10%	28,808	28,808	0%	1.02
Fresno	California State University, Fresno Association, Inc.	0.78	0.79	1%	6,166,500	6,296,000	2%	106,007	109,520	3%	109,520	109,520	0%	1.74
Fresno	The California State University, Fresno Athletic Corporation	0.62	0.67	8%	4,294,995	4,336,100	1%	71,334	79,170	11%	79,170	79,170	0%	1.83
Fullerton	Associated Students, California State University, Fullerton, Inc.	0.72	0.70	-3%	4,895,078	5,039,307	3%	62,112	63,762	3%	63,762	63,762	0%	1.27
Fullerton	CSU Fullerton Auxiliary Services Corporation	0.85	0.92	8%	14,206,332	14,774,584	4%	195,400	218,607	12%	218,607	218,607	0%	1.48
Humboldt	Humboldt State University Center	1.03	1.02	-1%	3,070,000	3,110,000	1%	76,977	79,837	4%	79,837	79,837	0%	2.57
Humboldt	Humboldt State University Sponsored Programs Foundation	1.31	1.69	29%	6,950,000	7,040,000	1%	127,845	158,776	24%	158,776	158,776	0%	2.26
Humboldt	Associated Students, Humboldt State University	1.00	1.00	0%	155,811	139,500	-10%	2,549	2,265	-11%	2,265	2,265	0%	1.62
Long Beach	Associated Students, California State University, Long Beach	0.63	0.63	0%	5,213,192	5,343,870	3%	85,315	81,101	-5%	81,101	81,101	0%	1.52
Long Beach	California State University Long Beach Research Foundation	0.88	0.64	-27%	16,997,729	16,825,023	-1%	136,168	113,527	-17%	113,527	113,527	0%	0.67
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	0.59	0.95	61%	7,000,000	7,000,000	0%	110,110	143,143	30%	159,502	143,143	-10%	2.04
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	1.09	1.00	-8%	11,030,000	10,410,000	-6%	189,707	179,184	-6%	179,184	179,184	0%	1.72
Los Angeles	University-Student Union Board, California State University, Los Angeles	0.88	0.97	10%	2,811,500	2,945,000	5%	38,168	46,291	21%	46,291	46,291	0%	1.57
Monterey Bay	The University Corporation at Monterey Bay	0.95	0.90	-5%	8,860,768	8,842,568	0%	120,121	119,005	-1%	119,005	119,005	0%	1.35
Northridge	Associated Students, California State University, Northridge, Inc.	0.83	0.80	-4%	2,768,000	2,859,000	3%	48,475	49,998	3%	49,998	49,998	0%	1.75
Northridge	The University Corporation, CSU Northridge	0.91	1.24	36%	14,700,000	16,500,000	12%	222,406	307,377	38%	307,377	307,377	0%	1.86
Northridge	University Student Union of California State University, Northridge	0.66	0.68	3%	5,321,905	5,652,383	6%	73,587	81,457	11%	81,457	81,457	0%	1.44
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	0.78	0.81	4%	2,981,477	3,267,921	10%	45,872	52,394	14%	52,394	52,394	0%	1.60
Pomona	The Cal Poly Pomona Foundation, Inc.	0.79	0.97	23%	14,346,028	15,218,701	6%	221,722	273,920	24%	273,920	273,920	0%	1.80
Sacramento	Associated Students of California State University, Sacramento	0.84	0.92	10%	3,247,073	3,342,486	3%	59,053	67,139	14%	67,139	67,139	0%	2.01
Sacramento	University Enterprises, Inc., CSU Sacramento	1.20	1.25	4%	32,759,074	23,443,000	-28%	221,160	205,746	-7%	372,540	205,746	-45%	0.88
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.96	0.91	-5%	324,137	324,137	0%	2,760	2,681	-3%	2,681	2,681	0%	0.83
San Bernardino	University Enterprises Corporation at CSUSB	0.98	1.02	4%	10,431,756	8,037,852	-23%	105,218	93,324	-11%	93,324	93,324	0%	1.16
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	1.03	0.89	-14%	1,739,222	1,972,039	13%	26,736	28,725	7%	28,725	28,725	0%	1.46
San Diego	Associated Students, San Diego State University	0.97	1.04	7%	7,911,814	7,915,770	0%	164,862	179,541	9%	179,541	179,541	0%	2.27
San Francisco	Associated Students, Inc., San Francisco State University	1.22	1.22	0%	1,989,762	2,100,000	6%	17,802	24,425	37%	51,379	24,425	-52%	1.16
San Francisco	Cesar Chavez Student Center, San Francisco State University	1.00	1.32	32%	2,114,986	2,061,022	-3%	46,214	51,481	11%	51,481	51,481	0%	2.50
San Francisco	The University Corporation, San Francisco State	1.27	1.19	-6%	1,577,000	2,070,000	31%	26,678	37,437	40%	37,437	37,437	0%	1.81
San Jose	Associated Student, San Jose State University	0.92	1.21	32%	2,730,700	2,722,500	0%	40,307	51,694	28%	51,694	51,694	0%	1.90

**CSURMA AORMA  
FY 13/14 Workers' Compensation Program  
Comparison Exhibit - FY 12/13 vs FY 13/14**

Campus	Auxiliary	FY 12/13 Exp Mod	FY 13/14 Exp Mod	Diff	FY 12/13 Est Payroll	FY 13/14 Est Payroll	Diff	FY 12/13 Collared Premium	FY 13/14 Collared Premium	Diff	FY 13/14 Uncollared Premium	FY 13/14 Collared Premium	Diff FY 12/13 Uncollared vs. Collared Premium	Pure, Max or Min Rate
San Jose	San Jose State University Research Foundation	0.93	0.80	-14%	30,430,813	28,741,037	-6%	301,109	285,205	-5%	285,205	285,205	0%	<b>0.99</b>
San Jose	The Tower Foundation, San Jose State University	1.09	0.76	-30%	2,794,929	3,922,123	40%	28,561	42,960	50%	42,960	42,960	0%	<b>1.10</b>
San Jose	Spartan Shops, Inc., San Jose State University	0.82	0.88	7%	4,745,540	5,662,548	19%	99,592	124,609	25%	124,609	124,609	0%	<b>2.20</b>
San Jose	The Student Union of San Jose State University	1.06	0.93	-12%	2,188,000	2,225,000	2%	32,386	39,421	22%	39,421	39,421	0%	<b>1.77</b>
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	1.06	0.84	-21%	5,285,000	6,291,000	19%	87,215	114,504	31%	114,504	114,504	0%	<b>1.82</b>
San Luis Obispo	Cal Poly Corporation	0.67	0.57	-15%	21,500,000	21,600,000	0%	339,676	299,355	-12%	299,355	299,355	0%	<b>1.39</b>
San Marcos	University Auxiliary and Research Services Corporation	0.88	0.93	6%	5,652,521	4,489,456	-21%	65,169	52,422	-20%	52,422	52,422	0%	<b>1.17</b>
Sonoma	Associated Students of Sonoma State University	1.34	1.73	29%	371,266	471,588	27%	6,521	7,693	18%	7,693	7,693	0%	<b>1.63</b>
Stanislaus	Associated Students, Inc., California State University, Stanislaus	0.96	0.91	-5%	349,986	435,543	24%	4,434	6,545	48%	6,545	6,545	0%	<b>1.50</b>
Stanislaus	University Student Union of California State University, Stanislaus	0.95	0.95	0%	473,709	414,159	-13%	5,706	4,776	-16%	4,776	4,776	0%	<b>1.15</b>
Totals	48				303,512,822	297,239,680		4,090,676	4,350,227		4,560,334	4,361,491		

**APPROVAL OF THE LIABILITY PROGRAM DIVIDEND ALLOCATION  
(JULY, 2013 – DISTRIBUTION)**

**ISSUE:** At its September 13, 2012 meeting, the AORMA Committee reviewed and approved the Target Surplus Funding Analysis and Dividend Calculation. The Committee approved a liability program dividend of 25% of the maximum dividend available or \$1,061,712. The total dividend has been allocated to the members based on the formula outlined in Policy & Procedure A-4 – Dividends and Assessments.

**RECOMMENDATION:** The Committee is being asked to review the FY 13/14 liability program dividend allocation – payable in July, 2013.

**FISCAL IMPACT:** The total dividend payable in July, 2013 will be \$1,061,712. The total dividend paid in July, 2012 was \$1,403,847. This results in a decrease of \$342,135.

The Target Surplus Funding Analysis performed at June 30, 2013, indicates that the liability program has surplus in the amount of \$6,159,343. Per Policy & Procedure A-3 – Target Surplus Funding Policy, the maximum dividend available is \$4,246,850. The AORMA Committee approved a distribution of 25% of the maximum dividend available or \$1,061,712.

**BACKGROUND:** Dividends are allocated to those members currently participating in the liability program (and are participating on July 1, 2013) based on each member's total percentage of contributions during the following fiscal years: 07/08, 08/09, 09/10, 10/11 and 11/12.

**PUBLICATION:** Members will be notified of the approved dividend amount at the end of January, 2013.

**ATTACHMENT(S):**

- a. AORMA Liability Program – Dividend Allocation for July, 2013 Distribution
- b. FY 13/14 Target Surplus Funding Analysis
- c. Policy & Procedure A-3 – Target Surplus Funding Policy
- d. Policy & Procedure A-4 – Dividends and Assessments



**AORMA Liability Program  
July 1, 2013 Dividend Allocation**

**\$ 1,061,712**

<b>Campus</b>	<b>Auxiliary Organization Member</b>	<b>7/1/07 - 6/30/08 Premium Contribution</b>	<b>7/1/08 - 6/30/09 Premium Contribution</b>	<b>7/1/09 - 6/30/10 Premium Contribution</b>	<b>7/1/10 - 6/30/11 Premium Contribution</b>	<b>7/1/11 - 6/30/12 Premium Contribution</b>	<b>Total Premium Contributions for Five Years</b>	<b>Dividend Allocation</b>
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 3,672	\$ 3,999	\$ 4,091	\$ 5,464	\$ 7,186	\$ 24,412	\$ 1,854
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ -	\$ -	\$ 1,000	\$ 3,000	\$ 3,408	\$ 7,408	\$ 563
Bakersfield	California State University, Bakersfield Foundation	\$ 11,410	\$ 12,425	\$ 12,711	\$ 16,977	\$ 22,327	\$ 75,850	\$ 5,761
Bakersfield	California State University, Bakersfield Student Union	\$ 1,741	\$ 1,896	\$ 1,940	\$ 2,591	\$ 3,408	\$ 11,576	\$ 879
Chancellor's Office	California State University Foundation	\$ 841	\$ 916	\$ 937	\$ 1,251	\$ 1,645	\$ 5,590	\$ 425
Chancellor's Office	California State University Institute	\$ 1,149	\$ 1,251	\$ 1,280	\$ 1,710	\$ 2,249	\$ 7,639	\$ 580
Channel Islands	Associated Students of California State University, Channel Islands	\$ 875	\$ 953	\$ 975	\$ 1,369	\$ 1,800	\$ 5,972	\$ 454
Channel Islands	California State University, Channel Islands Foundation	\$ 1,219	\$ 1,327	\$ 1,358	\$ 1,814	\$ 2,386	\$ 8,104	\$ 615
Channel Islands	University Glen Corporation, CSU Channel Islands	\$ 12,518	\$ 13,741	\$ 14,057	\$ 19,158	\$ 25,196	\$ 84,670	\$ 6,431
Chico	Associated Students of California State University, Chico	\$ 81,110	\$ 82,146	\$ 84,035	\$ 108,806	\$ 143,097	\$ 499,194	\$ 37,913
Chico	Auxiliary Organization Associations c/o CSU Chico Research Foundation	\$ 841	\$ 916	\$ 937	\$ 1,251	\$ 1,645	\$ 5,590	\$ 425
Chico	The CSU, Chico Research Foundation	\$ 60,116	\$ 65,466	\$ 66,972	\$ 91,276	\$ 120,042	\$ 403,872	\$ 30,673
Chico	The University Foundation, California State University, Chico	\$ 4,921	\$ 5,359	\$ 5,482	\$ 7,322	\$ 9,630	\$ 32,714	\$ 2,485
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 3,295	\$ 3,588	\$ 3,671	\$ 4,903	\$ 6,448	\$ 21,905	\$ 1,664
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 16,956	\$ 17,376	\$ 17,776	\$ 23,742	\$ 29,975	\$ 105,825	\$ 8,037
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	\$ 9,692	\$ 10,555	\$ 10,798	\$ 14,422	\$ 18,967	\$ 64,434	\$ 4,894
East Bay	Associated Students, California State University, East Bay	\$ 16,287	\$ 17,737	\$ 18,145	\$ 24,235	\$ 31,873	\$ 108,277	\$ 8,223
East Bay	California State University, East Bay Foundation, Inc.	\$ 31,053	\$ 33,817	\$ 34,595	\$ 46,207	\$ 68,246	\$ 213,918	\$ 16,247
Fresno	Associated Students, California State University, Fresno	\$ 2,334	\$ 2,415	\$ 2,471	\$ 3,300	\$ 4,340	\$ 14,860	\$ 1,129
Fresno	California State University, Fresno Association, Inc.	\$ 54,558	\$ 59,414	\$ 60,781	\$ 77,121	\$ 109,724	\$ 361,598	\$ 27,463
Fresno	California State University, Fresno Association, Inc. (Savemart)	\$ 63,648	\$ 69,313	\$ 70,907	\$ 94,706	\$ 79,120	\$ 377,694	\$ 28,685
Fresno	California State University, Fresno Foundation	\$ 22,454	\$ 24,452	\$ 25,014	\$ 35,455	\$ 46,629	\$ 154,004	\$ 11,696
Fresno	CSU Fresno Courtyard	\$ 20,657	\$ 22,495	\$ 23,012	\$ 30,736	\$ 40,423	\$ 137,323	\$ 10,429
Fresno	Fresno State Programs for Children, Inc.	\$ 4,995	\$ 5,440	\$ 5,565	\$ 7,433	\$ 9,776	\$ 33,209	\$ 2,522
Fresno	The Agricultural Foundation of California State University, Fresno	\$ 12,213	\$ 13,300	\$ 13,606	\$ 18,173	\$ 23,900	\$ 81,192	\$ 6,166
Fresno	The California State University, Fresno Athletic Corporation	\$ 102,024	\$ 111,104	\$ 113,659	\$ 151,808	\$ 211,872	\$ 690,467	\$ 52,440
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 18,317	\$ 20,446	\$ 20,916	\$ 27,936	\$ 36,740	\$ 124,355	\$ 9,445
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 3,855	\$ 4,198	\$ 4,295	\$ 5,737	\$ 7,545	\$ 25,630	\$ 1,947
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 28,136	\$ 30,640	\$ 31,345	\$ 41,801	\$ 54,975	\$ 186,897	\$ 14,194
Fullerton	CSU Fullerton Housing Authority	\$ 12,395	\$ 13,498	\$ 13,808	\$ 19,966	\$ 28,136	\$ 87,803	\$ 6,668
Humboldt	Associated Students, Humboldt State University	\$ 3,552	\$ 3,868	\$ 3,957	\$ 5,285	\$ 6,951	\$ 23,613	\$ 1,793
Humboldt	Humboldt State University Advancement Foundation	\$ 889	\$ 968	\$ 990	\$ 1,322	\$ 1,739	\$ 5,908	\$ 449
Humboldt	Humboldt State University Center, Board of Directors	\$ 35,299	\$ 38,441	\$ 39,325	\$ 52,524	\$ 62,077	\$ 227,666	\$ 17,291
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 15,730	\$ 17,558	\$ 17,962	\$ 23,991	\$ 31,552	\$ 106,793	\$ 8,111

**AORMA Liability Program  
July 1, 2013 Dividend Allocation**

**\$ 1,061,712**

Campus	Auxiliary Organization Member	7/1/07 - 6/30/08 Premium Contribution	7/1/08 - 6/30/09 Premium Contribution	7/1/09 - 6/30/10 Premium Contribution	7/1/10 - 6/30/11 Premium Contribution	7/1/11 - 6/30/12 Premium Contribution	Total Premium Contributions for Five Years	Dividend Allocation
Long Beach	Associated Students, California State University, Long Beach	\$ 41,460	\$ 45,150	\$ 46,188	\$ 65,468	\$ 84,378	\$ 282,644	\$ 21,466
Long Beach	California State University, Long Beach Foundation	\$ 79,794	\$ 86,896	\$ 88,895	\$ 118,732	\$ 164,100	\$ 538,417	\$ 40,892
Long Beach	CSULB 49er Foundation					\$ 3,000	\$ 3,000	\$ 228
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 22,822	\$ 24,853	\$ 25,425	\$ 33,959	\$ 44,661	\$ 151,720	\$ 11,523
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 3,503	\$ 3,815	\$ 3,903	\$ 5,213	\$ 7,276	\$ 23,710	\$ 1,801
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 14,869	\$ 16,192	\$ 16,564	\$ 22,884	\$ 34,109	\$ 104,618	\$ 7,946
Los Angeles	California State University, Los Angeles Foundation	\$ 2,147	\$ 2,338	\$ 2,392	\$ 3,195	\$ 4,202	\$ 14,274	\$ 1,084
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 14,931	\$ 16,748	\$ 17,133	\$ 22,124	\$ 29,096	\$ 100,032	\$ 7,597
Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 2,015	\$ 2,194	\$ 2,244	\$ 2,751	\$ 3,942	\$ 13,146	\$ 998
Maritime Academy	The Associated Students of the California Maritime Academy	\$ 1,849	\$ 2,014	\$ 2,060	\$ 2,997	\$ 3,618	\$ 12,538	\$ 952
Monterey Bay	Foundation of California State University, Monterey Bay	\$ -	\$ -	\$ 1,000	\$ 3,157	\$ 4,152	\$ 8,309	\$ 631
Monterey Bay	The University Corporation at Monterey Bay	\$ 44,168	\$ 48,099	\$ 49,205	\$ 49,275	\$ 64,804	\$ 255,551	\$ 19,409
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 7,731	\$ 8,419	\$ 8,613	\$ 11,504	\$ 16,367	\$ 52,634	\$ 3,997
Northridge	California State University, Northridge Foundation	\$ 6,767	\$ 6,767	\$ 6,923	\$ 9,247	\$ 12,161	\$ 41,865	\$ 3,180
Northridge	North Campus University Park Development Corporation	\$ 2,832	\$ 3,177	\$ 3,250	\$ 4,559	\$ 5,996	\$ 19,814	\$ 1,505
Northridge	The University Corporation, CSU Northridge	\$ 36,946	\$ 42,246	\$ 43,218	\$ 57,724	\$ 84,474	\$ 264,608	\$ 20,096
Northridge	University Student Union of California State University, Northridge	\$ 44,140	\$ 48,068	\$ 49,174	\$ 65,679	\$ 84,650	\$ 291,711	\$ 22,155
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 38,629	\$ 42,067	\$ 43,035	\$ 60,352	\$ 79,372	\$ 263,455	\$ 20,009
		\$ 85,184	\$ 94,621	\$ 96,797	\$ 129,286	\$ 151,062	\$ 556,950	\$ 42,299
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 85,184	\$ 94,621	\$ 96,797	\$ 129,286	\$ 151,062	\$ 556,950	\$ 42,299
Sacramento	Associated Students of California State University, Sacramento	\$ 54,920	\$ 59,808	\$ 61,184	\$ 81,720	\$ 107,474	\$ 365,106	\$ 27,729
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 2,815	\$ 4,623	\$ 4,729	\$ 6,316	\$ 8,307	\$ 26,790	\$ 2,035
Sacramento	The University Foundation at Sacramento State	\$ 3,200	\$ 3,485	\$ 3,565	\$ 4,762	\$ 6,263	\$ 21,275	\$ 1,616
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 78,934	\$ 89,202	\$ 91,092	\$ 124,121	\$ 163,238	\$ 546,587	\$ 41,512
Sacramento	University Union Operation of CSUS, Inc.	\$ 12,802	\$ 13,941	\$ 14,262	\$ 20,215	\$ 26,586	\$ 87,806	\$ 6,669
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 5,536	\$ 6,029	\$ 6,168	\$ 8,238	\$ 10,834	\$ 36,805	\$ 2,795
San Bernardino	CSUSB Philanthropic Foundation					\$ 3,000	\$ 3,000	\$ 228
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 7,410	\$ 8,470	\$ 8,665	\$ 11,573	\$ 15,220	\$ 51,338	\$ 3,899
San Bernardino	University Enterprises Corporation at CSUSB	\$ 29,460	\$ 32,082	\$ 32,820	\$ 43,836	\$ 57,651	\$ 195,849	\$ 14,874
San Diego	Associated Students, San Diego State University	\$ 89,046	\$ 96,971	\$ 99,201	\$ 132,497	\$ 184,920	\$ 602,635	\$ 45,769
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 69,322	\$ 75,492	\$ 77,228	\$ 108,412	\$ 139,727	\$ 470,181	\$ 35,709
San Diego	San Diego State University Research Foundation	\$ 86,029	\$ 93,686	\$ 95,841	\$ 144,631	\$ 215,573	\$ 635,760	\$ 48,285
San Francisco	Associated Students, Inc., San Francisco State University	\$ 7,567	\$ 8,240	\$ 8,430	\$ 11,259	\$ 14,807	\$ 50,303	\$ 3,820



## AORMA SIR Liability Fund Program Target Surplus Funding Analysis at \$350,000 SIR

Gross Premium 2013/14:	\$2,868,740
*Maximum Retention:	\$350,000
O/S Reserves at 06/30/12:	\$1,763,943
**Surplus at 6/30/12	\$6,159,343
Funding above 70% Conf Level:	\$5,813,278
Funding above 80% Conf Level:	\$5,618,161

**\*\* Surplus at 6/30/12 reflects the Fund Balance from the 6/30/12 Balance sheet including the \$1,403,847 11/12 dividend**

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$1,912,493	0.47
Surplus:Retention	>5:1	\$1,750,000	17.60
O/S Reserve:Surplus	≤1.5:1	\$1,175,962	0.29

<b>Maximum Dividend Available:</b>	<b>\$4,246,850</b>
<b>Dividend 33%</b>	<b>\$1,401,460</b>
<b>Recommended Dividend 25%:</b>	<b>\$1,061,712</b> <span style="color: red;">Approved on 9/13/12</span>
<b>Dividend 20%:</b>	<b>\$849,370</b>
<b>Dividend 15%:</b>	<b>\$637,027</b>

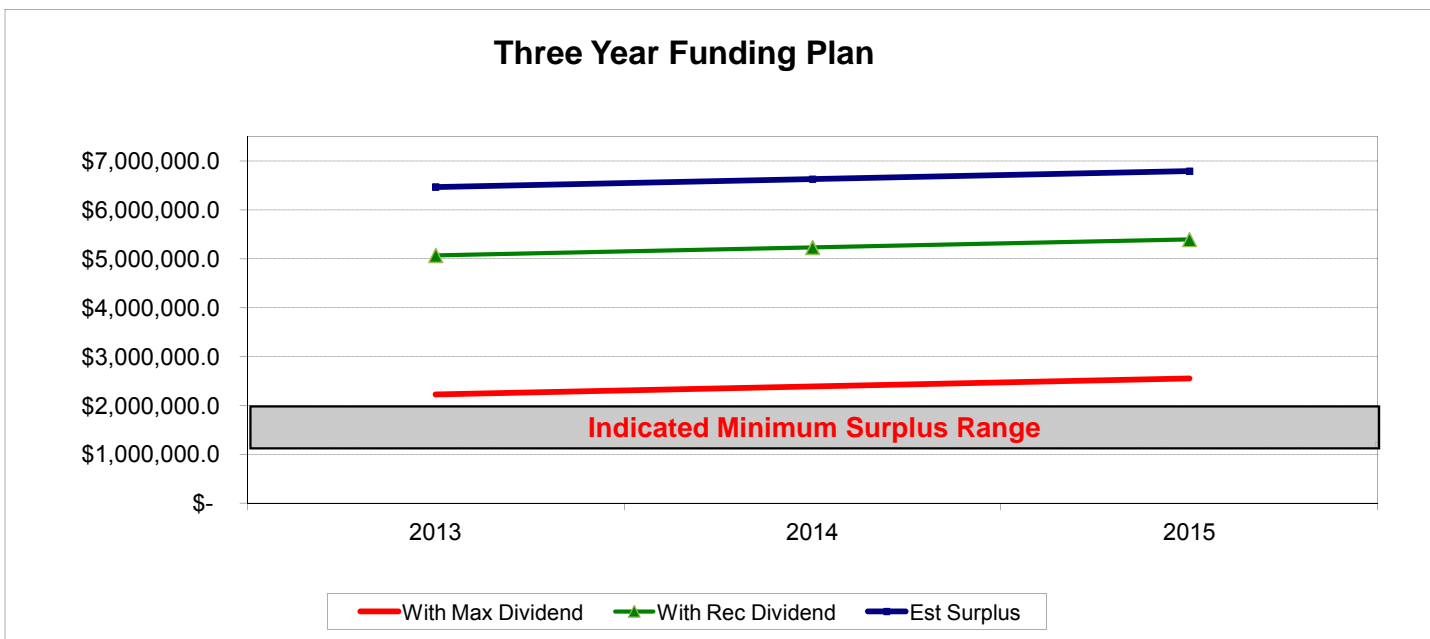
### 2013/14 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	1,252,000	-
60%	1.040	1,302,080	50,080
70%	1.130	1,414,760	162,760
80%	1.250	1,565,000	313,000

### Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Max Dividend	With Rec Dividend
Estimated Balance at 7/1/12	N/A	6,159,343	N/A	N/A
2013/14 - Collection @ 80% CL	313,000	6,472,343	2,225,493	5,070,883
2014/15 - Collection @ 70% CL	162,760	6,635,103	2,388,253	5,233,643
2015/16 - Collection @ 70% CL	162,760	6,797,863	2,551,013	5,396,403

### Three Year Funding Plan





**CSURMA AORMA**

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

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**SUBJECT: TARGET SURPLUS FUNDING POLICY**

**ADOPTED: JANUARY 10, 2007**

**AMENDED: OCTOBER 29, 2009  
SEPTEMBER 16, 2010**

**EFFECTIVE: JANUARY 1, 2007**

**POLICY & PROCEDURE NO.: (FORMERLY) 7-AORMA**

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In an effort to assure the long term financial strength of the Workers' Compensation, Liability, Property and Crime Programs (Programs), the AORMA Committee desires to fund the Programs in a responsible manner. Furthermore, in recognition that there is a high degree of uncertainty in actuarial estimates due to the possibility of occasional catastrophic claims and inconsistent or inaccurate case reserving, the AORMA Committee desires to establish a Target Surplus Goal that will guide them in making annual funding decisions for the Programs.

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

**POLICY**

The Target Surplus Goal is hereby established to be, at a minimum, the actuarially determined 70% confidence level, discounted for investment. In evaluating the Programs' funding position relative to the Target Surplus Goal as a part of each year's ratemaking process, the Committee shall take into consideration the following ratios: Gross Premium to Surplus Ratio, Surplus to Pool Retention Ratio and Outstanding Reserves to Surplus Ratio.

The AORMA Committee may take action to set higher or lower confidence levels based on AORMA goals to retain more or less risk.

**PROCEDURE**

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA's accredited independent actuary to perform an actuarial analysis of the Workers' Compensation and Liability Programs. This analysis shall include estimates of the outstanding losses (including IBNR) at various confidence levels as well as estimates of ultimate losses for the upcoming year(s). The analysis shall also compare the current program funding against the outstanding liabilities and determine the confidence level to which the program is currently funded. Because the Property and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.

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

**Gross Premium to Surplus Ratio: Target <1.5:1**

This ratio is a measure of how surplus is leveraged against possible pricing inaccuracies. A low ratio is desirable.

**Surplus to Pool Retention Ratio: Target >5-10:1**

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

**Outstanding Reserves to Surplus Ratio: Target ≤ 1.5:1**

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

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

Because the Property and Crime Programs have annual aggregate retentions, and therefore no actuarial study is performed, the Target Surplus Funding shall be the amount of funds that exceed the maximum liability retained by the program for all program years. The AORMA COMMITTEE will approve the annual funding for each program.

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

- 4. Dividends** – Dividends may be available from the amount of surplus exceeding the Target Surplus amount established by the AORMA COMMITTEE. The allocation of any dividend shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy & Procedure AORMA # A-4.
- 5. Assessments** – Assessments may be required when the AORMA COMMITTEE determines that the amount of surplus is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy & Procedure AORMA # A-4.



**MEMBER APPEAL PROCESS**

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

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

**DEFINITIONS:**

**AORMA COMMITTEE** - Auxiliary Organizations Risk Management Alliance Committee, a committee of the CSURMA providing management and oversight to the Auxiliary Organizations Risk Management Alliance. The AORMA COMMITTEE is comprised of the Chair, the Vice Chair, eight “At Large” members, and two non-voting members.

**PROGRAMS COMMITTEE** - A standing committee appointed by the AORMA COMMITTEE Chair responsible for oversight of the AORMA Liability, Worker’s Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and other programs.

**AORMA** - AORMA - The Auxiliary Organizations Risk Management Alliance, a group of programs under the California State University Risk Management Authority.

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

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

**IBNR** – Incurred but Not Reported losses

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

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

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

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



## **CSURMA AORMA**

## **POLICY AND PROCEDURE NO. A-4**

**SUBJECT: DIVIDENDS & ASSESSMENTS**

**ADOPTED: MARCH 8, 2007**

**AMENDED: OCTOBER 29, 2009  
SEPTEMBER 16, 2010**

**EFFECTIVE: JULY 1, 2007**

### **POLICY & PROCEDURE NO.: (FORMERLY) 8-AORMA**

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

### **POLICY**

It is the policy of AORMA Committee that:

- Evaluation of the funding for each Self-Insured 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 Surplus Funding Goal detailed in the separate Policy and Procedure AORMA # A-3.
- Assessments and Dividends shall be allocated to the MEMBERS based on participation in "open" policy periods only.
- Unless the AORMA 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 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 Director will analyze the current funding position of the Programs in accordance with the Target Surplus Funding Goal detailed in AORMA Policy and Procedure No. A-3. This analysis will, in part, determine whether the Program's overall funding is sufficient to consider a dividend or is depleted to the point of considering an assessment. The Program Director's analysis will be reviewed by the Programs Committee.

## **CSURMA AORMA**

## **POLICY AND PROCEDURE NO. A-4**

- 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 AORMA 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 AORMA 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 Programs Committee, assessments will be declared as needed by the AORMA Committee, 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** – Based on the recommendation of the appropriate Programs Committee, the AORMA 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 declared, 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 the Dividend/Assessment Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary within 30 days of the disputed decision. The Secretary shall place the MEMBER appeal on the AORMA Committee agenda at its next regularly scheduled meeting. The AORMA Committee will review the appeal at its next regularly scheduled meeting and inform the MEMBER of the final decision within 5 business days of its decision.



**DEFINITIONS:**

**AORMA** – Auxiliary Organizations Risk Management Alliance, a group of programs of the California State University Risk Management Authority, a California Joint Powers Authority representing auxiliary organizations.

**AORMA COMMITTEE** – The governing body of AORMA.

**MEMBER** – Any auxiliary organization participating in AORMA.

**PROGRAM** – For purposes of dividends and assessments, AORMA’s programs are the Liability, Workers’ Compensation, Property and Crime Programs.

**PROGRAMS COMMITTEE** – A standing committee appointed by the AORMA COMMITTEE Chair responsible for oversight of the AORMA Liability, Worker’s Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and other programs.

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

**APPROVAL OF THE WORKERS' COMPENSATION PROGRAM  
DIVIDEND ALLOCATION (JULY, 2013 – DISTRIBUTION)**

**ISSUE:** At its September 13, 2012 meeting the AORMA Committee reviewed and approved the Target Surplus Funding Analysis and Dividend Calculation. The Committee approved the dividend distribution of 25% of the Maximum Dividend Available or \$640,445. The total dividend has been allocated to the members based on the allocation formula outlined in Policy & Procedure A-4 – Dividends and Assessments.

**RECOMMENDATION:** The Committee is being asked to approve the Member Dividend Allocation – payable in July, 2013.

**FISCAL IMPACT:** The total dividend payable in July, 2013 will be \$640,445. The total dividend paid in July, 2012 was \$815,343. This results in a decrease of \$174,898.

The Target Surplus Funding Analysis performed at June 30, 2012, indicates that the workers' compensation program has surplus in the amount of \$5,119,614. Per Policy & Procedure A-3 – Target Surplus Funding Policy, the maximum dividend available is \$2,561,779. The AORMA Committee approved a distribution of 25% of the maximum dividend available or \$640,445.

**BACKGROUND:** Dividends are allocated to those members currently participating in the workers' compensation program (and are participating on July 1, 2013) based on each member's total percentage of contributions during the following fiscal years: 07/08, 08/09, 09/10, 10/11 and 11/12.

**PUBLICATION:** Members will be notified of the approved dividend amount at the end of January, 2013.

**ATTACHMENT(S):**

- a. AORMA Workers' Compensation Program – Dividend Allocation for July, 2013 Distribution
- b. Target Surplus Funding Analysis

**AORMA Workers' Compensation Program  
July 1, 2013 Dividend Allocation**

**\$ 640,445**

<b>Campus</b>	<b>Auxiliary Organization Member</b>	<b>7/1/07 - 6/30/08 Premium Contribution</b>	<b>7/1/08 - 6/30/09 Premium Contribution</b>	<b>7/1/09 - 6/30/10 Premium Contribution</b>	<b>7/1/10 - 6/30/11 Premium Contribution</b>	<b>7/1/11 - 6/30/12 Premium Contribution</b>	<b>Total Premium Contribution 7/1/07 - 6/30/12</b>	<b>July 1, 2013 Dividend Allocation</b>
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs Administration				\$ 9,158	\$ 12,184	\$ 21,342	\$ 671
Bakersfield	California State University, Bakersfield Foundation	\$ 47,839	\$ 27,204	\$ 36,471	\$ 29,464	\$ 25,164	\$ 166,142	\$ 5,227
Channel Islands	University Glen Corporation, CSU Channel Islands	\$ 17,025	\$ 14,284	\$ 14,898	\$ 34,526	\$ 37,275	\$ 118,008	\$ 3,713
Chico	Associated Students of California State University, Chico	\$ 190,258	\$ 216,006	\$ 235,289	\$ 203,170	\$ 197,042	\$ 1,041,765	\$ 32,775
Chico	The CSU, Chico Research Foundation	\$ 150,303	\$ 109,801	\$ 88,476	\$ 114,346	\$ 146,943	\$ 609,869	\$ 19,187
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 4,500	\$ 2,765	\$ 2,349	\$ 2,505	\$ 2,147	\$ 14,266	\$ 449
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 74,547	\$ 92,182	\$ 70,930	\$ 74,675	\$ 83,656	\$ 395,990	\$ 12,458
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	\$ 3,813	\$ 7,095	\$ 7,686	\$ 6,368	\$ 6,370	\$ 31,332	\$ 986
East Bay	California State University, East Bay Foundation, Inc.		\$ 51,472	\$ 43,595	\$ 47,140	\$ 26,617	\$ 168,824	\$ 5,311
East Bay	Associated Students, California State University, East Bay	\$ 16,578	\$ 34,589	\$ 36,712	\$ 40,641	\$ 59,326	\$ 187,846	\$ 5,910
Fresno	California State University, Fresno Association, Inc.	\$ 166,117	\$ 159,803	\$ 154,955	\$ 142,964	\$ 133,902	\$ 757,741	\$ 23,839
Fresno	The California State University, Fresno Athletic Corporation	\$ 84,460	\$ 75,416	\$ 61,568	\$ 70,770	\$ 66,148	\$ 358,362	\$ 11,274
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 77,234	\$ 70,859	\$ 72,076	\$ 59,476	\$ 70,094	\$ 349,738	\$ 11,003
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 156,231	\$ 218,770	\$ 254,302	\$ 205,708	\$ 164,636	\$ 999,646	\$ 31,450
Humboldt	Humboldt State University Center, Board of Directors	\$ 88,636	\$ 94,551	\$ 91,749	\$ 83,515	\$ 75,106	\$ 433,557	\$ 13,640
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 85,157	\$ 69,686	\$ 72,861	\$ 86,720	\$ 75,654	\$ 390,078	\$ 12,272
Long Beach	Associated Students, California State University, Long Beach	\$ 109,990	\$ 81,252	\$ 84,296	\$ 94,631	\$ 111,022	\$ 481,191	\$ 15,139
Long Beach	California State University, Long Beach Foundation	\$ 179,214	\$ 125,945	\$ 110,023	\$ 108,973	\$ 99,936	\$ 624,091	\$ 19,634
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 170,227	\$ 154,767	\$ 128,381	\$ 122,451	\$ 100,794	\$ 676,621	\$ 21,287
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 157,374	\$ 176,484	\$ 135,970	\$ 157,264	\$ 126,416	\$ 753,509	\$ 23,706
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 27,261	\$ 23,880	\$ 33,096	\$ 22,792	\$ 25,413	\$ 132,442	\$ 4,167
Monterey Bay	The University Corporation at Monterey Bay	\$ 69,200	\$ 53,491	\$ 117,932	\$ 80,277	\$ 91,577	\$ 412,478	\$ 12,977
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 39,215	\$ 55,971	\$ 48,974	\$ 51,824	\$ 40,867	\$ 236,852	\$ 7,452
Northridge	The University Corporation, CSU Northridge	\$ 250,897	\$ 258,294	\$ 247,405	\$ 328,929	\$ 317,237	\$ 1,402,762	\$ 44,132
Northridge	University Student Union of California State University, Northridge	\$ 49,459	\$ 65,214	\$ 62,136	\$ 61,699	\$ 95,805	\$ 334,313	\$ 10,518
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 55,368	\$ 75,716	\$ 52,751	\$ 44,039	\$ 45,945	\$ 273,819	\$ 8,615
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 339,088	\$ 233,688	\$ 216,652	\$ 198,531	\$ 212,240	\$ 1,200,199	\$ 37,759
Sacramento	Associated Students of California State University, Sacramento	\$ 72,678	\$ 77,855	\$ 67,154	\$ 68,904	\$ 67,967	\$ 354,558	\$ 11,155
Sacramento	University Enterprises, Inc., CSU Sacramento			\$ 136,244	\$ 121,598	\$ 202,676	\$ 460,518	\$ 14,488
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 2,160	\$ 2,285	\$ 2,001	\$ 2,432	\$ 2,020	\$ 10,898	\$ 343
San Bernardino	San Bernardino, University Enterprises Corporation	\$ 135,294	\$ 82,279	\$ 76,212	\$ 85,688	\$ 69,535	\$ 449,008	\$ 14,126
San Bernardino	Santos Manual Student Union of California State University, San Bernardino	\$ 29,197	\$ 18,513	\$ 25,795	\$ 18,205	\$ 25,670	\$ 117,381	\$ 3,693
San Diego	Associated Students, San Diego State University	\$ 131,076	\$ 180,826	\$ 151,525	\$ 149,218	\$ 160,218	\$ 772,863	\$ 24,315
San Francisco	Associated Students, Inc., San Francisco State University	\$ 19,909	\$ 16,195	\$ 14,837	\$ 15,765	\$ 23,716	\$ 90,422	\$ 2,845
San Francisco	Cesar Chavez Student Center, San Francisco State University	\$ 58,677	\$ 42,280	\$ 35,976	\$ 39,632	\$ 35,353	\$ 211,918	\$ 6,667
San Francisco	Franciscan Shops, San Francisco State University	\$ 37,555	\$ 27,514	\$ 30,880	\$ 29,351	\$ 27,377	\$ 152,677	\$ 4,803
San Francisco	The University Corporation, San Francisco State	\$ 18,575	\$ 13,827	\$ 13,447	\$ 23,321	\$ 18,287	\$ 87,457	\$ 2,751
San Jose	Associated Student, San Jose State University	\$ 55,463	\$ 42,642	\$ 34,137	\$ 35,621	\$ 33,767	\$ 201,630	\$ 6,343

**AORMA Workers' Compensation Program  
July 1, 2013 Dividend Allocation**

**\$ 640,445**

<b>Campus</b>	<b>Auxiliary Organization Member</b>	<b>7/1/07 - 6/30/08 Premium Contribution</b>	<b>7/1/08 - 6/30/09 Premium Contribution</b>	<b>7/1/09 - 6/30/10 Premium Contribution</b>	<b>7/1/10 - 6/30/11 Premium Contribution</b>	<b>7/1/11 - 6/30/12 Premium Contribution</b>	<b>Total Premium Contribution 7/1/07 - 6/30/12</b>	<b>July 1, 2013 Dividend Allocation</b>
San Jose	San Jose State University Research Foundation	\$ 228,969	\$ 174,633	\$ 178,017	\$ 187,088	\$ 215,498	\$ 984,205	\$ 30,964
San Jose	Spartan Shops, Inc., San Jose State University	\$ 161,531	\$ 148,657	\$ 116,099	\$ 82,234	\$ 102,782	\$ 611,303	\$ 19,232
San Jose	The Student Union of San Jose State University	\$ 27,013	\$ 18,534	\$ 31,665	\$ 19,477	\$ 23,529	\$ 120,217	\$ 3,782
San Jose	The Tower Foundation, San Jose State University		\$ 8,345	\$ 9,589	\$ 14,825	\$ 24,261	\$ 57,020	\$ 1,794
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 96,794	\$ 83,951	\$ 76,027	\$ 68,738	\$ 65,799	\$ 391,310	\$ 12,311
San Luis Obispo	California Polytechnic State University Foundation	\$ 404,806	\$ 510,079	\$ 528,981	\$ 466,866	\$ 478,596	\$ 2,389,327	\$ 75,170
San Marcos	University Auxiliary and Research Services Corporation	\$ 85,482	\$ 50,618	\$ 47,426	\$ 52,417	\$ 48,284	\$ 284,227	\$ 8,942
Sonoma	Associated Students of Sonoma State University	\$ 2,137	\$ 2,094	\$ 2,155	\$ 3,360	\$ 4,234	\$ 13,980	\$ 440
Stanislaus	Associated Students, Inc., California State University, Stanislaus			\$ 6,153	\$ 3,825	\$ 3,645	\$ 13,623	\$ 429
Stanislaus	University Student Union of California State University, Stanislaus			\$ 4,182	\$ 1,248	\$ 4,096	\$ 9,526	\$ 300

**\$ 4,177,308 \$ 4,050,312 \$ 4,070,035 \$ 3,972,369 \$ 4,086,826 \$ 20,356,850 \$ 640,445**

## AORMA Workers' Compensation Program Target Surplus Funding Analysis at \$500,000 SIR

Gross Premium 2013/14:	\$3,836,753
Maximum Retention per loss:	\$500,000
O/S Reserves at 6/30/12:	\$3,109,505
*Surplus at 6/30/12:	\$5,119,614
Funding above 70% Conf Level:	\$4,509,954
Funding above 80% Conf Level:	\$3,586,143

\* Surplus at 6/30/12 reflects the Fund Balance from the 6/30/12 Balance sheet including the \$815,343 11/12 dividend

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$2,557,835	0.75
Surplus:Retention	>5:1	\$2,500,000	10.24
O/S Reserve:Surplus	≤1.5:1	\$2,073,004	0.61

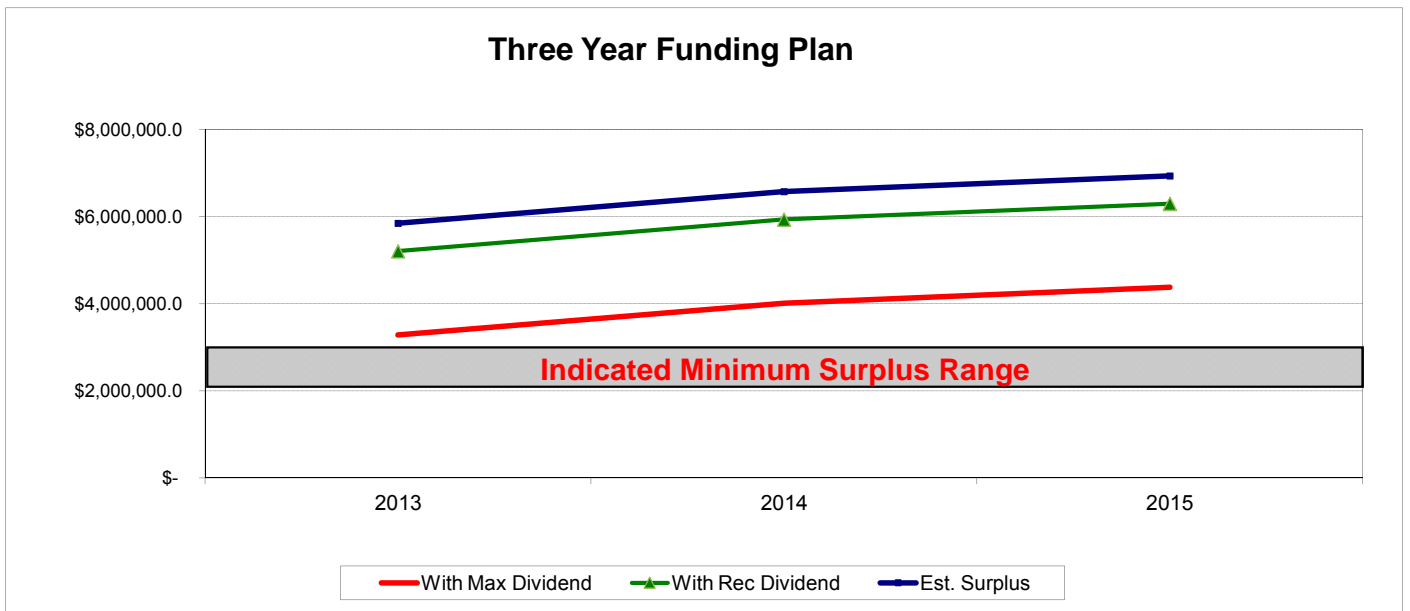
<b>Maximum Dividend Available:</b>	<b>\$2,561,779</b>	
<b>Dividend 33%:</b>	<b>\$845,387</b>	
<b>Recommended Dividend 25%:</b>	<b>\$640,445</b>	Approved on 9/13/12
<b>Dividend 15%:</b>	<b>\$384,267</b>	

### 2013/14 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	2,423,000	-
70%	1.150	2,786,450	363,450
80%	1.300	3,149,900	726,900
90%	1.500	3,634,500	1,211,500

### Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Max Dividend	With Rec Dividend
Estimated Balance at 7/1/12	N/A	5,119,614	N/A	N/A
2013/14 - Collection @ 80% CL	726,900	5,846,514	3,284,735	5,206,069
2014/15 - Collection @ 80% CL	726,900	6,573,414	4,011,635	5,932,969
2015/16 - Collection @ 70% CL	363,450	6,936,864	4,375,085	6,296,419



**REVIEW OF THE CURRENT WORKERS' COMPENSATION PROGRAM  
RATING ALLOCATION FORMULA AND DISCUSSION REGARDING  
THE FORMATION OF A ONE-RATE ALLOCATION FORMULA**

**ISSUE:** At the AORMA Committee meeting on September 13, 2012, members suggested that the Programs Committee should explore the development of a “one-rate” workers’ compensation rating plan. Since July 1, 2010, AORMA has utilized the six AORMA workers’ compensation class codes listed below. Rates for these class codes are calculated annually based on the WCIRB composite rates blended with AORMA’s actuarial rates. The FY 13/14 blended rates are noted below.

AORMA Class Code	Pure Rate	Class Code Description
1001	0.629	Clerical
1002	1.101	Off campus non-manual activities
1004	2.079	Retail
1005	2.433	Sports activities and day care centers
1006	3.831	Food service
1007	2.986	Manual labor

Should AORMA develop a one-rate workers’ compensation rating plans?

- PROS:**
1. The CSURMA AORMA actuary already calculates a single workers’ compensation rate based on historical loss information
  2. Members would not have to allocate their payroll into the six different class codes
  3. Payroll audits would be unnecessary because there would be no question that payroll was allocated to the correct class code

- CONS:**
1. The FY 13/14 workers’ compensation plan rate is 1.48. This rate is significantly higher than some of the Members’ collared rate. The one-rate plan would result in a significant increase in premium for some members.
  2. The workers’ compensation program would need to become even more loss sensitive, resulting in greater swings in premium year over year
  3. Because the rating plan would result in such great swings in premium, this may cause members to leave the program

The attached exhibit has been put together to demonstrate the impact of moving to a one rate plan. Option #1 shows the premiums for each member based on the approved rates for each of

AORMA’s six class codes. Option #2 applies the program rate of 1.48 to each member’s payroll. The member’s exp mod is not included in Option #2. Option #3 has an increased rate of 1.62 for all members but does include the member’s exp mod.

**RECOMMENDATION:** The Programs Committee members will be asked to (1) discuss the option of a one-rate workers’ compensation rating plan and then (2) direct staff to either move forward with development or terminate discussions.

**FISCAL IMPACT:** The overall funding of the workers’ compensation program would remain the same; however, the allocation of the members’ costs would change.

**BACKGROUND:** When the CSURMA AORMA Workers’ Compensation Program began in 2004, over sixty-five (65) WCIRB classifications were being utilized by AORMA Members. Many of these codes were being used by only one or two Members. In 2007, the WCIRB classifications were consolidated to the fourteen (14) class codes. The classification codes being using by the Members were assigned by SCIF and were often based on SCIF’s “best guess”. It was found that SCIF’s code assignments did not always fairly represent the actual operations. Generic campus codes were being assigned for operations that would normally have a more appropriate classification code assignment. Similar operations at different Auxiliaries were being coded differently. When reviewing AORMA’s loss data, it was also found that the loss data did not support the WCIRB rates.

The AORMA Workers’ Compensation Committee (WCC) worked to streamline the AORMA WC rating system even further with the goal of developing classifications that would more accurately represent the Auxiliaries’ operations and therefore allow for the development of actuarial rates and statistics based on actual AORMA Member losses.

In 2009 it was announced that the AORMA WC rating system would be modified once again to utilize only six AORMA (rather than WCIRB) class codes. Effective July 1, 2010, AORMA members began reporting their estimated payroll based on the six AORMA WC classifications.

Effective July 1, 2010, the fourteen WCIRB class codes were consolidated down to the following six AORMA specific class codes:

AORMA Class Code	Class Code Description
1001	Clerical
1002	Off campus non-manual activities
1004	Retail
1005	Sports activities and day care centers
1006	Food service
1007	Manual labor

Effective July 1, 2007, the sixty-five WCIRB class codes were consolidated down to the following fourteen WCIRB class codes:

<b>WCIRB Class Code</b>	<b>Class Code Description</b>
0040	Agriculture
8008	Stores
8071	Bookstores
8742	Outside Sales
8810	Clerical
8868	Academic Professionals
9011	Building Operations
9053	Clubs, Exercise, Swimming and Tennis
9059	Day Care Centers
9079	Food Services
9092	Bowling Centers, Billiard Halls, Skating Centers
9101	Colleges – other than Academic Professionals
9156	Performing Arts
9182	Athletic Teams or Parks Maintenance

**PUBLICATION:** None

**ATTACHMENT(S):**

- a. FY 14/15 Workers' Compensation – One Rate Option Premium Comparison

**AORMA Workers' Compensation Program  
FY 14/15 Rating Allocation Formula - One Rate Option**

<b>Rates</b>	<b>1.48</b>	<b>1.62</b>
<b>#1</b>	<b>#2</b>	<b>#3</b>

<b>Campus</b>	<b>Auxiliary</b>	<b>FY 13/14 Exp Mod</b>	<b>Est. FY 13/14 Payroll</b>	<b>FY 13/14 Collared Rate</b>	<b>FY 13/14 Collared Premium FINAL</b>	<b>One-Rate w/o Exp Mod</b>	<b>Diff #1 vs. #2</b>	<b>One-Rate w/ Exp Mod</b>	<b>Diff #1 vs. #3</b>
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.95	1,010,000	1.12	11,284	14,967	3,683	15,544	4,260
Bakersfield	California State University, Bakersfield Foundation	0.85	968,210	1.68	16,268	14,348	(1,920)	13,332	(2,935)
Channel Islands	University Glen Corporation, CSU Channel Islands	0.93	1,989,771	2.04	40,658	29,486	(11,172)	29,978	(10,680)
Chico	Associated Students of California State University, Chico	0.74	8,013,935	1.92	154,182	118,756	(35,426)	96,071	(58,111)
Chico	The CSU, Chico Research Foundation	0.65	12,830,000	1.04	133,721	190,124	56,403	135,100	1,379
Dominguez Hills	Associated Students, California State University, Dominguez Hills	0.97	423,386	0.75	3,190	6,274	3,085	6,653	3,464
Dominguez Hills	California State University, Dominguez Hills Foundation	1.24	4,753,000	1.67	79,567	70,433	(9,134)	95,478	15,912
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	0.91	586,861	0.79	4,658	8,697	4,039	8,652	3,994
East Bay	Associated Students, California State University, East Bay	0.96	1,010,000	1.13	11,383	14,967	3,584	15,708	4,325
East Bay	California State University, East Bay Foundation, Inc.	1.01	2,823,300	1.02	28,856	41,838	12,982	46,195	17,339
Fresno	California State University, Fresno Association, Inc.	0.79	6,296,000	1.75	110,083	93,298	(16,784)	80,576	(29,506)
Fresno	The California State University, Fresno Athletic Corporation	0.67	4,336,100	1.83	79,307	64,255	(15,051)	47,064	(32,243)
Fullerton	Associated Students, California State University, Fullerton, Inc.	0.70	5,039,307	1.27	63,833	74,676	10,843	57,146	(6,687)
Fullerton	CSU Fullerton Auxiliary Services Corporation	0.92	14,774,584	1.49	219,508	218,940	(568)	220,200	692
Humboldt	Humboldt State University Center	1.02	3,110,000	2.57	79,912	46,086	(33,826)	51,390	(28,523)
Humboldt	Humboldt State University Sponsored Programs Foundation	1.69	7,040,000	2.82	198,801	104,323	(94,478)	192,741	(6,060)
Humboldt	Associated Students, Humboldt State University	1.00	139,500	1.63	2,269	2,067	(202)	2,260	(9)
Long Beach	Associated Students, California State University, Long Beach	0.63	5,343,870	1.52	81,232	79,189	(2,043)	54,540	(26,693)
Long Beach	California State University Long Beach Research Foundation	0.64	16,825,023	0.68	113,704	249,325	135,620	174,442	60,738
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	0.95	7,000,000	2.04	143,143	103,731	(39,412)	107,730	(35,413)
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	1.00	10,410,000	1.72	179,409	154,262	(25,147)	168,642	(10,767)
Los Angeles	University-Student Union Board, California State University, Los Angeles	0.97	2,945,000	1.57	46,342	43,641	(2,701)	46,278	(65)
Monterey Bay	The University Corporation at Monterey Bay	0.90	8,842,568	1.35	119,172	131,035	11,863	128,925	9,752
Northridge	Associated Students, California State University, Northridge, Inc.	0.80	2,859,000	1.75	50,045	42,367	(7,679)	37,053	(12,993)
Northridge	The University Corporation, CSU Northridge	1.24	16,500,000	1.87	308,020	244,508	(63,512)	331,452	23,432

**AORMA Workers' Compensation Program  
FY 14/15 Rating Allocation Formula - One Rate Option**

<b>Rates</b>	<b>1.48</b>	<b>1.62</b>
<b>#1</b>	<b>#2</b>	<b>#3</b>

<b>Campus</b>	<b>Auxiliary</b>	<b>FY 13/14 Exp Mod</b>	<b>Est. FY 13/14 Payroll</b>	<b>FY 13/14 Collared Rate</b>	<b>FY 13/14 Collared Premium FINAL</b>	<b>One-Rate w/o Exp Mod</b>	<b>Diff #1 vs. #2</b>	<b>One-Rate w/ Exp Mod</b>	<b>Diff #1 vs. #3</b>
Northridge	University Student Union of California State University, Northridge	0.68	5,652,383	1.44	81,541	83,761	2,220	62,267	(19,275)
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	0.81	3,267,921	1.61	52,452	48,426	(4,026)	42,882	(9,571)
Pomona	The Cal Poly Pomona Foundation, Inc.	0.97	15,218,701	1.81	274,760	225,521	(49,239)	239,147	(35,613)
Sacramento	Associated Students of California State University, Sacramento	0.92	3,342,486	2.01	67,227	49,531	(17,695)	49,816	(17,410)
Sacramento	University Enterprises, Inc., CSU Sacramento	1.25	23,443,000	0.88	205,746	347,394	141,648	474,721	268,975
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.91	324,137	0.83	2,685	4,803	2,118	4,778	2,093
San Bernardino	University Enterprises Corporation at CSUSB	1.02	8,037,852	1.16	93,460	119,110	25,651	132,817	39,358
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	0.89	1,972,039	1.46	28,756	29,223	467	28,433	(323)
San Diego	Associated Students, San Diego State University	1.04	7,915,770	2.27	179,716	117,301	(62,415)	133,365	(46,351)
San Francisco	Associated Students, Inc., San Francisco State University	1.22	2,100,000	1.16	24,425	31,119	6,694	41,504	17,079
San Francisco	Cesar Chavez Student Center, San Francisco State University	1.32	2,061,022	3.13	64,420	30,542	(33,878)	44,073	(20,347)
San Francisco	The University Corporation, San Francisco State	1.19	1,577,000	1.63	25,675	23,369	(2,306)	30,401	4,726
San Jose	Associated Student, San Jose State University	1.21	2,722,500	1.90	51,749	40,344	(11,405)	53,366	1,618
San Jose	San Jose State University Research Foundation	0.80	28,741,037	0.99	285,653	425,904	140,252	372,484	86,831
San Jose	The Tower Foundation, San Jose State University	0.76	3,922,123	1.10	43,012	58,121	15,109	48,289	5,278
San Jose	Spartan Shops, Inc., San Jose State University	0.88	5,662,548	2.20	124,714	83,911	(40,802)	80,725	(43,988)
San Jose	The Student Union of San Jose State University	0.93	2,225,000	1.77	39,465	32,972	(6,494)	33,522	(5,943)
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	0.84	6,291,000	1.82	114,615	93,224	(21,390)	85,608	(29,007)
San Luis Obispo	Cal Poly Corporation	0.57	21,600,000	1.39	300,219	320,083	19,864	199,454	(100,765)
San Marcos	University Auxiliary and Research Services Corporation	0.93	4,489,456	1.17	52,504	66,528	14,024	67,638	15,135
Sonoma	Associated Students of Sonoma State University	1.73	471,588	2.04	9,632	6,988	(2,643)	13,217	3,585
Stanislaus	Associated Students, Inc., California State University, Stanislaus	0.91	435,543	1.51	6,574	6,454	(120)	6,421	(153)
Stanislaus	University Student Union of California State University, Stanislaus	0.95	414,159	1.16	4,817	6,137	1,320	6,374	1,557
<b>Total</b>			297,756,680		4,412,360	4,412,360		4,414,451	

**REVIEW OF THE CURRENT PROPERTY PROGRAM RATING AND  
ALLOCATION METHOD; DISCUSSION OF ALTERNATIVE RATING  
AND ALLOCATION PLANS**

**ISSUE:** The property program rating allocation is currently based on the Member's prior year's premium, losses, total insurable values and deductible size. The long term goal for the program was that all members would use the same basic rate as a starting point and that rate would be individually modified based on the member losses and deductible choice. Currently, the majority of members utilize the basic AORMA property rate. However, there are a few members who have a rate that is substantially lower than the program rate.

For FY 14/15, Staff would like to present to the Programs Committee for review and approval an alternative rating plan that utilizes one standard property rate and is modified only by losses and deductible size. Staff will include a three to five year collar for the members with a significantly lower rate. The goal of the program would be to completely remove the collars within a few years.

**RECOMMENDATION:** Staff recommends that the Committee direct Staff to put together a few alternative rating plans to be presented at the April, 2013 Programs Committee meeting.

**FISCAL IMPACT:** The amount of overall premium collected for the property program would not change; however, each member's allocation of the overall premium may change.

**BACKGROUND:** The standard commercial property program is rated based on each building's COPE information (construction type, occupancy, fire and theft protection, building exposure - what is located on each side of the building.) AORMA does not rate each member based on the COPE information because most members occupy a similar mix of building types, so all members utilize the same basic rate.

**PUBLICATION:** None

**ATTACHMENT(S):** None

## **CRIME PROGRAM RATING ALLOCATION**

**ISSUE:** At its September 13, 2012 meeting, the AORMA Committee approved the FY 13/14 Crime Program funding of \$351,104. The Programs Committee must now review and approve the allocation of the total program costs to the AORMA members. Costs are allocated to the members based their prior year's premium, number of employees, total expenditures and loss information. Collars are included in the calculation to keep the premium fluctuation to a minimum. Staff has prepared two allocation options. Option #1 includes a minimum increase of 12% and maximum increase of 40%, it also adds in a \$100 minimum premium. Option #2 does not include a reduction for any one member, has a 40% maximum increase with no minimum premium.

**RECOMMENDATION:** Staff recommends approving Option #1 which includes a minimum 12% increase for all members and collars the maximum increase to 40%. This option also includes a minimum premium for all member of \$100.

**FISCAL IMPACT:** As noted on the attached Total Funding exhibit, the program costs have increased from \$313,531 to \$351,104. This is a total percentage increase of 12%.

**BACKGROUND:** None.

**PUBLICATION:** The approved member premiums will be sent out at the end of January, 2013.

**ATTACHMENT(S):**

- a. FY 13/14 Crime Program – Total Funding
- b. FY 13/14 Crime Program – Member Costs Allocation - Option #1
- c. FY 13/14 Crime Program – Member Costs Allocation – Option #2

<b>CSURMA AORMA FY 2013/2014 Crime Program Total Estimated Funding</b>				
<b>Expense Item</b>	<b>Actual FY 10/11 \$25,000 SIR \$100,000 Aggregate SIR</b>	<b>Actual FY 11/12 \$25,000 SIR \$100,000 Aggregate SIR</b>	<b>Actual FY 12/13 \$25,000 SIR \$100,000 Aggregate SIR</b>	<b>Proposed FY 13/14 \$25,000 SIR \$100,000 Aggregate SIR</b>
Estimated Pooled Layer Funding	\$75,000	\$75,000	\$75,000	\$75,000
Excess Insurance Premium	\$160,567	\$160,567	\$187,863	\$225,436
Administrative Costs	\$13,040	\$32,705	\$50,668	\$50,668
<b>Total Expenses:</b>	<b>\$248,607</b>	<b>\$268,272</b>	<b>\$313,531</b>	<b>\$351,104</b>
<b>Difference from prior year:</b>		7.91%	16.87%	11.98%

Estimated Pooled Layer Funding (no increase or decrease is contemplated)

Excess Insurance Premium (the excess premium was increased by 20%)

Administrative Costs (no increase or decrease is contemplated)

**CSURMA AORMA  
Crime Program - Premium Allocation  
FY 13/14**

**12% Minimum Increase  
40% Maximum Increase  
\$100 Minimum Premium**

<b>Campus</b>	<b>Auxiliary</b>	<b>FY 13/14 Premium w/ Collars</b>	<b>FY 12/13 Premium w/ Collars</b>	<b>% Difference</b>	<b>\$ Difference</b>
Bakersfield	Associated Students Inc., California State University, Bakersfield	\$102	\$37	178%	\$65
Bakersfield	California State University, Bakersfield, Auxiliary for Sponsored Programs Administration	\$102	\$68	50%	\$34
Bakersfield	California State University, Bakersfield Foundation	\$5,480	\$4,803	14%	\$677
Bakersfield	Student Union, Inc., California State University, Bakersfield	\$102	\$43	134%	\$58
Chancellor's Office	California State University Foundation	\$102	\$8	1150%	\$94
Chancellor's Office	California State University Institute	\$463	\$348	33%	\$115
Channel Islands	Associated Students, Inc., CSU Channel Islands	\$102	\$37	178%	\$65
Channel Islands	California State University Channel Islands Foundation	\$376	\$330	14%	\$46
Channel Islands	University Glen Corporation, CSU Channel Islands	\$928	\$651	43%	\$277
Chico	Associated Students of California State University, Chico	\$7,201	\$5,049	43%	\$2,152
Chico	Auxiliary Organization Associations c/o CSU Chico Research Foundation	\$102	\$24	317%	\$77
Chico	The CSU, Chico Research Foundation	\$3,359	\$2,355	43%	\$1,004
Chico	The University Foundation, California State University, Chico	\$632	\$443	43%	\$189
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	\$1,193	\$1,046	14%	\$147
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State University, Dominguez Hills	\$595	\$521	14%	\$74
Dominguez Hills	California State University, Dominguez Hills Foundation	\$5,851	\$5,128	14%	\$723
East Bay	Associated Students, Inc., California State University, East Bay	\$2,553	\$2,237	14%	\$315
East Bay	California State University, East Bay Foundation, Inc.	\$7,908	\$6,931	14%	\$977
Fresno	Associated Students Inc., CSU Fresno	\$102	\$54	88%	\$48
Fresno	The Agricultural Foundation of CSU Fresno	\$1,236	\$1,083	14%	\$153
Fresno	California State University, Fresno Association	\$35,216	\$30,865	14%	\$4,352
Fresno	The Athletic Corporation, CSU Fresno	\$4,624	\$3,242	43%	\$1,382
Fresno	CSU Fresno Courtyard	\$787	\$551	43%	\$235
Fresno	CSU Fresno Foundation	\$11,166	\$7,829	43%	\$3,337
Fresno	Fresno State Programs for Children	\$610	\$530	15%	\$80
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$4,910	\$4,251	16%	\$659
Fullerton	Cal State Fullerton Auxiliary Services Corporation	\$13,743	\$10,431	32%	\$3,312
Fullerton	CSU Fullerton Housing Authority	\$102	\$58	74%	\$43
Fullerton	Cal State Fullerton Philanthropic Foundation	\$473	\$414	14%	\$58
Humboldt	Associated Students of Humboldt State University	\$1,320	\$1,146	15%	\$173
Humboldt	Humboldt State University Advancement Foundation	\$410	\$359	14%	\$51
Humboldt	Humboldt State University Sponsored Programs Foundation	\$4,804	\$4,210	14%	\$594
Humboldt	University Center, Humboldt State University	\$4,758	\$4,151	15%	\$607
Long Beach	Associated Students Inc., CSU Long Beach	\$4,260	\$2,987	43%	\$1,273

Campus	Auxiliary	FY 13/14 Premium w/ Collars	FY 12/13 Premium w/ Collars	% Difference	\$ Difference
Long Beach	Forty-Niner Shops, Inc. CSU Long Beach	\$9,947	\$8,650	15%	\$1,297
Long Beach	CSULB Foundation	\$11,672	\$9,846	19%	\$1,826
Long Beach	CSULB 49er Foundation	\$153	\$127	21%	\$26
Los Angeles	Associated Students Inc., CSU Los Angeles	\$693	\$607	14%	\$86
Los Angeles	California State University, Los Angeles Foundation	\$1,370	\$1,201	14%	\$169
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$7,459	\$5,625	33%	\$1,835
Los Angeles	University Student Union, CSU Los Angeles	\$1,442	\$1,077	34%	\$365
Maritime	Associated Students Inc., California Maritime Academy	\$102	\$11	838%	\$91
Maritime	California Maritime Academy Foundation	\$657	\$576	14%	\$81
Monterey	Foundation of California State University Monterey Bay	\$102	\$27	272%	\$75
Monterey	The University Corporation at Monterey Bay	\$4,963	\$3,480	43%	\$1,483
Northridge	Associated Students Inc., CSU Northridge	\$3,165	\$2,774	14%	\$391
Northridge	CSU Northridge Foundation	\$1,906	\$1,648	16%	\$259
Northridge	North Campus Park Development Corporation	\$102	\$16	525%	\$86
Northridge	The University Corporation, CSU Northridge	\$10,721	\$9,396	14%	\$1,325
Northridge	University Student Union, CSU Northridge	\$2,695	\$1,889	43%	\$805
Pomona	Associated Students Inc., Cal Poly Pomona	\$2,124	\$1,804	18%	\$320
Pomona	Cal Poly Pomona Foundation	\$7,410	\$5,195	43%	\$2,214
Sacramento	Associated Students Inc., CSU Sacramento	\$2,509	\$1,759	43%	\$750
Sacramento	Capital Public Radio, CSU Sacramento	\$1,812	\$1,588	14%	\$224
Sacramento	University Enterprises, Inc., CSU Sacramento	\$11,635	\$8,158	43%	\$3,477
Sacramento	The University Foundation at Sacramento State	\$102	\$7	1400%	\$95
Sacramento	University Union, CSU Sacramento	\$4,072	\$3,569	14%	\$503
San Bernardino	Associated Students Inc., CSU San Bernardino	\$757	\$664	14%	\$94
San Bernardino	The Foundation for California State University, San Bernardino	\$12,111	\$10,615	14%	\$1,497
San Bernardino	Santos Manual Student Union, CSU San Bernardino	\$872	\$633	38%	\$239
San Bernardino	CSUSB Philanthropic Foundation	\$926	\$650	43%	\$277
San Diego	Associated Students of San Diego State University	\$9,329	\$8,109	15%	\$1,220
San Diego	Aztec Shops, LTD, San Diego State University	\$11,737	\$8,230	43%	\$3,508
San Diego	San Diego State University Research Foundation	\$20,592	\$14,438	43%	\$6,154
San Francisco	Associated Students Inc., San Francisco State University	\$1,658	\$1,453	14%	\$205
San Francisco	Cesar Chavez Student Center, San Francisco State University	\$3,139	\$2,751	14%	\$388
San Francisco	San Francisco State University Foundation	\$102	\$42	142%	\$60
San Francisco	The University Corporation, San Francisco State	\$2,987	\$2,618	14%	\$369
San Jose	Associated Student Inc., San Jose State University	\$2,966	\$2,600	14%	\$367
San Jose	San Jose State University Research Foundation	\$7,882	\$5,527	43%	\$2,356
San Jose	Spartan Shops, Inc., San Jose State University	\$9,541	\$8,362	14%	\$1,179
San Jose	Student Union of San Jose State University	\$8,650	\$7,581	14%	\$1,069
San Jose	The Tower Foundation, San Jose State University	\$1,269	\$890	43%	\$379
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	\$1,693	\$1,187	43%	\$506
San Luis Obispo	Cal Poly Corporation	\$21,235	\$16,903	26%	\$4,331
San Luis Obispo	California Polytechnic State University Foundation	\$194	\$136	43%	\$58
San Luis Obispo	Cal Poly Housing Corporation	\$102	\$20	400%	\$82
San Marcos	Associated Students Inc, CSU San Marcos	\$914	\$801	14%	\$113
San Marcos	Cal State San Marcos Foundation	\$194	\$136	43%	\$58
San Marcos	The University Corporation of CSU San Marcos	\$457	\$321	43%	\$137
San Marcos	University Auxiliary & Research Services Corporation at Cal State University San Marcos	\$2,979	\$2,089	43%	\$890

<b>Campus</b>	<b>Auxiliary</b>	<b>FY 13/14 Premium w/ Collars</b>	<b>FY 12/13 Premium w/ Collars</b>	<b>% Difference</b>	<b>\$ Difference</b>
Sonoma	Sonoma State University Academic Foundation	\$4,083	\$3,578	14%	\$505
Sonoma	Associated Students Inc., Sonoma State University	\$806	\$707	14%	\$100
Sonoma	Sonoma State Enterprises	\$2,069	\$1,813	14%	\$256
Stanislaus	Associated Students Incorporated, California State University, Stanislaus	\$1,716	\$1,504	14%	\$212
Stanislaus	CSU Stanislaus Auxiliary & Business Services	\$4,728	\$4,144	14%	\$584
Stanislaus	CSU Stanislaus Foundation	\$2,250	\$1,972	14%	\$278
Stanislaus	University Student Union of CSU Stanislaus	\$681	\$597	14%	\$84
Total		\$351,104	\$282,321	24%	\$68,783

**CSURMA AORMA  
Crime Program - Premium Allocation  
FY 13/14**

**0% Minimum Increase  
40% Maximum Increase  
No Minimum Premium**

<b>Campus</b>	<b>Auxiliary</b>	<b>FY 13/14 Prem w/ Collars</b>	<b>FY 12/13 Premium</b>	<b>% Difference</b>	<b>Difference</b>
Bakersfield	Associated Students Inc., California State University, Bakersfield	\$54	\$37	48%	\$18
Bakersfield	California State University, Bakersfield, Auxiliary for Sponsored Programs Administration	\$101	\$68	48%	\$33
Bakersfield	California State University, Bakersfield Foundation	\$5,085	\$4,803	6%	\$282
Bakersfield	Student Union, Inc., California State University, Bakersfield	\$64	\$43	48%	\$21
Chancellor's Office	California State University Foundation	\$12	\$8	48%	\$4
Chancellor's Office	California State University Institute	\$481	\$348	38%	\$133
Channel Islands	Associated Students, Inc., CSU Channel Islands	\$54	\$37	48%	\$18
Channel Islands	California State University Channel Islands Foundation	\$349	\$330	6%	\$19
Channel Islands	University Glen Corporation, CSU Channel Islands	\$964	\$651	48%	\$314
Chico	Associated Students of California State University, Chico	\$7,483	\$5,049	48%	\$2,434
Chico	Auxiliary Organization Associations c/o CSU Chico Research Foundation	\$36	\$24	48%	\$12
Chico	The CSU, Chico Research Foundation	\$3,491	\$2,355	48%	\$1,136
Chico	The University Foundation, California State University, Chico	\$656	\$443	48%	\$214
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	\$1,107	\$1,046	6%	\$61
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State University, Dominguez Hills	\$612	\$521	17%	\$91
Dominguez Hills	California State University, Dominguez Hills Foundation	\$5,452	\$5,128	6%	\$324
East Bay	Associated Students, Inc., California State University, East Bay	\$2,368	\$2,237	6%	\$131
East Bay	California State University, East Bay Foundation, Inc.	\$7,338	\$6,931	6%	\$407
Fresno	Associated Students Inc., CSU Fresno	\$81	\$54	48%	\$26
Fresno	The Agricultural Foundation of CSU Fresno	\$1,252	\$1,083	16%	\$169
Fresno	California State University, Fresno Association	\$32,677	\$30,865	6%	\$1,812
Fresno	The Athletic Corporation, CSU Fresno	\$4,806	\$3,242	48%	\$1,563
Fresno	CSU Fresno Courtyard	\$817	\$551	48%	\$266
Fresno	CSU Fresno Foundation	\$11,604	\$7,829	48%	\$3,775
Fresno	Fresno State Programs for Children	\$634	\$530	20%	\$104
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$5,103	\$4,251	20%	\$852
Fullerton	Cal State Fullerton Auxiliary Services Corporation	\$14,282	\$10,431	37%	\$3,851
Fullerton	CSU Fullerton Housing Authority	\$87	\$58	48%	\$28
Fullerton	Cal State Fullerton Philanthropic Foundation	\$439	\$414	6%	\$24
Humboldt	Associated Students of Humboldt State University	\$1,371	\$1,146	20%	\$225
Humboldt	Humboldt State University Advancement Foundation	\$380	\$359	6%	\$21
Humboldt	Humboldt State University Sponsored Programs Foundation	\$4,853	\$4,210	15%	\$643
Humboldt	University Center, Humboldt State University	\$4,945	\$4,151	19%	\$794
Long Beach	Associated Students Inc., CSU Long Beach	\$4,427	\$2,987	48%	\$1,440
Long Beach	Forty-Niner Shops, Inc. CSU Long Beach	\$10,337	\$8,650	20%	\$1,687
Long Beach	CSULB Foundation	\$12,130	\$9,846	23%	\$2,284
Long Beach	CSULB 49er Foundation	\$159	\$127	25%	\$32

Campus	Auxiliary	FY 13/14 Prem w/ Collars	FY 12/13 Premium	% Difference	Difference
Los Angeles	Associated Students Inc., CSU Los Angeles	\$643	\$607	6%	\$36
Los Angeles	California State University, Los Angeles Foundation	\$1,271	\$1,201	6%	\$70
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$7,752	\$5,625	38%	\$2,128
Los Angeles	University Student Union, CSU Los Angeles	\$1,499	\$1,077	39%	\$421
Maritime	Associated Students Inc., California Maritime Academy	\$16	\$11	48%	\$5
Maritime	California Maritime Academy Foundation	\$610	\$576	6%	\$34
Monterey	Foundation of California State University Monterey Bay	\$29	\$27	6%	\$2
Monterey	The University Corporation at Monterey Bay	\$5,158	\$3,480	48%	\$1,678
Northridge	Associated Students Inc., CSU Northridge	\$3,175	\$2,774	14%	\$401
Northridge	CSU Northridge Foundation	\$1,981	\$1,648	20%	\$333
Northridge	North Campus Park Development Corporation	\$24	\$16	48%	\$8
Northridge	The University Corporation, CSU Northridge	\$10,947	\$9,396	16%	\$1,550
Northridge	University Student Union, CSU Northridge	\$2,800	\$1,889	48%	\$911
Pomona	Associated Students Inc., Cal Poly Pomona	\$2,207	\$1,804	22%	\$404
Pomona	Cal Poly Pomona Foundation	\$7,700	\$5,195	48%	\$2,505
Sacramento	Associated Students Inc., CSU Sacramento	\$2,607	\$1,759	48%	\$848
Sacramento	Capital Public Radio, CSU Sacramento	\$1,879	\$1,588	18%	\$291
Sacramento	University Enterprises, Inc., CSU Sacramento	\$12,091	\$8,158	48%	\$3,934
Sacramento	The University Foundation at Sacramento State	\$10	\$7	48%	\$3
Sacramento	University Union, CSU Sacramento	\$4,224	\$3,569	18%	\$655
San Bernardino	Associated Students Inc., CSU San Bernardino	\$703	\$664	6%	\$39
San Bernardino	The Foundation for California State University, San Bernardino	\$11,238	\$10,615	6%	\$623
San Bernardino	Santos Manual Student Union, CSU San Bernardino	\$906	\$633	43%	\$273
San Bernardino	CSUSB Philanthropic Foundation	\$963	\$650	48%	\$313
San Diego	Associated Students of San Diego State University	\$9,694	\$8,109	20%	\$1,586
San Diego	Aztec Shops, LTD, San Diego State University	\$12,198	\$8,230	48%	\$3,968
San Diego	San Diego State University Research Foundation	\$21,400	\$14,438	48%	\$6,962
San Francisco	Associated Students Inc., San Francisco State University	\$1,689	\$1,453	16%	\$236
San Francisco	Cesar Chavez Student Center, San Francisco State University	\$2,912	\$2,751	6%	\$162
San Francisco	San Francisco State University Foundation	\$62	\$42	48%	\$20
San Francisco	The University Corporation, San Francisco State	\$2,772	\$2,618	6%	\$154
San Jose	Associated Student Inc., San Jose State University	\$3,075	\$2,600	18%	\$475
San Jose	San Jose State University Research Foundation	\$8,192	\$5,527	48%	\$2,665
San Jose	Spartan Shops, Inc., San Jose State University	\$9,162	\$8,362	10%	\$800
San Jose	Student Union of San Jose State University	\$8,026	\$7,581	6%	\$445
San Jose	The Tower Foundation, San Jose State University	\$1,319	\$890	48%	\$429
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	\$1,760	\$1,187	48%	\$572
San Luis Obispo	Cal Poly Corporation	\$22,068	\$16,903	31%	\$5,164
San Luis Obispo	California Polytechnic State University Foundation	\$201	\$136	48%	\$65
San Luis Obispo	Cal Poly Housing Corporation	\$30	\$20	48%	\$10
San Marcos	Associated Students Inc, CSU San Marcos	\$848	\$801	6%	\$47
San Marcos	Cal State San Marcos Foundation	\$201	\$136	48%	\$65
San Marcos	The University Corporation of CSU San Marcos	\$475	\$321	48%	\$155
San Marcos	University Auxiliary & Research Services Corporation at Cal State University San Marcos	\$3,096	\$2,089	48%	\$1,007
Sonoma	Sonoma State University Academic Foundation	\$3,789	\$3,578	6%	\$210
Sonoma	Associated Students Inc., Sonoma State University	\$788	\$707	11%	\$81
Sonoma	Sonoma State Enterprises	\$2,121	\$1,813	17%	\$308
Stanislaus	Associated Students Incorporated, California State University, Stanislaus	\$1,592	\$1,504	6%	\$88

<b>Campus</b>	<b>Auxiliary</b>	<b>FY 13/14 Prem w/ Collars</b>	<b>FY 12/13 Premium</b>	<b>% Difference</b>	<b>Difference</b>
Stanislaus	CSU Stanislaus Auxiliary & Business Services	\$4,387	\$4,144	6%	\$243
Stanislaus	CSU Stanislaus Foundation	\$2,087	\$1,972	6%	\$116
Stanislaus	University Student Union of CSU Stanislaus	\$632	\$597	6%	\$35
<b>Total</b>		<b>\$351,104</b>	<b>\$282,321</b>	<b>24%</b>	<b>\$68,783</b>

## **REVIEW AND APPROVAL OF AORMA'S WORKERS' COMPENSATION PAYROLL RULES TO FOLLOW**

**ISSUE:** Staff was asked by the Programs Committee to review the AORMA Worker's Compensation Rules to Follow and provide comments or suggestions for change. Rules 1 through 7 are basically the same as the rules published by the WCIRB.

Rules 8 through 12 differ from the WCIRB. The WCIRB does not allow employees engaged in activities within more than one class code to split their payroll. The WCIRB requires that the entire payroll be allocated to the higher rated class code. Staff worked with the AORMA Workers' Compensation Committee and the AOA HR Committee to establish the AORMA Class Codes and Rules to Follow. The committee members wanted to have the ability to deviate from the WCIRB payroll requirement because many auxiliaries have employees that engage in activities within more than one class code and those auxiliaries already have in place a method of accurately allocating payroll of a single employee within difference class codes.

The committee members also recognized that some auxiliaries may not have a method to easily allocate a single employee's payroll. It was therefore decided that the activity where 75% or more time is spent should become the prevailing allocation class code, provided that neither task is considered hazardous.

Some employees are asked engage in hazardous and non-hazardous activities for the same operation. Noted below are two examples that were discussed during the workers' compensation payroll desk audits:

1. A Research Foundation student employee who is assisting with an off-site research project which is not physical in nature (class code 1002) is asked to collect plant samples (class code 1007).
2. A clerical student employee (class code 1001) who is also a camp counselor for a week long summer sports camp (1005).

The committee members decided that if the more hazardous task hours are less than 20% of the employee's hours, then that employee's hours could be allocated to the less hazardous activity.

**RECOMMENDATION:** Staff is making the following recommendations:

1. Rules 1 through 7 – No change
2. Rules 8 and 9 – No change

3. Rule 10 – This rule applies to non-hazardous activities only and it states that if an auxiliary does not have such a method to split an employee’s hours, then “**wherever 75% or more time is spent**” should become the prevailing allocation. Staff recommends changing this to wherever **more time is spent**.
4. Rules 11 and 12 – Staff recommends that the committee members discuss whether 20% of an employee’s hours within a hazardous activity is still considered “incidental.”

**FISCAL IMPACT:** None

**BACKGROUND:** In July, 2012, staff performed a “desk” payroll audit of all Workers’ Compensation program members who had an experience modification factor in excess of 1.00. Staff reviewed loss, payroll and exposure information for inconsistencies. Staff found that one member had losses in class codes 1005 and 1007 but did not have payroll allocated to either class code. The member explained that the most of their research project payroll is allocated to class code 1002; occasionally, an employee will engage in a physical or manual activity such as collecting plant samples (this activity would be a class code 1007 activity); however, the employee’s time participating in this more hazardous activity is less than 20% of the employee’s total time, so the member allocated the payroll to class code 1002. The same is true with class code 1005. The member offers a sports camp for one or two weeks in the summer. Their clerical employees will act as the camp counselors; however, this activity accounts for less than 20% of the employee’s time. This information prompted the Programs Committee members to ask Staff to review AORMA Workers’ Compensation Payroll Rules to Follow and make recommendations for changes as appropriate.

**PUBLICATION:** The AORMA Workers’ Compensation Payroll Rules to Follow is distributed to the Members twice per year – once when the estimated payroll is requested for the upcoming fiscal year and once when the actual payroll is requested for the closed fiscal year. If changes are made to the Rules to Follow, then Staff will point out the revisions when the Rules are next distributed.

**ATTACHMENT(S):**

- a. AORMA Workers’ Compensation Payroll Rule to Follow – with revisions

## **AORMA Workers' Compensation Payroll Rules to Follow**

Payroll is defined as gross wages; salaries; commissions; bonuses; vacation; holiday and sick pay; overtime payments; and all substitutes for money earned during the policy period by employees and officers of the employer.

1. The value of meals or lodging is not included as payroll.
2. Overtime is included at the regular hourly wage. If someone working overtime is compensated at 1.5 times regular salary, those hours for Workers' Compensation payroll purposes are at the regular hourly rate.
3. Tips, voluntary or prepaid, received from other than the employer or one acting on behalf of the employer, are not to be included in the payroll. With respect to an employer who operates a club, payments to club employees of funds accumulated from voluntary contributions of club members for services afforded to such members shall be considered tips and not included in the payroll.
4. Except as noted herein, payments to which an employee is entitled only upon the termination of the employment relationship are not to be included in the payroll. Sums, such as accrued vacation and sick pay, commissions and bonuses, paid to an employee at the time the employment relationship is terminated are to be included in the payroll, provided such sums would have been payable to the employee at some future date if the employment relationship had not been terminated.
5. Contributory payments made by the employer in connection with group insurance, stock purchase plans or qualified retirement plans, the exercise of stock options and deferred compensation plans are not to be included in the payroll. Payments by an employer of amounts otherwise required by law to be paid by employees to statutory insurance or pension plans, such as the Federal Social Security Act, are to be included in the payroll.
6. The value of an automobile furnished to an employee is not to be included in the payroll, provided the automobile is used in the conduct of the employer's business. A reimbursement to an employee for the business use of a personal automobile using a stipulated amount shall not be reported as payroll, provided the payments do not exceed the approved Internal Revenue Service (IRS) standard mileage rate for business use of a personal vehicle. An automobile

allowance paid to an employee shall be included in the payroll; however, that portion of the allowance, which the employer can show is reimbursement for actual expenses incurred by the employee in the conduct of the employer's business, shall be excluded from the payroll.

7. Payroll for Executive Officers of the Corporation who are paid, and who are otherwise not employees, is limited to a minimum of \$33,800 and a maximum of \$89,700. Executive Officers are those officers commonly known and styled as President, Vice President, Secretary, Assistant Secretary, Treasurer or Assistant Treasurer, and also includes any other Executive Officers enumerated in and empowered by the charter of the Non Profit Corporation.

Division of Single Employee's Payroll:

8. Because most auxiliaries provide a number of services to a number of different operations, they already have a method of allocating hours of employees between these differing operations.
9. AORMA will accept an allocation of hours of employees between the different departments they are assigned to work with provided the auxiliary has maintained complete and accurate records of those employees with multiple tasks.
10. If the auxiliary does not have such a method and cannot easily split hours, then wherever ~~75% or~~ more time is spent should become the prevailing allocation, if neither task is considered hazardous. An accurate description of job duties for personnel whose time is allocated in this fashion should be kept to allow outside verification of the justification for the allocation.

What about personnel who do hazardous and non-hazardous tasks for the same operation?

11. The most prevalent example is a clerical person who also handles a delicatessen or kitchen duties, when needed. If the more hazardous task hours are potentially 20% or more of the person's hours of service, then that person's hours should be allocated to the more hazardous operation. Twenty percent is not an incidental exposure. If less than 20% then those persons' hours can be allocated to the clerical operation.
12. Payroll for any employee vacation time shall be allocated on the same proportional basis as their actual hours have been allocated.

## **EARTHQUAKE INSURANCE PROGRAM DISCUSSION**

**ISSUE:** The next step in designing the CSURMA AORMA Earthquake Program is to send out estimated program pricing to all Member's who responded to the original EQ survey. The estimated member program pricing (Premium Estimate – AAL) is noted on the attached exhibit. Staff will ask the Members to determine if they would still be interested in participating in the EQ program if their premium was as estimated. The Programs Committee will discuss the results at its meeting in April, 2013.

**RECOMMENDATION:** It is recommended that the Programs Committee direct staff to send out the pricing estimates.

**FISCAL IMPACT:** Roughly 20 members responded to the survey with reported values of some \$1,200,000,000. A traditional earthquake coverage program for the portfolio of properties included in the survey would cost between \$2.3MM and \$4MM. Utilizing known alternative structures could save perhaps 25%, but would require shifting risk to the membership and/or a multi-year approach to be effective.

**BACKGROUND:** Over the past half year, AORMA has been considering the issue of earthquake coverage, conducting a survey of the membership, modeling the risk, and estimating market pricing. While coverage is available, it is quite expensive and generally not in the budget for the average AORMA member. Further, due to the catastrophic nature of the exposure, the risk of loss is not evenly spread among the membership, making equitable group funding plans difficult to achieve.

**PUBLICATION:** Premium estimates will be sent out to the members in January, 2013.

**ATTACHMENT(S):**

- a. EQ pricing estimates.

# Premium Allocation Anyone?

Location Name	TIV	TIV %	Premium Estimate - TIV	AAL %	Premium Estimate - AAL	Difference
San Jose - Student Union	44,425,652	3.58%	109,588	16.62%	508,760	399,171
Monterey Bay - University Corp.	297,189,164	23.92%	732,222	15.25%	466,822	(265,400)
Northridge - TUC	21,453,040	1.73%	52,958	8.49%	259,890	206,932
Fullerton - ASC	67,062,207	5.40%	165,301	6.56%	200,810	35,509
Sonoma - Student Union Corp	16,761,428	1.35%	41,325	6.16%	188,566	147,240
San Francisco	45,966,697	3.70%	113,262	4.04%	123,670	10,408
Monterey Bay - University Corp.	27,021,422	2.17%	66,427	2.81%	86,018	19,591
Pomona - Foundation	11,410,660	0.92%	28,162	2.80%	85,712	57,549
Northridge - TUC	8,191,073	0.66%	20,203	2.78%	85,099	64,896
Pomona - Foundation	24,800,629	2.00%	61,223	2.75%	84,181	22,958
Pomona - Foundation	20,671,283	1.66%	50,815	2.56%	78,365	27,550
San Jose - Student Union	35,861,401	2.89%	88,467	2.36%	72,243	(16,224)
Monterey Bay - University Corp.	16,894,001	1.36%	41,631	2.17%	66,427	24,795
Fullerton - Housing	6,693,177	0.54%	16,530	1.98%	60,610	44,080
Fullerton	41,460,513	3.34%	102,242	1.95%	59,692	(42,550)
Northridge - TUC	50,295,748	4.05%	123,976	1.56%	47,754	(76,222)
San Jose - Student Union	3,919,567	0.32%	9,796	1.40%	42,856	33,060
Fullerton - Housing	12,447,180	1.00%	30,611	1.36%	41,631	11,020
San Bernardino - UEC	2,113,911	0.17%	5,204	1.35%	41,325	36,121
Northridge - Union	2,899,462	0.23%	7,041	1.13%	34,591	27,550
Northridge - Union	34,460,012	2.77%	84,793	1.11%	33,979	(50,815)
Northridge - Union	2,618,850	0.21%	6,428	1.02%	31,224	24,795
Los Angeles - Student Union	30,094,821	2.42%	74,079	0.99%	30,305	(43,774)
Fullerton - Housing	3,338,964	0.27%	8,265	0.99%	30,305	22,040
Long Beach - AS	45,478,642	3.66%	112,037	0.97%	29,693	(82,344)
"Everyone Else"	369,138,845	29.71%	908,544	8.83%	270,604	(637,940)
	<b>873,529,504</b>	<b>70.29%</b>	<b>1 3,061,130</b>	<b>91.17%</b>	<b>3,061,129</b>	<b>(0)</b>

**REVIEW OF THE CSURMA APPROVED BUDGET FOR FY 12/13**

**ISSUE:** At the last Programs Committee meeting, the members asked staff to review with the committee members the administrative costs for each AORMA program at its next meeting. Staff will discuss the costs allocated to each AORMA program.

**RECOMMENDATION:** This is an information item only;

**FISCAL IMPACT:** None

**BACKGROUND:** None

**PUBLICATION:** None

**ATTACHMENT(S):**

- a. CSURMA FY 12/13 Budget

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2012 to June 30, 2013**

**ADOPTED**

**TOTAL: AORMA PROGRAMS**

	<i>Revised</i> <b>FY 11/12</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	16,656,913	12,962,681	-3,694,232
Reinsurance Premiums	-825,000	-825,000	0
Total Operating Revenues	<u>15,831,913</u>	<u>12,137,681</u>	<u>-3,694,232</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,286,527	5,415,706	129,179
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	240,000	240,000	0
Claims Management Information System	0	0	0
Program Administrators	1,257,996	1,212,996	-45,000
Brokerage Commissions & Fees	298,750	298,750	0
Insurance Premiums (net of brokerage)	3,081,729	2,950,336	-131,393
Taxes, Assessments & Fees	35,000	35,000	0
Actuarial Services	11,000	11,000	0
Claims Audit	10,000	10,000	0
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	3,334	23,042	19,709
Loss Control Expenses	240,000	240,000	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	28,688	28,688	0
Dividend Distributions	2,219,190	2,219,190	0
Total Direct Program Expenses	<u>12,670,969</u>	<u>12,643,463</u>	<u>-27,506</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2012 to June 30, 2013**

**ADOPTED**

**TOTAL: AORMA PROGRAMS**

	<i>Revised</i> FY 11/12 <u>Budget</u>	<i>Proposed</i> FY 12/13 <u>Budget</u>	<u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	9,954	7,544	-2,410
Executive Committee & Board Expenses	6,508	4,664	-1,845
JPA Insurance	5,264	3,772	-1,492
Memberships, Associations & Dues	1,005	720	-285
Chancellor's Office Accounting Services	62,213	44,578	-17,635
Chancellor's Office Risk Management Service	213,628	153,073	-60,556
JPA Accreditation	0	0	0
JPA Legal	0	686	686
Miscellaneous Expenses	12,443	2,057	-10,385
Total General & Administrative Expenses	<u>311,015</u>	<u>217,093</u>	<u>-93,922</u>
Total Operating Expenses	<u>12,981,984</u>	<u>12,860,557</u>	<u>-121,428</u>
<b>Non-Operating Revenues</b>			
Investment Income	872,177	793,311	-78,867
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>872,177</u>	<u>793,311</u>	<u>-78,867</u>
<b>Net Surplus (Deficit)</b>	<u>3,722,106</u>	<u>70,435</u>	
<b>Beginning Retained Earnings</b>	13,169,812	16,891,918	
<b>Ending Retained Earnings</b>	16,891,918	16,962,353	

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2012 to June 30, 2013**

**ADOPTED**

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Revised</i> <b>FY 11/12</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	4,124,197	4,179,283	55,086
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,124,197</u>	<u>4,179,283</u>	<u>55,086</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,957,448	2,048,157	90,709
Deductible Recoveries	0	0	0
Claims Administrators	205,000	205,000	0
Claims Management Information System	0	0	0
Program Administrators	342,596	342,596	0
Brokerage Commissions & Fees	40,000	40,000	0
Insurance Premiums (net of brokerage)	374,624	395,000	20,376
Taxes, Assessments & Fees	35,000	35,000	0
Actuarial Services	6,000	6,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	1,689	7,429	5,740
Loss Control Expenses	88,020	90,811	2,791
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	9,906	9,906	0
Dividend Distributions	815,343	815,343	0
Total Direct Program Expenses	<u>3,881,881</u>	<u>4,001,497</u>	<u>119,616</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2012 to June 30, 2013**

**ADOPTED**

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Revised</i> <b>FY 11/12</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	2,510	2,432	-78
Executive Committee & Board Expenses	1,641	1,504	-137
JPA Insurance	1,327	1,216	-111
Memberships, Associations & Dues	253	232	-21
Chancellor's Office Accounting Services	15,686	14,372	-1,314
Chancellor's Office Risk Management Service	53,864	49,352	-4,512
JPA Accreditation	0	0	0
JPA Legal	0	221	221
Miscellaneous Expenses	3,137	663	-2,474
Total General & Administrative Expenses	<u>78,419</u>	<u>69,993</u>	<u>-8,426</u>
Total Operating Expenses	<u>3,960,300</u>	<u>4,071,490</u>	<u>111,190</u>
<b>Non-Operating Revenues</b>			
Investment Income	432,402	389,071	-43,331
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>432,402</u>	<u>389,071</u>	<u>-43,331</u>
<b>Net Surplus (Deficit)</b>	<u>596,300</u>	<u>496,864</u>	
<b>Beginning Retained Earnings</b>	5,761,373	6,357,673	
<b>Ending Retained Earnings</b>	6,357,673	6,854,537	

**CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2012 to June 30, 2013**

**ADOPTED**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Revised</i> <b>FY 11/12</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	2,850,828	3,028,727	177,899
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,850,828</u>	<u>3,028,727</u>	<u>177,899</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	240,000	240,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	236,816	236,816	0
Brokerage Commissions & Fees	181,250	181,250	0
Insurance Premiums (net of brokerage)	2,269,080	2,061,673	-207,407
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	5,384	5,384
Loss Control Expenses	60,844	65,811	4,967
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	5,707	5,707	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,993,697</u>	<u>2,796,640</u>	<u>-197,056</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2012 to June 30, 2013**

**ADOPTED**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Revised</i> FY 11/12 <u>Budget</u>	<i>Proposed</i> FY 12/13 <u>Budget</u>	<u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	1,735	1,763	28
Executive Committee & Board Expenses	1,134	1,090	-45
JPA Insurance	917	881	-36
Memberships, Associations & Dues	175	168	-7
Chancellor's Office Accounting Services	10,843	10,416	-427
Chancellor's Office Risk Management Service	37,233	35,765	-1,468
JPA Accreditation	0	0	0
JPA Legal	0	160	160
Miscellaneous Expenses	2,169	481	-1,688
Total General & Administrative Expenses	<u>54,206</u>	<u>50,724</u>	<u>-3,483</u>
Total Operating Expenses	<u>3,047,903</u>	<u>2,847,364</u>	<u>-200,539</u>
<b>Non-Operating Revenues</b>			
Investment Income	36,828	38,856	2,028
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>36,828</u>	<u>38,856</u>	<u>2,028</u>
<b>Net Surplus (Deficit)</b>	<u>-160,247</u>	<u>220,219</u>	
<b>Beginning Retained Earnings</b>	1,284,137	1,123,890	
<b>Ending Retained Earnings</b>	1,123,890	1,344,109	

\* 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, 2012 to June 30, 2013**

**ADOPTED**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Revised</i> <b>FY 11/12</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	253,815	290,404	36,589
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>253,815</u>	<u>290,404</u>	<u>36,589</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	75,000	75,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	21,084	21,084	0
Brokerage Commissions & Fees *	17,500	17,500	0
Insurance Premiums	165,567	147,081	-18,486
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	516	516
Loss Control Expenses	5,417	6,310	893
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	394	394	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>284,962</u>	<u>267,885</u>	<u>-17,077</u>

**CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2012 to June 30, 2013**

**ADOPTED**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Revised</i> FY 11/12 <u>Budget</u>	<i>Proposed</i> FY 12/13 <u>Budget</u>	<u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	154	169	15
Executive Committee & Board Expenses	101	104	3
JPA Insurance	82	85	3
Memberships, Associations & Dues	16	16	1
Chancellor's Office Accounting Services	965	999	33
Chancellor's Office Risk Management Service	3,315	3,429	114
JPA Accreditation	0	0	0
JPA Legal	0	15	15
Miscellaneous Expenses	193	46	-147
Total General & Administrative Expenses	<u>4,826</u>	<u>4,864</u>	<u>37</u>
Total Operating Expenses	<u>289,788</u>	<u>272,749</u>	<u>-17,039</u>
<b>Non-Operating Revenues</b>			
Investment Income	1,288	1,030	-258
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>1,288</u>	<u>1,030</u>	<u>-258</u>
<b>Net Surplus (Deficit)</b>	<u>-34,685</u>	<u>18,685</u>	
<b>Beginning Retained Earnings</b>	0	-34,685	
<b>Ending Retained Earnings</b>	-34,685	-15,999	

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

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2012 to June 30, 2013**

**ADOPTED**

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Revised</i> <b>FY 11/12</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	5,411,712	1,917,469	-3,494,243
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>5,411,712</u>	<u>1,917,469</u>	<u>-3,494,243</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,677,237	1,677,237	0
Deductible Recoveries	0	0	0
Claims Administrators	20,000	20,000	0
Claims Management Information System	0	0	0
Program Administrators	90,000	45,000	-45,000
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	3,408	3,408
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	4,063	4,063	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,791,300</u>	<u>1,749,708</u>	<u>-41,592</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2012 to June 30, 2013**

**ADOPTED**

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Revised</i> FY 11/12 <u>Budget</u>	<i>Proposed</i> FY 12/13 <u>Budget</u>	<u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	3,111	1,116	-1,995
Executive Committee & Board Expenses	2,034	690	-1,344
JPA Insurance	1,645	558	-1,087
Memberships, Associations & Dues	314	107	-208
Chancellor's Office Accounting Services	19,442	6,594	-12,848
Chancellor's Office Risk Management Service	66,761	22,643	-44,118
JPA Accreditation	0	0	0
JPA Legal	0	101	101
Miscellaneous Expenses	3,888	304	-3,584
Total General & Administrative Expenses	<u>97,196</u>	<u>32,113</u>	<u>-65,083</u>
<b>Total Operating Expenses</b>	<b><u>1,888,495</u></b>	<b><u>1,781,821</u></b>	<b><u>-106,674</u></b>
<b>Non-Operating Revenues</b>			
Investment Income	102,479	55,782	-46,697
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>102,479</u>	<u>55,782</u>	<u>-46,697</u>
Net Surplus (Deficit)	<u>3,625,696</u>	<u>191,430</u>	
<b>Beginning Retained Earnings</b>	0	3,625,696	
<b>Ending Retained Earnings</b>	3,625,696	3,817,125	

## **POLICY & PROCEDURE L-5 - GUIDELINES FOR EXTENDING LIABILITY COVERAGE TO NON-AUXILIARY ORGANIZATIONS**

**ISSUE:** Policy & Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations allows AORMA’s liability coverage to be extended to cover student groups, alumni organizations and/or booster clubs if an AORMA Member maintains direct control over the events, activities and operations of the non-auxiliary organization. As the Policy & Procedure currently reads, liability coverage could not be extended to any **other** type of organization. Policy & Procedure L-5 has been revised to allow coverage to be extended to “other related entities” in addition to the student groups, alumni organizations and/or booster clubs as long as they comply with the Policy & Procedure requirements as noted below:

1. The AORMA Member must exercise substantial control over the other related entity
2. The AORMA Member must have substantial financial control of the other related entity
3. A risk analysis has been performed by the AORMA Member
4. The AORMA Member will participate in the planning and oversight of all events and activities of the other related entity
5. The other related entity will complete an AORMA Liability Program application which will be reviewed by the Programs Committee
6. Coverage will not be extended to the other related entity until the Programs Committee approves the extension

Should Policy & Procedure L-5 be revised to allow liability coverage to be extended to “other related entities”?

**RECOMMENDATION:** Staff recommends that the Programs Committee review the proposed revisions to Policy & Procedure L-5, and recommend approval to the AORMA Committee with amendments as appropriate.

**FISCAL IMPACT:** The extension of liability coverage in the future to “other related entities,” could result in additional claim liabilities within the AORMA Liability Insurance Program.

**BACKGROUND:** At its meeting in December, 2012, the AORMA Committee was asked to approve the revisions to Policy & Procedure L-5 which would allow the Fresno State Foundation to begin the process of extending coverage to its new wholly owned for-profit corporation New California Ventures, LLC. This request was not approved by the AORMA Committee. The

AORMA Committee referred this item to the Programs Committee. The AORMA Committee felt they did not have enough information to approve the request.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Revised Policy & Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organization (*marked up version*)



**CSURMA AORMA**

**POLICY AND PROCEDURE NO. L-5**

**SUBJECT: GUIDELINES FOR EXTENDING LIABILITY COVERAGE TO NON-AUXILIARY ORGANIZATIONS**

**ADOPTED: AUGUST 19, 2003**

**EFFECTIVE: JULY 1, 2003**

**AMENDED: NOVEMBER 20, 2003  
OCTOBER 8, 2009  
DECEMBER 6, 2012**

**POLICY & PROCEDURE NO.: (FORMERLY) 5-AORMA**

**PURPOSE:**

The purpose of this Policy and Procedure is to describe the conditions under which Auxiliary Organizations (Members) may~~should~~ extend Liability coverage to student groups, alumni organizations, ~~and~~ booster clubs and other related entities.

Coverage provided under the CSURMA AORMA Self-Insured Liability program is governed solely by the Liability Memorandum of Coverage and excess insurance policies providing coverage under that program. This Policy and Procedure shall not be construed to broaden or restrict coverage in any way. Rather, this Policy and Procedure is intended to guide MembersAuxiliary Organizations as respects coverage.

**POLICY:**

It is the policy of the CSURMA AORMA Self-Insured Liability Program that Membersmember organizations will protect CSURMA program assets by fully implementing the guidelines found in the Insurance Requirements in Contracts Manual prepared by CSURMA’s Program Administrator. It is understood that from time-to-time, MembersAuxiliary Organizations may choose to extend Liability coverage for certain student group activities, booster club activities, ~~and~~ alumni organization activities or operations of other related entities~~other auxiliary organization activities~~ that benefit the member Auxiliary Organization, and this extension of coverage is acceptable provided that the member Auxiliary organization exercises substantial control over the activities or organizations to which coverage is extended.

It is the intention of this Policy & Procedure that the Auxiliary Organizations Association (AOA) be considered a member organization for purposes of insurance coverage through the CSURMA AORMA Self-Insured Liability Program.

**PROCEDURE:**

MembersAuxiliary Organizations are expected to adhere to the following procedures:

**CSURMA AORMA**

**POLICY AND PROCEDURE NO. L-5**

Members ~~organizations~~ shall fully implement the guidelines of the Insurance Requirements in Contracts Manual prepared by the CSURMA Program Administrator. This means that Members Auxiliary Organizations will require third party contractors and vendors to provide appropriate indemnification, insurance and documentation of coverage.

1. From time-to-time, a Member Auxiliary Organization may choose to extend liability coverage to student groups, alumni organizations, ~~and~~ booster groups or other related entities upon confirmation of the following:

- a. ~~The Member Auxiliary Organization~~ exercises substantial control over all the events, activities and operations ~~or organizations to which coverage is extended~~. By this, it is meant that the Member Auxiliary Organization is directly involved in all the planning of the activities an activity and is in a position to exercise management control ~~over the activity~~.

- b. ~~If coverage is to be extended to an organization, such as an alumni organization or booster club related entity, the~~ The Member Auxiliary Organization will hold substantial financial ~~and operational~~ control ~~over the alumni organization or booster club related entity~~ such that the Member Auxiliary Organization is considered the staff of the entity to which coverage is extended.

- a.b. A risk analysis has been performed by the Member Auxiliary Organization to determine that the extension of coverage does not generate unnecessarily high risks.

- b. ~~The Member Auxiliary Organization will only extend coverage where it maintains direct control over the events or activities of the student group, alumni association or booster club.~~

- c. The Member Auxiliary Organization will participate in the planning and oversight of activities or events so that risk is minimized. The requirements for drivers described in Policy and Procedure AORMA # L-4 will be applicable to those groups to whom coverage is extended. Special Events coverage shall be purchased when the coverage extension is deemed to generate significant additional risk.

- d. The related entity AORMA Liability Program application will be completed.

- e.c. The Member Auxiliary Organization will consult with the Program Administrator prior to extending coverage and the Program Administrator shall refer requests for coverage extensions along with the completed AORMA Liability Program application to the AORMA Programs Committee for coverage approval.

- d.f. After approval of the coverage extension, the student group, alumni association, booster club or other related entity auxiliary organization will be listed on the



California State University Risk Management Authority  
Auxiliary Organizations Risk Management Alliance

**CSURMA AORMA**

**POLICY AND PROCEDURE NO. L-5**

CSURMA AORMA Self-Insured Retention Liability Program Memorandum of Coverage Declarations Page for the Member.

~~The member Auxiliary Organization will consult with the Program Administrator prior to extending coverage and the program Administrator shall refer requests for coverage extensions to the Auxiliary Organizations Committee for a coverage determination.~~

## **NEW CALIFORNIA VENTURES, LLC**

**ISSUE:** The Fresno State Foundation formed the “New California Ventures, LLC” a wholly owned “for-profit” corporation. This LLC was formed to provide further support for research initiatives at Fresno State, and to allow start-up companies to utilize business services from the Lyles Center for Innovation and Entrepreneurship in exchange for a contribution of equity from the start-up company to the LLC (this equity could not otherwise be accepted by the University).

The Foundation delegated authority to the Foundation’s Investment Committee to act as the members of the LLC who conduct and oversee the LLC’s operations. The LLC does not have any employees. It will secure its management and accounting services from the CSU Fresno Association, Inc. through a management services agreement.

The Fresno State Foundation has requested that its liability insurance coverage be extended to cover New California Ventures, LLC. Before coverage can be extended the following must occur:

1. The Program Committee must recommend approval to the AORMA Committee that Policy & Procedure L-5 be amended to allow liability coverage to be extended to “other related entities”
2. At its March, 2013 meeting, the AORMA Committee must approve the revisions to Policy & Procedure L-5
3. New California Ventures, LLC must complete the AORMA Liability Application
4. The Programs Committee at its April 18, 2013 meeting must review and approve the request by the Fresno State Foundation to extend its liability coverage to include the New California Ventures, LLC.

At today’s meeting a representative from the Fresno State Foundation will provide the Programs Committee with additional information regarding this new LLC. The Programs Committee can then decide if the approval process should continue by requesting that New California Ventures, LLC complete the AORMA Liability Application. The Programs Committee will then review the final application at its April 18, 2013 meeting. Or, the Programs Committee can refer the final decision back to the AORMA Committee.

**RECOMMENDATION:** Staff recommends that the Programs Committee decide if the approval process should continue and if the New California Ventures, LLC should complete the AORMA Liability Application.

**FISCAL IMPACT:** The extension of coverage could result in additional claims within the AORMA Liability Insurance Program.

**BACKGROUND:** At its December, 2012, meeting the AORMA Committee did not approve the request by the Fresno State Foundation to extend coverage to New California Ventures, LLC. This request was referred to the Programs Committee to obtain additional information in order to make a final decision.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**FY 12/13 AORMA LONG RANGE ACTION PLAN**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 12/13 AORMA Long Range Action Plan

## CSURMA AORMA FY 12/13 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>AORMA COMMITTEE</b>				
A-1	<b>FORMULA FOR DETERMINING AN AO'S MINIMUM EPL DEDUCTIBLE</b>			
	AORMA Committee	Review and approve EPL deductible size criteria	October 25, 2012	Completed
	AORMA Committee	Review and approve P&P – Formula for Determining an AO's Minimum EPL Deductible	December 6, 2012	
	AORMA Committee	Review and approve list of AO's that will be subject to a higher EPL	December 6, 2012	
	AORMA Committee	Review and approve updated deductible credits based on the \$50,000, \$75,000 and \$100,000 amount	December 6, 2012	
	Staff (Alliant)	Notify AO's of deductible changes and options	January 1, 2013	
A-2	<b>CSURMA WEBSITE</b>			
	Staff (Alliant)	Create and launch the new CSURMA website	April 1, 2013	
A-3	<b>AORMA UIP – CLAIMS ADMINISTRATION</b>			
	Staff (Alliant)	Send out RFP for UIP claims administration	October 5, 2012	Completed
	UIP Ad Hoc Committee	Review responses to RFP and make a recommendation to the AORMA Committee for the FY 13/14 UIP claims administration renewal	November 1, 2012	
	AORMA Committee	Review proposals for UIP claims administration and approve claims administrator	December 6, 2012	
A-4	<b>CAMPUS VISITS</b>			
	Staff (Alliant)	Complete individual PowerPoint Presentations for all 89 Auxiliary Organizations	November 1, 2012	
	Staff (Alliant)	Visit each campus and meet with the individual Auxiliary Organizations.	November 2012 through January 2013	

## CSURMA AORMA FY 12/13 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>AORMA COMMITTEE</b>				
A-5	<b>LEGAL OPINION REGARDING AUXILIARY ORGANIZATION STUDENT UI CLAIMS</b>			
	CSURMA Legal Counsel	Obtain a legal opinion from legal counsel as to how student UI claims should be handled	January 1, 2013	
	Staff (Alliant)	Survey all UIP members to see how they are handling student UI claims	February 1, 2013	
	AORMA Committee	Review legal opinion and survey results	March 21, 2013	
	AORMA Committee	Review and approve Policy and Procedure regarding student UI claims	March 21, 2013	
	Staff (Alliant)	Send out approved Policy and Procedure regarding student UI claims	April 1, 2013	

## CSURMA AORMA FY 12/13 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>PROGRAMS COMMITTEE</b>				
P-1	<b>EARTHQUAKE INSURANCE PROGRAM</b>			
	Staff (Alliant)	Send out survey to see which AORMA members are interested in joining the EQ Insurance Program	April 1, 2012	Completed
	Staff (Alliant)	Complete RMS Catastrophe Risk Report	July 1, 2012	Completed
	Staff (Alliant)	Present RMS Catastrophe Risk Report to the AORMA Committee	September 1, 2012	Completed
	AORMA Committee	Discuss if there is a fiscal ability to form an EQ Insurance Program reviewing the results of the California elections.	December 6, 2012	
	Staff (Alliant)	Begin underwriting, rating and pricing the EQ Insurance Program	December 2012	
	Staff (Alliant)	Send out estimated program pricing to all AORMA members who responded to the EQ survey.	January 31, 2013	
P-2	<b>ONE-RATE WORKERS' COMPENSATION PROGRAM (for FY 14/15 term)</b>			
	PC	Discuss current rating and allocation methodology	January 3, 2013	
	PC	Review alternative rating and allocation methodologies	April 18, 2013	
	PC	Review and approve <b>final</b> revised rating and allocation methodology	August 1, 2013	
	AORMA Committee	Review and approve <b>final</b> revised rating and allocation methodology	September 11, 2013	
	Staff (Alliant)	Notify AO's of their new premium allocation	January 1, 2014	

## CSURMA AORMA FY 12/13 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>PROGRAMS COMMITTEE</b>				
P-3	<b>PROPERTY and CRIME PROGRAMS – RATING METHODOLOGY (for FY 14/15 term)</b>			
	PC	Discuss current rating and allocation methodology	January 3, 2013	
	PC	Review alternative rating and allocation methodologies	April 18, 2013	
	PC	Review and approve <b>final</b> revised rating and allocation methodology	August 1, 2013	
	AORMA Committee	Review and approve <b>final</b> revised rating and allocation methodology	September 11, 2013	
	Staff (Alliant)	Notify AO's of their new premium allocation	January 1, 2014	
P-4	<b>AORMA WORKERS' COMPENSATION PAYROLL RULES TO FOLLOW</b>			
	Staff (Alliant)	Review the AORMA Workers' Compensation Payroll Rules to Follow document and make suggestions for change as necessary	December 2012	
	PC	Review revisions, if any, and recommend approval to the AORMA Committee	January 3, 2013	
	AORMA Committee	Review and approve modifications to the AORMA Workers' Compensation Payroll Rules to Follow document	March 21, 2013	

## CSURMA AORMA FY 12/13 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
<b>MEMBER SERVICES, LOSS CONTROL AND TRAINING COMMITTEE</b>				
M-1	<b>RISK REDUCTION INCENTIVE GRANT PROGRAM (for FY 12/13)</b>			
	MSLCTC ad hoc	Approve recipients of the Risk Reduction Incentive Grant Funds	November 5, 2013	
	MSLCTC ad hoc	Provide a recap of the grant program at the AoA Conference	January 1, 2013	
M-2	<b>RISK REDUCTION MATCHING GRANT PROGRAM (for FY 13/14)</b>			
	MSLCTC	Approval of Formal Policy and Procedure for the Risk Reduction Matching Grant Program	February 4, 2013	
	AORMA Committee	Approval of Formal Policy and Procedure for the Risk Reduction Matching Grant Program	March 21, 2013	
	MSLCTC	Review Workers' Compensation and Liability claims information @ 12/31/12 and determine criteria for matching grant program	February 4, 2013	
	Staff (Alliant)	Send out notification to AORMA members of the grant criteria and solicit participants	February 1, 2013	
	MSLCTC	Review grant applications received; approve participants	June 3, 2013	
M-3	<b>FACILITIES USE AGREEMENT</b>			
	MSLCTC	Review and Approve AORMA Recommended Facilities Use Agreement	November 5, 2012	
	AORMA Committee	Review and Approve AORMA Recommended Facilities Use Agreement	December 6, 2012	
	Staff (Alliant)	Update AORMA Toolkit with approved Facilities Use Agreement	December 1, 2012	
	Staff (Alliant)	Send out AORMA Bulletin notifying members of the new Facilities Use Agreement	December 1, 2012	
	MSLCTC	Review AORMA Recommended Facilities Use Agreement; recommend amendments as appropriate	November 18, 2013	



**APPROVED**

# **CSURMA AORMA FY 12/13 - LONG RANGE ACTION PLAN**

## CSURMA AORMA FY 12/13 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
M-4	<b>ON-LINE SAFETY TRAINING</b>			
	MSLCTC	Continue to monitor on-line safety training through SkillSoft	November 5, 2013	
	MSLCTC	Review optional on-line safety training through SkillSoft; provide recommendation to the AORMA Committee	February 4, 2013	
	AORMA Committee	If applicable, approve contract with SkillSoft	March 21, 2013	
	Staff (Alliant)	If applicable, give notice of contract termination to TargetSolutions (60 days in advance of 7/01 renewal)	April 1, 2013	

**CSURMA AORMA 2013 MEETING CALENDAR**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA AORMA – 2013 Meeting Calendar

## **CSURMA AORMA PROGRAM ADMINISTRATOR CONTACT LISTS**

**ISSUE:** Staff includes an updated AORMA Program Administrator contact list in each agenda.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Program Administrator - Contact List
- b. Claims Reporting Contacts

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
<b>Certificate of Insurance Requests</b>	<b>Hsan Htein</b> Van Rin	hhhtein@alliantinsurance.com vrin@alliantinsurance.com	415-403-1452 415-403-1408	415-874-4810 415-874-4810
<b>General Coverage Questions</b>	<b>Mimi Long</b> Van Rin Hsan Htein Daniel Howell	mlong@alliantinsurance.com vrin@alliantinsurance.com hhhtein@alliantinsurance.com dhowell@alliantinsurance.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Inland Marine</b>	<b>Van Rin</b> Hsan Htein Mimi Long	vrin@alliantinsurance.com hhhtein@alliantinsurance.com mlong@alliantinsurance.com	415-403-1408 415-403-1452 415-403-1423	415-874-4810 415-874-4810 415-874-4810
<b>Participant Accident Insurance (PAI)</b>	<b>Van Rin</b>	vrin@alliantinsurance.com	415-403-1408	415-874-4810
<b>Special Events Insurance</b>	<b>Van Rin</b>	vrin@alliantinsurance.com	415-403-1408	415-874-4810
<b>Foreign Travel Program</b>	<b>Stacey Weeks</b> Van Rin	sweeks@alliantinsurance.com vrin@alliantinsurance.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
<b>General Risk Management Questions</b>	<b>Mimi Long</b> Van Rin Hsan Htein Daniel Howell	mlong@alliantinsurance.com vrin@alliantinsurance.com hhhtein@alliantinsurance.com dhowell@alliantinsurance.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Workers' Compensation Claims Consultant</b>	<b>Jacki Graf</b>	jgraf@alliantinsurance.com	415-403-1438	415-874-4810
<b>Form 700</b>	<b>Tevea Him</b>	thim@alliantinsurance.com	415-403-1416	
<b>CSU Chancellor's Office</b>				
<b>CSU Chancellor's Office</b>	<b>Charlene Minnick</b> <b>Zachary Gifford</b> Rebecca Skidmore Leona Ching Alice Kim Kelly Cox Mandy Wong	cminnick@calstate.edu zgifford@calstate.edu rskidmore@calstate.edu lching@calstate.edu akim@calstate.edu kcox@calstate.edu mwong@calstate.edu	562-951-4580 562-951-4568 562-951-4574 562-951-4580 562-951-4627 562-951-4611 562-951-4578	562-951-4859 562-951-4859 562-951-4859 562-951-4859 562-951-4865 562-951-4865 562-951-4865

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>Loss Control Consultants</b>				
<b>Alliant Risk Control Consulting</b>	<b>Brent Escoubas</b>	bescoubas@alliantinsurance.com	949-260-5013	
<b>TargetSolutions</b>	<b>Kelly Zielinski</b>	kaz@targetsolutions.com	858-683-7229	858-487-8762
<b>TargetSolutions</b>	<b>Liz Farzan</b>	laf@targetsolutions.com	858-592-6880 Ext. 147	
<b>Human Resources Consulting – Employers Group</b>				
<b>Helpline</b>	<b>Mark Nelson Kimberly Nwamanna</b>	mnelson@employersgroup.com knwamanna@employersgroup.com	800-748-8484 x3952 800-748-8484 x 2916	
<b>Client Service</b>	<b>Bill Stephens Mandy Blackford SPHR</b>	bstephens@employersgroup.com mblackford@employersgroup.com	805-807-9922 619-306-6858	213-226-0216
<b>Reference Library</b>	<b>Robert Campbell</b>	rcampbell@employersgroup.com	800-748-8484 Ext. 3430	
<b>Unemployment Questions</b>	<b>Ryan Farias</b>	rfarias@employersgroup.com	213-765-3979	
<b>Affirmative Action Plans</b>	<b>Suzanne Oliva</b>	soliva@employersgroup.com	213-765-3918	
<b>Leave Management</b>	<b>Corin Perez</b>	cperez@employersgroup.com	213-765-3929	
<b>Research and Surveys</b>	<b>Juan Garcia</b>	jgarcia@employersgroup.com	213-765-3969	
<b>Employer Advocacy</b>	<b>Ken Tiratira</b>	ktiratira@employersgroup.com	213-765-3915	



## CLAIMS REPORTING CONTACTS

The following are important items of information which should be provided when reporting a claim or occurrence:

1. The date, time and location of the event
2. The person at the agency to contact regarding the claim
3. A description of the circumstances of the event
4. Estimated amount of claim or loss (*if applicable*)
5. A complete copy of any legal documents (*if applicable*)

## LIABILITY CLAIMS

In the event of a liability claim (General Liability, Automobile Liability, Errors & Omissions, including Directors & Officers, Employment Practices Liability), please contact:

**Mauri McGuire**  
Carl Warren & Company  
P.O. Box 7059  
Ventura, CA 93006

E-mail: [mmcguire@carlwarren.com](mailto:mmcguire@carlwarren.com)  
Tel: 805-650-7020 ext. 1003  
Fax: 805-658-9950

*Express Mail:*  
Carl Warren & Company  
1000 South Hill Road, Suite 215  
Ventura, CA 93003



## PROPERTY, BOILER & MACHINERY, CYBER LIABILITY, CRIME CLAIMS

In the event of a property, boiler & machinery, cyber liability, or crime claim, please contact:

**David C. Sutton, Claims Executive**

Alliant Insurance Services, Inc.  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101

E-mail: [dsutton@alliantinsurance.com](mailto:dsutton@alliantinsurance.com)  
Tel: 415-403-1417  
Fax: 415-403-1466  
Cell: 415-693-8816

**OR:**

**Michelle Maffei, Senior Claims Advocate**

Alliant Insurance Services, Inc.  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101

E-mail: [mmaffei@alliantinsurance.com](mailto:mmaffei@alliantinsurance.com)  
Tel: 415-403-1418  
Fax: 415-403-1466  
Cell: 415-693-8864

**COPY TO:**

**Robert Frey, Vice President**

Alliant Insurance Services, Inc.  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101

E-mail: [rfrey@alliantinsurance.com](mailto:rfrey@alliantinsurance.com)  
Tel: 415-403-1445  
Fax: 415-403-1466  
Cell: 415-518-8490



## WORKERS' COMPENSATION CLAIMS

In the event of a Workers' Compensation claim, please forward the Workers' Compensation Claim Form (DWC1) and the Employer's Report of Occupational Injury or Illness (Form 5020) to:

**Brian Montagnese - Supervisor**

Sedgwick CMS  
P.O. Box 14479  
Lexington, KY 40512-4479

E-mail: [brian.montagnese@sedgwickcms.com](mailto:brian.montagnese@sedgwickcms.com)  
Tel: 916-851-8060  
Fax: 916-851-8079

### YOUR CLAIM WILL BE ASSIGNED TO EITHER:

**Katie Brandt, Claim Examiner III**

Sedgwick CMS  
P.O. Box 14479  
Lexington, KY 40512-4479

E-mail: [katie.brant@sedgwickcms.com](mailto:katie.brant@sedgwickcms.com)  
Tel: 916-851-8058  
Fax: 916-851-8079

### OR:

**Mary Albert, Claims Examiner**

Sedgwick CMS  
P.O. Box 14479  
Lexington, KY 40512-4479

E-mail: [mary.albert@sedgwickcms.com](mailto:mary.albert@sedgwickcms.com)  
Tel: 916-851-8059  
Fax: 916-851-8076



## PARTICIPANT ACCIDENT INSURANCE (PAI)

In the event of a Participant Accident Insurance (PAI) claim, please forward the completed HSR claim form directly to:

Health Special Risk, Inc.  
HSR Plaza II  
4100 Medical Parkway  
Carrollton, TX 75007

E-mail: [CSRM@hsri.com](mailto:CSRM@hsri.com)  
Tel: 972-512-5600  
Fax: 972-512-5820  
Tel Toll Free: 866-523-3186



## SLIP, SPECIAL EVENTS, AUTO PHYSICAL DAMAGE, INLAND MARINE, MISCELLANEOUS

In the event of a loss, please contact:

**David C. Sutton, Claims Executive**

Alliant Insurance Services, Inc.  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101

E-mail: [dsutton@alliantinsurance.com](mailto:dsutton@alliantinsurance.com)

Tel: 415-403-1417

Fax: 415-403-1466

Cell: 415-693-8816

**OR:**

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California State University Risk Management Authority  
 Auxiliary Organizations Risk Management Alliance

## 2013 CSURMA • AORMA MEETING CALENDAR

JANUARY, 2013		FEBRUARY, 2013		MARCH, 2013	
3	PC: Teleconference, 2:00 p.m.	4	MSLCTC: Teleconference, 11:00 a.m.	21	AORMA: San Francisco, 10:00 a.m.
				21	EC: San Francisco, 5:00 p.m.
				22	EC LRP: San Francisco, 8:00 a.m.
					<b>Only the AORMA Chair and Vice Chair attend the EC meetings</b>
					<b>Only the AORMA Chair attends to AOA EC meeting</b>
APRIL, 2013		MAY, 2013		JUNE, 2013	
18	PC: Teleconference, 2:00 p.m.	9	AORMA: Long Beach, 10:00 a.m.	3	MSLCTC: Teleconference, 11:00 a.m.
		10	<b>EC: Long Beach, 9:00 p.m.</b>		
		10	<b>BOD: Long Beach, 10:30 a.m.</b>		
			<b>Only the AORMA Chair and Vice Chair attend the EC meetings</b>		
			<b>All AORMA Committee members attend the BOD</b>		

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



California State University Risk Management Authority  
 Auxiliary Organizations Risk Management Alliance

## 2013 CSURMA • AORMA MEETING CALENDAR

JULY, 2013		AUGUST, 2013		SEPTEMBER, 2013	
TBD	AORMA Officers Retreat:  <b>Only the AORMA Chair, Vice Chair, Past Chair and Ex Officio attend the AORMA Officers Retreat</b>	1 26	PC: Teleconference, 2:00 p.m. MSLCTC: Teleconference, 11:00 a.m.	11 11 12 12 13	AORMA New Committee Member Orientation: San Francisco, 9:00 a.m. AORMA LRP: San Francisco, 10:00 a.m. AORMA: San Francisco, 9:00 a.m. EC Orientation: San Francisco, 4:00 p.m. EC: San Francisco, 8:30 a.m.  <b>Only the AORMA Chair and Vice Chair attend the EC meetings</b>
OCTOBER, 2013		NOVEMBER, 2013		DECEMBER, 2013	
3 24 25 25	PC: Teleconference, 2:00 p.m. AORMA: Long Beach, 10:00 a.m. EC: Long Beach, 9:00 a.m. BOD: Long Beach, 10:30 a.m.  <b>Only the AORMA Chair and Vice Chair attend the EC meetings</b>  <b>All AORMA Committee members attend the BOD</b>	18	MSLCTC: Teleconference, 11:00 a.m.	5 6 12	AORMA: San Francisco, 10:00 a.m. EC: San Francisco, 8:30 a.m. PC: Teleconference, 2:00 p.m.  <b>Only the AORMA Chair and Vice Chair attend the EC meetings</b>

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AOUIT = Auxiliary Organizations Unemployment Insurance Trust	AORMA LRP = AORMA Long Range Planning Meeting	EC LRP = EC Long Range Planning Meeting
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**AORMA COMMITTEE CONTACT LIST - EFFECTIVE 07/01/12**

**ISSUE:** Attached for the Committee's review are the AORMA Committee and Standing Committee Membership Roster Contact List effective July 1, 2012.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** Contact lists are provided at every meeting.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Committee Roster - Effective at 7-01-12

**AORMA Committee**  
**Ten voting members - two alternates - twelve members total**  
**Effective at July 1, 2012**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Kurt Borsting	Director, Titan Student Centers	Fullerton	Associated Students, California State University, Fullerton, Inc.	kborsting@fullerton.edu	657-278-4214
AORMA	Vice Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	Past Chair	Pat Worley	Executive Director	Sacramento	Associated Students of California State University, Sacramento	pcworley@csus.edu	916-278-7290
AORMA	Ex Officio	David Prenovost	Chief Financial Officer	Pomona	The Cal Poly Pomona Foundation, Inc.	dfprenovost@csupomona.edu	909-869-2948
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Foundation	nowlinb@csulb.edu	562-985-4690
AORMA	At Large	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
AORMA	At Large	Guy Dalpe	Managing Director	San Francisco	Cesar Chavez Student Center, San Francisco State University	gdalpe@sfsu.edu	415-338-1044
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslied@saclink.csus.edu	916-278-2904
AORMA	At Large	Keith Kompfi	Director, Foundation Financial Services	Fresno	Fresno Association, Inc., CSU Fresno	kkompfi@csufresno.edu	559-278-0838
AORMA	At Large	Peter Neville	Executive Director	Sonoma	Sonoma Student Union Corporation	peter.neville@sonoma.edu	707-664-2780
AORMA	At Large	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	rdewit@csulb.edu	562-985-5549

**Member Services, Loss Control & Training Committee**  
**Minimum of five members - at least two of whom are AORMA Committee members**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
MSLCTC	Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
MSLCTC	At Large	Kristin Kelly	Associate Director	San Jose	The Student Union of San Jose State University	kristin.kelly@sjsu.edu	408-924-6315
MSLCTC	At Large	Peter Neville	Executive Director	Sonoma	Sonoma Student Union Corporation	peter.neville@sonoma.edu	707-664-2780
MSLCTC	At Large	Arnecia Bryant	Associate Director, Operations	Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	abryant@csudh.edu	310-243-3854
MSLCTC	At Large	Dennis Miller	Director, Employment Services	Pomona	The Cal Poly Pomona Foundation, Inc.	dennismiller@csupomona.edu	909-869-2958

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
PC	Chair	Guy Dalpe	Managing Director	San Francisco	Cesar Chavez Student Center, San Francisco State University	gdalpe@sfsu.edu	415-338-1044
PC	At Large	Kurt Borsting	Director, Titan Student Centers	Fullerton	Associated Students, California State University, Fullerton, Inc.	kborsting@fullerton.edu	657-278-4214
PC	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
PC	At Large	Mark Day	Executive Director	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	mday@csusb.edu	909-537-7201
PC	At Large	Haleh Minakary	General Business Manager	Pomona	The Cal Poly Pomona Foundation, Inc.	hminakary@csupomona.edu	909-869-2910

**AOUI Board of Trustees / Unemployment Insurance Program Task Group**  
**Five members**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AOUI	Chair	Guy Dalpe	Managing Director	San Francisco	Cesar Chavez Student Center, San Francisco State University	gdalpe@sfsu.edu	415-338-1044
AOUI	Treasurer	Kim Clark	Executive Director	San Marcos	University Corporation	kclark@csusm.edu	760-750-3722
AOUI	Secretary	Kristin Kelly	Associate Director	San Jose	The Student Union of San Jose State University	kristin.kelly@sjsu.edu	408-924-6315
AOUI	Trustee	Heidi Chien	Associate Executive Director	Humboldt	Humboldt State University Center, Board of Directors	heidi.chien@humboldt.edu	707-826-5984
AOUI	Trustee	Joe Illuminate	Associate Director	Northridge	University Student Union of California State University, Northridge	joe.illuminate@csun.edu	818-677-3615

*AORMA Committee Chair serves for a period of four years - Vice Chair, to Chair, to Past President, to Ex-Officio.*

*Standing Committee Chair serves a one-year term, is appointed by the AORMA Committee Chair, and must be an AORMA Committee member.*

*AORMA Committee and Standing Committee members may serve a maximum of three consecutive two-year terms (total six years).*

Size of Campus: small - less than 10,000 FTE; medium - between 10,000 and 20,000 FTE; large - more than 20,000 FTE