



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: September 29, 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 – June 23, 2016** A p. 4
The Committee will be asked to review and approve the minutes from the last Programs Committee meeting on
2. **Employment Practices Liability Member Deductibles for FY 17/18** A p. 9
The committee will be asked to review and approve the EPL deductible calculation for FY 17/18 as well as Policy and Procedure L-7 – Employment Practices Liability
3. **Liability and Workers’ Compensation Dividends** A p. 21
The Committee will be asked to approve the allocation of the dividends to be paid in July, 2017

- 4. **2016 Workers' Compensation Payroll Desk Audits** I p. 36
The Committee will be asked to review the workers' compensation payroll desk audit completed by Staff, providing direction as appropriate
 - 5. **Workers' Compensation Program Volunteer Claims** A p. 42
As per Policy and Procedure W-6, the Committee will be asked to review the workers' compensation claims submitted by volunteer staff
 - 6. **Loss Control / Risk Management / Claims Administration** A
Contract Review
 - a. Alliant Risk Control Consulting (Expiration Date - June 30, 2017) p. 49
 - b. Employers Group (Expiration Date – June 30, 2017) p. 61
 - c. Employers Edge (Expiration Date – June 30, 2018) p. 88
 - 7. **2017 Meeting Dates for the CSURMA AORMA Programs Committee** A p. 104
The Committee will be asked to approve the meeting dates for 2017
- D. INFORMATION ITEMS**
- 1. **2016 CSURMA AORMA Meeting Calendar** I p. 105
 - 2. **FY 15/16 AORMA Long Range Action Plan** I p. 107
 - 3. **AORMA Committee and Standing Committee Roster** I p. 111
- E. ADJOURNMENT**

The next Programs Committee meeting is scheduled for December 8, 2016 in the offices of Alliant Insurance Services, Inc., 100 Pine Street, 11th Floor, San Francisco, CA.

If you have questions regarding the agenda package, please contact Mimi Long at mlong@alliant.com / (415) 403-1423 or Tevea Him at thim@alliant.com / (415) 403-1416

APPROVAL OF THE AGENDA ORDER

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MEETING MINUTES – JUNE 23, 2016

ISSUE: The Committee will be asked to review and approve the draft minutes from the June 23, 2016, Programs Committee meeting.

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Programs Committee Meeting Minutes – June 23, 2016

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

JUNE 23, 2016

TELECONFERENCE MEETING

1:00 PM

MEMBERS PRESENT

Guy Dalpe, Associated Students, Inc., San Francisco State University
Gigi Kiama, University Corporation, CSU Monterey Bay
Bill Olmsted, University Union Operation of CSUS, Inc.
Jason Porth, The University Corporation, San Francisco State University
Jun Reina, Capital Public Radio, Inc., CSU Sacramento (*arrived at 1:09 PM*)
Raven Tyson, Associated Students of San Diego State University

ABSENT MEMBERS

None

STAFF, GUESTS AND CONSULTANTS

Tevea Him, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.

A. CALL TO ORDER

The meeting was called to order by Gigi Kiama at 1:01 PM.

A1. Approval of the Agenda Order

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

First: Guy Dalpe
Second: Jason Porth

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Bill Olmsted	X			
Jason Porth	X			
Jun Reina				X
Raven Tyson	X			

Motion carried.

B. PUBLIC COMMENTS

There were no public comments.

C. GENERAL ADMINISTRATION

C1. Approval of Minutes – February 25, 2016

A motion was made to approve the minutes of the February 25, 2016 meeting.

First: Raven Tyson

Second: Jason Porth

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Bill Olmsted	X			
Jason Porth	X			
Jun Reina				X
Raven Tyson	X			

Motion carried.

C2. AORMA Risk Reduction Innovation Matching Grant Incentive Program

The Programs Committee considered CSU Fullerton, Auxiliary Services Corporation’s (ASC’s) matching grant application for \$1,720 towards CPR / First Aid / AED training for nine staff members, as well as the purchase of an AED unit. The Committee was very supportive of the endeavor and believed it had benefits; however, the Committee declined to fund the proposal because it was felt that the training and equipment should be considered a part of ASC’s normal operating budget rather than funded partially through an AORMA grant.

A motion was made to decline the award for CSU Fullerton, Auxiliary Services Corporation.

First: Jun Reina

Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			

Raven Tyson	X			
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Motion Carried.

The Programs Committee considered Cal State L.A. University Auxiliary Services, Inc.’s proposal to fund \$4,000 for improvements at the Children’s Center. The Programs Committee approved two out of the four programs described within the grant application – the turf mats and the fencing in the Mulberry Room Yard. The Committee did not approve the outdoor canopies or the additional lighting as they did not feel that those two projects provided the same degree of loss prevention.

A motion was made to approve the award for Cal State L.A. University Auxiliary Services, Inc., for turf mats and fencing for outdoor yard and to decline the outdoor canopies and outdoor flood lighting.

- First:** Guy Dalpe
- Second:** Jun Reina

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			
Raven Tyson	X			

Motion carried.

Staff was directed to inform both members of the Committee’s decision.

C3. Discussion and Recommendation for New Programs Committee Chair for FY 2016/2017.

Annually, the AORMA Committee Chair will appoint the new Chair of the Programs Committee. The Chair of the Programs Committee must also be an AORMA Committee member. Every spring, the membership of the Programs Committee will recommend to the AORMA Committee Chair a nominee for the Chair position.

A motion was made to recommendation Gigi Kiama as the Programs Committee Chair for FY 16/17.

- First:** Raven Tyson
- Second:** Guy Dalpe

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama		X		
Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			
Raven Tyson	X			

Motion carried.

C4. Policy and Procedure L-8 Liability Program Member Allocation Formula

The AORMA Liability Program member allocation formula was revised effective July 1, 2015. Staff created Policy and Procedure L-8 to document the allocation formula which was previously approved by the Programs Committee and the AORMA Committee. The Policy and Procedure also notes the allocation criteria which requires annual approval by the Programs Committee.

A motion was made to recommend approval to the AORMA Committee of Policy and Procedure L-8.

- First:** Guy Dalpe
- Second:** Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			
Raven Tyson	X			

Motion carried.

D. INFORMATION ITEMS

The Committee Members reviewed the information items.

- D1. 2016 CSURMA AORMA Meeting Calendar**
- D2. FY 15/16 Long Range Action Plan**
- D3. CSURMA AORMA Committee and Standing Committee Roster**

E. ADJOURNMENT

A motion was made to adjourn the meeting at 1:54 PM

**EMPLOYMENT PRACTICES LIABILITY MEMBER DEDUCTIBLES
FOR FY 17/18**

ISSUE: Staff completed the minimum (Employment Practices Liability) EPL deductible calculation for FY 17/18. Seven auxiliary organizations are subject to an EPL deductible higher than the minimum of \$25,000. According to Policy & Procedure L-7, the Programs Committee is responsible for approving the EPL deductible calculation.

RECOMMENDATION: Staff recommends that the Committee review the EPL deductible schedule, calculation and Policy & Procedure L-7 and then approve the EPL deductibles for FY 17/18.

FISCAL IMPACT: None at this time.

BACKGROUND: Noted below are the proposed FY 17/18 EPL deductibles in excess of \$25,000.

Auxiliary Organization	FY 16/17
CSU, Fresno Foundation	\$75,000
CSU, Long Beach Research Foundation	\$75,000
The Cal Poly Pomona Foundation, Inc.	\$100,000
University Enterprises, Inc., CSU Sacramento	\$75,000
Associated Students, SDSU	\$50,000
SDSU Research Foundation	\$100,000
San Jose State University Research Foundation	\$100,000

Employment Practices Liability losses continue to be AORMA’s number one loss leader (within the pooled layer). As a way to reduce EPL loss costs, the AORMA Committee approved changes to Policy & Procedure L-7 effective July 1, 2013, which mandates higher EPL deductibles for those auxiliary organizations with a frequency of EPL claims.

In December 2013, Policy & Procedure L-7 was retroactively amended to the July 1, 2013 effective date so that the EPL deductible increases would be limited to one EPL deductible level increase per year, regardless of the minimum EPL deductible calculated based on the schedule within the Policy & Procedure.

PUBLICATION: After the calculation is approved by the Programs Committee, the members will be notified of their EPL deductible for FY 17/18.

ATTACHMENT(S):

- a. EPL Deductible Schedule
- b. EPL Member Deductible Calculation
- c. Policy & Procedure L-7 – Employment Practices Liability Deductible

AORMA Liability Program - EPL Deductible Schedule

#	Campus	Auxiliary Organization	FY 17/18	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
1	Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
2	Bakersfield	and Administration	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
3	Bakersfield	California State University, Bakersfield Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
4	Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
5	Chancellor's Office	California State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
6	Chancellor's Office	California State University Institute	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
7	Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
8	Channel Islands	California State University Channel Islands Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
9	Channel Islands	University Glen Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
10	Chico	Associated Students of California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
11	Chico	Auxiliary Organization Associations	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
12	Chico	The CSU, Chico Research Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
13	Chico	The University Foundation, California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
14	Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
15	Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
16	Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000					
17	East Bay	Associated Students, California State University, East Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
18	East Bay	Cal State East Bay Educational Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
19	East Bay	California State University, East Bay Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
20	Fresno	Associated Students, Inc. of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
21	Fresno	California State University, Fresno Association, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
22	Fresno	California State University, Fresno Foundation	\$ 75,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
23	Fresno	Fresno State Programs for Children, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
24	Fresno	The Agricultural Foundation of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
25	Fresno	The California State University, Fresno Athletic Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
26	Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
27	Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
28	Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
29	Humboldt	Associated Students, Humboldt State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
30	Humboldt	Humboldt State University Advancement Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
31	Humboldt	Humboldt State University Center Board of Directors	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
32	Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
33	Long Beach	Associated Students, California State University, Long Beach	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
34	Long Beach	California State University, Long Beach Research Foundation	\$ 50,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
35	Long Beach	CSULB 49er Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
36	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
37	Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
38	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 25,000	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
39	Los Angeles	California State University, Los Angeles Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
40	Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

AORMA Liability Program - EPL Deductible Schedule

#	Campus	Auxiliary Organization	FY 17/18	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
41	Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
42	Maritime Academy	The Associated Students of the California Maritime Academy	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
43	Monterey Bay	Foundation of California State University, Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
44	Monterey Bay	The University Corporation at Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
45	Northridge	Associated Students, California State University, Northridge, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
46	Northridge	California State University, Northridge Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
47	Northridge	North Campus University Park Development Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
48	Northridge	The University Corporation, CSU Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
49	Northridge	University Student Union of California State University, Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
50	Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
51	Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 25,000
52	Sacramento	Associated Students of California State University, Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
53	Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
54	Sacramento	The University Foundation at Sacramento State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
55	Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 75,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
56	Sacramento	University Union Operation of CSUS, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
57	San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
58	San Bernardino	CSUSB Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
59	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
60	San Bernardino	University Enterprises Corporation at CSUSB	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
61	San Diego	Associated Students, San Diego State University	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
62	San Diego	Aztec Shops, Ltd., San Diego State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
63	San Diego	San Diego State University Research Foundation	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
64	San Diego	The Campanile Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
65	San Francisco	Associated Students, Inc., San Francisco State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
66	San Francisco	San Francisco State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
67	San Francisco	The University Corporation, San Francisco State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
68	San Jose	Associated Student, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
69	San Jose	San Jose State University Research Foundation	\$ 100,000	\$ 100,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
70	San Jose	Spartan Shops, Inc., San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
71	San Jose	The Student Union of San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
72	San Jose	The Tower Foundation, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
73	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
74	San Luis Obispo	Cal Poly Corporation	\$ 25,000	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
75	San Luis Obispo	California Polytechnic State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
76	San Marcos	California State University San Marcos Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
77	San Marcos	San Marcos University Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
78	San Marcos	The Associated Students of California State University, San Marcos	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
79	San Marcos	University Auxiliary and Research Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
80	Sonoma	Associated Students of Sonoma State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

AORMA Liability Program - EPL Deductible Schedule

#	Campus	Auxiliary Organization	FY 17/18	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
81	Sonoma	Sonoma State Enterprises, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
82	Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
83	Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
84	Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
85	Stanislaus	California State University, Stanislaus Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
86	Stanislaus	University Student Union of California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

Black Bold - represents that the EPL deductible is now back down to the minimum of \$25,000

Blue - represents the mandated minimum EPL deductible per Policy & Procedure L-7

Red - represents the year the member chose to increase its EPL deductible above the minimum. The member must maintain the higher deductible for three years.

AORMA Liability Program - Employment Practices Liability Loss Information
Employment Practices Liability Loss Information
Paid Losses between July 1, 2011 and June 30, 2016

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
Channel Islands	CSU CHANNEL ISLANDS UNIVERSITY GLEN CORP	1597956	155,755	155,755
	Number of Claims	1		
	Number of Claims in excess of \$25,000	1		
Chico	CHICO RESEARCH FOUNDATION	1881293	110,889	110,889
	Number of Claims	1		
	Number of Claims in excess of \$25,000	1		
Dominguez Hills	CSU DOMINGUEZ HILLS FOUNDATION	1755087	3,083	-
Dominguez Hills	CSU DOMINGUEZ HILLS FOUNDATION	1846619	6,181	-
	Number of Claims	2		
	Number of Claims in excess of \$25,000	0		
Dominguez Hills	CSU DOMINGUEZ HILLS LOKER STUDENT UNION, INC.	1593281	4,547	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
East Bay	CSU EAST BAY FOUNDATION	1548055	1,008	-
East Bay	CSU EAST BAY FOUNDATION	1507297	70	-
East Bay	CSU EAST BAY FOUNDATION	1505817	16,147	-
East Bay	CSU EAST BAY FOUNDATION	1492625	1,772	-
	Number of Claims	4		
	Number of Claims in excess of \$25,000	0		
Fresno	CSU FRESNO ASSOCIATION (This loss is excluded from the calculation while it is being reviewed)	1603788	40,164	40,164
Fresno	CSU FRESNO ASSOCIATION	1888278	2,108	-
	Number of Claims	2		
	Number of Claims in excess of \$25,000	1		
Fresno	CSU FRESNO FOUNDATION	1854811	3,192	-
Fresno	CSU FRESNO FOUNDATION	1632425	140,464	140,464
Fresno	CSU FRESNO FOUNDATION	1743848	99,840	99,840
	Number of Claims	3		
	Number of Claims in excess of \$25,000	2		
Total for claims in excess of \$25,000:				240,304
Minimum EPL deductible for FY 17/18 (w/o one level limitation):				75,000
Minimum EPL deductible for FY 17/18 (w/ one level limitation):				75,000
Minimum EPL deductible for FY 16/17:				75,000
Fullerton	CSU FULLERTON AUXILIARY SERVICES CORPORATION	1532101	150	Incident Only
	CSU FULLERTON AUXILIARY SERVICES CORPORATION	1882328	88,452	88,452
	Number of Claims	2		
	Number of Claims in excess of \$25,000	1		
Humboldt	CSU HUMBOLDT SPONSORED PROGRAMS FOUNDATION	1565127	23,945	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
Long Beach	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758388	463	Incident Only
	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758506	422,793	422,793
	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1889986	542	Incident Only
	Number of Claims	3		
	Number of Claims in excess of \$25,000	1		

AORMA Liability Program - Employment Practices Liability Loss Information
Employment Practices Liability Loss Information
Paid Losses between July 1, 2011 and June 30, 2016

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
Long Beach	LONG BEACH RESEARCH FOUNDATION	1581787	123,679	123,679
Long Beach	LONG BEACH RESEARCH FOUNDATION	1856078	5,550	-
	Number of Claims	2		
	Number of Claims in excess of \$25,000	1		
	Total for claims in excess of \$25,000:			123,679
	Minimum EPL deductible for FY 17/18 (w/o one level limitation):			50,000
	Minimum EPL deductible for FY 17/18 (w/ one level limitation):			50,000
	Minimum EPL deductible for FY 16/17:			75,000
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1499878	226	-
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1582137	16,548	-
	Number of Claims	2		
	Number of Claims in excess of \$25,000	0		
Monterey Bay	UNIVERSITY CORP AT MONTEREY BAY	1926306	3,751	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
Northridge	CSU NORTHRIDGE ASSOCIATED STUDENTS, INC.	1547624	312	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1593276	17,924	-
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1600567	4,826	-
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1862493	16,914	-
	Number of Claims	3		
	Number of Claims in excess of \$25,000	0		
Pomona	CPSU POMONA FOUNDATION	1734312	104,877	104,877
Pomona	CPSU POMONA FOUNDATION	1735120	187,962	187,962
	Number of Claims	2		
	Number of Claims in excess of \$25,000	2		
	Total for claims in excess of \$25,000:			292,839
	Minimum EPL deductible for FY 17/18 (w/o one level limitation):			100,000
	Minimum EPL deductible for FY 17/18 (w/ one level limitation):			100,000
	Minimum EPL deductible for FY 16/17:			100,000
Sacramento	CSU SACRAMENTO CAPITOL PUBLIC RADIO, INC.	1734620	12,153	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC. (This loss is split 50/50 with the Union)	1634228	47,673	23,837
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1755960	80,262	80,262
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC. (This loss will be paid 100% by the Campus)	1904741	13,760	Campus Claim
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1613613	81,069	81,069
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1879642	788	Incident Report Only
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1907365	155	Incident Report Only
	Number of Claims	6		
	Number of Claims in excess of \$25,000	3		
	Total for claims in excess of \$25,000:			185,168
	Minimum EPL deductible for FY 17/18 (w/o one level limitation):			75,000
	Minimum EPL deductible for FY 17/18 (w/ one level limitation):			75,000

AORMA Liability Program - Employment Practices Liability Loss Information
Employment Practices Liability Loss Information
Paid Losses between July 1, 2011 and June 30, 2016

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000	
		Minimum EPL deductible for FY 16/17:			50,000
Sacramento	UNIVERSITY UNION OPERATION OF CSUS, INC. (This loss is split 50/50 with UEI)	1634228	23,837	-	
San Bernardino	CSU SAN BERNARDINO STUDENT UNION	1925523	151	-	
	Number of Claims	1			
	Number of Claims in excess of \$25,000	0			
San Diego	CSU SAN DIEGO ASSOCIATED STUDENTS	1895248	10,816	-	
San Diego	CSU SAN DIEGO ASSOCIATED STUDENTS	1915115	65,588	65,588	
San Diego	CSU SAN DIEGO ASSOCIATED STUDENTS	1812963	65,987	65,987	
	Number of Claims	3			
	Number of Claims in excess of \$25,000	2			
	Total for claims in excess of \$25,000:			131,575	
	Minimum EPL deductible for FY 17/18 (w/o one level limitation):			50,000	
	Minimum EPL deductible for FY 17/18 (w/ one level limitation):			50,000	
	Minimum EPL deductible for FY 16/17:			25,000	
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1600832	313,777	313,777	
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1733219	892,455	892,455	
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1549214	189,407	189,407	
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1524874	445,990	445,990	
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1542001	60,367	60,367	
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1763201	7,722	-	
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1598936	26,388	26,388	
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1768697	21,095	-	
	Number of Claims	8			
	Number of Claims in excess of \$25,000	6			
	Total for claims in excess of \$25,000:			1,928,383	
	Minimum EPL deductible for FY 17/18 (w/o one level limitation):			100,000	
	Minimum EPL deductible for FY 17/18 (w/ one level limitation):			100,000	
	Minimum EPL deductible for FY 16/17:			100,000	
San Francisco	CSU SAN FRANCISCO CESAR CHAVEZ STUDENT CENTER	1506997	68	-	
	Number of Claims	1			
	Number of Claims in excess of \$25,000	0			
San Francisco	CSU SAN FRANCISCO THE UNIVERSITY CORPORATION	1522876	83	-	
	Number of Claims	1			
	Number of Claims in excess of \$25,000	0			
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1506767	15,383	-	
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1879863	44,510	44,510	
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1614600	511,357	511,357	
	Number of Claims	3			
	Number of Claims in excess of \$25,000	2			
	Total for claims in excess of \$25,000:			555,867	
	Minimum EPL deductible for FY 17/18 (w/o one level limitation):			100,000	
	Minimum EPL deductible for FY 17/18 (w/ one level limitation):			100,000	
	Minimum EPL deductible for FY 16/17:			100,000	
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1521031	95	-	

AORMA Liability Program - Employment Practices Liability Loss Information
Employment Practices Liability Loss Information
Paid Losses between July 1, 2011 and June 30, 2016

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1596850	2,981	-
	Number of Claims	2		
	Number of Claims in excess of \$25,000	0		
San Jose	CSU SAN JOSE STUDENT UNION, INC.	1565299	2,601	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1597354	11,163	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1502492	2,037	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1622290	10,018	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1537083	834	-
	Number of Claims	4		
	Number of Claims in excess of \$25,000	0		
San Marcos	CSU SAN MARCOS RESEARCH SERVICES CORP.	1892678	66,462	66,462
	Number of Claims	1		
	Number of Claims in excess of \$25,000	1		



CSURMA AORMA

POLICY AND PROCEDURE NO. L-7

**SUBJECT: EMPLOYMENT PRACTICES LIABILITY
DEDUCTIBLE (EPL) OPTIONS**

ADOPTED: MAY 12, 2011

**AMENDED: JULY 1, 2011
DECEMBER 6, 2012
DECEMBER 5, 2013
MARCH 19, 2015**

EFFECTIVE: JULY 1, 2011

POLICY:

1. It is the policy of CSURMA AORMA that annually a minimum EPL deductible will be determined for each Member. The formula for determining the minimum EPL deductible is based on number and cost of EPL claims paid, at June 30, for the last five fiscal years. If a Member has more than one EPL claim payment within the last five fiscal years, then the total amount paid within those five years for all claims exceeding \$25,000 will be applied to the following schedule:

Level 1	Paid losses of \$75,000 or less	\$25,000 deductible
Level 2	Paid losses of \$75,001 to \$175,000	\$50,000 deductible
Level 3	Paid losses of \$175,001 to \$275,000	\$75,000 deductible
Level 4	Paid losses in excess of \$275,001	\$100,000 deductible

EPL EXPENSE PAYMENTS made in a fiscal year subsequent to the fiscal year in which the final EPL LOSS PAYMENT was made will be considered to have been made in the same fiscal year as the final EPL LOSS PAYMENT.

Annually, based on the formula above, the JPA Program Administrator will determine the minimum EPL deductible for each Member.

To assist Members in budget forecasting, the minimum EPL deductible will be limited to one EPL deductible level increase per year, regardless of the minimum EPL deductible calculated based on the schedule above.

The Programs Committee will review and determine each Member’s minimum EPL deductible for the upcoming fiscal year.

2. Each Member will have the option of electing an EPL deductible in excess of the minimum deductible.



CSURMA AORMA

POLICY AND PROCEDURE NO. L-7

3. Should a Member elect an EPL deductible in excess of the minimum EPL deductible, then that Member will be required to maintain the same EPL deductible for three full program years (July 1st to June 30th) before selecting a new EPL deductible. EPL deductibles can only be changed at the beginning of the coverage term – July 1st of each year. If, however, the formula for determining the minimum EPL deductible results in a deductible level higher than the EPL deductible level elected by the Member, the Member's EPL deductible will increase to the deductible level determined by the formula. Because the election of higher EPL deductibles can only be changed once per every three full program years, CSURMA AORMA strongly recommends a review of prior years' claims and consultation with the JPA Program Administrator before making any decisions regarding these higher EPL deductibles.
4. As outlined in Policy and Procedure L-1, Claims Reporting, it is the policy of CSURMA AORMA that written notice of any claim within the AORMA Liability Coverage Program be given to the Third Party Claims Administrator as soon as practicable. Failure to report a claim is cause for a reduction in or denial of coverage by AORMA.

PROCEDURE:

1. Annually, based on the formula above, the JPA Program Administrator will determine the minimum EPL deductible for each Member.
2. The Programs Committee will approve each Member's minimum EPL deductible.
3. The JPA Program Administrator will provide the Members with the costs for each of the different EPL deductibles options.
4. If the Member chooses an EPL deductible higher than the minimum EPL deductible as approved by the Programs Committee for that Member, then the Member will be required to sign the attached Consent to Change Employment Practices Liability Deductible letter.
5. A Member may appeal its minimum EPL deductible to the AORMA Committee in writing prior to the commencement of the coverage year, and the AORMA Committee will make a final decision.

DEFINITIONS:

EPL EXPENSE PAYMENT: Allocated loss adjustment expenses that are assignable to the claim. This may include but is not limited to fees to attorneys, experts, investigators, court reporters as well as third-party claims administrators incurred in defense of an EPL claim.

EPL LOSS PAYMENT: Compensatory damages which the Member is legally obligated to pay as a result of a claim.

EPL: Employment Practices Liability.

Consent to Change Employment Practices Liability Deductible

I am authorizing CSURMA AORMA to increase the Employment Practices Liability deductible within the CSURMA AORMA Liability Coverage Program for this Auxiliary Organization effective _____.

I understand that I must maintain this same deductible for three full program years (July 1st to June 30th) before selecting a new deductible. I am also aware that the following coverage provisions apply to all Employment Practices Liability claims regardless of the probable size of the claim. The Auxiliary Organization's or the Covered Party's failure to comply with any of these provisions will cause a reduction in, or denial of, coverage by CSURMA AORMA.

CLAIMS REPORTING PROVISIONS

If a Auxiliary Organization or Covered Party becomes aware of an event, occurrence or offense, which **may** result in a claim, suit or proceeding, the event must be reported to the Third Party Claims Administrator (TPA) as soon as practicable. If the event is not reported to the TPA within the timeframe set below; the following late reporting penalties shall apply;

LATE REPORTING PENALTIES

1. If an **occurrence**, offense, claim or suit is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
2. If an **occurrence**, offense, claim or suit is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply; or
3. If an **occurrence**, offense, claim or suit is reported more than 12 months late as determined by the TPA, no recovery will be available to the **Member** or other involved **Covered Party**.

DEFENSE COVERAGE PROVISIONS

If an Auxiliary Organization or Covered Party becomes aware of an event, occurrence or offense, which **may** result in a claim, suit or proceeding, CSURMA AORMA will reimburse any costs incurred by the Auxiliary Organization or Covered Party to defend the covered claim **but only if** the event is reported to the TPA within thirty (30) days of becoming aware of the event. CSURMA AORMA will not, however, reimburse any costs incurred more than thirty (30) days prior to notification to the TPA.

CLAIMS SETTLEMENT PROVISIONS

An Auxiliary Organization or Covered Party will not be reimbursed by CSURMA AORMA if the Auxiliary Organization or Covered Party settles a claim without prior written authorization of the Liability Claims Administrator.

I have read the above coverage provisions and I have a thorough understanding of my claims reporting obligations within the CSURMA AORMA Liability Program and consent to a change in my Employment Practices Liability deductible to:

\$50,000 / \$75,000 / \$100,000

Auxiliary Organization

Signed

Name

Title

Date

LABILITY AND WORKERS' COMPENSATION DIVIDENDS

ISSUE: At its September 8, 2016 meetings, the AORMA Committee approved the following dividends to be distributed in July of 2017:

- a. Liability – \$824,133
- b. Workers' Compensation – \$888,622

The dividends have been allocated to the members based on the formula outlined in Policy and Procedure A-4 – Dividends and Assessments.

RECOMMENDATION: The committee is being asked to review and approve the liability and workers' compensation dividends to be payable in July, 2017.

FISCAL IMPACT: The total dividend payable in July, 2017 is \$1,712,755.

BACKGROUND: Dividends are allocated to those members currently participating in the liability or workers' compensation program (and who will be participating on July 1, 2017) based on each member's total percentage of contributions during the following fiscal years: 11/12, 12/13, 13/14, 14/15 and 15/16.

PUBLICATION: Members will be notified of the approved dividend amount at the end of January, 2017.

ATTACHMENT(S):

- a. AORMA Liability Program – Dividend Allocation for July, 2017 Distribution
- b. AORMA Workers' Compensation – Dividend Allocation for July, 2017 Distribution
- c. FY 17/18 Target Surplus Funding Analysis
- d. Policy & Procedure A-3 – Target Surplus Funding Policy
- e. Policy & Procedure A-4 – Dividends and Assessments

**AORMA Liability Program
July 1, 2017 Dividend Allocation**

\$ 824,133

Campus	Auxiliary Organization Member	Total Premium Contributions for Five Years	Dividend Allocation
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 32,514	\$ 1,485
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 16,753	\$ 765
Bakersfield	California State University, Bakersfield Foundation	\$ 54,757	\$ 2,501
Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 51,768	\$ 2,364
Chancellor's Office	California State University Foundation	\$ 8,118	\$ 371
Chancellor's Office	California State University Institute	\$ 11,072	\$ 506
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 8,772	\$ 401
Channel Islands	California State University Channel Islands Foundation	\$ 11,045	\$ 504
Channel Islands	University Auxiliary Services, Inc. (<i>University Glen Corporation</i>)	\$ 116,892	\$ 5,338
Chico	Associated Students of California State University, Chico	\$ 657,115	\$ 30,009
Chico	Auxiliary Organization Associations	\$ 8,071	\$ 369
Chico	The CSU, Chico Research Foundation	\$ 559,090	\$ 25,533
Chico	The University Foundation, California State University, Chico	\$ 48,174	\$ 2,200
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 29,460	\$ 1,345
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 140,224	\$ 6,404
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 87,322	\$ 3,988
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	\$ 2,000	\$ 91
East Bay	Associated Students, California State University, East Bay	\$ 120,204	\$ 5,489
East Bay	Cal State East Bay Educational Foundation	\$ 6,121	\$ 280
East Bay	California State University, East Bay Foundation, Inc.	\$ 229,148	\$ 10,465
Fresno	Associated Students, Inc. of California State University, Fresno	\$ 21,144	\$ 966
Fresno	California State University, Fresno Association, Inc.	\$ 946,411	\$ 43,221
Fresno	California State University, Fresno Foundation	\$ 234,352	\$ 10,702
Fresno	Fresno State Programs for Children, Inc.	\$ 43,803	\$ 2,000
Fresno	The Agricultural Foundation of California State University, Fresno	\$ 107,089	\$ 4,891
Fresno	The California State University, Fresno Athletic Corporation	\$ 987,039	\$ 45,076
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 178,705	\$ 8,161
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 36,517	\$ 1,668
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 295,260	\$ 13,484
Humboldt	Associated Students, Humboldt State University	\$ 31,917	\$ 1,458
Humboldt	Humboldt State University Advancement Foundation	\$ 8,417	\$ 384
Humboldt	Humboldt State University Center Board of Directors	\$ 273,736	\$ 12,501
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 153,429	\$ 7,007
Long Beach	Associated Students, California State University, Long Beach	\$ 391,456	\$ 17,877
Long Beach	California State University, Long Beach Research Foundation	\$ 772,316	\$ 35,270
Long Beach	CSULB 49er Foundation	\$ 13,676	\$ 625
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 223,427	\$ 10,204
Los Angeles	Associated Students, California State University, Los Angeles, Inc	\$ 33,655	\$ 1,537
Los Angeles	Cal State L.A. University Auxiliary Services, Inc	\$ 162,866	\$ 7,438
Los Angeles	California State University, Los Angeles Foundation	\$ 18,830	\$ 860
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 136,891	\$ 6,252
Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 17,658	\$ 806
Maritime Academy	The Associated Students of the California Maritime Academy	\$ 16,882	\$ 771
Monterey Bay	Foundation of California State University, Monterey Bay	\$ 19,163	\$ 875
Monterey Bay	The University Corporation at Monterey Bay	\$ 324,200	\$ 14,806
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 83,847	\$ 3,829
Northridge	California State University, Northridge Foundation	\$ 56,468	\$ 2,579

**AORMA Liability Program
July 1, 2017 Dividend Allocation**

\$ 824,133

Campus	Auxiliary Organization Member	Total Premium Contributions for Five Years	Dividend Allocation
Northridge	North Campus University Park Development Corporation	\$ 26,867	\$ 1,227
Northridge	The University Corporation, CSU Northridge	\$ 424,058	\$ 19,366
Northridge	University Student Union of California State University, Northridge	\$ 425,920	\$ 19,451
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 364,482	\$ 16,645
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 751,394	\$ 34,315
Sacramento	Associated Students of California State University, Sacramento	\$ 493,535	\$ 22,539
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 42,032	\$ 1,920
Sacramento	The University Foundation at Sacramento State	\$ 28,063	\$ 1,282
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 781,737	\$ 35,701
Sacramento	University Union Operation of CSUS, Inc.	\$ 133,173	\$ 6,082
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 48,549	\$ 2,217
San Bernardino	CSUSB Philanthropic Foundation	\$ 14,122	\$ 645
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 76,365	\$ 3,487
San Bernardino	University Enterprises Corporation at CSUSB	\$ 266,101	\$ 12,152
San Diego	Associated Students, San Diego State University	\$ 872,365	\$ 39,839
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 648,036	\$ 29,595
San Diego	San Diego State University Research Foundation	\$ 1,098,782	\$ 50,179
San Francisco	Associated Students, Inc., San Francisco State University	\$ 84,355	\$ 3,852
San Francisco	San Francisco State University Foundation	\$ 17,809	\$ 813
San Francisco	The University Corporation, San Francisco State	\$ 172,229	\$ 7,865
San Jose	Associated Student, San Jose State University	\$ 59,603	\$ 2,722
San Jose	San Jose State University Research Foundation	\$ 158,205	\$ 7,225
San Jose	Spartan Shops, Inc., San Jose State University	\$ 420,915	\$ 19,222
San Jose	The Student Union of San Jose State University	\$ 608,143	\$ 27,773
San Jose	The Tower Foundation, San Jose State University	\$ 12,264	\$ 560
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 461,821	\$ 21,091
San Luis Obispo	Cal Poly Corporation	\$ 854,533	\$ 39,025
San Luis Obispo	California Polytechnic State University Foundation	\$ 8,081	\$ 369
San Marcos	California State University San Marcos Foundation	\$ 26,682	\$ 1,219
San Marcos	San Marcos University Corporation	\$ 98,083	\$ 4,479
San Marcos	The Associated Students of California State University, San Marcos	\$ 48,286	\$ 2,205
San Marcos	University Auxiliary and Research Services Corporation	\$ 154,885	\$ 7,073
Sonoma	Associated Students of Sonoma State University	\$ 78,117	\$ 3,567
Sonoma	Sonoma State Enterprises, Inc.	\$ 176,946	\$ 8,081
Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 74,359	\$ 3,396
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 32,461	\$ 1,482
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 78,786	\$ 3,598
Stanislaus	California State University, Stanislaus Foundation	\$ 118,001	\$ 5,389
Stanislaus	University Student Union of California State University, Stanislaus	\$ 18,187	\$ 831

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TOTAL

\$ 18,046,103 \$ 824,133

**AORMA Workers' Compensation Program
July 1, 2017 Dividend Allocation**

\$ 888,622

Campus	Auxiliary Organization Member	Premium Contributions for Five Years	Dividend Allocation
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 77,569	\$ 3,215
Bakersfield	California State University, Bakersfield Foundation	\$ 71,172	\$ 2,950
Channel Islands	University Auxiliary Services, Inc. (University Glen Corp)	\$ 240,982	\$ 9,988
Chico	Associated Students of California State University, Chic	\$ 799,946	\$ 33,157
Chico	The CSU, Chico Research Foundation	\$ 667,370	\$ 27,662
Dominguez Hills	Associated Students, California State University, Dominguez Hill	\$ 18,417	\$ 763
Dominguez Hills	California State University, Dominguez Hills Foundatio	\$ 359,199	\$ 14,888
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporatec	\$ 46,033	\$ 1,908
East Bay	Associated Students, California State University, East Bay	\$ 100,098	\$ 4,149
East Bay	California State University, East Bay Foundation, Inc	\$ 111,839	\$ 4,636
Fresno	California State University, Fresno Association, Inc	\$ 547,790	\$ 22,705
Fresno	The California State University, Fresno Athletic Corporatio	\$ 431,684	\$ 17,893
Fullerton	Associated Students, California State University, Fullerton, Inc	\$ 438,114	\$ 18,159
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 827,245	\$ 34,288
Humboldt	Associated Students, Humboldt State University	\$ 8,233	\$ 341
Humboldt	Humboldt State University Center Board of Director	\$ 443,194	\$ 18,370
Humboldt	Humboldt State University Sponsored Programs Foundatio	\$ 671,884	\$ 27,849
Long Beach	Associated Students, California State University, Long Beach	\$ 375,525	\$ 15,565
Long Beach	California State University, Long Beach Research Foundatio	\$ 529,316	\$ 21,939
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 834,535	\$ 34,590
Los Angeles	Cal State L.A. University Auxiliary Services, Inc	\$ 653,666	\$ 27,094
Los Angeles	University-Student Union Board, California State University, Los Angele:	\$ 183,344	\$ 7,599
Monterey Bay	The University Corporation at Monterey Bay	\$ 527,096	\$ 21,847
Northridge	Associated Students, California State University, Northridge, Inc	\$ 258,918	\$ 10,732
Northridge	The University Corporation, CSU Northridge	\$ 1,481,613	\$ 61,411
Northridge	University Student Union of California State University, Northridg	\$ 432,278	\$ 17,917
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 313,662	\$ 13,001
Pomona	The Cal Poly Pomona Foundation, Inc	\$ 1,400,306	\$ 58,041
Sacramento	Associated Students of California State University, Sacramento	\$ 342,908	\$ 14,213
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 1,141,413	\$ 47,310
Sacramento	Capital Public Radio	\$ 11,679	\$ 484
San Bernardino	Associated Students Inc., California State University, San Bernardinc	\$ 11,014	\$ 457
San Bernardino	Santos Manuel Student Union of California State University, San Bernardinc	\$ 172,304	\$ 7,142
San Bernardino	University Enterprises Corporation at CSUSB	\$ 395,716	\$ 16,402
San Diego	Associated Students, San Diego State University	\$ 913,706	\$ 37,872
San Francisco	Associated Students, Inc., San Francisco State University	\$ 200,697	\$ 8,319
San Francisco	The University Corporation, San Francisco State	\$ 162,463	\$ 6,734
San Jose	Associated Student, San Jose State University	\$ 234,853	\$ 9,734
San Jose	San Jose State University Research Foundatio	\$ 1,148,392	\$ 47,599
San Jose	Spartan Shops, Inc., San Jose State University	\$ 781,052	\$ 32,374
San Jose	The Student Union of San Jose State University	\$ 179,896	\$ 7,456
San Jose	The Tower Foundation, San Jose State University	\$ 102,928	\$ 4,266

**AORMA Workers' Compensation Program
July 1, 2017 Dividend Allocation**

\$ 888,622

Campus	Auxiliary Organization Member	Premium Contributions for Five Years	Dividend Allocation
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 486,001	\$ 20,144
San Luis Obispo	Cal Poly Corporation	\$ 1,931,290	\$ 80,050
San Marcos	University Auxiliary and Research Services Corporator	\$ 272,002	\$ 11,274
Sonoma	Associated Students of Sonoma State University	\$ 52,232	\$ 2,165
Sonoma	Sonoma State Enterprise	\$ 5,431	\$ 225
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 17,178	\$ 712
Stanislaus	University Student Union of California State University, Stanislaus	\$ 24,870	\$ 1,031

Total: \$ 21,439,051 \$ 888,622

AORMA Liability Fund Program
Target Surplus Funding Analysis - Pooled Layer Funding @ \$500,000
@ June 30, 2016

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 17/18 (at 80% CL) #1	3,270,893	Up From	3,068,777
Assets at 6/30/16 #2	7,958,922	Down From	8,231,512
Maximum Retention Per Occurrence	500,000	No Change	500,000
Outstanding Reserves at 6/30/16 #3	427,773	Down From	1,546,200
Surplus (Expected Confidence Level) #4	5,796,533	Down From	5,986,096
Surplus (above a 70% Confidence Level) #5	5,656,558	Down From	5,801,409
Surplus (above an 80% Confidence Level) #5	5,356,250	Down From	5,435,368

#1 - Includes Actuary's Recommended Estimated Pooled Layer Funding at a 70% confidence level, claims administration and reinsurance costs.

#2 - Assets are reduced by accounts payable and dividend.

#3 - Reserves on open claims - two claims were capped at \$350,000 (the pooled layer for that coverage period).

#4 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses **are undiscounted** for investment income and include unallocated loss adjustment expense.

#5 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses **are discounted** for investment income and include unallocated loss adjustment expense.

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	2,180,595	0.56
Surplus : Retention	>5:1	2,500,000	11.59
Outstanding Reserves : Surplus	≤1.5:1	285,182	0.07

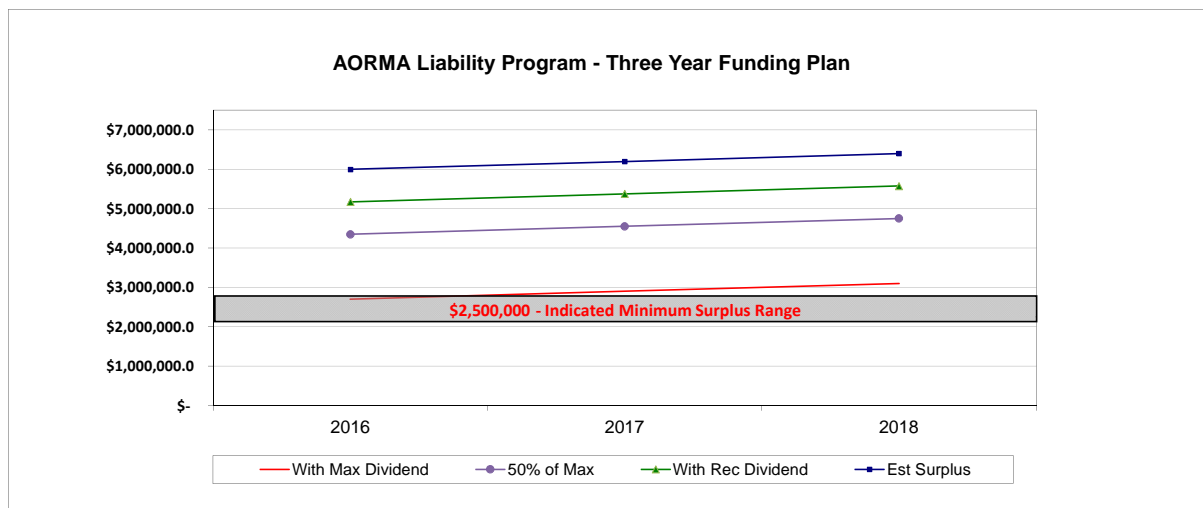
Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	5,656,558
Indicated Minimum Surplus (largest ratio amount)	2,500,000
Maximum Dividend Available	3,296,533
Dividend 50%	1,648,267
Dividend 33%	1,087,856
Dividend 25%	824,133

Approved on September 8, 2016

Confidence levels	Risk Factor	Pooled Layer Funding #5	Surplus
Expected	1.000	2,002,055	-
60%	1.041	2,085,137	83,082
70%	1.100	2,202,261	200,206
80%	1.250	2,502,569	500,514

#5 The Pooled Layer Funding is discounted for investment income and **does not** include the unallocated loss adjustment expense.

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/16	N/A	5,796,533	N/A	N/A
2017/18- Collection @ 70% Confidence Level	200,206	5,996,739	2,700,206	5,172,606
2018/19 - Collection @ 70% Confidence Level	200,206	6,196,945	2,900,412	5,372,812
2019/20 - Collection @ 70% Confidence Level	200,206	6,397,151	3,100,618	5,573,018



AORMA Workers' Compensation Fund Program
Target Surplus Funding Analysis - Pooled Layer Funding @ \$500,000
@ June 30, 2016

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 17/18 (at 80% CL) #1	3,943,362	Up From	3,926,000
Assets at 6/30/16 #2	12,126,149	Down From	12,960,540
Maximum Retention Per Occurrence	500,000	No Change	500,000
Outstanding Reserves at 6/30/16 #3	2,806,314	Down From	4,169,368
Surplus (Expected Confidence Level) #4	6,183,396	Up From	3,966,235
Surplus (above a 70% Confidence Level) #5	6,078,554	Up From	3,633,140
Surplus (above an 80% Confidence Level) #5	5,815,615	Up From	2,998,083

#1 - Includes Actuary's Recommended Estimated Pooled Layer Funding at a 70% confidence level, claims administration and reinsurance costs.

#2 - Assets are reduced by accounts payable and dividend.

#3 - Reserves on open claims - one claim is capped at \$500,000. Reserves on claims between 1/01/15 and 6/30/16 have been removed as the program was fully insured through CSAC EIA.

#4 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses are undiscounted for investment income and include unallocated loss adjustment expense.

#5 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. Outstanding Losses are discounted for investment income and include unallocated loss adjustment expense.

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	2,628,908	0.64
Surplus : Retention	>5:1	2,500,000	12.37
Outstanding Reserves : Surplus	≤1.5:1	1,870,876	0.45

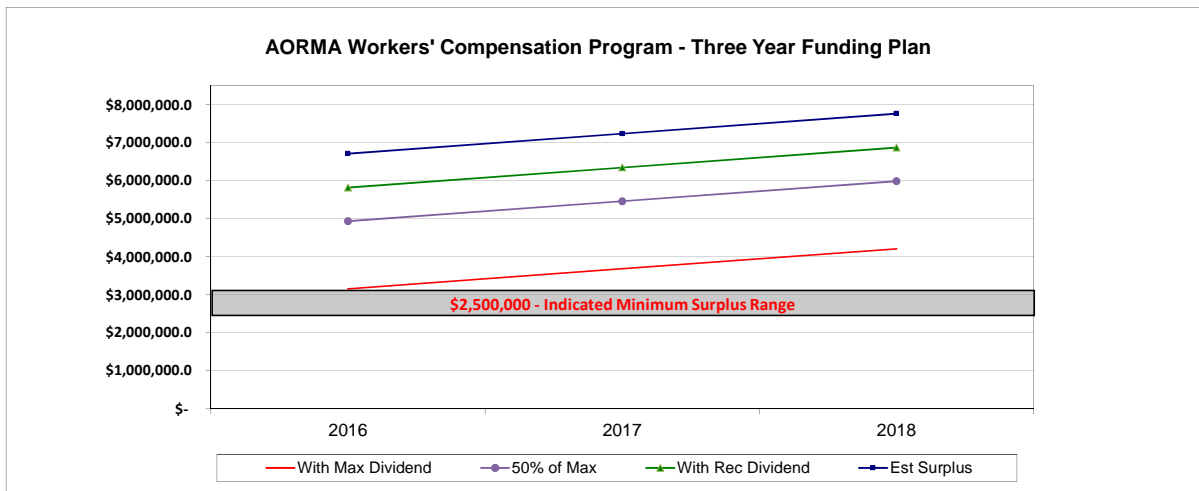
Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	6,078,554
Indicated Minimum Surplus (largest ratio amount)	2,628,908
Maximum Dividend Available	3,554,488
Dividend 50%	1,777,244
Dividend 33%	1,172,981
Dividend 25%	888,622

Approved on September 8, 2016

Confidence levels	Risk Factor	Pooled Layer Funding #5	Surplus
Expected	1.000	5,258,778	-
70%	1.100	5,784,656	525,878
80%	1.150	6,047,595	788,817
90%	1.300	6,836,411	1,577,633

#5 The Pooled Layer Funding is discounted for investment income and does not include the unallocated loss adjustment expense.

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/16	N/A	6,183,396	N/A	N/A
2017/18 - Collection @ 70% Confidence Level	525,878	6,709,274	3,154,786	5,820,652
2018/19 - Collection @ 70% Confidence Level	525,878	7,235,152	3,680,664	6,346,530
2019/20 - Collection @ 70% Confidence Level	525,878	7,761,030	4,206,542	6,872,408





CSURMA AORMA

**POLICY AND PROCEDURE NO. A-3
(FORMERLY 7-AORMA)**

SUBJECT: TARGET SURPLUS FUNDING POLICY

ADOPTED: JANUARY 10, 2007

EFFECTIVE: JANUARY 1, 2007

**AMENDED: OCTOBER 29, 2009
SEPTEMBER 16, 2010
OCTOBER 23, 2014
MAY 5, 2016**

Should there be any discrepancy between this document and either the MEMORANDUM OF COVERAGE or PARTICIPATION AGREEMENT between the AORMA Committee and the MEMBER, the MEMORANDUM OF COVERAGE and/or the PARTICIPATION AGREEMENT will govern.

POLICY:

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

The TARGET SURPLUS GOAL is hereby established to be, at a minimum, the actuarially determined 70% CONFIDENCE LEVEL, discounted for investment. In evaluating the Programs’ funding position relative to the TARGET SURPLUS GOAL as a part of each year’s ratemaking process, the AORMA COMMITTEE shall take into consideration the following ratios: Gross Premium to SURPLUS Ratio, SURPLUS to Pool Retention Ratio and Outstanding Reserves to SURPLUS Ratio.

The AORMA COMMITTEE may take action to set a higher or lower CONFIDENCE LEVEL based on AORMA’s goal to retain more or less risk.

PROCEDURE:

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA’s accredited independent actuary to perform an actuarial analysis of the Workers’ Compensation and Liability Programs. This analysis shall include ESTIMATED OUTSTANDING LOSSES (including IBNR) at various CONFIDENCE LEVELs as well as PROJECTED ULTIMATE LOSSES for the upcoming year(s). The analysis shall also compare the current program funding against the OUTSTANDING LOSSES and determine the CONFIDENCE LEVEL to which the program is currently funded. Because the Property

and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.

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

Gross Premium to Surplus Ratio: Target <1.5:1

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

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

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

Outstanding Reserves to Surplus Ratio: Target \leq 1.5:1

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

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

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

The Target Surplus Funding Analysis will be prepared for each self-funded program and presented to the AORMA COMMITTEE after the end of each fiscal year.

- 4. Dividends** – Dividends may be available from the amount of SURPLUS exceeding the TARGET SURPLUS GOAL amount established by the AORMA COMMITTEE. The allocation of any dividend shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.
- 5. Assessments** – Assessments may be required when the AORMA COMMITTEE determines that the amount of SURPLUS is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.



CSURMA AORMA

**POLICY AND PROCEDURE NO. A-3
(FORMERLY 7-AORMA)**

MEMBER APPEAL PROCESS:

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

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



DEFINITIONS:

AORMA COMMITTEE - The governing body of AORMA.

AORMA - Auxiliary Organizations Risk Management Alliance is a group of PROGRAMS that operate within the California State University Risk Management Authority representing the auxiliary organizations.

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

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

ESTIMATED OUTSTANDING LOSSES – Estimated Outstanding Losses are the cost of claims that have occurred but have not yet been paid. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE). They are calculated as projected ultimate losses less paid losses. Alternative, they are the sum of case reserves and incurred but not reported (IBNR) claims. Estimated Outstanding Losses are usually the largest single item listed as a liability the balance sheet of a public entity's financial statement. GASB Statement No. 10 requires they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claim liability and unpaid claims.

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

IBNR – Incurred but Not Reported losses.

MEMBER – The MEMBER is a signatory to the CSURMA Joint Powers Authority.

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.

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

PARTICIPATION AGREEMENT – A governing document of CSURMA AORMA which outlines the roles and responsibilities of AORMA and its MEMBERS.



CSURMA AORMA

**POLICY AND PROCEDURE NO. A-3
(FORMERLY 7-AORMA)**

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

PROJECTED ULTIMATE LOSSES – Projected Ultimate Losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected Ultimate Losses are the total loss costs for a particular period. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

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

TARGET SURPLUS GOAL – The amount of cash equivalent available to pay claims in excess of actuarial 70% CONFIDENCE LEVEL discounted for investment income.



CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

SUBJECT: DIVIDENDS & ASSESSMENTS

ADOPTED: MARCH 8, 2007

**AMENDED: OCTOBER 29, 2009
SEPTEMBER 16, 2010
OCTOBER 23, 2014
MAY 5, 2016**

EFFECTIVE: JULY 1, 2007

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

Should there be any discrepancy between this document and either the MEMORANDUM OF COVERAGE or PARTICIPATION AGREEMENT between the AORMA Committee and the MEMBER, the MEMORANDUM OF COVERAGE and/or the PARTICIPATION AGREEMENT will govern.

POLICY

It is the policy of the AORMA COMMITTEE that:

1. Evaluation of the funding for each Self-Insured PROGRAM shall be made based on all coverage periods combined for that particular PROGRAM rather than on each coverage period on its own. The availability of any dividend or need for any assessment will be determined based on the PROGRAM's overall funding relative to the Target Surplus Goal detailed in the separate Policy and Procedure No. A-3.
2. Assessments and Dividends shall be allocated to the MEMBERS based on participation in "open" policy periods only.
3. Unless the AORMA COMMITTEE takes specific action to the contrary, a coverage period shall be considered "closed" for dividend and assessment purposes five (5) years from the expiration of that period (i.e. 6/30/03 for FY 07/08).
4. Assessments are a responsibility of membership and shall be allocated to all MEMBERS who participated in the open policy periods which the assessment is based on, regardless of whether they are current MEMBERS at the time the assessment is declared.
5. Dividends are a privilege of membership and shall be allocated only to the current MEMBERS in the PROGRAM at the time the dividend is declared who participated in one or more of the open policy periods which the dividend is based on.

PROCEDURE

- 1. Annual Funding Analysis** – Each year the Program Director will analyze the current funding position of the PROGRAMs in accordance with the Target Surplus Goal detailed in Policy and Procedure No. A-3. This analysis will, in part, determine whether the PROGRAM’s overall funding is sufficient to consider a dividend or is depleted to the point of considering an assessment. The Program Director’s analysis will be reviewed by the AORMA COMMITTEE.
- 2. Closure of Policy Periods** - Upon reaching five (5) years of maturity after the end of a coverage period, that period shall be "closed" and there shall be no further dividends or assessments allocated with respect to those PROGRAM periods. Notwithstanding the above, the AORMA COMMITTEE may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last five (5) policy periods shall always remain "open" unless the AORMA COMMITTEE takes specific action to declare any of the last five (5) policy periods closed.
- 3. Dividends and Assessments** - Dividends and assessments shall be allocated to the MEMBERS based upon the proportion of all premiums paid to the PROGRAM in all "open" periods only. For purposes of allocating dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered collectively.
- 4. DECLARATION OF ASSESSMENTS** – Assessments will be declared as needed by the AORMA COMMITTEE, and will be collected from a MEMBER in accordance with its proportionate funding to the PROGRAM during all “open” policy periods, whether or not they currently participate in the PROGRAM at the time of the assessment.
- 5. DECLARATION OF DIVIDENDS** – The AORMA COMMITTEE may declare dividends if overall funding is sufficient to support such action. Upon such a declaration, the dividend shall be allocated to those MEMBERS currently participating in the PROGRAM at the time the dividend is declared, based on the proportionate funding of all “open” policy periods.

MEMBER APPEAL PROCESS

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

If a MEMBER wishes to appeal the AORMA COMMITTEE’s decision, the MEMBER will notify the CSURMA Secretary-Auditor in writing within 5 business days of receipt of the AORMA COMMITTEE’s decision. The CSURMA Executive Committee will then review the



CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

appeal at its next meeting or sooner. The CSURMA Executive Committee's decision will be the final determination.

DEFINITIONS:

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

AORMA COMMITTEE – The governing body of AORMA.

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

MEMBER – The MEMBER is a signatory to the CSURMA Joint Powers Authority.

PROGRAM – For purposes of dividends and assessments, AORMA's PROGRAMs are the Liability, Workers' Compensation, Property and Crime.

2016 WORKERS' COMPENSATION PAYROLL DESK AUDITS

ISSUE: Annually, Staff performs “desk” payroll audits of ten (10) Workers’ Compensation Program members. As directed by the Program Committee, Staff will audit any member who has an experience modification factor in excess of 1.00 (unless they were audited the previous year), any members with an experience modification factor in excess of 1.25 (even if they were audited the previous year) and a random selection of members.

Based on the review of loss information and payroll information, Staff found that some claims were not coded with the correct class code.

RECOMMENDATION: Staff recommends that the Programs Committee discuss how payroll is reported and the claims are coded. There are two opportunities to code the claim - first by the member within the Form 5020 (Employer’s Report of Occupational Injury or Illness) and second by Sedgwick CMS, after the Form 5020 is received. Based on the description of the incident, Sedgwick CMS will classify the claim using the AORMA Explanation of Class Codes.

FISCAL IMPACT: None at this time.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. 2016 Desk Audit
- b. AORMA Workers’ Compensation – Explanation of Classification Codes
- c. AORMA Workers’ Compensation – Payroll Rules to Follow
- d. Policy and Procedure W-3 – Requirement of Members to Maintain Experience Modification of 1.25 or Less

2016 Workers Compensation Payroll Disk Audits

Payroll for FY 16/17							
Loc #	Ex Mod	Clerical 1001	Professional/ Student Activity 1002	Retails Ops 1004	Sports and Day Care 1005	Food Service 1006	Manual Labor 1007
1	1.29	679,800	5,356,000				679,800
2	1.15	13,024,613	1,430,396		385,455		514,268
3	1.22	2,170,000		2,250,000		4,300,000	60,000
4	1.45	1,415,726			428,706		302,154
5	1.25	5,520,082	2,838,208		967,623	1,505	
6	1.03	1,902,250	20,760		914,900	23,770	193,130
7	1.40	3,090,000			1,339,000	92,700	1,236,000
8	1.02	7,400,000	3,700,000	1,680,000	450,000	7,000,000	4,000,000
9	2.19	303,330	304,399			15,613	9,031
10	1.13	218,216	128,046	107,597			52,500

Total Incurred Claims @ 06/30/16								Number of Claims @ 06/30/16					
Loc #	Ex Mod	Clerical 1001	Professional/ Student Activity 1002	Retails Ops 1004	Sports and Day Care 1005	Food Service 1006	Manual Labor 1007	Clerical 1001	Professional/ Student Activity 1002	Retails Ops 1004	Sports and Day Care 1005	Food Service 1006	Manual Labor 1007
1	1.29	\$ 26,358	\$ 4,437		\$ 1,680	\$ 1,944	\$ 18,336	6	9		3	1	8
2	1.15	\$ 137,982	\$ 533		\$ 290		\$ 110,975	14	3		1		12
3	1.22	\$ 60,015		\$ 425,851	\$ 251	\$ 87,485	\$ -	11		30	2	92	1
4	1.45	\$ 718			\$ 7,927		\$ 65,627	2			8		9
5	1.25	\$ 39,750	\$ 2,779		\$ 134,167		\$ 180	17	7	5	92		1
6	1.03	\$ 819	\$ 1,878		\$ 32,829		\$ -	1	1		21		1
7	1.40	\$ 856	\$ 26,561		\$ 91,598		\$ 133,896	2	2		24		16
8	1.02	\$ 18,991	\$ 2,842	\$ 32,469	\$ 19,158	\$ 833,083	\$ 302,532	13	5	9	3	119	77
9	2.19	\$ 30,393						1					
10	1.13	\$ 499	\$ 285	\$ 276	\$ 466		\$ 335	3	2	1	1		1

AORMA Workers' Compensation Explanation of Classification Codes

1001	Formerly	
	8810 Parts of 8742	<u>Primarily Clerical, Administrative and Non-manual, Non-instructional</u> <ul style="list-style-type: none"> ▪ Office employees (responsibility in an office or confined setting) including clerical, accounting, computer technicians, analysts and operators, newspaper production (using computers – not printing press). ▪ Office machine, computer and telephone - installation and repair ▪ Graphic design, radio, TV or commercial broadcasting stations (those who work in the station, not engineers who climb towers – #1007). ▪ Research that is primarily in an office or confined setting such as statistical analysis (not involving the use of machinery, chemicals or manual/physical labor).
1002	Formerly	
	8868 9151 Parts of: 8742 9101 9156	<u>Primarily Professional/Student Activity Functions, Consulting, Certain Aspects of Performing Arts and Off-Site work not physical in nature</u> <ul style="list-style-type: none"> ▪ Non-instructional, non-clerical and non-manual positions that require employees to leave campus or worksites on a routine basis such as public relations, outside sales, home site visits, etc. ▪ Offsite work that is not manual labor, such as public relations, lobbying, speakers, counseling, etc. ▪ Consulting – mechanical engineering, electrical engineering, electronic engineering, mining and architects. ▪ Professors, teachers, student teachers, counselors, tutors, advisors; classroom or instructional camps; classroom-related activities, speakers. ▪ Performers, musicians, directors, conductors, etc. ▪ Motion picture or video production.
1004	Formerly	
	8008 8071 Parts of: 9101	<u>Retail</u> <ul style="list-style-type: none"> ▪ All retail operations including books, groceries, delicatessen (already prepared foods), wearing apparel, bicycles and accessories. Includes Vending or coin operated machines. <i>(Those involved in clerical/administrative support functions for retail operations where not called upon to stock or prepare merchandise and where separated from floor operations may be classified as clerical/administrative – #1001.)</i>
1005	Formerly	
	9053 9059 9092	<u>Sports/Activity/Day Care Centers</u> <ul style="list-style-type: none"> ▪ Exercise or health institutes, swimming pools; swimming, tennis, or racquetball clubs; bowling centers, billiard halls, skating centers.

	Parts of: 9182 9156	<ul style="list-style-type: none"> ▪ Day care center workers unless otherwise classified (<i>e.g., day care center cook would be classified as food service; clerical separated and uninvolved in floor activities could be clerical</i>). ▪ Camps ▪ Athletic teams and those associated with the teams: ticket sales and collection, trainers, coaches (not athletic field maintenance – #1007). ▪ Security/patrol functions.
1006	Formerly	
	9079 Parts of: 9101 9053	<u>Food Service</u> <ul style="list-style-type: none"> ▪ Employees involved in the stocking, preparation, delivery, and clean up of food products whether retail, residence hall, restaurant, concession, etc. (<i>Does not include the stocking and sale of pre-packaged foods sold in bookstores or other retail establishments such as convenience stores – unless preparation is involved.</i>)
1007	Formerly	
	0040 9011 Parts of: 8742 9101 9182	<u>Primarily Involves Manual Labor and/or Use of Machinery or Chemicals, or Work is Largely of a Physical Nature</u> <ul style="list-style-type: none"> ▪ Agriculture-related production, care and maintenance: nurseries, orchards, livestock, poultry, crops, landscape, riparian restoration and reforestation activities involving mainly hand tools. ▪ Creameries and dairy production, meat labs, winery operations. ▪ Stables, riding clubs, horse shows, dog shows, animal exhibitions. ▪ Research field work primarily involving physical or manual activity, such as archeology digs, sample gathering of plants, animals, fish, etc., and Lab work primarily involving testing and analysis using chemicals, machinery. Includes testing air, water, soil, metal, concrete and other building materials; quality control of electronic components or machinery. ▪ Maintenance, janitorial, room set-ups, athletic park maintenance (both structure and grounds) and painting. Involves the use of tools, equipment, solvents, cleaning supplies. ▪ Printing (offset) newspapers and other presses (as opposed to copy machine operation). ▪ Radio engineers who work on outside towers and equipment. ▪ Museum curators (if responsible for hanging and displaying artifacts); stagehands and lighting technicians. ▪ Beverage container & paper recycling collection.
Other		<p>If you have activities that you feel do not fit within the categories above, please call or e-mail Mimi Long (415) 403-1423 mlong@alliant.com to discuss the category to which they should be assigned.</p>

AORMA Workers' Compensation Payroll Rules to Follow

Revision Date: March 21, 2014

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

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

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

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

Division of Single Employee's Payroll:

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

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

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

WORKERS' COMPENSATION PROGRAM VOLUNTEER CLAIMS

ISSUE: Policy and Procedure W-6, confirms that a workers' compensation program member may elect to extend its workers' compensation coverage to its volunteers. It also outlines the procedures to be followed in order to extend coverage, and it notes that the volunteer losses may be reviewed annually to ensure the rating integrity of the workers' compensation program.

Currently, the workers' compensation member allocation formula does not include a premium charge for volunteers. Since inception of the AORMA workers' compensation program in 2005, the total incurred for volunteer losses is \$207,963.

RECOMMENDATION: Staff recommends that the Committee review the volunteer claims and direct staff as appropriate.

FISCAL IMPACT: None at this time.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Workers' Compensation volunteer claims
- b. Policy and Procedure W-5 – Workers' Compensation Volunteer Coverage

**AORMA Workers' Compensation Program
Volunteers Claims
FY 05/06 - FY 15/16**

Date of Injury	Org 1	Insured	Incident Type Desc	Injury Illness Desc	Total Incurred
3/31/2005	Student Life and Service	AO CSU Sacramento ASI	Bite	Dog bite on left upper arm	\$ 174
2/26/2006	Student Union	AO CSU Chico ASI	Caught / Crushed In / By / Under	bruised thumbs	\$ 186
3/21/2006	3801 W Temple Ave., Bldg 35	AO Cal Poly Pomona, ASI	Struck by / Against	Nose Fractured	\$ 1,004
5/20/2006	ALL	AO CSU Long Beach ASI	Struck by / Against	Left hip	\$ 8,809
6/26/2006	Dining Services	AO SJSU Spartan Shops, Inc.	Running / Walking	Tripped and fell on metal sidewalk grate cover and twisted left ankle.	\$ 6,209

FY 05/06 Total: \$ 16,382

10/14/2006	Activity Fee	AO CSU Chico ASI	Running / Walking	Partial tear to left achilles tendon.	\$ 513
1/14/2007	Activity Fee	AO CSU Chico ASI	Slip / Trip / Fall	cut on right cheek & chin	\$ 217
2/17/2007	Activity Fee	AO CSU Chico ASI	Sport Activity	Left hand Fracture	\$ 1,188
4/14/2007	Agriculture/Swanton/Dairy	AO Cal Poly Corporation	Fall from Elevation	broken, crushed, fractured hand	\$ 827
5/10/2007	Aztec Center	AO San Diego State University ASI	Slip / Trip / Fall	sprained right wrist	\$ 82

FY 06/07 Total: \$ 2,827

9/11/2007	Dining Services	AO SJSU Spartan Shops, Inc.	Struck by / Against	head and neck	\$ 1,206
9/27/2007	Student Union	AO CSU Chico ASI	Struck by / Against	sustained trauma/force to left big toe	\$ 229
4/3/2008	ASI Recreation Center	AO Cal Poly University San Luis Obispo ASI	Fall from Elevation	Possible fracture - back	\$ 396

FY 07/08 Total: \$ 1,831

10/5/2008	Activity Fee	AO CSU Chico ASI	Vehicle Accident/Collision	19 year old female volunteer driver for a CAVE program field trip at Bunker Road in Marin county with strain to back and neck after car braked in front of her as she was following too closely and hit the car in front of her	\$ 269
3/19/2009	Performing Arts Center	AO Cal Poly Corporation	Struck by / Against	Left foot injury	\$ 164

FY 08/09 Total: \$ 434

7/28/2009	Administration/Business Office	AO Cal Poly Corporation	Bite	sting or bite lower back	\$ 278
7/28/2009	Administration/Business Office	AO Cal Poly Corporation	Exposure / Other	poison oak or pollen reaction - multiple NOC	\$ 149
7/30/2009	Administration/Business Office	AO Cal Poly Corporation	Exposure / Other	poison oak or pollen reaction multiple noc	\$ 249
8/25/2009	Mission Bay Aquatic Center	AO San Diego State University ASI	Struck by / Against	Head Injury	\$ 108
11/30/2009	Dining Services	AO SJSU Spartan Shops, Inc.	Running / Walking	contusions: right hand, right wrist, right shoulder & arm; right hip	\$ 298

FY 09/10 Total: \$ 1,083

**AORMA Workers' Compensation Program
Volunteers Claims
FY 05/06 - FY 15/16**

Date of Injury	Org 1	Insured	Incident Type Desc	Injury Illness Desc	Total Incurred
9/14/2010	Agriculture/Swanton/Dairy	AO Cal Poly Corporation	Bite	Hornets Stung the EE on back	\$ 216
10/2/2010	Student Union	AO CSU Chico ASI	Jumping	right knee strained	\$ 363
10/21/2010	3801 W Temple Ave., Bldg 35	AO Cal Poly Pomona, ASI	Slip / Trip / Fall	broken ankle	\$ 13,185
1/17/2011	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo ASI	Sport Activity	Injuries include swelling and scrapes to the face, bruising behind right ear, scrapes on lower back	\$ 654
1/22/2011	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo ASI	Cut / Puncture / Scrape	Injuries include a 1.5" laceration to the right forearm	\$ 668
FY 10/11 Total:					\$ 15,085
10/12/2011	Activity Fee	AO CSU Chico ASI	Sport Activity	level 2 fracture to right ankle	\$ 412
2/11/2012	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo ASI	Cut / Puncture / Scrape	laceration on left hand	\$ 625
6/28/2012	Sponsored Projects	AO Cal Poly Corporation	Exposure / Other	chemical burn, stress and anxiety from injury	\$ 819
FY 11/12 Total:					\$ 1,856
8/20/2012	Administrative	AO San Diego State University ASI	Lifting /Carrying	lower back	\$ 271
9/5/2012	Grants and Contracts	AO University Auxiliary and Research Services Corporation CSU San Marcos	Lifting /Carrying	sprain/strain of unspecified site of left shoulder and upper left arm	\$ 924
1/29/2013	Agriculture/Swanton/Dairy	AO Cal Poly Corporation	Vehicle Accident/Collision	fractured right leg - tib/fib	\$ 112,880
2/9/2013	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo ASI	Struck by / Against	NASAL CONTUSION, ABRASIONS OF THE FACE, FACIAL LACERATION (NASAL), CHIPPED TEETH, CONCUSSION	\$ 8,517
FY 12/13 Total:					\$ 122,593
7/17/2013	TUC Grants & Contracts	AO The University Corp./CSU Northridge	Horseplay/recreation	Ankle sprain	\$ 289
7/25/2013	Mission Bay Aquatic Center	AO San Diego State University ASI	Cut / Puncture / Scrape	Cut on toes of left foot	\$ 796
9/17/2013	Student Union	AO CSU Chico ASI	Struck by / Against	Left toe (digit unknown)	\$ 70
9/23/2013	3801 W Temple Ave., Bldg 35	AO Cal Poly Pomona, ASI	Horseplay/recreation	Fourth finger contusion on left hand	\$ 201
FY 13/14 Total:					\$ 1,356
10/9/2014	Maintenance Department	AO Forty Niner Shops, CSULB	Repetitive Action / Motion	Back, upper & lower ext., psyche, neck, neuro, sleep disorder, hands, elbows, head.	\$ 27,500

**AORMA Workers' Compensation Program
Volunteers Claims
FY 05/06 - FY 15/16**

Date of Injury	Org 1	Insured	Incident Type Desc	Injury Illness Desc	Total Incurred
10/12/2014	ASI Recreation Center	AO Cal Poly University San Luis Obispo ASI	UNKNOWN Value from Tail Conversion	broken big right toe	\$ 489
1/29/2015	Sponsored Projects	AO Cal Poly Corporation	Cut / Puncture / Scrape	Laceration to finger	\$ 269
2/5/2015	Agriculture/Swanton/Dairy	AO Cal Poly Corporation	Exposure / Other	Poison oak rash	\$ 132
3/26/2015	ASI Recreation Center	AO Cal Poly University San Luis Obispo ASI	UNKNOWN Value from Tail Conversion	Possible infection in employee's right eye	\$ 452
4/22/2015	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo ASI	Caught / Crushed In / By / Under	Crushed second toe on right foot	\$ 370

FY 14/15 Total: \$ 29,214

7/5/2015	Campus Program/Other	AO Cal Poly Pomona Foundation	Lifting /Carrying	Student hurt her back while shoveling dirty hay.	\$ 2,271
7/31/2015	Campus Recreation	AO San Diego State University ASI	Horseplay/recreation	Hit head on ground. Dizziness, blurred vision.	\$ 309
10/24/2015	3801 W Temple Ave., Bldg 35	AO Cal Poly Pomona, ASI	Struck by / Against	Right foot toe injury.	\$ 12,724

FY 15/16 Total: \$ 15,303

All Volunteer Claims: \$ 207,963

Average Cost per year: \$ 18,906



CSURMA AORMA

**POLICY AND PROCEDURE NO. W-5
(FORMERLY W-6)**

SUBJECT: VOLUNTEER COVERAGE

ADOPTED: JANUARY 12, 2005

EFFECTIVE: JANUARY 1, 2005

**AMENDED: DECEMBER 8, 2009
MARCH 20, 2014
MAY 5, 2016**

Should there be any discrepancy between this document and either the MEMORANDUM OF COVERAGE or PARTICIPATION AGREEMENT between the AORMA Committee and the MEMBER, the MEMORANDUM OF COVERAGE and/or the PARTICIPATION AGREEMENT will govern.

POLICY:

It is the policy of AORMA to adopt the procedures outlined in this document for purposes of determining AORMA's exposure to Workers' Compensation claims of volunteers from each MEMBER wishing to provide Worker's Compensation coverage to its volunteers.

PURPOSE:

The CSURMA AORMA COMMITTEE agreed that coverage would be extended to volunteers per California Labor Code Section 3363.6. This Policy and Procedure describes the process by which an evaluation may take place to determine possible CSURMA AORMA exposures to those MEMBERS wishing to insure Worker's Compensation claims involving volunteers.

BACKGROUND:

California Labor Code Section 3363.6 provides that a person who performs voluntary service without pay for a private, nonprofit organization, as designated and authorized by the board of directors of the organization, shall, when the board of directors of the organization, in its sole discretion, so declares in writing and prior to the injury, be deemed an employee of the organization for the purposes of Workers' Compensation while performing such service.

Labor Code Section 3363.6 incorporates the following definition: "voluntary service without pay" shall include:

1. The performance of service by a parent, without remuneration in cash, when rendered to a cooperative parent participation nursery school if such service is required as a condition of participation in the organization.



CSURMA AORMA

POLICY AND PROCEDURE NO. W-5 (FORMERLY W-6)

2. The performance of services by a person who receives no remuneration other than meals, transportation, lodging or reimbursement for incidental expenses.

PROCEDURES:

The following steps will be taken by AORMA MEMBERS to affect the policy:

1. Each MEMBER electing to cover volunteers for Workers' Compensation claims shall provide the Program Administrator a copy of the MEMBER's board resolution declaring that its volunteers shall be deemed employees for the purposes of Workers' Compensation.
2. MEMBERS choosing not to cover volunteers shall file a written statement with AORMA stating that Workers' Compensation coverage shall not be provided to volunteers. This written statement shall also acknowledge that AORMA will not cover the MEMBER's volunteers for Worker's Compensation claims.
3. Beginning in January 2010, the Program Administrator may evaluate the actual losses from volunteers for each MEMBER for the prior Program Year and provide a report of AORMA's volunteer exposure to the AORMA PROGRAMS COMMITTEE at its next scheduled meeting for further information and direction as may be needed to ensure the rating integrity of the plan.

MEMBER APPEAL PROCESS:

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

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



DEFINITIONS:

AORMA: The Auxiliary Organizations Risk Management Alliance is a group of programs that operate within the California State University Risk Management Authority representing the auxiliary organizations.

AORMA COMMITTEE: The governing body of AORMA.

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

MEMBER – The Member is a signatory to the CSURMA Joint Powers Authority as well as the AORMA Workers' Compensation Program Participation Agreement.

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.

PARTICIPATION AGREEMENT – A governing document of CSURMA AORMA which outlines the roles and responsibilities of AORMA and its MEMBERS.

PROGRAMS COMMITTEE - The Programs Committee oversees the management of all programs not otherwise assigned to another committee, including, but not limited to, the Liability, Workers' Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and Foreign Travel Liability Programs, as well as new program development. The Committee will assist in the review of annual actuarial reports and the development of rating plans for allocation of annual costs, policies and coverage documents. Training, service provider RFP development and selection will also be handled by this Committee. The Programs Committee will act as a liaison to the AOA Human Resources Committee.

**LOSS CONTROL / RISK MANAGEMENT / CLAIMS ADMINISTRATION
 ALLIANT RISK CONTROL CONSULTING**

ISSUE: The contract with Alliant Risk Control Consulting will expire on June 30, 2017. The Committee will be asked to discuss the current contract and provide direction to Staff as appropriate.

RECOMMENDATION: Staff recommends that the Committee discuss the services provided, the member responses received (via the vendor survey) and provide direct to Staff as appropriate.

FISCAL IMPACT: None at this time. Noted below are the historical fees for ARCC’s services.

Alliant Risk Control Consulting Historical Fee Schedule			
Fiscal Year	Per Day Cost	Hourly Cost	Annual Cost
FY 09/10	\$1,500	Various	\$87,465
FY 10/11	\$1,545	Various	\$85,005
FY 11/12	\$1,450	\$181.25	\$58,000
FY 12/13	\$1,450	\$181.25	\$72,500
FY 13/14	\$1,450	\$181.25	\$102,000
FY 14/15	\$1,450	\$181.25	\$87,000
FY 15/16	\$1,450	\$181.25	\$87,000
FY 16/17	\$1,550	\$193.75	\$93,000

BACKGROUND: AORMA has had a contract with ARCC since 2006 and the scope of service has been similar over the years.

PUBLICATION: None.

ATTACHMENT(S):

- a. Survey Results
- b. Utilization Report
- c. Contract

Q7.a to Q7.g Alliant Loss Control & Safety Services

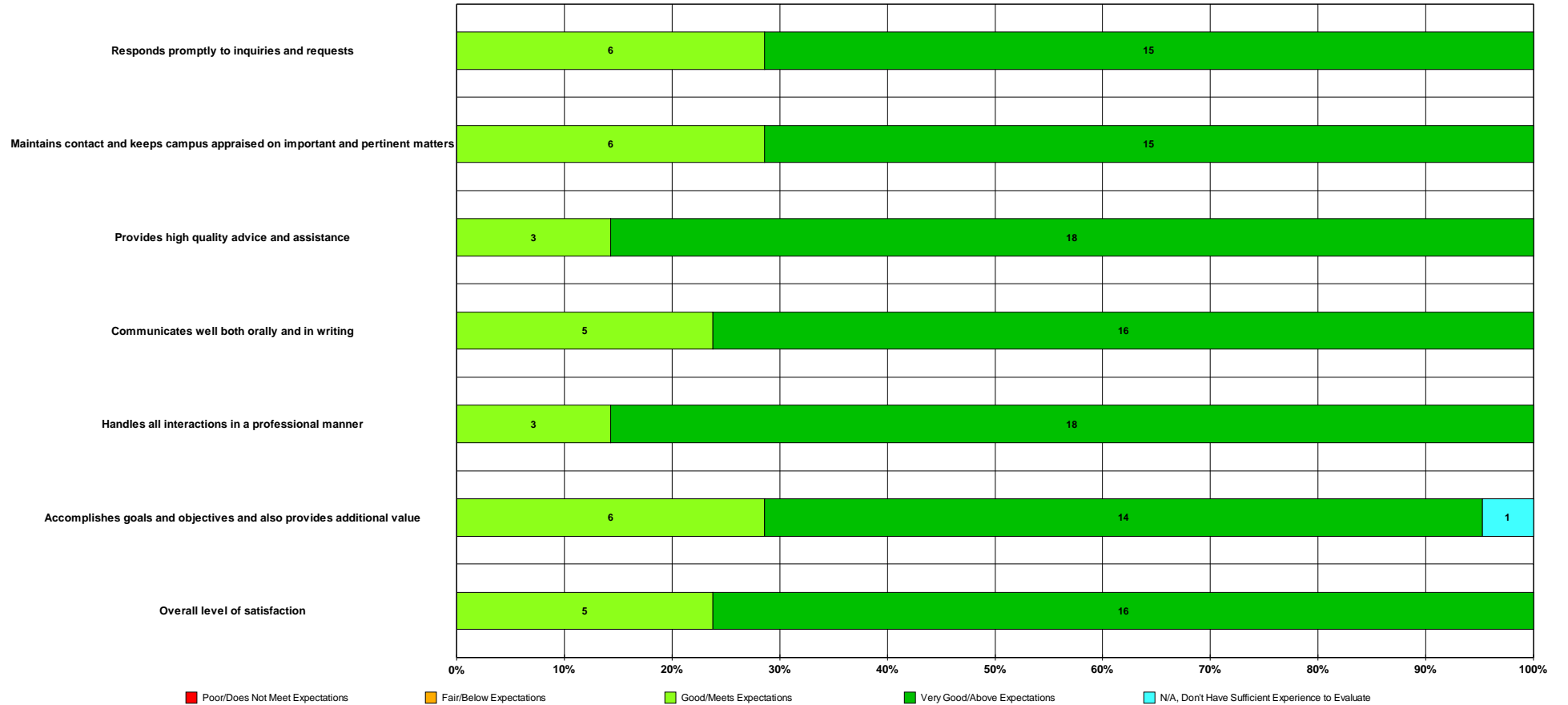
Analysis...: Q7.a to Q7.g
 Filter.....: All Respondents
 Score.....: Weight WT1
 Cells.....: Counts, Respondents

	Total	Mean					
			Poor/Does Not Meet Expectations	Fair/Below Expectations	Good/Meets Expectations	Very Good/Above Expectations	N/A, Don't Have Sufficient Experience to Evaluate
Base	147	3.77	-	-	34	112	1
Responds promptly to inquiries and requests	21	3.71	-	-	6	15	-
Maintains contact and keeps campus apprised on important and pertinent matters	21	3.71	-	-	6	15	-
Provides high quality advice and assistance	21	3.86	-	-	3	18	-
Communicates well both orally and in writing	21	3.76	-	-	5	16	-
Handles all interactions in a professional manner	21	3.86	-	-	3	18	-
Accomplishes goals and objectives and also provides additional value	21	3.70	-	-	6	14	1
Overall level of satisfaction	21	3.76	-	-	5	16	-

Q7.a to Q7.g Alliant Loss Control & Safety Services

Analysis...: Q7.a to Q7.g
 Filter.....: All Respondents
 Options.. : Transposed
 Cells.....: Counts, Respondents

Q7.a to Q7.g Alliant Loss Control & Safety Services



Please use the space below to provide us with any additional comments or suggestions: Alliant Loss Control & Safety Services

Analysis.: Please use the space below to provide us with any additional comments or suggestions:

Filter.....: All Respondents

Options.. : Transposed

Please use the space below to provide us with any additional comments or suggestions:

good job!

None

N/A

always responsive

N/A

TBD

No additional comments or suggestions at this time.

Excellent

nothing to state

n/a

Brett Escoubas is great but can use some time tailoring his presentations more specifically to the expertise type and level of the crowd.

n/a

We had an item that was "lost" and loss control was great. They kept us informed and updated as much as they could.

It would be good to clone Brent.

No comment

N/A

I know that I can always rely on Brent to give great service and advice. He could use some assistance.

Great! always helpful

Have especially appreciated the support and assistance of Brent Escoubas.

Proactive use of LCSS has been helpful but maybe a quarterly news letter (email) would heighten customer awareness.

n/a

Alliant Risk Control Consulting Loss Control Services Agreement

This agreement is made and entered into effective July 1, 2016 through June 30, 2017. The parties to this agreement are the CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY ("CSURMA") and ALLIANT RISK CONTROL CONSULTING ("ARCC"). CSURMA and ARCC are hereinafter collectively referred to as "the Parties."

The Parties, for and in consideration of the promises and covenants hereinafter contained to be kept and performed do agree as follows:

1. ARCC Provided Safety Days

ARCC will develop and present up to 60 Safety Days to the AORMA members.

- a. The Cost will be \$1,550 per day X 60 days, or \$93,000 (Ninety Three Thousand Dollars) annually.
- b. Partial days will be charged in hourly increments at a rate of \$193.75 an hour. Travel costs are included in this rate.
- c. All safety days include travel expenses and training materials.
- d. Any credits from unused prior year's contract will be applied to the current contract.
- e. In the event AORMA exhausts all existing funds (including previous years) during the policy period, rates will be billed monthly as described in items a. and b., above.

Safety Days may be used for any Risk Management or safety-related topic. Topics may be customized to each Auxiliary and may include live training, fact sheets, industrial hygiene, webinars, written programs or applicable risk management topics.

ARCC will not conduct additional work requiring billed rates over and beyond the contract without prior written approval from the AORMA committee. In the event, industrial hygiene services, laboratory analysis or other special equipment will be needed beyond the typical scope of a safety day; rates will be presented to the AORMA committee for approval.

2. Safety Assessment Priority

Priority will be given to members that have leading workers' compensation and general liability losses within AORMA as well as members with special projects and requests (such as new exposures, equipment and specialized training).

3. Experience Modification Reduction Plan

ARCC will review the workers' compensation losses for those AORMA members with an experience modification factor of between 1.10 and 1.25 and provide recommendations

as how to best reduce future losses. For those AORMA members with an experience modification in excess of 1.25, ARCC will meet with the AORMA member and assist in creating an experience modification reduction plan.

4. First Aid and CPR Training

ARCC has partnered with "Onsite Training" to provide cost effective First Aid, CPR, AED and BBP training to AORMA members. Onsite Training is authorized to teach classes following the guidelines of the Red Cross, AHA and EMS. Members may choose to use safety day funds towards First Aid/CPR Training.

5. Videos, Newsletters, Factsheets and Webinars

Members will receive invites to Alliant Risk Control's periodic safety and property webinars as well as email newsletters, custom videos and factsheets based upon various safety, risk management and insurance topics.

6. Insurance

ARCC 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 ARCC, its agents, representatives, or employees. Coverage shall be at least as broad as:

- a. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- b. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if ARCC 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.
- c. 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.
- d. Professional Liability (Errors and Omissions) Insurance appropriate to ARCC's profession, with limits no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

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

7. Other Insurance Provisions

- a. Additional Insured Status - California State University Risk Management Authority, members of Auxiliary Organizations Risk Management Alliance, their officers, directors, members and agents are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the ARCC including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the ARCC's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).
- b. Primary Coverage - For any claims related to this contract, ARCC's insurance coverage shall be primary. Any insurance or self-insurance maintained by CSURMA AORMA shall be excess of ARCC's insurance and shall not contribute with it.
- c. Notice of Cancellation - Each insurance policy required above shall state that coverage shall not be canceled, except with notice to CSURMA.
- d. Waiver of Subrogation - ARCC hereby grants to CSURMA a waiver of any right to subrogation which any insurer of said ARCC may acquire against CSURMA by virtue of the payment of any loss under such insurance. ARCC agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CSURMA has received a waiver of subrogation endorsement from the insurer.
- e. Deductibles and Self-Insured Retentions - Any deductibles or self-insured retentions must be declared to and approved by CSURMA. CSURMA may require the ARCC to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
- f. Acceptability of Insurers - 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 CSURMA.
- g. Claims Made Policies - 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 ARCC must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- h. Verification of Coverage - ARCC shall furnish CSURMA 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 CSURMA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the ARCC's obligation to provide them. CSURMA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- i. Subcontractors - ARCC shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and ARCC shall ensure that CSURMA is an additional insured on insurance required from subcontractors.
- j. Special Risks or Circumstances - CSURMA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

8. Indemnification

ARCC agrees to indemnify, defend and hold harmless the California State University Risk Management Authority, members of Auxiliary Organizations Risk Management Alliance, their officers, directors, members and agents with regard to any and all claims, penalties, liabilities, damages, actions, causes of action and expenses of any nature (including but not limited to legal costs and attorney's fees) arising out of or relating to any negligence or willful misconduct by ARCC in performing under this agreement.

9. Termination

Either ARCC or CSURMA may terminate, with or without cause, this agreement at any time by giving the other party thirty (30) days written notice.

10. Use, Ownership and Confidentiality of Information

ARCC shall not utilize any information made available to it by reason of this agreement for pecuniary gain not contemplated by the terms of this agreement, regardless of whether ARCC is or is not under contract at the time such gain is realized.

Any information made available to ARCC by reason of this agreement or any report, survey, or other product developed by ARCC pursuant to this agreement is exclusively the property of CSURMA. Any such information and materials shall not be used by ARCC for any purpose or in any manner not authorized by CSURMA. ARCC disavows any ownership interest in such information and materials. CSURMA is not intending to, and does not, grant to ARCC any express or implied license or other rights to in the information or materials, except the limited right to use the information in accordance with this agreement.

Within seven calendar days from the termination or expiration of this agreement, ARCC will return to CSURMA any information it received from CSURMA.

ARCC shall treat as confidential any information made available to it by reason of this agreement. ARCC will not release or disclose any such information without the express approval of CSURMA. To the extent it is necessary for ARCC to disclose CSURMA's information to a third party, ARCC shall limit the information disclosed to the minimum

amount required for it to perform its obligations under this agreement and shall inform the third-party that the information is to be treated as confidential.

ARCC shall maintain the privacy of any information made available to it by reason of this agreement. ARCC represents and warrants that its collection, access, use, storage, disposal and disclosure of any such information will comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations.

ARCC shall protect any information made available to it by reason of this agreement from any unauthorized use or disclosure. ARCC shall use the same level of care in preventing the unauthorized use and disclosure of this information that it uses to protect its own similar information. In no event, however, shall ARCC use less than reasonable care.

ARCC will immediately notify CSURMA of any unauthorized use or disclosure of its information or other materials. ARCC will take all reasonable remedial and corrective measures to address the incident, including the prevention of future incidents.

This Paragraph shall not apply to any information or material which is or becomes publicly available other than as a result of a breach of this section by ARCC; is already otherwise rightfully in ARCC's possession; is independently developed by ARCC outside the scope of this agreement; or, is rightfully obtained by ARCC from third-parties outside the scope of this agreement.

11. No Assignment or Delegation

The Parties recognize that this agreement is one for personal services and cannot be assigned or delegated, in whole or in part, by either party without the prior written consent of the other party.

12. Independent Contractor

In performing under the terms of this agreement, ARCC and its agents, personnel and employees shall act in an independent capacity and not as employees of CSURMA.

13. Applicable Law and Dispute Resolution

This agreement shall be deemed to be made in California, and shall be governed by and interpreted in accordance with the laws of the State of California.

Any dispute or claim arising under or relating to this agreement which is not resolved within a reasonable period of time by authorized representatives of the Parties shall be brought to the attention of the Chief Executive Officer (or designated representative) of ARCC and the Chair (or designee) of CSURMA for joint resolution. At the request of either party, CSURMA shall provide a forum for discussion of the disputed item(s).

If the Parties are unable to informally resolve a dispute or claim, the Parties agree that with regard to any dispute or claim related to this agreement, prior to the initiation of arbitration or other dispute resolution mechanism, they shall and must, in good faith, submit the claim or dispute to mediation with any mutually agreeable neutral possessing not less than three years mediation or other neutral alternative dispute resolution

experience. To initiate the mediation process, the aggrieved party shall notify the other of the party's intent to seek mediation and provide a name for consideration as the neutral. The parties shall, within seven (7) days thereafter, in good faith select the neutral, and, as soon as such agreement is reached, the mediation process shall proceed. If the Parties are unable to reach agreement as to the selection of a neutral, they shall immediately submit the claim or dispute to the American Arbitration Association ("AAA") for mediation. The Parties agree to share equally the cost of the mediation, except that each party shall pay and bear its own attorney's fees and attorney related costs. At such time as the mediator declares that an impasse exists, either party may submit the matter to arbitration or other adjudication as provided for in the paragraph below.

The Parties agree that any claim or dispute between or among them, their agents, employees, assignees, or successors, in any way related to or arising out of this agreement must be resolved by arbitration under the commercial arbitration rules of the AAA and California Code of Civil Procedure §1280 et seq., which code sections shall prevail in the case of any conflict with the rules of the AAA. In any such arbitration, the arbitrator's powers may include, without limitation, the power to determine the scope of the arbitration, including whether any or all of the any issues raised by either party are subject to arbitration, the power to grant any relief which may be granted by a court of law or equity, and the power to award costs and attorney's fees to the prevailing party. The venue and location for any such arbitration shall be Los Angeles County, California, and the arbitration shall be governed by and interpreted in accordance with the laws of the State of California.

14. Notices

Any notices required to be given to ARCC under this agreement shall be delivered to:

Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660
Attention: Alliant Risk Control Consulting

Any notices required to be given to CSURMA under this agreement shall be delivered to:

California State University Risk Management Authority
CSU Office of the Chancellor
401 Golden Shore, 5th Floor
Long Beach, CA 90802
Attention: Office of Risk Management

These addresses may be changed at any time by either party upon written notice to the other party. Notices shall be effective when delivered, or, if refused, when delivery is attempted.



15. Severability

Should any portion of this agreement be determined to be illegal or unenforceable, the remainder of this Agreement shall be interpreted, construed and enforced as if such illegal or unforced portion were not a part of this agreement.


16. Entire Agreement

This agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in the agreement, and no prior agreement, understanding or representation, oral or written, shall be effective for any purpose. This agreement supersedes any prior statement, writing or understanding of the Parties with respect to the subject matter hereof. This agreement may be modified or amended only by a written statement signed by the Parties. Such modification or amendment shall thereupon become a part of this agreement.

 Notice to Proceed

Alliant Insurance Services, Inc. BY: Alliant Risk Control Consulting 	Client (Authorized Representative) BY: California State University Risk Management Authority 
Name: Tim Leech	Name: Zachary Gifford
Title: First Vice President	Title: CSURMA Secretary-Auditor
Date: <u>May 20, 2016</u>	Date: <u>May 16, 2016</u>

This contract has been reviewed and approved by CSURMA legal counsel.



 William Hsu – CSURMA Legal Counsel

5/16/2016

 Date

AUXILIARY ORGANIZATION RISK MANAGEMENT ASSOCIATION 2016-2017

As of: 9/1/2016

DATE	ACCOUNT NO.	Safety Day - Project Name	No. Safety Days	PROJECT DETAILS	CONSULTANT/ COMPANY	NO. OF HOURS	TOTAL LABOR	Total Cost
07/01/16				CARRY OVER 2015-2016				\$2,040.16
07/31/16				2016-2017 Contract				\$93,000.00
				TOTAL AVAIL. FUNDS 2016-2017				\$95,040.16
	AORMA-General			Admin		5	\$125.00	\$625.00
06/27/16	SFSU - University Corp			SNFC - Review of deck assessments and site Rec's	B. Escoubas	1	\$181.25	\$181.25
07/13-07/15/16	Associated Students, San Diego State			Prep/Travel/Survey/Rprt - Material Handling/Ergo Surveys	B. Escoubas	20	\$3,875.00	\$5,234.42
		JULY TOTALS	0			26.00	\$4,181.25	\$6,040.67
08/09/16	HSU- University Center			Research/Development - Student Training Session for Fall	B. Escoubas	2	\$193.75	\$387.50
08/11/16	AORMA			Product Development - Zika factsheet and Webinar Outline	B. Escoubas	2.5	\$193.75	\$484.38
08/15-08/18/16	CSUN-Associated Students			Forklift Training	A. Lazar	20	\$193.75	\$3,875.00
08/22/16	AORMA			Prep/Travel/Survey/Rprt - Zika Webinar	B. Escoubas	0.5	\$193.75	\$96.88
08/16-08/18/16	CSUN-Associated Students			Conducted Forklift Training for 3 staff members at CSUN - Austin Ysais, Robert Richards, Rolando Valiente (WED)	A. Lazar	9.5	\$193.75	\$1,840.63
		Aug Totals	0			34.50	\$968.75	\$6,684.38
	9/1/2016			BALANCE				\$82,315.12

**LOSS CONTROL / RISK MANAGEMENT / CLAIMS ADMINISTRATION
EMPLOYERS GROUP**

ISSUE: The contract with Employers Group will expire on June 30, 2017. The Committee will be asked to discuss the current contract and provide direction to Staff as appropriate.

RECOMMENDATION: Staff recommends that the Committee discuss the services provided, the member responses received (via the vendor survey) and provide direct to Staff as appropriate.

FISCAL IMPACT: None at this time. Noted below are the historical per member fees for Employers Group's services.

Historical Pricing:

3/01/11 to 2/29/12 - \$497 per member

3/01/12 to 6/30/13 - \$485 per member

7/01/13 to 6/30/14 - \$485 per member

7/01/14 to 6/30/17 - \$507 per member

BACKGROUND: The contract with the Employers Group provides the following services within the per member fee:

1. Unlimited phone calls and emails to EG's expert HR consultants
2. Unlimited seat access to BNA's HR essentials
3. Unlimited access to the EG library and HR reference center

Additional services are available for a separate fee paid directly by the member.

PUBLICATION: None.

ATTACHMENT(S):

- a. Survey Results
- b. Utilization Report
- c. Contract
- d. EG Brochure

Q19.a to Q19.g Employers Group - HR Consulting Services

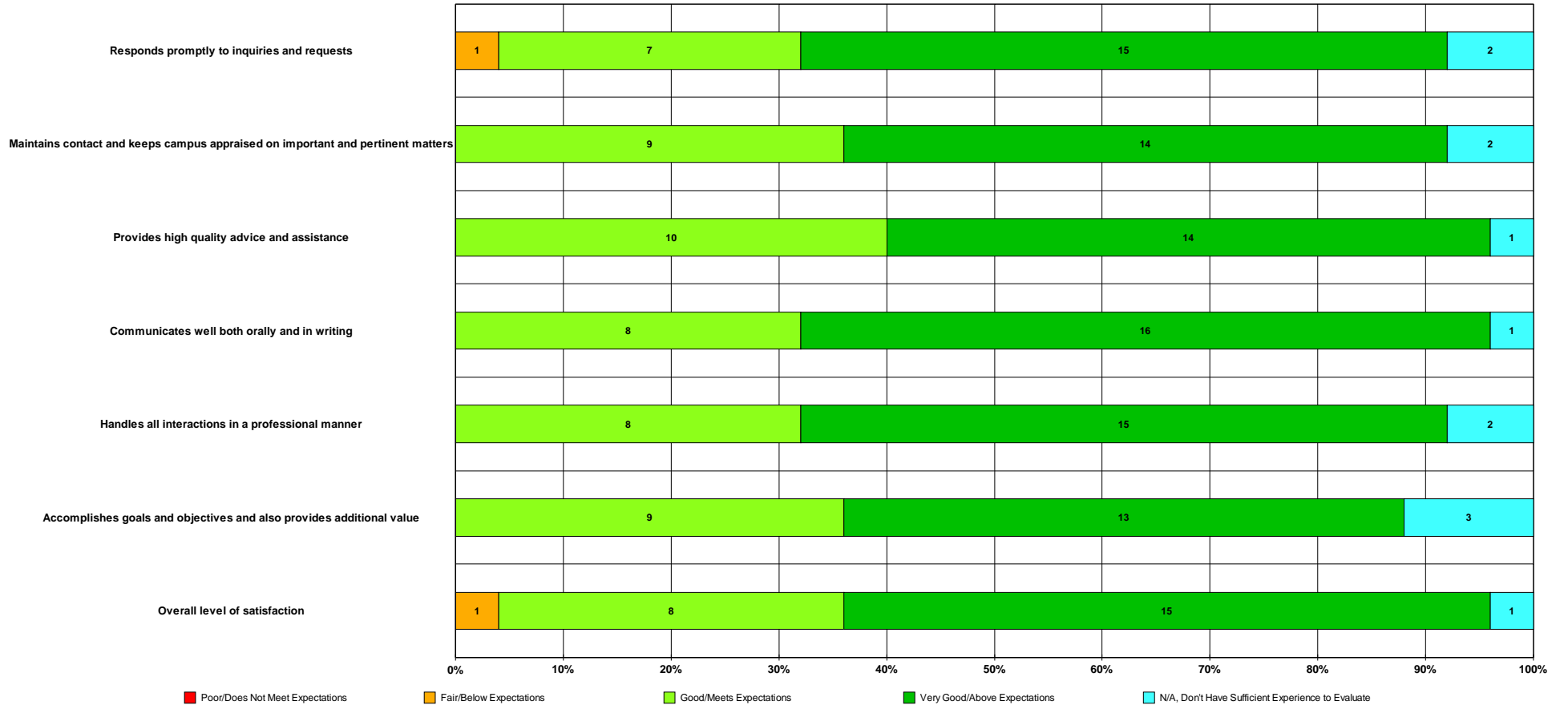
Analysis...: Q19.a to Q19.g
 Filter.....: All Respondents
 Score.....: Weight WT1
 Cells.....: Counts, Respondents

	Total	Mean					
			Poor/Does Not Meet Expectations	Fair/Below Expectations	Good/Meets Expectations	Very Good/Above Expectations	N/A, Don't Have Sufficient Experience to Evaluate
Base	175	3.61	-	2	59	102	12
Responds promptly to inquiries and requests	25	3.61	-	1	7	15	2
Maintains contact and keeps campus apprised on important and pertinent matters	25	3.61	-	-	9	14	2
Provides high quality advice and assistance	25	3.58	-	-	10	14	1
Communicates well both orally and in writing	25	3.67	-	-	8	16	1
Handles all interactions in a professional manner	25	3.65	-	-	8	15	2
Accomplishes goals and objectives and also provides additional value	25	3.59	-	-	9	13	3
Overall level of satisfaction	25	3.58	-	1	8	15	1

Q19.a to Q19.g Employers Group - HR Consulting Services

Analysis...: Q19.a to Q19.g
 Filter.....: All Respondents
 Options.. : Transposed
 Cells.....: Counts, Respondents

Q19.a to Q19.g Employers Group - HR Consulting Services



Please use the space below to provide us with any additional comments or suggestions: Employers Group - HR Consulting Services

Analysis..: Please use the space below to provide us with any additional comments or suggestions:

Filter.....: All Respondents

Options.. : Transposed

Please use the space below to provide us with any additional comments or suggestions:

Thank You

N/A

n/a

Very good at keeping us informed.

None

really appreciate the plethora of information especially with important issues over this last year

N/A

I don't use them very often

Very pleased with the services EG provides and their exceptional customer service.

I am very happy with Employers Group and I am glad we have them Not in love with the legal help line but their training,webinar and other resources are great. The legal updates we get from our rep are valuable as well.

na

Great experience

n/a

great vendor to work with!

No Comment

c

N/A

Good resource to have.

N/A

Would like them to offer more services, workshops, representatives, etc. in Northern Ca.

none

Helpful and quick turnaround.

None

Love all communications from Bill Stephens. He has a good pulse on things.

Please use the space below to provide us with any additional comments or suggestions: Employers Group - HR Consulting Services

Analysis..: Please use the space below to provide us with any additional comments or suggestions:

Filter.....: All Respondents

Options.. : Transposed

Please use the space below to provide us with any additional comments or suggestions:

Mixed feelings about the abundance of informational emails sent out by Employers Group. Would like to see more filtering of data that is pertinent to auxiliaries or the education industry

Sponsored Membership Sales Agreement **7/1/2014 – 6/30/2017**

This three-year Sponsored Membership Sales Agreement (“Agreement”) is between Employers Group, Inc. (“EG”), a California nonprofit mutual benefit corporation, and California State University Risk Management Authority (“CSURMA”) for the benefit of the Auxiliary Organizations who are members of CSURMA’s Auxiliary Organization Risk Management Alliance (“CSURMA AORMA”).

I. Nature of Agreement

This Agreement provides for EG’s sale of sponsored, non-voting, annual EG memberships (“memberships”) to CSURMA for distribution to members of CSURMA AORMA (“CSURMA AORMA sponsored members”) subject to all of the terms and conditions specified herein. Upon activation, holders of these memberships will be entitled to all rights and benefits as EG members, except for the right to vote on matters submitted to a vote of EG members, for the duration of the memberships. This is a nonexclusive Agreement and the parties acknowledge that it does not preclude them from entering into other sponsored membership sales or other agreements with anyone. The effective date of the Agreement shall be July 1, 2014 until June 30, 2017.

II. Purchase and Renewal

A. Pricing and Payment

(1) Contract Preferred Rate

- a. The applicable membership preferred annual rate will be \$507 each for the sponsored new or renewal memberships initiated by CSURMA.
 - b. CSURMA will pay for memberships based on an annual invoice provided by EG, reflecting all entities to be included in the membership and reflecting the corresponding current per-member dues rate. A broker portal (described below) is available should CSURMA choose to utilize it at the time of future renewals. CSURMA may choose to purchase sponsored memberships through EG’s web-based broker portal page that will be built specifically for CSURMA. EG will accept all major credit cards through a secure online transaction process and membership will be activated (Section III.A). EG will support this process with its ServiceOne call center during normal business hours (8:00AM-5:00PM PST) for live assistance.
- (i) EG represents and warrants that it is compliant with and maintains certification of Payment Card Industry (“PCI”) compliance standards regarding data security and that it is subject to independent third-

party quarterly scans that audit for all known methods hackers use to access private information, in addition to vulnerabilities that would allow malicious software or "malware" to gain access to EG's network devices. If during the term of this Agreement, EG undergoes, or has reason to believe that it will undergo, an adverse change in its certification or compliance status with PCI DSS standards and/or other material payment card industry standards, it will promptly notify CSURMA of that fact.

- (ii) At the request of CSURMA, EG will promptly provide CSURMA with evidence that is reasonably satisfactory to CSURMA that EG is compliant with current PCI DSS security standards.
- (iii) EG will maintain and protect in accordance with all applicable laws and PCI regulations the security of all cardholder data when providing or performing any service under this Agreement.

III. Terms of Membership

A. Activation

Memberships for CSURMA sponsored members will be activated upon EG's receipt of both the applicable annual membership dues payment and requisite new member information ("activated membership"). EG will not recognize or serve any CSURMA sponsored member until they have an activated membership.

B. New Member Induction

EG will work directly with CSURMA to contact and assign an EG Service Manager to each new CSURMA sponsored member. The EG Service Manager will provide a comprehensive induction (on-boarding) process which may consist of customized strategic or informational emails, educational programs, personal calls, on-site meetings, and other initiatives as appropriate for each such member. CSURMA is not responsible for, and will not reimburse EG for, any out-of-pocket costs incurred by EG relating to the new member induction.

C. Duration

CSURMA acknowledges that activated memberships for CSURMA sponsored members are annual memberships and are provided for a full year from activation. Within the annual period of the agreement, memberships are transferable. CSURMA may cancel at any time, with or without cause, the membership of a CSURMA sponsored member. If CSURMA cancels a CSURMA sponsored member's membership for any reason other than termination of this agreement (**Section V.B.2**), **EG will deactivate the membership within two business days**. CSURMA understands that this does not preclude EG from directly and independently pursuing dropped members

for regular membership. If a membership is deactivated during the annual term of the Agreement, CSURMA maintains the right to transfer that membership to another CSURMA sponsored member for the duration of the existing annual term. No refunds will be provided.

D. Compliance

CSURMA sponsored members must comply with all existing EG member rules. EG may terminate CSURMA sponsored members or otherwise enforce its member rules against sponsored members to the fullest extent allowed, including termination of membership.

IV. Cross-Marketing

A. EG Services

CSURMA AORMA representatives will work together with EG personnel under the guidance of the CSURMA AORMA executive management team to provide information about the needs of CSURMA AORMA sponsored members for EG services. To aid that process, EG will provide CSURMA AORMA representatives with information programs about EG service lines, products, and benefits so they can better assess the needs of CSURMA AORMA sponsored members. Such programs may be conducted in-person, by webinar or phone as may be appropriate for the level of participation, proximity, and other practical or logistical considerations. Subject to availability and reasonable scheduling, EG will be permitted to use CSURMA AORMA offices to host educational and training programs, new member receptions, legal updates, executive roundtables, and other pre-approved marketing efforts and activities.

B. CSURMA AORMA Services

Subject to availability and reasonable scheduling, EG Service Managers will provide sales support to CSURMA, including, participation in presentations, follow-up with potential clients, and other pre-approved marketing efforts and activities.

V. General Terms

A. Notice

Any notice required to be given pursuant to this Agreement shall be either sent by email or fax and overnight delivery by any private mail carrier as follows:

CSURMA
c/o CSU Office of the Chancellor
Robert Eaton
CSURMA Auditor-Secretary

401 Golden Shore, 5th Floor
Long Beach, CA90802-4210
Email: reaton@calstate.edu
Phone: (562) 951-4580
Fax: (562) 951-4859

Employers Group, Inc.
Mark W. Wilbur
President and CEO
400 North Continental Blvd. Suite 300
El Segundo, CA 90245
Email: mwilbur@EmployersGroup.com
Phone: (213) 765-3999
Fax: (213) 742-0301

B. Term and Termination

- (1) Termination. Either party shall have the right to terminate this Agreement for any reason and without penalty, upon sixty (60) days prior written notice to the other party. Termination shall be effective on the sixty-first day after the requisite notice is provided ("termination date"). Upon termination of the Agreement, each party agrees to return all restricted property belonging to the other and not to further use such restricted property except as necessary to fulfill any contractual obligations which may survive termination. If this Agreement is terminated during the course of an existing annual term, EG shall continue to provide all membership benefits and services for the duration of the existing annual term. No refunds will be provided.

C. Restricted Property

- (1) Use. CSURMA and EG will not use the content, courseware, trademarks, service marks, logos or other intellectual property ("restricted property") of each other without that party's prior written consent and approval. The terms of that consent will be specified in writing when provided, except that the use of any restricted property will not be deemed to transfer any rights in the restricted property other than the right to use it in accordance with the written instructions of the owner of the restricted property.
- (2) Warranty. CSURMA and EG each warrant, solely with respect to their own respective restricted property, that they possess all copyright, trademark, patent, trade secret and similar property and other rights in their own respective restricted property which they have made available for use to the other party under this Agreement, whether fully original or comprised of preexisting materials, necessary for them to fulfill their obligations under this Agreement, and that there is no pending or threatened litigation, including court, administrative or arbitration

proceedings, which, if decided adversely to them or their licensors, would interfere in any material manner with any right to use the restricted property under this Agreement. Each party to this Agreement will defend, indemnify and hold the other harmless from any and all fees, costs, liabilities and expenses, including all reasonable legal fees and expenses that arise from breach of this warranty, provided that the party invoking this provision gives prompt notice to the party upon whom claim is made. The parties involved shall consult and cooperate in the settlement of any such claim or action. Any party being defended under this provision may, at its sole cost, appear separately in the defense of the claim or action.

D. Assignment

The parties may not assign or subcontract this Agreement or any interest therein, without the other party's express written consent.

E. Governing Law and Venue

This Agreement shall be governed by the laws of the State of California, without regard to its choice of law rules. The parties agree that any legal proceedings arising out of or relating to this Agreement shall be conducted solely and exclusively in Los Angeles County, California, or, if in federal court, in the United States District Court, Central District of California.

F. Cumulative Remedies

All remedies available to either party for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

G. Waiver

No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the duly authorized representative of the party which is claimed to have waived or consented.

H. Entire Agreement

The Agreement contains the entire understanding of the parties regarding its subject matter. All previous agreements or understandings concerning the subject matter of this Agreement, if any, whether written or oral, separate or contained in another agreement, are superseded. No amendment or modification of this Agreement shall be valid and binding on the parties unless made in writing, specifically referencing this Agreement, and signed by the parties' duly authorized representatives.

I. Severability

Should any term or provision herein be deemed invalid, void or unenforceable either in its entirety or in a particular application, the remainder of this Agreement shall nonetheless remain in full force and effect.

J. Successors

This Agreement shall be binding upon and inure to the benefit of the respective parties and their permitted assigns and successors in interest.

K. Indemnification

To the fullest extent allowable by law, EG shall indemnify, defend and hold harmless CSURMA, CSURMA AORMA and its Members and each of their officers, employees, elected and appointed officials, and volunteers (the "Indemnified Parties") from and against all claims, demands, causes of action, lawsuits (whether at law, equity or both), proceedings, liabilities, losses, damages, expense costs (including without limitation attorney's fees and costs and expert witness fees), judgments, penalties and liens of every nature resulting from injury to or death sustained by any person (including Contractor's employees), or damage to property of any kind, or any other injury or damage whatsoever, which injury, death or damage arises out of or is in any way connected with EG's performance of work hereunder, or its failure to comply with any of its obligations contained in this Contract, or its failure to comply with any current or prospective law, regardless of EG's fault or negligence, including any of the same resulting from the alleged or actual negligent act or omission of an Indemnified Party, except that said indemnity shall not be applicable to injury, death or damage to property arising from the sole negligence or willful misconduct of CSURMA, CSURMA AORMA, its officers, agents or servants.

This indemnification obligation shall survive this Contract and shall not be limited by any term of any insurance policy required under this Contract.

L. No Recovery of Attorneys' Fees

Should any court action or any other legal or administrative proceeding be filed by either party under this Agreement, each such party shall pay its own attorneys' fees and costs.

M. Counterparts

This Agreement may be executed in one or more counterparts and the several executed counterparts will be considered but one document.

N. Third Party Rights

This Agreement does not and shall not be construed to give any third party rights, except that CSURMA AORMA sponsored members shall be entitled to enjoy the benefits of their memberships for their duration as specified in Section III C.

O. Construction

This Agreement shall not be construed against either party as the preparer, but shall be construed as if both parties hereto jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one party as the preparer.

P. No Conflict of Interest

Each Party represents and warrants that it is not bound by any contract or agreement, nor will it enter into any contract or agreement during the term of this Agreement, which would prohibit its performance of this Agreement.

Q. Insurance Requirements

EG 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 provision of the services hereunder by EG, its agents, representatives, or employees.

Minimum Scope of Insurance - Coverage shall be at least as broad as:

- 1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).
- 2) Insurance Services Office Form Number CA 00 01 covering Automobile Liability, Code 1 (any auto).
- 3) Workers' Compensation insurance as required by the State of California and Employers' Liability insurance.
- 4) Errors & Omissions Liability insurance appropriate to the consultant's profession.

Minimum Limits of Insurance - EG shall maintain limits no less than:

General Liability: (Including operations, products and completed operations, as applicable.)	\$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
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Automobile Liability:	\$1,000,000 per accident for bodily injury and property damage.
Workers' Compensation	As required by the State of California
Employers' Liability:	\$1,000,000 each accident, \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.
Errors & Omissions Liability:	\$2,000,000 per occurrence.

Deductibles and Self-Insured Retentions- Any deductibles or self-insured retentions must be declared to and approved by CSURMA AORMA.

Waiver of Subrogation - EG hereby agrees to waive subrogation which any insurer of EG may acquire from EG by virtue of payment of any loss. EG agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Other Insurance Provisions - The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. CSURMA, CSURMA AORMA, its officers, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of services or operations performed by or on behalf of EG; or automobiles owned, leased, hired or borrowed by the EG.
2. For any claims related to the services provided, the EG's insurance coverage shall be primary insurance as respects CSURMA, CSURMA AORMA, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by CSURMA, CSURMA AORMA, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

If any coverage, such as, Errors & Omissions coverage is written on a claims-made form:

- a) The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.
- b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract

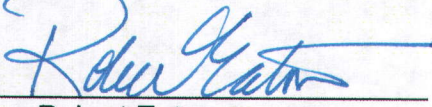
effective date, EG must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

- d) A copy of the claims reporting requirements must be submitted to CSURMA for review.

Acceptability of Insurers - Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII, unless otherwise acceptable to CSURMA. Exception may be made for the California State Compensation Insurance Fund when not specifically rated.


Verification of Coverage - EG shall furnish CSURMA with endorsements effecting coverages required by this clause. The endorsements are to be signed by a person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by CSURMA before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

IN WITNESS WHEREOF, the parties have read, had the opportunity to discuss, and caused this Agreement to be executed and do each hereby warrant and represent that their respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate or its entity action to execute this Agreement.

CSURMA
By: 
Robert Eaton

Title: CSURMA – Auditor-Secretary

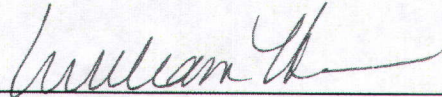
Date:

Employers Group
By: 
Mark Wilbur

Title: President and CEO

Date:

This contract has been reviewed and approved by CSURMA legal counsel.


William Hsu – CSURMA Legal Counsel

June 23, 2014
Date

**AORMA - HR Consulting
Employers Group
Utilization Report - As of 9/13/2016**

z

Type of Activity	Activity - As of 7/15/2011	Total Activity - As of 1/23/2013	Total Activity - As of 5/20/2013	Total Activity - As of 8/14/2013	Total Activity - As of 11/1/2013	Total Activity - As of 1/24/2014	Total Activity - As of 3/28/2014	Activity - As of 7/15/2014	Activity - As of 4/9/2015	Activity - As of 6/17/2015	Activity - As of 2/10/2016	Activity - As of 9/13/2016	Notes
Helpline Calls	54	388	438	455	479	501	520	532	601	621	702	765	9/13/2016 - 46 Auxiliaries have called.
Resource Library	22	130	151	166	185	201	211	229	252	260	267	291	
Comp/Benefits Survey Participation	2	4	6	6	6	7	7	7	7	8	10	10	
Roundtable/Webinar Attendance	8	29	44	59	67	68	77	92	129	145	158	180	Includes roundtables, fee-based and free webinars
Public Workshop Trainings*	4	8	9	10	11	15	15	16	21	22	25	26	
Registration - Workplace/Employment Law Update		21	21	21	33	38	38	38	50	50	61	65	Includes first few 2016 WELU registrations
Inquiry/Proposed – On-Site Training*	5	14	18	19	30	31	33	35	40	41	42	44	
Contracted - On-Site Training	0	11	14	14	23	26	27	28	32	33	36	38	Capital Public Radio on-going program
Inquiry/Proposed - On-Line training		4	5	6	7	7	7	7	7	7	8	8	
Contracted - On-Line Training		3	3	4	4	4	4	4	4	4	4	5	
Inquiry/Proposed Affirmative Action Planning	2	10	11	12	13	14	15	16	19	20	22	24	
Contracted - Affirmative Action Planning	0	6	7	7	8	9	9	10	13	13	14	16	
Contracted - Affirmative Action Plan Audit Support	0	1	1	1	1	1	1	1	1	1	1	1	
Inquiry/Proposed – Employee Handbook*	3	3	3	3	4	4	5	5	6	6	6	6	3 Contracted
Inquiry/Proposed – E.O.S.*	1	1	1	1	1	1	1	1	3	7	8	10	6.17 - Interest in new free EOS.
Contracted - EOS	0	1	1	1	1	1	1	1	1	1	3	4	
Inquiry/Proposed – Consulting*	2	8	8	9	10	10	11	15	17	17	18	19	
Contracted - Consulting	0	1	1	1	1	4	5	9	11	11	11	12	10 comp evals, 1 job description assignment
Inquiry/Proposal - Unemployment Insurance Managemen	1	3	3	3	3	3	3	3	3	3	3	3	
Contracted - Unemployment Insurance Management	0	1	1	1	1	1	1	1	1	1	1	1	Not including CSURMA Pooled Program
Inquiry/Proposal - Comp.Benenfits Planning	0	7	9	10	11	11	12	12	13	13	14	15	
Contracted - Research, Comp/Benefits Planning	0	3	4	5	6	6	7	7	7	8	8	9	
Other (Books, CD ROMs, Posters, etc.	0	2	3	3	3	4	4	4	5	5	6	6	



YOUR CONNECTION TO BUSINESS SOLUTIONS & PERFORMANCE



Employers Group is **YOUR** Human Resources Expert, Advocate, and Advisor.

Established in 1896, Employers Group is the leading source for intelligent business, HR solutions and employer advocacy, helping thousands of employers across the country - and around the world. We understand human resources and helping you manage your people by mitigating risk, ensuring regulatory compliance, and minimizing costs-it's OUR business. Employers Group is your connection to business solutions and performance.

From beginning to end, we know you confront critical workforce issues on a daily basis

- **Recruiting & Hiring** - The hiring process can be daunting before you hire a new employee (adequate job descriptions, setting wage and salary classifications, compiling proper documentation, and more)
- **Growth & Retention** - Throughout an employee's term of employment (employee benefits, workers compensation, payroll, harassment, leaves of absence, training and professional development, meal and rest periods)
- **Separation & Termination** - Employee separation (termination, RIF, WARN Act, resignation, COBRA, and Unemployment Insurance)

There are literally **thousands** (and counting) of legal, statutory and regulatory requirements (FMLA, ADA, EEOC, DOL, DIR, OSHA and more) mandated on employers. It never seems to end!

*Bottom line, we do what no other HR services company does – we help you manage the risk and ensure compliance in your HR operations so you can focus on your ultimate business goals: **growth and profitability***



Employers Group Membership Benefits

Employers Group members receive the following exclusive benefits and privileges – whether it's for one or one thousand employees at your company. From day-to-day operations to strategic long-range planning, and everything in between, Employers Group is dedicated to the success of your organization.



Helpline, Reference & Answers

- Unlimited Access to LIVE HR Consultants
- Unlimited Access to our HR Reference Center
- Unlimited Online Access to BNA's *HR Essentials*
- Job descriptions, sample handbook policies and procedures, compliance posters, performance evaluation tools, all at your finger tips or just a phone call away



Training & Development

- Thousands of E-Learning Courses - available 24/7
- Customized On-site, Instructor-led Training
- Individual and Company-wide Learning Plan Development
- Custom Private Label Online Training tailored for your organization
- Courses in HR, Leadership, Communications, Computer Skills, and much more



Strategic Employer Services

- Interim and Project Staffing
- Affirmative Action Planning
- Unemployment Insurance Services
- Leave Management Administration



Research & Surveys

- National and Local Compensation and Benefit Surveys
- Customized Organizational Surveys and Assessments
- Customer Satisfaction and Service Evaluation
- Employee Satisfaction and Opinion Surveys
- Qualitative Analyses and Development of Points of View



Advocacy & Opinions

- Local, State, and Federal Advocacy
- Litigation and Judicial Decisions Support
- RISE- *Rescue Inform Sustain Engage*





Helpline

Reference, & Answers



Connecting You to Resources and Answers-Live and Online

Helpline

- *Unlimited* phone calls and e-mails to our expert consultants
- Get answers to your day-to-day HR questions without expensive legal and/or consulting fees
 - *When can I terminate an employee?*
 - *Can I work through lunch so I can leave early?*
 - *My supervisor keeps asking me out to dinner and I don't want to go!*
 - *Do I need to use vacation to take care of my mother?*
 - *I manage HR operations in California and New York. Are the leave requirements different?*
- Employers Group Helpline consultants have an average of 23 years of HR experience

BNA's HR Essentials

- *Unlimited* seat access to the industry leader of local, state, national and international HR information and news
 - Includes detailed advisories on the latest regulatory, legislative and judicial decisions that impact employers
- Sign-up your department or your entire world-wide company – there are no limits!
- Customizable policies, notices, forms, and more available for review or to download
- Industry leading resource for employment law answers for all 50 states
- The "Bulletin to Management" highlights case studies and real-world challenges
- Create custom job descriptions and utilize performance evaluation tools including 360° assessments for your use





Library & HR Reference Center

- *Unlimited* access to leading national HR reference resources and tools covering employment law, compliance, breaking trends and compensation
- *Unlimited* access to an experienced Reference Librarian to research and answer your questions quickly and accurately
- Weekly Employment Law Update with contemporary nationwide news regarding legal, regulatory and legislative developments that impact your HR operations
- Up-to-date collection of HR publications including federal and state legislation from over 30 subscription sources

Member Benefits:

- *Eliminating duplicative subscriptions and resources typically exceeds \$12,500 annually, but is dependent on the level of resources and subscriptions a member maintains. This is in addition to the time savings of internal staff.*
- *EG's Helpline can be priceless in avoiding Federal or State compliance failures, but savings from avoiding attorneys' fees for non-legal questions on average exceeds \$5,000 annually. In fact, attorneys regularly refer their clients to EG for membership.*
- *BNA's HR Essentials value can exceed \$20,000 annually, depending on usage and number of seats leveraged. Minimum savings is \$2,100 annually.*



Training & Development



Connecting Professional Development with Profitability

E-learning

- Train one or thousands of employees quickly and affordably
- Access our most popular modules online – anytime, anywhere
- Receive professionally developed, updated and relevant training content
- Create your own training mix from our library of thousands of courses
- Customize any of our online courses to meet your exact training objectives
- Control and manage your e-learning progress through our easy-to-use learning management system (LMS)
- Create a customized Corporate University, tailored to your organization's requirements - your own branded online university



Instructor-Led Training

- Deliver customized training programs on-site at your location anywhere in North America
- Choose from one or more certificate programs: Leadership Skills, Human Resources Generalist, Supervisory Boot Camp, Lean Institute or Strategic Management
- Receive HRCI credit for attending any HR-related program
- Utilize our expert facilitators to develop training, direct meetings, create teambuilding or execute strategic planning sessions



Employers Group Lean Institute

- Improve your processes, create efficiencies, eliminate waste and deliver service to your customers
- Consulting services that are specifically tailored to YOUR organization, its operational environment, and in collaboration with your leadership and employees
- EG's strategic consulting and Lean Institute have helped our clients save hundreds of thousands of dollars with direct, positive contribution to the bottom line

Member Benefits:

- *20-40% average savings off industry standard rates*
- *Savings of up to 20% off non-member rates and based upon number of participants and sessions*
- *Lean Institute projects have ranged in savings or revenue increases from \$25,000 to more than \$500,000 annually*



Strategic

Employer Services

Connecting Your Business With Expert, Strategic Consultants

Interim and Project Staffing

- Hire an experienced resource on an as needed basis – project management, leave of absence backfill, temporary vacancy, seasonal needs or urgent staffing from unplanned growth
- Augment your staffing and special project needs quickly with no long term commitment nor additional payroll/onboarding expense
- Reduce the cost of hiring/severing full-time employees by using an interim project consultant instead

Affirmative Action Planning

- Assess, design, and implement new or existing Affirmative Action Plans
- EEO-1/Vets-100 Reports
- Hands-on audit consulting and support through OFCCP audits
- Industry leading three-week average turn around time

Unemployment Insurance Services

- Achieve win rates upwards of 95% on contested UI Claims
- Claims administration, hearings representation, training and consulting
- Receive detailed statistics and recommendations for improvement

Leave Management Administration

- Reduce the headaches of managing employee leaves
- Mitigate the risk of non-compliance and missed deadlines
- Economize your HR function and stop wasting time dealing with paperwork

Member Benefits:

- *Project staffing savings can range from \$10,000-\$150,000 annually, depending on length and complexity of engagement*
- *For your AAP plan, 100% OFCCP compliance guaranteed and peace of mind*
- *UI provides direct bottom-line savings when you achieve a lower tax rate - go online to try our UI Cost Calculator*
- *Leave management savings typically exceeds \$20,000 and can be as much as \$90,000 annually*



Research & Surveys



Connecting You To Vital Business Intelligence

Expert Consultants in Compensation, Benefits, and HR Practices

- Receive invaluable benchmarking data on HR practices, Compensation, Benefits, Budgets, and more
- Existing members who participate in the individual surveys receive reports at no cost; members also enjoy non-participant preferred pricing on all of survey reports
- Qualitative research, analyses and development of point(s) of view for your business

Custom Surveys, Polls, and Assessment Services

- Custom built surveys to meet your company-specific needs
- Evaluate and benchmark your current practices and polices
- Affordable, world-class, real-time survey solutions with online reporting capabilities

HR Assessment Suite

- Quick and easy assessments help you get a pulse on your business processes
- Choose from a variety of topics: Unemployment Insurance, Training & Development, Human Resources, Employee Benefits, and many others.

Total Rewards Program

- Assess your company's total labor investment with market pricing and evaluate for any changes based on your company's labor needs and financial goals
- Benchmark your compensation plan based on EG's proprietary Human Capital Database
- Comprehensive compensation programs including: job evaluations, job descriptions, salary structures, and incentive programs

Member Benefits:

- *Discounts on National Compensation Surveys covering key US markets typically exceed \$1000 annually, but can be much higher with increased usage*
- *Real-time employee feedback tools and expert-designed customer or employee surveys that help you measure needs, stresses, and ideas, with the ability to react quickly to meet customer needs or retain employees*
- *Assessments are FREE and provide instant feedback*
- *Real savings are immeasurable. Benefits and Value are derived from employee satisfaction, employee recruiting retention, and increased business competitiveness*

Free Online

EG's HR Assessment

Give your
HR Practices
a **FREE AND EASY**
8 MINUTE check-up.





Advocacy & Opinions

Connecting Business to an Influential Voice

Employers everywhere are under siege as they navigate through state and federal legislation, regulations, and local and national case law. On behalf of employers throughout the U.S., Employers Group drives successful advocacy initiatives to strengthen the voice of business through:

Local, State, and Federal Advocacy

- Strategic partnerships with local and national industry and trade associations representing healthcare, manufacturers, construction, financial management and others
- Development of white papers regarding key issues and articulating an employer point of view
- Advocacy and testifying at state legislative and regulatory hearings, and Congressional hearings
- State Legislative and Congressional Meetings with senior staff and elected representatives

Litigation and Judicial Decisions Support

- Employers Group Legal Committee is comprised of leading employment law attorneys from international law firms and Fortune 500 companies
- Amicus briefs written by our esteemed Legal Committee and other strategic partners representing employers and business
- Tracking and monitoring of current litigation and appeals positions, Employers Group is at the forefront of case law and judicial advocacy

RISE - Rescue Inform Sustain Engage - Employers Group is Committed to:

- **Rescue** business from costly government controls
- **Inform** employers of breaking legislative concerns that affect your bottom line
- **Sustain** job growth and business
- **Engage** the collective power of Employers Group and thousands of employers nationally and globally

Member Benefits:

- *Bringing together the collective influence of thousands of employers to communicate an employer point of view*
- *Achieving favorable employer-specific decisions on current litigation is priceless--a wage and hour class action suit could cost well over \$1,000,000*
- *Advocating for common sense, business-friendly regulations and legislation. Onerous regulations and legislative compliance requirements costs business tens of thousands of dollars annually.*



**EG is Always on the Move and
Providing Value all Year Long.....**

**We've done the math. Go to "Bottomline Value" at
www.employersgroup.com**

**An EG Membership provides our members
on average an ROI of 20 times
the cost of an average membership.**

**In fact, if your membership fails to provide you value,
we will refund any remaining portion of your dues in full.**



The **Value** of Membership
is the **Power** of **Connections.**



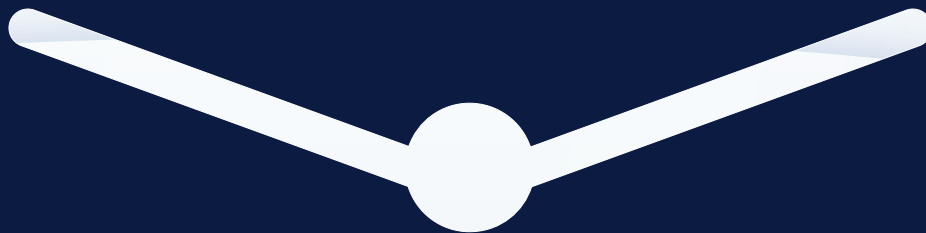
EMPLOYERS GROUP
YOUR CONNECTION TO BUSINESS SOLUTIONS & PERFORMANCE



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Group®**



Successfully Serving Employers Since 1896

Employers Group
1150 S. Olive Street, Suite 2300
Los Angeles, California 90015
1-800-748-8484

www.employersgroup.com

LOSS CONTROL / RISK MANAGEMENT / CLAIMS ADMINISTRATION
EMPLOYERS EDGE

ISSUE: The contract with Employers Edge for Unemployment Insurance claims administration will expire on June 30, 2018. The Committee will be asked to discuss the current contract and services and decide if a Request for Proposal process should be started.

RECOMMENDATION: Staff recommends that the Committee discuss the services provided, the member responses received (via the vendor survey and the AOA HR Conference) and provide direction to Staff as appropriate.

FISCAL IMPACT: None at this time. The contract service fee is shown below.

7/01/13 to 6/30/14 - \$32,100
7/01/14 to 6/30/15 - \$32,100
7/01/15 to 6/30/16 - \$30,046
7/01/16 to 6/30/17 - \$30,046

BACKGROUND: CSURMA AORMA entered into a five-year contract for Unemployment Insurance Claims Administration on July 1, 2013.

PUBLICATION: None.

ATTACHMENT(S):

- a. Survey Results
- b. Contract

Q17.a to Q17.g Employers Edge - Unemployment Claims Administrator

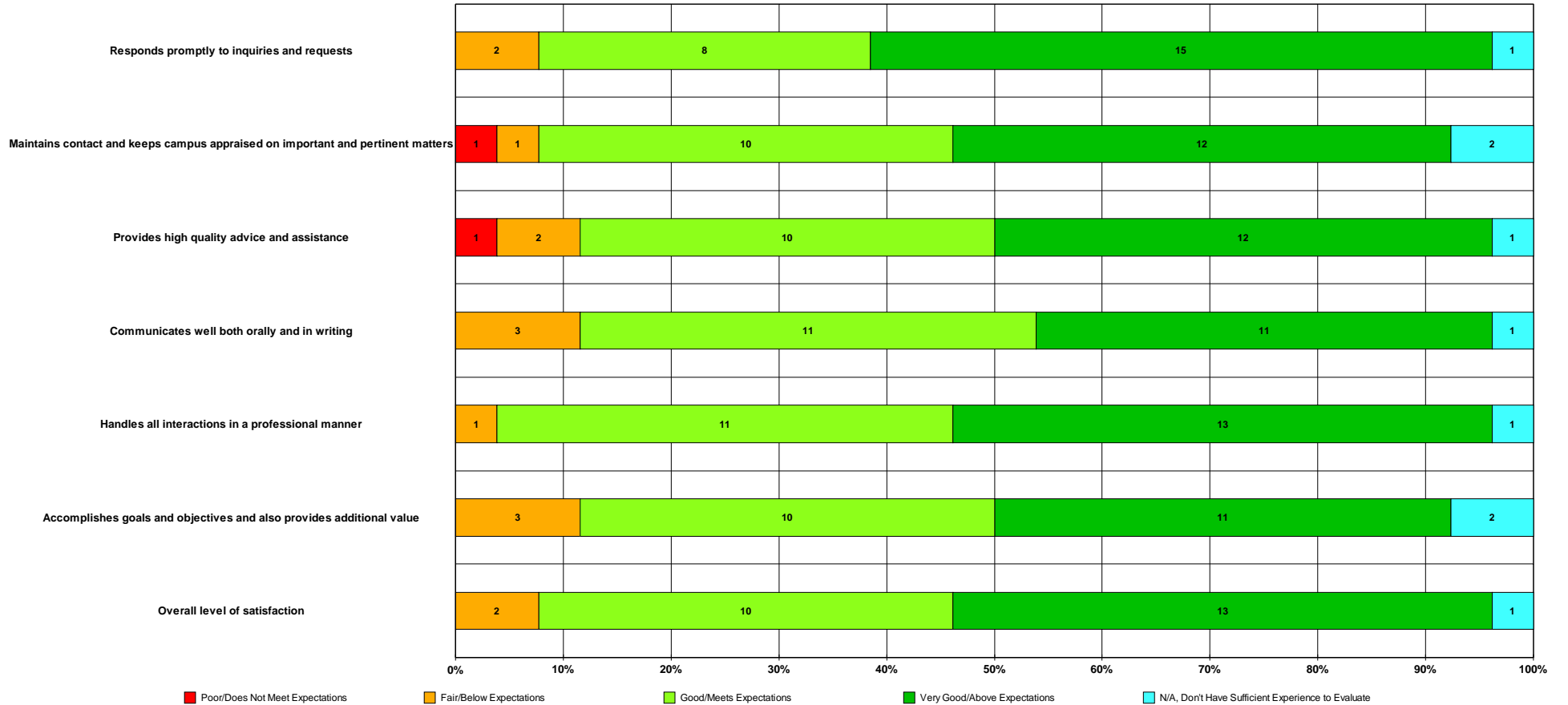
Analysis...: Q17.a to Q17.g
 Filter.....: All Respondents
 Score.....: Weight WT1
 Cells.....: Counts, Respondents

	Total	Mean					
			Poor/Does Not Meet Expectations	Fair/Below Expectations	Good/Meets Expectations	Very Good/Above Expectations	N/A, Don't Have Sufficient Experience to Evaluate
Base	182	3.40	2	14	70	87	9
Responds promptly to inquiries and requests	26	3.52	-	2	8	15	1
Maintains contact and keeps campus appraised on important and pertinent matters	26	3.38	1	1	10	12	2
Provides high quality advice and assistance	26	3.32	1	2	10	12	1
Communicates well both orally and in writing	26	3.32	-	3	11	11	1
Handles all interactions in a professional manner	26	3.48	-	1	11	13	1
Accomplishes goals and objectives and also provides additional value	26	3.33	-	3	10	11	2
Overall level of satisfaction	26	3.44	-	2	10	13	1

Q17.a to Q17.g Employers Edge - Unemployment Claims Administration

Analysis...: Q17.a to Q17.g
 Filter.....: All Respondents
 Options.. : Transposed
 Cells.....: Counts, Respondents

Q17.a to Q17.g Employers Edge - Unemployment Claims Administration



Please use the space below to provide us with any additional comments or suggestions: Employers Edge - Unemployment Claims Administration

Analysis..: Please use the space below to provide us with any additional comments or suggestions:

Filter.....: All Respondents

Options.. : Transposed

Please use the space below to provide us with any additional comments or suggestions:

No suggestions, the survey will not let me advance until I wrote in this section. Comments,

they were great with the processing of the claims. Efficient

Very good at assisting us with claims.

n/a

none

N/A

None

They do a decent job. Don't have any strong feeling on their services one way or another.

especially appreciate the fact that they send reminder emails

n/a

na

n/a

No issue

Very pleased.

n/a

great vendor

c

Always worked well with them. Never had any issues.

I complaint about how one claim was handled and I have to say that they responded to my complaint. Overall, I'd say they are fair. I don't see them as providing any additional service besides filing the claim.

None

Due to the unique status of auxiliaries it would be more helpful for Employers Edge to work with EDD and/or local offices on understanding that under California Unemployment Code 642; student assistants do not qualify for unemployment insurance.

Extremely disappointed in Employers' Edge level of knowledge, support, and service.

None

really good about getting back to us.

Please use the space below to provide us with any additional comments or suggestions: Employers Edge - Unemployment Claims Administration

Analysis..: Please use the space below to provide us with any additional comments or suggestions:

Filter.....: All Respondents

Options.. : Transposed

Please use the space below to provide us with any additional comments or suggestions:

Overall claim administration information is provided in a timely fashion

Service is consistent and professional



**Agreement for Unemployment Insurance Claims
Administration Services
for
CSURMA-AORMA**

Effective Date: July 1, 2013



Table of Contents

- Introduction

- Scope of Work
 - Claims Administration Process
 - Protests
 - Hearings Consultation
 - Available Reports
 - Training

- Fee schedule

- Proprietary Information

- Project Assumptions

- Notices

- Insurance Requirements

- Acceptance & Terms

INTRODUCTION

Employers Group is committed to assisting with the cost control management of your Unemployment Insurance (UI) tax account. Since 1971, our UI Claims Administration Service has saved employers millions of dollars in benefit charges and lower tax rates.

We are pleased to present this agreement to the Auxiliary Organization Risk Management Alliance (AORMA) California State University Risk Management Authority (CSURMA) and look forward to a continuing and rewarding partnership.

To provide Auxiliary Organizations Risk Management Alliance (AORMA) California State University Risk Management Authority (CSURMA) and their Unemployment Insurance Program (UIP) participants (currently consisting of approximately 38 members) a resource for Unemployment Insurance (UI) claims administration services. This includes claim administration, tracking and responding to UI mail, unemployment protests, unemployment hearing consultation, and student unemployment claims. Included in this service is access to full employee lifecycle guidance in addition to UI reports, UI training, and communication to AORMA on the latest regulations regarding unemployment. Pre-termination guidance will be a valuable tool for improving the performance of CSURMA's UI program, and, to that end, we will also provide educational training workshops for your field personnel in which we walk through how to handle your most frequent and most challenging separation types with the goal being to proactively drive improvement within your unemployment program on an ongoing basis.

The details of each component of the scope of this agreement are included in the Employers Group Response to RFP: Unemployment Insurance Claims Administration presented to CSURMA on October 19, 2012 and revised on December 5, 2012.

SCOPE OF WORK

Term

The effective date of the agreement shall be July 1, 2013 until June 30, 2018.

Claims Administration Process

How the claims administration process works. Employers Group and Employers Edge will initially conduct an implementation meeting where we will set up our protocol of the preferred method(s) of how we interface with CSURMA. We will establish the lines of communication as well as the preferred method(s) of communication (i.e. phone call, email, fax, etc.) and back-up contacts behind all primary contacts at each level (pre-termination, initial, hearings and board). Our protocol will include how many times the primary contact will be contacted before we escalate to the back-up contact to ensure we gather timely information in submitting comprehensive protests and appeals prior to the deadlines set by the state. We will coordinate the preferred method(s) of how we will gather wage and separation information such as the proactive forwarding of electronic file transfers, completed separation notices, or calling or emailing to gather that information at the time a claim is filed.

Process for handling initial unemployment claims - The experts at Employers Edge have understood for decades that the most reliable and effective way to reduce unemployment expenditures is to offer an intense focus on winning unemployment claims at the initial level. The team at Employers Edge gives the states the specific, detailed and comprehensive separation information they require. We will notify CSURMA within 24 hours of receipt of a claim or a notice

of a hearing, allowing the maximum lead time possible to assemble the detailed separation information and supporting documents that the state requires.

The process for managing claims on behalf of the auxiliaries at the initial level includes executing a limited unemployment power of attorney with the state to ensure that all the associated documents/forms (claims, decisions, hearings notices, etc.) come directly to Employers Edge.

Maintaining Secure Database for Unemployment Claims Processing - Employers Edge has deployed what we are confident is the most efficient claims management work flow processes within our industry with Edgewise - their proprietary, state of the art unemployment claims management system. The CSURMA decision team is invited to take a look "underneath the hood" at this revolutionary internal operating system via webinar demonstration. The following are some of the key attributes of the EdgeWise claims management system:

EdgeWise offers a truly paperless workflow system, meaning all documents that flow into our organization are imaged on the front end, and electronically distributed directly to the claims specialists and appellate schedulers' desktops. When hard copy documents are driving the workflow throughout the company, some are inevitably misplaced, misfiled, accidentally caught by paperclip and attached to an incorrect batch of papers, etc. and lost. When this occurred at past vendors, due dates would pass and our customers would lose claims as well as their future protest rights. Because the hard copy documents themselves drove the workflow, there was not a practical solution for this recurring challenge. The EdgeWise paperless workflow system was architected to prevent this common occurrence in our paper-intensive and deadline sensitive industry. EdgeWise has eliminated the chronic problem in the UI Claims Administration business of hard copy claims, decisions, hearing notices, supporting documents (already forwarded by the customer) and other critical communications from getting "lost in the paper shuffle."

Another critical improvement that Employers Edge deployed is integrated document imaging into the EdgeWise system, meaning all documents associated with a given claim can be viewed within the same system that manages the claim from start to finish. Whether documents arrive via mail, email, or fax, they are all stored as electronic images and indexed to a given claim. This facilitates the efficient flow and exchange of information between our customers and the state agencies. At Employers Edge, all documents received whether hardcopy, faxed or scanned are converted into electronic images which drive our paperless workflow process.

All critical dates are logged as the documents are imaged, enabling our supervisory staff to effectively manage deadlines within the EdgeWise system instead of having to perform manual desk checks where the actual hard copy documents are examined physically for assessing workloads, quality and timeliness. This paperless system allows our supervisory personnel to easily and effectively monitor the quality of the work product anytime and anywhere as well as manage the workloads and critical deadlines of all of the claims representatives and appellate schedulers' right within the EdgeWise system. This unique capability helps to ensure that we never miss an important deadline as well as monitor and make sure that we are executing on our policy of 24-hour notice upon receipt of claims and hearings.

Protests

Process to notify CSURMA of a hearing or board review appeal decision Nearly all Employers Edge customers select to have full hearings representation services. This service includes a pre-hearing conference with the appropriate CSURMA witnesses, representation at the hearing itself, and a post hearing debriefing.

The appeals process is fairly straightforward. For each protested claim, an initial decision will be rendered. The losing party, either the employer or the claimant, will have the opportunity to appeal the initial decision. When the claimant wins the initial decision, we will contact CSURMA within two business days to discuss whether or not you wish to file an appeal. We will always offer our consultation and recommendation, but please know that you always have the final decision on whether or not to appeal. When CSURMA wins the initial decision and the claimant decides to appeal, a notice of hearing will come to Employers Edge, and we will again reach out to you within 24 hours to begin the hearing process.

Hearings Consultation

Preparation of all witnesses for hearings is a critical component to successfully defending our clients at unemployment hearings. Included in the fee, we provide pre-hearing consultations to prepare and train your personnel prior to testifying at a hearing. We notify our clients within 24 hours of receipt of a notice of hearing so that our clients have as much lead time as possible to schedule it on their calendars and begin preparing to testify. We immediately coordinate a time with all witnesses for the pre-hearing consultations.

As with the initial claims process, we will set up a predetermined protocol of whom, how, and how many times we will contact our client to make sure that we coordinate a timely exchange of information with our client and the state agencies on all claims, hearings and board level appeals. We will also set up back-ups at all levels. For example, a sample protocol might be if we call two days in a row to coordinate a hearing, and we do not hear back from the assigned contact, we have a higher level client contact (predetermined) to escalate it to ensure the timely exchange of information.

Similar to the initial decision, if the hearing or board appeal is in your favor, you will receive an individual claims report within two business days by email informing you of the favorable decision and how much we saved CSURMA in potential liability. The individual claims report will include our comments as to what we feel helped us to win the case. If the decision is unfavorable at the hearing level, we will give the designated client contact a call within two business days to discuss the case, the reasons behind the decision, and decide if we should appeal to the board. On all unfavorable decisions at the hearing and board levels, we will call to let you know the outcome, then follow up by email with an individual claims report. For all unfavorable decisions, our individual claims reports will communicate why we believe that the claim was lost and provide recommendations for the future as to eliminate recurring losses on similar claims.

After all hearings, we have a post-hearing debriefing with the witnesses to discuss the hearing and testimony. This is an important educational opportunity for your staff because we let them know where, if any, there was weakness in the case or in the testimony. The objective of the debriefing is to continually educate our customers so that we can avoid previous mistakes or pitfalls in the future as well as to let them know the areas within which they performed very well.

Available Reports

Our standard practice is to deliver the reports to our customers on a preferred, pre-arranged frequency (quarterly and annually, for example), but our comprehensive suite of reports are also available anytime online. A webinar demonstration of the robust on-line reporting capabilities will gladly be provided upon request.

The comprehensive suite of reports available includes, (but is not limited to):

Periodic Detailed Reports and Summary Reports – These may be provided in any frequency (quarterly, semi-annually, annually, etc.) that best fits your needs. Additionally, detailed reports are customizable in that they offer the largest sort capability in the industry (up to four sort levels), through which we can breakdown the reports by any preferred business units (such as corporate, division, region, department, state, SUTA #, location, etc.).

Individual Business Unit Reports - These may be broken out and sent to the head of each unit in the field, such as a divisional, regional, location, or department manager, etc. For example, a location manager will only receive a claims report for their location while regional and corporate will receive a roll up with the cumulative information for their region or corporate wide. Management personnel will be able to evaluate how each location or region is doing in comparison to others.

Claims Activity Report – A status report (won, lost, pending and eligible). This report details claims activity by separation reason (Violation of company rule, attendance, job performance, etc.). The standard report provides this breakdown, and you may find an example of the “Claims Activity Report” attached. This breakdown by separation reason allows you to see where you are doing well and areas in which we need to drive improvement.

Comprehensive Hearings Reports and Benefit Charge Auditing Reports - The summaries are excellent analytical tools for monitoring process improvements and samples of some of the claims activity reports offered in our suite are attached as “Claims Activity Report” and “Sample Business Unit.”

Individual Claims Reports – As soon as the decisions at each level of the claim is received, these reports are emailed to keep our customers completely updated on the status of each claim at each level (initial, hearing and board). Those can be set up in EdgeWise to be emailed to multiple contacts such as the manager out in the field or the head of the location, region, department, division, corporate, etc. They are designed to provide immediate notification to our customers upon receipt of a decision from the state. They also serve as a critical educational tool for the field because we often offer strategies as to what went well and what can be done in the future to improve our results.

Training and Additional Training Options

These training workshops are available in-person or by webinar and are customized to address your needs. Included as part of our standard service are two in-person and four webinar educational training workshops annually. Samples of topics that may be covered in our educational training seminars include:

- The history of general overview of the unemployment system
- Information regarding claim requirements in specific, high volume states
- Overview of the claims process from initial separation to the board of review
- What the state(s) are looking for in the form of documentation
- Overview of how the contributory unemployment tax system works
- Hearings process interface with Employers Edge
- Preparation tips for hearings
- Checklists for specific and recurring discharges & quits
- Financing – Who pays for it?
- How the base period works
- Overview of reports & trend analysis
- Board level appeals
- Top 10 cost control suggestions

FEE SCHEDULE

The yearly amount of compensation under this Contract will be **Thirty Two Thousand One Hundred Dollars (\$32,100.00)**.

The Client will pay to Employers Group a **QUARTERLY PAYMENT of Eight Thousand Twenty Five Dollars (\$8,025.00)**.

This agreement may be terminated by either party with a ninety (90) day written notice. If the agreement is terminated due to failure to perform contractually-stated duties, there will be no adjustment to the pricing on the final invoice. Because the pricing under a five-year agreement reflects a correlated discount, if the agreement is terminated for any non-performance related reason, the final invoice to CSURMA will reflect an adjustment to align the claims administration pricing with the corresponding rate of discount (if any) applicable to the actual duration of the period of service.

This fee is based on the following annual claims and hearings activity:

- 2,300 claims
- 250 protested claims
- 2,050 not protested claims

Should the annual claims activity exceed this amount, the client will be billed **\$15.00 per claim over 2,530 claims**. Claims fees include processing, state interfacing, and protesting claims.

- 50 hearings
- 36 in-person hearings
- 14 by phone hearings

Written appeals to the Board (if necessary) are included in the hearings. Hearings and written board appeals over 50 will be billed **(by phone) at \$95.00 per hearing; (in person) at \$225.00 per hearing**.

On each anniversary of this Work Order, a review of claims activity will be conducted. If the actual activity reflects a variation of more than 10% above or below the levels used as the basis in this agreement, the claims volume and corresponding pricing will be adjusted. Any change will be effective as of the first day of the first quarter of the contract year.

Employment and income verification is provided at the following cost structure:

- Account Installation Fee:.....No Charge
- Private Company VerificationsNo Charge
- Employees change their PIN code fees.....No Charge

Government and Social Services Verifications

- Less than 50% of total verifications No Charge
- More than 50% of total verifications \$3.00 per government verifications only

CSURMA will be provided a detailed report of all government verifications on a quarterly basis.

Beyond the (included) two annual on-site training sessions and four webinars, additional webinars may be requested and will be billed at up to \$350 per educational training workshop, and in-person training workshops will be billed at cost (travel, accommodations, etc.) plus 25%.

Employers Group will bill Client at the beginning of each quarter for the following quarter. The quarterly payment is due and payable upon receipt of invoice and must be paid promptly to ensure continued service. Checks are made payable to Employers Group Service Corporation and sent to:

Employers Group
400 N. Continental Blvd., Suite 300
El Segundo, CA 90245

Fees may also be paid on line with a credit card or through ACH. Instructions for this type of payment will be on your invoice.

PROPRIETARY INFORMATION

Employers Group consultants may have access to, and may acquire and become acquainted with various trade secrets and confidential and proprietary information relating to CSURMA.

Employers Group will hold in strictest confidence and will not (other than as specifically allowed by CSURMA) disclose or use any confidential information, directly or indirectly, during the term of the project, or at any time thereafter, except as required by Employers Group in performance of its duties for CSURMA.

All information, documents, manuals, and similar items relating to the business of CSURMA whether prepared by Employers Group consultants or otherwise, will remain the exclusive property of CSURMA and will not be removed from the premises without prior consent of CSURMA.

PROJECT ASSUMPTIONS

The following assumptions have been used to develop this arrangement and should be considered as an integral part of this engagement. The services, fees and delivery schedule for this engagement are based upon the following assumptions, representations or information supplied by Client.

Client personnel will be available on an as-needed basis to assist in the project.

Client will commit the necessary resources and management involvement to support the work and to accomplish the objectives of this engagement.

A number of information gathering activities (e.g., interviews, focus groups, surveys, etc.) may be conducted and that all levels of Client personnel will be available to participate.

Client will make project decisions and resolve project issues in a timely manner, normally within 24 to 48 hours.

Completion of deliverables as required is contingent upon having access to Client personnel within a timely period to be interviewed, documents to be reviewed, and prompt performance by any third party contractor of their obligations to Client.

In no event will EG have any responsibility for the performance of other contractors engaged by the Client in connection with other Client issues or projects, even if EG has been involved in recommending or selecting such contractors or in the monitoring of their work.

To the extent that EG's deliverables include surveys, analyses, reports, evaluations, recommendations or other management consulting services, Client shall be responsible for any implementation decisions and for any future action with respect to the matters addressed in the deliverables.

EG's delivery of the Services and the fees charged are dependent on (i) the Client's timely and effective completion of its responsibilities, (ii) the accuracy and completeness of the Assumptions, and (iii) timely decisions and approvals by Client management. The Client shall be responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in the Project Assumptions.

Notice

Any notice required to be given pursuant to this Agreement shall be either sent by email or fax and overnight delivery by any private mail carrier as follows:

CSURMA AORMA
c/o CSU Office of the Chancellor
CSURMA AORMA Secretary
401 Golden Shore, 5th Floor
Long Beach, CA 90802-4210

Employers Group, Inc.
Mark W. Wilbur
President and CEO
400 North Continental Blvd. Suite 300
El Segundo, CA 90245
Email: mwilbur@EmployersGroup.com
Phone: (213) 765-3999 Fax: (213) 742-0301

Insurance Requirements

EG 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 provision of the services hereunder by EG, his agents, representatives, or employees.

Minimum Scope of Insurance - Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).
2. Insurance Services Office Form Number CA 00 01 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employers' Liability insurance.
4. Errors & Omissions Liability insurance appropriate to the consultant's profession.

Minimum Limits of Insurance - EG shall maintain limits no less than:

1. General Liability - \$2,000,000 per occurrence
2. Automobile Liability - \$1,000,000 per accident
3. Workers' Compensation – As required by the State of California
4. Employers' Liability - \$1,000,000
5. Professional Liability - \$2,000,000 per occurrence

Deductibles and Self-Insured Retentions - Any deductibles or self-insured retentions must be declared to and approved by CSURMA AORMA.

Waiver of Subrogation - EG hereby agrees to waive subrogation which any insurer of EG may acquire from EG by virtue of payment of any loss. EG agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Other Insurance Provisions - The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:
CSURMA AORMA, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of services or operations performed by or on behalf of EG; or automobiles owned, leased, hired or borrowed by the EG.

For any claims related to the services provided, the EG's insurance coverage shall be primary insurance as respects CSURMA AORMA, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by CSURMA AORMA, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

If any coverage, such as, Errors & Omissions coverage is written on a claims-made form:

- a) The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.
- b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- c) 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, EG must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.
- d) A copy of the claims reporting requirements must be submitted to the CSURMA AORMA for review.

Acceptability of Insurers - Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII, unless otherwise acceptable to CSURMA AORMA. Exception may be made for the California State Compensation Insurance Fund when not specifically rated.

Verification of Coverage - EG shall furnish the CSURMA AORMA with endorsements effecting coverages required by this clause. The endorsements are to be signed by a person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the CSURMA AORMA before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

ACCEPTANCE & TERMS


IN WITNESS WHEREOF, the parties have read, had the opportunity to discuss, and caused this Agreement to be executed and do each hereby warrant and represent that their respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate or its entity action to execute this Agreement.

CSURMA AORMA

By: *Cynthia T. Matson*

Date: 6/27/13

Employers Group

By: 

Date: 7/24/13

**2017 MEETING DATES FOR THE CSURMA AORMA
PROGRAMS COMMITTEE**

ISSUE: Noted below are the proposed 2017 AORMA Programs Committee meeting dates:

Description	Date	Day	Time	Location
Programs Committee	February 23	Thursday	1:00 pm	Teleconference
Programs Committee	June 22	Thursday	1:00 pm	Teleconference
Programs Committee	September 28	Thursday	1:00 pm	Teleconference
Programs Committee	December 7	Thursday	1:00 pm	San Francisco

RECOMMENDATION: Staff recommends approving the proposed 2017 meeting dates for the CSURMA AORMA Programs Committee, with changes as appropriate.

FISCAL IMPACT: None.

BACKGROUND: Historically, the Programs Committee has met four times per year via teleconference. Staff has scheduled one in-person meeting in December when the committee will approve all of the program cost allocations.

PUBLICATION: The CSURMA meeting calendar will be updated with the approved dates and posted on the CSURMA website.

ATTACHMENT(S): None.

2016 CSURMA AORMA 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	8:00 AM	EC	Long Beach				
				6	10:30 AM	BOD	Long Beach				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
19 - 20	11:00 AM	AORMA Officers Retreat	San Francisco	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
								23	8:30 AM	EC Orientation	Newport Beach
								23	10:00 AM	EC	Newport Beach
								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	Newport Beach	2	1:30 PM	EC (FTPT Conference)	Sacramento	2	8:30 AM	EC	Long Beach
				2	4:00 PM	BOD (FTPT Conference)	Sacramento	8	8:00 AM	PC	San Francisco
				3-4		FTPT Conference	Sacramento				

AORMA = Auxiliary Organizations Risk Management Alliance Committee

AIME = Athletic Injury Medical Expense Committee

MSLCTC = AORMA Member Services, Loss Control & Training Committee

PC = AORMA Programs Committee

AORMA LRP = AORMA Long Range Planning Meeting

AOA = CSU Auxiliary Organizations Association

EC = CSURMA Executive Committee

EC LRP = EC Long Range Planning Meeting

BOD = CSURMA Board of Directors

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	Completed
	3	Evaluate Policy & Policy A-6 and recommend changes as appropriate	PA, AORMA	May, 2016	Completed
LRP-2 Monthly AORMA Update Newsletter					
Create a AORMA Newsletter to be sent out monthly	1	Create template for the newsletter	PA	May, 2016	In Process
	2	Finalize topics for the October newsletter	PA	Jun., 2016	
	3	Send out newsletter and post on CSURMA website	PA	Jun., 2016	
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	Sep., 2016	
	4	Approval of long term benchmarking project scope and costs	AORMA, EC	Sep., 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	Completed
	2	Develop a list of Auxiliary Organization resource contacts to collaborate on threat assessment	PA	Jan., 2016	Completed
	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	Completed
	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	Completed
	5	Develop some training sessions/webinars etc.	PA, SRM, Witt O'Briens	June, 2016	N/A
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	Completed
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	Jun., 2016	In Progress
	3	Report to AORMA Membership at AOA Conference	PA	Jan., 2016	Completed
BOD: CSURMA Board of Directors		EC: CSURMA Executive Committee			

FY 2015/16 CSURMA AORMA LONG RANGE ACTION PLAN

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

AORMA COMMITTEE AND STANDING COMMITTEE ROSTER

ISSUE: Attached for the Committee's review is the AORMA Committee and Standing Committee Roster effective July 1, 2016.

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 and Standing Committee Roster – Effective 07/01/16

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2016

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	First Vice Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
AORMA	Second Vice Chair	Gigi Kiama	Human Resources Director	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
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	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	Channel Islands University Auxiliary Services, Inc.	dave.nirenberg@csuci.edu	805-437-2668
AORMA	At Large	Jim Reinhart	Executive Director	Sacramento	University Enterprises, Inc. (UEI)	Jim.Reinhart@csus.edu	916-278-7001
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 Committee Chair serves for a period of four years - Vice Chair, to Chair, to Past President, to Ex-Officio.
Standing Committee Chair serves a one-year term, is appointed by the AORMA Committee Chair, and must be an AORMA Committee member.
AORMA Committee and Standing Committee members may serve a maximum of three consecutive two-year terms (total six years).