

1. **Arce v. ASI Northridge**
2. **Sandoval v. The University Corp Northridge**
3. **Foster v. The University Corp Northridge**
4. **Yu v. The University Corp Northridge**
5. **Pourfarrok v. ASI San Francisco**

E. STANDING COMMITTEE REPORTS

- | | | | |
|----|--------------------------------|----------|-------|
| 1. | Programs Committee Report | I | p. 27 |
| 2. | AOA Executive Committee Report | I | p. 30 |

F. GENERAL ADMINISTRATION

- | | | | |
|----|--|----------|--------|
| 1. | Chancellor’s Office Services Budget Proposal for FY 2016/2017
<i>The Committee will be asked to consider the proposed services and budget for FY 2016/2017, and take action as appropriate</i> | I | p. 31 |
| 2. | Update of Excess Insurance Renewals
<i>The Committee will receive a verbal report on the excess insurance renewals</i> | I | p. 36 |
| 3. | Property Appraisals
<i>The Committee will be asked to review and approve, as appropriate, the property appraisal proposal.</i> | A | p. 37 |
| 4. | FY 2016/2017 CSURMA Operating Budget
<i>The Committee will review and recommend approval to the Executive Committee of the FY 2016/2017 CSURMA Budget</i> | A | p. 43 |
| 5. | AORMA Property Program Deductibles
<i>The Committee members will be asked to recommend adoption of the revised real property deductibles to the AORMA Committee</i> | A | p. 58 |
| 6. | Crime Program – Amendments to the AORMA Memorandum of Coverage
<i>The Committee will be asked to approve changes to the memorandum of coverage to specify that the program complies with the ERISA bonding requirement</i> | A | p. 75 |
| 7. | AORMA Committee Nominations and Election
<i>The Committee will review the nominee(s) for the open AORMA Committee seat for the term July 1, 2016 to June 30, 2018</i> | A | p. 110 |
| 8. | Final 2016 CSURMA Meeting Calendar
<i>The Committee will be asked to review the final 2016 CSURMA meeting calendar which includes the final date and times in November for the Executive Committee and Board of Directors meetings</i> | I | p. 115 |

9. Analysis of Potential Liability Apportionment Between Auxiliary Organization and Campus **A** *p. 117*

The Committee will be asked to discuss and approve, as appropriate, revisions to Policy and Procedure L-2 and the Carl Warren & Company Third Party Liability Claims Administration Contract

10. Carl Warren & Company Third Party Liability Claims Administration Contract Renewal **A** *p. 128*

The Committee will be asked to approve the renewal of the Carl Warren TPA contract effective July 1, 2016

G. INFORMATION ITEMS

1. Service Provider Performance Evaluation of CSURMA Vendors **I** *p. 138*

2. FY 2015/2016 AORMA Long Range Action Plan **I** *p. 144*

3. CSURMA AORMA 2016 Meeting Calendar **I** *p. 148*

4. CSURMA AORMA Program Administrator Contact Lists **I** *p. 150*

5. CSURMA AORMA Committee Contact List **I** *p. 163*

6. AORMA Travel Reimbursement Policy **I** *p. 165*

H. ADJOURNMENT

The next AORMA Committee meeting is scheduled for May 5, 2016 at 10:00 AM in Long Beach. Please contact Mimi Long mlong@alliant.com or Tevea Him thim@alliant.com with questions.

APPROVAL OF THE AGENDA

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MINUTES - DECEMBER 10, 2015

ISSUE: The Committee will be asked to review and approve the draft minutes of its December 10, 2015 meeting.

RECOMMENDATION: It is recommended that the Committee approve the minutes of its December 10, 2015 meeting, including corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA Committee Meeting Minutes – December 10, 2015

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING
DECEMBER 10, 2015
ALLIANT INSURANCE SERVICES, INC.
100 PINE STREET, SAN FRANCISCO, CA
10:00 AM**

MEMBERS PRESENT:

Cheree Aguilar, San Jose State University Research Foundation
 Dwayne Brummett, Associated Students, Inc., Cal Poly San Luis Obispo
 Guy Dalpe (AORMA Vice-Chair), Associated Students, Inc., San Francisco State University –
(arrived at 10:20am)
 Leslie Davis, University Union Operation of CSUS, Inc.
 Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach – *(arrived at 10:15am)*
 Gigi Kiama, The University Corporation at Monterey Bay
 Keith Kompsi, Fresno Association, Inc., CSU Fresno
 Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation
 Dave Nakamura, Humboldt State University Center
 Dave Nirenberg, University Glen Corporation, CSU Channel Islands
 Brian Nowlin, CSU Long Beach Research Foundation
 Jim Reinhart, University Enterprises, Inc., CSU Sacramento

STAFF, GUESTS AND CONSULTANTS

Tevea Him, Alliant Insurance Services, Inc.
 William Hsu, CSU Office of the Chancellor, Office of General Counsel
 Mimi Long, Alliant Insurance Services, Inc.
 Mauri McGuire, Carl Warren and Company

A. CALL TO ORDER

The meeting was called to order by the Chair, Frank Mumford at 10:04 AM.

A1. Approval of the Agenda

A motion was made to approve the agenda.

Motion: Leslie Davis
 Second: Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar	X			
Guy Dalpe				X

Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi	X			
Frank Mumford	X			
David Nakamura	X			
Dave Nirenberg	X			
Brian Nowlin	X			
Jim Reinhart	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Dwayne Brummett	X			
Robert de Wit				X

Motion carried.

B. PUBLIC COMMENTS

There were no comments from members of the public.

C. STANDING COMMITTEE REPORTS

C1. Programs Committee Report

Gigi Kiama the Chair of the Programs provided a brief report of the program committee’s recent activities.

C2. AOA Executive Committee Report

Frank Mumford provided a report of the recent activities of the AOA Executive Committee.

D. CONSENT CALENDAR

D1. Approval of Minutes – October 22, 2015

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

Motion: Leslie Davis
Second: Keith Kompsi

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar	X			
Guy Dalpe				X
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi	X			

Frank Mumford	X			
David Nakamura	X			
Dave Nirenberg	X			
Brian Nowlin	X			
Jim Reinhart	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Dwayne Brummett	X			
Robert de Wit				X

Motion Carried.

E. CLOSED SESSION

E1. Bronco Copy N Mail v. CPSU Pomona ASI

A motion was made to enter closed session at 10:15 A.M.

MOTION: Keith Kompsi

SECOND: Dave Nirenberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar	X			
Guy Dalpe				X
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi	X			
Frank Mumford	X			
David Nakamura	X			
Dave Nirenberg	X			
Brian Nowlin	X			
Jim Reinhart	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Dwayne Brummett (<i>non-voting</i>)				
Robert de Wit	X			

MOTION CARRIED

The Committee left closed session at 10:19 AM. The Chair reported that action was taken on Bronco Copy N Mail v. CPSU Pomona ASI during closed session.

F. GENERAL ADMINISTRATION

F1. FY 16/17 Liability Program – Pooled Layer Funding and Reinsurance Renewal

Mimi Long explained that the Programs Committee met on December 3, 2015 and approved the liability program member allocation for FY 16/17. In September, 2015 the AORMA Committee approved the total liability program costs for FY 16/17 of \$3,880,956. The liability program member allocation approved by the Programs Committee resulted in total funding of \$3,827,551 which is a difference of -\$53,405. Several different allocation options were reviewed by Staff; however, in order to achieve the total program funding required while at the same time providing a 5% decrease to those members collared at the maximum premium decrease, a funding deficit of \$53,405 resulted. The Programs Committee is recommending that \$53,405 be paid from the program’s surplus.

A motion was made to approved the \$53,405 be paid from the program’s unencumbered funds (surplus) in order to fund the FY 16/17 Liability Program.

MOTION: Dave Nirenberg

SECOND: Guy Dalpe

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar	X			
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi	X			
Frank Mumford	X			
David Nakamura	X			
Dave Nirenberg	X			
Brian Nowlin	X			
Jim Reinhart	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Dwayne Brummett (<i>non-voting</i>)				
Robert de Wit (<i>non-voting</i>)				

MOTION CARRIED

F2. Revisions to the Policy and Procedure A-1 - Composition, Elections and Terms Limits and Policy and Procedure A-2 - Committee Roles & Responsibilities

Mimi Long noted that at its meeting in October, 2015, the AORMA Committee was unable to elect a Vice Chair for the term July 1, 2016 to June 30, 2017 as there were no current AORMA Committee members able to accept the nomination for the Vice Chair position. Therefore, Staff was directed to work with the current Chair (Frank Mumford) and the Vice-Chair (Guy Dalpe) to

make revisions to Policy and Procedure A-1 and A-2 which would extend the current one-year term for the AORMA Officers.

The Committee review the following changes to Policy and Procedure A-1.

1. The AORMA Committee Officers are changed from Chair, Vice Chair, Past Chair and Ex Officio to Chair, First Vice Chair and Second Vice Chair.
2. The Chair may serve two two-year terms.
3. The First Vice Chair and Second Vice Chair may serve two two-year terms.
4. The Nominations Committee will poll the AORMA Committee members, including the Officers, to determine which of the incumbents, whose terms expire the following June 30, are interested in seeking re-election.
5. The AORMA Committee will be changed from ten voting members and two alternates to ten voting members.

Policy and Procedure A-2 has been revised as follows:

1. The roles and responsibilities of the Second Vice Chair have been added and state that the Second Vice Chair shall be prepared to service in the First Vice Chair position should the First Vice Chair vacate its seat mid-term.
2. The description of Past Chair and Ex-Officio has been deleted as these positions are no longer part of the AORMA Committee.
3. All references to the Member Services, Loss Control and Training Committee have been removed as this Committee was merged into the Programs Committee.
4. The description of the Executive Officers standing committee has been revised to note the change from four officers to three.

A motion was made to approved the revisions to Policy and Procedure A-1 and A-2.

MOTION: Guy Dalpe
SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Cheree Aguilar	X			
Guy Dalpe	X			
Leslie Davis	X			
Gigi Kiama	X			
Keith Kompsi	X			
Frank Mumford	X			
David Nakamura	X			
Dave Nirenberg	X			
Brian Nowlin	X			
Jim Reinhart	X			
AORMA Committee Alternates				

Vote Only When Committee Members are Absent				
Dwayne Brummett (<i>non-voting</i>)				
Robert de Wit	X			

MOTION CARRIED

F3. AORMA Committee Nominations for Officer Positions

Mimi Long noted that in response to the revisions to Policy and Procedure A-1 and A-2, the AORMA Committee will need to hold an election to fill the open officer seat(s). Frank Mumford, the Chair of the Nominating Committee, nominated himself to fill the Chair seat and Guy Dalpe to fill the First Vice Chair Seat.

An election was held and Mumford was elected as the Chair and Dalpe was elected as the First Vice Chair. In order to stagger the terms, Dalpe agreed to have his first term of office from July 1, 2015 to June 30, 2017; Mumford’s first term will be July 1, 2016 to June 30, 2018. The Committee also extended Robert de Wit’s term until June 30, 2017.

G. INFORMATIONAL ITEMS

- G1. FY 15/16 AORMA Long Range Action Plan**
- G2. CSURMA AORMA 2016 Meeting Calendar**
- G3. CSURMA AORMA Program Administrator Contact Lists**
- G4. AORMA Travel Reimbursement Policy**
- G5. CSURMA AORMA Committee Contact List**

H. ADJOURNMENT

The meeting was adjourned at 10:43 AM.

FY 2015/2016 CSURMA MIDTERM BUDGET AMENDMENTS

ISSUE: The Board of Directors adopted the FY 2015/16 Budget at its meeting on April 27, 2015. Upon review of the Financial Statements at December 31, 2015 (unaudited), Staff recommends amending the FY 2015/16 Budget as shown on the attached Midterm Budget Amendments. The major amendments are described below:

1. Increase Liability Program Contributions by \$84,579 for actual premium deposits.
2. Decrease Liability Program Claims Payments & Legal Expenses by \$286,319 per latest actuarial report.
3. Increase Liability Program Reinsurance Recovery by \$5,993,779 for reimbursements received from Genesis.
4. Decrease the Liability Program Dividend Distribution by \$106,822.
5. Increase Workers' Compensation Program Claims Payments & Legal Expenses by \$182,907 per latest actuarial report.
6. Increase Workers' Compensation Program Reinsurance Recovery by \$279,921 per latest actuarial report showing projected losses paid.
7. Decrease the Workers' Compensation Dividend Distribution by \$545,387.
8. Decrease Property Program Contributions by \$152,769 for actual premium deposits.
9. Decrease Crime Program Contributions by \$10,532 for actual premium deposits.
10. Decrease Unemployment Insurance Programs Contributions by \$399,177 for actual premium deposits.
11. Decrease Unemployment Insurance Program Claims Payments & Legal Expenses by \$1,240,253 for updated estimate of UI claims.

RECOMMENDATION: It is recommended the AORMA Committee approve the AORMA budget amendments as described above.

FISCAL IMPACT: The effect of the above adjustments decreases Total Contributions by \$468,399, decreases Total Expenses by \$8,246,450 resulting Total Operating Revenue of \$10,898,590 (net of reinsurance premiums), Total Operating Expenses of \$4,926,738, and Non-Operating Income of \$342,933, resulting in a Net Surplus of \$6,314,770. The Ending Balance at June 30, 2016 is estimated to be \$19,278,355.

BACKGROUND: None.

PUBLICATION: The amended FY 15/16 Budget will be uploaded onto the CSURMA website.

ATTACHMENT(S):

- a. Draft FY 15/16 CSURMA Midterm Budget Amendments

CSURMA

Cash Flow Budget of Revenues and Expenses Fiscal Year July 1, 2015 to June 30, 2016

Midterm Budget Amendments

Draft 7

Executive Committee

March 10, 2016

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Midterm Budget Amendments
Draft 7

TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,895,979	13,427,580	-468,399
Reinsurance Premiums	-2,529,000	-2,529,000	0
Total Operating Revenues	<u>11,366,979</u>	<u>10,898,580</u>	<u>-468,399</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	6,486,978	5,143,313	-1,343,665
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	248,888	248,888	0
Claims Management Information System	0	0	0
Program Administrators	1,274,402	1,274,402	0
Brokerage Commissions & Fees	62,182	62,182	0
Insurance Premiums (net of brokerage)	3,138,240	3,138,240	0
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	11,000	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	1,746	1,491
Workshop/Training Expenses	42,214	48,152	5,938
Loss Control Expenses	253,257	268,948	15,690
Appraisals	0	0	0
Reinsurance Recovery	-458,298	-6,731,998	-6,273,700
Program Committee	28,688	28,688	0
Dividend Distributions	1,823,733	1,171,524	-652,209
Total Direct Program Expenses	<u>12,945,539</u>	<u>4,699,084</u>	<u>-8,246,455</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Midterm Budget Amendments
Draft 7

TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	6,188	6,188	0
Executive Committee & Board Expenses	4,893	4,893	0
JPA Insurance	3,958	3,958	0
Memberships, Associations & Dues	1,072	1,072	0
Chancellor's Office Accounting Services	49,651	49,651	0
Chancellor's Office Risk Management Service	144,622	144,622	0
JPA Accreditation	0	0	0
JPA Legal	15,111	15,111	0
Miscellaneous Expenses	2,159	2,159	0
Total General & Administrative Expenses	<u>227,654</u>	<u>227,654</u>	<u>0</u>
Total Operating Expenses	<u>13,173,193</u>	<u>4,926,738</u>	<u>-8,246,455</u>
Non-Operating Revenues			
Investment Income	342,933	342,933	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>342,933</u>	<u>342,933</u>	<u>0</u>
Net Surplus (Deficit)	<u>-1,463,281</u>	<u>6,314,776</u>	
Beginning Retained Earnings	11,816,249	12,963,580	
Ending Retained Earnings	10,352,968	19,278,355	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Midterm Budget Amendments
Draft 7

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	3,747,378	3,831,957	84,579
Reinsurance Premiums	-850,000	-850,000	0
Total Operating Revenues	<u>2,897,378</u>	<u>2,981,957</u>	<u>84,579</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,443,702	1,157,383	-286,319
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	15,000	15,000	0
Claims Management Information System	0	0	0
Program Administrators	596,230	596,230	0
Brokerage Commissions & Fees	39,939	39,939	0
Insurance Premiums (net of brokerage)	404,339	404,339	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,000	5,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	0	425	425
Workshop/Training Expenses	11,384	18,477	7,093
Loss Control Expenses	117,054	118,199	1,145
Appraisals	0	0	0
Reinsurance Recovery	0	-5,993,779	-5,993,779
Program Committee	8,619	8,619	0
Dividend Distributions	978,346	871,524	-106,822
Total Direct Program Expenses	<u>3,582,113</u>	<u>-2,796,144</u>	<u>-6,378,257</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Midterm Budget Amendments
Draft 7

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,669	1,669	0
Executive Committee & Board Expenses	1,320	1,320	0
JPA Insurance	1,067	1,067	0
Memberships, Associations & Dues	289	289	0
Chancellor's Office Accounting Services	13,389	13,389	0
Chancellor's Office Risk Management Service	39,001	39,001	0
JPA Accreditation	0	0	0
JPA Legal	4,075	4,075	0
Miscellaneous Expenses	582	582	0
Total General & Administrative Expenses	<u>61,392</u>	<u>61,392</u>	<u>0</u>
Total Operating Expenses	<u>3,643,505</u>	<u>-2,734,751</u>	<u>-6,378,257</u>
Non-Operating Revenues			
Investment Income	107,283	107,283	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>107,283</u>	<u>107,283</u>	<u>0</u>
Net Surplus (Deficit)	<u>-638,844</u>	<u>5,823,991</u>	
Beginning Retained Earnings	3,577,473	2,523,912	
Ending Retained Earnings	2,938,629	8,347,903	

Includes Cyber Risk Liability

CSURMA**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016****Midterm Budget Amendments****Draft 7****AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	4,486,750	4,496,250	9,500
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,486,750</u>	<u>4,496,250</u>	<u>9,500</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,488,673	2,671,580	182,907
Deductible Recoveries	0	0	0
Claims Administrators	205,000	205,000	0
Claims Management Information System	0	0	0
Program Administrators	351,636	351,636	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	2,483,349	2,483,349	0
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	6,000	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	754	499
Workshop/Training Expenses	13,630	13,905	275
Loss Control Expenses	136,203	135,222	-981
Appraisals	0	0	0
Reinsurance Recovery	-458,298	-738,219	-279,921
Program Committee	9,906	9,906	0
Dividend Distributions	845,387	300,000	-545,387
Total Direct Program Expenses	<u>6,153,241</u>	<u>5,510,633</u>	<u>-642,609</u>

CSURMA**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016****Midterm Budget Amendments****Draft 7****AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,998	1,998	0
Executive Committee & Board Expenses	1,580	1,580	0
JPA Insurance	1,278	1,278	0
Memberships, Associations & Dues	346	346	0
Chancellor's Office Accounting Services	16,031	16,031	0
Chancellor's Office Risk Management Service	46,696	46,696	0
JPA Accreditation	0	0	0
JPA Legal	4,879	4,879	0
Miscellaneous Expenses	697	697	0
Total General & Administrative Expenses	<u>73,505</u>	<u>73,505</u>	<u>0</u>
Total Operating Expenses	<u>6,226,746</u>	<u>5,584,138</u>	<u>-642,609</u>
Non-Operating Revenues			
Investment Income	172,862	172,862	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>172,862</u>	<u>172,862</u>	<u>0</u>
Net Surplus (Deficit)	<u>-1,567,134</u>	<u>-915,025</u>	
Beginning Retained Earnings	3,789,717	3,966,235	
Ending Retained Earnings	2,222,583	3,051,210	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Midterm Budget Amendments
Draft 7

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	2,357,000	2,204,231	-152,769
Reinsurance Premiums	-1,679,000	-1,679,000	0
Total Operating Revenues	<u>678,000</u>	<u>525,231</u>	<u>-152,769</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	254,828	254,828	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	21,000	21,000	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	245	245
Workshop/Training Expenses	7,160	6,817	-344
Loss Control Expenses	0	15,527	15,527
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>538,695</u>	<u>554,123</u>	<u>15,428</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Midterm Budget Amendments
Draft 7

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,050	1,050	0
Executive Committee & Board Expenses	830	830	0
JPA Insurance	671	671	0
Memberships, Associations & Dues	182	182	0
Chancellor's Office Accounting Services	8,422	8,422	0
Chancellor's Office Risk Management Service	24,530	24,530	0
JPA Accreditation	0	0	0
JPA Legal	2,563	2,563	0
Miscellaneous Expenses	366	366	0
 Total General & Administrative Expenses	 <u>38,614</u>	 <u>38,614</u>	 <u>0</u>
 Total Operating Expenses	 <u>577,309</u>	 <u>592,737</u>	 <u>15,428</u>
Non-Operating Revenues			
Investment Income	17,283	17,283	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>17,283</u>	 <u>17,283</u>	 <u>0</u>
 Net Surplus (Deficit)	 <u>117,974</u>	 <u>-50,223</u>	
 Beginning Retained Earnings	 926,309	 1,695,428	
Ending Retained Earnings	1,044,283	1,645,205	

* 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, 2015 to June 30, 2016

Midterm Budget Amendments
Draft 7

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	310,000	299,468	-10,532
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>310,000</u>	<u>299,468</u>	<u>-10,532</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	50,000	50,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	24,432	24,432	0
Brokerage Commissions & Fees *	22,243	22,243	0
Insurance Premiums	229,552	229,552	0
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	33	33
Workshop/Training Expenses	942	926	-16
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	394	394	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>327,562</u>	<u>327,580</u>	<u>18</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Midterm Budget Amendments
Draft 7

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	138	138	0
Executive Committee & Board Expenses	109	109	0
JPA Insurance	88	88	0
Memberships, Associations & Dues	24	24	0
Chancellor's Office Accounting Services	1,108	1,108	0
Chancellor's Office Risk Management Service	3,226	3,226	0
JPA Accreditation	0	0	0
JPA Legal	337	337	0
Miscellaneous Expenses	48	48	0
Total General & Administrative Expenses	<u>5,079</u>	<u>5,079</u>	<u>0</u>
Total Operating Expenses	<u>332,641</u>	<u>332,659</u>	<u>18</u>
Non-Operating Revenues			
Investment Income	3,437	3,437	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>3,437</u>	<u>3,437</u>	<u>0</u>
Net Surplus (Deficit)	<u>-19,204</u>	<u>-29,754</u>	
Beginning Retained Earnings	255,355	329,070	
Ending Retained Earnings	236,151	299,316	

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

CSURMA

**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016**

Midterm Budget Amendments

Draft 7

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Adopted</i>	<i>Amended</i>	
	FY 15/16	FY 15/16	Budget
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Operating Revenues			
Contributions	2,994,851	2,595,674	-399,177
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,994,851</u>	<u>2,595,674</u>	<u>-399,177</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,254,603	1,014,350	-1,240,253
Deductible Recoveries	0	0	0
Claims Administrators	28,888	28,888	0
Claims Management Information System	0	0	0
Program Administrators	47,276	47,276	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	288	288
Workshop/Training Expenses	9,098	8,027	-1,071
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>2,343,928</u>	<u>1,102,892</u>	<u>-1,241,036</u>

CSURMA

**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016**

Midterm Budget Amendments

Draft 7

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Adopted</i> FY 15/16 <u>Budget</u>	<i>Amended</i> FY 15/16 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,334	1,334	0
Executive Committee & Board Expenses	1,055	1,055	0
JPA Insurance	853	853	0
Memberships, Associations & Dues	231	231	0
Chancellor's Office Accounting Services	10,701	10,701	0
Chancellor's Office Risk Management Service	31,169	31,169	0
JPA Accreditation	0	0	0
JPA Legal	3,257	3,257	0
Miscellaneous Expenses	465	465	0
Total General & Administrative Expenses	<u>49,064</u>	<u>49,064</u>	<u>0</u>
Total Operating Expenses	<u>2,392,991</u>	<u>1,151,956</u>	<u>-1,241,036</u>
Non-Operating Revenues			
Investment Income	42,068	42,068	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>42,068</u>	<u>42,068</u>	<u>0</u>
Net Surplus (Deficit)	<u>643,928</u>	<u>1,485,786</u>	
Beginning Retained Earnings	3,267,395	4,448,934	
Ending Retained Earnings	3,911,323	5,934,720	

PROGRAMS COMMITTEE REPORT

ISSUE: The Committee Members will hear a verbal report on recent activities.

RECOMMENDATION: This is an information item only; no action is required.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Agenda table of contents from Programs Committee meeting on February 25, 2016.



PROGRAMS COMMITTEE MEETING

“This is an Open Public Meeting”

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

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

1. Teleconference Location - CSU Chancellor’s Office, 401 Golden Shore, Long Beach
2. Guy Dalpe: Cesar Chavez Student Center, SFSU, 1650 Holloway Avenue Room C-134, San Francisco
3. Gigi Kiama: University Corporation at CSUMB, 8 Upper Ragsdale Drive, Monterey
4. Bill Olmsted: University Union Operation of CSUS, Inc., 6000 J Street, Sacramento
5. Jason Porth: The University Corporation, San Francisco State, 1600 Holloway Avenue, ADM 361, San Francisco
6. Jun Reina: Capital Public Radio, Inc., CSU Sacramento, 7055 Folsom Boulevard, Sacramento
7. Raven Tyson: Associated Students of San Diego State University, 5500 Campanile Drive, Sacramento

Meeting Date: February 25, 2016
Time: 1:00 PM

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

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

A. CALL TO ORDER

1. **Approval of the Agenda Order** A p. 3
The Committee will be asked to approve today’s meeting agenda order

B. PUBLIC COMMENTS

C. GENERAL ADMINISTRATION

1. **Approval of Meeting Minutes – December 3, 2015** A p. 4
The Committee will be asked to review and approve the minutes from the last Programs Committee meeting on December 3, 2015
2. **Risk Reduction Innovation Matching Grant Incentive Program** A p. 17
The Committee members will be asked to review and approve the program matrix, with amendments as appropriate, as well as one application for grant funds
3. **Discussion of Option for Members to Retain Dividends with CSURMA** A p. 42
The Committee will review and, if appropriate, approve revisions to Policy and Procedure A-4 – Dividends and Assessments

- 4. **AORMA Property Program Deductibles** A p. 43
The Committee members will be asked to recommend adoption of the revised real property deductibles to the AORMA Committee

- 5. **Crime Program – Amendments to the AORMA Memorandum of Coverage** A p. 60
The Committee will be asked to approve changes to the memorandum of coverage to specify that the program complies with the ERISA bonding requirement

- 6. **Sonoma State Enterprises, Inc. – New Workers’ Compensation Program Member** A p. 95
The Committee will be asked to approve Sonoma State Enterprises, Inc. as a new member of the AORMA workers’ compensation program

D. INFORMATION ITEMS

- 1. **Review of the Praesidium Utilization Report** I p. 105
- 2. **Review of the Alliant Loss Control Services Utilization Report** I p. 107
- 3. **Review of the Target Solutions Utilization Report** I p. 112
- 4. **Review of the Employers Group Utilization Report** I p. 116
- 5. **2016 CSURMA AORMA Meeting Calendar** I p. 118
- 6. **FY 15/16 AORMA Long Range Action Plan** I p. 120
- 7. **AORMA Committee and Standing Committee Roster** I p. 124

E. ADJOURNMENT

The next Programs Committee meeting is scheduled for June 23, 2016 at 1:00pm via teleconference

AOA EXECUTIVE COMMITTEE REPORT

ISSUE: The AORMA Chair attends the AOA Executive Committee meetings and reports on recent AORMA activities. The Committee will hear a brief verbal overview of the AOA Executive Committee meeting.

RECOMMENDATION: This item is for information only; no action is requested.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

CHANCELLOR'S OFFICE SERVICES BUDGET PROPOSAL
FOR FY 2016/2017

ISSUE: CSURMA obtains services from the Chancellor's Office under three memoranda of understanding. Each year, the CSURMA Executive Committee considers the services and budget proposals as a part of the budget adoption process. Enterprise Accounting, Office of General Counsel and Systemwide Risk Management developed cost proposals for FY 2016/17 as follows:

- **Financial Services Administration & Accounting:** Increase from \$345,000 to \$350,000 in accordance with CSU's mandatory salary adjustments.
- **Office of General Counsel:** Increase from \$438,043 to \$453,000 for mandatory salary increase and staff training. CSURMA supports two litigators who serve on litigation of matters covered under the Campus Risk Pool Liability Program. CSURMA would otherwise have to engage outside counsel for these matters handled in house. OGC's proposed budget consists of \$348,000 for Campus Liability claims legal expenses, and \$105,000 for work as CSURMA's General Counsel.
- **Systemwide Risk Management:** Increase from \$1,004,914 to \$1,013,000 for mandatory CSU salary increase. The proposed budget is inclusive of \$100,000 for Public Safety. Similar to FY 15/16, the amount for Public Safety is not for salary or benefits, but rather is for any special programmatic needs that may arise during the year.

RECOMMENDATION: This item is for information only. The Executive Committee will consider the proposed services and budget for FY 16/17 and take action on the proposals as necessary at its meeting later today.

FISCAL IMPACT: The amounts proposed are included in the draft CSURMA FY 16/17 Budget. Financial Services Accounting and Systemwide Risk Management costs are allocated proportionately across all funds. With respect to the Office of General Counsel, \$348,200 is allocated to the Campus Risk Pool Liability Program for claims legal expense, and \$105,000 is allocated across all funds for CSURMA General Counsel.

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

PUBLICATION: None.

ATTACHMENT(S):

- a. FY 2016/07 Financial Service Overhead Costs for CSURMA
- b. Systemwide Risk Management Proposal (*will be available as a handout*)
- c. Office of General Counsel Proposal (*will be available as a handout*)

MEMORANDUM

Date: February 25, 2016
To: CSURMA Executive Committee
From: Mary Ek 
Assistant Vice Chancellor/Controller, Financial Services
Subject: **FY 2016/17 Financial Services Overhead Costs for CSURMA**

Per ICSUAM 3552.01, it is the policy of the CSU that costs incurred by one fund for providing services to another fund are recovered with cash or a documented exchange of value. In accordance with this policy and as approved by the CSURMA Executive Committee annual budget process, \$350,000 needs to be recovered from the CSU Risk Management Authority. This amount represents the annual cost of providing the services identified below. The Authority will be charged quarterly installments of \$87,500 for a total annual amount of \$350,000. This cost allocation/reimbursement plan is effective for the fiscal period beginning July 1, 2016 through June 30, 2017. The increase for fiscal year 2016/17 takes into account the 2% salary increase for fiscal year 2016/17, as well as any other estimated adjustments in cost recovery.

The cost allocation/reimbursement was determined by evaluating Business and Finance employees' time and effort worked on the program. At this time, the program consumes 2.935 Full Time Employee(s) (FTEs) at an average salary and benefit rate of \$109,332 and an average operating expense amount of \$9,987 (based on the total Financial Services Department's budgeted operating expenses divided by the total Financial Services Department's FTE).

Services (Costs) allocated to the Authority:

Financial Services Administration

A portion of the cost of staff, benefits, space, and operating expenses for the Financial Services Administration department, which provides the following services:

- Fiscal management and reporting oversight by the Assistant Vice Chancellor;
- Certification of compliance with CSU policies, procedures, and regulations.

Financial Services Accounting

A portion of the cost of staff, benefits, space, and operating expenses for the Financial Services Accounting department which provides the following services:

- Process bi-weekly and emergency disbursements for vendor payments, settlements, legal bills, and reimbursements to the members through the Accounts Payable department;
- Produce on-demand, quarterly, and annual billing invoices/CPOs to CSURMA members;
- Manage collection efforts on all CSURMA accounts and collect member payments on a daily basis;
- Facilitate member disputes through the Accounts Receivable department;
- Produce financial reporting package, annual external audit, bond audited financial statements, and on-demand reporting requests;
- Manage financial data to maintain electronic records and information in accordance with CSURMA's Policy;
- Maintain Accounts Payable, Accounts Receivable, Audit Reporting, Banking, and financial reporting records and information in accordance with CSURMA's Policy.

Treasury Operations

A portion of the cost of staff, benefits, space, and operating expenses for the Financing and Treasury department, which provides the following services:

- **Planning and Forecasting:** Project cash inflows/outflows;
- **Data Collection and Recordkeeping:** Collect and maintain within a central database items such as daily bank transactions, monthly bank statements; quarterly interest distributions;
- **Investment Reporting and Advising:** Produce quarterly investment reporting package and advising services.

If you have any questions, please contact me at 562-951-4540.

The above has been reviewed and approved by the CSURMA Executive Committee;

Steve Relyea Date
Vice Chancellor for Business and Finance

Linda Hawk Date
CSURMA Executive Committee, Chair

ME: KC; MC

cc: Robert Eaton, Assistant Vice Chancellor, Financing, Treasury, and Risk
Management
Jean L. Gill, Assistant Controller, Financial Services Accounting
Kelly Cox, Associate Director, Financial Services Accounting
Alice Kim, Senior Manager, Financial Services Accounting

UPDATE OF EXCESS INSURANCE RENEWALS

ISSUE: Due to claims activity within the AORMA Reinsurance Layer - \$4,650,000 excess of \$350,000 – Genesis, the current reinsurer, will not offer acceptable renewal terms; therefore, Staff is marketing the reinsurance placement. Staff will be at the meeting to discuss the reinsurance renewal activities.

RECOMMENDATION: This item is for information only; no action is required at this time.

FISCAL IMPACT: The fiscal impact is unknown at this time; however, Staff believes that the pricing for the reinsurance layer will increase significantly.

BACKGROUND: Since inception of the reinsurance program with Genesis on July 1, 2010, Genesis has collected \$6,051,000 in premium but has paid out \$6,463,579 in claim reimbursements to CSURMA and for those claims still open, Genesis has assigned case reserves of \$1,211,756.

PUBLICATION: None.

ATTACHMENT(S): None.

PROPERTY APPRAISALS

ISSUE: Every five years, Alliant Appraisal Services will appraise all real property locations (within the Alliant Property Insurance Program – APIP) with a replacement value at or above \$5,000,000 at no cost. AORMA can choose to have all of the real property appraised for an additional fee.

RECOMMENDATION: Staff recommend that the Committee review the attached proposal by Alliant Appraisal Services and provide direction as appropriate.

FISCAL IMPACT: The cost to appraise all of the Auxiliary’s real property would be \$71,850. The Committee can decide to have appraisals of only those buildings with a value of more than \$1,000,000. See the fee schedule below.

Real Property Replacement Value	Number of Locations to be Appraised	Fees Per Building	Total Fees	Responsible Party
\$5,000,000 and above	25	\$0	\$0	Paid by APIP
\$4,999,999 to \$1,000,000	66	\$250	\$16,500	Paid by AORMA
Less than \$1,000,000	369	\$150	\$55,350	Paid by AORMA

BACKGROUND: Five years ago, the AORMA Committee decided to appraise only those buildings with a value in excess of \$1,000,000.

PUBLICATION: The Members will be notified that the appraisals are to take place and Alliant Appraisal Services will contact each member to schedule the appraisals.

ATTACHMENT(S):

- a. Letter of Engagement



February 18, 2016

Zachary Gifford
Director, Systemwide Risk Management
California State University Risk Management Authority
104 Golden Shore, 5th Floor
Long Beach, CA 90802-4210

Appraisal Services Letter of Engagement

Dear Mr. Gifford:

Thank you for allowing Alliant Appraisal Services to provide a proposal for replacement cost analysis appraisals for structure(s) as indicated on the current Schedule provided by Alliant Insurance Services.

The PEPiP program has contracted with us to appraise your buildings valued over/below \$5,000,000.

Upon Acceptance, our professionals will work closely with the California State University Risk Management Authority Risk Management and staff to ensure that all data collected is complete, accurate and meets prevailing Uniform Standards of Professional Appraisal Practice (USPAP) requirements. Our appraisal professionals will provide you with appraisal summary reports, applying the appropriate valuations that meet the reporting requirements of USPAP.

Contract Costs –Payment Terms

Alliant Appraisal Services projects that the onsite inspection of the estimated **25** location(s) will take a minimum of one (1) months to complete.

Appraisal Summary

25 Buildings valued > \$5mm	Paid by PEPiP
66 Buildings valued < \$5mm to > \$1mm @ \$250/bldg	\$16,500.00
369 Buildings valued < \$1mm @ \$150/bldg	\$55,350.00
* Total to be paid to Alliant Appraisal Services by Client	\$71,850.00

*** The Estimated Total is based on the existing SOV line items. However the fee will increase if these line items include multiple structures i.e. Apartments. Each additional building that is appraised will be charged at the appropriate rate based on the appraisal value.**

Fees will be invoiced upon completion and delivery of reports. Alliant Appraisal Services compensation is not contingent in any way upon its opinions or conclusions, or upon any subsequent event related to those opinions or conclusions.

Electronic copies of the appraisal report along with a CD will be provided; bound hard copies will be provided upon written request. The final reports will be delivered within 90 days after the completion of inspections.



Terms and Conditions

This Letter of Engagement is in effect for a period of 30 days from the date submitted. This assignment is subject to the General Terms and Conditions located in the Attachment following this letter. A confidentiality section is included in the General Terms and Conditions.

Authorization to Proceed

Alliant Appraisal Services estimates that we can commence work on this process by **March, 2016**. Please fax an executed copy of this Letter of Engagement to the attention of Lora Carlisle, Appraisal Manager, Appraisal Services, at (949) 809-1465, or email the document to lcarlisle@alliant.com. If you have any questions, feel free to contact me at (949) 260-5033.

Please check one:

Yes, California State University Risk Management Authority agrees to be Invoiced for non-program paid appraisals (<\$5m)	
No, California State University Risk Management Authority requests to have only program paid (>\$5m) appraisals performed	

Sincerely,

Lora Carlisle
Appraisal Manager
Alliant Insurance Services, Inc.

Alliant Insurance Services

California State University Risk Management Authority

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Scope of Work

The scope of this assignment is to provide an opinion of value for Replacement Cost New of the structures for insurance purposes. The value of the land on which the improvements are attached is not included in this analysis. "Replacement Cost New" is defined as the cost of creating a building having similar utility, using current standards of design and materials. It is not necessarily the cost of creating a replica of the existing structure if the improvements are constructed of outdated materials, technique, and design. Sources for replacement cost information include, but are not limited to, actual historical costs and industry price guides.

The selected unit of comparison for the cost approach analysis is cost per square foot, which is consistent with how insurance market participants typically evaluate construction costs. ***Alliant Appraisal Services must be notified in writing prior to the date work is commenced if a replacement cost analysis for a historic building is required for any structure within this contract.***

Excluded from the appraisal are assets of intangible nature, records and drawings, inventory items, contents including but not limited to furniture, fixtures, equipment, personal and leased property. Insurable value is based on current base construction costs, excluding site improvements, indirect costs, land and entrepreneurial profit. The services provided include close examination of all structures on the Schedule of Values (SOV), see attached SOV for reference. All aspects of the structural improvements including construction type, quality, size, and other attributes are considered in the analysis.

Client Responsibilities

The primary purpose of the inspection is to verify or identify: the building size, construction Class, quality of the improvements and other attributes. At the time that the inspection is scheduled you will be provided a list of requested documentation which will not only help the appraiser but also help the process of the appraisal. Please note that it is not mandatory that this documentation be provided.

**General Terms and Conditions
Alliant Insurance Services, Inc
Appraisal Services**

The following terms and conditions constitute the agreement for the services to be rendered in the Appraisal Letter of Engagement referenced and attached. Signature approval of both parties to the specified service agreement and this attachment documents that an AGREEMENT is entered into this day by and between Alliant Insurance Services with offices in Newport Beach, California, and the **California State University Risk Management Authority (CLIENT)**.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and intending to be legally bound, the parties hereto agree as follows:

SERVICES PROVIDED Alliant Insurance Services agrees to perform services for the CLIENT as outlined in the Letter of Engagement attached hereto (the "Service Agreement").

CLIENT INFORMATION CLIENT shall furnish or cause to be furnished to Alliant Insurance Services all documents and information known to CLIENT that specifically relate to the scope of services described in the service agreement. Alliant Insurance Services shall be entitled to rely on such information.

CONFIDENTIALITY Alliant Insurance Services agrees that all information related to the CLIENT(s), the Project(s), the Work and the work of Alliant Insurance Services, and any of its consulting subcontractors including anything known to or prepared or furnished by the CLIENT(s), shall be and shall remain in the future confidential. Alliant Insurance Services shall not release, publish or disclose any such information to any party without prior written consent of the CLIENT(s), except as required in connection with Alliant Insurance Services' performance of this Agreement, or as required by a governmental authority.

PAYMENT CLIENT shall pay Alliant Insurance Services a fee for the performance of the work and be invoiced as described in this service agreement.

TERMINATION Either party may terminate this Agreement without cause upon thirty days advanced written notice. Any work in progress will be completed according to the terms of this Agreement.

STANDARD OF CARE; WARRANTY; LIABILITY Alliant Insurance Services will perform the work under this Agreement as an independent contractor and in accordance with generally accepted professional practices. Alliant Insurance Services will utilize reasonable care and skill consistent with and equal to that customarily possessed by environmental, health and safety consulting professionals in the community. The parties recognize the complex, subjective, and performance based nature of many environmental, occupational safety and health laws and regulations and the administrative interpretations thereof.

In performance of the work, Alliant Insurance Services must rely upon information derived from secondary sources and personal interviews. Except as specifically required in the scope of work, Alliant Insurance Services will make no independent investigation as to the accuracy or completeness of the information derived from the secondary sources and personal interviews, and will assume that such information is accurate and complete.

All recommendations, findings, and conclusions will be based upon information and circumstances as they existed at the time of preparation (e.g. Federal, state, and local laws; political climate; and other matters that Alliant Insurance Services deemed relevant). A change in any fact or circumstance may



adversely impact the recommendations, findings, and conclusions expressed in this report. Accordingly, except as set forth in the first paragraph of this section, Alliant Insurance Services makes no other representation, warranty or guarantee, express or implied.

CLIENT agrees that Alliant Insurance Services' liability for damage arising out of or relating to the performance of its work under this Agreement or otherwise of each separate request for work resulting from this Agreement, defined as total man-time charges and reimbursement of expenses paid to Alliant Insurance Services for the individual project will be limited to a sum of ten times the contract price. All claims, suits, demands or causes of action brought against Alliant Insurance Services must be made within two years after completion of the work performed under this Agreement.

THIRD PARTIES The work to be performed under this Agreement is to determine the Replacement Cost New of the structures for CLIENT's insurance purposes, and any report or communication provided to CLIENT is intended solely for the internal use and benefit of CLIENT and no other party may rely thereon. Notwithstanding the foregoing, the Parties acknowledge that this report will be used by CLIENT to obtain insurance coverage and may be provided to the insurance carrier as part of the application process. Except for perspective or actual insurance providers, CLIENT acknowledges that there are no other parties whose reliance thereon is foreseeable. CLIENT agrees not to disclose or disseminate any Alliant Insurance Services report or communication to any other party without the prior written consent to Alliant Insurance Services.

INDEMNIFICATION Alliant Insurance Services shall indemnify and hold harmless CLIENT and its agents, officers, directors and employees from and against all claims and suits, and resulting damages, losses and expenses (including reasonable attorney's fees and court costs), brought by third parties for loss of or damage to property, or for personal injury to persons, including death, and from all judgments recovered therefore, to the extent arising out of the negligent acts or omissions of Alliant Insurance Services in connection with Alliant Insurance Service's performance of this Agreement. Alliant Insurance Services shall not indemnify CLIENT to the extent that claims and suits arise out of Client's negligent acts or omissions.

COMPLETE AGREEMENT This signed Agreement incorporates all previous and contemporaneous discussions, representations, understandings, and agreements between the parties, if any, with respect to the subject matter contained herein. No verbal or other statements, inducements or representations have been made to or relied upon by CLIENT. The terms and conditions expressed in this Agreement shall not be altered except in writing signed by CLIENT and an authorized officer of Alliant Insurance Services.

APPLICABLE LAW This Agreement shall be governed by and construed under the laws of the State of California.

FY 2016/2017 CSURMA OPERATING BUDGET

ISSUE: CSURMA's next fiscal year begins on July 1, 2016. The FY 2016/17 operating budget is to be approved by the Board of Directors at its May 6, 2016 meeting. The Chancellor's Office Enterprise Accounting Services and the Program Administrators worked together to develop a draft FY 2016/17 budget for review at today's meeting.

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

- Projected Liability Reinsurance Premiums increased from \$850,000 to \$1,000,000 in anticipation of increased costs due to claims activity within the pooled layer.
- Projected Liability Program increase in Claims Payments and Legal Expense from \$1,157,383 to \$1,700,777 due to actuarial projected claim trend.
- Projected Liability Program decrease in Reinsurance Recovery by \$5,993,779.
- Projected increase in Workers' Compensation Claims Payments and Legal Expenses from \$2,671,580 to \$3,236,000 due to actuarial projected claim trend.
- Projected decrease in Workers' Compensation Program Reinsurance Recovery by \$564,420 due to actuarial projected paid claims.
- Projected increase in Property contributions from \$2,204,231 to \$2,368,714 due to change in total insured values and expected insurance premiums. Premiums are subject to adjustment based on final reported total insured values (TIV) and final negotiated rates.
- Projected increase in Crime Program Contributions from \$299,468 to \$310,552 due to expected insurance premiums.
- Projected decrease in Contributions from \$2,595,674 to \$2,127,354 due to a reduction in Unemployment Insurance claims.

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

RECOMMENDATION: The AORMA Committee is asked to review the draft proposed budget for FY 2016/17 and make a recommendation to the Executive Committee for adoption with changes as appropriate.

FISCAL IMPACT: The proposed AORMA programs operating budget would develop Total Operating Revenues of \$10,531,576 (net of reinsurance premiums), Total Operating Expenses of \$11,449,924, and Total Non-Operating Revenues of \$350,975, generating a deficit \$567,372 to be funded by retained earnings.

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

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft FY 2016/17 CSURMA AORMA Budget of Revenues and Expenses

CSURMA

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

Proposed
Draft 7

Executive Committee
March 10, 2016

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

Proposed
Draft 7

TOTAL: AORMA PROGRAMS

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,427,580	13,210,576	-217,004
Reinsurance Premiums	-2,529,000	-2,679,000	-150,000
Total Operating Revenues	<u>10,898,580</u>	<u>10,531,576</u>	<u>-367,004</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,143,313	6,251,127	1,107,814
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	248,888	263,653	14,765
Claims Management Information System	0	0	0
Program Administrators	1,274,402	1,274,402	0
Brokerage Commissions & Fees	62,182	62,182	0
Insurance Premiums (net of brokerage)	3,138,240	3,138,240	0
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	11,000	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	1,751	1,449	-302
Workshop/Training Expenses	48,152	47,347	-805
Loss Control Expenses	268,948	281,548	12,600
Appraisals	0	0	0
Reinsurance Recovery	-6,731,998	-1,302,639	5,429,359
Program Committee	28,688	0	-28,688
Dividend Distributions	1,171,524	1,171,524	0
Total Direct Program Expenses	<u>4,699,089</u>	<u>11,233,833</u>	<u>6,534,743</u>

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

Proposed
Draft 7

TOTAL: AORMA PROGRAMS

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	6,188	5,826	-363
Executive Committee & Board Expenses	4,893	4,606	-287
JPA Insurance	3,958	3,726	-232
Memberships, Associations & Dues	1,072	1,009	-63
Chancellor's Office Accounting Services	49,651	47,420	-2,231
Chancellor's Office Risk Management Service	144,622	137,246	-7,376
JPA Accreditation	0	0	0
JPA Legal	15,111	14,226	-885
Miscellaneous Expenses	2,159	2,032	-126
Total General & Administrative Expenses	<u>227,654</u>	<u>216,091</u>	<u>-11,563</u>
Total Operating Expenses	<u>4,926,743</u>	<u>11,449,924</u>	<u>6,523,181</u>
Non-Operating Revenues			
Investment Income	342,933	350,975	8,042
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>342,933</u>	<u>350,975</u>	<u>8,042</u>
Net Surplus (Deficit)	<u>6,314,770</u>	<u>-567,372</u>	
Beginning Retained Earnings	12,963,580	19,278,350	
Ending Retained Earnings	19,278,350	18,710,978	

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

Proposed
Draft 7

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	3,831,957	3,880,956	48,999
Reinsurance Premiums	-850,000	-1,000,000	-150,000
Total Operating Revenues	<u>2,981,957</u>	<u>2,880,956</u>	<u>-101,001</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,157,383	1,700,777	543,394
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	15,000	15,000	0
Claims Management Information System	0	0	0
Program Administrators	596,230	596,230	0
Brokerage Commissions & Fees	39,939	39,939	0
Insurance Premiums (net of brokerage)	404,339	404,339	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,000	5,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	427	426	-1
Workshop/Training Expenses	18,477	18,447	-30
Loss Control Expenses	118,199	122,095	3,896
Appraisals	0	0	0
Reinsurance Recovery	-5,993,779	0	5,993,779
Program Committee	8,619	0	-8,619
Dividend Distributions	871,524	871,524	0
Total Direct Program Expenses	<u>-2,796,142</u>	<u>3,736,276</u>	<u>6,532,418</u>

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

Proposed
Draft 7

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,669	1,711	43
Executive Committee & Board Expenses	1,320	1,353	34
JPA Insurance	1,067	1,095	27
Memberships, Associations & Dues	289	297	7
Chancellor's Office Accounting Services	13,389	13,931	541
Chancellor's Office Risk Management Service	39,001	40,320	1,319
JPA Accreditation	0	0	0
JPA Legal	4,075	4,179	104
Miscellaneous Expenses	582	597	15
Total General & Administrative Expenses	<u>61,392</u>	<u>63,482</u>	<u>2,090</u>
Total Operating Expenses	<u>-2,734,750</u>	<u>3,799,759</u>	<u>6,534,509</u>
Non-Operating Revenues			
Investment Income	107,283	98,507	-8,776
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>107,283</u>	<u>98,507</u>	<u>-8,776</u>
Net Surplus (Deficit)	<u>5,823,990</u>	<u>-820,296</u>	
Beginning Retained Earnings	2,523,912	8,347,902	
Ending Retained Earnings	8,347,902	7,527,606	

Includes Cyber Risk Liability

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

Proposed
Draft 7

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	4,496,250	4,523,000	26,750
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,496,250</u>	<u>4,523,000</u>	<u>26,750</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,671,580	3,236,000	564,420
Deductible Recoveries	0	0	0
Claims Administrators	205,000	219,765	14,765
Claims Management Information System	0	0	0
Program Administrators	351,636	351,636	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	2,483,349	2,483,349	0
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	6,000	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	756	496	-260
Workshop/Training Expenses	13,905	14,011	106
Loss Control Expenses	135,222	138,985	3,763
Appraisals	0	0	0
Reinsurance Recovery	-738,219	-1,302,639	-564,420
Program Committee	9,906	0	-9,906
Dividend Distributions	300,000	300,000	0
Total Direct Program Expenses	<u>5,510,634</u>	<u>5,519,103</u>	<u>8,468</u>

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

Proposed
Draft 7

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,998	1,995	-3
Executive Committee & Board Expenses	1,580	1,577	-3
JPA Insurance	1,278	1,276	-2
Memberships, Associations & Dues	346	346	-1
Chancellor's Office Accounting Services	16,031	16,235	204
Chancellor's Office Risk Management Service	46,696	46,990	294
JPA Accreditation	0	0	0
JPA Legal	4,879	4,871	-8
Miscellaneous Expenses	697	696	-1
Total General & Administrative Expenses	<u>73,505</u>	<u>73,985</u>	<u>479</u>
Total Operating Expenses	<u>5,584,139</u>	<u>5,593,087</u>	<u>8,948</u>
Non-Operating Revenues			
Investment Income	172,862	159,993	-12,870
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>172,862</u>	<u>159,993</u>	<u>-12,870</u>
Net Surplus (Deficit)	<u>-915,027</u>	<u>-910,094</u>	
Beginning Retained Earnings	3,966,235	3,051,208	
Ending Retained Earnings	3,051,208	2,141,114	

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

Proposed
Draft 7

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	2,204,231	2,368,714	164,483
Reinsurance Premiums	-1,679,000	-1,679,000	0
Total Operating Revenues	<u>525,231</u>	<u>689,714</u>	<u>164,483</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	254,828	254,828	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	21,000	21,000	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	246	260	14
Workshop/Training Expenses	6,817	7,338	521
Loss Control Expenses	15,527	18,219	2,692
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	5,707	0	-5,707
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>554,124</u>	<u>551,644</u>	<u>-2,479</u>

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

Proposed
Draft 7

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,050	1,045	-5
Executive Committee & Board Expenses	830	826	-4
JPA Insurance	671	668	-3
Memberships, Associations & Dues	182	181	-1
Chancellor's Office Accounting Services	8,422	8,503	81
Chancellor's Office Risk Management Service	24,530	24,609	78
JPA Accreditation	0	0	0
JPA Legal	2,563	2,551	-12
Miscellaneous Expenses	366	364	-2
 Total General & Administrative Expenses	 <u>38,614</u>	 <u>38,746</u>	 <u>132</u>
 Total Operating Expenses	 <u>592,738</u>	 <u>590,390</u>	 <u>-2,347</u>
 Non-Operating Revenues			
Investment Income	17,283	25,418	8,135
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>17,283</u>	 <u>25,418</u>	 <u>8,135</u>
 Net Surplus (Deficit)	 <u>-50,224</u>	 <u>124,742</u>	
 Beginning Retained Earnings	 1,695,428	 1,645,204	
Ending Retained Earnings	1,645,204	1,769,946	

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

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

Proposed
Draft 7

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	299,468	310,552	11,084
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>299,468</u>	<u>310,552</u>	<u>11,084</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	50,000	50,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	24,432	24,432	0
Brokerage Commissions & Fees *	22,243	22,243	0
Insurance Premiums	229,552	229,552	0
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	33	34	1
Workshop/Training Expenses	926	962	36
Loss Control Expenses	0	286	286
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	394	0	-394
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>327,580</u>	<u>327,510</u>	<u>-71</u>

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

Proposed
Draft 7

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	138	137	-1
Executive Committee & Board Expenses	109	108	-1
JPA Insurance	88	88	-1
Memberships, Associations & Dues	24	24	0
Chancellor's Office Accounting Services	1,108	1,115	7
Chancellor's Office Risk Management Service	3,226	3,226	0
JPA Accreditation	0	0	0
JPA Legal	337	334	-3
Miscellaneous Expenses	48	48	0
 Total General & Administrative Expenses	 <u>5,079</u>	 <u>5,080</u>	 <u>1</u>
 Total Operating Expenses	 <u>332,659</u>	 <u>332,589</u>	 <u>-69</u>
Non-Operating Revenues			
Investment Income	3,437	4,686	1,249
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>3,437</u>	 <u>4,686</u>	 <u>1,249</u>
 Net Surplus (Deficit)	 <u>-29,754</u>	 <u>-17,352</u>	
 Beginning Retained Earnings	 329,070	 299,316	
Ending Retained Earnings	299,316	281,965	

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

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

Proposed
Draft 7

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	2,595,674	2,127,354	-468,320
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,595,674</u>	<u>2,127,354</u>	<u>-468,320</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,014,350	1,014,350	0
Deductible Recoveries	0	0	0
Claims Administrators	28,888	28,888	0
Claims Management Information System	0	0	0
Program Administrators	47,276	47,276	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	289	233	-56
Workshop/Training Expenses	8,027	6,590	-1,437
Loss Control Expenses	0	1,963	1,963
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	4,063	0	-4,063
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,102,893</u>	<u>1,099,300</u>	<u>-3,593</u>

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

Proposed
Draft 7

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Amended</i> FY 15/16 <u>Budget</u>	<i>Proposed</i> FY 16/17 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,334	938	-396
Executive Committee & Board Expenses	1,055	742	-313
JPA Insurance	853	600	-253
Memberships, Associations & Dues	231	163	-69
Chancellor's Office Accounting Services	10,701	7,636	-3,064
Chancellor's Office Risk Management Service	31,169	22,101	-9,068
JPA Accreditation	0	0	0
JPA Legal	3,257	2,291	-966
Miscellaneous Expenses	465	327	-138
Total General & Administrative Expenses	<u>49,064</u>	<u>34,798</u>	<u>-14,266</u>
Total Operating Expenses	<u>1,151,957</u>	<u>1,134,098</u>	<u>-17,859</u>
Non-Operating Revenues			
Investment Income	42,068	62,371	20,303
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>42,068</u>	<u>62,371</u>	<u>20,303</u>
Net Surplus (Deficit)	<u>1,485,785</u>	<u>1,055,627</u>	
Beginning Retained Earnings	4,448,934	5,934,719	
Ending Retained Earnings	5,934,719	6,990,347	

AORMA PROPERTY PROGRAM DEDUCTIBLES

ISSUE: The deductible for the AORMA Property Program was changed effective July 1, 2014 to:

- \$5,000 Per Occurrence (*Personal Property & Business Interruption/Rents*)
- 1% of the Real Property Value (*Real Property*), subject to a minimum of \$5,000 and maximum of \$50,000

Auxiliary Organizations own very few buildings with values in excess of \$10,000,000. Staff recommends applying a specific dollar amount deductible based on the building's value.

The following revised real property deductible amounts are proposed:

Real Property - Proposed Deductible Schedule			
Building Value		# of bldgs	Deductible
Less than	5,000,000	451	5,000
5,000,001	10,000,000		5,000
10,000,001	20,000,000	16	10,000
20,000,001	25,000,000		10,000
25,000,001	40,000,000	5	25,000
40,000,001	50,000,000		25,000
50,000,001	60,000,000	4	50,000
60,000,001	70,000,000		50,000
70,000,001	80,000,000		50,000
80,000,001	90,000,000		50,000
90,000,001	100,000,000		50,000
100,000,001	and above		50,000

RECOMMENDATION: The Programs Committee recommends adoption of the revised real property deductible schedule retrospectively to July 1, 2014 and to adjust one Member's property deductible which results in a return of \$8,536 to Spartan Shops.

FISCAL IMPACT: The AORMA Property Program has an aggregate pooled layer limit of \$250,000. Every year, with the exception of FY 12/13, the aggregate pooled layer limit is exhausted by claim payments.

Only one real property claim was paid within the FY 14/15 and FY 15/16 terms that requires adjustment – Spartan Shops incurred a deductible charge of \$13,535.76. The revised deductible formula would result in a \$5,000 deductible. Therefore, Staff is recommending that \$8,536 be returned to Spartan Shops. At December 31, 2015, the AORMA property program had a fund balance of \$1,823,484.

BACKGROUND: Even though Members were notified of the deductible change, some Members with high valued buildings were unfortunately surprised by the deductible increase. By adopting this deductible structure, Staff can individually contact those Auxiliary Organizations that own buildings with values in excess of \$10,000,000 and inform them of its real property deductible.

PUBLICATION: The revised Property Program memorandum of coverage will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. Property Program memorandum of coverage (with redline and strikeout)
- b. List of Auxiliary Organization's real property



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
 AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
 PROPERTY PROGRAM**

MEMORANDUM OF COVERAGE

DECLARATIONS

Item 1: Member

See the **Member** listing attached.

The AORMA Group Purchase Property Program agrees with the Named Member, in consideration of the payment of premium and in reliance upon statements in the Declarations and subject to the limits of liability, exclusions, conditions, and other terms of this memorandum, to provide the coverage as stated in this memorandum.

Item 2: Coverage Period:

July 1, 2016 to July 1, 2017

Item 3: Limits of Liability:

- 1. Per Occurrence: \$100,000
- 2. Annual Aggregate for all Member losses paid within the Coverage Period \$250,000

Item 4: Member Deductibles:

- 1. **Per Pollution Condition or Indoor Environmental Condition** **\$50,000**
 - 2. Flood Coverage (all Zones except A & V): \$100,000 - per occurrence
 - 3. Flood Coverage (Zones A & V): \$250,000 - each occurrence
 - 4. All Other Covered Perils (Personal Property and Business Interruption / Loss of Rents) \$5,000
 - 5. All Other Covered Perils (Real Property) ~~1% of the Real Property Value;~~
 subject to minimum of \$5,000
 and maximum of \$50,000
- | | |
|--|-----------------|
| Buildings with values of \$10,000,000 and less | \$5,000 |
| Buildings with values between \$10,000,001 and \$25,000,000 | \$10,000 |
| Buildings with values between \$25,000,001 and \$50,000,000 | \$25,000 |
| Buildings with values of \$50,000,001 or more | \$50,000 |

If two or more of the deductible amounts noted above on ~~provided in~~ this Declarations Page apply for a single occurrence, the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. This deductible statement does not apply to the Cyber Liability deductible noted below.

6. Cyber ~~Theft~~ Liability Coverage (for all Members) \$25,000 – per occurrence

Item 5: Claims Administrator:

In the event of loss or damage insured against under this Memorandum of Coverage, the Named Member shall give notice of such loss to;

McLaren's Young
Attn: Cathryn O'Meara
cathryn.omeara@mclarensyoung.com
949-757-1413 – Telephone
949-757-1692 – Facsimile

And:

CSURMA AORMA Claims Administrator c/o Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Michelle Maffei
mmaffei@alliant.com
415-403-1418 - Telephone

Martin Fox-Foster
martin.fox-foster@alliant.com
415-403-1417 - Telephone

Elaine Kim
ekim@alliant.com
415-403-1458 - Telephone

After hours reporting:

Robert Frey
rfrey@alliant.com
415-403-1445 – Telephone
415-518-8490 – Cell Phone



To be valid, this agreement must be signed by our Program Administrator.

Authorized Signature

Item 1: Member

Member Listing

Campus		Auxiliary Organization
1	Bakersfield	Associated Students, California State University, Bakersfield, Inc.
2	Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration
3	Bakersfield	California State University, Bakersfield Foundation
4	Bakersfield	California State University, Bakersfield Student Union, Inc.
5	Chancellor's Office	California State University Foundation
6	Chancellor's Office	California State University Institute
7	Channel Islands	Associated Students of California State University, Channel Islands, Inc.
8	Channel Islands	California State University Channel Islands Foundation
9	Channel Islands	University Glen Corporation
10	Chico	Associated Students of California State University, Chico
11	Chico	The CSU, Chico Research Foundation
12	Chico	The University Foundation, California State University, Chico
13	Dominguez Hills	Associated Students, California State University, Dominguez Hills
14	Dominguez Hills	California State University, Dominguez Hills Foundation
15	Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated
16	Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation
17	East Bay	Associated Students, California State University, East Bay
18	East Bay	Cal State East Bay Educational Foundation
19	East Bay	California State University, East Bay Foundation, Inc.
20	Fresno	Associated Students, Inc. of California State University, Fresno
21	Fresno	California State University, Fresno Association, Inc.
22	Fresno	California State University, Fresno Foundation
23	Fresno	Fresno State Programs for Children, Inc.
24	Fresno	The Agricultural Foundation of California State University, Fresno
25	Fresno	The California State University, Fresno Athletic Corporation
26	Fullerton	Associated Students, California State University, Fullerton, Inc.
27	Fullerton	Cal State Fullerton Philanthropic Foundation

Campus		Auxiliary Organization
28	Fullerton	CSU Fullerton Auxiliary Services Corporation
29	Humboldt	Associated Students, Humboldt State University
30	Humboldt	Humboldt State University Advancement Foundation
31	Humboldt	Humboldt State University Center Board of Directors
32	Humboldt	Humboldt State University Sponsored Programs Foundation
33	Long Beach	Associated Students, California State University, Long Beach
34	Long Beach	California State University, Long Beach Research Foundation
35	Long Beach	CSULB 49er Foundation
36	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach
37	Los Angeles	Associated Students, California State University, Los Angeles, Inc.
38	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
39	Los Angeles	California State University, Los Angeles Foundation
40	Los Angeles	University-Student Union Board, California State University, Los Angeles
41	Maritime Academy	California Maritime Academy Foundation, Inc.
42	Maritime Academy	The Associated Students of the California Maritime Academy
43	Monterey Bay	Foundation of California State University, Monterey Bay
44	Monterey Bay	The University Corporation at Monterey Bay
45	Northridge	Associated Students, California State University, Northridge, Inc.
46	Northridge	California State University, Northridge Foundation
47	Northridge	North Campus University Park Development Corporation
48	Northridge	The University Corporation, CSU Northridge
49	Northridge	University Student Union of California State University, Northridge
50	Pomona	Associated Students Inc., California State Polytechnic University, Pomona
51	Pomona	The Cal Poly Pomona Foundation, Inc.
52	Sacramento	Associated Students of California State University, Sacramento
53	Sacramento	Capital Public Radio, Inc., CSU Sacramento
54	Sacramento	The University Foundation at Sacramento State
55	Sacramento	University Enterprises, Inc., CSU Sacramento
56	Sacramento	University Union Operation of CSUS, Inc.
57	San Bernardino	Associated Students Inc., California State University, San Bernardino
58	San Bernardino	CSUSB Philanthropic Foundation

Campus		Auxiliary Organization
59	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino
60	San Bernardino	University Enterprises Corporation at CSUSB
61	San Diego	Associated Students, San Diego State University
62	San Diego	Aztec Shops, Ltd., San Diego State University
63	San Diego	San Diego State University Research Foundation
64	San Diego	The Campanile Foundation
65	San Francisco	Associated Students, Inc., San Francisco State University
66	San Francisco	San Francisco State University Foundation
67	San Francisco	The University Corporation, San Francisco State
68	San Jose	Associated Student, San Jose State University
69	San Jose	San Jose State University Research Foundation
70	San Jose	Spartan Shops, Inc., San Jose State University
71	San Jose	The Student Union of San Jose State University
72	San Jose	The Tower Foundation, San Jose State University
73	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo
74	San Luis Obispo	Cal Poly Corporation
75	San Luis Obispo	California Polytechnic State University Foundation
76	San Marcos	California State University San Marcos Foundation
77	San Marcos	San Marcos University Corporation
78	San Marcos	The Associated Students of California State University, San Marcos
79	San Marcos	University Auxiliary and Research Services Corporation
80	Sonoma	Associated Students of Sonoma State University
81	Sonoma	Sonoma State Enterprises, Inc.
82	Sonoma	Sonoma State University Academic Foundation, Inc.
83	Stanislaus	Associated Students, Inc., California State University, Stanislaus
84	Stanislaus	California State University, Stanislaus Auxiliary and Business Services
85	Stanislaus	California State University, Stanislaus Foundation
86	Stanislaus	University Student Union of California State University, Stanislaus

Member Name	Building Description	Total Real Property
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	SCHOONOVER PARK FACULTY/STAFF HOUSING	154,894,151
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	FREDERICK PARK STUDENT HOUSING	139,274,474
CSU FRESNO - ASSOCIATION	SAVE MART CENTER	128,814,338
CSU FULLERTON - AUXILIARY SERVICES CORP.	FOUNDATION BUILDING - COLLEGE PARK	50,450,000
	Total	4
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	STUDENT RESIDENTIAL HALLS	45,405,000
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	FOLSOM HALL -- UNIVERSITY ENTERPRISES	40,365,523
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	UNIVERSITY TOWERS	33,274,471
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	GATEWAY CENTER	28,548,852
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	MODOC HALL -- UNIVERSITY ENTERPRISES	25,368,604
	Total	5
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	ALBERT'S APARTMENTS/16 COMPLEXES	23,043,817
CSU FRESNO - AGRICULTURAL FOUNDATION	JORDAN RESEARCH CENTER	22,298,900
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	COMMERCIAL SPACE AND STUDENT HOUSING	19,576,376
CSU FULLERTON - AUXILIARY SERVICES CORP.	WESTERN STATES LAW SCHOOL BUILDING	18,979,795
CSU LONG BEACH - RESEARCH FOUNDATION	FOUNDATION OFFICE	17,238,684
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	FRATERNITY ROW APARTMENT COMPLEX	17,199,101
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	Residence Apartments 303	16,013,493
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	Residence Apartments 302	15,708,564
CSU FULLERTON - AUXILIARY SERVICES CORP.	ADMINISTRATIVE OFFICE	15,448,295
CSU FULLERTON - AUXILIARY SERVICES CORP.	ADMINISTRATIVE OFFICE	15,448,295
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	PLACER HALL (USGS) -- UNIVERSITY ENTERPRISES	14,409,191
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	STUDENT HOUSING W/PARKING GARAGE	13,697,488
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION		13,599,323
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	DEL NORTE HALL -- UNIVERSITY ENTERPRISES	11,949,930
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	OFF,SHPNG/RCVNG	11,478,904
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	OFFICE	11,311,116
	Total	16
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	NAPA HALL -- UNIVERSITY ENTERPRISES	9,826,177
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	University Corporation-Bldg 201	9,377,233
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	Residence Apartments 301	9,129,227
CSU EAST BAY - FOUNDATION	BOOKSTORE & WAREHOUSE	8,862,213
CSU LONG BEACH - FORTY NINER SHOPS	BOOKSTORE, OFFICES, WAReHOUSE	8,532,452
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	2-STORY FRAME STUCCO OFFICE	8,384,382
CSU LONG BEACH - RESEARCH FOUNDATION	CAFETERIA/DINING HALL	7,872,297
CSU FRESNO - ASSOCIATION	HOMAN HALL	7,821,406
CSU FRESNO - ASSOCIATION	BAKER HALL	7,815,482
CSU FRESNO - ASSOCIATION	GRAVES HALL	7,815,482
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	Residence Hall 208	7,655,683
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	Residence Hall 211	7,499,978
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	AZTEC SHOPS BOOKSTORE	7,465,697
CSU LONG BEACH - RESEARCH FOUNDATION	DORM/PACIFIC WING	7,432,941
CSU LONG BEACH - RESEARCH FOUNDATION	DORM/BEACH WING	7,432,941
CSU NORTHRIDGE - UNIVERSITY CORPORATION	PUBLIC SAFETY BUILDING	7,019,983
CSU SAN MARCOS - UNIV AUXILIARY & RESEARCH SERVICE		6,950,193
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	OFF, COMM & Prking	6,684,706
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	2-STORY FRAME STUCCO OFFICE	6,253,255
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		5,870,352

Member Name	Building Description	Total Real Property
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	COMMERCIAL	5,696,965
HUMBOLDT STATE UNIVERSITY - ADVANCEMENT FOUNDATION	ADMINISTRATION OFFICE	5,662,763
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	APT BLDGS / 25 UNITS W TUCK UNDER PARKING	5,169,068
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	UNIVERSITY TOWERS DINING SERVICES	4,982,376
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	CYPRESS HALL	4,899,942
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	ASILOMAR HALL	4,899,942
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	WILLET HALL	4,899,942
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	MANZANITA HALL	4,899,942
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	YARROW HALL	4,899,942
CSU FRESNO - ATHLETIC CORPORATION	BULLDOG DIAMOND STADIUM	4,696,047
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	Bldg #83	4,693,205
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	2-STORY FRAME STUCCO OFFICE	4,619,167
CSU FRESNO - ATHLETIC CORPORATION		4,600,811
CSU SACRAMENTO - CAPITAL PUBLIC RADIO	Office	4,531,680
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	RESIDENTIAL AND RETAIL / THE DEN BY DENNY'S	4,469,816
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	MEDICAL OFFICE W/ PARKING BASEMENT	4,466,333
SAN DIEGO STATE UNIVERSITY - ASSOCIATED STUDENTS	SDSU CHILDREN'S CENTER	4,303,699
CSU LONG BEACH - FORTY NINER SHOPS	OUTPOST GRILL AND CONVENIENCE STORE (OP)	4,172,399
CSU FRESNO - ASSOCIATION	SYCAMORE HALL	4,074,101
CSU FRESNO - ASSOCIATION	SEQUOIA / CEDAR HALL	3,950,937
CSU FRESNO - ASSOCIATION	ASPEN / PONDEROSA HALL	3,950,892
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	INTERNATIONAL CENTER	3,916,027
CSU FRESNO - ASSOCIATION	BIRCH HALL	3,734,593
CSU FRESNO - ASSOCIATION	THE ATRIUM	3,734,593
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	2-STORY FRAME STUCCO OFFICE	3,640,514
HUMBOLDT STATE UNIVERSITY - ADVANCEMENT FOUNDATION	ANNEX	3,397,656
SAN DIEGO STATE UNIVERSITY - ASSOCIATED STUDENTS	MISSION BAY AQUATIC CENTER	3,326,554
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION		3,316,522
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	MULTI-TENANT OFFICE BUILDING	3,173,120
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	STEINBECK CENTER	3,006,775
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	MIXED EDUCATION OVER RETAIL	2,917,016
CSU SAN BERNARDINO - UNIVERSITY ENTERPRISES CORPORATION	COYOTE BOOKSTORE	2,826,017
CSU CHICO - RESEARCH FOUNDATION		2,801,926
SAN FRANCISCO STATE UNIVERSITY - ASSOCIATED STUDENTS	Child Care center	2,770,670
CSU CHICO - RESEARCH FOUNDATION	OFFICE BUILDING	2,628,566
CSU NORTHRIDGE - UNIVERSITY CORPORATION		2,623,400
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	FOUNDATION ADMINISTRATION	2,541,447
CSU NORTHRIDGE - ASSOCIATED STUDENTS, INC	CHILDREN'S CENTER	2,476,434
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	AZTEC SHOPS - BRAWLEY PROJECT	2,253,779
CSU NORTHRIDGE - UNIVERSITY CORPORATION	SATELLITE STUDENT UNION	2,192,438
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	2-STORY FRAME STUCCO OFFICE	2,160,822
CSU FRESNO - ATHLETIC CORPORATION		2,156,809
SAN JOSE STATE UNIVERSITY - ASSOCIATED STUDENTS, INC	UNIVERSITY HOUSE	1,947,991
CSU SACRAMENTO - ASSOCIATED STUDENTS, INC	OFFICE/CLASSROOMS	1,947,029
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	WAREHOUSE	1,946,856
SAN JOSE STATE UNIVERSITY - ASSOCIATED STUDENTS, INC	ASSOCIATED STUDENTS CHILD CARE CENTER	1,925,338
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION		1,783,852
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION		1,783,852
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	CAMPUS BUILDING #24	1,755,455
CPSU SAN LUIS OBSIPO - ASSOCIATED STUDENTS, INC	Children's day care center Bldg #133	1,718,466
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	JULIA MORGAN HOUSE & GARDENS	1,710,154
CSU SAN BERNARDINO - UNIVERSITY ENTERPRISES CORPORATION	COYOTE BOOKSTORE	1,679,531
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	KB BOOKS / DOMINO'S PIZZA RESTAURANT	1,649,703
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	LAND-OWNED/LEASED WITH HOUSES, PUMPS, ORCHARD	1,649,703
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	RESIDENTIAL HOUSE	1,647,818
CSU FRESNO - ASSOCIATION	AUXILIARY SERVICES BUILDING	1,642,202

Member Name	Building Description	Total Real Property
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	1-STORY STEEL OFFICE W/ PERMANENTLY ATTACHED ANTI	1,622,207
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	AZTEC MARKET (40808) & STARBUCKS (40428)	1,614,400
CSU LONG BEACH - RESEARCH FOUNDATION	TECHNOLOGY PARK PROJECT	1,603,695
CSU SAN BERNARDINO - UNIVERSITY ENTERPRISES CORPO	FOUNDATION BUILDING	1,530,646
CSU SAN MARCOS - UNIV AUXILIARY & RESEARCH SERVICE		1,493,335
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	EL NORTE	1,487,040
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.	SPRAGUE HOUSE	1,365,758
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	CAMPUS BUILDING #82	1,352,525
CSPU POMONA - FOUNDATION		1,245,751
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	BUILDING 91	1,234,482
CSU FRESNO - ASSOCIATION	AUXILIARY SERVICES BUILDING	1,206,168
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	2-STORY RESIDENCE	1,204,338
CSU FULLERTON - AUXILIARY SERVICES CORP.		1,171,372
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.	DINING COMMONS	1,058,724
CPSU SAN LUIS OBISPO - ASSOCIATED STUDENTS, INC		1,033,092
CSU CHICO - ASSOCIATED STUDENTS	BUTTE STATION	1,009,000
CSU SAN BERNARDINO - UNIVERSITY ENTERPRISES CORPO	OTTC BUILDING	968,995
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	LAUNCH RAMP/ BULKHEAD/ FLOATING DOCK	962,670
CSU SACRAMENTO - ASSOCIATED STUDENTS, INC	ADMINISTRATION	906,043
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.	HISTORICAL HOMES	899,915
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION		892,514
SONOMA STATE UNIVERSITY - ENTERPRISES		890,185
CSU NORTHRIDGE - UNIVERSITY CORPORATION		861,897
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	BUILDING #65	849,415
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	AZTEC MARKET 801	848,586
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.	LIBRARY CAFE	843,378
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	2-STORY FRAME STUCCO OFFICE	813,844
SAN DIEGO STATE UNIVERSITY - ASSOCIATED STUDENTS	ARENA MEETING CENTER / SAC CLASSROOM	798,634
CSU NORTHRIDGE - UNIVERSITY CORPORATION	ARBOR GRILL	737,307
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - COMMON AREAS	705,540
CSU LONG BEACH - RESEARCH FOUNDATION	ADMIN OFFICES	699,742
CSU MONTEREY BAY - UNIVERSTIY CORPORATION	RADIO STATION	697,938
CSU CHICO - RESEARCH FOUNDATION	RESEARCH STATION	681,440
CSU NORTHRIDGE - UNIVERSITY CORPORATION	SINGLE FAMILY RESIDENCE	657,642
SAN DIEGO STATE UNIVERSITY - ASSOCIATED STUDENTS	SCRIPPS COTTAGE	631,907
SAN DIEGO STATE UNIVERSITY - ASSOCIATED STUDENTS	STUDENT UNION (CALEXICO CAMPUS)	623,570
CSU FULLERTON - AUXILIARY SERVICES CORP.		617,932
CSU NORTHRIDGE - UNIVERSITY CORPORATION	SINGLE FAMILY RESIDENCE	617,714
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	OLD FIRE STATION	596,855
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION		587,238
CSU SACRAMENTO - ASSOCIATED STUDENTS, INC	BOATHOUSE NORTH	586,661
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	CAMPUS BUILDING #112	575,637
CSPU POMONA - FOUNDATION	NEUTRA HOUSE	567,598
CSU FRESNO - ATHLETIC CORPORATION		566,704
SAN DIEGO STATE UNIVERSITY - ASSOCIATED STUDENTS	FREEWAY SIGN	555,938
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION		547,929
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	1-STORY FRAME STUCCO MERCANTILE	543,461
HUMBOLDT STATE UNIVERSITY - SPONSORED PROGRAMS		534,793
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.	HISTORICAL HOMES	534,655
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		531,174
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		531,174
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		531,174
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		531,174
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		531,174
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		531,174
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		531,174

Member Name	Building Description	Total Real Property
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.	HISTORICAL HOMES	529,362
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		528,599
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		528,599
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		527,318
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		527,318
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		527,318
CSU NORTHRIDGE - UNIVERSITY CORPORATION	SINGLE FAMILY RESIDENCE	522,591
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	2 STORY HOUSE -- STUDENT HOUSING	516,706
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.	HISTORICAL HOMES	508,187
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	RESIDENTIAL CONDO	504,500
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		502,288
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		502,288
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION		499,455
SONOMA STATE UNIVERSITY - ENTERPRISES		499,413
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		498,641
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		498,641
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	2 STORY HOUSE -- STUDENT HOUSING	497,592
CPSU SAN LUIS OBSIPO - ASSOCIATED STUDENTS, INC	BUILDING #43	488,585
CSU SACRAMENTO - ASSOCIATED STUDENTS, INC	CLASSROOMS	482,292
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION		469,185
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION		464,140
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		451,140
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		451,140
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		451,140
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		451,140
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		451,140
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		451,140
HUMBOLDT STATE UNIVERSITY - ADVANCEMENT FOUNDATION	NATURAL HISTORY MUSEUM	451,091
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	REMINGTON HOUSE	439,855
SONOMA STATE UNIVERSITY - ENTERPRISES		436,753
SAN DIEGO STATE UNIVERSITY - ASSOCIATED STUDENTS	OPEN AIR THEATER HOSPITALITY HOUSE	435,074
CSU DOMINGUEZ HILLS - FOUNDATION	TOWNHOME LEASED TO FACULTY /TAFF	433,239
CSU NORTHRIDGE - UNIVERSITY CORPORATION	SINGLE FAMILY RESIDENCE	433,181
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	HEWLETT HOUSE I	430,370
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	HEWLETT HOUSE II	430,370
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		425,013
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		425,013
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		425,013
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		425,013
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		425,013
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		425,013
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		421,927
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		421,927
HUMBOLDT STATE UNIVERSITY - SPONSORED PROGRAMS		401,097
HUMBOLDT STATE UNIVERSITY - SPONSORED PROGRAMS	TURNER HOUSE	401,097
CSU SAN BERNARDINO - STUDENT UNION	STUDENT UNION LOUNGE	400,998
CSU CHICO - RESEARCH FOUNDATION		391,497
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	2 STORY - ONE OF 9 BLDGS IN CONDOMINIUM PROJECT	381,058
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION		380,518
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	PROPERTY LOTS 82-84	375,142
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	RESIDENTIAL FOR EXTENDED STAY VISITING FACULTY	367,760
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	RESIDENTIAL RENTAL UNIT	365,039
CSU LONG BEACH - ASSOCIATED STUDENTS, INC	SOROPTOMISTS HOUSE	352,520
CSU FRESNO - ATHLETIC CORPORATION		344,884
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		343,060
CSU FRESNO - ATHLETIC CORPORATION		337,298

Member Name	Building Description	Total Real Property
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		334,128
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	WOOD FRAME MODULAR OFFICE ON 650 ACRE SITE INCLUD	329,941
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	328,791
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	328,791
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	328,791
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	328,791
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	328,791
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	328,791
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	328,791
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	328,791
CSU LONG BEACH - FORTY NINER SHOPS	THE BEACH RETAIL STORE	328,726
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION		328,116
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	325,898
SONOMA STATE UNIVERSITY - ACADEMIC FOUNDATION	ATTACHED SINGLE FAMILY DWELLING	325,898
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	RESIDENTIAL	320,954
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		318,852
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		318,852
CSU CHICO - RESEARCH FOUNDATION		314,900
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	RENTAL HOME	312,930
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	UNIVERSITY TOWERS	310,195
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	BUILDING #34	307,506
SAN DIEGO STATE UNIVERSITY - ASSOCIATED STUDENTS	OPEN AIR THEATER CONCESSION & RESTROOMS (5 BUILDI	299,720
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	ASSESSORS' PARCELS # 133-201-003,004,&005 AND 1336	296,541
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION		295,256
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		289,965
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		289,965
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		289,965
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		289,965
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		289,965
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		289,965
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		289,965
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		287,861
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		287,861
CSU FRESNO - ATHLETIC CORPORATION		281,082
CSU BAKERSFIELD - AUXILIARY FOR SPONSORED PROGRAM	KITCHEN/BATHROOM	275,176
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	DWELLING - AL	267,398
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	MISCELLANEOUS IMPROVEMENTS	261,930
CSU NORTHRIDGE - UNIVERSITY CORPORATION	FACULTY HOUSING	259,531
CSU SACRAMENTO - ASSOCIATED STUDENTS, INC	BOATHOUSE WEST	253,693
CSPU POMONA - FOUNDATION	SINGLE FAMILY RESIDENCE/RESIDENTIAL	246,065
SAN DIEGO STATE UNIVERSITY - RESEARCH FOUNDATION	SINGLE FAMILY RESIDENCE	244,156
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
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CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,633
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,572
CSU MONTEREY BAY - UNIVERSTIY CORPORATION		238,572

Member Name	Building Description	Total Real Property
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - DWELLING	145,213
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	BUILDING #70 AND BUILDING #35	143,462
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	HORSE UNIT	143,418
CSU SACRAMENTO - ASSOCIATED STUDENTS, INC	BOAT HOUSE SOUTH	139,305
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - DWELLING	136,090
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - DWELLING	136,090
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - DWELLING	136,090
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - DWELLING	136,090
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - DWELLING	136,090
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - DWELLING	136,090
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - DWELLING	136,090
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - DWELLING	136,090
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	DOCK W/SLIPS	131,834
SAN DIEGO STATE UNIVERSITY - AZTEC SHOPS	RETAIL CONVENIENCE STORE	125,988
CSPU POMONA - FOUNDATION	BUILDING 86	125,832
CSPU POMONA - FOUNDATION	SPARDA ORCHARD (51 ACRES)	121,563
CSU CHICO - RESEARCH FOUNDATION		118,929
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	CARETAKER HOME	112,729
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	RED HOUSE OFFICE	109,099
CSU BAKERSFIELD - AUXILIARY FOR SPONSORED PROGRAM	ROOM 4	106,519
CSU BAKERSFIELD - AUXILIARY FOR SPONSORED PROGRAM	ROOM 5	106,519
CSU NORTHRIDGE - UNIVERSITY CORPORATION		106,439
CSU NORTHRIDGE - UNIVERSITY CORPORATION		100,900
SAN FRANCISCO STATE UNIVERSITY - THE UNIVERSITY CO	DINING CABIN	100,000
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	ROUNDHOUSE	93,589
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	LEASEHOLD IMPROVEMENTS	92,253
CSU SAN BERNARDINO - UNIVERSITY ENTERPRISES CORPO	2 MODULAR BUILDINGS	91,096
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	DINING SVS OFFICES	70,793
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	MOBILE HOME	67,511
SONOMA STATE UNIVERSITY - ENTERPRISES		66,720
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	RESIDENTIAL RENTAL UNIT	60,386
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	RESIDENTIAL RENTAL UNIT	60,386
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	RESIDENTIAL RENTAL UNIT	60,386
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	RESIDENTIAL RENTAL UNIT	60,386
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	RED HOUSE/LABOR CAMP	58,160
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE #1	58,008
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	STAUBB HOUSE	57,244
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.		57,161
CSU FULLERTON - AUXILIARY SERVICES CORP.	UNIVERSITY GABLES - SWIMMING POOL/CLUB HOUSE	56,260
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.		55,000
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.	LEASED	54,117
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	MOBILE HOME - FLEETWOOD	52,467
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.		51,494
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	CARETAKER'S RESIDENCE	50,716
SAN FRANCISCO STATE UNIVERSITY - THE UNIVERSITY CO	DIRECTORS CABIN	50,000
SAN FRANCISCO STATE UNIVERSITY - THE UNIVERSITY CO	GUEST CABIN	50,000
SAN FRANCISCO STATE UNIVERSITY - THE UNIVERSITY CO	TEN SHOWER HOUSES	50,000
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	TOPANGO'S	42,919
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION		42,225
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	BUNK HOUSE	40,644
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	FEEDMILL UNIT	40,111
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE #2	40,015
CSU SACRAMENTO - CAPITAL PUBLIC RADIO	ELECTRONIC COMMUNICATIONS SITE	36,047
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	CABIN - RICARDO	33,425
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	RFC ANNEX	32,202
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		31,323

Member Name	Building Description	Total Real Property
CSU FULLERTON - AUXILIARY SERVICES CORP.		28,734
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	GREENHOUSE	28,454
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	BARN	27,274
HUMBOLDT STATE UNIVERSITY - SPONSORED PROGRAMS		26,739
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	MACHINE SHOP	26,739
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	UNION CONVENIENCE STORE	23,389
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	BARN - RAILROAD CAR	21,393
SAN JOSE STATE UNIVERSITY - SPARTAN SHOPS, INC.	MACQUARRIE HALL	19,702
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		18,514
CSU FULLERTON - AUXILIARY SERVICES CORP.	EDUCATIONAL CLASSROOM	16,497
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	CABIN - GEORGE	13,370
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		13,281
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION		12,494
CSU SACRAMENTO - CAPITAL PUBLIC RADIO	ELECTRONIC COMMUNICATIONS FACILITY	12,358
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		10,539
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	CHEESE HOUSE	10,028
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	AUXILIARY STRUCTURE	10,028
SONOMA STATE UNIVERSITY - ENTERPRISES		9,410
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		9,398
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	TOGOS	9,147
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		9,147
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		7,797
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE CONTAINER #1	6,204
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE CONTAINER #2	6,204
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE CONTAINER #3	6,204
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE CONTAINER #4	6,204
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	PANDA EXPRESS	5,807
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		5,457
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE SHED #2	5,427
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE SHED #3	4,652
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,	HIRAKU SUSHI	4,270
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		3,897
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE SHED #1	3,567
SAN JOSE STATE UNIVERSITY - RESEARCH FOUNDATION	STORAGE SHED #4	3,567
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	SWINE UNIT	3,477
CSU SACRAMENTO - UNIVERSITY ENTERPRISES, INC,		2,924
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	CROP SCIENCE STORAGE SHED	2,080
CPSU SAN LUIS OBSIPO - CAL POLY CORPORATION	STORAGE SHED	2,006
CSU SACRAMENTO - CAPITAL PUBLIC RADIO	ELECTRONIC COMMUNICATIONS BUILDING	1,545
	Total	451

CRIME PROGRAM
AMENDMENTS TO THE AORMA MEMORANDUM OF COVERAGE

ISSUE: ERISA requires all employee benefit plans to be bonded for at least 10% of the plan assets subject to a minimum bond amount of \$1,000 and a maximum bond amount of \$500,000. The current AORMA Crime Program provides a limit of \$2,000,000 which well exceeds the ERISA bonding requirement.

The AORMA Crime Program currently includes a \$5,000 per occurrence deductible. ERISA requires the bond to insure the plans for the first dollar of the loss. The AORMA memorandum of coverage is currently silent with regard to the ERISA required bond coverage as well as the \$0 deductible. The excess crime policy specifically adds coverage for the employee benefit plans. In order to clarify that the AORMA Crime Program does comply with the ERISA bonding requirement, the AORMA Crime Program memorandum of coverage has been amended as follows:

Item 3: Limits of Liability:

- 1. Per Occurrence - including coverage required by ERISA to protect employee benefit plans):\$25,000
- 2. Annual Aggregate for all Member losses paid within the Coverage Period\$100,000

Item 4: Deductible:

- 1. Per Occurrence:.....\$5,000
- 2. Per Occurrence – coverage required by ERISA to protect employee benefit plans:\$0

RECOMMENDATION: The Programs Committee recommends approval of the amendments to the FY 16/17 the Crime Program memorandum of coverage (MOC) as well as the MOCs for prior years.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: The revised memorandum of coverage will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. AORMA Crime Program MOC Declarations Page (with redline and strikeout)
- b. Excess Crime Policy



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
FIDELITY CRIME INSURANCE PROGRAM**

MEMORANDUM OF COVERAGE

DECLARATIONS

Item 1: Member

See the **Member** listing attached.

The AORMA Fidelity Crime Insurance Program agrees with the Named Member, in consideration of the payment of premium and in reliance upon statements in the Declarations and subject to the limits of liability, exclusions, conditions, and other terms of this memorandum, to provide the coverage as stated in this memorandum.

Item 2: Coverage Period:

July 1, 2016 to July 1, 2017

Item 3: Limits of Liability:

- 1. Per Occurrence - including coverage required by ERISA to protect employee benefit plans):..... \$25,000
- 2. Annual Aggregate for all Member losses paid within the Coverage Period..... \$100,000

Item 4: Deductible:

- 1. Per Occurrence: \$5,000
- 2. Per Occurrence – coverage required by ERISA to protect employee benefit plans: \$0

Item 5: Claims Reporting:

In the event of loss insured against under this Memorandum of Coverage, the Named Member shall give notice within 30 days of discovering such loss.



CSURMA AORMA Claims Administrator c/o Alliant Insurance Services, Inc.

100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Michelle Maffei
mmaffei@alliant.com
415-403-1418 - Telephone

Martin Fox-Foster
martin.fox-foster@alliant.com
415-403-1417 - Telephone

Elaine Kim
ekim@alliant.com
415-403-1458 - Telephone

After hours reporting:

Robert Frey
rfrey@alliant.com
415-403-1445 – Telephone
415-518-8490 – Cell Phone

To be valid, this agreement must be signed by our Program Administrator.

Authorized Signature

Items 1:

Member Listing

Campus		Auxiliary Organization
1	Bakersfield	Associated Students, California State University, Bakersfield, Inc.
2	Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration
3	Bakersfield	California State University, Bakersfield Foundation
4	Bakersfield	California State University, Bakersfield Student Union, Inc.
5	Chancellor's Office	California State University Foundation
6	Chancellor's Office	California State University Institute
7	Channel Islands	Associated Students of California State University, Channel Islands, Inc.
8	Channel Islands	California State University Channel Islands Foundation
9	Channel Islands	University Glen Corporation
10	Chico	Associated Students of California State University, Chico
11	Chico	The CSU, Chico Research Foundation
12	Chico	The University Foundation, California State University, Chico
13	Dominguez Hills	Associated Students, California State University, Dominguez Hills
14	Dominguez Hills	California State University, Dominguez Hills Foundation
15	Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated
16	Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation
17	East Bay	Associated Students, California State University, East Bay
18	East Bay	Cal State East Bay Educational Foundation
19	East Bay	California State University, East Bay Foundation, Inc.
20	Fresno	Associated Students, Inc. of California State University, Fresno
21	Fresno	California State University, Fresno Association, Inc.
22	Fresno	California State University, Fresno Foundation
23	Fresno	Fresno State Programs for Children, Inc.
24	Fresno	The Agricultural Foundation of California State University, Fresno
25	Fresno	The California State University, Fresno Athletic Corporation
26	Fullerton	Associated Students, California State University, Fullerton, Inc.
27	Fullerton	Cal State Fullerton Philanthropic Foundation
28	Fullerton	CSU Fullerton Auxiliary Services Corporation

Campus		Auxiliary Organization
29	Humboldt	Associated Students, Humboldt State University
30	Humboldt	Humboldt State University Advancement Foundation
31	Humboldt	Humboldt State University Center Board of Directors
32	Humboldt	Humboldt State University Sponsored Programs Foundation
33	Long Beach	Associated Students, California State University, Long Beach
34	Long Beach	California State University, Long Beach Research Foundation
35	Long Beach	CSULB 49er Foundation
36	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach
37	Los Angeles	Associated Students, California State University, Los Angeles, Inc.
38	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
39	Los Angeles	California State University, Los Angeles Foundation
40	Los Angeles	University-Student Union Board, California State University, Los Angeles
41	Maritime Academy	California Maritime Academy Foundation, Inc.
42	Maritime Academy	The Associated Students of the California Maritime Academy
43	Monterey Bay	Foundation of California State University, Monterey Bay
44	Monterey Bay	The University Corporation at Monterey Bay
45	Northridge	Associated Students, California State University, Northridge, Inc.
46	Northridge	California State University, Northridge Foundation
47	Northridge	North Campus University Park Development Corporation
48	Northridge	The University Corporation, CSU Northridge
49	Northridge	University Student Union of California State University, Northridge
50	Pomona	Associated Students Inc., California State Polytechnic University, Pomona
51	Pomona	The Cal Poly Pomona Foundation, Inc.
52	Sacramento	Associated Students of California State University, Sacramento
53	Sacramento	Capital Public Radio, Inc., CSU Sacramento
54	Sacramento	The University Foundation at Sacramento State
55	Sacramento	University Enterprises, Inc., CSU Sacramento
56	Sacramento	University Union Operation of CSUS, Inc.
57	San Bernardino	Associated Students Inc., California State University, San Bernardino
58	San Bernardino	CSUSB Philanthropic Foundation
59	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino

Campus		Auxiliary Organization
60	San Bernardino	University Enterprises Corporation at CSUSB
61	San Diego	Associated Students, San Diego State University
62	San Diego	Aztec Shops, Ltd., San Diego State University
63	San Diego	San Diego State University Research Foundation
64	San Diego	The Campanile Foundation
65	San Francisco	Associated Students, Inc., San Francisco State University
66	San Francisco	San Francisco State University Foundation
67	San Francisco	The University Corporation, San Francisco State
68	San Jose	Associated Student, San Jose State University
69	San Jose	San Jose State University Research Foundation
70	San Jose	Spartan Shops, Inc., San Jose State University
71	San Jose	The Student Union of San Jose State University
72	San Jose	The Tower Foundation, San Jose State University
73	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo
74	San Luis Obispo	Cal Poly Corporation
75	San Luis Obispo	California Polytechnic State University Foundation
76	San Marcos	California State University San Marcos Foundation
77	San Marcos	San Marcos University Corporation
78	San Marcos	The Associated Students of California State University, San Marcos
79	San Marcos	University Auxiliary and Research Services Corporation
80	Sonoma	Associated Students of Sonoma State University
81	Sonoma	Sonoma State Enterprises, Inc.
82	Sonoma	Sonoma State University Academic Foundation, Inc.
83	Stanislaus	Associated Students, Inc., California State University, Stanislaus
84	Stanislaus	California State University, Stanislaus Auxiliary and Business Services
85	Stanislaus	California State University, Stanislaus Foundation
86	Stanislaus	University Student Union of California State University, Stanislaus

Risk Details

Type: Primary Fidelity Insurance

Proposal Form:

Policyholder: THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY and various Auxiliary Organisations as per attached Schedule

Address

Office of the Chancellor,
401 Golden Shore,
5th Floor, Long Beach,
California 90802-4210,
United States of America

Policy Period: From: 1st July 2015
To: 1st July 2016
Both days at 12.01am, local standard time at the address shown above.

Interest: Fidelity Insurance

Sum Insured: USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD40,000,000 Aggregate

Sub Limit

Computer Costs USD250,000

Excess: USD 250,000 Any One Loss in respect of The Trustees of California State University
USD 25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule.

Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD 100,000 aggregate (as per Auxiliary Schedule attached)

Territorial Limits: Worldwide

Conditions: As per ACE Fraud Protector wording and endorsements attached.

Notices: LMA9029 California Surplus Lines Notice 1
LMA9030 California Surplus Lines Notice 2

Express Warranties: Warranted dual Cheque signatures for amounts in excess of USD15,000, but amounts in excess of USD5,000 for the Auxiliary Organisations specified in the Schedule attaching to this Policy.

**Choice of Law
& Jurisdiction:**

This insurance shall be governed by and construed in accordance with the laws of California.
Each party agrees to submit to the jurisdiction of a Court of competent jurisdiction within the United States of America (as per the Service of Suit Clause (USA)) NMA1998 attached hereto.

Premium:

Payment Terms:

30 days in accordance with the LSW3000 Premium Payment Clause

**Taxes Payable
by Insured and
administered by
Insurer(s):**

None

**Recording,
Transmitting and
Storing Information:**

Miller Insurance Services LLP will maintain risk and claim data, information and documents which may be held on paper or electronically.

**Insurer Contract
Documentation:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.


CALIFORNIA SURPLUS LINES NOTICE 1

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED / ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEBSITE AT WWW.NAIC.ORG.
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

LMA9029
01 September 2013

MR CONTRACT
ENQ/QUO : PCSUR000315

L/UWR




621
MIL

PROFESSIONAL RISKS
UMR / POLICY No. B0621PCSUR000315

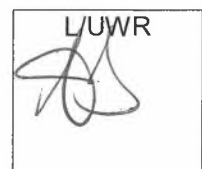
PAGE 4 OF 28

CALIFORNIA SURPLUS LINES NOTICE 2

This insurance is issued pursuant to the California Insurance Code, Sections 1760 through 1780, and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

LMA9030
01 September 2013

MR CONTRACT
ENQ/QUO : PCSUR000315



Schedule

Policy Number: B0621PCSUR000315

Item 1.	Policyholder	THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY and various Auxiliary Organisations as per attached Schedule (also identified in the Policy as You/Your)
	Address	Office of the Chancellor, 401 Golden Shore, 5 th Floor, Long Beach, California 90802-4210, United States of America
Item 2.	Policy Period	From: 1 st July 2015 12.01am Local Standard Time To: 1 st July 2016 12.01am Local Standard Time At the Address above
Item 3.	i) Sum Insured	USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD 40,000,000 Aggregate
	ii) Computer Costs Sub-Limit	USD250,000
Item 4.	Excess	USD250,000 Any One Loss in respect of The Trustees of California State University USD25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule. Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD100,000 aggregate (as per Auxiliary Schedule attached)
Item 5.	Discovery Period	90 Days
Item 6.	Endorsement effective at inception:	
	<ol style="list-style-type: none"> 1. NMA 1998 – Service of Suit Clause (naming Mendes & Mount California, USA) 2. Faithful Performance of Duty Coverage for Government Employees Endorsement 3. BEJH Discovery Limitation Clause 4. Aggregate Limit Endorsement 5. Fine Art and Jewellery Collection Exclusion 6. Notice of Cancellation or non-Renewal Amendment 7. Small Additional or Return Premiums Clause (USA) NMA 1168 8. No Claims Bonus Endorsement 9. Warranted dual Cheque signatures for amounts in excess of USD15,000. 	

- 10. Employee Benefit Asset Endorsement
- 11. Amended Notice Requirement
- 12. Amended Discover/ed or Discovery Clause
- 13. Choice of Law Clause
- 14. LSW3000 Premium Payment Clause
- 15. ACE Sanctions Clause
- 16. Additional Endorsement
- 17. Loss Payee Clause

Item 7. Premium

Item 8. Notification of Loss Financial Lines Claims, ACE Building, 100 Leadenhall Street, London, EC3A 3BP

Item 9. Notification of Claims to: Alliant Insurance Services, Inc, 100 Pine Street, 11th Floor, San Francisco, California 94111 United States of America

Proposal Form Dated:

ACE Fraud Protector (amended)

- Our promise to you** This policy is our promise to you to pay for your loss if:-
1. a problem of a type described under *What has gone wrong* occurs to prior to the end of the **policy period**,
 2. you have **discovered** and told us about this problem during the **Policy period** or **discovery period**,
 3. the problem is covered under *What does the policy pay*,
 4. the problem is not excluded under *What is not covered*, and
 5. you have met the duties under *Your obligations to us*.

Our promise is also subject to the conditions set out under *General matters*.

What has gone wrong

You have suffered a loss because of:-

- a. employee dishonesty,
- b. theft
- c. computer crime,
- d. counterfeiting, or
- e. forgery

What does the policy pay

We will pay up to the **sum insured** for loss (as described below) which you suffer as a result of an act or acts described under *What has gone wrong*, but we will not pay for loss referred to under *What is not covered*.

The loss that we will pay must be direct financial loss sustained by you anywhere in the world in connection with a single act or series of related, continuous or repeated acts of **employee dishonesty, theft, computer crime, counterfeiting, or forgery**. It will include direct financial loss sustained by another person or organisation where you have responsibility for the care, custody and control of their **money, securities** or other property. It will not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or any other employment benefits paid by you or such other person or organisation. The direct financial loss must be sustained prior to the end of the **policy period** or **discovery period**, if applicable.

We will also pay for any auditor's fees incurred by you with our prior written consent in order to identify and to quantify loss covered by this insurance. Such payment will be part of the **sum insured**.

When calculating the loss that we pay under the policy the valuation of direct financial loss shall be determined by:-

- i) the lesser of the mid market value of **securities** at the close of business on the day that you **discover** the lost, or the cost of replacing the **securities**. In addition the cost of issuing any loss instruments bond which may be required.
- ii) the lesser of the cash value of other property at the time of the loss, or the cost of repairing or replacing it with property or material of similar value or quality. If you hold the property as a pledge or collateral for a loan then the cash value will be that which you agreed and recorded when you made the loan. If this value is not recorded then the unpaid portion of the loan plus accrued interest will be the cash value.
- iii) the rate of exchange applying to a foreign currency as published in the Financial Times on the date you **discover** the loss. If there is no such rate published on that day and you and we cannot agree the appropriate rate of exchange, the rate will be determined by arbitration as described under *General matters*.
- iv) the cost of the blank books, blank pages, data media or other materials and the cost of labour and computer time required for the copying of transcription of data in order to reproduce books of accounts, records and electronic data.
- v) the actual costs incurred by you to restore your Computer, Network or Electronic Commerce Services to their pre loss operating capacity. The amount that we will pay in respect of such costs is subject to the sub-limit specified in item 3 of the Schedule to this Policy. The sub-limit is part of and not in addition to the **sum insured**.

You must pay the **excess** for each loss.

Payment of any loss will not reduce our liability for other loss. However, our maximum liability for any single loss will not exceed the amount specified as the **sum insured**. All loss flowing from the acts of the same person or group of persons in collusion will be a single loss. This will be the case whether such loss involves one or more of the problems a) to e) set out under *What has gone wrong*, involves one or more incidents of loss or is sustained in one or more **policy periods**.

Regardless of the number of years that this policy is in force, of whether it is or may be renewed and of the number of premiums paid, the **Sum Insured** shall not be cumulative from year to year or period to period. By accepting this policy you are considered to have given notice to us cancelling any prior policy issued by us.

If a recovery is made after a loss then the proceeds, less the actual cost of making the recovery, will be distributed as follows:-

- i) firstly, to you for any amount of the loss which exceeds the **sum insured** or settlement and the **excess**;
- ii) secondly, to us for any settlement made; and
- iii) thirdly, to you for the amount paid as the **excess**

After we have made a payment under this policy we will be subrogated to your rights of recovery in respect of the payment. You must execute all papers and do whatever is necessary to secure any rights including the execution of any documents to enable us to bring a suit in your name whether before or after a payment by us.

If a loss involves property that you do not own may we settle the claim with the owner, provided you have given your consent.

What is not covered We will not pay loss consisting of or which is due to:-

- a) fines, penalties or damages for which you are legally liable except for compensatory damages arising from a loss covered by this insurance.
- b) any errors and omissions committed or omitted by you or your **employees**.
- c) any loss that you have **discovered** before the commencement of the **policy period**.
- d) loss caused by or involving any person who owns or controls more than 10% of your issued share capital or of any one of you.
- e) loss caused by an **employee** after you became aware that they have committed acts of fraud, dishonesty, or criminal damage. The exclusion will not apply if the person who discovers such acts is in collusion with the **employee**.
- f) costs and expenses which you incur to establish the existence or value of a loss, to prosecute or defend legal proceedings or for any recall costs, except for the auditor's fees agreed under *What does the policy pay*.
- g) loss of confidential information, though we will cover loss where confidential information has been used to help to commit an act covered by this insurance.
- h) damage or destruction to any premises which you own or occupy for the purposes of conducting your business.
- i) indirect or consequential loss.
- j) income or profit (including but not limited to interest and dividends).
- k) any sort of nuclear reaction, nuclear radiation or radioactive contamination.

- l) any armed struggle, civil unrest or conflict or any act or order of any government or public or local authority.
- m) any loss recoverable under any other insurance or which would have been recoverable but for the existence of this policy or but for a breach of a warranty term or condition of such other insurance unless in excess of the limit of indemnity of that insurance.
- n) loss resulting directly or indirectly from trading in **securities**, commodities, futures, options, currencies, foreign exchange or the like unless the loss is a result of **employee dishonesty**, which results in the employee making an improper financial gain other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pension or any other employment benefits.
- o) extortion unless caused by **employee dishonesty** or **computer crime**.

Your obligations to us

You should understand that you have a number of obligations to us that arise before we insure you; during the policy period; and when a problem arises. These obligations are described below.

Before we agree to insure you

the information given to us before we agree to ensure you must be complete, accurate and not misleading. As it is important, the proposal form and the other written information which you, or anyone on your behalf, provide are incorporated into and from the basis of this insurance.

The proposal form reminded you that you must disclose to us all facts and matters, which might be relevant to our consideration of your proposal, before we agreed to insure you. If you did not do so, we are entitled to treat this insurance as if it had never existed. We will not do this if all of the following conditions are met. Firstly, we must have insured you before you were first aware, or ought reasonably to have been aware after enquiry, of the material matters and have continuously insured you since then. Secondly, you must satisfy us that the misrepresentation or failure to disclose was innocent and not intended to mislead us. Thirdly and finally, our interests must not have been prejudiced as a result.

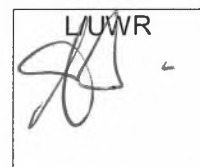
During the policy Period

We will not make any payment under this insurance unless you have paid the premium by the agreed date or agreed instalment dates. You must tell us promptly if one or more of you merge with another business or if anyone acquires more than 25% of the voting shares of the business of any one of you.

When a problem arises

We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within 45 days of **discovering** a loss. We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or



anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

The meaning of policy terms

Throughout this policy document we have highlighted words in bold type. The special meanings of such words are described below:-

Associated Company

means a company or other entity in which the policy holder or one of its subsidiaries owns more than 20% of the issued share capital, other capital or voting rights and retains management control.

Computer crime

means an act or acts of a person other than an **employee** amounting to:-

- 1) the theft of your:-
 - a) assets under the direct or indirect control of a computer system by manipulation of computer hardware, software programmes or systems, by any person to which system you have not given authorised access;
 - b) funds from an account which you maintain at a financial institution following fraudulent electronic, telegraphic, cable, teletype, telex, telephone or written instructions to debit, transfer or deliver funds from such account. These instructions must appear to have been given by you or someone to whom you have given authorisation, but actually have been fraudulently transmitted, issued or fraudulently altered by another.
- 2) the malicious, intentional and wilful use of computer, network or electronic commerce services to erase, destroy, modify or corrupt data or to deny users access to your computer, network or electronic commerce services.

Counterfeiting

means an act by a person, other than an **employee**, which causes you to act upon or give value for a negotiable instrument that is an imitation of an authentic negotiable instrument and which deceives you into believing that the imitation is the authentic original negotiable instrument. If these instruments contain fraudulent misrepresentations of fact but are genuinely signed or endorsed then they are not counterfeit for the purposes of this insurance.

Discovered or Discovery

means the time at which you or one of your senior managers becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

Discovery Period

means the period stated in item 5 of the Schedule to this policy immediately following termination of this policy. Within this time you may report any loss which you have **discovered** that was connected to an act committed during the **policy period**. There is no **discovery period** on renewal of this policy nor upon the expiry, cancellation or other termination of this policy, if a similar policy or cover (whether issued by us or another insurer) replaces it.

- Employee** means a person in your regular service whom you compensate by wages, salary, fees and/or commissions and who you have a right to direct in the performance of this service.
- To the extent that any of your directors, trustees or consultants are **employees** they will only be covered whilst performing acts coming within the scope of the usual duties of an **employee**.
- Any student, secondee, volunteer or temporary personnel supplied by outside agencies will be deemed to be an **employee** whilst performing services which you have the right to direct.
- Any professionally qualified lawyer retained by you, or an employee of such lawyer, will be deemed to be an **employee** whilst performing services on your behalf under the retainer.
- Any trustee, fiduciary, administrator or officer of any pension or employee benefit plan established by you and falling within the definition of **insured** is deemed to be an **employee**.
- Cover in respect of **employees** will continue to apply for sixty days immediately following termination of their service.
- Employee dishonesty** means an act/acts of fraud, or dishonesty committed by an **employee** with the intent to cause you to suffer a loss. For the avoidance of doubt, recklessness or inadvertence do not constitute intent.
- Excess** means the amount which you must retain of each and every loss which is stated in Item 4 of the Schedule.
- Forgery** means the signature in the name of a genuine person by another person without authority and with the intent to deceive. Such signature must have been written on a cheque, credit card or bill of exchange, received or given by you in consequence of which you have acted or transferred funds or goods causing you to sustain a loss. It does not include a genuine signature applied without authority. A signature may be hand-written, mechanically, or electronically produced or reproduced. It does not include acts by **employees**.
- Insured** means the **policyholder** and is deemed to include:-
- a) all subsidiary or **associated companies** existing at or before the inception date (or subsequent renewal date) and In respect of which we have received a proposal form.
 - b) any subsidiary or **associated companies** acquired or created after the inception date (or subsequent renewal date) from the date of such acquisition or creation provided that the gross annual turnover of any such entity and the combined figure for all such entities do not exceed 25% of the gross annual turnover you declared to us in the proposal form. If the gross annual turnover does exceed this figure then you should advise us within

sixty days of the acquisition date and we will decide any additional premiums or conditions that should be applied.

- c) pension and employee benefit plans which you maintain on behalf of your **employees** and in respect of which you have submitted a proposal form. Payments for any loss will be made direct to the plan.

Money means currency, coins, bank notes and bullion, cheques, travellers cheques, registered cheques postal orders or money orders or money orders held for sale to the public.

Policy Period means the period of time from inception to expiry date in Item 2 of the Schedule.

Policy Holder means the entity named in Item 1 of the Schedule

Securities means all negotiable and non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security, representing either money or property, but does not include **money**.

Sum insured our limit of liability in respect of loss being the amount specified in Item 3 of the Schedule to this policy.

Theft means a dishonest and unlawful act, of a person, other than an **employee**, of taking your property, **money** or **securities** with the intention of permanently depriving you of its use and obtaining a financial gain for themselves.

General Matters References in this policy to we, our or us are references to ACE Global Markets. References to you or your are references to the **Insured**.

For the purposes of this policy, an inventory shortage or profit and loss calculation are not sufficient to establish that you have suffered a loss because of an act or acts described under What has gone wrong.

The insurance including its construction, application and validity is governed by the laws of California, USA.

Any dispute arising out of or relating to this insurance, including a dispute in respect of its construction, application or validity, will be referred to arbitration. The terms of which are to be mutually agreed by the **Insured** and Underwriters.

The policy is a single contract of insurance between us and the **Insured** and is for the benefit of all of you as joint insured parties. Accordingly, without limitation:-

- a) the **policyholder** will act for itself and for all of you for all purposes under this policy;
- b) payment of any loss under this policy to the policyholder shall fully release us with respect to such loss;

- c) our liability for loss sustained by one or all of you shall not exceed the amount for which we would have been liable had the loss been sustained by any one of you.

The insurance may be cancelled for anyone of you or all of you if you or we give the other thirty days written notice. This insurance is cancelled automatically for all of you if a petition is presented, an order made or a resolution passed to wind up or appoint an administrator in respect of the **policyholder** or if a receiver is appointed over the whole or part of its assets. If this insurance is cancelled in respect of all of you, we will return a pro rata amount of premium unless you have discovered a loss before the cancellation takes effect.

Should a petition be presented, order made or a resolution passed to wind up or appoint an administrator in respect of any other of you or if a receiver is appointed in respect of the whole or part of any of your assets, this insurance is cancelled automatically. Cancellation takes effect as from the date of the petition, order, resolution or appointment and as regards those of you that are the subject of these procedures. As cover will be continuing as regards those of you that are not effected there will be no return of premium.

The insurance is also cancelled automatically as regards any of you that do not fall within the definition of **Insured** from the date that you no longer meet that definition.

Where this insurance is cancelled as described above cover prior to cancellation is not effected. Accordingly, subject to all the terms of this policy and in particular those dealing with **discovery**, acts committed prior to the cancellation of this insurance will remain covered as regards those of you whom cover continues and those of you for whom cover is cancelled.

You may not assign this policy or the rights to it unless we have agreed in writing.

Auxiliary Organisations Schedule

1. Associated Students Inc., CSU Bakersfield
2. CSU Bakersfield, Foundation
3. Student Union of CSU Bakersfield
4. California State University Foundation
5. CSU Institute
6. Associated Students, CSU Channel Islands
7. CSU Channel Islands Foundation
8. CSU Channel Islands University Glen Corp.
9. Associated Students of CSU Chico
10. Auxiliary Organizations Association. c/o CSU Chico Research Foundation
11. CSU Chico Research Foundation
12. University Foundation, CSU Chico
13. Associated Students Inc., CSU Dominguez Hills
14. CSU Dominguez Hills Foundation
15. Donald P. & Katherine B. Loker University Student Union Inc., CSU Dominguez Hills
16. Associated Students Inc., CSU East Bay
17. CSU East Bay Foundation
18. Associated Students Inc., CSU Fresno
19. CSU Fresno Association
20. CSU Fresno Association (Save Mart Center)
21. CSU Fresno Courtyard
22. CSU Fresno Foundation
23. Fresno State Programs for Children
24. The Agricultural Foundation of CSU Fresno
25. The Athletic Corporation, CSU Fresno
26. Associated Students of CSU Fullerton
27. Cal State Fullerton Auxiliary Services Corporation
28. Cal State Fullerton Philanthropic Foundation
29. CSU Fullerton Housing Authority
30. Associated Students of Humboldt State University
31. Humboldt State University Advancement Foundation
32. Humboldt State University Sponsored Programs Foundation

33. University Center, Humboldt State University
34. Associated Students Inc., CSU Long Beach
35. CSU Long Beach Foundation
36. Forty-Niner Shops Inc., CSU Long Beach
37. Associated Students Inc., CSU Los Angeles
38. Cal State Los Angeles Univ. Auxiliary Services Inc.
39. The California State University, Los Angeles Foundation
40. University Student Union, CSU Los Angeles
41. Associated Students Inc., California Maritime Academy
42. California Maritime Academy Foundation
43. CSU Monterey Bay Employee Housing Inc.
44. University Corporation, CSU Monterey Bay
45. Associated Students Inc., CSU Northridge
46. CSU Northridge Foundation
47. North Campus Park Development Corporation
48. The University Corp., CSU Northridge
49. University Student Union, CSU Northridge
50. "Associated Students Inc.,
51. California State Polytechnic University, Pomona"
52. Cal Poly Pomona Educational Trust
53. The Cal Poly Pomona Foundation, Inc.
54. Associated Students Inc., CSU Sacramento
55. Capital Public Radio, CSU Sacramento
56. The University Foundation of CSU Sacramento
57. University Enterprises Development Group, Inc. CSU Sacramento
58. University Enterprises, Inc. CSU Sacramento
59. University Union, CSU Sacramento
60. Associated Students Inc., CSU San Bernardino
61. Student Union, CSU San Bernardino
62. The Foundation of CSU San Bernardino
63. Associated Students of San Diego State University
64. "Aztec Shops, LTD
65. San Diego State University"

66. San Diego State University Research Foundation
67. "Associated Students Inc.,
68. San Francisco State University"
69. "Franciscan Shops,
70. San Francisco State University"
71. The University Corp, San Francisco State
72. Student Center, San Francisco State University
73. Associated Student Inc., San Jose State University
74. San Jose State University Research Foundation
75. Spartan Shops, Inc.
76. Student Union of San Jose State University
77. The Tower Foundation, San Jose State University
78. Associated Students Inc., California Polytechnic State University, San Luis Obispo
79. Cal Poly Corporation
80. Cal Poly Foundation
81. Cal Poly Housing Corporation
82. Associated Students Inc, CSU San Marcos
83. University Auxiliary and Research Services Corporation, CSU San Marcos
84. The University Corporation of CSU San Marcos
85. Associated Students Inc., Sonoma State University
86. Sonoma State University Academic Foundation
87. Sonoma State Enterprises
88. Sonoma Student Union Corporation
89. Associated Students Inc., CSU Stanislaus
90. Auxiliary & Business Services of CSU Stanislaus
91. CSU Stanislaus Foundation
92. University Student Union of CSU Stanislaus

ENDORSEMENTS

1. SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or any State in the United States. It is further agreed that service of process in such suit may be made upon Foley & Gardner LLP, 555 California Street, Suite 1700, San Francisco, California 94104-1520 United States of America, and that any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA 1998 (24/4/86) Form approved by Lloyd's Underwriters' Non-Marine Association.

**2. FAITHFUL PERFORMANCE OF DUTY COVERAGE
FOR GOVERNMENT EMPLOYEES ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY**

and applies to the Insuring Agreements designated below:

1. the following is added to the Employee Theft Insuring Agreement designated above:

we will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit of Insurance shown in the Schedule.

2. the following exclusions are added to the What is not covered Section:
- p) loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
 - q) damages for which you are legally liable as a result of:
 - (1) the deprivation or violation of the civil rights of any person by an "employee";
 - or
 - (2) the tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.
3. the Indemnification is added to General matters Section:
- We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.
4. Part (l) of the Termination As To Any Employee Condition is replaced by the following:
- (1) As soon as:
 - (a) You; or
 - (b) Any official or employee authorized to manage, govern or control your "employees" learn of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee Theft Insuring Agreement, as amended by this endorsement.

3. B.E.J. & H. DISCOVERY LIMITATION CLAUSE (1)

It is hereby understood and agreed that there shall be no liability under this Policy in respect of any claim –

- (a) arising out of or in connection with any circumstances or occurrences which have been notified to the Insurer on any other policy of insurance effected prior to the inception of this Policy;
- (b) arising out of or in connection with any circumstances or occurrences known to the **Insured** prior to the inception hereof.

4. AGGREGATE LIMIT ENDORSEMENT

The total liability of the Underwriters for any one or all claims under each or all Insuring Clauses of this Policy during the Policy Period shall not exceed the applicable Aggregate Policy Limit stated in Item 3. of the Schedule inclusive of Costs, Charges and Expenses. The applicable Aggregate Policy Limit stated in Item 3. of the Schedule shall be reduced by the amount of any payment made under the terms of this Policy.

5. FINE ART AND JEWELLERY COLLECTION EXCLUSION

We will not pay loss consisting of or which is due to fine art and jewellery collections

6. NOTICE OF CANCELLATION OR NON-RENEWAL AMENDMENT ENDORSEMENT

It is understood and agreed that this Policy may be cancelled by Underwriters by mailing to the **Insured**, at the address shown in the Declarations, written notice stating when, not less than 90 days thereafter, cancellation shall be effective. However, in the event of non-payment of premium by the **Insured**, this Policy may be cancelled by Underwriters by mailing notice to the **Insured** stating when, not less than 10 days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by Underwriters shall be sufficient proof of notice and the coverage provided by this Policy shall end on the effective date and hour of cancellation as stated in the notice. Delivery of such written notice either by the **Insured** or by Underwriters shall be equivalent to mailing.

In the event of non-renewal of this Policy by the Underwriters, they or their legal representative shall provide the **Insured** with written notice of their intent to nonrenew at least ninety (90) days in advance of the expiration date of the **Policy Period**. Notice shall be provided via regular U. S. mail to the address shown in Item 1 (b) of the Declarations.

7. SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE (U.S.A.)

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of USD2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

N.M.A. 1168

8. NO CLAIM BONUS ON RENEWAL CLAUSE

In the event of no claim having been made on this policy and the renewal of this insurance being effected with the Underwriters, the Underwriters will allow to the Insured a No Claim Bonus of 5% of the premium paid hereon, it being understood that no obligation on Underwriters or the Insured to renew is implied.

12/93
LSW718

9. EXPRESS WARRANTIES

Warranted dual Cheque signatures for amounts in excess of USD15,000 for both Universities and Auxiliary Organisations specified in the Schedule attaching to this Policy

10. It is hereby noted and agreed that, this policy includes coverage for Employee Benefit assets it holds as a fiduciary.

11. AMENDED NOTICE REQUIREMENTS.

In consideration of the premium charged for this policy, the clause "When a problem arises" is deleted and the following substituted therefore:

When a problem arises We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within:

- a) as soon as practicable after discovering a loss; but
- b) no later than one (1) year from the date of cancellation or termination of an Employee Benefit Plan

We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

12. AMENDED DISCOVER/ED OR DISCOVERY CLAUSE

In consideration of the premium charged for this policy, the Discover/ed or Discover clause is deleted and the following substituted therefore:

Discover/ed or Discovery means the time at which you or one of your CSU Systemwide Risk Manager becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

13. CHOICE OF LAW

This insurance shall be governed by and construed in accordance with the laws of California.

14. PREMIUM PAYMENT CLAUSE

The **Insured** undertakes that premium will be paid in full to Underwriters within 30 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 30th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the **Insured** via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the **Insured** via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01 LSW3000

15. SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10 LMA3100

16. It is hereby understood and agreed that this policy will cover the **Insured** for any disallowance from a covered **Externally Funded Program** that results in a financial loss to the **Insured** which the **Insured** is legally obligated to reimburse the funding entity where such disallowance is the result of a fraudulent or criminal act which would otherwise be covered under this policy. For purposes of coverage granted under this endorsement, salaries and wages of the assured shall be covered loss where such salaries and wages have been paid due to fraudulent or criminal acts of an **Insured's** employee. Also for the purposes of coverage granted under this endorsement, when the covered amount of loss determined under this endorsement is reimbursable to a Federal or State agency, the amount payable under the policy shall be payable by the insurer as a legal obligation of the assured even if no court of law has made a final adjudication of the covered disallowance.

For purposes of this endorsement, covered **Externally Funded Programs** are defined as grants, contracts projects and programs by whatever name, which are funded in part by an agency or department of the United States Federal Government or any similar agency or department of a State Government of the United States.

17. It is hereby understood and agreed that the following Loss Payee clause is added::

It is agreed that:

1. At the written request of the **policyholder**, any payment in satisfaction of loss covered by said bond Money or other Property in which Commissioner of the Regents of the University of California has an interest shall be paid by an instrument issued to that organization and the **policyholder** as joint loss-payees, subject to the following conditions and limitations:
 - a. The attached policy is for the sole use and benefit of the **policyholder** as expressed herein. The organization named above shall not be considered as an **Insured** under the policy, nor shall it otherwise have any rights or benefits under said policy.
 - b. Notwithstanding any payment made under the terms of this endorsement or the execution of more than one of such similar endorsement, the amount paid for any one loss occurrence or otherwise in accordance with the terms of this policy shall not exceed the **sum insured** as set forth in the Schedule Page.
 - c. Nothing herein is intended to alter the terms, conditions and limitations of the policy.
2. Should this policy be cancelled, reduced, non-renewed or restrictively modified Us, We will endeavor to give thirty (30) days advance notice to the organization named above, but failure to do so shall not impair or delay the effectiveness of any such cancellation, reduction, non-renewal or restrictive modification, nor shall the We be held liable in any way.
3. Should this policy be cancelled or reduced at the request of the **Insured**, We will endeavor to notify the organization named above of such cancellation or reduction within 10 business days after receipt of such request, but failure to do so shall not impair or delay the effectiveness of such cancellation or reduction, nor shall We be held liable in any way.

Regents of the University of California

TO PROVIDE LOSS-PAYEE AND NOTIFICATION AGREEMENT.
ADOPTED DECEMBER, 1988

SR 6186(A) Printed in U.S.A.


FI-A-91

New Page December, 1990

B5

SUBJECT OTHERWISE TO THE TERMS, CONDITIONS AND LIMITATIONS OF THIS INSURANCE

MR CONTRACT
ENQ/QUO : PCSUR000315

L/UWR


Information

As per Alliant renewal presentations held on brokers file and seen by Underwriters.

Security Details

LMA3333

(RE)INSURERS LIABILITY CLAUSE

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

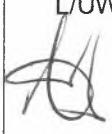
Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

Order Hereon: 100% of 100%

**Basis of
Written Lines:** Percentage of Whole

MR CONTRACT
ENQ/QUO : PCSUR000315

L/UWR


Signing Provisions: In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

Written Lines: In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

SIGNED
LINE %



AGM
2488

22/6/15

ace global markets

33.34%

A	K	A	K	6	F	L	K	S	6	8	2
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 BB

S.I.F.



SJC 2003

33.33%

B	X	1	0	0	0	5	1	7	8	4	4
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XL 1209

n	n	n	n	n	n	n	n	n	n	n	n
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S:100%

22/6/15

BRIT

GLOBAL SPECIALTY

22/6/15

BRT
2987

33.33%

T	H	7	9	0	C	1	5	A	0	0	0
---	---	---	---	---	---	---	---	---	---	---	---

 BB

Est. Sign = 100%



SIGNED
LINE %

MR CONTRACT
ENQ/QUO : PCSUR000315

L/UWR

AORMA COMMITTEE NOMINATIONS AND ELECTION

ISSUE: In response to the revisions to Policy and Procedure A-1 and A-2, the AORMA Committee held an election at its December 10, 2015 meeting to fill the Chair and First Vice Chair seats. The Second Vice Chair seat still needs to be filled. The Nominations Committee has nominated an eligible Committee Member to run for the open seat for the term July 1, 2016 to June 30, 2018 and the Chair will provide a verbal report at the meeting. An election will be held at this meeting.

RECOMMENDATION: The Committee will be asked to elect the AORMA Committee Second Vice Chair for the first term of July 1, 2016 to June 30, 2018.

FISCAL IMPACT: None.

BACKGROUND: During its meeting in December, 2015, the AORMA Committee elected Frank Mumford as the AORMA Committee Chair, his first two-year term beginning on July 1, 2016; Guy Dalpe as the First Vice Chair, his first two-year term beginning on July 1, 2015 and Robert de Wit to serve on the Committee for one additional year – July 1, 2016 to June 30, 2017.

Policy and Procedure A-1 was revised in December, 2015 so that the AORMA Committee will be comprised of seven at-large members and three Officers (Chair, First Vice Chair and Second Vice Chair). Each Officer may serve two two-year terms per position. At-large members may serve a maximum of three consecutive complete two-year terms. Upon reaching the end of the third complete two-year term, At-large members will either be “termed out” (they may be again nominated after one year off the Committee) or advance to the role of Chair, First Vice Chair or Second Vice Chair.

PUBLICATION: The AORMA Committee roster will be kept up to date and uploaded onto the CSURMA website.

ATTACHMENT(S):

- a. AORMA Committee roster
- b. Policy and Procedure A-1 – AORMA Committee Composition, Elections and Term Limits

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2015

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number	Location	Size of Campus	Type of Campus	Term	1st, 2nd or Final Term	Date Appointed
AORMA	Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101	South	Large	Urban	7/1/15 - 6/30/16	N/A	7/1/2012
AORMA	Vice Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044	North	Large	Urban	7/1/15 - 6/30/16	N/A	7/1/2011
AORMA	Past Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	rdewit@csulb.edu	562-985-5549	South	Large	Urban	7/1/15 - 6/30/16	N/A	7/1/2010
AORMA	Ex Officio	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768	Central	Medium	Urban	7/1/15 - 6/30/16	N/A	7/1/2009
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Research Foundation	Brian.Nowlin@csulb.edu	562-985-4690	South	Large	Urban	7/1/15 - 6/30/17	Third	3/24/2011
AORMA	At Large	Cheree Aguilar	Senior Director, Human Resources	San Jose	San Jose State University Research Foundation	cheree.aguilar@sjsu.edu	408-924-1505	South	Large	Urban	7/1/15 - 6/30/17	First	7/1/2015
AORMA	At Large	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878	North	Large	Rural	7/1/14 - 6/30/16	N/A	7/1/2015
AORMA	At Large	Dave Nirenberg	Senior Director	Channel Islands	University Glen Corporation	dave.nirenberg@csuci.edu	805-437-2668	South	Small	Rural	7/1/15 - 6/30/17	First	7/1/2015
AORMA	At Large	Gigi Kiama	Human Resources Director	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301	North	Small	Rural	7/1/15 - 6/30/17	Third	3/24/2011
AORMA	At Large	Jim Reinhart	Executive Director	Sacramento	University Enterprises, Inc. (UEI)	Jim.Reinhart@csus.edu	916-278-7001	South	Large	Urban	7/1/15 - 6/30/17	First	7/1/2015
AORMA	At Large	Keith Kompasi	Director, Foundation Financial Services	Fresno	Fresno Association, Inc., CSU Fresno	kkompasi@csufresno.edu	559-278-0838	Central	Medium	Rural	7/1/14 - 6/30/16	Second	7/1/2012
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslied@saclink.csus.edu	916-278-2904	North	Large	Urban	7/1/14 - 6/30/16	Second	7/1/2012

SUBJECT: AORMA COMMITTEE COMPOSITION,
ELECTIONS & TERM LIMITS

ADOPTED: APRIL 18, 2003

EFFECTIVE: JULY 1, 2003

AMENDED: JANUARY 15, 2005
OCTOBER 27, 2005
JANUARY 16, 2008
OCTOBER 29, 2009
JANUARY 11, 2010
SEPTEMBER 16, 2010
DECEMBER 8, 2011
SEPTEMBER 13, 2012
MARCH 20, 2014
DECEMBER 10, 2015

PURPOSE:

This policy and procedure outlines the process by which members of the Auxiliary Organizations Risk Management Alliance (AORMA) Committee are nominated and elected to serve. This policy and procedure addresses the desire of the CSURMA to ensure broad organizational representation among AORMA Committee members, acknowledging the AORMA Committee’s need for stability of leadership while encouraging participation from qualified candidates.

POLICY:

It is the policy of the CSURMA that, in accordance with the Bylaws, the AORMA Committee shall adopt the procedure outlined in this document for purposes of generating continuity of leadership, encouraging opportunity for diverse committee representation and participation and continuing effective administration of established insurance programs and services.

PROCEDURE:

The following steps will be taken to affect the policy:

1. The AORMA Committee will be elected from representatives of the auxiliary organization members of the CSURMA, effective July 1 of every year. No auxiliary organization will have multiple representatives serving simultaneously on either the AORMA Committee or on the same Standing Committee. At-large members may serve a maximum of three consecutive complete two-year terms. Upon reaching the end of the third complete two-year term, At-large members will either be “termed out” (they may be again nominated after one year off the Committee) or advance to the role of Chair, First Vice Chair or

Second Vice Chair. Terms are staggered to create a rotation of the at-large Committee members each year.

2. The AORMA Committee will be comprised of seven at-large members and three Officers (Chair, First Vice Chair and Second Vice Chair.) Each Officer may serve two two-year terms per position.
3. The AORMA Committee will review its membership annually to strive for diversity on the Committee based on the following criteria:
 - Type of Auxiliary Organization (Foundation, ASI/Student Union or Commercial)
 - Mix of personnel (Executive Director, CFO, HR, etc.)
 - Campus size (small – less than 10,000 FTE, medium – between 10,000 and 20,000 FTE, or large – more than 20,000 FTE)

The First Vice Chair and Chair shall serve as AORMA Committee representatives to the CSURMA Executive Committee.

AORMA Committee Chair/Vice Chair Qualifications

- Served on AORMA Committee for at least two years
 - Demonstrated leadership abilities in group settings
 - Ability to serve as primary advocate and spokesperson for AORMA Committee
 - Ability to lead the AORMA Committee
4. Annually, the Chair shall appoint a Nominations Committee, consisting of at least two AORMA Committee members to seek nominations for available positions on the AORMA Committee. The AORMA Committee Nominating Committee shall consider the following as minimum qualification criteria for individuals seeking nomination to the AORMA Committee:

AORMA Committee Representative

- Participating professional member of CSURMA AORMA for at least two years
- Served in a CSURMA auxiliary organization management position for at least two years
- Demonstrated leadership abilities
- Ability to attend meetings regularly and contribute to the AORMA Committee's work agenda, as described in Policy & Procedure A-2.

Previous service on one of AORMA's Standing Committees is preferred, but not required.

5. Timeline for nominations:

October/November

The Nominations Committee shall poll the AORMA Committee members, including the Chair, First Vice Chair and Second Vice Chair to identify which of the incumbents whose terms expire the following June 30 are interested in seeking re-election.

At the October AORMA Committee meeting, the Nominations Committee will announce their nominations for Chair, First Vice Chair and Second Vice Chair. The Chair, First Vice Chair and Second Vice Chair shall be elected by the AORMA Committee from its members. All ballots will be tallied by the CSURMA Secretary.

January

The Nominations Committee will announce to the membership changes to the Chair, First Vice Chair and Second Vice Chair as well as the opening of the nominations period for open committee positions (for July 1 appointments). The Nominations Committee will indicate which types of auxiliary representations are needed on the AORMA Committee (to ensure broad representation). Nominations will remain open through the end of February, and self-nominations will be accepted as well as nominations by others.

February

The Nominations Committee will continue to solicit nominations, especially if specific types of auxiliary organizations are not being represented.

March

A nominations slate will be forwarded to the AOA Executive Committee for review and comment. The slate, with comments, will be returned to the AORMA Committee no later than March 31.

April

All CSURMA member auxiliary organizations will be sent a ballot with the names of the nominated individuals. Each member auxiliary can vote for the representatives. Completed ballots will be due to the CSURMA by April 30.

May

Announcement at the CSURMA Board of Directors meeting of the outcomes of the election process to be effective July 1.

The AORMA Committee shall establish a statement of roles and responsibilities that provide guidance on operations of the Committee and may be amended from time to time by the AORMA Committee.

FINAL 2016 CSURMA MEETING CALENDAR

ISSUE: Noted below are the final 2016 CSURMA AORMA and Board of Directors meeting dates.

March 10, 2016 at 10:00 AM (San Francisco)	AORMA
May 5, 2016 at 10:00 AM (Chancellor’s Office)	AORMA
May 6, 2016 at 10:30 AM (Chancellor’s Office)	BOD
September 7, 2016 at 9:00 AM (Sacramento)	AORMA NMO
September 7, 2016 at 10:00 AM (Sacramento)	AORMA LRP
September 8, 2016 at 9:00 AM (Sacramento)	AORMA
November 2, 2016 at 2:00 PM (Sacramento, FTPC)	EC
November 2, 2016 at 4:30 PM (Sacramento, FTPC)	BOD
October 20, 2016 at 10:00 AM (San Francisco)	AORMA
December 1, 2016 at 10:00 AM (Chancellor’s Office)	EC

RECOMMENDATION: Staff recommends reviewing the final 2016 CSURMA meeting calendar which includes the final date and time in November for the Board of Directors meeting.

FISCAL IMPACT: None.

BACKGROUND: The Board of Directors meeting in November will be held in Sacramento during the Fitting the Pieces Together conference.

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

ATTACHMENT(S):

- a. 2016 CSURMA Meeting Calendar



California State University Risk Management Authority

2016 CSURMA MEETING CALENDAR

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

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

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

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

ANALYSIS OF POTENTIAL LIABILITY APPORTIONMENT BETWEEN AUXILIARY ORGANIZATION AND CAMPUS

ISSUE: Policy and Procedure L-2 has been revised to note AORMA's policy regarding liability apportionment between the Auxiliary Member and Campus or two Members. The following wording has been added to Policy and Procedure L-2:

It is the policy of AORMA that the TPA will analyze all CLAIMs for potential liability apportionment between the Campus and the MEMBER or two or more MEMBERS and will provide notification to the PROGRAM DIRECTOR.

The TPA shall perform an analysis of all CLAIMs and lawsuits for potential liability apportionment between either the Campus and the MEMBER or between two or more MEMBERS.

- a. If the TPA believes there may be a basis for apportionment between the Campus and the MEMBER, the TPA will notify the PROGRAM DIRECTOR. The PROGRAM DIRECTOR will submit the matter to the MEMBER Executive Director and the Campus Vice President of Administration and Finance, or their designees, to determine whether apportionment is appropriate and, if so, what apportionment percentages should apply. In the event they are unable to reach agreement regarding apportionment and/or apportionment percentages, the matter will be submitted for decision to the CSURMA Secretary-Auditor who will review the matter with the Executive Vice-Chancellor/Chief Financial Officer of the California State University. The decision of the CSURMA Secretary-Auditor shall be final, non-appealable and binding.

- b. If the TPA believes there may be a basis for apportionment between two or more MEMBERS, the TPA will notify the PROGRAM DIRECTOR. The PROGRAM DIRECTOR will submit the matter to the Executive Directors of the MEMBERS, or their designees, to determine whether apportionment is appropriate and, if so, what apportionment percentages should apply. In the event they are unable to reach agreement regarding apportionment and/or apportionment percentages, the matter will be submitted for decision to the CSURMA Secretary-Auditor who will review the matter with the Executive Vice-Chancellor/Chief Financial Officer of the California State University. The decision of the CSURMA Secretary-Auditor shall be final, non-appealable and binding.

RECOMMENDATION: Staff recommends that the Committee discuss the proposed changes to Policy and Procedure L-2, and approve the revisions with modifications as appropriate.

FISCAL IMPACT: None at this point in time.

BACKGROUND: As a general practice claim costs have been apportioned between auxiliary members or an auxiliary member and a campus; however, a formal procedure is not currently in place. The changes to Policy and Procedure L-2 will put into place a formal analysis procedure as well as apportionment procedures.

PUBLICATION: The revised Policy and Procedure will be uploaded onto the CSURMA website.

ATTACHMENT(S):

- a. Policy and Procedure L-2 – Liability Claims Administration and Litigation Management
(revision date 2016 03 10)

1. LIABILITY CLAIMS ADMINISTRATION

The TPA shall report its activities to the AORMA COMMITTEE pursuant to the Liability Claims Administration Service Agreement.

2. RESPONSIBILITIES OF THE MEMBER

The MEMBER shall assist the TPA in obtaining all necessary documentation to assist in efficient and comprehensive handling of a claim.

3. RESPONSIBILITIES OF THE AORMA COMMITTEE

A. The AORMA COMMITTEE shall meet as needed to review open claims.

B. The responsibilities of the AORMA COMMITTEE shall include, but are not limited to:

1. Review claims with the TPA as necessary.
2. Review the specific handling of reported losses.
3. Review adequacy of reserve levels in conjunction with the PROGRAM DIRECTOR and TPA.
4. Make decisions regarding rejection of coverage for claims, or the handling of claims under a reservation of rights, based on the MEMORANDUM OF COVERAGE.
5. Make recommendations to individual MEMBERS concerning the settlement or litigation of claims.
6. Report to the CSURMA EXECUTIVE COMMITTEE on claims related matters as appropriate.

4. RESPONSIBILITIES OF THE LIABILITY THIRD PARTY CLAIMS ADMINISTRATOR (TPA)

The TPA has general responsibility for performing or overseeing all necessary investigation of claims, as well as overseeing legal defense. The TPA is responsible for reporting claims to the excess liability insurers or reinsurers as appropriate. The TPA provides regular claims reports containing the status of claims and the projected reserves. The specific services to be provided and the responsibilities of the TPA are found in the Liability Claims Administration Service Agreement.

The TPA shall perform an analysis of all CLAIMs and lawsuits for potential liability apportionment between either the Campus and the MEMBER or between two or more MEMBERS.

- a. If the TPA believes there may be a basis for apportionment between the Campus and the MEMBER, the TPA will notify the PROGRAM DIRECTOR. The PROGRAM

DIRECTOR will submit the matter to the MEMBER Executive Director and the Campus Vice President of Administration and Finance, or their designees, to determine whether apportionment is appropriate and, if so, what apportionment percentages should apply. In the event they are unable to reach agreement regarding apportionment and/or apportionment percentages, the matter will be submitted for decision to the CSURMA Secretary-Auditor who will review the matter with the Executive Vice-Chancellor/Chief Financial Officer of the California State University. The decision of the CSURMA Secretary-Auditor shall be final, non-appealable and binding.

- b. If the TPA believes there may be a basis for apportionment between two or more MEMBERS, the TPA will notify the PROGRAM DIRECTOR. The PROGRAM DIRECTOR will submit the matter to the Executive Directors of the MEMBERS, or their designees, to determine whether apportionment is appropriate and, if so, what apportionment percentages should apply. In the event they are unable to reach agreement regarding apportionment and/or apportionment percentages, the matter will be submitted for decision to the CSURMA Secretary-Auditor who will review the matter with the Executive Vice-Chancellor/Chief Financial Officer of the California State University. The decision of the CSURMA Secretary-Auditor shall be final, non-appealable and binding.

The TPA shall perform a survey of the legal marketplace per Policy & Procedure No. L-3 to verify that approved LEGAL COUNSEL rates are in line with industry standards, and report their findings to the AORMA COMMITTEE.

The TPA shall forward a copy of its summary of reports to the MEMBER and the PROGRAM DIRECTOR. In the event that a lawsuit or a CLAIM involves the MEMBER Executive Director, the Campus Vice President of Administration & Finance or his/her designee shall manage the claim with the TPA.

Two claims listings will be provided at each meeting for which there is a closed session.

- A. A detailed listing of all claims requiring action by the AORMA Committee. The narrative will include at least the following information:
- 1) Date of Loss
 - 2) Member
 - 3) Fiscal Year
 - 4) Simplified Description
 - 5) Line of Coverage
 - 6) Member retained limit
 - 7) Report to Excess Status
 - 8) Paid

- 9) Reserves
- 10) Total Incurred
- 11) Defense counsel name and firm
- 12) Plaintiff counsel name and firm
- 13) Legal counsel budget
- 14) Estimate of probable liability
- 15) Action requested

B. A Watch List for the following claims:

- 1) All claims with a total incurred value of \$25,000 or more.
- 2) Any claim that will be or has been reported to the excess carrier or reinsurer.
- 3) All employment practices liability claims.
- 4) Any other claim with a substantial potential exposure to AORMA.

The Liability Third Party Claims Administrator may attend the AORMA Committee meetings in order to request settlement authority, discuss coverage issues and provide updates on large open claims.

5. RESPONSIBILITIES OF LEGAL COUNSEL

Assigned LEGAL COUNSEL selected as provided in AORMA Policy & Procedure L-3 - Legal Counsel Selection will be notified in writing by the TPA of assignment. LEGAL COUNSEL will be required to acknowledge and sign an engagement letter prior to beginning the defense of any AORMA claim. Assigned LEGAL COUNSEL are required to report claim status to the TPA every 90 days, or upon any activity that would significantly affect the value reserved for the claim.

6. LIABILITY LITIGATION MANAGEMENT

A. Correspondence and Pleadings

Copies of all correspondence and pleadings shall be provided to the TPA and the Member.

After a case has been reported to an excess coverage provider, LEGAL COUNSEL shall ensure that additional copies of all correspondence and pleadings are forwarded to such excess coverage provider or reinsurer.

Notification of depositions, trials, arbitrations, and hearing shall be sent to all parties specified above who are to receive copies of correspondence.

LEGAL COUNSEL will promptly respond to all letter or phone calls from the TPA, and keep them advised as to the progress of each case. LEGAL COUNSEL will cooperate with the TPA in all other aspects of this Litigation Management including providing copies of all motions and pleadings, and completing expert witness and plaintiff counsel evaluations as requested by the TPA.

B. Case Analysis and Litigation Budget

Within 30 days of retention in each case, selected LEGAL COUNSEL shall complete and return a case analysis and litigation budget in accordance with the Legal Counsel Engagement Letter appendixes to AORMA Policy & Procedure L-3 Legal Counsel Selection.

Unanticipated litigation activity may give rise to an under reserved litigation budget. As soon as it is reasonably foreseeable that the file is under budgeted, an updated litigation budget should be completed along with recommendation for a budget increase or decrease, where appropriate. The TPA will closely monitor the basis for budget increases. If the litigation budget has been exceeded, no further payment of fees will be made until a revised litigation budget has been submitted and approved. Significant deviations from the budget will be taken into account when evaluating LEGAL COUNSEL's performance.

Mandatory Status Reports – Status reports are mandatory every 90 days or as soon as possible following any significant event in the case. LEGAL COUNSEL shall report only on new developments since the last report. The reporting diary can be extended if the TPA is notified of the Legal counsel's intention to put the file on an extended diary.

The attorney handling the case should prepare the status reports. Status reports should include the following:

1. The ongoing strategy for defense or resolution of the case, including a factual analysis of issues related to liability and damages;
2. A description of planned discovery with a time table for completion;
3. A brief synopsis of the discovery completed since the last report;
4. Court dates including, but not necessarily limited to, mandatory settlement conferences, trial setting conferences, arbitration and trial dates, hearings on discovery, etc.;
5. New settlement demands; and
6. Any anticipated changes in the litigation budget.

Furthermore, no later than 30 days prior to mediation, arbitration or trial or as requested by the TPA, the defense trial attorney will provide a trial/binding arbitration report, which shall include:

1. an assessment of the Member's liability;
2. an assessment of plaintiff's damages;
3. an assessment of legal defenses (and probability or prevailing);
4. an assessment of the chances of prevailing at trial;
5. the verdict value assuming full liability
6. as assessment of any other factors affecting the items above, including demeanor or credibility of important witnesses, evidentiary disputes, tendencies or local juries, the judge or opposing counsel, liability and solvency/coverage of co-defendants, or similar important issues;
7. an appraisal of settlement value, considering verdict value and chances of prevailing
8. the status of settlement discussions
9. estimated future fees and costs through trial (since last billing)

C. Further Evaluations and Reserves

Upon request by the excess coverage provider or reinsurer, LEGAL COUNSEL shall provide written or oral evaluations of the case. These evaluations shall disclose any weaknesses or strengths of the case that have been discovered, any increase or decrease in anticipated costs, any recommended change in reserves, and, if pertinent, settlement recommendations.

D. Settlement Conferences

Once the TPA receives notice that a MEMBER'S case has a settlement conference date scheduled, the following procedure will occur:

1. The TPA shall notify the MEMBER regarding the settlement conference and provide a comprehensive case review and/or documentation for review.
2. The TPA shall attend all settlement conferences as outlined in the Claims Administration Service Agreement and, if time permits, shall review the case with the AORMA COMMITTEE prior to the settlement conference or at the next regularly scheduled AORMA COMMITTEE meeting.
3. LEGAL COUNSEL shall not settle any litigation by way of any monetary offering without the prior approval of the TPA, in accordance with the Claims Settlement Authority noted in Item 7 below.

E. Motions/Court Appearances (Excluding Settlements and Trial)

Appearances shall be made by the selected LEGAL COUNSEL as outlined in the Claims Administration Services Agreement.

F. Trials

Appearances shall be made by LEGAL COUNSEL. Trials shall be attended by LEGAL COUNSEL (or designated representative of the MEMBER), and after notification to the PROGRAM DIRECTOR.

G. Special Situations and Circumstances

Should any MEMBER send or receive correspondence or documentation on a case in litigation, a copy of all such correspondence or documentation must be sent to the TPA. Expenses incurred by LEGAL COUNSEL (or approved alternate representative) for duties outlined in Paragraphs 1.B, 1.C and 1.D shall be reimbursed by AORMA and allocated directly to the case file. All travel expenses shall be in accordance with the CSURMA's travel policy.

H. Audit of Defense Firms

The TPA reserves the right to order an independent legal billing audit if in his or her discretion, the LEGAL COUNSEL billings do not comply with AORMA's Liability Litigation Management guidelines or are excessive and/or unwarranted. Payment of any LEGAL COUNSEL billings shall not constitute a waiver of AORMA's right to seek reimbursement of any excessive or unwarranted billings disclosed by an independent legal billing audit. If an independent legal billing audit is ordered, The AORMA Committee, with input from the TPA, shall determine who shall pay for the independent legal billing audit.

7. LIABILITY CLAIMS SETTLEMENT

A. Claim Settlement Authority

The following guidelines apply to settlement authority of the AORMA Self-Insured Retention Liability Fund policy:

1. \$0 to 25,000 – Claims Administrator (TPA)

The TPA has authority to settle each OCCURRENCE up to, and including, \$25,000 in indemnity payment or \$25,000 per claimant if more than one claimant is a party to the OCCURRENCE.

2. \$25,001 to POOLED LAYER LIMIT – AORMA COMMITTEE

The AORMA COMMITTEE has authority to authorize claims settlement up to the POOLED LAYER LIMIT per OCCURRENCE.

All of the foregoing notwithstanding, if time is of the essence in a specific matter, the AORMA Committee Chair, Vice Chair, Past Chair and Ex Officio, on the advice of the TPA, shall have authority to determine the terms of an emergency settlement up to the POOLED LAYER LIMIT upon the agreement of a majority consisting of at least two

participants, provided that no member involved in the specific matter may participate in the determination. Any determination reached under this paragraph shall be reported to the AORMA Committee at the next regularly scheduled meeting.

The CSURMA Secretary-Auditor may participate in any legal proceeding and represent the interests of the AORMA Programs.

B. Liability Claims Settlement Responsibility

AORMA COMMITTEE shall have the primary responsibility to control and direct settlement negotiations and to determine the terms of any settlement. However, before effecting any settlement, the AORMA COMMITTEE shall comply with the provisions of the MEMORANDUM OF COVERAGE, which pertain to settlement of claims, including provisions that require the AORMA COMMITTEE to give notice to the MEMBER of the terms of the proposed settlement and to request the MEMBER's consent. AORMA COMMITTEE's notice to the MEMBER shall refer specifically to any provisions by the MEMORANDUM OF COVERAGE which, in the absence of the MEMBER's consent to the proposed settlement, would require the MEMBER to assume all future responsibility for Defense of the claim and for any risk of loss which might ensue. The notice shall also inform the MEMBER that AORMA's obligation to pay for the Defense of the claim may terminate immediately if the MEMBER does not consent to the proposed settlement.

C. Member Appeal Process

First Level Appeal - If a MEMBER wishes to appeal a decision resulting from the enforcement of this policy & procedure, the MEMBER must present an appeal in writing to the AORMA COMMITTEE within 30 days of the disputed decision. The AORMA COMMITTEE will review the appeal at its next regularly scheduled meeting and inform the MEMBER within five business days of its final decision.

Second Level Appeal - If a Member wishes to appeal the AORMA COMMITTEE's decision, the MEMBER will notify the CSURMA Secretary-Auditor in writing within five 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:

- 1. AORMA** - The Auxiliary Organizations Risk Management Alliance, a member of the California State University Risk Management Authority, a California Joint Powers Authority An insurance purchasing program for use exclusively by auxiliary organization members of the CSURMA.
- 2. AORMA COMMITTEE** - A Committee of the CSURMA providing management and oversight to the Auxiliary Organizations Risk Management Alliance. Comprised of the Chair, the Vice Chair, eight “At Large” members, and two non-voting members.
- 3. CSURMA** - The California State University Risk Management Authority, a Joint Powers Authority comprised of the California State University and its Auxiliary Organizations.
- 4. CSURMA EXECUTIVE COMMITTEE** - The California State University Risk Management Authority Executive Committee.
- 5. LEGAL COUNSEL** - Any attorney selected to represent an AORMA member. Legal Counsel is selected from the approved legal counsel list maintained by the TPA.
- 6. MEMBER** - Any Auxiliary Organization participating in AORMA.
- 7. MEMORANDUM OF COVERAGE** – The **AORMA** Liability Program **MEMORANDUM OF COVERAGE** is a governing document which outlines the **AORMA** Liability Program’s definitions, coverages, exclusions and provisions. The **AORMA** Liability Program **MEMORANDUM OF COVERAGE** does not provide insurance, but instead provides for pooled-insurance. The **MEMORANDUM OF COVERAGE** is a negotiated agreement among the **MEMBERS** of **CSURMA AORMA**.
- 8. OCCURRENCE** - As defined within the AORMA Liability Program **MEMORANDUM OF COVERAGE**.
- 9. PARTICIPATION AGREEMENT** - A governing document of AORMA. Outlines the roles and responsibilities of AORMA and its membership.
- 10. POOLED LAYER LIMIT** - The Self-Insured Retention Liability Fund’s maximum limit of liability. Currently, the pooled layer limit is \$350,000 per **OCCURRENCE**.
- 11. PROGRAM DIRECTOR** – The Program Director is under the direction of the AORMA and is responsible for the day-to-day administration and management of AORMA programs.
- 12. TPA** - A Third Party Claims (TPA) claims administrator whose responsibilities include claim handling, litigation management and excess liability carrier reporting.

**CARL WARREN & COMPANY THIRD PARTY LIABILITY CLAIMS
ADMINISTRATOR CONTRACT RENEWAL**

ISSUE: The current five-year contract with Carl Warren & Company for third party liability claims administration is due to expire on June 30, 2016. A three-year contract with two one-year options has been proposed.

The proposed agreement, attached, was updated to include the terms added by addendum to the July 1, 2011 contract as well as the requirement that Carl Warren & Company provide an analysis of all claims for potential liability apportionment.

RECOMMENDATION: Staff recommends that the Committee delegate authority to the CSURMA Secretary-Auditor to finalize and execute the contract.

FISCAL IMPACT: Item 8 within the agreement, proposes the following rates structure:

Carl Warren & Company – Proposed Contract Rates		
Term	Adjuster Service Rate Per Billable Hour / Unit	RMIS & Administration
FY 15/16 (Current)	\$58	\$14,000
FY 16/17	\$58	\$14,000
FY 17/18 and FY 18/19	\$60	\$15,000
FY 19/20 and FY 20/21	\$62	\$16,000

BACKGROUND: Carl Warren & Company has provided the third party claims administration since inception of the self-insured liability layer.

PUBLICATION: None.

ATTACHMENT(S):

- a) Carl Warren & Company Third Party Liability Claims Administration Contract (*Proposed*)

THIRD PARTY CLAIMS ADMINISTRATION CONTRACT

THIS AGREEMENT, entered into on **July 1, ~~2011~~2016** by and between **CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY**, hereinafter called "PRINCIPAL," and **CARL WARREN & COMPANY**, hereinafter called "CONTRACTOR," is for certain services as outlined in connection with the duties and responsibilities of administering a program of self-insurance. PRINCIPAL and CONTRACTOR are parties to the Third Party Claims Administration Contract entered into on July 1, ~~2011~~2016 ("AGREEMENT").

W I T N E S S E T H

WHEREAS, PRINCIPAL has undertaken to self-insure and is in need of a qualified third party to whom to delegate the responsibilities and duties of administering said partially or totally self-insured insurance program as defined ("the Program"), and

WHEREAS, CONTRACTOR is engaged in the supervision and administration of Programs for self-insurance and first dollar claims with deductibles,

NOW, THEREFORE, PRINCIPAL and CONTRACTOR mutually understand and agree as follows:

1. GENERAL

CONTRACTOR shall: (a) supervise and administer the program for PRINCIPAL; (b) represent the PRINCIPAL in all matters related to the investigation, adjustment, processing, supervision and resolution of liability claims for money damages asserted by third parties against the PRINCIPAL (and other participants in the Program) and all other claims falling within the scope and coverage of the AORMA Liability Program Memorandum of Coverage; and (c) provide to PRINCIPAL during the term of this Agreement all the services more particularly set forth hereinafter.

2. INVESTIGATIVE SERVICES

CONTRACTOR shall provide complete investigative and analytical services including, but not limited to: (a) receipt and examination of all reports of accidents, incidents, claims or cases which are or may be the subject of such claims reported by PRINCIPAL to CONTRACTOR; and (b) the investigation of such accidents, incidents, claims or cases where examination warrants such investigation or when requested by PRINCIPAL, such investigation to include on-site investigation, photographs, interviewing of witnesses, determination of losses and other such investigative services necessary to determine

liability and loss but not to include Allocated Expenses and extraordinary professional services set forth below.

Regarding Allocated Expenses, PRINCIPAL agrees to pay for the cost of all reasonable and supportable extraordinary services and costs, including but not limited to, professional photography, police reports, independent medical examinations, professional engineering services, laboratory services, bulk copy jobs, private investigators, legal costs and fees and work performed by accountants. CONTRACTOR shall charge PRINCIPAL for non-staff investigators or adjusters when, in the opinion of CONTRACTOR, such assistance is necessary and reasonably related to the monetary exposure.

3. SETTLEMENT AUTHORITY

CONTRACTOR shall have discretionary settlement authority up to \$25,000 (Twenty Five Thousand Dollars).

4. CLAIMS ADJUSTMENT SERVICES

CONTRACTOR shall provide complete claims adjustment services on each accident, occurrence or incident that may be the subject of a claim or potential claim against the PRINCIPAL which is reported to CONTRACTOR by the PRINCIPAL. Such services shall include, but not be limited to (a) the maintenance of a claim file on each potential or actual claim reported to CONTRACTOR; (b) whenever its investigation results in a determination that PRINCIPAL has sustained a liability to a third party, CONTRACTOR shall process any such claim or potential claim for settlement in accordance with the PRINCIPAL'S instructions for settlement of such claims; and (c) obtaining all release agreements or proofs of loss on settlement of any claim or potential claim. Specific service instructions will be added to this contract as an exhibit. If subrogation is pursued, the rates in Section 8 will apply unless a separate contingency fee agreement is agreed to by PRINCIPAL and CONTRACTOR.

CONTRACTOR shall perform an analysis of all claims and lawsuits for potential liability apportionment between either a California State University Campus and a California State University Auxiliary Organization or between two or more California State University Auxiliary Organizations.

5. ADMINISTRATIVE SERVICES

CONTRACTOR shall provide at least the following administrative services: (a) assignment of a Principal Account Adjuster and Account Manager to the PRINCIPAL; (b) providing PRINCIPAL with electronic access to all reported claims during the term of this Agreement, indicating the status of each reported open claim assigned to CONTRACTOR,

the details of each such claim, the outstanding reserves for each claim and details of all claim payments; and (c) periodic review and adjusting of reserves on all open claims.

CONTRACTOR will keep a record of all checks, money orders, and cash it receives for reimbursement or refund of any claim expenditures. CONTRACTOR will furnish a copy of the record to PRINCIPAL on a monthly basis, including bank statements and any other appropriate financial records. CONTRACTOR will keep a record of all checks issues, cashed, voided or cancelled. CONTRACTOR will furnish a copy of the record to PRINCIPAL on a monthly basis, including bank statements and any other appropriate financial records. CONTRACTOR will operate all of PRINCIPAL's accounts on a positive pay basis. CONTRACTOR will provide PRINCIPAL with a reconciliation at least once a month.

6. LEGAL SUPPORT SERVICES

CONTRACTOR shall provide at least the following legal support services on each claim wherein the claimant has commenced litigation: (a) Upon notification by PRINCIPAL that litigation has been filed on an open claim, CONTRACTOR shall notify PRINCIPAL and, in accordance with PRINCIPAL'S instructions, the PRINCIPAL'S excess insurance carrier and/or excess reporting authority, pool or group (the "excess entity") and/or trial attorney assigned by PRINCIPAL to handle the case and provide such excess entity and/or trial attorney with all information and files concerning claim; (b) maintain liaison with PRINCIPAL's excess entity and/or trial attorney and provide such investigation services as are required by such attorney during pre-trial and trial stages: and (c) assist PRINCIPAL'S excess entity and/or trial attorney with discovery and other legal processes.

7. PERIOD OF AGREEMENT

This Agreement is for a period of Thirty-Six (36) months commencing **July 1, ~~2011-2016~~** and ending June 30, ~~2014~~2019, after which PRINCIPAL will have two separate one-year options for fiscal years ~~2015~~2019/2020 and ~~2016~~2020/2021.

8. CONSIDERATION

PRINCIPAL agrees to pay, effective **July 1, ~~2011-2016~~** the following claim handling fees for CONTRACTOR's services:

Administration

CONTRACTOR shall be compensated an annual administration fee according to the below "RMIS and Administration" schedule for the following services:

- (a) Administrative services pursuant to Section 5.
- (b) Check writing and reconciliation of expenses as necessary.

- (c) Handle the deductible recovery activities.
- (d) File set up and data processing for reported claims.
- (e) Time and expense to attend five CSURMA committee meetings per fiscal year.
- (f) Other administrative services necessarily required to be provided by CONTRACTOR in order to perform the obligations specified in this Agreement.

Time & Expense

Services for July 1, ~~2011-2016~~ through June 30, ~~2016-2021~~ will be billed on a time and expense basis as follows:

Service	Current as of 6/30/2016	July 1, 2016 - 2017	July 1, 2017 - 2019	July 1, 2019 - 2021
Adjuster Service Rate Per Billable Hour / Unit	\$58	\$58	\$60	\$62
Telephone / Fax	10%	10%	10%	10%
Office Expense (Including Regular Postage)	20%	20%	20%	20%
Cassettes	Included	Included	Included	Included
Stenographic	Waived	Waived	Waived	Waived
Photocopies	Waived	Waived	Waived	Waived
Mileage (Each Way)	IRS Rate	IRS Rate	IRS Rate	IRS Rate
Photos	Waived	Waived	Waived	Waived
File Set-Up	Included	Included	Included	Included
Data Processing	Included	Included	Included	Included
Indexing / OFAC *	\$18	\$18	\$18	\$18
MMSEA Search (Pass Through)	\$4.85	\$4.85	\$4.85	\$4.85
Reporting Purposes Only	Included	Included	Included	Included
RMIS & Administration	\$14,000	\$14,000	\$15,000	\$16,000

* Index includes Insurance Services Office (ISO) Claims Search and OFAC (a/k/a “pay no terrorist”)

Charges for non-file-related professional services performed at the specific request of PRINCIPAL will be billed on an as quoted basis.

PRINCIPAL agrees to pay charges for outside adjusters other than CONTRACTOR'S adjusters and file related expenses such as medical reports, police reports, etc. on a pass through basis with no additional fees added.

9. DATA PROCESSING

(a) The following standard services are included in the annual administrative fee; claims data electronically for up to three recipients and access to mycarlwarren.com for up to three users. For security purposes, access to mycarlwarren and any subscriptions will automatically terminate at the end of twelve (12) months. PRINCIPAL shall be responsible for notifying CONTRACTOR to renew user subscriptions and access or to substitute users.

(b) Additional users or recipients shall be charged on a per person basis at an annual fee of \$250 which includes training of said users as to mycarlwarren.com and each users report subscriptions.

(c) Special reports, new reports and data feeds can also be requested. They are subject to a cost per quote at a rate per project or per hour once the scope has been agreed upon. CONTRACTOR does not possess any interest, title, lien or right to any client data or records. Therefore, upon termination of the contract, CONTRACTOR is relieved of all obligations to provide data processing services to PRINCIPAL and will deliver to PRINCIPAL all data and records in a readily available excel or PDF format. If a different format is desired by PRINCIPAL, CONTRACTOR will provide it to PRINCIPAL at an agreed upon and reasonable cost and timeline.

10. PRINCIPAL'S RESPONSIBILITIES

PRINCIPAL shall provide CONTRACTOR with copies of all relevant documents upon request and without charge and shall make available any PRINCIPAL employee for interviews by CONTRACTOR at reasonable times concerning any investigation of a claim or incident pursuant to this Agreement

CONTRACTOR shall bill PRINCIPAL and furnish PRINCIPAL with invoices for services rendered in accordance with the fee schedule set forth in the Agreement. Each invoice will include the claim or other matters for which a fee is being charged and the amount of the associated fee for that claim or matter. Payment shall be due and payable within thirty (30) days of receipt. PRINCIPAL shall report all billing discrepancies in writing to CONTRACTOR within thirty (30) days and adjustments will be promptly considered. PRINCIPAL will become delinquent when any undisputed invoice has been outstanding for over ninety (90) days. CONTRACTOR may elect to limit access to data and/or suspend

and/or terminate this Agreement in the event PRINCIPAL fails to pay CONTRACTOR. Good faith disputed amount(s) will not be considered in establishing delinquency. CONTRACTOR will notify PRINCIPAL of such failure to pay and if PRINCIPAL does not cure such failure, excluding any good faith disputed amount, within ten (10) banking days after the date of such notice (“the cure period”), CONTRACTOR may immediately limit access to data and/or suspend and/or terminate this Agreement as of the first business day following expiration of the cure period, and/or send the outstanding invoices to a collection agency to pursue recovery of outstanding amounts plus fees and interest.

11. CONFLICTS INTEREST

In the event a claim or incident is reported to CONTRACTOR by PRINCIPAL and it is determined that the actual or potential claimants, co-defendant(s), or any involved person or entity therein are also clients of CONTRACTOR, then CONTRACTOR shall immediately notify PRINCIPAL of such potential conflict of interest so PRINCIPAL may have the option to choose an independent investigator and adjuster. This conflict of interest provision extends until final resolution of the claim or incident.

12. CANCELLATION OF AGREEMENT

The Agreement may be terminated by either party with or without cause upon giving the other party written notice at least ninety (90) days prior to the date of termination.

13. DISPOSITION OF FILES ON TERMINATION OF AGREEMENT

(a) All files on each claim shall be property of the PRINCIPAL.

(b) In the event of expiration of the Agreement, non-renewal thereof, or cancellation, CONTRACTOR shall bill the PRINCIPAL, subject to the rates quoted in Section 8 herein above, for work completed by CONTRACTOR on each claim. Upon receipt of payment of outstanding invoices (including those in 13c below), CONTRACTOR shall promptly forward all completed and pending claim files to the PRINCIPAL unless PRINCIPAL requests CONTRACTOR to continue to process any files on a time and expense basis as provided for in the CONTRACTOR’S Rate Manual at the time services are rendered.

(c) PRINCIPAL agrees to pay CONTRACTOR for the internal and/or external cost of retaining, storing, retrieving, logging, packing and shipping files which are stored on or off premises by CONTRACTOR.

14. HOLD HARMLESS

PRINCIPAL agrees to defend any legal action commenced against CONTRACTOR caused directly or indirectly by the alleged wrongful or negligent acts, errors or omissions

of PRINCIPAL; and indemnify CONTRACTOR against any liability, loss, cost or damage including attorneys' fees resulting therefrom

CONTRACTOR agrees to hold harmless, defend and indemnify PRINCIPAL and its officers, directors, volunteers and agents from and against any and all liability, loss, damage, expenses and costs (including without limitation attorneys' fees and costs) of every nature arising out of or in connection with CONTRACTOR's performance of work hereunder or its failure to comply with any of its obligations contained in the AGREEMENT, except such loss or damage which was caused by the sole negligence or willful misconduct of PRINCIPAL.

15. AUDITS

The CONTRACTOR'S files shall be made available for audits at any time upon reasonable notice. Reasonable notice shall be defined as thirty (30) days or as otherwise agreed by the parties. If special retrieval or shipment of the requested files is necessary, PRINCIPAL shall reimburse CONTRACTOR at cost. The CONTRACTOR reserves the right to reject an auditor proposed by PRINCIPAL if the proposed auditor may gain an unfair competitive advantage over CONTRACTOR by conducting such an audit.

16. INSURANCE

CONTRACTOR shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, its agents, representatives, or employees.

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence.
2. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

4. Professional Liability (Errors and Omissions) Insurance appropriate to the CONTRACTOR's profession, with limits no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the CONTRACTOR maintains higher limits than the minimums shown above, the PRINCIPAL requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the PRINCIPAL.

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. The PRINCIPAL and its officers, directors, volunteers and agents are to be covered as additional insureds.
2. For any claims related to this contract, the CONTRACTOR's insurance coverage shall be primary insurance as respects the PRINCIPAL and its officers, directors, volunteers and agents. Any insurance or self-insurance maintained by the PRINCIPAL shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
3. Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the PRINCIPAL.
4. CONTRACTOR hereby grants to PRINCIPAL a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the PRINCIPAL by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the PRINCIPAL has received a waiver of subrogation endorsement from the insurer.

Any deductibles or self-insured retentions must be declared to and approved by the PRINCIPAL. The PRINCIPAL may require the CONTRACTOR to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the PRINCIPAL.

If any of the required policies provide coverage on a claims-made basis;

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.

CONTRACTOR shall furnish the PRINCIPAL with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the PRINCIPAL before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR’s obligation to provide them. The PRINCIPAL reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

PRINCIPAL reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

IN WITNESS WHEREOF, the parties hereto have caused these present to be signed by the duly authorized Officers effective as of the day and year first above written.

(CONTRACTOR)
CARL WARREN & COMPANY
AUTHORITY

(PRINCIPAL)
CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT

BY: _____
 Caryn Siebert
 President

BY: _____
 Zachary Gifford
 Assistant Vice Chancellor

DATE: _____

DATE: _____

**SERVICE PROVIDER PERFORMANCE EVALUATION OF
CSURMA VENDORS**

ISSUE: CSURMA strives to provide consistency and reliability over time. One key component to accomplishing this goal is evaluating those organizations that provide services to CSURMA. On an annual basis CSU Systemwide Risk Management contacts CSURMA members who regularly use vendor services and asks them to complete an on-line vendor survey.

The complete 2015 Vendor Survey Report will be posted on the CSURMA website.

RECOMMENDATION: This is an information only item; no action is recommended at this time.

FISCAL IMPACT: None.

BACKGROUND: The Service Provider Performance evaluation will assist CSURMA with additional information to support strategic planning. The evaluation is tailored to meet the requirements of CSURMA members and maintain respondent confidentiality in order to elicit candid comments.

PUBLICATION: None.

ATTACHMENT(S):

- a) CSURMA 2015 Annual Vendor Survey Report (*handout*)



CSURMA 2015 Annual Vendor Survey Report

CSURMA Executive Committee Meeting

March 10, 2016

Alliant Insurance Services – San Francisco, CA

A foundation of CSURMA has been the concept of consistency and reliability over time. One key component to accomplishing this foundational element is evaluating those organizations that provide service to CSURMA. As such, on an annual basis the vendor survey is deployed and please allow this as our report regarding the outcome of the 2015 Annual CSURMA Vendor Survey.

The CSU Systemwide Risk Management annually contacts CSURMA/AORMA members who regularly use vendor services and ask that they complete the on-line survey. For 2015 the following vendors and service providers were listed on the campus survey:

CAMPUS VENDORS:

Alliant (Program Admin)

Alliant (Insurance Broker)

Alliant (W/C consulting)

*LawRoom (HR required web-based training)**

*Praesidium (Consulting for minors on campus)**

CO Enterprise Accounting

Equifax-TALX (UI claims)

Sedgwick CMS (W/C claims)

Alliant (Claims – property/crime/GL-2011)

CO Risk Management (liability claims)

CO Risk Management (Consulting)

A-G Admin (AIME)

*Health Special Risk, Inc. (AIME)**

*Ventiv (iVOS – W/C & Liability)**

Belfor (property restoration)

*Praesidium (Consulting for minors on campus)**

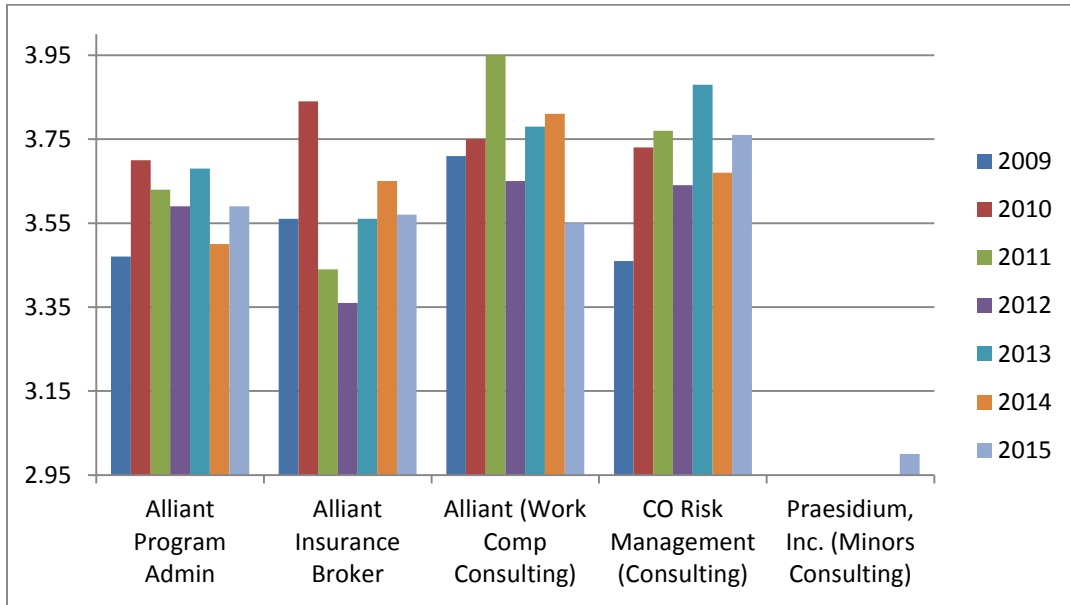
*Note: LawRoom replaced Workplace Answers (WA) for web-based compliance training, we left on the chart for comparison. Praesidium was added as a new service (minors on campus) – only 12 responses this year. Ventiv is the new company that emerged from Aon eSolutions to continue to host and upgrade the iVOS claims systems. And finally, Health Special Risk, Inc. took over the handling of the AIME claims July 2015, with A-G Administrators continuing to handle the older claims, so both were surveyed.

The type of vendor has been grouped into three categories for multi-year comparison:

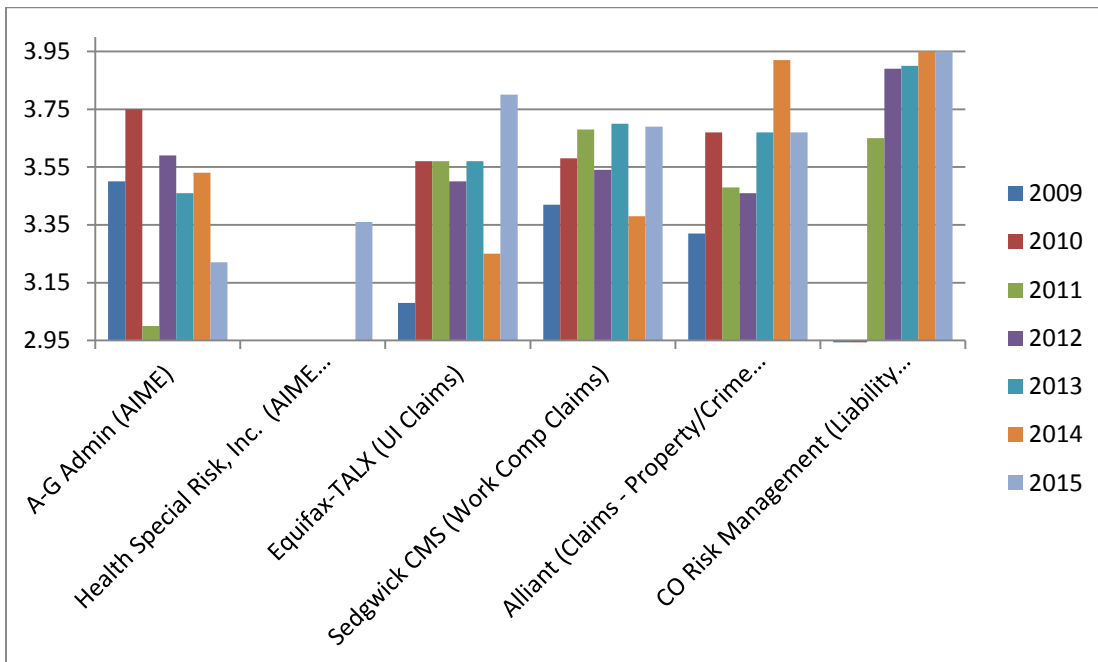
- Administration/Consulting
- Claims Handling
- Miscellaneous Services

We have graphed the “Overall Satisfaction level” question response to summarize the vendors’ performance with 4.0 being a perfect score.

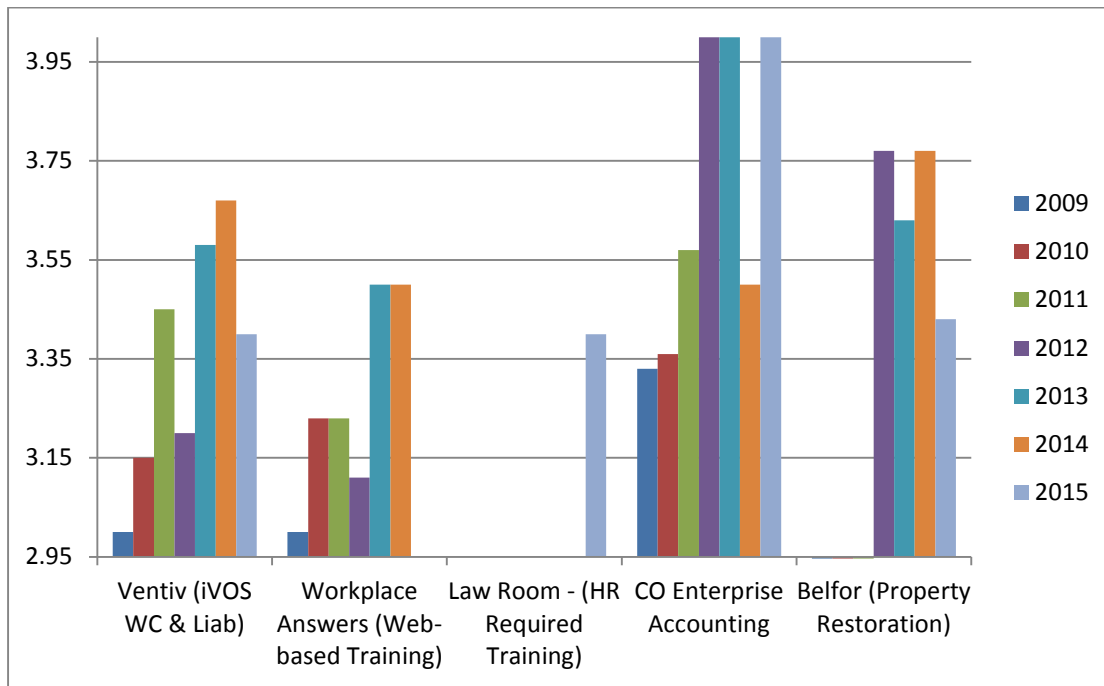
Administration/Consulting



Claims



Miscellaneous Services



For 2015 the following vendors and service providers were listed on the auxiliaries' survey:

AUXILIARY VENDORS:

Alliant (Program Admin)

Alliant (Insurance Broker)

CO Risk Management (Consulting)

Employers Group (HR consulting)

Alliant (Claims – property/crime)

Carl Warren & Co. (Liability claims)

Sedgwick CMS (W/C claims)

E-Group (UI claims)

Alliant (Loss control & safety)

Target Safety (Web-based training)

CO Enterprise Accounting

*Praesidium (Consulting for minors on campus)**

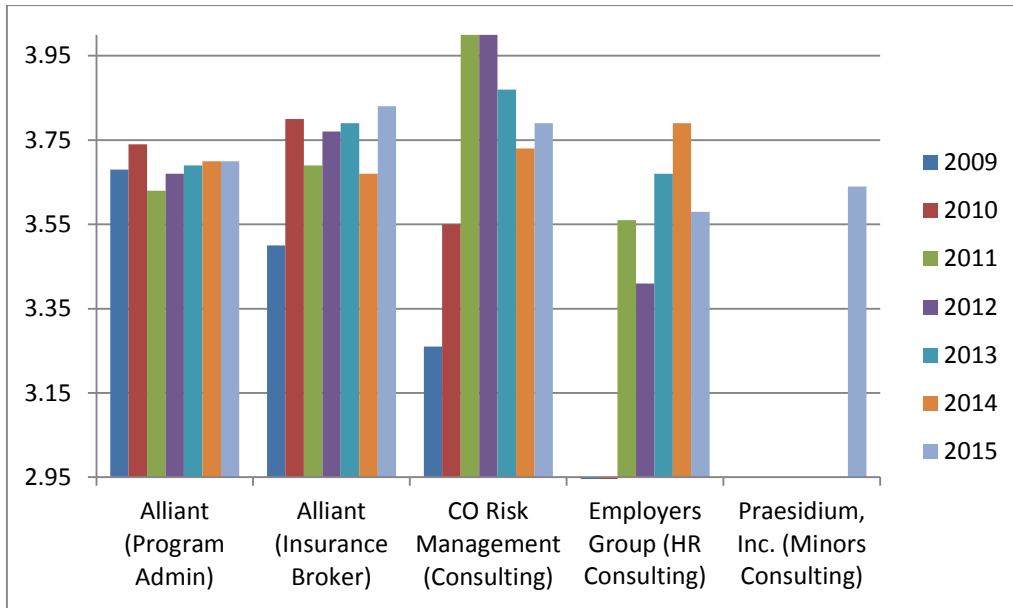
*Note: LawRoom replaced Workplace Answers (WA) for web-based compliance training, we left on the chart for comparison. Praesidium was added as a new service (minors on campus).

As with the campuses, we have grouped the type of vendor into three categories for multi-year comparison:

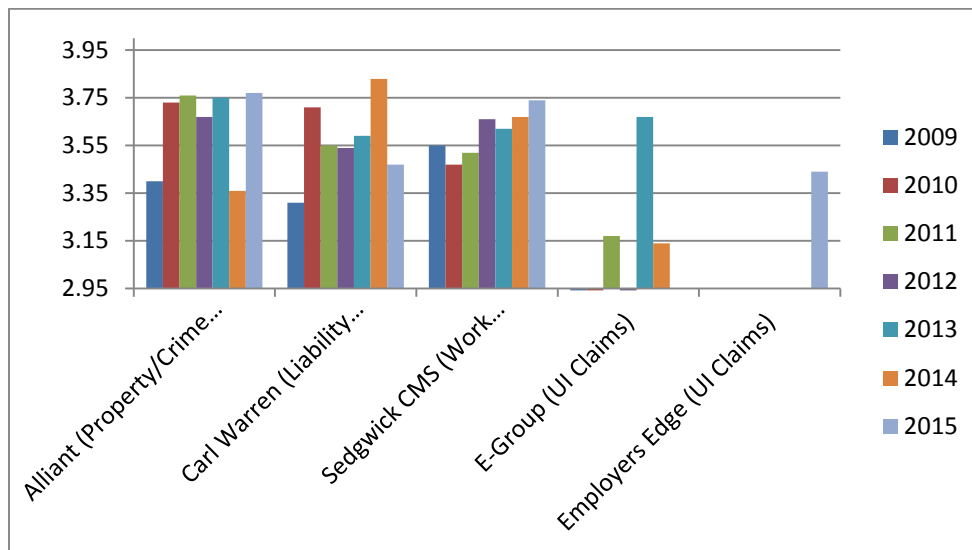
- Administration/Consulting
- Claims Handling
- Miscellaneous Services

We have graphed the “Overall Satisfaction level” question response to summarize the vendors’ performance with 4.0 being a perfect score.

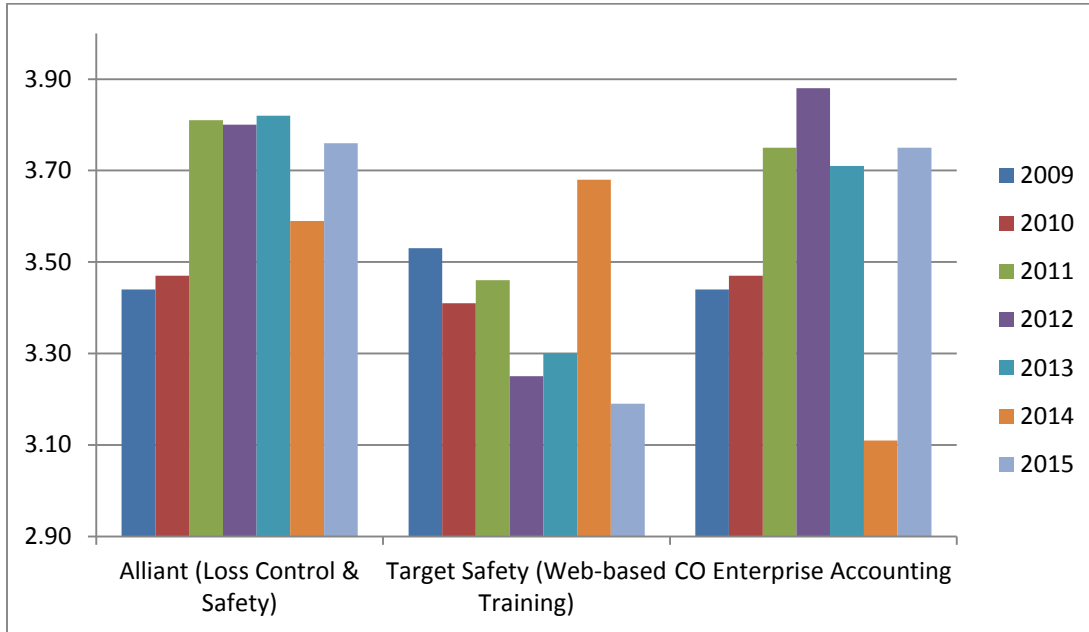
Administration/Consulting



Claims



Miscellaneous Services



Survey information

- **Campus Survey**
 - Sent out January 25, 2016 to 161 campus personnel.
 - Respondents could limit response to the vendors they worked with.
 - 2 reminders were sent out and the survey closed on February 15, 2016.
- **Auxiliary Survey**
 - Sent out January 25, 2016 to 371 auxiliary personnel.
 - Respondents could limit response to the vendors they worked with.
 - 2 reminders were sent and the survey closed on February 15, 2016.

Overall the vendors and those who provide services to CSURMA continue to score well. If it is the desire of the CSURMA Executive Committee, we can request that vendors and service providers deliver a response to the vendor in time for the May 6, 2016 CSURMA Executive Committee meeting.

The complete survey responses will be posted at the CSURMA shared documents site at: <http://www.csurma.org/shared/programs/Pages/default.aspx> or e-mail Zachary Gifford at zgifford@calstate.edu.

FY 2015/2016 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 2015/2016 AORMA Long Range Action Plan

FY 2015/16 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-1 Risk Reduction Innovation Matching Grant Incentive Program					
Promote the Matching Grant Program	1	Create a bulletin that describes the types of projects that may be approved as an innovation grant	PA	Oct., 2015	Completed
	2	Review grant applications	PA, AORMA	Dec., 2015	In Process
	3	Evaluate Policy & Policy A-6 and recommend changes as appropriate	PA, AORMA	Mar., 2016	
LRP-2 Monthly AORMA Update Newsletter					
Create a AORMA Newsletter to be sent out monthly	1	Create template for the newsletter	PA	Oct., 2015	Completed
	2	Finalize topics for the October newsletter	PA	Oct., 2015	In Process
	3	Send out newsletter and post on CSURMA website	PA	Oct., 2015	In Process
LRP-3 Workers' Compensation Claims Closure Initiative					
Development of a plan for closure of very old claims	1	Identify AORMA claims for action, adopt strategy	PA, SRM, Sedgwick, Consultant	TBD	
	2	Status report to AORMA Committee	PA, SRM	Dec., 2015	Completed
LRP-4 Campus Visit Member Presentation					
Update Campus Visit Member Presentation	1	Update Campus Visit Presentation	PA	Oct., 2015	Completed
	2	Present to Auxiliary Organizations throughout the year		Continuous	
LRP-5 CSURMA Website					
Complete upgrades to the CSURMA website	1	Update Website - make nomenclature consistent and add definitions	PA	Oct., 2015	In Process
	2	Resolve password issue by allowing members to change their passwords	PA	Jun., 2016	In Process
LRP-6 Cyber Risk Control Services					
Raise awareness of CSURMA's Cyber Risk Control Services	1	Create a Cyber Liability informational bulletin explaining the services currently available	PA	Dec., 2015	Completed
	2	Include Cyber Liability tip in each of the monthly AORMA updates	PA	Continuous	In Process
LRP -7 Benchmarking Initiative					
Develop a workers' compensation statistical industry benchmarking operation	1	Initial report to AORMA Committee	PA, SRM	Oct., 2015	Completed
	2	Report to AORMA Membership at AOA Conference	PA, SRM	Jan., 2016	Completed
	3	Presentation of sustainable long term benchmarking program	PA, SRM	May, 2016	
	4	Approval of long term benchmarking project scope and costs	AORMA, EC	May, 2016	

FY 2015/16 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-8 Evaluation of Campus Threat Assessment					
Integration of Auxiliary Organizations into the Campus Continuity of Operations (COOP) and Emergency Operations Plan (EOP)	1	Review Campus EOP and COOP for integration of the Auxiliary Organizations	Witt O'Briens	Oct. - Dec., 2015	In Process
	2	Develop a list of Auxiliary Organization resource contacts to collaborate on threat assessment	PA	Jan., 2016	
	3	Begin outlining how best to integrate or address Auxiliary Organizations within in the Campus EOP and COOP	PA, SRM, Witt O'Briens	Jan., 2016	
	4	Develop and provide Campuses and Auxiliaries Organizations with good practices in addressing the issue at hand while providing a plan addendum template	PA, SRM, Witt O'Briens	June, 2016	
	5	Develop some training sessions/webinars etc.	PA, SRM, Witt O'Briens	June, 2016	
LRP-9 Watercraft Program / Insurance Tracking Program					
Create schedule of all owned watercraft as well as stand-alone watercraft policies purchased	1	Survey Campus Risk Managers for list of owned watercraft as well as separate watercraft policies purchased	PA	Oct., 2015	Completed
	2	Survey Auxiliary Organization for list of watercraft owned or used in navigatable water and/or over 50 feet	PA	Oct., 2015	Completed
	3	Create list of watercraft owned or used by campuses and auxiliaries, as well as separate insurance purchased	PA	Dec., 2015	In Process
LRP-10 Creation of Executive Overview CSURMA AORMA Presentation					
Create an Executive Overview of the CSURMA AORMA Programs	1	Create presentation for the AORMA Big Picture AOA Conference	PA	Jan., 2016	Completed
	2	Post on CSURMA website	PA	Jan., 2016	Completed
	3	Disseminate information to the AORMA members	PA	Jan., 2016	Completed
LRP-11 Smart Phone Application for CSURMA AORMA Contact Information					
Purchase a smart phone application for all CSURMA and AORMA Contacts	1	Review options available	PA	Oct., 2015	Completed
	2	Present options and costs to the AORMA Committee	PA	Dec., 2015	In Progress
	3	Report to AORMA Membership at AOA Conference	PA	Jan., 2016	Completed
BOD: CSURMA Board of Directors		EC: CSURMA Executive Committee			
PC: AORMA Programs Committee		OGC: CSU Office of General Counsel			

FY 2015/16 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL		ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
CABO: CSU Chief Administrators and Business Officers			PA: CSURMA Program Administrator		
CO: Chancellor's Office			SRM: CSU Systemwide Risk Management		
AORMA: AORMA Committee					

CSURMA AORMA 2016 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 – 2016 Meeting Calendar



California State University Risk Management Authority

2016 CSURMA MEETING CALENDAR

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

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

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

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

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

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
CSU Chancellor's Office				
CSU Chancellor's Office	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Rebecca Skidmore	rskidmore@calstate.edu	562-951-4574	562-951-4859
	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Alice Kim	akim@calstate.edu	562-951-4627	562-951-4865
	Kelly Cox	kcox@calstate.edu	562-951-4611	562-951-4865
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	William Hsu	whsu@calstate.edu	562-951-4500	562-951-4956
	Steve Relyea	srelyea@calstate.edu	562-951-4600	562-951-4971
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	Michael Clements	mclements@calstate.edu	562-951-4091	
	Jessica Liu	jliu@calstate.edu	562-951-4621	
	Cindi Le	cle@calstate.edu	562-951-4651	
Daisy Thompson	dthompson@calstate.edu	562-951-4567		

Loss Control Consultants – Alliant Risk Control				
Alliant Risk Control Consulting	Brent Escoubas	bescoubas@alliant.com	949-260-5013	

Online Training - TargetSolutions				
Business Manager	Kelly Zielinski	kelly.zielinski@targetsolutions.com	858-683-7229	858-487-8762
	Jennifer Jones <i>(while Kelly is out on maternity leave)</i>	jennifer.jones@targetsolutions.com	858-376-1632	858-487-8762
Account Manager	Stacy L. Schaefer	stacy.schaefer@targetsolutions.com	858-376-1610	
	Ashlee Marinello	ashlee.marinello@targetsolutions.com	858-376-1609	
	Clair Miller	claire.miller@targetsolutions.com	858-976-1629	

Unemployment Insurance Claims Administrator – Employers Edge

Client Services	Angie Hansen	ahansen@employersedge.com	720-891-4900 x116	720-420-7356
Unemployment Claims Operations, Claim Specialist	Reina Gonzales	rgonzales@employersedge.com	720-891-4900 x139	720-420-7390
Tax Analyst	Larry Blankenship	lblankenship@employersedge.com	720-891-4900 x108	720-420-7430
Appellate Level	Jen Venable Jamie Clark	jvenable@employersedge.com jclark@employersedge.com	720-891-4900 x114 720-891-4900 x122	720-420-7354 720-420-7396
Account Management	Steve Bell	sbell@employersedge.com	720-891-4900 x101	720-420-7431

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
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Human Resources Consulting – Employers Group

Helpline	Mark Nelson Kimberly Nwamanna	mnelson@employersgroup.com knwamanna@employersgroup.com	213-765-3952 213-765-3982	
Client Service	Bill Stephens	bstephens@employersgroup.com	805-807-9922	213-226-0216
Reference Library	Robert Campbell	rcampbell@employersgroup.com	800-748-8484 Ext. 3430	
Unemployment Questions	Mark Nelson	mnelson@employersgroup.com	213-765-3952	
Affirmative Action Plans	Suzanne Oliva	soliva@employersgroup.com	213-765-3918	
Leave Management	Kimberly Nwamanna	knwamanna@employersgroup.com	213-765-3982	
Research and Surveys	Juan Garcia	kgarcia@employersgroup.com	213-765-3969	
Employer Advocacy	Ken Tiratira	ktiratira@employersgroup.com	213-765-3915	



LIABILITY – CLAIMS REPORTING CONTACT

In the event of a loss, please contact:

Mauri McGuire

Carl Warren & Company
1000 South Hill Road, Suite 110
Ventura, CA 93003

E-mail: mmcguire@carlwarren.com

Tel: 805-650-7020 ext. 1003

Mobile: 805-509-1426

Fax: 805-658-9950



POLLUTION – CLAIMS REPORTING CONTACT

(All pollution incidents must be reported within **seven** days of discovery)

Report the incident immediately to:

ACE Environmental Risk
casualtyriskenvironmental@acegroup.com
888-310-9553

AND:

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

Tel: 877-725-7695
Fax: 415-403-1466

OR

Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR

Michelle Maffei, Sr. Claims Advocate
Alliant Insurance Services, Inc.
E-mail: mmaffei@alliant.com
Tel: 415-403-1418
Fax: 415-403-1466
Cell: 415-693-8864

OR

Martin Fox-Foster, Sr. Claims Advocate
Alliant Insurance Services, Inc.
E-mail: martin.fox-foster@alliant.com
Tel: 415-403-1417
Fax: 415-403-1466
Cell: 415-755-0405

After hours claims reporting number

Robert Frey, First Vice President
Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



CYBER LIABILITY – CLAIMS REPORTING CONTACT

Report the incident immediately to:

Beazley Group
1270 Avenue of the America's, Suite 1200
New York, NY 10020

bbr.claims@beazley.com
Tel: 646-943-5900
Fax: 546-378-4039

AND COPY TO:

Elaine Kim, Claims Advocate
Alliant Insurance Services, Inc.
E-mail: ekim@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

OR Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR

After hours claims reporting number

Martin Fox-Foster, Sr. Claims Advocate
Alliant Insurance Services, Inc.
E-mail: martin.fox-foster@alliant.com
Tel: 415-403-1417
Fax: 415-403-1466
Cell: 415-755-0405

Robert Frey, First Vice President
Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



SPECIAL LIABILITY INSURANCE PROGRAM (SLIP) CLAIMS REPORTING CONTACT

Report the incident immediately to:

Elaine Kim, Claims Advocate
Alliant Insurance Services, Inc.
E-mail: ekim@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

OR Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR:

After hours claims reporting number:

Robert Frey, First Vice President
Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



AUTO PHYSICAL DAMAGE (APD) CLAIMS REPORTING CONTACT

Report the incident immediately to:

Elaine Kim, Claims Advocate
Alliant Insurance Services, Inc.
E-mail: ekim@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

OR Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR:

After hours claims reporting number:

Robert Frey, First Vice President
Alliant Insurance Services, Inc.

E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



PROPERTY / BOILER & MACHINERY CLAIMS REPORTING CONTRACT

Report the incident immediately to Toll Free 877-725-7695:

OR

Diana Walizada, Claims Unit Manager

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR

Michelle Maffei, Sr. Claims Advocate

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
E-mail: mmaffei@alliant.com
Tel: 415-403-1418
Fax: 415-403-1466
Cell: 415-693-8864

OR

Martin Fox-Foster, Sr. Claims Advocate

Alliant Insurance Services, Inc.
E-mail: martin.fox-foster@alliant.com
Tel: 415-403-1417
Fax: 415-403-1466
Cell: 415-755-0405

OR

Elaine Kim, Claims Advocate

Alliant Insurance Services, Inc.
E-mail: ekim@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

AND COPY TO:

Cathryn O'Meara

McLaren's
1301 Dove Street, Suite 200
Newport Beach, CA 92660
cathryn.omeara@mclarens.com
Tel: 949-757-1413
Fax: 949-757-1692

After hours claims reporting number:

Robert Frey, First Vice President

Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



WORKERS' COMPENSATION – CLAIMS REPORTING CONTACT

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 14629
Lexington, KY 40512-4629

E-mail: brian.montagnese@sedgwickcms.com
Tel: 916-851-4441
Fax: 916-851-8079

YOUR CLAIM WILL BE ASSIGNED TO EITHER:

Katie Brandt, Adjuster
Sedgwick CMS
P.O. Box 14629
Lexington, KY 40512-4629

E-mail: katie.brant@sedgwickcms.com
Tel: 916-636-4451
Fax: 916-851-8079

OR

Biba Olson
Claims Assistant and Medical Only Examiner
Sedgwick CMS

E-mail: biba.olson@sedgwickcms.com
Tel: 916-636-4446

Susan Neville
Adjuster, Northridge Auxiliary Only
Sedgwick CMS

E-mail: susan.neville@sedgwickcms.com
Tel: 916-636-4455



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
Tel: 972-512-5600
Fax: 972-512-5820
Tel Toll Free: 866-523-3186



UNEMPLOYMENT INSURANCE PROGRAM (UIP)

For Unemployment Insurance Program (UIP) claim, please contact Employers Edge directly at:

Reina Gonzales, Claim Specialist

Employers Edge
P.O. Box 351567
Westminister, CO 80035

Email: rgonzales@employersedge.com

Tel: (720) 891-4900 x139

Steve Bell, Account Management

Employers Edge
P.O. Box 351567
Westminister, CO 80035

Email: s.bell@employersedge.com

Tel: (720) 891-4900 x101

CSURMA AORMA COMMITTEE CONTACT LIST

ISSUE: Attached for the Committee's review is the AORMA Committee and Standing Committee Membership Roster Contact List.

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 7-01-15

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2015

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA	Vice Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
AORMA	Past Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	rdewit@csulb.edu	562-985-5549
AORMA	Ex Officio	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Research Foundation	Brian.Nowlin@csulb.edu	562-985-4690
AORMA	At Large	Cheree Aguilar	Senior Director, Human Resources	San Jose	San Jose State University Research Foundation	cheree.aguilar@sjsu.edu	408-924-1505
AORMA	At Large	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
AORMA	At Large	Dave Nirenberg	Senior Director	Channel Islands	University Glen Corporation	dave.nirenberg@csuci.edu	805-437-2668
AORMA	At Large	Gigi Kiama	Human Resources Director	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
AORMA	At Large	Jim Reinhart	Executive Director	Sacramento	University Enterprises, Inc. (UEI)	Jim.Reinhart@csus.edu	916-278-7001
AORMA	At Large	Keith Kompzi	Director, Foundation Financial Services	Fresno	Fresno Association, Inc., CSU Fresno	kkompzi@csufresno.edu	559-278-0838
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslied@saclink.csus.edu	916-278-2904

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	Gigi Kiama	Human Resources Director	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
PC	At Large	Bill Olmsted	Associate Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744
PC	At Large	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	jporth@sfsu.edu	415-338-6880
PC	At Large	Jun Reina	Chief Operating Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925
PC	At Large	Raven Tyson	Human Resources & Risk Manager	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760

AORMA TRAVEL REIMBURSEMENT POLICY

ISSUE: Reasonable expenses associated with your travel to and from the AORMA Committee meetings and CSURMA Board of Directors meetings are reimbursable by CSURMA. Attached for your review is Policy & Procedure A-7 – CSURMA AORMA Travel Reimbursement Policy.

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: Please contact Mimi Long should you have any questions regarding your travel expenses.

PUBLICATION: None.

ATTACHMENT(S):

- a. Policy & Procedure A-7 – CSURMA AORMA Travel Reimbursement Policy



CSURMA AORMA

POLICY AND PROCEDURE NO. A-7

SUBJECT: CSURMA AORMA TRAVEL REIMBURSEMENT
POLICY

ADOPTED: MARCH 21, 2013

AMENDED: MARCH 19, 2015

EFFECTIVE: MARCH 21, 2013

PURPOSE:

CSURMA AORMA members benefit from the work of their elected and appointed representatives who give their time to participate in the governance and development of CSURMA programs. Committee Member in person attendance at the AORMA Committee, standing committee meetings and task group meetings is preferred. This Policy and Procedure is intended to formalize the prior existing practices of CSURMA.

POLICY:

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

PROCEDURE:

1. Reimbursement requests will be reported on the AUTHORIZED TRAVELER's completed State of California – Travel Expense Claim form or the form utilized by the AUTHORIZED TRAVELER's member auxiliary organization. The claim form should be forwarded to the AUTHORIZED TRAVELER's member auxiliary organization accounting department for reimbursement. The member auxiliary organization's accounting department should then seek reimbursement from CSURMA.
2. The AUTHORIZED TRAVELER's accounting department should send the following documents to CSURMA c/o the Systemwide Office of Risk Management:
 - a) Invoices for all reasonable expenses
 - b) Completed State of California (or AUTHORIZED TRAVELER's member auxiliary organization) – Travel Expense Claim form



- c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the AUTHORIZED TRAVELER attended.

DEFINITIONS:

AUTHORIZED TRAVELER – includes AORMA Committee members and officers, standing committee members and participants in duly established task groups. Other persons traveling on CSURMA AORMA related travel shall be reimbursed pursuant to this Policy and Procedure No. A-7 as agreed under separate agreement in advance of the travel. Independent consultants shall not be considered AUTHORIZED TRAVELERS under this Policy and Procedure No. A-7 and any travel expenses incurred by independent consultants may be reimbursed as provided under separate consulting agreements.

COVERED EXPENSES – includes reasonable expenses incurred by the AUTHORIZED TRAVELER as provided under the travel reimbursement policy of the California State University or the AUTHORIZED TRAVELER’s member auxiliary organization travel reimbursement policy requirements.

COVERED PURPOSES – covered purposes shall include attendance at meetings of the CSURMA AORMA Committee, standing committees, task group meetings, program presentations, member meetings, and approved professional development trainings. Any other COVERED PURPOSES must be approved for reimbursement by the AORMA Committee. The AORMA Committee Chair or designee is expected to attend the AOA Executive Committee meetings as the representative of the AORMA Committee and therefore reasonable expenses associated with travel to and from as well as participation in the AOA Executive Committee meetings are reimbursable by CSURMA. If a there is travel to an event that would otherwise be a COVERED PURPOSE in conjunction with another event the AUTHORIZED TRAVELER would otherwise attend such as the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference, the AUTHORIZED TRAVELER is eligible for reimbursement of COVERED EXPENSES to attend the COVERED PURPOSE meeting only and there will be no CSURMA reimbursement of the expenses the AUTHORIZED TRAVELER would have normally incurred to attend the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference.