

- d. A-5 – Calendar of Reports, Audits, Filings and Reviews
- e. W-5 – Volunteer Coverage

D. CLOSED SESSION Pursuant to California Government Code Section 11126(e)(1) & 1126(f)(1) A

Action may be taken per Government Code Section 11126(e)(1) & 1126(f)(1). Please refer to the below list of claims that may be discussed. The Committee may assess and evaluate pending claims and related issues and take action or provide direction to Staff regarding the litigation described below.

1. ADA accessibility claim against Cal Poly Pomona and Foundation
2. Jenna Bailey v. Cal Poly Corporation
3. Eric Schofield v. CSULB Research Foundation
4. Yvonne Choyce v. University Enterprises, CSU Sacramento
5. Lorraine Ramos v. SDSU ASI
6. Robert Uribe v. University Enterprises, CSU Sacramento
7. Patricia Motooka v. CSU Chico ASI
8. Judi Soderstrom v. Cal Poly Corporation
9. Chrisanne Lazar v. Cal Poly Corporation
10. CNA v. California State University Fullerton Auxiliary Services
11. CalPERS adv. HSU Auxiliary
12. Apodaca v. CSU and ASI
13. Arce v CSUN ASI
14. Adams v Sacramento State Associated Students, Inc (Aquatic Center)
15. Ratchford v CSU San Diego Research Foundation
16. Richardson v. CSU Fullerton ASI
17. Damberger v – Capital Public Radio, Inc., CSU Sacramento
18. Heard v. CSU Long Beach ASI
19. Casillas (website) v. Cal Poly Pomona Foundation
20. O’Shea v. San Diego Research Foundation
21. Wattenburg v. Chico Research Foundation

E. STANDING COMMITTEE REPORTS

1. Programs Committee Report **I** p. 65
2. AOA Executive Committee Report **I** p. 68

F. GENERAL ADMINISTRATION

1. **Excess Liability Program Insurance Renewals and Underwriter Meetings Report** **A** p. 69
The Committee will receive a verbal report on the Underwriters Meetings report and take action as appropriate.
2. **FY 2018/2019 CSURMA Operating Budget** **A** p. 85
The Committee will review and recommend approval to the Executive Committee of the FY 18/19 CSURMA Budget

3. **Alliant Risk Control Consulting – Request for Additional Funding for FY 2017/2018** A p. 99
The Committee will be asked to approve \$20,000 in additional funding for the services to be provided by Alliant Risk Control Consulting within FY 17/18
 4. **Review of Policy and Procedures W-3 – Workers’ Compensation Claims Handling Procedures and Guidelines** A p. 103
The Committee will be asked to review Policy and Procedure W-3 – Workers’ Compensation Claims Handling
 5. **Workers’ Compensation Dividend for a July, 2018 Distribution** A p. 116
The Committee will be asked to approve the final workers’ compensation dividend to be distributed in July, 2018
 6. **Sedgwick Claims Management Services, Inc. Agreement Three-Year Agreement Extension** A p. 121
The Committee will be asked to ratify the decision to exercise three one-year extensions to the existing contract
 7. **CSAC EIA Workers’ Compensation Program Costs Adjustment** I p. 155
The Committee will be asked to discuss the proposed cost adjustment funds transfer
 8. **Alliant Risk Control Consulting Renewal Contract Proposal for FY 2018/2019** A p. 156
The Committee will review the ARCC renewal proposal and take action as appropriate.
- G. INFORMATION ITEMS**
1. CSAC EIA Annual Report p. 158
 2. FY 2017/2018 AORMA Long Range Action Plan p. 213
 3. CSURMA AORMA 2018 Meeting Calendar p. 216
 4. CSURMA AORMA Program Administrator Contact Lists p. 218
 5. CSURMA AORMA Committee Contact List p. 231
 6. AORMA Travel Reimbursement Policy p. 233
- H. ADJOURNMENT**

The next AORMA Committee meeting is scheduled for September 5, 2018 at 10:00 AM in TBD. Please contact Mimi Long mlong@alliant.com or Tevea Him thim@alliant.com with questions.

APPROVAL OF THE AGENDA

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MINUTES – DECEMBER 7, 2017

ISSUE: The Committee will be asked to review and approve the draft minutes from its December 7, 2017 meeting.

RECOMMENDATION: It is recommended that the Committee approve the minutes from its December 7, 2017 meeting, including corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA Committee Meeting Minutes – December 7, 2017

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING
DECEMBER 7, 2017
ALLIANT INSURANCE SERVICES, INC.
100 PINE STREET, 11TH FLOOR, SAN FRANCISCO, CA
10:00 AM**

MEMBERS PRESENT

Dwayne Brummett, Associated Students, Inc., Cal Poly State University at San Luis Obispo
Trina Knight, University Enterprises, Inc., CSU Sacramento (*via Teleconference; left at 11:45am*)
Starr Lee, The University Corporation at Monterey Bay
Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation
Dave Nakamura, Humboldt State University Center Board of Directors (*via Teleconference*)
Bella Newberg California State University San Marcos Corporation (*via Teleconference*)
Bill Olmsted, University Union Operation of CSU Sacramento
Todd Summer, Aztec Shops, Ltd. at San Diego State University (*via Teleconference*)

MEMBERS ABSENT

None

STAFF, GUESTS AND CONSULTANTS

Yumi Augustus, Carl Warren and Company (*via Teleconference*)
Katie Brandt, Sedgwick (*via Teleconference*)
Patricia Daniels, Sedgwick (*via Teleconference*)
Andrew Gaspari, Alliant Insurance Services, Inc.
Zachary Gifford, CSU Office of the Chancellor – Systemwide Risk Management
Tevea Him, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc.
William Hsu, General Counsel (*via Teleconference*)
Mimi Long, Alliant Insurance Services, Inc.
Amy Lightner, Alliant Insurance Services, Inc.

A. CALL TO ORDER

The meeting was called to order by the Chair, Frank Mumford at 10:00 AM.

A1. Approval of the Agenda

Bella Newberg, Dave Nakamura, Todd Summer and Trina Knight agreed to abstain from all votes.

A motion was made to approve the agenda.

Motion: Dwayne Brummett
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg		X		
Bill Olmsted	X			
Dave Nakamura		X		
Dwayne Brummett	X			
Frank Mumford	X			
Starr Lee	X			
Todd Summer		X		
Trina Knight		X		

MOTION CARRIED

B. PUBLIC COMMENTS

There were no comments from members of the public.

C. STANDING COMMITTEE REPORTS

C1. Programs Committee Report

Mimi Long reported there was no Program Committee meeting since the last AORMA Meeting.

C2. AOA Executive Committee Report

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

D. CONSENT CALENDAR

D1. Approval of Minutes – October 26, 2017

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

Motion: Dwayne Brummett
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg		X		
Bill Olmsted	X			
Dave Nakamura		X		
Dwayne Brummett	X			
Frank Mumford	X			

Starr Lee	X			
Todd Summer		X		
Trina Knight		X		

MOTION CARRIED

E. CLOSED SESSION

1. Warren v. Cal State L.A. University Auxiliary Services, Inc.
2. Arce v CSU Northridge ASI
3. Diane Adams v Sacramento State ASI
4. Grajeda v Cal Poly Pomona Foundation
5. Donnelly v San Marcos Research Services Corp
6. Ratchford v. CSU San Diego Research Foundation
7. Apodaca v. ASI and CSU (San Marcos)
8. Richardson v. CSU Fullerton ASI
9. Heard v. CSU Long Beach ASI
10. HSU Appeal re: CalPERS
11. CNA v. California State University Fullerton Auxiliary Services

A motion was made to enter closed session at 10:08 A.M.

Motion: Dwayne Brummett
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg		X		
Bill Olmsted	X			
Dave Nakamura		X		
Dwayne Brummett	X			
Frank Mumford	X			
Starr Lee	X			
Todd Summer		X		
Trina Knight		X		

MOTION CARRIED

The Committee left closed session at 11:14 AM. The Chair reported that action was taken on Warren v. Cal State L.A. University Auxiliary Services, Inc. and Richardson v. Associated Students CSU, Fullerton, Inc. during closed session.

F. GENERAL ADMINISTRATION

F1. AORMA Committee Appointments, Elections and Committee Terms

Upon Frank Mumford’s retirement on December 31, 2017, Dwayne Brummett will assume the Chair position and will finish out the current term of July 1, 2016 to June 30, 2018.

A motion was made to elect Dwayne Brummett as Chair for his first term of July 1, 2018 to June 30, 2020.

Motion: Bill Olmsted
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg		X		
Bill Olmsted	X			
Dave Nakamura		X		
Dwayne Brummett		X		
Frank Mumford	X			
Starr Lee	X			
Todd Summer		X		
Trina Knight		X		

MOTION CARRIED

There are seven at-large seats on the AORMA Committee. Currently, five of the at-large seat have odd terms and two have even terms. Mimi Long suggested that the Committee agree to change at-large seat #6 from an odd term to an even term. There are three officer positions on the AORMA Committee. The Chair and Second Vice Chair seats have even terms; the First Vice Chair seat has an odd term. In order to make the succession of the officer positions flow smoothly, Long suggested that the Committee change the First Vice Chair seat to an even term.

A motion was made to change the term of the First Vice Chair seat to an even term change the term of at-large seat #6 to an even term.

Motion: Dwayne Brummett
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg		X		
Bill Olmsted	X			
Dave Nakamura		X		
Dwayne Brummett	X			
Frank Mumford	X			
Starr Lee	X			
Todd Summer		X		
Trina Knight		X		

MOTION CARRIED

Frank Mumford appointed Starr Lee as the Second Vice Chair. Once Dwayne Brummett assumes the Chair position, he will appoint Dave Nakamura as the First Vice Chair.

The Chair appointed Bill Olmsted, Todd Summer and Bella Newberg to the Nominating Committee. The Nominating Committee will be asked to identify which of the incumbents whose terms expire on June 30, 2018 are interested in seeking re-election and will seek nominations for those seats currently available on the AORMA Committee.

F2. AORMA Unemployment Insurance Program

Mimi Long reviewed the proposed changes to Policy and Procedure UI-1 – Formula for Determining UIP Annual Deposit.

1. A statement has been included which allows all members, not just those members with federal sponsored programs, to use their excess funds to lower contributions for the upcoming fiscal year.
2. The current Policy and Procedure allows members to use excess funds to lower contributions for the **current** year as well as for the upcoming fiscal year. In order to maintain a consistent reconciliation process, this section was changed so that excess funds can be used only to reduce future contributions, not current.
3. A statement has been added that allows the AORMA Committee to defer investment losses. Long explained that the AORMA UIP Fund Balance Report is distributed to each Member annually. The report includes investment income which is allocated to each member based on its average fund balance for the preceding year. At June 30, 2017, the UIP had an Investment Loss of \$28,395 due to unrealized losses from long term investments. It is being recommended that the AORMA Committee have the ability to defer these types of “paper losses” if they deem it to be appropriate.

A motion was made to approve the changes to Policy and Procedure UI-1 as discussed above.

Motion: Starr Lee
Second: Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg		X		
Bill Olmsted	X			
Dave Nakamura		X		
Dwayne Brummett	X			
Frank Mumford	X			
Starr Lee	X			
Todd Summer		X		

Trina Knight				X
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MOTION CARRIED

F3. AORMA’s Long Range Action Plan for FY 17/18

Daniel Howell and Mimi Long reviewed the draft FY 17/18 Long Range Action Plan which includes the following items proposed by the Committee during its September 6, 2017 meeting:

1. Workers’ Compensation Program Growth
2. Formation of a Student Clubs Insurance Program
3. Determination of AORMA’s participation in the CSU Captive Vehicle
4. Development of Recreation Center Good Practices
5. Formation of the AORMA Benefits Program
6. Preparation and Distribution of the CSURMA 20th Anniversary Report
7. Dissemination of the CSAC-EIA Risk Management / Safety Services

A motion was made to approve the CSURMA AORMA FY 17/18 Long Range Action Plan as presented.

Motion: Dwayne Brummett
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg		X		
Bill Olmsted	X			
Dave Nakamura		X		
Dwayne Brummett	X			
Frank Mumford	X			
Starr Lee	X			
Todd Summer		X		
Trina Knight				X

MOTION CARRIED

F4. AORMA Policies and Procedures Review

Mimi Long explained that Policy and Procedure A-5, states that in the absence of other reasons to review a policy and procedure more frequently, all policies and procedures will be reviewed at least every two years. The following policies and procedures require a review in 2018. Long provided an overview of the recommended changes.

L-1 - Liability Claims Reporting. The third party claims administrators name and address was removed. Unfair Employment Practices was changed to Employment Practices Liability to be consistent with the Liability Program memorandum of coverage.

L-2 – Liability Claims Administration and Litigation Management. The requirement for the TPA to provide claims listings for closed session was modified to clarify that the listings need to be provided at least 10 days in advance of each AORMA Committee meeting. A few definitions were amended to be consistent with other policies and procedures.

W-2 – Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less. The discussion regarding the application and development of the experience modification factor was deleted as this is outlined in detail in Policy and Procedure W-1.

Only non-substantive revisions are recommended for the following policies and procedures and the Committee reviewed but did not discuss the changes:

- A-5 – Calendar of Reports, Audits, Filings and Reviews
- W-5 – Volunteer Coverage

No changes were recommended to the following policies and provisions:

- A-6 – Risk Reduction Matching Grant Program
- A-8 – Closed Session
- L-4 – Employee Driving Standards
- L-6 – Requirement to Purchase PAI for all Activities Involving Minors
- W-4 – Workers’ Compensation Coverage Claims Settlement Authority

The Committee reviewed the recommended revisions to the policies and procedures and deferred approval of any changes until the March 8, 2018 meeting.

G. INFORMATIONAL ITEMS

- G1. CSURMA AORMA 2018 Meeting Calendar**
- G2. CSURMA AORMA Program Administrator Contact Lists**
- G3. AORMA Travel Reimbursement Policy**
- G4. AORMA Committee Members - Effective 7/01/17**
- G5. CSURMA Administrative Service Calendar**

The Committee reviewed and discussed the informational items.

H. ADJOURNMENT

The meeting was adjourned at 12:22 PM.

FY 2017/2018 CSURMA MIDTERM BUDGET AMENDMENTS

ISSUE: The Board of Directors adopted the FY 2017/18 budget at its meeting on May 5, 2017. Upon review of the Financial Statements at December 31, 2017 (*unaudited*), Staff included amendments to the AORMA section of the FY 2017/18 budget to reflect the actual program contributions, insurance and reinsurance costs, and dividends declared. A transfer of funds from the Campus workers' compensation program to the AORMA workers' compensation programs is also included. (This will be discussed later in the meeting.) Many of the Operating Expenses and all of the General and Administrative Expenses are shared by all of the funds within the FY 2017/18 budget. These amounts were updated as well based on updated estimates or actual costs.

RECOMMENDATION: It is recommended the AORMA Committee recommend approval of the amendments to the AORMA sections of the FY 2017/18 CSURMA budget to the Executive Committee.

FISCAL IMPACT: The effect of the above adjustments increases Total Revenues by \$579,788, decreased Total Expenses by \$787,067 resulting Total Revenue of \$10,600,106, Total Expenses of \$12,789,319 and Non-Operating Income of \$410,040. The amended budget results in a Net Deficit of \$1,779,173. The Ending Balance at June 30, 2018 is estimated to be \$20,305,528.

BACKGROUND: None.

PUBLICATION: The amended FY 2017/18 Budget will be uploaded onto the CSURMA website.

ATTACHMENT(S):

- a. Draft FY 2017/18 CSURMA Midterm Budget Amendments

CSURMA

**Midterm Budget Amendment
Fiscal Year July 1, 2017 to June 30, 2018**

Draft

**AORMA Committee
March 8, 2018**

CSURMA
 Midterm Budget Amendment
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
 Draft

TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	Budget Change
Operating Revenues			
Contributions	12,856,592	13,436,380	579,788
Reinsurance Premiums	-3,000,000	-2,836,274	163,726
Total Operating Revenues	<u>9,856,592</u>	<u>10,600,106</u>	<u>743,514</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,684,380	5,218,252	-466,128
Deductible Recoveries	-50,000	-100,000	-50,000
Claims Administrators	268,048	268,048	0
Management Information System	6,493	37,661	31,168
Program Administrators	1,331,600	1,331,600	0
Brokerage Commissions & Fees	282,137	289,564	7,427
Insurance Premiums (net of brokerage)	5,269,350	4,905,089	-364,261
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	48,937	11,799	-37,138
Claims Audit	10,000	0	-10,000
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	1,390	1,390	0
Workshop/Training Expenses	29,102	71,963	42,861
Loss Control Expenses	247,427	264,427	17,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,549,309	-1,455,278	94,031
Program Committee	0	7,800	7,800
Dividend Distributions	1,712,755	1,650,397	-62,358
Total Direct Program Expenses	<u>13,366,309</u>	<u>12,576,711</u>	<u>-789,598</u>

CSURMA
 Midterm Budget Amendment
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
 Draft

TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	4,545	4,545	0
Executive Committee & Board Expenses	4,415	4,415	0
JPA Insurance	2,078	2,078	0
Memberships, Associations & Dues	974	974	0
Chancellor's Office Accounting Services	47,726	47,726	0
Chancellor's Office Risk Management Service	134,346	134,346	0
JPA Accreditation	0	910	910
JPA Legal	14,045	14,045	0
Miscellaneous Expenses	1,948	3,569	1,621
Total General & Administrative Expenses	<u>210,077</u>	<u>212,608</u>	<u>2,531</u>
Total Operating Expenses	<u>13,576,386</u>	<u>12,789,319</u>	<u>-787,067</u>
Non-Operating Revenues			
Investment Income	400,594	410,040	9,446
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>400,594</u>	<u>410,040</u>	<u>9,446</u>
Net Surplus (Deficit)	<u>-3,319,200</u>	<u>-1,779,173</u>	
Beginning Retained Earnings	21,899,825	22,084,701	
Ending Retained Earnings (est at 6/30/18)	18,580,625	20,305,528	

CSURMA
Midterm Budget Amendment
Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
Draft

AORMA LIABILITY PROGRAM

(Fund 21)

<i>Adopted</i>	<i>Amended</i>	
FY 17/18	FY 17/18	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

Operating Revenues

Contributions	4,098,878	4,158,018	59,140
Reinsurance Premiums	-1,500,000	-1,336,274	163,726
Total Operating Revenues	<u>2,598,878</u>	<u>2,821,744</u>	<u>222,866</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	1,116,991	783,549	-333,442
Deductible Recoveries	-50,000	-100,000	-50,000
Claims Administrators	15,000	15,000	0
Management Information System	2,070	12,007	9,937
Program Administrators	609,206	609,206	0
Brokerage Commissions & Fees	39,939	72,346	32,407
Insurance Premiums (net of brokerage)	404,339	209,860	-194,479
Taxes, Assessments & Fees	0	0	0
Actuarial Services	16,145	5,414	-10,731
Claims Audit	5,000	0	-5,000
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	443	443	0
Workshop/Training Expenses	9,278	42,816	33,538
Loss Control Expenses	102,657	110,778	8,121
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	2,487	2,487
Dividend Distributions	824,133	1,118,476	294,343
Total Direct Program Expenses	<u>3,102,701</u>	<u>2,889,882</u>	<u>-212,818</u>

CSURMA
Midterm Budget Amendment
Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
Draft

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,449	1,449	0
Executive Committee & Board Expenses	1,408	1,408	0
JPA Insurance	662	662	0
Memberships, Associations & Dues	311	311	0
Chancellor's Office Accounting Services	15,216	15,216	0
Chancellor's Office Risk Management Service	42,832	42,832	0
JPA Accreditation	0	290	290
JPA Legal	4,478	4,478	0
Miscellaneous Expenses	621	1,138	517
 Total General & Administrative Expenses	 <u>66,976</u>	 <u>67,783</u>	 <u>807</u>
 Total Operating Expenses	 <u>3,169,677</u>	 <u>2,957,665</u>	 <u>-212,011</u>
 Non-Operating Revenues			
Investment Income	125,276	137,527	12,250
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>125,276</u>	 <u>137,527</u>	 <u>12,250</u>
 Net Surplus (Deficit)	 <u>-445,523</u>	 <u>1,605</u>	
 Beginning Retained Earnings	 6,973,901	 6,973,901	
Ending Retained Earnings (est at 6/30/18)	6,528,378	6,975,506	

Includes Cyber Risk Liability

CSURMA
Midterm Budget Amendment
Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
Draft

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

<i>Adopted</i>	<i>Amended</i>	
FY 17/18	FY 17/18	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

Operating Revenues

Contributions	4,481,160	5,001,808	520,648
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,481,160</u>	<u>5,001,808</u>	<u>520,648</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	2,498,638	2,365,952	-132,686
Deductible Recoveries	0	0	0
Claims Administrators	224,160	224,160	0
Management Information System	2,263	13,127	10,864
Program Administrators	392,407	392,407	0
Brokerage Commissions & Fees	30,112	26	-30,086
Insurance Premiums (net of brokerage)	4,599,011	4,322,130	-276,881
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	18,989	5,953	-13,036
Claims Audit	5,000	0	-5,000
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	484	484	0
Workshop/Training Expenses	10,143	14,914	4,770
Loss Control Expenses	110,366	119,245	8,879
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,549,309	-1,455,278	94,031
Program Committee	0	2,718	2,718
Dividend Distributions	888,622	531,921	-356,701
Total Direct Program Expenses	<u>7,297,386</u>	<u>6,604,258</u>	<u>-693,128</u>

CSURMA
Midterm Budget Amendment
Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
Draft

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Adopted</i>	<i>Amended</i>	
	FY 17/18	FY 17/18	Budget
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
General & Administrative Expenses			
Financial Audit	1,584	1,584	0
Executive Committee & Board Expenses	1,539	1,539	0
JPA Insurance	724	724	0
Memberships, Associations & Dues	339	339	0
Chancellor's Office Accounting Services	16,635	16,635	0
Chancellor's Office Risk Management Service	46,826	46,826	0
JPA Accreditation	0	317	317
JPA Legal	4,895	4,895	0
Miscellaneous Expenses	679	1,244	565
 Total General & Administrative Expenses	 <u>73,222</u>	 <u>74,104</u>	 <u>882</u>
 Total Operating Expenses	 <u>7,370,609</u>	 <u>6,678,363</u>	 <u>-692,246</u>
Non-Operating Revenues			
Investment Income	152,963	139,570	-13,393
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>152,963</u>	 <u>139,570</u>	 <u>-13,393</u>
 Net Surplus (Deficit)	 <u>-2,736,486</u>	 <u>-1,536,985</u>	
 Beginning Retained Earnings	 6,409,607	 6,594,483	 184,876
Ending Retained Earnings (est at 6/30/18)	3,673,121	5,057,498	

CSURMA
 Midterm Budget Amendment
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
 Draft

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	Budget Change
Operating Revenues			
Contributions	2,075,000	2,075,000	0
Reinsurance Premiums	-1,500,000	-1,500,000	0
Total Operating Revenues	<u>575,000</u>	<u>575,000</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	1,048	6,078	5,030
Program Administrators	258,913	258,913	0
Brokerage Commissions & Fees	189,843	194,949	5,106
Insurance Premiums (net of brokerage)	21,000	128,099	107,099
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,802	210	-6,592
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	224	224	0
Workshop/Training Expenses	4,697	6,906	2,209
Loss Control Expenses	24,130	24,130	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	1,259	1,259
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>756,657</u>	<u>870,768</u>	<u>114,111</u>

CSURMA
 Midterm Budget Amendment
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
 Draft

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	734	734	0
Executive Committee & Board Expenses	713	713	0
JPA Insurance	335	335	0
Memberships, Associations & Dues	157	157	0
Chancellor's Office Accounting Services	7,703	7,703	0
Chancellor's Office Risk Management Service	21,683	21,683	0
JPA Accreditation	0	147	147
JPA Legal	2,267	2,267	0
Miscellaneous Expenses	314	576	262
 Total General & Administrative Expenses	 <u>33,906</u>	 <u>34,314</u>	 <u>409</u>
 Total Operating Expenses	 <u>790,562</u>	 <u>905,082</u>	 <u>114,519</u>
Non-Operating Revenues			
Investment Income	29,036	32,886	3,850
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>29,036</u>	 <u>32,886</u>	 <u>3,850</u>
 Net Surplus (Deficit)	 <u>-186,526</u>	 <u>-297,196</u>	
 Beginning Retained Earnings	 2,111,069	 2,111,069	
Ending Retained Earnings (est at 6/30/18)	1,924,543	1,813,874	

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

CSURMA
Midterm Budget Amendment
Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
Draft

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	277,000	277,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>277,000</u>	<u>277,000</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	50,000	50,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	140	811	671
Program Administrators	25,384	25,384	0
Brokerage Commissions & Fees *	22,243	22,243	0
Insurance Premiums	245,000	245,000	0
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	892	28	-864
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	30	30	0
Workshop/Training Expenses	627	922	295
Loss Control Expenses	1,293	1,293	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	168	168
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>345,609</u>	<u>345,879</u>	<u>270</u>

**CSURMA
Midterm Budget Amendment
Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment
Draft**

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	98	98	0
Executive Committee & Board Expenses	95	95	0
JPA Insurance	45	45	0
Memberships, Associations & Dues	21	21	0
Chancellor's Office Accounting Services	1,028	1,028	0
Chancellor's Office Risk Management Service	2,895	2,895	0
JPA Accreditation	0	20	20
JPA Legal	303	303	0
Miscellaneous Expenses	42	77	35
Total General & Administrative Expenses	<u>4,526</u>	<u>4,581</u>	<u>55</u>
Total Operating Expenses	<u>350,135</u>	<u>350,460</u>	<u>325</u>
Non-Operating Revenues			
Investment Income	7,640	6,344	-1,297
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>7,640</u>	<u>6,344</u>	<u>-1,297</u>
Net Surplus (Deficit)	<u>-65,494</u>	<u>-67,116</u>	
Beginning Retained Earnings	412,604	412,604	
Ending Retained Earnings (est at 6/30/18)	347,110	345,488	

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

CSURMA
 Midterm Budget Amendment
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
 Draft

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	Budget Change
Operating Revenues			
Contributions	1,924,554	1,924,554	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>1,924,554</u>	<u>1,924,554</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,768,751	1,768,751	0
Deductible Recoveries	0	0	0
Claims Administrators	28,888	28,888	0
Management Information System	972	5,638	4,666
Program Administrators	45,690	45,690	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,109	194	-5,915
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	208	208	0
Workshop/Training Expenses	4,356	6,405	2,049
Loss Control Expenses	8,982	8,982	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	1,168	1,168
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,863,956</u>	<u>1,865,924</u>	<u>1,968</u>

CSURMA
 Midterm Budget Amendment
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment
 Draft

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	680	680	0
Executive Committee & Board Expenses	661	661	0
JPA Insurance	311	311	0
Memberships, Associations & Dues	146	146	0
Chancellor's Office Accounting Services	7,144	7,144	0
Chancellor's Office Risk Management Service	20,111	20,111	0
JPA Accreditation	0	136	136
JPA Legal	2,102	2,102	0
Miscellaneous Expenses	292	534	242
Total General & Administrative Expenses	<u>31,447</u>	<u>31,826</u>	<u>378</u>
Total Operating Expenses	<u>1,895,403</u>	<u>1,897,749</u>	<u>2,346</u>
Non-Operating Revenues			
Investment Income	85,678	93,714	8,036
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>85,678</u>	<u>93,714</u>	<u>8,036</u>
Net Surplus (Deficit)	<u>114,829</u>	<u>120,519</u>	
Beginning Retained Earnings	5,992,643	5,992,643	
Ending Retained Earnings (est at 6/30/18)	6,107,472	6,113,162	

AORMA POLICIES AND PROCEDURES REVIEW

ISSUE: Policy and Procedure A-5 states that in the absence of other reasons to review a policy and procedure more frequently, all policies and procedures will be reviewed at least every two years. At its meeting on December 7, 2017, the AORMA Committee reviewed the following Policies and Procedures:

- A-5 – Calendar of Reports, Audits, Filings and Reviews
- A-6 – Risk Reduction Matching Grant Program
- A-8 – Closed Session
- L-1 – Liability Claims Reporting
- L-2 – Liability Claims Administration and Litigation Management
- L-4 – Employee Driving Standards
- L-6 – Requirement to Purchase PAI for all Activities Involving Minors
- W-2 – Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less
- W-4 – Workers’ Compensation Coverage Claims Settlement Authority
- W-5 – Volunteer Coverage

The approval of the suggested revisions was tabled until today’s meeting.

RECOMMENDATION: Staff recommends that the Committee members review the Policies and Procedures listed above and approve revisions to the following Policies and Procedures:

- A-5 – Calendar of Reports, Audits, Filings and Reviews
- L-1 – Liability Claims Reporting
- L-2 – Liability Claims Administration and Litigation Management
- W-2 – Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less
- W-5 – Volunteer Coverage

FISCAL IMPACT: None.

BACKGROUND: Shown below is a summary of the recommended revisions.

L-1 – Liability Claims Reporting

- The third party claims administrators name and address was removed.

- Unfair Employment Practices was changed to Employment Practices Liability to be consistent with the Liability Program memorandum of coverage.

L-2 – Liability Claims Administration and Litigation Management

- The requirement for the TPA to provide claims listings for closed session was modified to clarify that the listings need to be provided at least 10 days in advance of each AORMA Committee meeting.
- A few definitions were amended to be consistent with other policies and procedures.

W-2 – Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less

- The discussion regarding the application and development of the experience modification factor was deleted as this is outlined in detail in Policy and Procedure W-1.

Only non-substantive revisions are recommended for the following policies and procedures:

A-5 – Calendar of Reports, Audits, Filings and Reviews

W-5 – Volunteer Coverage

PUBLICATION: All revised policies and procedures will be uploaded to the CSURMA website.

ATTACHMENT(S):

- A-5 – Calendar of Reports, Audits, Filings and Reviews
- A-6 – Risk Reduction Matching Grant Program
- A-8 – Closed Session
- L-1 – Liability Claims Reporting
- L-2 – Liability Claims Administration and Litigation Management
- L-4 – Employee Driving Standards
- L-6 – Requirement to Purchase PAI for all Activities Involving Minors
- W-2 – Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less
- W-4 – Workers’ Compensation Coverage Claims Settlement Authority
- W-5 – Volunteer Coverage



CSURMA AORMA

POLICY AND PROCEDURE NO. A-5

SUBJECT: CALENDAR OF REPORTS, AUDITS, FILINGS AND REVIEWS

ADOPTED: OCTOBER 29, 2009

EFFECTIVE: OCTOBER 29, 2009

AMENDED: SEPTEMBER 12, 2013
NOVEMBER 6, 2013
MARCH 20, 2014
OCTOBER 23, 2014
MAY 5, 2016
MARCH 8, 2018

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.

PURPOSE:

This policy and procedure outlines the various audits, reports and filings compiled by CSURMA AORMA on an annual basis.

POLICY:

It shall be the policy of the CSURMA AORMA to take the following action on an annual or semi-annual basis:

Reports and Audits:

1. Actuarial Study. Annually, the Program Director will engage CSURMA’s accredited independent actuary to perform an actuarial analysis of both the Workers' Compensation and Liability Programs. The analysis shall include (1) Projected Ultimate Losses for the upcoming fiscal year(s) and (2) the Estimated Outstanding Losses (including IBNR) at various confidence levels.
2. Third-Party Claims Administration Audits for both the Liability and Workers’ Compensation Program. These audits will be performed by an independent outside auditor in accordance with CSURMA Policy and Procedure #5. The AORMA Liability Program shall be audited in every odd numbered calendar year. The AORMA Workers’ Compensation Program shall be audited in every even number calendar year. Upon the recommendation of the Program Administrator, the AORMA COMMITTEE may adjust the audit schedule described above based on AORMA’s business needs such as a planned Request-for-Proposal process, or a need to monitor a vendor’s service performance more frequently.
3. Financial Audit. This audit will be performed annually by an independent outside auditor.

State of California Regulatory Required Filings: Form 700 - Statement of Economic Interests. All AORMA Committee members will annually file with the FPPC the Form 700 - Statement of Economic Interests by April 1. All AORMA Committee members will also file with the FPPC the Form 700 upon becoming or retiring as a Committee ~~designated or alternate~~ member.

Policy and Procedure Review Schedule: In the absence of other reasons to review a policy and procedure more frequently, all policies and procedures will be reviewed at least every two years.

Member Allocation Formula Review

1. The Member Allocation Formula for each AORMA program with a pooled layer will be reviewed by the AORMA Programs Committee at least every three (3) years in order to verify that the allocation formulas are still fair and equitable. The AORMA Programs Committee will provide to the AORMA Committee a thorough report of its review, findings and recommendations.
2. The AORMA Committee will approve any and all revisions to the member allocation formulas before being utilized.

Property Appraisals

1. Every five (5) years, the Program Administrator will engage a qualified property appraisal firm to appraise all buildings owned by MEMBERS and insured within the AORMA Property Program with total insurable values of \$1,000,000 or greater.
2. Every ten (10) years, the Program Administrator will engage a qualified property appraisal firm to appraise all buildings owned by MEMBERS and insured within the AORMA Property Program regardless of the value.

DEFINITIONS:

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

AORMA COMMITTEE – The governing body of AORMA.

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

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



CSURMA AORMA

POLICY AND PROCEDURE NO. A-6

SUBJECT:	RISK REDUCTION INNOVATION MATCHING GRANT INCENTIVE PROGRAM
ADOPTED:	MAY 9, 2013
EFFECTIVE:	JULY 1, 2013
AMENDED:	SEPTEMBER 12, 2013 MARCH 20, 2014 DECEMBER 4, 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.

PURPOSE:

The Risk Reduction Innovation Matching Grant Program (PROGRAM) makes funds available to AORMA Members (MEMBERs). It funds original and inventive training programs, the purchase of cutting edge safety equipment, innovative modernization of the MEMBER's premises or any other unique or creative safety related project that may lead to a documentable reduction in claims costs. The purpose of this type of *matching grant program* is to encourage MEMBERs to enhance existing risk reduction efforts and to inspire ingenious safety ideas that the other MEMBERs may employ.

POLICY:

1. Annually, the following activities will be completed
 - a. The Programs Committee (PC) will propose to the AORMA Committee a budget amount for the PROGRAM.
 - b. The PC will approve the maximum grant amount.
 - c. The PC along with the Program Administrator will review the grant applications, and if found to be appropriate and consistent with the purpose of the PROGRAM may be approved by the PC.
2. To access funds under the PROGRAM, the MEMBER, must complete the grant application which is located on the CSURMA website and will include the following information;
 - a. A description of the proposed risk reduction project
 - b. The anticipated timeline for completion of the risk reduction project.
 - c. An estimate of the total costs for the proposed risk reduction project.
3. The MEMBER will be expected to complete the proposed risk reduction project within the timeline provided within the grant application. Upon review, the PC may rescind the grant if

the MEMBER has not started, or completed, the risk reduction project within the timeframe proposed.

4. Fifty percent (50%) of the MEMBER's risk reduction project costs (up to the maximum grant amount approved for that MEMBER) will be reimbursed under the PROGRAM. The MEMBER will submit to the PC the final paid receipt to be used to calculate the PROGRAM reimbursement amount.
5. After the grant funds are utilized, the MEMBER will provide a brief report providing information that will assist the PC in monitoring this PROGRAM's effectiveness and the merits of future PROGRAM funds.



CSURMA AORMA

POLICY AND PROCEDURE NO. A-8

SUBJECT: CSURMA AORMA CLOSED SESSION POLICY

ADOPTED: OCTOBER 23, 2014

AMENDED: MAY 5, 2016

EFFECTIVE: OCTOBER 23, 2014

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:

CSURMA AORMA conducts its meetings in compliance with the Bagley-Keene Open Meeting Act. The Act allows CSURMA AORMA to meet in closed session to confer with or receive advice from its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of CSURMA AORMA in the litigation.

From time to time, a MEMBER may be asked to recuse himself/herself from CLOSED SESSION discussions due to a potential conflict of interest.

PROCEDURE:

Prior to entering closed session, upon advice from the CSURMA Legal Counsel, Claims Administrator and/or Program Director, an AORMA COMMITTEE member may be asked to recuse himself/herself from the closed session discussion where a potential conflict of interest may exist.

DEFINITIONS:

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

AORMA COMMITTEE – The governing body of AORMA.

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

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



CSURMA AORMA

POLICY AND PROCEDURE NO. L -1

SUBJECT:	LIABILITY CLAIMS REPORTING
ADOPTED:	DECEMBER 7, 2006
AMENDED:	OCTOBER 8, 2009 DECEMBER 4, 2014 MAY 5, 2016 MARCH 38, 2018
EFFECTIVE:	JANUARY 1, 2007

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 CSURMA AORMA that all MEMBERS will comply with the following conditions of the AORMA Liability Program MEMORANDUM OF COVERAGE.

- A. Duties in the Event of an Accident, OCCURRENCE, Offense, Claim, Suit or Proceeding: The following provisions are precedent to coverage under the AORMA Liability Program MEMORANDUM OF COVERAGE. The COVERED PARTY's failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA AORMA.
1. In the event of any OCCURRENCE or offense which may result in a claim, suit or proceeding against a COVERED PARTY, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the MEMBER to the TPA as soon as practicable.
 2. When the MEMBER submits the first claim report, the following information shall be included, if available and applicable:
 - a. How, when and where the OCCURRENCE or offense took place;
 - b. The names and addresses of any injured persons and witnesses;
 - c. The nature and location of any injury or damage arising out of the OCCURRENCE or offense;
 - d. Incident reports;
 - e. Investigation reports;
 - f. Police reports;
 - g. Claim notice(s) and response(s)
 - h. Medical reports



CSURMA AORMA

POLICY AND PROCEDURE NO. L -1

- i. Request for Assignment of “Non-Approved” Legal Counsel (See AORMA Legal Counsel Selection Policy & Procedure)

~~Other information helpful to the TPA. See contact information below:~~

Regular Mail

Carl Warren & Company
P.O. Box 7059
Ventura, CA 93006 7059
Attn: Mauri McGuire
Phone: 805.650.7020, ext. 1003
Fax: 805.658.9950
Email: mmeguire@carlwarren.com

Express Mail

Carl Warren & Company
1000 South Hill Rd., Suite 215
Ventura, CA 93003 4455
Attn: Mauri McGuire
Phone: 805.650.7020, ext. 1003
Fax: 805.658.9950
Email: mmeguire@carlwarren.com

- 3. The MEMBER and any other involved COVERED PARTY shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the MEMBER or other involved COVERED PARTY to the TPA and authorize CSURMA AORMA to obtain records and other information;

- a. **Late Reporting Penalties.** If an OCCURRENCE, offense, claim, suit or proceeding is not reported by the MEMBER to the TPA within the timeframes set below, the following late reporting schedule will apply:

- i. If an OCCURRENCE, offense, claim, suit or proceeding is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
- ii. If an OCCURRENCE, offense, claim, suit or proceeding is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply;
- iii. If an OCCURRENCE, offense, claim, suit or proceeding 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.

- 4. The MEMBER and any other involved COVERED PARTY will cooperate with CSURMA AORMA in the investigation or settlement of the claim, suit or proceeding and defense against and assist CSURMA AORMA, in the enforcement of any right against any person or organization which may be liable to the MEMBER because of injury to which this coverage may also apply.

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



CSURMA AORMA

POLICY AND PROCEDURE NO. L -1

With respect to ~~UNFAIR~~-EMPLOYMENT PRACTICES LIABILITY, in no event shall any payments be made by CSURMA AORMA for any costs incurred to defend a covered claim more than thirty (30) days prior to written notification of any OCCURRENCE, offense, claim or suit to the TPA.

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

MEMBER APPEAL PROCESS:

First Level Appeal

If a MEMBER wishes to appeal a decision resulting from the enforcement of this Policy and Procedure, the MEMBER must present an appeal in writing to the AORMA Committee within thirty (30) days of the disputed decision. The AORMA Committee will review the appeal at its next regularly scheduled meeting and inform the MEMBER within five (5) business days of its final decision.

Second Level Appeal

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



CSURMA AORMA

POLICY AND PROCEDURE NO. L -1

DEFINITIONS:

AORMA – Auxiliary Organizations Risk Management Alliance is the group of ~~PROGRAMs~~ programs that operate within the California State University Risk Management Authority representing the auxiliary organizations.

CSURMA – 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.

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.

OCCURRENCE – As defined within the AORMA Liability Program MEMORANDUM OF COVERAGE.

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

TPA - Third party liability claims administrator whose responsibilities include claim handling, litigation management and excess liability carrier reporting.

~~**UNFAIR EMPLOYMENT PRACTICES LIABILITY**~~ – As defined within the AORMA Liability Program MEMORANDUM OF COVERAGE.

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CSURMA AORMA

POLICY AND PROCEDURE NO. L-2

SUBJECT: **LIABILITY CLAIMS ADMINISTRATION & LITIGATION MANAGEMENT**

ADOPTED: **DECEMBER 7, 2006**

AMENDED: **OCTOBER 8, 2009**
SEPTEMBER 16, 2010
MAY 10, 2012
OCTOBER 23, 2014
MAY 7, 2015
MARCH 10, 2016
MARCH 30, 2018

EFFECTIVE: **JANUARY 1, 2007**

POLICY & PROCEDURE NO.: **(FORMERLY) 3B-LIAB**

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

POLICY:

1. It is the policy of AORMA that liability claims be handled in the most efficient and cost-effective manner possible. To that end, the AORMA COMMITTEE has retained the services of a TPA who has been designated the primary contact and control point for all liability claims management.
2. It is the policy of AORMA that there will be no coverage for any settlement negotiated or agreed to without involvement and prior approval of the TPA.
3. It is the policy of AORMA that (1) LEGAL COUNSEL engaged to defend a MEMBER shall be selected pursuant to AORMA Policy & Procedure L-3 - Legal Counsel Selection and that (2) such LEGAL COUNSEL shall be responsive to TPA and that (3) failure of LEGAL COUNSEL to be responsive to TPA may result in replacement of LEGAL COUNSEL.
4. It is the policy of AORMA that the TPA will analyze all CLAIMS for potential liability apportionment between the Campus and the MEMBER or two or more MEMBERS and will provide notification to the PROGRAM DIRECTOR.

PROCEDURE:



The purpose of this document is to outline the process of liability claims administration and litigation management by the TPA and the involvement of the AORMA COMMITTEE.

1. LIABILITY CLAIMS ADMINISTRATION

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

2. RESPONSIBILITIES OF THE MEMBER

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

3. RESPONSIBILITIES OF THE AORMA COMMITTEE

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

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

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

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

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



- B. The TPA shall perform an analysis of all CLAIMs and lawsuits for potential liability apportionment between either the Campus and the MEMBER or between two or more MEMBERS.
 - 1) If the TPA believes there may be a basis for apportionment between the Campus and the MEMBER, the TPA will notify the PROGRAM DIRECTOR. The PROGRAM DIRECTOR will submit the matter to the MEMBER Executive Director and the Campus Vice President of Administration and Finance, or their designees, to determine whether apportionment is appropriate and, if so, what apportionment percentages should apply. In the event they are unable to reach agreement regarding apportionment and/or apportionment percentages, the matter will be submitted for decision to the CSURMA Secretary-Auditor who will review the matter with the Executive Vice-Chancellor/Chief Financial Officer of the California State University. The decision of the CSURMA Secretary-Auditor shall be final, non-appealable and binding.
 - 2) If the TPA believes there may be a basis for apportionment between two or more MEMBERS, the TPA will notify the PROGRAM DIRECTOR. The PROGRAM DIRECTOR will submit the matter to the Executive Directors of the MEMBERS, or their designees, to determine whether apportionment is appropriate and, if so, what apportionment percentages should apply. In the event they are unable to reach agreement regarding apportionment and/or apportionment percentages, the matter will be submitted for decision to the CSURMA Secretary-Auditor who will review the matter with the Executive Vice-Chancellor/Chief Financial Officer of the California State University. The decision of the CSURMA Secretary-Auditor shall be final, non-appealable and binding.
- C. The TPA shall perform a survey of the legal marketplace per Policy & Procedure No. L-3 to verify that approved LEGAL COUNSEL rates are in line with industry standards, and report their findings to the AORMA COMMITTEE.
- D. The TPA shall forward ~~a copy~~ copies of its claim summary ~~of~~ reports to the MEMBER and the PROGRAM DIRECTOR. In the event that a lawsuit or a CLAIM involves the MEMBER Executive Director, the Campus Vice President of Administration & Finance or his/her designee shall manage the claim with the TPA.
- ~~E. Two claims listings will be provided at each meeting for which there is a closed session.~~
- ~~F.E. At least ten days prior to every AORMA COMMITTEE meeting, the TPA will provide to the PROGRAM DIRECTOR a~~ A detailed listing of all claims requiring

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action by the AORMA ~~Committee~~COMMITTEE. The narrative will include at least the following information:

- 1) Date of Loss
- 2) Member
- 3) Fiscal Year
- 4) Simplified Description
- 5) Line of Coverage
- 6) Member retained limit
- 7) Report to Excess Status
- 8) Paid
- 9) Reserves
- 10) Total Incurred
- 11) Defense counsel name and firm
- 12) Plaintiff counsel name and firm
- 13) Legal counsel budget
- 14) Estimate of probable liability
- 15) Action requested

~~The TPA will also establish, and forward to the PROGRAM DIRECTOR, a Watch List for the following claims:~~

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

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

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5. RESPONSIBILITIES OF LEGAL COUNSEL

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

6. LIABILITY LITIGATION MANAGEMENT



A. Correspondence and Pleadings

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

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

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

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

B. Case Analysis and Litigation Budget

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

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

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

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

- 1) The ongoing strategy for defense or resolution of the case, including a factual analysis of issues related to liability and damages;
- 2) A description of planned discovery with a time table for completion;



- 3) A brief synopsis of the discovery completed since the last report;
- 4) Court dates including, but not necessarily limited to, mandatory settlement conferences, trial setting conferences, arbitration and trial dates, hearings on discovery, etc.;
- 5) New settlement demands; and
- 6) Any anticipated changes in the litigation budget.

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

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

C. Further Evaluations and Reserves

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

D. Settlement Conferences

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



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

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

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

F. Trials

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

G. Special Situations and Circumstances

Should any MEMBER send or receive correspondence or documentation on a case in litigation, a copy of all such correspondence or documentation must be sent to the TPA.

Expenses incurred by LEGAL COUNSEL (or approved alternate representative) for duties outlined in ~~Paragraphs 1.B, 1.C and 1.D~~ Sections 5 and 6

shall be reimbursed by AORMA and allocated directly to the case file. All travel expenses shall be in accordance with the CSURMA's travel policy.

H. Audit of Defense Firms

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

7. LIABILITY CLAIMS SETTLEMENT



A. Claim Settlement Authority

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

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

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

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

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

All of the foregoing notwithstanding, if time is of the essence in a specific matter, the AORMA Committee Chair, First Vice Chair, and Past-Second Vice Chair ~~and Ex-Officio~~, on the advice of the TPA, shall have authority to determine the terms of an emergency settlement up to the POOLED LAYER LIMIT upon the agreement of a majority consisting of at least two participants, provided that no member involved in the specific matter may participate in the determination. Any determination reached under this paragraph shall be reported to the AORMA ~~Committee~~ COMMITTEE at the next regularly scheduled meeting.

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

B. Liability Claims Settlement Responsibility

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



C. Member Appeal Process

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

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



DEFINITIONS:

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



CSURMA AORMA

POLICY AND PROCEDURE NO. L-4

SUBJECT: EMPLOYEE DRIVING STANDARDS
ADOPTED: JULY 1, 2002
AMENDED: JANUARY 10, 2007
NOVEMBER 5, 2007
OCTOBER 8, 2009
JUNE 17, 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:

Each MEMBER shall institute and enforce the employee and volunteer driving eligibility standards as set forth in this policy and procedure. Employees and volunteers failing to meet these driving eligibility standards will be excluded from automobile liability coverage within the pooled layer of the AORMA LIABILITY COVERAGE PROGRAM, but not the Reinsurance and/or Excess Liability Insurance. In addition, if AORMA is required to make payments for any covered loss as a result of any MEMBER's failure to comply with these driving eligibility standards, AORMA will be entitled to recover the total amount of those payments from the MEMBER together with interest at the legal rate.

DRIVING ELIGIBILITY STANDARDS:

1. Employees and volunteers must possess a valid California driver's license or equivalent to legally operate the class of vehicle(s) they operate in their employment.
2. Employees or volunteers driving on auxiliary organization business will have no more than 3 (three) VIOLATION POINTS in a 12 (twelve) month period or no more than 5 (five) VIOLATION POINTS in an 18 (eighteen) month period. Employees or volunteers accumulating 4 VIOLATION POINTS within a 12 (twelve) month period or six VIOLATION POINTS within an 18 (eighteen) month period will be excluded from the automobile liability coverage within the AORMA LIABILITY COVERAGE PROGRAM. These provisions apply regardless of whether or not the driving that resulted in acquiring the VIOLATION POINTS was or was not in the course of employment.

PROCEDURE: The following steps should be taken to enforce the policy:

1. MEMBERS will enroll all REGULAR DRIVERS in the Department of Motor Vehicles (DMV) Employer Pull Notice program. REGULAR DRIVERS is defined to be either an

employee or volunteer whose job requires that he or she drive more than once a week or an employee or volunteer whose primary duty is driving-related. The MEMBER shall annually confirm compliance with this requirement. OCCASIONAL DRIVERS are exempt from Item 2 of the DRIVING ELIGIBILITY STANDARDS. Some examples of an OCCASIONAL DRIVER are as follows:

- a. An employee or volunteer driving once a week or less to the store for office supplies
 - b. An employee or volunteer driving a golf cart on campus, regardless of how often;
 - c. An employee or volunteer driving a rented vehicle while out of town at a business-related conference
2. All REGULAR DRIVERS will be informed of the DRIVING ELIGIBILITY STANDARDS.
 3. Names of all REGULAR DRIVERS not meeting the DRIVING ELIGIBILITY STANDARDS will be provided to the Program Administrator within 15 calendar days upon the MEMBER's receipt of the DMV employers' notification of point assignment, resulting in a REGULAR DRIVER's failure to comply with the DRIVING ELIGIBILITY STANDARDS. The Program Administrator will acknowledge exclusion from coverage of such employee or volunteer by the issuance of an amendatory endorsement. The employee or volunteer shall be considered uninsured as of the date of such an endorsement from the Program Administrator. The Program Administrator should be notified when the MEMBER determines that the REGULAR DRIVER's driving record is in compliance with the DRIVING ELIGIBILITY STANDARDS.
 4. The Program Administrator will, upon receipt of such notice as described in #3 above, issue an endorsement reinstating coverage for such employee or volunteer.
 5. **Use of Personal Vehicles on Auxiliary Organization Business** - If an employee or volunteer uses a personal vehicle in the course and scope of AUXILIARY ORGANIZATION BUSINESS, the MEMBER shall verify that the employee or volunteer maintains personal automobile liability insurance and that the employee's or volunteer's personal vehicle is in safe mechanical condition as defined by State of California 2007 Vehicle Code, General Provisions, Division 12. A sample form is attached to this policy and procedure.

MEMBER APPEAL PROCESS:

If a MEMBER wishes to appeal any decision regarding the application of the Target Surplus Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary-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



CSURMA AORMA

POLICY AND PROCEDURE NO. L-4

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:

AUXILIARY ORGANIZATION BUSINESS – Performance by an employee, with the permission of the employer of those duties required by the employer for employment. This does not include employee travel to or from the place of employment.

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

AORMA COMMITTEE – The governing body of AORMA.

AORMA LIABILITY COVERAGE PROGRAM – The AORMA Liability Program which is detailed in the Liability Program Memorandum of Coverage.

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

EMPLOYER PULL NOTICE PROGRAM – A program administered by the DMV which alerts an employer anytime an employee registered in the Program has any negativity of his or her driving record.

EXECUTIVE COMMITTEE – The CSURMA Executive Committee.

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.

REGULAR DRIVER – An auxiliary organization employee or volunteer whose job requires that he or she drive more than once a week or whose primary duty is driving-related.

VIOLATION POINT – As defined by the Department of Motor Vehicles’ Vehicle Code Violations at <http://www.dmv.ca.gov/dl/vioptct.htm>.

OCCASIONAL DRIVER – An auxiliary organization employee or volunteer who drives (1) once a week or less, (2) a golf cart on campus, regardless of how often.

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. L-4

AUTHORIZATION TO USE PRIVATELY-OWNED VEHICLES ON AUXILIARY BUSINESS

Approval is requested to use a privately owned vehicle to conduct official Auxiliary Organization business.

I hereby certify that, whenever I drive a privately owned vehicle on Auxiliary business;

- I will have a valid driver's license
- I will maintain auto liability insurance with the minimum limits prescribed by State Law (\$15,000 for personal injury to, or death of one person; \$30,000 for injury to, or death of, two or more persons in one accident; \$5,000 property damage.)
- I will have evidence of auto liability insurance in the privately owned vehicle at all times
- The privately owned vehicle will be adequate for the work to be performed
- The privately owned vehicle will be equipped with safety belts in operating condition
- The privately owned vehicle, to the best of my knowledge, will be in a safe mechanical condition as required by law
- I understand that the mileage rate I receive is full reimbursement for the cost of operating the privately owned vehicle, including fuel, maintenance, repairs and both auto liability and physical damage insurance
- All accidents will be reported within 48 hours
- Should I get into an accident, I understand that the insurance policy covering the privately owned vehicle will respond to the accident - the Auxiliary will NOT provide primary insurance coverage**
- I understand that permission to drive a privately owned vehicle on Auxiliary business is a privilege which may be suspended or revoked at any time.

DIVER'S LICENSE NUMBER	STATE	EXPIRATION DATE
EMPLOYEE'S SIGNATURE	PRINT NAME	DATE SIGNED

II. APPROVAL

Use of a privately owned vehicle Auxiliary Organization business approved.

APPROVING AUTHORITY SIGNATURE	TITLE	DATE APPROVED
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III. RENEWAL

I have reviewed the above certification and approval and certify that the information provided is correct and valid.

EMPLOYEE'S SIGNATURE	APPROVING AUTHORITY SIGNATURE	DATE APPROVED
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I have reviewed the above certification and approval and certify that the information provided is correct and valid.

EMPLOYEE'S SIGNATURE	APPROVING AUTHORITY SIGNATURE	DATE APPROVED
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CSURMA AORMA

POLICY AND PROCEDURE NO. L-6

SUBJECT: **REQUIREMENT THAT PARTICIPANT ACCIDENT INSURANCE BE PURCHASED FOR ALL CHILD CARE AND CAMP OPERATIONS INVOLVING MINORS**

ADOPTED: **JUNE 17, 2010**

AMENDED: **OCTOBER 23, 2014**
MAY 5, 2016

EFFECTIVE: **JUNE 17, 2010**

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 that MEMBERS will protect the CSURMA program assets by purchasing a separate PARTICIPANT ACCIDENT INSURANCE policy for all child care and camp operations involving minors.

PROCEDURE:

MEMBERS will purchase PARTICIPANT ACCIDENT INSURANCE for all child care and camp operations involving minors. The each accident limit shall be no less than \$10,000; however, higher limits may be purchased. The coverage may be purchased on a primary or excess basis.

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.



CSURMA AORMA

POLICY AND PROCEDURE NO. L-6

DEFINITIONS:

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

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.

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.

PARTICIPANT ACCIDENT INSURANCE – This coverage pays for medical and dental expenses incurred by a participant in a MEMBER sponsored activity as a result of bodily injury sustained without regard to negligence. The MEMBER has no requirement of legal liability in order for coverage to exist.

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. W-2
(FORMERLY W-3)

SUBJECT: REQUIREMENT OF MEMBERS TO MAINTAIN EXPERIENCE MODIFICATION FACTOR OF 1.25 OR LESS

ADOPTED: SEPTEMBER 9, 2003

EFFECTIVE: SEPTEMBER 9, 2003

AMENDED: DECEMBER 8, 2009
MARCH 20, 2014
MAY 5, 2016
MAY 3 MARCH 8, 2018

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 MEMBERS of the AORMA Workers' Compensation Program shall work to maintain an EMF of 1.25 or less.

PURPOSE:

The AORMA Workers' Compensation Program is dedicated toward reducing MEMBER costs through a combination of effective loss prevention, claims mitigation, claims management and administrative efficiencies. The long-term viability of the AORMA Workers' Compensation Program requires that a MEMBER with an EXPERIENCE MODIFICATION FACTOR (EMF) in excess of 1.25 develop and implement a plan to reduce that MEMBER's EMF to 1.25 or less.

PROCEDURE:

Using loss data valued at June 30th, the Program Administrator shall by October 1st of each year, calculate the EMF of each MEMBER. ~~The formula used to determine the EMF developed by the Actuarial consultant and agreed by the AORMA COMMITTEE. This EMF shall be applicable in developing each MEMBER's share of the actuarially required contribution for the upcoming plan year effective the following July 1st.~~ By January 31st, the Program Administrator will notify each MEMBER of their updated EMF.

1. Members with an EMF less than 1.10 will be notified that their EMF is satisfactory.



CSURMA AORMA

POLICY AND PROCEDURE NO. W-2

(FORMERLY W-3)

2. For MEMBERS with EMFs ranging from 1.10 to 1.25, notice will be given that their EMF is near the maximum threshold of 1.25. The Program Administrator will offer to assist the MEMBER in evaluating how best to avoid having their EMF exceed 1.25.
3. For MEMBERS with EMFs exceeding 1.25, the Program Administrator will assist the MEMBER in creating a plan to reduce its EMF. The EMF reduction plan may be presented to the AORMA Programs Committee for review and approval.

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.



CSURMA AORMA

POLICY AND PROCEDURE NO. W-2 (FORMERLY W-3)

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.

EXPERIENCE MODIFICATION FACTOR (EMF) - ~~The experience rating system is a merit rating system intended to provide Members a direct financial incentive to reduce work related accidents. The experience rating system objectively distributes the cost of the workers' compensation program more equitably among the Members. An experience modification factor less than 100% reflects better than average experience. The actuary will determine each MEMBER's experience modification factor based on the current published WCIRB method. The experience modification factors will be adjusted for the normalization factor and capped at a maximum change of +/- 15% from the prior (normalized) experience modification factor. See Policy and Procedure W-1 – Workers' Compensation Program Member Allocation Formula.~~

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.



CSURMA AORMA

**POLICY AND PROCEDURE NO. W-4
(FORMERLY W-5)**

**SUBJECT: WORKERS COMPENSATION COVERAGE
CLAIMS SETTLEMENT AUTHORITY**

ADOPTED: OCTOBER 27, 2005

EFFECTIVE: JULY 1, 2005

**AMENDED: JANUARY 8, 2006
DECEMBER 8, 2009
SEPTEMBER 16, 2010
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 CSURMA Auxiliary Organizations Risk Management Alliance (**AORMA**) that **MEMBERS** of the Workers' Compensation Program shall have the opportunity to participate in the final claim settlement process (i.e. Stipulations with Findings and Award or a Compromise & Release with Findings and Award) as provided for by this policy and procedure. Though Workers' Compensation benefits are mandated and established by State law, the amount and actual settlement of a claim is the responsibility of the **THIRD PARTY CLAIMS ADMINISTRATOR (TPA)** and/or an attorney selected to negotiate such settlement. It shall be **CSURMA AORMA** policy that a **MEMBER** shall have input and be a part of the claim settlement process. Various levels of settlement authority have been established as **CSURMA AORMA** policy. These levels are as follows:

WORKERS COMPENSATION CLAIMS SETTLEMENT AUTHORITY:

1. \$0 to \$25,000 - The TPA shall have authority to settle claims up to, and including \$25,000 per occurrence. Only the Director for the Claims Administrator will hold this authority.
2. \$25,001 to \$50,000 – The CSURMA Secretary-Auditor has authority to authorize claims settlement up to and including \$50,000 per occurrence.
3. \$50,001 to Pool Layer Limit – The AORMA COMMITTEE has authority to authorize claims settlement up to the pool layer limit per occurrence. The excess carrier will be involved in accordance with the carrier policy reporting and settlement requirements.



CSURMA AORMA

POLICY AND PROCEDURE NO. W-4 (FORMERLY W-5)

All of the foregoing notwithstanding, if time is of the essence in a specific matter, the AORMA COMMITTEE Chair, First Vice Chair and Second Vice Chair, on the advice of the TPA, shall have authority to determine the terms of an emergency settlement up to the Pooled Layer Limit upon the agreement of a majority consisting of at least two participants, provided that no MEMBER involved in the specific matter may participate in the determination. Any determination reached under this paragraph shall be reported to the AORMA COMMITTEE at the next regularly scheduled meeting.

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

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.



CSURMA AORMA

POLICY AND PROCEDURE NO. W-4 (FORMERLY W-5)

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.

TPA - Third party claims administrator whose responsibilities include claim handling, litigation management and excess liability carrier reporting.



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
MARCH 8, 2018**

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 this~~ Policy and Procedure, 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.

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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.

PROGRAMS COMMITTEE REPORT

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Agenda table of contents from Programs Committee meeting on January 9, 2018.

- 7. **Crime Program Member Allocation for FY 18/19** A p. 70
The Committee will be asked to approve the member allocation for FY 18/19
 - 8. **Unemployment Insurance Program Member Allocation for FY 18/19** A p. 80
The Committee will be asked to approve the member allocation for FY 18/19
 - 9. **Discussion and Recommendation for New Programs Committee Chair and New Members for the Programs Committee** A p. 87
The Committee will be asked to recommend a new Programs Committee Chair to the AORMA Committee Chair for appointment as well as discuss prospects to join the Programs Committee
 - 10. **Unemployment Insurance Program Claims Administration** I p. 95
The Committee will hear an update regarding the decisions made by the AORMA Committee with regard to the UIP claims administration contract for the term beginning July 1, 2018
- D. INFORMATION ITEMS**
- 1. **2018 CSURMA AORMA Meeting Calendar** I p. 97
 - 2. **FY 17 18 AORMA Long Range Action Plan** I p. 99
 - 3. **AORMA Committee and Standing Committee Roster** I p. 102
- E. ADJOURNMENT**

The next Programs Committee meeting is scheduled for February 22, 2018 via teleconference
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

AOA EXECUTIVE COMMITTEE REPORT

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

EXCESS LIABILITY PROGRAM INSURANCE RENEWALS AND UNDERWRITER MEETINGS REPORT

ISSUE: CSURMA's Excess Liability Program coverage programs renew on July 1. Chancellor's Office and Program Administrator staff are actively marketing the programs and negotiating renewal terms. At this time the Program Administrators have identified the following points for consideration:

- Price Firming – The excess liability insurance market for California Public Entities is beginning to firm as recent market entrants have seen their book of claims mature. Staff is anticipating an average increase of 5% on the renewal policies.
- Brain Injury Exclusion – More markets are indicating that their home offices have mandated an exclusion of traumatic brain injury claims from athletic participants. Staff believes we can maintain some level of coverage but it may be difficult (or expensive) to maintain the full \$100 million limit on renewal.
- Fill out Catastrophic Excess Layer – Last year CSURMA added a catastrophic layer of \$100 million xs of \$200 million. We were only able to obtain underwriter support for \$75 million part of \$100 million at our very low pricing target, so CSURMA retained the remaining \$25 million. We will look to fill out that retained portion at renewal.

Chancellor's Office and Alliant personnel have fostered working partnerships with our key underwriters. To maintain communications, meetings are held regularly in California, New York, London and Bermuda. On February 13, 2018, staff took advantage of an industry conference in Monterey to attract 10 of our underwriters for an extended forum at San Jose State University. Zachary Gifford led the discussions with a focus on recent claims resolutions. Dr. Justus Ortega from the HSU North Coast Concussion Program reported in detail on CSU's systemwide success in implementing concussion management protocols. SJSU provided an excellent venue and support for the event.

Further underwriter meetings are planned in London on March 26-27, 2018 and in New York and Bermuda (dates TBD).

RECOMMENDATION: No action is requested at today's meeting; however, the Committee may take action or provide direction to staff based on the report of the meetings.

FISCAL IMPACT: The cost of the insurance programs is included in the proposed budget and renewals are expected to be within the budgeted amount.

BACKGROUND: The main goals of underwriter meetings are:

- Demonstration of CSU leadership's commitment to risk management;
- Update on CSU's financial and operational outlook;
- Evaluation of the state of the insurance market and how changes may impact CSURMA's placements;
- Discussion of pending claims matters; and,
- Discussion on technical points of insurance placements and renewal expectations.

The meetings at San Jose State University included a focused presentation on CSURMA's liability program loss history and concussion management. The attachments indicate the scope of the discussion.

PUBLICATION: None.

ATTACHMENT(S):

- a. Excerpt from CSURMA Excess Liability Program Underwriter Forum meeting book, February 13, 2018

**San Jose State University
Excess Liability
Underwriter Forum
February 13, 2018**

Table of Contents

1. Memorandum
2. Itinerary, Curriculum Vitae
3. CSU Overview & Excess Liability Presentation
4. Concussion Management – Implementing Best Practices in the CSU Presentation
5. Exhibit
 - A. CSURMA Financial Statements
 - B. CSU Concussion Report
 - C. 2017 Fact Book

1. Memorandum

Memorandum

DATE: February 8, 2018
TO: CSURMA Excess Liability Underwriter Forum Attendees
FROM: Daniel Howell, Sr. EVP & Managing Director, Alliant Public Entity Group
SUBJECT: CSURMA Excess Liability Underwriter Forum Materials

On behalf of Alliant Insurance Services and AmWINS Group we are delighted that our CSURMA Excess Liability underwriting partners can join us for what we believe will be a valuable day of information sharing and discussion. We truly appreciate your support of the CSURMA liability programs and the time you are taking to participate with us.

Today's agenda is designed to offer:

- Information on the operations and financial status of the California State University and its Auxiliary Organizations
- Frank discussion on open and closed large claims from the past ten years (over \$1 million for the University and over \$250K for the auxiliary organizations)
- A presentation by Dr. Justus Ortega, Director of the North Coast Concussion Program on his recent CSU Systemwide Concussion Protocol Implementation Review report (August 2017)
- A campus tour of San Jose State University offering insight on the existing facilities and programs and those under development

The CSU and its auxiliary organizations are a diverse system of universities with 23 unique cultures reflecting their communities across the state of California. For our longtime underwriting partners, we have over the years had the opportunity to visit the San Diego, Long Beach, Fresno, and Sonoma campuses. With today's visit to San Jose, we add a new perspective and further understanding of the California State University system and the role of the Office of Systemwide Risk Management in overseeing the University's risk financing and claims administration activities.

We would like to add a special thanks to Charlie Faas, SJSU's Vice President and Chief Financial Officer for Administration and Finance, and his team for arranging a day of a valuable interaction and learning opportunities.

2. Itinerary, CV's of Meeting Participants



LIABILITY UNDERWRITER FORUM MEETING AGENDA

Meeting Date: February 13, 2018
Time: 11:00 AM

Meeting Location: San Jose State University
Clark Hall Building
Admin & Finance Conference
Room # 540

Legend: **A** = Action
I = Information
V = Verbal

- 11:00 AM A. Welcome and Introductions I
Hosts: Zachary Gifford for CSU Chancellor and Marna Genes for San Jose State University
- 11:10 AM B. Overview of CSU’s systemwide risk financing program for liability coverages A
- 12:00 PM C. Working lunch and underwriter roundtable A
- 1:00 PM D. Presentation on Traumatic Brain Injury Prevention and Mitigation for CSU Athletes by Dr. Justus Ortega from the North Coast Concussion Program I
- 2:15 PM E. Break
- 2:30 PM F. Campus Tour I
Host: Mike Vitolo
- 3:30 PM G. Adjourn

REDEEM ePERMIT CODES FROM PAYSTATIONS AT THE FOLLOWING PARKING FACILITIES:

- **NORTH GARAGE**—located along west wall near elevator lobbies on Levels 3 and above.
- **SOUTH GARAGE**—located in Section 1F near Disabled Parking, and near central stairwells in Sections 2H and above.
- **WEST GARAGE**—located in northeast corner near Disabled Parking on Level 1, and near west stairwell on Levels 2 and above.
- **LOT 4**—located in northwest corner near Disabled Parking.

INSTRUCTIONS

1. After parking your vehicle, locate the closest paystation (see above for locations).
2. Scroll to (using MORE CHOICES option) and select REDEEM ePERMIT CODE option.
3. Enter your ePermit code and select OK to redeem and print your permit.
4. Return to your vehicle and display the permit face-up on the front driver side dashboard.

If the CANNOT AUTHORIZE message appears, please check your ePermit code and try again. If this message persists, please purchase a permit and park in General Parking—afterwards, please bring your ePermit code and used permit to the Parking Services office for an adjustment or refund.

ePermit codes are for the exclusive use of the person or organization to which they are assigned. Do not share, transfer, or otherwise distribute codes to any other unauthorized party. Improper use of this code may result in the suspension or revocation of parking privileges.

ePermit Code: 4519082
Effective Date: 2/13/18 (One Day Use Only)

SJSU PARKING SERVICES · located in the University Police Building · 408-924-6556 · parking@sjsu.edu · www.sjsu.edu/parking

GUEST & EVENT PARKING is available at the following facilities:

- **NORTH GARAGE** (located at S. 10th St. & E. San Fernando St.)
General Parking is located on Levels 3 and above; Employee Parking is located on Levels 2 & 3
- **SOUTH GARAGE** (located at S. 7th St. & E. San Salvador St.)
General Parking is located in Section 2H and above; Employee Parking is located in Sections 1J to 2G
- **WEST GARAGE** (located at S. 4th St. & E. San Salvador St.)
General and Employee parking permits are honored on all Levels

- Guest & Event permits designated for Employee Parking are also honored in Lot 4, Lot 8, and Lot 13. If these lots are full (during peak periods), please park in the garages.
- **Disabled Parking:** General and Employee parking permits are honored in all disabled parking spaces in all parking facilities when displayed with a valid state-issued Disabled Parking placard or license plate. SJSU permits are not required to park in on-street disabled parking spaces (located around the main campus perimeter) designated by the City of San Jose.
- Park within the stall lines at all times. Park in another space if your vehicle does not fit within the stall lines.
- Contact Parking Services at (408) 924-6557 for any assistance.

Guests requiring the use of an elevator are advised to park in the North Garage.

BUILDING	LOCATION
A Modular A	D3
ADM Administration	B2
AQX Aquatics Center	D3
ART Art Building	C3
ASH Associated Students House	D1
B Modular B	D3
BBC Boccardo Business Complex	C4
BB Building BB	D4
BT Business Tower	C4
CAR Career Center	B2
CC Computer Center	B2
CCB Central Classroom Building	C2
CL Clark Hall	B2
CP Cooling Plant	C4
CVA Campus Village A	D4
CVB Campus Village B	D4
CVC Campus Village C	D4
CYA Corporation Yard A	B4
CYB Corporation Yard B	B4
DC Dining Commons	D3
DMH Dudley Moorhead Hall	B2
DH Duncan Hall	D1
DBH Dwight Bentel Hall	C2
ENG Engineering Building	B3
EC Event Center	C3
FOB Faculty Offices	C2
HB Health Building	C4
HOV Hoover Hall	D3
HGH Hugh Gillis Hall	B1
IS Industrial Studies	B4
IRC Instructional Resource Center	B2
JWH Joe West Hall	D4
KING Dr. Martin Luther King, Jr. Library	B1
MQH MacQuarrie Hall	D2
MD Morris Dailey Auditorium	B2
MUS Music Building	C3
RYC Royce Hall	D3
SCI Science Building	C1
SPXC Spartan Complex Central	C2
SPXE Spartan Complex East	C2
SPM Spartan Memorial	C1
SSC Student Services Center	A4
SU Student Union	B3
SH Sweeney Hall	D2
TH Tower Hall	B2
UPD University Police Department	D2
WSH Washburn Hall	D3
WSQ Washington Square Hall	C1
YUH Yoshihiro Uchida Hall	C1

Other locations	LOCATION
ASP AS Print Shop	D3
BK Bookstore	B3
CH Concert Hall	C3
UT University Theatre	B1

Parking Garages	LOCATION
North garage at Tenth Street	A4
West garage at Fourth Street	D1
South garage at Seventh Street	D2

Food/Coffee	LOCATION
CVB	D4
KING	B1
MQH	D2
SU	B3

ATM	LOCATION
ATM	B4
EC	C3
KING	B1



Curriculum Vitae

- i. **Richard Carson**
- ii. **Bill Davidson**
- iii. **Brendan Falvey**
- iv. **Brian Frost**
- v. **Jeff Giachetto**
- vi. **Zachary Gifford**
- vii. **Daniel Howell**
- viii. **Susan Kostro**
- ix. **Robert Leong**
- x. **Amy Lightner**
- xi. **Mimi Long**
- xii. **Shana O’Neill**
- xiii. **Dr. Justus Ortega**
- xiv. **Dean Oshiro**
- xv. **Richard Wilson**
- xvi. **Carolyn Yamasaki**



Richard Carson, Great American Insurance Group

Richard currently serves as an Underwriter and Operations Leader for the Public Sector Division of Great American Insurance Group. In his role, he focuses primarily on Reinsurance and Excess Insurance of Public Entity Pools (i.e., Municipalities, Schools, Special Districts, etc.) that provide Property, Casualty and/or Workers' Compensation Insurance to their members.

Prior to joining Great American, Richard served as part of the Executive Team for a start-up direct to consumer underwriting insurance operation, Star & Shield, owned by White Mountains Insurance Group. The operation focused on providing insurance products to Public Entity employees. In addition to helping with the development of insurance products, he handled reinsurance placements, financial analysis, investor management, and operational responsibilities.

Earlier in his career, Richard was a reinsurance broker with Aon Benfield. While at Aon Benfield, he was exposed to a wide variety of insurance operations across the United States, including both standard Commercial and Personal lines carriers, as well as risk retention groups. Areas of focus, included: Workers' Compensation, Commercial Liability, Homeowners Property Insurance, and Auto Liability & Physical Damage.

Richard holds dual degrees from Florida State University's College of Business in Finance and Risk Management & Insurance. He currently lives in Richmond, Virginia with his wife and four children.



Bill Davidson, Trident Public Risk

Bill has been an underwriter and broker for 20 years. He started at Trident Public Risk in 2014. Bill holds an MBA in Business Management & Marketing from Golden Gate University.



Brendan Falvey, Markel

Brendan Falvey serves Markel Global Re as Director, Public Entity Reinsurance for the West Region, working in Markel’s San Francisco office. Brendan is responsible for managing existing West Coast public entity client and broker relationships and developing new property and casualty clients with emphasis on Joint Powers Authority (JPA) and other public entity (PE) pools. Brendan joined Markel in 2013 with over 30 years of property and casualty insurance and reinsurance experience, including more than 15 years of public entity underwriting experience. Prior to Markel Global Re, he was with Munich Re in San Francisco, where he handled property and casualty underwriting, client and broker relationship management, and new business production for individual risk insurance and JPA/PE reinsurance for over eight years. Brendan earned a B.S. in Business Administration with a Marketing emphasis from the University of San Francisco.



Brian Frost, AmWINS

Brian began his insurance career at CV Starr & Co., where he learned the form and coverage aspects of blended special excess liability policies. From there, Frost moved into the wholesale space with MTS, a niche wholesale player in the public entity arena that was later acquired by AmWINS Group. As his career progressed, Brian’s specialization in public entities continued to evolve.



Jeff Giacchetto, Allied World Assurance Company

Jeff has been in the insurance industry for 14 years, the last 10 with Allied World. Prior to that, he spent time at American International Group (AIG) working in both Claims Handling and Underwriting. Jeff’s areas of expertise include Public Entity, Construction, Product Liability and Real Estate. Before insurance, Jeff worked as a Process Engineer for a few large semiconductor companies that included a nine-month assignment in Dresden, Germany and afforded him the opportunity to travel throughout Europe and the Middle East. Jeff earned his B.S. in Applied Chemistry at The New Jersey Institute of Technology (NJIT) where he also played Defense on the Highlander Ice-Hockey Team. He has since obtained an MBA from the University of Phoenix and holds the CPCU designation. In his spare time, Jeff enjoys bible study, staying fit through weight training as well as coaching his sons’ youth ice hockey and track & field teams.



Daniel Howell, Alliant Insurance Services

Daniel joined Alliant in 1998 and offers an extensive property and casualty background including many years guiding public entity and higher education clients. His expertise enables him to provide insightful understanding of issues and well-reasoned solutions to those issues. Daniel serves as the Program Director for the California State University Risk Management Authority and is responsible for program design, implementation and administration of CSURMA's many coverages. Daniel's education includes a B.A. in History from Stanford University, and a Juris Doctorate from UC Hastings College of Law. He also holds designations for both the Chartered Property Casualty Underwriter (CPCU) and the Associate in Risk Management (ARM-P) and is an active member of the California State Bar.



Susan Kostro, Liberty Mutual Insurance

Susan joined Liberty in 2015. She has over 24 years experience in the insurance industry. Susan received her MBA in finance at Bentley University. She volunteer her time with the non-profit organization called Tutoring Plus of Cambridge. She was one of the recipients to received the 2010 Women in Insurance Leadership Award.



Robert Leong, Alliant Insurance Services

Rob joined Alliant in 2000 and serves as a Program Administrator for CSURMA. Rob's principal responsibilities include management of the university's risk and insurance programs, including CSU's risk pools for Campus Liability, Campus Workers' Compensation, Athletic Injury Medical Expense (AIME), and other specialty coverages. Rob consults directly with campus risk management and provides customized insurance solutions. Prior to Alliant, Rob worked at major brokerages with a focus on municipalities, school districts, transit providers, and other public entities. He also worked for insurance companies as an underwriter of large commercial risks. Rob graduated from UC Berkeley with a degree in Economics, earned an MBA from Cal State East Bay, and holds the ARM professional designation.



Amy Lightner, Alliant Insurance Services

Amy has 20 years of insurance experience and a targeted expertise in the public sector. Previously, Amy worked with several global insurance carriers focusing on excess workers' compensation and excess casualty. This is Amy's second tour with Alliant, previously working with the company from 1996-2004. Amy will work closely with CSURMA as well as other various other entities including municipalities, and schools. Amy holds a Bachelor of Science degree in Business Management from Portland State University.



Mimi Long, Alliant Insurance Services

Mimi joined the Alliant Insurance Services Public Entity Group in 2010 as the CSURMA AORMA JPA Program Administrator. She provides risk management consultation for the CSU Auxiliary Organizations within the AORMA risk pool. She works closely with the CSURMA AORMA standing committees in evaluating loss control and loss mitigation strategies, and in evaluating coverage enhancements and risk pool policy amendments, as well as establishing and maintaining the member premium allocation formulas, dividend calculations and overall funding requirements. Mimi has over 21 years of experience working in the insurance industry and is experienced in all coverage lines of insurance and in JPA program administration.



Shana O'Neill, Ironshore Specialty Casualty

Shana O'Neill is a Senior Production Specialist in Ironshore's Specialty Casualty unit and is responsible for wholesale underwriting across various product lines with a focus in Public Entity and Higher Education. Shana brings over 10 years of commercial casualty underwriting experience to her current role. Prior to joining Ironshore in 2012, Shana served within the Professional Services Group at Swett & Crawford and the Construction unit at Travelers Insurance Company.



Dr. Justus Ortega, Humboldt State University

Dr. Justus D. Ortega, a Professor of Kinesiology at Humboldt State University in Arcata CA, serves as the Director of both the North Coast Concussion Program (NCCP) and Biomechanics Lab. At the NCCP Dr. Ortega's provides concussion education and diagnostic services for over twenty schools of Northern California including all k-12 schools in Humboldt and Del Norte counties, local community colleges and Humboldt State University. As part of his service, Dr. Ortega and his team provide annual concussion education and testing services for 4000+ athletes, coaches and parent. Dr. Ortega integrates his expertise in neurological control of movement and traumatic brain injury to investigate the effects of concussions on neurocognitive and motor control function. He also has a research interest in the impact of concussion management practices on incidence and recovery of concussion in collegiate and youth sports. For the past four years, Dr. Ortega has been working collaboratively with 30 other universities around the country as a member of the NCAA-DoD CARE Consortium to gain a better understanding of the neurobiopsychosocial nature of concussive injury and recovery in order to ultimately enhance the safety and health of our student-athletes, service members, youth sports participants and the broader public. Dr. Ortega has also been working with the CSU Chancellor's office, CSU system-wide Risk management office and each of the 23 CSU campuses to assess and improve concussion injury management in accordance with CA state laws, NCAA rules and regulations as well as International and Inter-association best practices.



Dean Oshiro, Berkley Custom

Dean joined Berkley Custom Insurance Services in October of 2016. Underwriting Excess Casualty including Public Entity Risks.

Prior to Berkley Custom, Dean was an underwriter at CivicRisk from 2010-2016 specializing on Public Entity risks. He held positions of Senior Underwriter and Vice President over West Coast operations.

Dean began his insurance career at C.V. Starr in 2002 where he became an underwriter with a focus on public entity and construction risks.



Richard Wilson, Hallmark Group

Richard has over 30 years of US and London Market experience in Primary and Excess Casualty Underwriting, Management and Broking.

Richard started his career in the Graduate Training Program at Reed Stenhouse (now part of the Aon Group) in their London office. After 15 years in broking various classes of Casualty business, Richard transitioned to underwriting, joining Royal and SunAlliance (and later Mitsui Sumitomo) as London Market Underwriting Manager for Contingency Business.

Richard relocated to Los Angeles, CA in 2002, initially working in the E&S market and specializing in Construction, Manufacturing and Public Entity. In 2012 he joined CV Starr's Public Entity Underwriting Division and was promoted to Regional Practice Leader, with underwriting and management responsibility for Public Entity business in the West and Mid-West.

Since joining Hallmark in 2015, Richard has continued to specialize in underwriting Public Entity business and is now helping to develop Hallmark's National Excess Public Entity Practice.



Carolyn Yamasaki, Allied World Assurance Company

Carolyn has been in the insurance industry for 30 years, the last 10 years with Allied World. Prior to that, she spent 11 years at American International Group (AIG), working in the Specialty Excess and Environmental Underwriting divisions. Carolyn's expertise includes Construction, Public Entity, Real Estate, Environmental and Personal Lines. Carolyn earned her B.S. in Business Administration at San Diego State University. In her spare time, Carolyn enjoys traveling with family and friends to the Hawaiian Islands, Japan and Europe.

FY 2018/2019 CSURMA OPERATING BUDGET

ISSUE: CSURMA’s next fiscal year begins on July 1, 2018. The FY 2018/19 operating budget is to be approved by the Board of Directors at its April 25, 2018 meeting. The Chancellor’s Office Enterprise Accounting Services and the Program Administrators worked together to develop a draft FY 2018/19 budget for the AORMA Committee to review at today’s meeting.

Major features of the proposed budget include:

- Increase in Total Operating Revenues from \$13,436,380 to \$13,628,849.
- Decrease in Total Operating Expenses from \$12,789,319 to 11,995,097.
- Decrease in Investment Income from \$410,040 to \$402,719.
- Increase in Net Surplus from \$1,779,173 (*deficit*) to \$1,276,406 (*deficit*).
- Retained Earnings is estimated to decrease from \$22,084,701 to \$20,305,528 at June 30, 2018.

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

RECOMMENDATION: The AORMA Committee is asked to review the draft proposed budget for FY 2018/19 and recommend adoption, with additional amendments, as appropriate, by the Board of Directors at their meeting in April, 2018.

FISCAL IMPACT: The proposed budget is estimated to produce a Net Surplus (*deficit*) of \$1,276,406. Retained Earnings is estimated to increase from \$20,305,528 to \$19,029,122 at June 30, 2019.

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

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft FY 2018/19 CSURMA Budget of Revenues and Expenses

CSURMA

Cash Flow Budget of Revenues and Expenses Fiscal Year July 1, 2018 to June 30, 2019

Draft

AORMA Committee
March 8, 2018

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019

FY 18/19 Proposed Budget
Draft

TOTAL: AORMA PROGRAMS

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,436,380	13,628,849	192,469
Reinsurance Premiums	-2,836,274	-3,312,877	-476,603
Total Operating Revenues	<u>10,600,106</u>	<u>10,315,972</u>	<u>-284,134</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,218,252	5,371,922	153,670
Deductible Recoveries	-100,000	-100,000	0
Claims Administrators	268,048	279,256	11,208
Management Information System	37,661	12,122	-25,539
Program Administrators	1,331,600	1,331,600	0
Brokerage Commissions & Fees	289,564	334,305	44,741
Insurance Premiums (net of brokerage)	4,905,089	4,591,570	-313,519
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	11,799	11,000	-799
Claims Audit	0	4,620	4,620
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	1,390	1,401	12
Workshop/Training Expenses	71,963	31,187	-40,776
Loss Control Expenses	264,427	205,048	-59,378
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,455,278	-1,806,008	-350,730
Program Committee	7,800	8,000	200
Dividend Distributions	1,650,397	1,401,588	-248,809
Total Direct Program Expenses	<u>12,576,711</u>	<u>11,751,612</u>	<u>-825,099</u>

CSURMA**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget
Draft****TOTAL: AORMA PROGRAMS**

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	4,545	4,903	358
Executive Committee & Board Expenses	4,415	4,768	352
JPA Insurance	2,078	2,241	163
Memberships, Associations & Dues	974	6,031	5,057
Chancellor's Office Accounting Services	47,726	53,877	6,152
Chancellor's Office Risk Management Service	134,346	152,810	18,464
JPA Accreditation	910	0	-910
JPA Legal	14,045	15,004	959
Miscellaneous Expenses	3,569	3,851	282
Total General & Administrative Expenses	<u>212,608</u>	<u>243,485</u>	<u>30,877</u>
Total Operating Expenses	<u>12,789,319</u>	<u>11,995,097</u>	<u>-794,222</u>
Non-Operating Revenues			
Investment Income	410,040	402,719	-7,321
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>410,040</u>	<u>402,719</u>	<u>-7,321</u>
Net Surplus (Deficit)	<u>-1,779,173</u>	<u>-1,276,406</u>	
Beginning Retained Earnings	22,084,701	20,305,528	
Ending Retained Earnings	20,305,528	19,029,122	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019

FY 18/19 Proposed Budget
Draft

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	4,158,018	4,517,782	359,764
Reinsurance Premiums	-1,336,274	-1,748,198	-411,924
Total Operating Revenues	<u>2,821,744</u>	<u>2,769,584</u>	<u>-52,160</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	783,549	1,027,137	243,588
Deductible Recoveries	-100,000	-100,000	0
Claims Administrators	15,000	15,000	0
Management Information System	12,007	4,018	-7,989
Program Administrators	609,206	609,206	0
Brokerage Commissions & Fees	72,346	79,761	7,415
Insurance Premiums (net of brokerage)	209,860	231,371	21,511
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,414	5,250	-164
Claims Audit	0	4,620	4,620
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	443	465	22
Workshop/Training Expenses	42,816	10,338	-32,478
Loss Control Expenses	110,778	91,425	-19,353
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	2,487	2,500	13
Dividend Distributions	1,118,476	1,118,478	2
Total Direct Program Expenses	<u>2,889,882</u>	<u>3,107,069</u>	<u>217,186</u>

CSURMA**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget
Draft****AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,449	1,625	176
Executive Committee & Board Expenses	1,408	1,580	173
JPA Insurance	662	743	81
Memberships, Associations & Dues	311	1,999	1,689
Chancellor's Office Accounting Services	15,216	17,860	2,644
Chancellor's Office Risk Management Service	42,832	50,654	7,823
JPA Accreditation	290	0	-290
JPA Legal	4,478	4,974	496
Miscellaneous Expenses	1,138	1,277	139
Total General & Administrative Expenses	<u>67,783</u>	<u>80,712</u>	<u>12,929</u>
Total Operating Expenses	<u>2,957,665</u>	<u>3,187,781</u>	<u>230,115</u>
Non-Operating Revenues			
Investment Income	137,527	135,071	-2,456
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>137,527</u>	<u>135,071</u>	<u>-2,456</u>
Net Surplus (Deficit)	<u>1,605</u>	<u>-283,126</u>	
Beginning Retained Earnings	6,973,901	6,975,506	
Ending Retained Earnings	6,975,506	6,692,380	

Includes Cyber Risk Liability

CSURMA**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget
Draft****AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	5,001,808	5,005,003	3,195
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>5,001,808</u>	<u>5,005,003</u>	<u>3,195</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,365,952	2,496,490	130,538
Deductible Recoveries	0	0	0
Claims Administrators	224,160	235,368	11,208
Management Information System	13,127	4,452	-8,675
Program Administrators	392,407	392,407	0
Brokerage Commissions & Fees	26	26	0
Insurance Premiums (net of brokerage)	4,322,130	4,000,000	-322,130
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	5,953	5,750	-203
Claims Audit	0	0	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	484	515	30
Workshop/Training Expenses	14,914	11,453	-3,461
Loss Control Expenses	119,245	99,128	-20,117
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,455,278	-1,806,008	-350,730
Program Committee	2,718	2,800	82
Dividend Distributions	531,921	283,110	-248,811
Total Direct Program Expenses	<u>6,604,258</u>	<u>5,791,990</u>	<u>-812,268</u>

CSURMA**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget
Draft****AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,584	1,801	216
Executive Committee & Board Expenses	1,539	1,751	212
JPA Insurance	724	823	99
Memberships, Associations & Dues	339	2,215	1,875
Chancellor's Office Accounting Services	16,635	19,786	3,151
Chancellor's Office Risk Management Service	46,826	56,117	9,291
JPA Accreditation	317	0	-317
JPA Legal	4,895	5,510	615
Miscellaneous Expenses	1,244	1,414	170
Total General & Administrative Expenses	<u>74,104</u>	<u>89,416</u>	<u>15,312</u>
Total Operating Expenses	<u>6,678,363</u>	<u>5,881,407</u>	<u>-796,956</u>
Non-Operating Revenues			
Investment Income	139,570	137,078	-2,492
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>139,570</u>	<u>137,078</u>	<u>-2,492</u>
Net Surplus (Deficit)	<u>-1,536,985</u>	<u>-739,326</u>	
Beginning Retained Earnings	6,594,483	5,057,498	
Ending Retained Earnings	5,057,498	4,318,172	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019

FY 18/19 Proposed Budget
Draft

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	2,075,000	2,134,679	59,679
Reinsurance Premiums	-1,500,000	-1,564,679	-64,679
Total Operating Revenues	<u>575,000</u>	<u>570,000</u>	<u>-5,000</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	6,078	1,899	-4,179
Program Administrators	258,913	258,913	0
Brokerage Commissions & Fees	194,949	235,888	40,939
Insurance Premiums (net of brokerage)	128,099	155,000	26,901
Taxes, Assessments & Fees	0	0	0
Actuarial Services	210	0	-210
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	224	220	-5
Workshop/Training Expenses	6,906	4,885	-2,021
Loss Control Expenses	24,130	14,496	-9,634
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	1,259	1,300	41
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>870,768</u>	<u>922,600</u>	<u>51,833</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019

FY 18/19 Proposed Budget
Draft

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	734	768	34
Executive Committee & Board Expenses	713	747	34
JPA Insurance	335	351	16
Memberships, Associations & Dues	157	945	787
Chancellor's Office Accounting Services	7,703	8,439	736
Chancellor's Office Risk Management Service	21,683	23,935	2,252
JPA Accreditation	147	0	-147
JPA Legal	2,267	2,350	83
Miscellaneous Expenses	576	603	27
 Total General & Administrative Expenses	 <u>34,314</u>	 <u>38,137</u>	 <u>3,823</u>
 Total Operating Expenses	 <u>905,082</u>	 <u>960,737</u>	 <u>55,655</u>
Non-Operating Revenues			
Investment Income	32,886	32,299	-587
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>32,886</u>	 <u>32,299</u>	 <u>-587</u>
 Net Surplus (Deficit)	 <u>-297,196</u>	 <u>-358,438</u>	
 Beginning Retained Earnings	 2,111,069	 1,813,874	
Ending Retained Earnings	1,813,874	1,455,435	

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

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019

FY 18/19 Proposed Budget
Draft

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	277,000	232,000	-45,000
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>277,000</u>	<u>232,000</u>	<u>-45,000</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	50,000	41,877	-8,123
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	811	206	-605
Program Administrators	25,384	25,384	0
Brokerage Commissions & Fees *	22,243	18,630	-3,613
Insurance Premiums	245,000	205,199	-39,801
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	28	0	-28
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	30	24	-6
Workshop/Training Expenses	922	531	-391
Loss Control Expenses	1,293	0	-1,293
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	168	200	32
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>345,879</u>	<u>292,051</u>	<u>-53,828</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019

FY 18/19 Proposed Budget
Draft

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	98	83	-14
Executive Committee & Board Expenses	95	81	-14
JPA Insurance	45	38	-7
Memberships, Associations & Dues	21	103	82
Chancellor's Office Accounting Services	1,028	917	-111
Chancellor's Office Risk Management Service	2,895	2,601	-293
JPA Accreditation	20	0	-20
JPA Legal	303	255	-47
Miscellaneous Expenses	77	66	-11
 Total General & Administrative Expenses	 <u>4,581</u>	 <u>4,145</u>	 <u>-436</u>
 Total Operating Expenses	 <u>350,460</u>	 <u>296,196</u>	 <u>-54,264</u>
Non-Operating Revenues			
Investment Income	6,344	6,230	-113
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>6,344</u>	 <u>6,230</u>	 <u>-113</u>
 Net Surplus (Deficit)	 <u>-67,116</u>	 <u>-57,965</u>	
 Beginning Retained Earnings	 412,604	 345,488	
Ending Retained Earnings	345,488	287,523	

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

CSURMA**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget
Draft****AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	1,924,554	1,739,385	-185,169
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>1,924,554</u>	<u>1,739,385</u>	<u>-185,169</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,768,751	1,556,418	-212,333
Deductible Recoveries	0	0	0
Claims Administrators	28,888	28,888	0
Management Information System	5,638	1,547	-4,091
Program Administrators	45,690	45,690	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	194	0	-194
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	208	179	-29
Workshop/Training Expenses	6,405	3,980	-2,425
Loss Control Expenses	8,982	0	-8,982
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	1,168	1,200	32
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,865,924</u>	<u>1,637,902</u>	<u>-228,022</u>

CSURMA**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget
Draft****AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	680	626	-55
Executive Committee & Board Expenses	661	608	-52
JPA Insurance	311	286	-25
Memberships, Associations & Dues	146	770	624
Chancellor's Office Accounting Services	7,144	6,876	-268
Chancellor's Office Risk Management Service	20,111	19,502	-608
JPA Accreditation	136	0	-136
JPA Legal	2,102	1,915	-188
Miscellaneous Expenses	534	492	-42
Total General & Administrative Expenses	<u>31,826</u>	<u>31,075</u>	<u>-751</u>
Total Operating Expenses	<u>1,897,749</u>	<u>1,668,977</u>	<u>-228,772</u>
Non-Operating Revenues			
Investment Income	93,714	92,041	-1,673
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>93,714</u>	<u>92,041</u>	<u>-1,673</u>
Net Surplus (Deficit)	<u>120,519</u>	<u>162,449</u>	
Beginning Retained Earnings	5,992,643	6,113,162	
Ending Retained Earnings	6,113,162	6,275,612	

**ALLIANT RISK CONTROL CONSULTING – REQUEST FOR
 ADDITIONAL FUNDING FOR FY 2017/2018**

ISSUE: The Alliant Risk Control Consulting (ARCC) team members are close to exhausting the maximum funds of \$93,000 available within the ARCC contract. ARCC is requesting additional funding of \$20,000 for FY 17/18.

RECOMMENDATION: Staff recommends that the Committee discuss the request for additional funding in the amount of \$20,000, and direct Staff as appropriate.

FISCAL IMPACT: ARCC is proposing an increase of \$20,000 which would result in a total annual cost of \$113,000 for FY 17/18. See the historical fee schedule for ARCC.

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
FY 17/18	\$1,500	\$193.75	\$93,000
FY 17/18	\$1,500	\$193.75	\$113,000

BACKGROUND: In late FY 16/17 Brent Escoubas left ARCC and was replaced by John Owen, Tim Leech, Kristi Loiselle and Archie Lazar as AORMA’s new team of risk control consultants. The new team’s goal was to visit all of the AORMA members within FY 17/18. The team also provided the five AORMA focused webinar as well as presenting during the 2018 AOA Conference.

See attached the ARCC exhibit that outlines the deliverables as well as anticipated work to be continued until June 30, 2018.

PUBLICATION: None.

ATTACHMENT(S):

- a. ARCC Deliverables Exhibit

Alliant Risk Control Consulting



H1 FY18 Key Deliverables

- ✓ Delivered 5 AORMA focused webinars: positive feedback, requested annually
- ✓ Loss review and planning meetings with 11 Auxiliaries
 - ✓ HMB (2), Chico, SJSU(2), Sac State, Northridge, San Bernardino, CPP, CSULB (2)
- ✓ Completed ag safety risk assessment and report
- ✓ Completed +60 ergonomic evaluations
- ✓ Various research requests (ex. JHA, OSHA recordkeeping, Training Matrix)
- ✓ Completed 5 days of CPR/First Aid classes

H2 FY18 Anticipated

- Presentation at AOA conference
- 3-4 onsite Loss Review and Planning meetings (SJSU - Union, Sac State - ASI, Fullerton)
- 8-10 onsite services (training, assessments, implementation of plans)
- 30-40 ergonomic evaluations
- 2-3 CPR courses
- Research requests (ex. EHS Software, research protocols)

Alliant Risk Control Consulting

H1 FY18 Budget

- ❑ Available in H1: \$46k + \$19k rollover = \$65k
- ❑ Average consumption per quarter = \$35k
 - ❑ Larger consumption in Q1 due to webinar series and number of Loss Review meetings
- ❑ Total used in H1 = \$70k

H2 FY18 Budget

- ❑ Available in H2 = \$41k
 - ❑ \$8k used in January
- ❑ Potential shortfall (with anticipated demand) – up to \$20k

POLICY AND PROCEDURE W-3
WORKERS' COMPENSATION CLAIMS HANDLING PROCEDURES
AND GUIDELINES

ISSUE: Policy and Procedure A-5 states that in the absence of other reasons to review a policy and procedure more frequently, all policies and procedures will be reviewed at least every two years. All of the policies and procedures that require a review in 2018 have been reviewed at a previous meeting, except Policy and Procedure W-3 which will be reviewed at today's meeting.

Staff suggests a few ministerial changes to Policy and Procedure W-3 as well as the deletion of the statement that late reporting may be cause for denial of coverage. Unlike the liability program, the workers' compensation program does not include a late reporting penalty or consequential claim denial.

RECOMMENDATION: Staff recommends approving the revisions to Policy and Procedure W-3, with additional changes as appropriate.

FISCAL IMPACT: None.

BACKGROUND: See the revised version of the policy and procedure attached.

PUBLICATION: All revised policies and procedures will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. W-3 – Workers' Compensation Claims Handling Procedures and Guidelines



CSURMA AORMA

POLICY AND PROCEDURE NO. W-3

(Formerly W-4)

SUBJECT:	WORKERS' COMPENSATION CLAIMS HANDLING PROCEDURES AND GUIDELINES
ADOPTED:	DECEMBER 8, 2009
EFFECTIVE:	DECEMBER 8, 2009
AMENDED:	SEPTEMBER 16, 2010 MARCH 20, 2014 SEPTEMBER 8, 2016 <u>MARCH 8, 2018</u>

PURPOSE:

The purpose of this Policy & Procedure is to describe the roles and responsibilities of the Workers' Compensation Third Party Claims Administrator (TPA) and the participants in the CSURMA Auxiliary Organizations Risk Management Alliance (AORMA) in the reporting and handling of claims.

POLICY:

It shall be the policy of the AORMA to ensure that Workers' Compensation claims are administered by the following general guidelines.

PROCEDURE:

- In the event of a Workers' Compensation occurrence likely to involve AORMA, written ~~or verbal~~ notice regarding the occurrence shall be given by the Member to the ~~AORMA Third Party Administrator~~ TPA no later than five (5) calendar days from the date of the Member's knowledge. Such notice shall include the Employer's First Report of Occupational Injury or Illness (Form 5020). ~~Be sure to include~~ The form should include the circumstances of the occurrence, and the names and addresses of any injured parties, and witnesses. The five (5) day requirement to report injuries is a Labor Code requirement.
- ~~As outlined in AORMA Policy & Procedure W 5, failure to report occurrences as required may be cause for denial of coverage if AORMA is prejudiced due to the lack of timely reporting.~~ The following will serve as the AORMA Workers' Compensation Program procedures and guidelines and are based upon the current contract with TPA.

Claim Reporting Procedures

The auxiliaries report all claims to TPA via e-mail or fax within five calendar days of notice as required by California Statute by completion of a Form 5020. The Claims Supervisor assigns new losses to appropriate handler for contact and investigation. After an initial investigation, the Claims Examiner makes a determination -as to the appropriate claim type.

Indemnity claims will be managed by the Claims Examiner. Medical First Aid Only claims will be managed by the Claims Support Associate. Medical First Aid Only claims are defined as claims estimated at less than \$3,000 in medical costs, no anticipated permanent disability and with no loss of work.

Record Only claims in the Juris (Sedgwick claims system) are considered “Incident Only” claims. This claim type does not have a claims status attached to it. It is neither open nor closed. It serves as a reporting function only.

All new indemnity claims will be reviewed by the Claims Supervisor within 5 (five) working days of receipt by **TPA** or within 5 (five) days of conversion to indemnity claim.

Initial Investigation

The Claims Examiner will conduct a thorough investigation to determine compensability immediately upon receipt of the claim. The Claims Examiner makes all the initial contacts necessary to make this determination and will follow the question format provided by **TPA** management which outlines the information to be requested for each of the contacts. The Claims Examiner **TPA** will contact the Auxiliary Organization Workers’ Compensation Claim Coordinator (**Coordinator**), the injured employee, and the injured employee’s supervisor and physician. Physician contact is not necessary if (1) a Doctor’s First Report of Occupation Injury or Illness (Form 5021) is in the file, (2) there is no lost time, and (3) there are no disputes.

3-Point Contact – Employee, Employer and Physician

The Claims Examiner will make 3-Point Contact on all “pending” claims within one business day after receiving notice of the claim. Communication with the injured employee will be available in the employee’s primary language or with translation upon request.

Notice of claim is defined as:

- Notice of a pending claim in Juris.
- Phone call, fax or e-mail from the **Coordinator** (Form 5020)
- Doctor’s First Report of Occupational Injury or Illness (Form 5021)
- Notice of Representation (no contact with injured employee)
- Application of Adjudication of Claim (no contact with injured employee)
- DWC-1 Claim Form

If the **TPA** receives the first notice of claim, **TPA** will notify the **Coordinator** of the details of the claim, request additional information from the **Coordinator** as needed and set up the claim in Juris. The **Coordinator** will complete the Form 5020.

If it is determined after initial contact that a claim is a First Aid, the claim will be closed. If later a bill is received, the file will be reopened for payment of the bill and closed.

If the Claims Examiner/Claims Support Assistant is unable to complete all the initial contacts, the Claims Examiner will continue contact attempts for three days. Should the contact attempts be unsuccessful a “Call Me Card” or e-mail will be sent to contact the respective party. All attempts at communication will be documented in Notepad. Documentation of a “Call Me Card” will be stored in Correspondence. Assistance from the **Coordinator** must be requested if contact with the injured employee cannot be made after three unsuccessful attempts. The work and home telephone number of the injured employee is a required field for a “pending” claim and therefore needs to be made available to the Claims Examiner. Alternative contact numbers, email addresses or a mailing address can be requested if the Claims Examiner is unable to make contact.

No claim will be accepted without completion of the 3-point contact unless there is concurrence from the Coordinator.

3-Point Contact will be documented in Juris on the day the contact occurs.

The **Claims Supervisor** review of all new claims at five days will ensure that contact is completed and documented. If contact is complete, the **Claims Supervisor** will so note in Notepad. If contact is not complete, the **Claims Supervisor** will document in Notepad the contacts that need completion and require that the Claims Examiner continue contacts until all have been completed. The **Claims Supervisor** will keep the file on close diary until all contacts are made.

Acceptance/Denial Issues

If the Claims Examiner determines that a claim should be denied, the Claims Examiner will notify the **Coordinator** of the investigation results and recommendation to deny benefits prior to notifying the injured employee. All recommendations for denials must be approved by the **Claims Supervisor** and documented in Notepad. All denied claims will have a reason for the denial entered in the claim system.

If the injured worker does not pursue a claim, **TPA** will not delete the claim. The Claims Examiner/Claims Support Assistant will notify the employee in writing of Sedgwick’s confirmation and understanding that the employee does not wish to pursue the claim. The claim will be coded with an appropriate claim type (e.g., Record Only, Medical Only, Indemnity, etc.)

The Claims Examiner has fourteen (14) days to determine if a claim will be delayed. Medical treatment will continue to be provided during the ninety (90) day discovery period up to a limit of \$10,000, per labor code statute, or until the case is denied.

The Claims Examiner has up to ninety (90) days to make a compensability decision. The ninety (90) days starts with the employer’s knowledge of injury.

Initial Documents

The DWC-1, 5020 and 5021 forms are required documents in the claim file. If the DWC-1 is not in the file, evidence of attempts to solicit the DWC-1 form must be in the file. All are required in every claim file prior to closure.

If the **Claims Examiner/Claims Support Assistant** does not have the DWC-1 form when completing set-up of the claim, a claim form will be forwarded to the employee's home address immediately upon receipt of the notice of injury unless it is noted that a DWC-1 claim form was not provided by the **Coordinator**.

If the DWC-1 is not received within sixty days, the **Claims Examiner/Claims Support Assistant** will notify the **Coordinator** via email. This process applies to accepted claims only.

A copy of the 5020 DWC-1, and the 5021 will be clearly documented in SIR (Scanned Information Retrieval system). If a 5021 has not been submitted, the file must contain a copy of a request for the 5021. The 5021 request will be saved to the claim in Juris Correspondence.

A claim must not be closed without these documents, or proof that the DWC-1 was provided to the employee, in the claim file.

Medical Releases

TPA will request Medical Releases within five (5) working days of file make-up on all files. If the signed release is not returned within fourteen (14) days, and the injury has not resolved (such as in a Medical Only claim), the **Claims Examiner/Claims Support Assistant** will contact the **Coordinator** and request assistance. The process applies to Indemnity files as well as Medical Only files where treatment is continuing beyond the fourteen days.

Upon receipt of the medical release, **TPA** will order appropriate medical records as needed.

Medical Direction and Control

The **Claims Examiner/Claims Support Assistant** is responsible for coordinating the provision of prompt, appropriate and effective medical treatment for auxiliary employees. The **Claims Examiner/Claims Support Assistant** will exercise all reasonable efforts to obtain current physician reports in accordance with CCR 9785 (California Code of Regulations concerning treating physicians) on all claims where medical treatment is active.

Within fourteen (14) calendar days of notification of change of treating physician, the **Claims Examiner/Claims Support Assistant** will send the complete medical file with CCR 9785 notification to the treating physician.

If the injured employee is absent from work, notification of the auxiliary organization's return to work policy, and the injured worker's job description, if necessary, will be sent to the treating physician. Notification will be by letter and available in Correspondence.



A copy of CCR 9785 will be sent to the treating physician within five (5) working days upon any request made by the workers' compensation auxiliary **Coordinator**.

The Claims Examiner will request updated medical reports on Future Medical (FM) claims where treatment is being sought. On non-active FM claims, the Claims Examiner will document a strategy for administrative closure.

The Claims Examiner will document requests for authorization of treatment procedures in the Juris Notepad. The **Claims Examiner/Claims Support Assistant** will respond to requests for authorization of treatment and surgery on accepted cases in accordance with Utilization Review guidelines and requirements.

The treatment plan will be documented in Juris Notepad including the next treatment date. The **Claims Examiner/Claims Support Assistant** will document any medication, by name, which has been authorized by the physician for the employee in Juris Notepad. Updates will be requested as medication changes.

No agreement to utilize an AME will be made without the approval of the Claims Examiner. In litigated cases, the Claims Examiner will notify the defense attorney of this requirement.

All bills will be paid or objected to within thirty (30) calendar days from date-stamp receipt.

Documentation

TPA will caption all Juris Notepad entries using appropriate Juris system-defined headings. All entries will contain documentation with appropriate detail, identify the issues of the claim, and describe the plan of action being taken to resolve these issues. An Action Plan will be documented in Juris Notepad every ninety (90) days on Indemnity files and every one hundred eighty (180) days on Future Medical files.

Medically authorized restrictions will be documented in the Juris Notepad and updated every time the restrictions are modified by the physician.

Medical records that are received via medical release or subpoena must be summarized in Juris Notepad.

Diary

CLAIMS EXAMINER DIARY

Every active indemnity file will be reviewed at least once every thirty (30) days. Diary activity will include contact with unrepresented injured employees, at minimum, every sixty (60) days. Claims with ongoing temporary disability benefits will be reviewed every fourteen (14) calendar days. Review includes a phone call to the treating physician to determine return to work capability. Documentation of the review and verification of disability will appear in Notepad.



Future medical diary is no less than one hundred eighty (180) days as warranted by activity on the claim. Future Medical cases are defined as claims where the only benefit obligations are the payment of awarded permanent disability and undisputed future medical care.

Follow-up telephone contact will be made with unrepresented injured employees who are losing time from work every fourteen (14) calendar days. Follow-up telephone contact with all other unrepresented injured employees must occur at a minimum every sixty (60) days (Future Medical file excluded).

CLAIMS SUPPORT ASSISTANT DIARY

Medical Only claims will be reviewed at minimum at sixty days. At ninety (90) days, the Claims Support Assistant will review for conversion to Indemnity or closure.

SUPERVISOR DIARY

Claims Supervisor will review all new indemnity claims five (5) days after receipt. The Claims Supervisor will re-set a diary on each new claim as appropriate depending on the severity of the issues or medical treatment but no less than one hundred eighty (180) days. Delayed claims will be reviewed at forty-five (45) and eighty (80) days within the first ninety (90) days. Acceptance after delay and denials will be reviewed and approved by the manager. These reviews will be documented under the Management Review heading in the claim Notepad.

Supervisors will effectively manage assignments of **Claims Examiner/Claims Support Assistant** personnel to ensure caseloads are meeting the claims handling standards. An inventory count by claim type will be kept for each Claims Examiner's caseload on a monthly basis.

Temporary Disability

Temporary disability is paid every two weeks.

Verification of the employee's disability is the responsibility of the Claims Examiner. The Claims Examiner must verify with the treating physician that the employee is unable to work his/her customary job duties, or able to return to work either in a modified position, or at his/her regular job duties.

The Claims Examiner should contact the physician, if necessary, and/or confirm through medical reporting medical verification of disability every two weeks to coincide with the temporary disability check issuance. Potential for return to work must be discussed and documented. Restrictions will be clarified and discussed with the **Coordinator** for return to work possibilities.

Litigation

TPA is to utilize approved auxiliary organization defense counsel in every case. The Claims Examiner will make the selection of counsel on each claim in coordination with the **Coordinator**. **TPA** recommends use of defense counsel as required by its defense counsel referral criteria.



However, referrals will be made at the request of the **Coordinator** as well. **TPA** requires that defense counsel adhere to **AORMA**'s Defense Counsel Guidelines. These guidelines will be included with each litigation referral.

TPA will notify the **Coordinator** upon receipt of an Application for Adjudication of Claim within five (5) working days. **TPA** will assign claims to Counsel within five days after receipt of notice of approval from the **Coordinator**. **TPA** will notify the **Coordinator** by telephone or email of assignment to Counsel on a claim, and confirm by sending the **Coordinator** a copy of the letter to the selected Counsel confirming engagement.

Case analysis is to be provided by counsel within thirty days of referral. A copy of the initial case analysis will be sent to the **Coordinator** and documented in the Juris Notepad. The Claims Examiner will follow up with the defense attorney if a case analysis is not received within thirty (30) calendar days from date of referral. Subsequent reports will be sent to **TPA** and the **Coordinator** depending on the activity of the claim, but no less frequently than ninety (90) days.

The Claims Examiner will continue to manage the file, including performing administrative tasks, such as setting medical appointments, appointment letters and medical record requests. These tasks are to be completed by **TPA** staff with few exceptions.

The Claims Examiner will audit all attorney bills for appropriateness of payment.

The Claims Examiner and the **Coordinator** will determine who should attend hearings.

Mandatory Settlement Conference at WCAB

Upon notification of the Mandatory Settlement Conference (MSC) date, the following procedure will occur:

In litigated cases, a request for authority will be sent to **AORMA** thirty (30) days prior to defense counsel filing a Declaration of Readiness to proceed, or five (5) days after receipt of the Declaration of Readiness to proceed from applicant's counsel. Thirty (30) days prior to defense counsel filing a Declaration of Readiness to Proceed, **TPA** will provide **AORMA** and Member with a comprehensive case review and/or SAR (settlement authorization request).

TPA will attend an MSC as deemed necessary.

Subrogation will be pursued when appropriate unless otherwise indicated by the **Coordinator**. If any legal action must be filed in any court other than the Workers' Compensation Appeals Board on behalf of the auxiliary organization, **TPA** must have approval from the CSURMA **AORMA** Committee.

Communications

TPA Supervisor and Claims Examiner for **TPA** will utilize professional, courteous and effective communication skills at all times and will respond to telephone and email inquiries within one (1) working day. All e-mail communications that are pertinent to a particular claim should be placed in the Juris Notepad.

Index System

TPA will index all disputed or lost time injury claims at claim setup and annually thereafter relying on Sedgwick's account number with the Index System.

Reserving

The initial reserve will be set up within five (5) working days of the receipt of the claim. Claims are to be reserved on a "most probable ultimate cost" basis from the date the claim is set up. Reserve amounts will be evaluated and adjusted on a regular basis, but at a minimum, within thirty (30) days of any event or change in medical prognosis that will affect the ultimate outcome of the claim. Reserves should also be reviewed concurrent with Diary and Action Plan review. "Stair-stepping" is to be avoided. All reserve calculations will be clearly reflected in the claim file.

Sedgwick Claims Supervisors will review all reserve changes above the authority of each Claims Examiner.

Reserves will be reviewed with each action plan.

Investigations

TPA recommends use of outside investigators as required by their claim investigation criteria and best practices. In addition to manager or supervisor approval, assignment of an outside investigator requires prior contact, approval and coordination with the **Coordinator**.

OSHA Reporting –The members bear the responsibility to complete a manual OSHA log as required by California law.

Resolution

Upon receipt of any permanent and stationary report, the Claims Examiner will determine if the disability described in the report is appropriate for the circumstances of the injury. The Claims Examiner may self-rate if the disability is clear. However, **AORMA** prefers that the Claims Examiner solicit an independent rating prior to issuing advances. Based on what is learned from the rating, additional clarification may be needed from the physician. The Claims Examiner will seek clarification from the physician or object as appropriate.

Upon receipt of the supplemental report with the clarifying information, the Claims Examiner may need to solicit an additional independent rating in order to ensure that the Claims Examiner is confident of the total value of permanent disability. If the dollar amount of the rating and/or the



dollar value of the total amount of permanent disability advance to be made exceed(s) \$25,000, the Permanent Disability Benefit letter requires approval from a supervisor.

Within five (5) calendar days after the Claims Examiner has determined that the report is appropriate, the Claims Examiner will submit the report to the Disability Evaluation Unit (DEU) for a Summary Rating.

A Settlement Authority Request (SAR) must be submitted to the Operations Manager at **TPA**, the **CSURMA AORMA** Workers' Compensation Committee or the **CSURMA AORMA** Committee depending on the level of the settlement value requested in accordance with the Claims Settlement Policy and Procedure. This requires timeliness in getting the independent rating in order to avoid penalties for not issuing a timely permanent disability advance.

Upon receipt of the Summary Rating from the Disability Evaluation Unit (DEU), the Claims Examiner verify the rating used in the SAR and amend the SAR, if necessary.

If the claim is litigated, the Claims Examiner must notify the defense attorney that negotiations cannot begin without authority. The Claims Examiner is responsible for getting that authority to the attorney within two (2) working days of receipt of authority. If applicant's attorney files the Declaration of Readiness to Proceed (DOR) for settlement purposes, the SAR must be submitted within five (5) days of receipt of the notification.

Settlement Authority

Various levels of settlement authority have been established as respects this **AORMA** coverage under **AORMA** Policy & Procedure W-5. The Member has no authority to settle claims.

All settlement authority requests must be presented using the Settlement Authorization Request (SAR) form.

The **SAR** must be complete and thorough. It must include a brief history of the injury, a description of the permanent disability and its dollar value, the medical prognosis and its dollar value, and any other costs that are included in the proposed settlement. It must include a complete outline of all issues and defenses. All ratings, both applicant and defense must be stated. It must state the Claims Examiner opinion regarding settlement versus taking the case to trial.

Managers must approve all requests for authority.

If a response from the authorizing body is not received in thirty (30) days, the Claims Examiner will notify the Claims Consultant via email. If timing is **urgent**, this will be indicated in the email along with a deadline date, as well as notifying the Claims Consultant by voicemail.

Return to Work Issues

The Claims Examiner will provide all information to the **Coordinator** regarding return to work restrictions and permanent modifications immediately upon knowledge.

Excess Carrier Reporting and Settlement Requirements

Any claim with a date of injury after May 1, 2004 must be reported by **TPA** to the respective excess carrier immediately, but in no event later than ten (10) calendar days from the date the **Coordinator** is notified or becomes reasonably aware of such accident or disease which may involve the excess carrier or includes any of the following:

- a. Injuries to spinal cord (including Cauda Equina), paraplegia, or quadriplegia;
- b. Fatality;
- c. Amputation of a major extremity;
- d. Blindness;
- e. Second degree burns on 25% or more of the body or third degree burns on 10% or more of the body
- f. Serious head or brain injuries (including skull fracture);
- g. Multiple fractures – involving more than one member or any non union of any part of the body;
- h. Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
- i. Massive internal injuries affecting body organs;
- j. Any occurrence which causes serious injury or death to two or more employees
- k. Any occurrence, which results in disability exceeding one (1) year.
- l. Any occurrence that results in permanent and total disability 100% - (including but not limited to 100% by statute: loss of both eyes/sight, loss of both hands (or the use thereof), “practically total paralysis,” brain injury resulting in incurable imbecility or insanity.
- m. Any occurrence that involves unusual exposure to the coverage—examples include sexual molestation, HIV, AIDS, rape, class actions and bad faith allegations, or other serious violation, which may involve excess;

Total incurred in excess of 50% of the Self Insured Retention or per Excess reporting requirements. Attachments to the first report will include:

- Face sheet to include summary of case, pertinent claimant information such as claim number, date of injury, date of birth, date of hire, average weekly wages, TTD, PD rate. The Claims Examiner must list all the issues and the plan of action recommended in order resolving these issues. Any subrogation aspects must be described and discussed.
- Reserve breakdown
- Printout of all payments, sorted by category
- AME, QME, P&S and/or current medical reports advising status of claim (AME = Agreed Medical Evaluator; QME = Qualified Medical Evaluator; P&S= Permanent and Stationary)
- Copies of all Applications filed, Workers’ Compensation Appeals Board (WCAB) Awards & Findings & Awards (F&As)

- Defense attorney evaluation
- Copies of investigation reports
- All notices and legal papers relating to the claim or suit
- Any other pertinent data

Subsequent reports will be made on a quarterly basis (unless excess carrier advises otherwise). Attachments to the subsequent reports will include:

- Face sheet to include summary of case, pertinent claimant information such as claim number, Date of Injury, Date of Birth, Date of Hire, Average Weekly Wage, Total Temporary Disability and Permanent Disability Rate. The report must provide the status of the case and the steps proposed to resolve all the remaining issues.
- Reserve breakdown
- Printout of all payments, sorted by category
- Current medical report(s)
- Any of the prior reporting requirements that occur subsequent to the initial excess report.

The Claims Manager and/or Supervisor will review and authorize all excess reports. The reports will be submitted to the Excess carrier with a hard copy of all attachments. The hard copy attachments are to be submitted only to Excess carrier.

The process is the same for interim status reports and final reporting.

Once confirmation is received from Excess carrier, the Claims Examiner will make a copy of the confirmation for the claim file and update the system that confirmation was received from the Excess Carrier.

If the employee files a Serious and Willful claim, defense costs are not reimbursable by the Excess Carrier. Requests for reimbursement must exclude these costs.

Fraud Claims

Suspected fraudulent activity (material misrepresentation by the employee) must be reviewed with the Claims Supervisor, the **Coordinator** and the **AORMA** Claims Consultant to determine the merits of the case. The case will also be discussed with the CSURMA SIU manager, J.D Wesson, who serves as the Investigation and SIU oversight manager for AORMA and CSU. The case will be prepared for submission to the District Attorney and Department of Insurance once a decision to refer the case to the authorities has been made. Fraud referral activity will be documented on the claim in Juris Management Review Notepad.

Balance Sheet

TPA will complete a Balance Sheet on all open files at one year from date of injury, annually at the anniversary of claim set up and annually thereafter on each file at SAR evaluation and at closing of the claim. The Balance Sheet will be kept in Correspondence or a hard copy in the claims file.



Escrow Fund

Changes have been made to the Trustee Account as a result of the transition to Sedgwick's Juris claims system effective July 1, 2016. Sedgwick Claims Management administers benefit payments and expense payments on behalf of AORMA. The account utilized is an AORMA owned account through Wells Fargo. Sedgwick will issue all payments on claims linked to this account. The Client Banking department located in Memphis, TN will prepare monthly reconciliations.

Checks issued over \$50,000.00 require funding verification. Such requests should be forwarded to the **AORMA** Accountant at the CSU Chancellor's Office, along with supporting documentation.

TPA will submit replenishment requests **biweekly**.

Check Issuance

All checks for claims that are linked to this account are issued by Sedgwick. Joey House, Managing Director Accounting and Financial Service and Kevin Hawkins, Sr. Vice President Finance are the facsimile signatures that will be used for all checks. There will be no manual checks under any circumstances.

Reports

The Claims Manager will provide a monthly report of **TPA** and **AORMA** penalties no later than the 10th of each month.

TPA will also provide reports to the **Coordinator** for each Member as follows:

Quarterly claim summary report - inception to date

- Claim summary report of all claims created in the last quarter
- Ad hoc reports by client request

**WORKERS' COMPENSATION DIVIDEND FOR A JULY, 2018
DISTRIBUTION**

ISSUE: At its meeting on September 7, 2017, the AORMA Committee approve a total workers' compensation dividend to be distributed in July, 2018 in the amount of \$531,920. The Programs Committee, at its meeting on September 28, 2017, approved the allocation of the dividend between the workers' compensation members. Because the dividend for those member with federal sponsored programs will remain on account and will be used to lower the FY 18/19 workers' compensation program deposits, the total dividend to be distributed will be \$238,110.

RECOMMENDATION: Staff recommends that the Committee approve the total workers' compensation dividend to be distributed in July, 2018 of \$238,110.

FISCAL IMPACT: \$293,810 will remain within the workers' compensation program funds and will be used to lower the FY 18/19 workers' compensation program deposits for those members with federal sponsored programs.

BACKGROUND: Policy and Procedure A-4 was revised effective March 9, 2017. It states that for those members involved in federally sponsored programs, the dividend can be retained on account with CSURMA to be used to lower contributions for the upcoming or current fiscal year. If the member chooses to receive the dividend, then the member will be required to calculate the percentage of its payroll and salary that is attributable to federally sponsored programs to determine what percentage of the dividend will need to be returned to the federal government.

PUBLICATION: All members have received the January budget letter which notes that the workers' compensation dividends for those members with federal sponsored program will be used to lower the deposit premium for the FY 18/19 program.

ATTACHMENT(S):

- a. Workers' Compensation Program dividend allocation
- b. Policy and Procedure A-4 – Dividends and Assessments

AORMA Workers' Compensation Program
July 1, 2018 Dividend Allocation

531,921

Campus	Auxiliary Organization Member	Premium Contributions for Five Years	Dividends Payable to Members	Dividends to Remain on Account
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	79,876		1,934
Bakersfield	California State University, Bakersfield Foundation	51,539	1,248	
Channel Islands	University Auxiliary Services, Inc. (<i>University Glen Corp</i>)	273,590	6,626	
Chico	Associated Students of California State University, Chico	756,616	18,323	
Chico	The CSU, Chico Research Foundation	653,331		15,822
Dominguez Hills	Associated Students, California State University, Dominguez Hills	22,652	549	
Dominguez Hills	California State University, Dominguez Hills Foundation	315,750		7,646
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	56,630	1,371	
East Bay	Associated Students, California State University, East Bay	43,011	1,042	
East Bay	California State University, East Bay Foundation, Inc.	85,222	2,064	
Fresno	California State University, Fresno Association, Inc.	499,366	12,093	
Fresno	The California State University, Fresno Athletic Corporation	437,284	10,590	
Fullerton	Associated Students, California State University, Fullerton, Inc.	471,573	11,420	
Fullerton	CSU Fullerton Auxiliary Services Corporation	782,855		18,958
Humboldt	Associated Students, Humboldt State University	10,398	252	
Humboldt	Humboldt State University Center Board of Directors	463,910	11,234	
Humboldt	Humboldt State University Sponsored Programs Foundation	694,333		16,815
Long Beach	Associated Students, California State University, Long Beach	385,752	9,342	
Long Beach	California State University, Long Beach Research Foundation	527,516		12,775
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	948,983	22,981	
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	656,785		15,905
Los Angeles	University-Student Union Board, California State University, Los Angeles	203,341	4,924	
Monterey Bay	The University Corporation at Monterey Bay	514,243		12,453
Northridge	Associated Students, California State University, Northridge, Inc.	278,721	6,750	
Northridge	The University Corporation, CSU Northridge	1,415,583		34,281
Northridge	University Student Union of California State University, Northridge	438,912	10,629	
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	382,603	9,265	
Pomona	The Cal Poly Pomona Foundation, Inc.	1,535,914		37,195
Sacramento	Associated Students of California State University, Sacramento	343,090	8,309	
Sacramento	University Enterprises, Inc., CSU Sacramento	1,212,758		29,369
Sacramento	Capital Public Radio	21,362	517	
San Bernardino	Associated Students Inc., California State University, San Bernardino	10,383	251	
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	189,908	4,599	
San Bernardino	University Enterprises Corporation at CSUSB	404,469		9,795
San Diego	Associated Students, San Diego State University	954,063	23,104	
San Francisco	Associated Students, Inc., San Francisco State University	233,829	5,663	
San Francisco	The University Corporation, San Francisco State	164,271	3,978	
San Jose	Associated Student, San Jose State University	241,315	5,844	
San Jose	San Jose State University Research Foundation	1,095,400		26,527
San Jose	Spartan Shops, Inc., San Jose State University	877,680	21,255	
San Jose	The Student Union of San Jose State University	198,348	4,803	
San Jose	The Tower Foundation, San Jose State University	85,850	2,079	
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	569,146	13,783	
San Luis Obispo	Cal Poly Corporation	1,971,581		47,746
San Marcos	California State University San Marcos Corporation (<i>UARSC</i>)	272,071		6,589
Sonoma	Associated Students of Sonoma State University	57,157	1,384	
Sonoma	Sonoma State Enterprise	33,491	811	
Stanislaus	Associated Students, Inc., California State University, Stanislaus	15,551	377	
Stanislaus	University Student Union of California State University, Stanislaus	26,828	650	

Total: 21,964,838 238,110 293,810



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
MARCH 9, 2017**

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. For those MEMBERS involved in federally sponsored programs, the dividend can be retained on account with CSURMA to be used to lower contributions for the upcoming or current fiscal year. If the MEMBER chooses to receive the dividend, then the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federally sponsored programs to determine what percentage of the dividend will need to be returned to the federal government.

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



CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

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 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.

**SEDGWICK CLAIMS MANAGEMENT SERVICES, INC. AGREEMENT
THREE-YEAR AGREEMENT EXTENSION**

ISSUE: The current contract with Sedgwick has a term of July 1, 2013 to June 30, 2018, and includes five one-year optional contract extensions. Systemwide Risk Management has exercised three one-year extensions.

RECOMMENDATION: Staff recommends that the Committee ratify the decision made by Systemwide Risk Management to exercise the three one-year extensions to the agreement.

FISCAL IMPACT: The claims administration costs are included in the CSURMA 18/19 budget. See below the historical costs for claims management services through Sedgwick for the AORMA workers' compensation program:

Term	Annual Fee
Year 1	\$207,089
Year 2	\$211,231
Year 3	\$215,456
Year 4	\$219,765
Year 5	\$224,160
Year 6	\$235,368
Year 7	\$235,368
Year 8	\$235,368

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Original Sedgwick Agreement from July 1, 2013 to June 30, 2018
- b. Sedgwick Agreement Extension from July 1, 2018 to July 1, 2021

AGREEMENT
FOR ADMINISTRATION OF
WORKERS' COMPENSATION SELF-INSURANCE PROGRAM

THIS AGREEMENT is entered into as of this 1st day of July, 2013 by and between, Sedgwick Claims Management Services, Inc. ("Sedgwick"), a corporation of the State of Illinois, and California State University Risk Management Authority ("CSURMA"), a California public entity established under a joint powers agreement entered into by the California State University and its participating auxiliary organizations.

WHEREAS, CSURMA, under a joint powers agreement, has established and administers a self-insured workers' compensation programs for the benefit of the University Campuses ("Campus Program") and the Auxiliary Organizations ("AORMA Program") and for their participating Members;

WHEREAS, CSURMA desires to engage Sedgwick to provide certain specific services to assist it in the administration of its Programs; and

WHEREAS, Sedgwick is willing and able to provide such services, on the terms and conditions hereinafter stated

I. SERVICES TO BE PERFORMED BY SEDGWICK

As described more fully in each Program's Client Service Instructions ("CSI's") which are hereby incorporated to this Agreement and which may be modified from time to time by mutual agreement, Sedgwick agrees to perform the following services:

A. With regard to CLAIMS ADMINISTRATION Sedgwick shall:

(1) Review all Applications for Adjudication of Claim and all claim or loss reports made by CSURMA, or its designee, to Sedgwick with regard to personal injury, sickness, disease or death that is

alleged to have resulted from an employee's work-related activity. (Services for claims reported outside the term of this Agreement may be provided subject to the mutual agreement of the parties.)

(2) Process each such claim or loss report in accordance with applicable statutory and administrative notification requirements;

(3) Conduct a timely investigation of each reported claim or loss under subparagraph (1) above to determine compensability;

(4) Engage independent investigators or medical or other experts as reasonably required by the circumstances in connection with processing any reported claim or loss;

(5) Make payment, from funds set aside by CSURMA pursuant to Section VII below, of medical and death benefits and temporary or permanent disability compensation, but only (i) if, in the reasonable judgment of Sedgwick, such payment would be in the best interest of CSURMA and the ultimate expected value of the specific claim does not exceed the limit specified in accordance with Section VIII below; or (ii) if the CSURMA has specifically directed such payment regardless of such amount; or (iii) if such payment is pursuant to a final judicial or administrative ruling.

(6) Perform reasonable and necessary administrative and clerical work in connection with the processing of reported claims or losses, including the preparation of checks or drafts bearing the name of CSURMA and drawn on the account established pursuant to Section VII below;

(7) Maintain a file for each reported claim or loss, which shall be available for review by CSURMA at any reasonable time;

(8) Notify excess carriers in accordance with such carrier's reporting guidelines, provided that Sedgwick has been advised in writing of same;

(9) Assist CSURMA in selection of counsel to defend reported claims or losses and contract for such services on behalf of CSURMA;

(10) Work with CSURMA's counsel in preparation of the defense of lawsuits and administrative claims, the negotiation of settlements, the preparation of subrogation, contribution and cross actions, and in the coordination of defense of multi-forum claims if requested by CSURMA;

(11) Assist CSURMA in evaluating defense counsel for adequacy, cost, and effectiveness, and recommend changes where indicated;

(12) Monitor the treatment programs recommended for employees by physicians or specialists by reviewing all initial reports prepared by treating physicians or specialists and maintaining contact with treating physicians or specialists managing the medical treatment as appropriate to effect optimum conclusion;

(13) Assist CSURMA in determining the circumstances under which an ill or injured employee could return to work in the shortest period of time;

(14) Assist in arranging for rehabilitation or retraining of employees where indicated;

(15) Maintain a current estimate of the cost of all anticipated losses on each qualified claim or loss;

(16) Provide claims forms necessary for the operation of the Program; and,

(17) Furnish such computer-generated data and reports for the management of the Program including as are agreed to in writing by the parties. All such reports will be provided at such frequency as CSURMA and Sedgwick shall mutually determine appropriate.

B. With regard to MEDICAL CONTROL, Sedgwick shall:

(1) Recommend to CSURMA a panel of physicians to provide initial treatment and a panel of medical specialists to provide long-term or specialty care;

(2) Consult with CSURMA on medical cost containment to assist managing medical costs with application of medical bill review and selection of contract service providers for treatment management and bill review;

C. With regard to EMPLOYEE COUNSELING, Sedgwick shall:

(1) Provide information to ill or injured employees regarding the benefits available under the Program;

(2) If CSURMA requests, consult with employee groups in regard to specific aspects of the Program; and,

(3) Assist CSURMA in developing policies and procedures to ensure that an employee's return to work or reassignment is not inconsistent with the findings of any applicable state administrative agency.

D. With regard to PROGRAM DEVELOPMENT, Sedgwick shall:

(1) Consult with CSURMA in the establishment and coordination of procedures and practices necessary to meet applicable regulatory requirements;

(2) Participate in the orientation of CSURMA's personnel who are directly or indirectly involved in the processing of workers' compensation claims or losses;

(3) Provide information on changes or proposed changes in legislation, rules and regulation affecting the responsibility of CSURMA; and

(4) Review the development of the Program periodically with CSURMA to identify problems and recommend corrective action.

E. With regard to LOSS CONTROL, Sedgwick shall:

(1) Maintain loss information in a data base and provide frequency and severity reports at CSURMA's request; and

(2) Upon request, assist CSURMA in the development, initiation and maintenance of loss prevention and loss control activities;

F. Sedgwick shall prepare all periodic reports as may be required by state administrative agencies, and shall, after consultation with and approval of CSURMA, file all such reports with the appropriate agency.

G. With regard to Information Technology, Sedgwick shall:

(1) Apply necessary iVOS system upgrades, enhancements and patches. This would include the application of service packs or hot fixes for critical issues. Where possible, Sedgwick will attempt to provide a workaround for critical issues until a hot fix is complete;

(2) Maintain all iVOS user setup and maintenance, including the addition, deletion and reactivations of users, resetting user passwords, or the modification of user security;

(3) Continue to provide all necessary table maintenance for iVOS as currently performed by Sedgwick;

(4) Provide iVOS application support for CSURMA users with a team of technology professionals who have experience with iVOS platforms;

(5) Provide full desktop and network support for Sedgwick users. If a CSURMA user reports a problem that is determined to be related to CSURMA systems or network, we will refer that user back to a designated CSURMA contact;

(6) Respond to all issues in a timely fashion. Sedgwick provides support from its Systems Support team in Memphis, TN; their hours of operation are from 7 a.m. to 9 p.m. CST. Additionally, Sedgwick Support colleagues are available off hours by beeper. Users can contact Sedgwick Support by

phone for urgent issues and by e-mail for all other issues. Support Analysts work directly with callers to resolve issues to their satisfaction and provide status updates as long as the issues are outstanding;

- (7) Continue to provide ad-hoc reporting as currently supplied to CSURMA by Sedgwick;
- (8) Provide standard Compliance reporting and interfaces. Sedgwick will provide electronic interface files with States as mandated by the IAIABC;
- (9) Work with CSURMA and American International Underwriters (AIU) to maintain their requested TPAIR interface;
- (10) Provide integration with the Sedgwick ACS imaging platform;
- (11) Provide a Medicare Reporting solution that is fully compliant with Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) (P.L. 110-173);
- (12) Continue to extend iVOS functionality through the integration of other Sedgwick systems and technology. Sedgwick is currently in the process of integrating the iVOS platform with its enterprise data warehouse, viaOne dashboards and alerts;
- (13) Provide backups and data security in accordance with Sedgwick enterprise-wide standards;
- (14) Work closely with Operations to continually improve technology and the system. Sedgwick IT and Operations departments have a long history of continuous improvement through technology;
- (15) Engage an independent certified public accountant for the purpose of reviewing internal controls related to business process controls surrounding claim processing and benefit payment services for the University in accordance with Type II SAS-70;

(16) Sedgwick will work to develop and implement technology related enhancements that are specifically requested by CSURMA. If the requested enhancements are not included within the scope of (1) – (15), above, CSURMA agrees to pay an additional fee for any requested work. The amount of the fee will be determined and agreed to by CSURMA and Sedgwick prior to commencement of the requested work; and,

(17) Sedgwick will develop custom reports specifically requested by CSURMA. If the custom report is not one that CSURMA is entitled to receive, or one that Sedgwick is required to provide, under this Agreement, CSURMA agrees to pay an additional fee for any such report. The amount of the fee will be determined and agreed to by CSURMA and Sedgwick prior to the development of requested report.

H. Confidentiality and Security

Sedgwick shall hold in strict confidence, and in compliance with all applicable local, state or federal laws and regulations, all Highly Sensitive Personal Information (“HSPI”) it may receive in the course of performing its services under this Agreement. HSPI includes, but is not limited to, (i) an individual’s government-issued identification number (including social security number, driver’s license number or state-issued identified number); (ii) financial account number, credit card number, debit card number, credit report information; (iii) biometric or health data; and (iv) patient identifiable medical information.

Sedgwick shall also hold in strict confidence, and in compliance with all applicable local, state or federal laws and regulations, all data provided to Sedgwick by CSURMA or its members pertaining to CSURMA, the CSU, and the AORMA program members and the employees of the CSU and the AORMA program members (“Confidential Information”).

Sedgwick shall not release HSPI or Confidential Information to any outside person or agency except as may be necessary for the performance of its duties hereunder. Whenever the disclosure of HSPI

is necessary, such disclosure shall be made in accordance with all applicable laws, and, whenever required by law, pursuant to the written consent of the injured employee. Any HSPI that is required to be provided or disclosed to CSURMA pursuant to this Agreement shall be provided or disclosed only to those employees or representatives of CSURMA who have direct responsibility for the administration of the Program, and only to the extent that such disclosure is necessary for the administration of the Program.

Sedgwick represents and warrants that its collection, access, use, storage, disposal and disclosure of HSPI does and will comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations.

In the event of a Security Breach, Sedgwick will notify CSURMA as soon as practicable, but no later than twenty-four (24) hours after it becomes aware of it. Sedgwick and CSURMA shall coordinate with each other to investigate the Security Breach. Sedgwick agrees to cooperate with CSURMA in CSURMA's handling of the matter and assist with any investigation by CSURMA. Sedgwick also agrees to use its best efforts to immediately remedy any Security Breach and prevent any further Security Breach. "Security Breach" means any act or omission that compromises either the security, confidentiality or integrity of HSPI or the physical, technical, administrative or organizational safeguards put in place that relate to the protection of the security, confidentiality or integrity of HSPI.

II. MINIMUM PERFORMANCE STANDARDS

Sedgwick shall provide services in accordance with the minimum performance standards set forth below and in the CSI's as mutually agreed to between the parties.

A. Service Team

Sedgwick shall assign Cindy Parker, or such other individual as may mutually be agreed to by the parties, as the Account Manager for CSURMA. Sedgwick reserves the right to change the Account Manager at any time upon provision of written notice to Client. Prior to any change in account

management, Sedgwick agrees to meet and confer with Client regarding the change. The Account Manager will provide the following:

(1) Ensure timely, efficient and effective performance of services as described in Section I above, and Section II herein;

(2) Monitor the accuracy and quality of the work product; and,

(3) Have overall responsibility to ensure quality services for CSURMA.

B. Other Staffing Requirements

Sedgwick will monitor and periodically review examiner's caseload, and shall endeavor to keep caseloads at a maximum of 125 claims per examiner. To this end, Sedgwick shall, six (6) months from the effective date of this Agreement, and each six (6) months thereafter, calculate the average monthly caseload (AMC) for CSURMA program examiner(s). If an examiner's AMC exceeds 125, Sedgwick shall, to the extent reasonable and necessary, make reassignments among existing program staff in an attempt to decrease the program AMC to 125 or below. If an examiner's AMC is consistently below 115 cases during a six month period, Sedgwick shall review the examiner assignments with CSURMA and mutually agree on appropriate action.

C. File Organization

All files are the sole and exclusive property of CSURMA and will be maintained in an organized and orderly fashion.

D. File Documentation

(1) A Claims Status Report including an action plan will be in each claim file (paper and/or on-line). This will include steps taken to move the file to conclusion in accordance with the proposed plan of action. The report will identify issues and the actions taken to finalize the claim.

(2) All activities will be documented in detail, identify the author, date stamped, and be legible.

(3) File reviews will be conducted at the request of CSURMA at a mutually agreed location and time.

E. Diary

(1) Every active claim file (which includes maintenance files with outstanding liens, legal issues, rehabilitation, or active medical treatment) will be diared for follow-up at least once every thirty (30) days. Follow up documentation of files will be in accordance with industry standards for the type of claim reviewed. Review of the claim file may include follow-up contact with the injured worker.

(2) Consistent policies and procedures will include diaries for all claims service personnel assigned under this Agreement.

(3) Files of employees on Industrial Disability Leave ("IDL") and Temporary Disability ("TD") will be reviewed every fourteen (14) days.

F. Supervision

(1) Active files will contain evidence of participation by supervisors in the development of case strategy, quality control and case management guidance.

(2) Delayed cases will be reviewed at a minimum at thirty (30), sixty (60), and ninety (90) day intervals.

(3) Active cases will be reviewed every ninety (90) days or sooner if requested.

(4) Case loads for each claims examiner assigned to CSURMA will be reviewed by the supervisor every ninety (90) days.

(5) Supervisors will review and decide which cases are to be assigned to outside counsel.

(6) For the AORMA Program, Sedgwick will notify CSURMA monthly of any cumulative change in reserves of twenty-five thousand dollars (\$25,000) or more per claim.

G. Medical Control and Direction

(1) Sedgwick is responsible for coordinating the provision of medical treatment for the injured workers.

(2) At the request of CSURMA, Sedgwick will send to any physician (with proof of service) a copy of 8 California Code of Regulations Section 9785 within five (5) days.

Sedgwick will exercise all reasonable efforts to obtain necessary physician reports in accordance with 8 California Code of Regulations Section 9785.

Within fourteen (14) days of notification of change of treating physician, Sedgwick will send to the new treating physician the complete medical file with the 8 California Code of Regulations Section 9785 notification, a copy of the auxiliary organization's return-to-work policy, and a written description of the injured worker's essential day-to-day job duties, tasks, and responsibilities.

Sedgwick will provide Medical Management Services to CSU Auxiliary Members.

Sedgwick will endeavor to respond to requests for authorization of treatment and surgery on accepted cases within two (2) working days.

Sedgwick will pay all bills within thirty (30) days from receipt of invoice, except disputed amounts, in which case Sedgwick will pay only the undisputed portion of the invoice provided there are adequate funds in the Client Escrow Account to pay such bills.

(8) Files will be reconciled for accuracy of payments at least once every twelve (12) months, and at the time the file is closed.

H. Reserves

(1) Reserves will be set for probable outcome within Sedgwick's guidelines. Reserve amounts will be evaluated and adjusted on a regular basis, but at a minimum, any time the medical prognosis changes.

(2) For the AORMA Program, CSURMA will be specifically notified within thirty (30) days when incurred costs (total of paid and reserves) on any claim reach twenty-five thousand dollars (\$25,000.00).

I. Carrier Notification

Sedgwick will comply with carrier notification procedures for each insurance policy purchased by CSURMA, and CSURMA shall provide in writing such notification procedures.

J. Investigation

(1) Sedgwick will conduct a thorough investigation to determine if the claim is a result of Arising Out of Employment/during the Course of Employment ("ACIE/COE") immediately upon receipt of the claim.

(2) If additional investigation is necessary, the case will be assigned to a licensed investigator with Errors & Omissions Liability coverage limits of not less than \$1,000,000.00 and must be coordinated through CSURMA.

(3) Sedgwick will seek CSURMA Member approval prior to the initiation of the investigation.

(4) Copies of investigation reports will be sent to CSURMA provided that the provision of such reports does not violate any applicable privacy laws, rules or regulations.

K. Communication

Sedgwick shall make every reasonable effort to comply with the following service standards:

- (1) Sedgwick will complete three-point contact (injured employee, physician, employer) within one (1) working day of receipt of notice of injury. If contact is not made on the first day, subsequent calls will be made daily until the injured employee is contacted;
- (2) Sedgwick will return all telephone calls within one (1) working day;
- (3) All medical reports and copies of all correspondence will be mailed to the employer within three (3) working days from receipt by Sedgwick;
- (4) Sedgwick will request medical releases within five (5) working days of file make-up, and will follow-up every thirty (30) days until received;
- (5) Accurate claim information, including the current status report, will be available to CSURMA on-line; and,
- (6) Communication with the injured worker will be available in the worker's primary language or translation available upon request.

L. California Division of Workers' Compensation Audit

Unit Requirements

All CSURMA claims will be administered in compliance with all California Division of Workers' Compensation Audit Unit standards.

M. Litigation

- (1) Cases will be assigned to those defense firms selected by CSURMA from the approved counsel panel;
- (2) Sedgwick will follow up with defense counsel if a case analysis is not completed within thirty (30) days from date of referral;
- (3) All notices of medical appointments are to be sent by Sedgwick;

- (4) Sedgwick will attend all hearings and depositions at the request of CSURMA;
- (5) Attorney bills will be audited for accuracy by Sedgwick; and
- (6) Subrogation will be pursued unless otherwise indicated by CSURMA.

N. Finalization

- (1) Finalization of CSURMA cases shall be authorized and processed in

compliance with the applicable CSI's.

O. Rehabilitation

Sedgwick will provide copies of all rehabilitation reports to CSURMA.

P. Reports

- (1) Sedgwick will provide reports as mutually agreed upon by it and CSURMA; and,
- (2) Sedgwick will produce an annual loss run, with reserves valued at a date specified by

CSURMA for use by CSURMA's actuary in preparation of annual actuarial reports.

R. Fraud

(1) Every claim will be reviewed prior to assignment for compensability. If Sedgwick believes that the facts merit delay, investigation will be initiated with CSURMA's approval;

(2) Complex claims requiring outside investigators will be assigned to vendors approved by CSURMA;

(3) All assignments will be limited and specific. The costs will be a portion of the claim file's allocated loss expense. Upon submission, CSURMA will identify claims that require delay and investigation procedures to be initiated. Additionally Sedgwick will communicate with CSURMA to identify submitted claims that appear inappropriate; and,

(4) Upon mutual agreement and with CSURMA's approval, Sedgwick will initiate and complete the appropriate investigation.

S. Case Closures

Sedgwick's management will closely monitor performance in this area. Sedgwick will endeavor to maintain a closing ratio that meets or exceeds 100% monthly. Management reports by desk, office, and region will be produced monthly, and reviewed by the Sedgwick's management to ensure that the goals are met. Cases will be closed consistent with the Labor Code and best claim practices.

T. No Conflict of Interest

Sedgwick acknowledges that in performing its services under this Agreement, it owes a duty of fidelity to CSURMA and it cannot place itself in a position where its self-interest may conflict with this duty.

Sedgwick represents that it has no current business or financial relationships that are in conflict with the interests of CSURMA or that would compromise its judgement or ability to act in the best interests of CSURMA. Such relationships include, but are not limited to, an ownership or financial interest in an entity that either competes with CSURMA or that sells goods or provides services to CSURMA.

In the event that Sedgwick becomes aware of any actual or potential conflict that may affect its judgement or ability to act in the best interests of CSURMA, it shall promptly disclose that fact to CSURMA.

U. Standards of Fiscal Responsibility and Accountability

Sedgwick will adhere to sound business practices and standards and maintain business processes compliant with a SAS 70 review, which shall be prepared annually by an independent auditor and such independent auditor's reports shall made available to CSURMA upon request..

V. Vendor Selectivity

To provide the best combination of quality service and price, Sedgwick will maintain professional relationships with vendors providing services to the CSURMA program and its claimants. Sedgwick shall regularly explore and compare groups of similar vendors and share the results with CSURMA.

W. Program Management

(1) Sedgwick shall prepare and provide CSURMA with an annual stewardship report describing at an executive level the results of Sedgwick's services under this agreement with both a historical and forward looking perspective.

III. OWNERSHIP OF DATA AND PROPRIETARY INTERESTS

A. The term "DATA" means and refers to (i) all and raw data provided to Sedgwick either by CSURMA or a third-party on behalf of CSURMA, (ii) all documents, analyses, compilations, forecasts or studies produced based on the raw data provided by CSURMA or on behalf of CSURMA to Sedgwick, (iii) HSPI, and (iv) Confidential Information.

B. The DATA is solely and exclusively the property of CSURMA. Sedgwick disavows any ownership interest of any kind in the DATA and any such documentation.

C. CSURMA is not intending to, and does not, grant to Sedgwick any express or implied license or other rights in the DATA, except the limited right to use the DATA in accordance with this Agreement. Sedgwick agrees not to assert any rights at common law or in equity with respect to the DATA, including, but not limited to, the federal copyright laws or other intellectual property laws. Sedgwick agrees not to reproduce any DATA, or authorize others to reproduce any DATA, without the express written consent of CSURMA.

D. CSURMA may at any time request that Sedgwick provide CSURMA with all, or a part of, the DATA. The request shall be in writing. Sedgwick will provide CSURMA with the requested DATA within 30 (thirty) calendar days of receiving CSURMA's written request at a cost to CSURMA of no more than Five Hundred Dollars (\$500.00). Sedgwick will provide the requested DATA in a useable

format and will provide a legend of the DATA that includes summaries, totals, indexes, table mapping and any such other information as would commonly be provided and be necessary to ensure a successful conversion of DATA by a successor third-party administrator (“TPA”). The production of any employee medical records shall be in accordance with all applicable Workers Compensation laws and all applicable federal, state and local privacy laws.

E. Within seven (7) calendar days from the termination or expiration of this Agreement, Sedgwick will return all DATA to CSURMA. The DATA will be returned to CSURMA in a useable format. Sedgwick will provide a legend of the DATA that includes summaries, totals, indexes, table mapping and any such other information as would commonly be provided and be necessary to ensure a successful conversion of DATA by a successor TPA. Upon receipt of the DATA, CSURMA will assume sole responsibility for returning DATA to the appropriate entities, employees or individuals; transmitting the DATA to a successor TPA; or, destroying or otherwise disposing of the DATA as necessary. CSURMA agrees that it will provide Sedgwick reasonable access to any DATA that it requires for a legitimate business purpose including, but not limited to, any dispute or litigation with CSURMA regarding the Agreement.

F. All proprietary Sedgwick documents, forms, reports, assessment tools, software, educational and other materials provided to CSURMA by Sedgwick in conjunction with this Agreement are solely and exclusively the property of Sedgwick and shall not be photocopied, reproduced, marketed or distributed by CSURMA without the written consent of Sedgwick. No grant or license to any copyright, trade secret or intellectual property of Sedgwick is granted by this Agreement. Notwithstanding the foregoing, CSURMA shall be the sole owner of the content of any such document, form, report, assessment tool, software, or other material, to the extent that such content is based upon DATA or contains DATA.

IV. CSURMA RESPONSIBILITIES

CSURMA shall timely and appropriately respond to all Sedgwick inquiries or requests as may be necessary for the performance of its (Sedgwick's) duties hereunder. Sedgwick shall not be responsible for any failure to meet any of its duties hereunder if such failure is the result of a failure of CSURMA to respond to an inquiry or request from Sedgwick.

V. FEES AND ADJUSTMENTS

A. In consideration for the services to be performed hereunder, CSURMA shall pay Sedgwick as follows:

<u>Annual fee</u>	<u>Campus program</u>	<u>AORMA program</u>	<u>Total</u>
Year 1	\$3,418,256	\$207,089	\$3,625,345
Year 2	\$3,486,621	\$211,231	\$3,697,852
Year 3	\$3,556,353	\$215,456	\$3,771,809
Year 4	\$3,627,480	\$219,765	\$3,847,245
Year 5	\$3,700,030	\$224,160	\$3,924,190
Total	\$17,788,740	\$1,077,701	\$18,866,441

B. TPA will monitor and periodically review examiner's caseload, and shall endeavor to keep caseloads at a maximum of 125 claims per examiner. To this end, TPA shall, six (6) months from the effective date of this Agreement, and each six (6) months thereafter, calculate the average monthly caseload (AMC) for CSURMA program examiner(s). In the event that an examiner's AMC exceeds 125, TPA shall, to the extent reasonable and necessary, make reassignments among existing program staff in an attempt to decrease the program AMC to 125 or below.

C. The above pricing is valid for an open inventory of no more than 1950 indemnity claims and 325 medical only claims. It also assumes a reported claim frequency of not more than 800

indemnity claims and 825 medical only claims per each service year. If at any time during the term of this Agreement the open inventory exceeds 2000 indemnity claims or 875 medical only claims, or if during any service year (defined as Year 1, Year 2, Year 3, Year 4 or Year 5 as applicable and noted above) the reported claim frequency for the year exceeds 850 indemnity claims or 875 medical only claims, an excess claim charge can be negotiated. Upon written agreement by CSURMA's authorized representative, excess claim charges may be added to the regular quarterly invoice, and will reflect any charges assessed during the prior quarter.

D. Miscellaneous fees

CSURMA acknowledges that Sedgwick offers various services that fall outside the scope of this Agreement. Additional services offered by Sedgwick include the following;

- Care Management
- Bill Review
- Pharmacy Program
- Peer Review
- Field Case Management

In the event that CSURMA requests Sedgwick to provide any of these additional services, CSURMA agrees to pay an additional fee for any such service. The amount of the fee must be determined and agreed to by an authorized representative of CSURMA and Sedgwick before the service is provided.

E. If at any time during the term of this Agreement, the reported inventory of claims is consistently below 115 cases during a six month period, Sedgwick shall review the examiner assignments with CSURMA and mutually agree on appropriate action as respects modification of the service

F. The service fees noted above will be billed in advance in equal quarterly installments. Payment is due in full within thirty (30) days following the date of Sedgwick's invoice, except for reasonably disputed invoices. Sedgwick shall charge a late fee of five percent (5%) per month on the amount of any balance that remains unpaid for more than thirty (30) days from the invoice date. Further, in addition to such other remedies as may be available to it, Sedgwick shall have the right to cease performance of its duties hereunder if payment is more than thirty (30) days late.

VI. CASHIERING

A. Checks, money orders, and cash, received by Sedgwick for reimbursement or refund of claim expenditures shall be credited to the applicable claim file. A record of receipt will be maintained in the claim files and record of deposits furnished to CSURMA. Returned checks shall be secured in locked cabinets, behind closed doors overnight or when office is unoccupied. An alarm system shall be in place.

B. A record of all checks issued, cashed, voided, or cancelled shall be kept by Sedgwick and furnished to CSURMA at the beginning of each month. All checks voided during the previous month will be returned to the CSURMA at that time.

C. Sedgwick shall operate all CSURMA accounts on a positive pay basis, and shall provide to CSURMA's accountant a reconciliation at least once every month.

VII. FUNDING

A. CSURMA shall at all times provide funds adequate for the payment of reported claims or losses, and allocated loss expenses. The amount of such funds shall be based on estimates furnished by Sedgwick of the anticipated or actual level and volume of reported claims or losses and allocated loss expenses. For purposes of this Agreement, allocated loss expense means all costs, charges and expenses payable to third parties that are properly chargeable to a reported claim or loss, and approved in advance by CSURMA, when required. These shall include, without limitation, court costs, fees and expenses of

attorneys, investigators, experts and witnesses, and fees for obtaining diagrams, reports, documents and photographs.

B. CSURMA shall deposit such funds in a bank account established by CSURMA and is solely responsible for the care, custody and control of such account. At the beginning of each month, Sedgwick shall provide CSURMA with a detailed statement of prior month disbursements. Such bank account shall be established with an institution selected at the sole discretion of CSURMA.

C. It is expressly understood that Sedgwick shall not be required to advance its own funds to pay reported claims or losses or allocated loss expenses or Program expenses described above, or to perform any services hereinabove, if CSURMA fails to provide adequate funds as herein set forth.

VIII. DISCRETIONARY DISBURSEMENT AUTHORITY
LIMIT AND SIGNIFICANT CLAIM PROCESSING

A. With respect to any Compromise and Release or settlement of any reported claim or loss, any disbursement or processing shall be performed as described in the CSI's. As long as Sedgwick performs its obligations under this Agreement and acts in good faith in doing so, failure of Sedgwick to settle a qualified claim or loss, shall not subject Sedgwick to liability to any party in the event of an adverse judgment by any court or the settlement of such claim or loss.

IX. SCOPE OF OPERATIONS

In performing its services hereunder, Sedgwick agrees to meet or exceed industry standards, and to comply with all applicable local, state and federal laws and regulations related to the services provided under this Agreement.

X. TERM OF THE AGREEMENT AND TERMINATION

A. The term of this Agreement is for thirty six (30) months beginning July 1, 2013 and expiring June 30, 2018. CSURMA, in its sole discretion, shall have the option of extending this

Agreement for five consecutive one year periods. If CSURMA elects to exercise its option and extend the Agreement an additional year, it will provide Sedgwick with written notice of that fact at least 30 (thirty) calendar days prior to the expiration date then in effect.

B. Notwithstanding any other provisions of this Paragraph X, either CSURMA or Sedgwick may, with 90 days advance written notice, terminate this Agreement with or without cause. In the event that CSURMA terminates the Agreement without cause, CSURMA shall not be entitled to a refund of any fees previously paid to Sedgwick. In the event that CSURMA terminates this Agreement with cause, Sedgwick shall be entitled to retain only those fees earned for work actually performed through the date of termination and will refund to CSURMA any excess fee amount.

C. Notwithstanding any other provisions of this Paragraph X, Sedgwick may immediately terminate this Agreement if it determines, in good faith, that CSURMA has engaged in illegal conduct is illegal or that CSURMA's conduct is acutely and substantially contrary to the business financial interests or professional reputation of Sedgwick. Sedgwick shall provide CSURMA with a written explanation identifying the conduct which Sedgwick determined, in good faith, allowed it to terminate the Agreement.

D. If requested by CSURMA, Sedgwick agrees to handle any reported claims or losses remaining open at the termination or expiration of this Agreement, provided that CSURMA shall continue to make adequate funds available for the payment of such reported claims or losses and any allocated loss expenses. CSURMA agrees to pay Sedgwick an additional fee for any such service it requests. The amount of the fee will be determined and agreed to in writing by CSURMA and Sedgwick prior to the termination or expiration of this Agreement. If an agreement as to the additional fee is not reached before the termination date of this Agreement, Sedgwick shall be under no obligation to continue performing services for CSURMA, unless it has otherwise agreed in writing.

D. Within three (3) calendar days of the termination or expiration of this Agreement, Sedgwick shall deliver to CSURMA all claim files, records, reports and other documents or material pertaining to claims processed under this Agreement and shall provide a comprehensive electronic

download of all claims data suitable for use by any subsequent third-party administrator (TPA) for claims and any information system vendor at no additional cost to CSURMA. CSURMA agrees that it will provide Sedgwick with reasonable access to any claim files, records, reports and other documents it requires for a legitimate business purpose including, but not limited to, any dispute or litigation with CSURMA regarding the Agreement.

XI. PRACTICE OF LAW

Sedgwick warrants and represents that in performing its duties hereunder, Sedgwick shall not perform any service, which may constitute the unauthorized practice of law.

XII. INDEMNIFICATION AND INSURANCE

A. Sedgwick agrees to indemnify and hold harmless CSURMA with regard to any and all claims, penalties, liabilities, damages, actions, causes of action and expenses of any nature, including related legal costs and attorney's fees, which may be incurred by CSURMA as a result of the negligence or willful misconduct of Sedgwick. It is agreed that the mere fact that a claim determination made by Sedgwick is successfully challenged by a claimant shall not, in the absence of other evidence, be deemed to constitute negligence, or give rise to CSURMA's right of indemnification under this paragraph.

Sedgwick's obligation to indemnify and hold CSURMA harmless pursuant to this Paragraph XII.A. shall be binding upon Sedgwick irrespective of whether or not the claim, penalty, liability, damage, action, cause of action and/or expense for which CSURMA is to be indemnified is covered by any policy of insurance secured by Sedgwick pursuant to Section C of this Paragraph XII.

B. CSURMA agrees to indemnify and hold harmless Sedgwick with regard to any and all claims, liabilities, damages, actions, causes of action and expenses of any nature, including related legal costs and attorneys fees which may be incurred by Sedgwick as a result of the sole negligence or willful misconduct of CSURMA in performing its duties hereunder. This indemnification includes, among other things, any claims, liabilities, damages, actions, causes of action and expenses, legal costs and attorney's

fees arising out of or with regard to (i) CSURMA's payment or non-payment of any claim by or for any party, and (ii) CSURMA's authorization or failure to authorize settlement of any claim by or for any party, except, however, that CSURMA shall have no obligation to indemnify or hold Sedgwick harmless with regard to any and all claims, liabilities, damages, actions, causes of action and expenses of any nature, including legal costs and attorney's fees resulting solely from the primary negligence or willful misconduct of Sedgwick.

C. Sedgwick agrees to maintain all of the following insurance coverage during the term of the Agreement:

(1) Commercial General Liability Insurance (including both owned and non-automobile liability) in a combined single limit of not less than one million dollars (\$1,000,000.00) per occurrence with CSURMA named as additional insured;

(2) Workers' Compensation insurance as required by the State of California;

(3) Employee Dishonesty insurance covering all employees of Sedgwick providing services under this Agreement in an amount of not less than one million dollars (\$1,000,000.00) per occurrence;

(4) Errors and Omissions coverage for all employees of Sedgwick providing service under the agreement in an amount of not less than five million dollars (\$5,000,000.) per occurrence; and,

(5) Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of CSURMA and Sedgwick against other insurable risks relating to performance of this Agreement.

D. Sedgwick agrees to submit statements evidencing existence of such insurance (including but not limited to Declarations Pages showing CSURMA as an additional insured and copies of the applicable policies) and to provide notice to CSURMA of any significant change in such coverage.

E. In the event that Sedgwick fails to obtain and/or maintain any or all of the insurance coverage outlined in this Paragraph XII, Section C, Sedgwick agrees that it shall indemnify and hold harmless CSURMA with regard to any and all claims, penalties, liabilities, damages, actions, causes of action and expenses of any nature, including related legal costs and attorney's fees, which may be incurred by CSURMA as set forth in this Paragraph XII, Sections A and B.

F. In the event that Sedgwick fails to obtain and/or maintain any or all of the insurance coverage outlined in this Paragraph XII, Section C, Sedgwick shall forfeit any and all right to be indemnified by CSURMA as set out in this Paragraph XII. Section B.

G. In the event Sedgwick fails to obtain and/or maintain the insurance required in this Paragraph Section XII, Section C, such failure shall be considered a material breach of this Agreement.

XIII. PENALTIES

A. Sedgwick and CSURMA acknowledge that various obligations and penalties specified in the California Labor Code may be imposed with respect to the management and payment of workers' compensation claims. Accordingly, Sedgwick and CSURMA agree to the following:

(1) Penalties for delay in payment of benefits caused by CSURMA or failure to timely report claims to Sedgwick shall be the responsibility of CSURMA.

(2) Except as noted in (3) below, any penalties resulting from Sedgwick's failure to perform as required by this Agreement, including penalties for wrongful delay of payment or notice of benefits, shall be the responsibility of Sedgwick.

(3) Without limiting the provisions set forth above, penalties shall become the obligation of CSURMA, and not subject to reimbursement by the Sedgwick, if at least one of the following conditions give rise to the violation that resulted in penalty:

a. Sedgwick acted upon request of CSURMA;

b. Sedgwick acted upon the advice of legal counsel representing CSURMA or acted in good faith in furtherance of the best interest of CSURMA;

c. Sedgwick did not receive the employer's report of injury, notice of loss, or other CSURMA approval in time to issue benefits and/or payments in accordance with required timeframes provided no action or inaction by Sedgwick contributed to the delay or failure to act by CSURMA;

d. CSURMA failed to provide information with respect to wages or period of disability; or

e. CSURMA more directly controlled circumstances surrounding the violation (e.g. posting notice requirements).

B. Penalties that arise from violations set forth under these provisions shall be paid from CSURMA loss funds, issued by Sedgwick to the injured worker or to the injured workers' legal counsel. Such penalties shall be charged against claim file to which they apply, and may be subject to reimbursement by Sedgwick to CSURMA as provided above.

XIV. NOTICES

Any notices required to be given under this Agreement shall be delivered in person or sent by certified or registered mail to: Sedgwick Claims Management Services, Inc., Attention: Chief Legal Officer, 1100 Ridgeway Loop Road, Suite 200, Memphis, TN 38120, in the case of Sedgwick, and to: Secretary, California State University Risk Management Authority., c/o Chief Risk Officer, CSU Office of the Chancellor, 401 Golden Shore, Long Beach, CA 90802, in the case of CSURMA. 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.

XV. SUCCESSORS AND ASSIGNS

Sedgwick shall not assign this Agreement, or any part thereof, without the express written consent of CSURMA.

XVI. APPLICABLE LAW AND VENUE

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 disputes arising from or relating to this Agreement shall be adjudicated by a court of competent applicable jurisdiction located in the County of Los Angeles, State of California unless otherwise agreed by the parties.

XVII. INDEPENDENT CONTRACTOR

In performing its services hereunder, Sedgwick shall be an independent contractor and not an employee of CSURMA. As such, Sedgwick shall be responsible for the payment of all taxes, federal and state for which it is liable, and for obtaining any license or permit necessary to perform its services hereunder. Except as may be specifically provided for herein, Sedgwick shall have no authority to bind CSURMA and shall not hold itself out as an employee or representative of CSURMA.

XVIII. ENTIRE AGREEMENT AND MODIFICATION OR AMENDMENT

This Agreement and any attachments thereto shall constitute the entire and exclusive statement of the agreement of the parties and shall supersede 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 both parties. Such modification or amendment shall be attached to, and shall thereupon become a part of, this Agreement.

XIX. 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.

XX. DISPUTE RESOLUTION

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 may be resolved by arbitration under the commercial arbitration rules of the American Arbitration Association and California Code of Civil Procedure §1 280 et seq., which code sections shall prevail in the case of any conflict with the rules of the American Arbitration Association. In any such arbitration, the arbitrator's powers may include, without limitation, the power to determine the scope of the arbitration, including the arbitrability of any issues raised by either party, the power to grant any relief which may be granted by a court of law or equity, including money damages, specific performance, injunctive relief, both temporary and permanent, or other equitable relief and the power to award costs as well as attorneys fees to the prevailing party. The venue and location for any such arbitration shall be Los Angeles County, California.

The parties further 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 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 parties agree or the mediator declares that an impasse exists, either party, may, at its own discretion, submit the matter to arbitration or other adjudication as provided for herein above.

XXI. HEADINGS

Headings herein are for convenience or reference only and shall not be considered in any interpretation of this Agreement.

XXII. EXCLUSIVITY

This Agreement is non-exclusive and nothing herein shall in any way limit the right of Sedgwick, its parent or any affiliate or subsidiary thereof, to enter in to agreements with other individuals or entities, to provide the same or similar services, or to use the same or similar tools and/or materials as were used by Sedgwick in providing services under this Agreement.

XXIII. USE OF NAME

Neither CSURMA nor Sedgwick shall use the name of the other party or any employee thereof, in any advertising or promotional materials, or other publication, including on the Internet, without the written consent of the other party.

XXIV. FORCE MAJEURE

In the event that either party is kept from performing its obligations hereunder because of strike, war, riot, fire, flood, earthquake, natural disaster or any other even beyond its control, then such party shall be relieved of its obligation to perform until such time as the factor inhibiting performance has abated.

XXV. COOPERATION

A. CSURMA shall at all times cooperate with Sedgwick as is necessary for the performance of Sedgwick's duties hereunder. Sedgwick shall not be responsible for the failure to perform any of its obligations if such failure is the result of a refusal or failure of CSURMA to respond to Sedgwick's reasonable requests for information, consultation, direction or authorization.

B. CSURMA shall provide Sedgwick with a written copy of all policies and procedures with which Sedgwick must comply in carrying out its duties hereunder. Sedgwick shall not be required to comply with any such policy or procedure, or any modification, change or amendment thereto, until it has received a written copy of same. In the event any policy issued or provided to Sedgwick subsequent to the effective date of this Agreement conflicts with Sedgwick's best practices currently in place, the parties will mutually agree to compliance.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and effective as of the day and date first above written

.SEDGWICK CLAIMS MANAGEMENT
SERVICES, INC.

CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY

BY: J. Glatstein

BY: M. Rodriguez

NAME: Jeff Glatstein _____

NAME: Mary Ann Rodriguez

TITLE: Corporate Counsel _____

TITLE: Vice Chair - CSURMA

SEDGWICK CLAIMS MANAGEMENT
SERVICES, INC.

CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY

Witness:

Witness:

Anna Power

[Signature]

CARA ROOPEL SYSTEMS ASST.

Associate Director, Systemic Risk Mgt.

Name/title

Name/title

ADDENDUM TO EXTEND TERM OF AGREEMENT FOR AN ADDITIONAL PERIOD

This Addendum to Extend Term of Agreement for an Additional Period dated February 12, 2018 (the "Addendum"), shall be attached to and made a part of the Agreement for Administration of Workers' Compensation Self Insurance Program dated July 1, 2013 (the "Agreement"), by and between California State University Risk Management Authority, a California public entity established under a joint powers agreement entered into by the California State University and its participating auxiliary organizations (collectively, "CSURMA"), and Sedgwick Claims Management Services, Inc. ("Sedgwick") (CSURMA and Sedgwick together the "Parties").

In consideration of the Agreement recitals and the mutual covenants and conditions contained herein, the Parties acknowledge that the Agreement is hereby modified as follows:

1. Section X (A) of the Agreement is hereby modified and amended to provide that the term of the Agreement shall be extended for an additional period commencing July 1, 2018 and ending June 30, 2021.
2. Section V(A) of the Agreement is hereby only modified and amended to provide that Client shall pay Supplier the following fees on a life of contract basis for services provided during this additional period:

A. Annual Flat Fee:

In consideration for the services to be performed hereunder, CSURMA shall pay Sedgwick as follows:

<u>Year</u>	<u>Campus</u>	<u>AORMA</u>	<u>Total</u>
FY 18/19	\$3,849,166	\$235,368	\$4,084,534
FY 19/20	\$3,849,166	\$235,368	\$4,084,534
FY 20/21	\$3,849,166	\$235,368	\$4,084,534

Sedgwick will monitor and periodically review examiner's caseload, and shall endeavor to keep caseloads at a maximum of 125 claims per examiner. To this end, Sedgwick shall, six (6) months from the effective date of this Addendum, and each six (6) months thereafter, calculate the average monthly caseload (AMC) for CSURMA program examiner(s). In the event that an examiner's AMC exceeds 125, Sedgwick shall, to the extent reasonable and necessary, make reassignments among existing program staff in an attempt to decrease the program AMC to 125 or below.

B. Miscellaneous Charges:

- 1) viaOne access, which includes 4 query users and 16 view users, is provided at no additional cost. Additional access is available for a fee of \$336 per view user per year and \$1,675 per query user per year.
- 2) viaOne OSHA access is provided for \$380 per user per year and \$25 per incident.

All terms and conditions of the Agreement shall otherwise remain the same, except those terms and conditions which have been added, deleted, or modified by the Parties in writing

IN WITNESS WHEREOF, the Parties have caused this Addendum to be executed on the dates shown below.

California State University Risk Management Authority

Sedgwick Claims Management Services, Inc.

By [Signature]

By [Signature]

Title CSURMA Secretary Auditor

Title Senior Vice President

Date 2/23/18

Date 12 February 2018

**CSAC EIA WORKERS' COMPENSATION PROGRAM COSTS
ADJUSTMENT**

ISSUE: The total CSAC EIA costs for the CSURMA workers' compensation program are allocated between the AORMA and Campus programs. The allocated portion for the AORMA program for FY 17/18 was slightly too high based on the recommended loss rates calculated by CSURMA's actuary.

RECOMMENDATION: No action is necessary from the AORMA Committee. At the Executive Committee meeting later today, Staff will recommend that funds in the amount of \$184,876 be transferred from the Campus workers' compensation program into the AORMA workers' compensation program.

FISCAL IMPACT: The funds transfer is included in the FY 17/18 mid-term CSURMA budget amendments. The revised allocation of the total workers' compensation costs for both programs are also included in the FY 18/19 proposed CSURMA budget.

BACKGROUND: The CSAC EIA rate for AORMA went up 13% between FY 16/17 and FY 17/18; however, the loss rate, as calculated by CSURMA's actuary, only went up 9%. Therefore, the AORMA rate is being adjusted to reflect the 4% delta.

PUBLICATION: None.

ATTACHMENT(S): None.

**ALLIANT RISK CONTROL CONSULTING
 RENEWAL CONTRACT PROPOSAL FOR FY 2018/19**

ISSUE: The current contract with Alliant Risk Control Consulting is due to expire on June 30, 2018. The Committee will be asked to review a renewal proposal for the FY 18/19 term.

RECOMMENDATION: Staff recommends that the Committee review the ARCC renewal proposal and provide direction to Staff as appropriate.

FISCAL IMPACT: To be determined. 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
FY 17/18	\$1,500	\$193.75	\$93,000
FY 17/18	\$1,500	\$193.75	\$113,000

BACKGROUND: AORMA has had a contract with ARCC since 2006 and the scope of service has been similar over the years. Brent Escoubas has left ARCC. The contract is now serviced by John Owen, Tim Leech, Kristi Loiselle and Archie Lazar.

PUBLICATION: Members will be kept apprised of all safety services and training available through ARCC.

ATTACHMENT(S):

- a. FY 18/19 Alliant Risk Control Consulting – Proposed Contract *(this will be a handout at the meeting)*

CSAC-EIA 2017 ANNUAL REPORT

ISSUE: Attached to this item is CSAC EIA's 2017 Annual Report which provides an overview of its many coverage programs as well as its available risk management and loss control services.

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

FISCAL IMPACT: None.

BACKGROUND: CSURMA joined the CSAC EIA excess workers' compensation program effective January 1, 2015.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSAC EIA 2017 Annual Report



Annual Report

2017

Gears in Motion





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2016/17 Year in Review

Greetings,

One of the best things about working with such a great group of members is just that: working together. Our focus this year is on collaboration and progress—Gears in Motion.

Many things can be accomplished with ideas and perseverance, but only the best things are completed when people work together. Unity and the sharing of ideas brings the best to the table, creating opportunities that may not have been thought of without others.

At the June Executive meeting, for example, a collaborative moment took place when the attending board members worked with the Executive Committee to fashion a new Mission and Vision Statement for the EIA. Though at the time it was almost a storm of ideas and re-phrasing, the end product was a wonderful example of what the EIA is and what we want to accomplish:

EIA Vision: The CSAC Excess Insurance Authority (EIA) will continue to be internationally recognized as a leading risk sharing pool for its member-directed operating philosophy and commitment to member fiscal sustainability. The EIA will continue to influence and shape the future of the risk management profession.

When it comes to collaboration, one of the best examples was in June when SANDPIPA merged with the EIA, adding new gears to our polished organization. The merger was significant in the world of JPAs. We worked alongside the people at SANDPIPA to create a solution that helped us both, moving the mechanism forward.

Another wonderful example of the EIA members working together for our greater good was in March, when the Board of Directors voted to eliminate the public entity fee: once again showing that creating an equitable organization is better for all.

In addition, innovative collaborations came about this year in the form of unique trainings and work opportunities. The Risk Management Practitioner Certificate Program allowed the EIA to work in conjunction with CPS HR Consulting and the California Joint Powers Insurance Authority to create a lasting risk management training program. The Member Services Committee is in the process of finalizing an avenue for consultants to continue bringing their expertise and experience to members with the creation of the Enterprise Risk Consultant Program.

Gears work underneath the shiny surface of a well built machine. The EIA's committees and staff often work behind the scenes. Throughout the renewal cycle, our brokers at Alliant work in conjunction with program committees and staff to find the best coverages and prices for our members.

This year included some interesting foundational updates including the creation of web tools such as the subsidy tool, governance search functions, and overall improvements to the membership databases by the IT staff. The EAGLE Committee spent time evaluating the submissions for the First Annual EIA EAGLE Awards and these member projects will be shared with the rest of the members as best practices, again increasing collaboration. Upgrades and additions such as these are part of what makes the EIA the leader in our industry—another set of gears turning together and pushing the EIA forward.

The EIA has seen tremendous growth this past year, and we will continue working together in the coming year to keep the momentum of collaboration and progress steady, and keep the EIA's Gears in Motion.

Regards,

James Brown
EIA President



2016/17 Year in Review

This is the EIA's 38th year providing outstanding risk coverage programs and risk management services to California's public agencies. The organization continued to develop and thrive. Significant accomplishments this year included, but are not limited to:

- Continued growth in terms of program membership, breadth of coverage and service, and overall financial health
- Created a new strategic framework including our Mission, Vision, Core Values and long-term goals
- Utilized the Excess Insurance Organization (EIO) single-parent captive insurance company to transfer risk from various programs
- Created the EAGLE (Exemplary Achievement in Government Leadership and Enrichment) Awards and corresponding committee to highlight innovation in risk management and loss prevention
- Created the Member Services Committee
- Grew staff in the Claims, Member Services, Actuarial Services, and Data & Analytics Departments
- Retained 99% of members at renewal of the programs
- Created new services, such as: Risk Management Practitioner Certificate Program, Protective Footwear, Risk Assessment Tool, Checkpoint Systems, and Critical Incident Counseling
- Received awards from the Government Finance Officers Association for our Comprehensive Annual Financial Report, Popular Annual Financial Report, and Distinguished Budget
- Received CAJPA's Accreditation with Excellence Award for 2016 - 2019
- Received AGRiP's Advisory Standards Award for 2016 - 2019
- Members were reimbursed over \$113M through thousands of claims payments

The theme of this year's annual report is "Gears in Motion," highlighting the continuous momentum of our evolving programs and services, and the value added by collaboration.

The Board of Directors has been focused on providing programs and services that deliver benefits for all members. The Executive Committee has spent much time this past year on strategic initiatives, including the promotion of the EIO captive to transfer corridor risk, succession planning, as well as updating the EIA's Mission and Vision statements, and statement of Core Values.



2017 Executive Committee

Pictured (from left to right): Ken Hernandez, James Brown, Ann Richey, Matt Gutierrez, Scott Schimke, Kimberly Greer, Richard Egan, Roberta Allen, Kerry John Whitney, and Lance Sposito. (Not pictured: John Viegas)

EIA's Mission, Vision & Core Values

Our Mission

The CSAC Excess Insurance Authority is a member-directed risk sharing pool of public agencies committed to providing risk coverage programs and risk management services, which drive member stability, efficiency, and best practices.

Our Vision

The CSAC Excess Insurance Authority (EIA) will continue to be internationally recognized as a leading risk sharing pool for its member-directed operating philosophy and commitment to member fiscal sustainability. The EIA will continue to influence and shape the future of the risk management profession.

Our Core Values

CSAC EIA is dedicated to preserving a member-directed culture, defining standards for quality and performance throughout the industry, and ensuring programs and services are:

Competitive in scope and price over the long term

Adaptable and customized to meet member needs, based on high-quality standards

Resolute in delivering timely solutions that address present and emerging risks

Equitable in allocating costs and services between various members in a fair and consistent manner

Stable in supporting cost-effective, fiscally prudent operations and long-term solvency, and in building long-term relationships with members and program/service partners.

The Executive Committee has adopted the following Service and Technology Vision Statements to provide guidance to the programs and supporting committees:

Service Vision

The EIA will provide value added risk management services designed to:

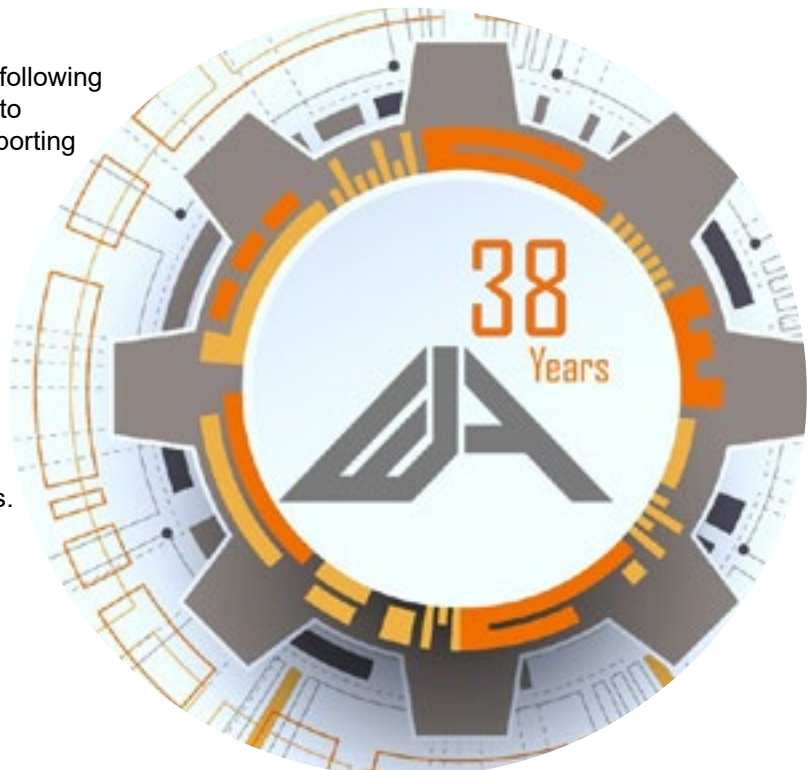
- Attract new members
- Retain existing members
- Improve program performance

It shall be a priority to provide services that complement member-provided services.

Technology Vision

The EIA will provide technology that is:

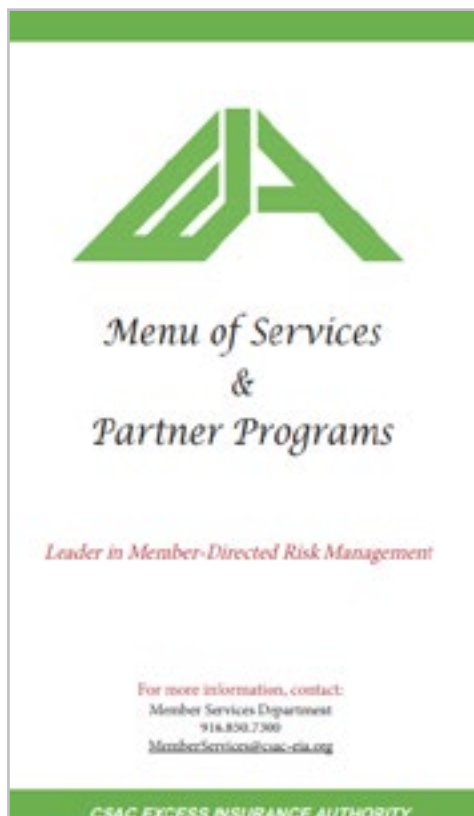
- Interactive
- Accessible
- User-friendly
- Dynamic



Current Services

The Member Services Department, established in 2015, has helped the EIA put in to motion many new and valuable services, as well as increase members' awareness of services. Be it new or existing risk management, claims, or loss prevention services, the gears are turning to move the EIA's offerings forward and helping members manage their risk exposures. Some of the services and benefits currently enjoyed by the members include:

- Financial subsidy programs for actuarial analyses, loss prevention, and risk management
- Wide variety of loss prevention and risk management training programs, provided on a regional basis, on-site for individual members, or through live or previously recorded internet-based sessions
- Extensive loss prevention platform including online training, automated system for monitoring employee driving records, flexible tools to monitor compliance, communication solutions for exchanging information and risk identification and mitigation technologies
- Loss prevention consultation, program assessments, and facility inspections
- Crisis Incident Management and Counseling services
- School Liability Handbook: Student Activities and Employment Issues
- Legal Advice and advice on Insurance Requirements in Contracts (IRIC) via an updated IRIC Manual v 10.0
- New and revamped services including Protective Footwear, Body-Worn Cameras, Incident Reporting System, Background Check Services, and Risk Assessment Tool
- Real and personal property appraisals
- Online access to coverage documents, certificates of insurance, subsidy balances, renewal applications, and property schedules
- Extension of EIA's contracted services at reduced rates for actuarial studies, claims audits, and certificate of insurance management services
- Access to additional programs and services through the EIA's membership in the ISO ClaimSearch Program and Insurance Educational Association
- Active presence with the state legislature, taking positions on those items that may impact EIA members



Coverage Programs

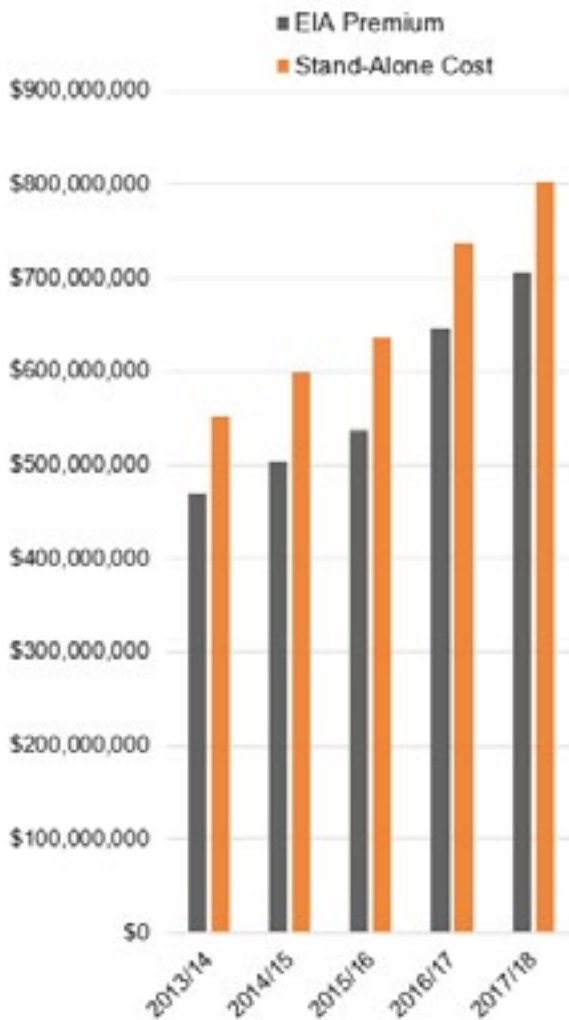
Since our beginning in 1979, the EIA has challenged ourselves to keep moving forward, providing world class financial, risk management, and actuarial analysis. We implement the best risk financing programs, providing structures that offer options to diverse entities with different risk tolerances, and continually evaluate the programs based on market conditions and emerging risks—re-designing or adding programs when necessary.

Over time, 10 major coverage programs have been created. These programs are described in greater detail throughout this report. The common element of the 10 major programs is that they each blend some level of pooled risk and purchased insurance. They are designed to be flexible to meet members’ needs, yet also maintain structural soundness to be there long-term. The risk pooling concept allows the program structures to adapt to current insurance market conditions. During hard market conditions, when insurance rates rise above the cost to actuarially fund the group’s exposures, the pools expand and less insurance is purchased.

When insurance rates decrease to the point where it is more cost effective to purchase insurance, the pools contract and additional insurance is purchased. This flexibility is a perfect example of switching gears when necessary to ensure costs are kept low and members are provided with the best possible coverage and service.

Major Coverage Programs

Five Year Premium vs. Estimate Stand-Alone Cost



The EIA is able to leverage the purchasing power of our membership to secure more cost-effective coverage than members could obtain on their own. This strategy of leveraging volume has also benefited affiliate members because of the competitive role the EIA has assumed in the public sector insurance marketplace. Annually, the EIA compares the cost of its major programs to the estimated cost members would pay if they were purchasing similar coverage on their own. To the left is a chart showing the premium paid over the last five years by the EIA members and the premium that would have been paid by members individually. In just the past five years, the EIA has saved members over \$460M.

The EIA has designed strong and stable programs for more than 38 years. “Gears in Motion” is illustrative of the mindset that by striving to move forward while working with our members to evaluate our programs and services based on internal needs and external conditions, the best solutions for our members are created. We grow, shift and change gears in a calculated manner and through our history, the EIA has built long-term collaborations with its underwriters and a very impressive reputation in the insurance marketplace.

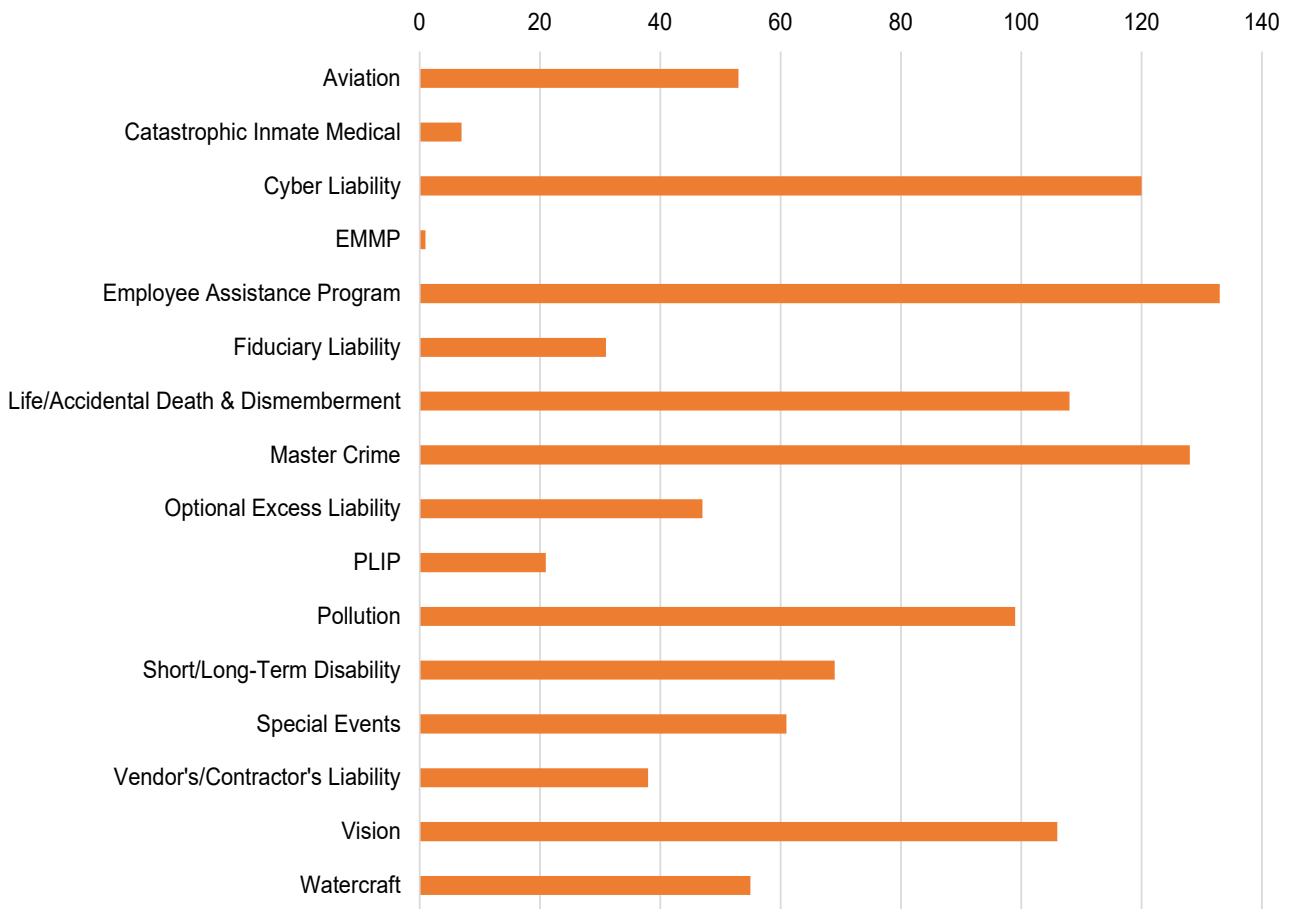
Miscellaneous and Employee Benefits Programs

Our committees continually evaluate whether the major coverage programs address all the needs of the members. Where they may not, the EIA provides a variety of group purchase insurance programs to offer the members protection from other exposures, including Aviation, Crime, Cyber, EAP, Pollution and many others.

Most recently, an Equipment Maintenance Management Program (EMMP) was added to assist members by offering extremely competitive rates and adding functionality compared to most equipment warranty programs. Additionally, through a joint venture between the EIA and the California State Association of Counties (CSAC), the Personal Lines Insurance Program (PLIP) was established to provide discounted homeowners and automobile coverage to employees and retirees of member entities. The PLIP is underwritten by Liberty Mutual, who is known for their high-quality customer and claims services. To complement the PLIP, a wide range of voluntary insurance products from numerous insurers can be provided on a payroll-deduction basis.

The chart below illustrates the number of members participating in the Miscellaneous and Employee Benefit Programs for the current year.

Miscellaneous Program Participation



Primary Workers' Compensation

The Primary Workers' Compensation (PWC) Program was formed to adjoin with the Excess Workers' Compensation (EWC) Program, offering those members the opportunity to secure first dollar coverage instead of maintaining a self-insured retention. The PWC Program provides members with claims administration services, which is accomplished through a choice of six claims administrators. The Program offers several cost containment programs including a Medical Provider Network (MPN), a 24/7 Nurse Triage Service, and a Return-to-Work Program.

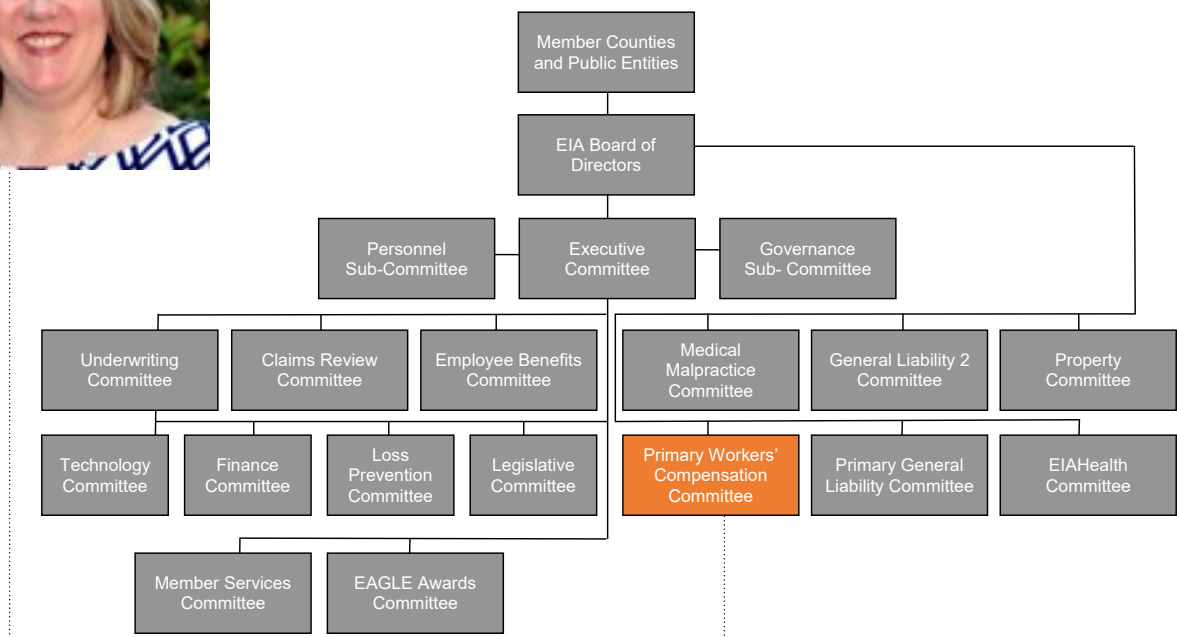
The PWC Program pays for claims with a blending of pooling and insurance. The first \$10k of each claim is paid out of the Program's pool. The Program's insurer pays for the balance of the claim up to the \$125k attachment point to the EWC program. During the 2016/17 year, the PWC Program canceled the reinsurance agreement with AmTrust mid-term and bound with ACE American Insurance Co., creating a 14-month coverage term. As part of the move from AmTrust to Ace American, the program was able to increase the corridor retention from \$5M corridor to \$12M for the 14-month coverage period. The \$12M corridor was transferred to the EIO resulting in a savings of \$518k to the PWC Program. The Program structure is illustrated on page 8.

The funding of the Program's pooled layer is evaluated each year. Since 2009, the Committee has returned over \$50M in the form of dividends to the Program members. This year, the Program declared a \$2.5M dividend and continues to be well funded.

The PWC Committee governs the 39 member Program, reviewing all matters pertaining to the Program including funding, coverage issues, claims, claims administration, services, new member applications, and insurance renewals.



Jill Abel
Yuba County
Primary Workers' Compensation
Committee Chair



Primary Workers' Compensation Membership

2017/2018

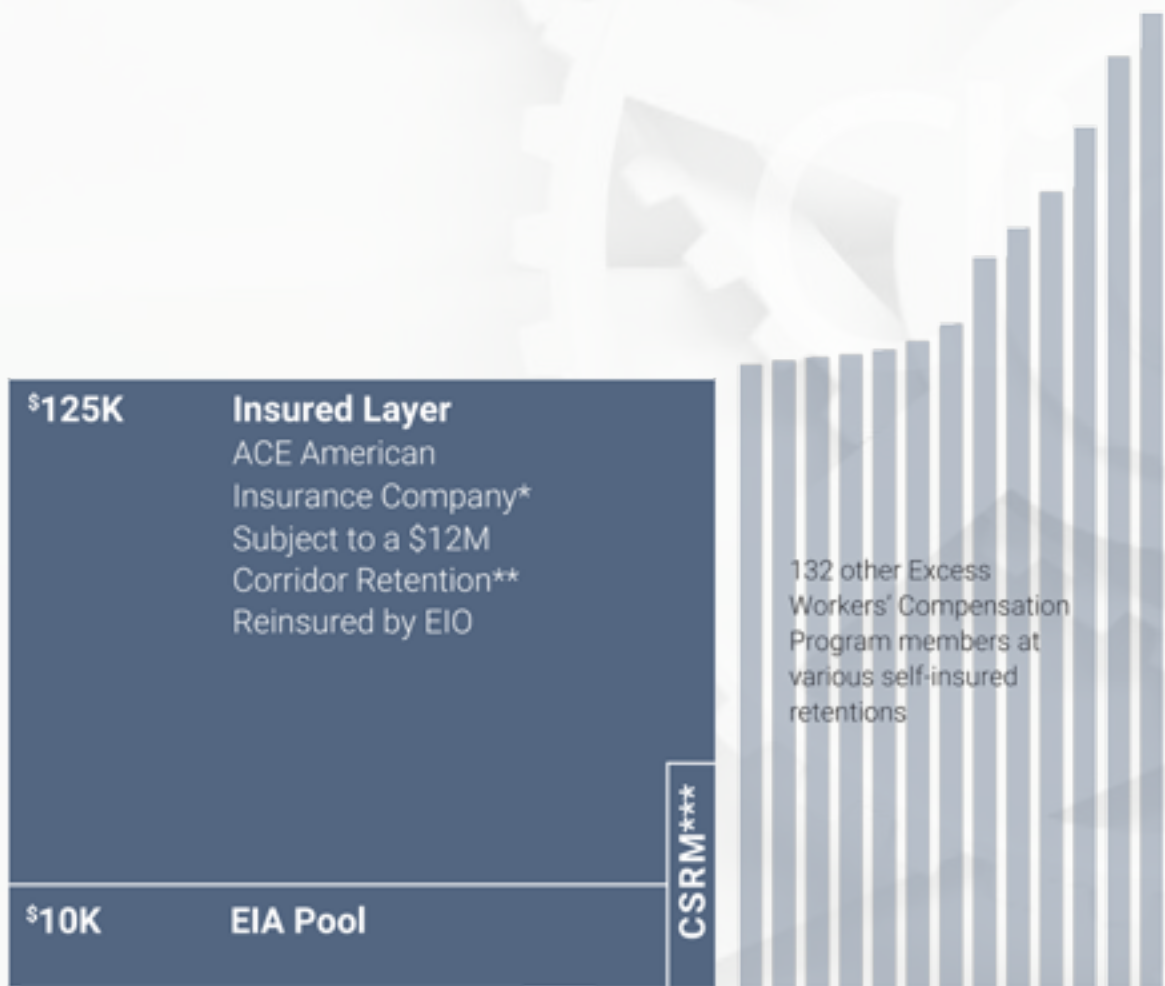
Amador County
Amador Transit
Calaveras County
Central Sierra Child Support
City of Belmont
City of Carmel By The Sea
City of El Cajon
City of Hemet
City of Imperial Beach
City of Lancaster
City of Rancho Cordova
CSAC EIA
California Schools Risk
Management (CSRMA)
Evergreen School District
First Five Contra Costa Children
and Families Commission
Gold Coast Transit District
Humboldt County
Humboldt Transit Authority
Huntington Beach Union
High School District

Inyo County
Kings County Area Public
Transit Agency
Kings Waste & Recycling Authority
Lake County
Mendocino County
Morongo Basin Transit Authority
Mt. Diablo Unified School District
Nevada County
Sacramento County Contracts
San Luis Obispo Regional Transit Authority
Santa Barbara County
Santa Cruz County Fire Agencies
Insurance Group (SCCFAIG)
Self Insurance Risk Management
Authority (SIRMA)
Siskiyou County
South County Area Transit
Tahoe Transportation District
Tehama County
Town of Colma
West San Gabriel WC JPA
Yuba County

Primary Workers' Compensation

2017/2018

Statutory — Excess Workers' Compensation Program



* 14 Month Policy, 5/1/17 - 7/1/18
 ** The Corridor Retention will be adjusted at the end of the year.
 *** CSR's deductible is \$25K effective 7/1/17

Excess Workers' Compensation

The EWC Program was the first EIA coverage program offered to the members in 1979. Today, the EWC Program provides 171 members with statutory coverage, subject to the members' self-insured retention ranging from \$125k to \$5M. The structure of the Program is illustrated on page 10. While the coverage structure remains the same, we entered into a new partnership this year with Great American, who is providing reinsurance for the pooled layers for both the Core and Educational Towers, as well as the primary layer in the Educational Tower. There are two new service enhancements for this program. Members now have access to Crisis Incident Counseling Services following an unexpected death in the workplace. Additionally, a surgical cost containment pilot program was rolled out with the expectation that the pilot program will reduce costs for certain surgical procedures and provide for better outcomes and faster return-to-work.

Like most markets, the insurance market is cyclical and insurance companies attempt to balance profits and market share. There will also be times when the Program can leverage its volume to secure insurance at a cost that is less than it would be for the combined group to self-insure. The current market conditions continue to allow the Program the opportunity to balance retaining and transferring risk. By having Great American in place to provide reinsurance when the corridor retentions are exhausted, we gain additional predictability in determining the costs and helps to grow the Program's overall funding position.

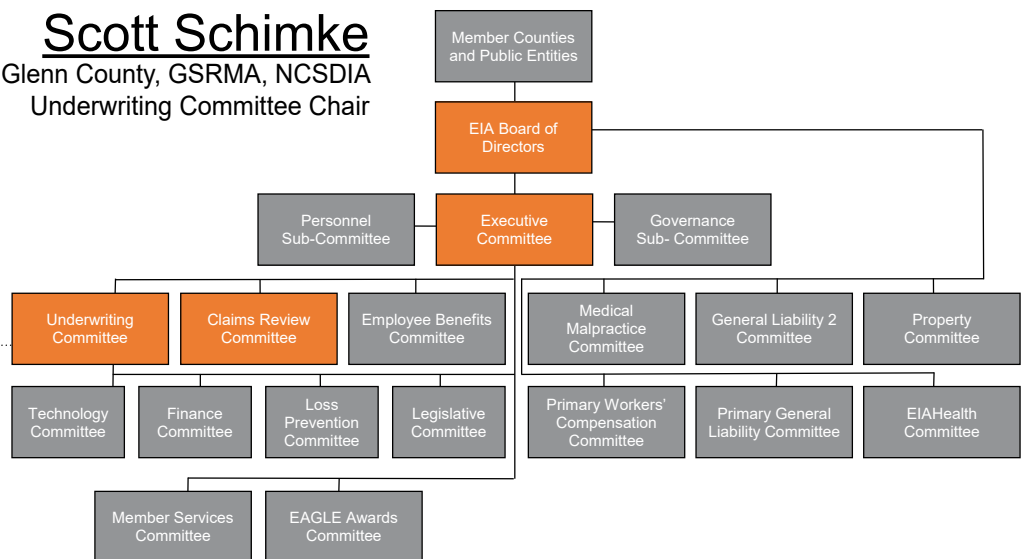
With the move to Great American, the Program now maintains a single shared corridor between the Educational and Core Towers. Additionally, there is a separate corridor retention for the CSURMA's primary layer in the Ed Tower thus allowing for continued diversification of risk. In total, the Program transferred over \$60M in corridor retentions to the EIO resulting in a savings of \$4.8M for the program

The Board of Directors strives for each program to have a healthy funding position, and at the same time, balances the need to keep premium costs to the members low and to ensure the Program is not retaining more funding than it needs. For the past few years, the EWC Program has been working towards increasing its overall funding position. The funding level is very carefully monitored by the Board and governing committees, and decisions to increase funding levels are continually evaluated to ensure the EWC Program will continue as one of our largest and strongest programs for EIA members.

The Board of Directors governs the EWC Program, with recommendations being made by the Executive, Underwriting, and Claims Review Committees. The Board has delegated a significant amount of authority to the Underwriting and Claims Review Committees to handle the day-to-day business of the Program. More details on the Claims Review Committee can be found on page 13.



Scott Schimke
Glenn County, GSRMA, NCS DIA
Underwriting Committee Chair



Excess Workers' Compensation Membership

2017/2018

\$125,000

Amador County
 Amador Transit
 Butte County
 Calaveras County
 Casitas Municipal Water District
 Central Sierra Child Support
 City of Belmont
 City of Calexico
 City of Carmel By The Sea
 City of Del Mar
 City of El Cajon
 City of Hemet
 City of Imperial Beach
 City of Lancaster
 City of Lemon Grove
 City of Los Alamitos
 City of Pico Rivera
 City of Rancho Cordova
 City of Solana Beach
 City of South Pasadena
 CSAC EIA
 California Schools Risk Management (CSRM)
 CA State University Risk
 Mgmt Auth (CSURMA): Campuses
 CA State University Risk
 Mgmt Auth (CSURMA): AORMA
 Evergreen School District
 First Five Contra Costa Children and Families Commission
 First Five Sacramento Commission
 Gold Coast Transit
 Humboldt County
 Humboldt Transit Authority
 Huntington Beach Union High School District
 Inyo County
 Irvine Ranch Water District
 Kings County Area Public Transit Agency
 Kings Waste & Recycling Authority
 Lake County
 Madera County
 Mendocino County
 Morongo Basin Transit Authority
 Mt. Diablo Unified School District
 Nevada County
 PASIS San Diego:
 Alpine Fire Protection District
 Bonita/Sunnyside Fire District
 Lakeside Fire Protection District
 Sacramento County Contracts
 San Luis Obispo Regional Transit
 Santa Barbara County
 Santa Cruz Count Fire Agencies Insurance Group (SCCFAIG)
 Self Insurance Risk Management Authority (SIRMA)
 Siskiyou County
 Solano County
 South County Area Transit
 Tahoe Transportation District
 Tehama County

Town of Colma
 Tulare County
 West San Gabriel WC JPA
 Yuba County

\$150,000

City of Ridgecrest

\$200,000

Northern California Special Districts Insurance Authority (NCS DIA)

\$250,000

Berkeley Unified School District
 Central County Fire Department
 City of Bell
 City of Hanford
 City of Los Altos
 Lake Elsinore Unified School District
 Monterey Bay Area Self Insurance Authority (MBASIA)
 San Luis Obispo County
 Shasta County
 University of CA, Hastings College of Law

\$300,000

Alpine County
 City of Beaumont
 City of Lompoc
 City of Moreno Valley
 City of Napa
 City of San Clemente
 Colusa County
 Del Norte County
 El Dorado County
 Golden State Risk Management Authority (GSRMA)
 Imperial County
 Kings County
 Lassen County
 Mariposa County
 Merced County
 Modoc County
 Mono County
 PASIS – San Diego:
 City of San Marcos
 North County Fire Protection District
 Rancho Santa Fe Fire Protection District
 San Miguel Consolidated Fire Protection District
 Placer County
 Plumas County
 San Benito County
 Santa Clara County
 Office of Education (SCCOE)
 Sierra County
 Sonoma County
 Sutter County
 Trinity County
 Tuolumne County

\$350,000

Bay Area Housing Authority Risk Management Authority (BAHARMA)
 Campbell Union School District
 California Association for Park & Recreation Indemnity (CAPRI)
 City of Daly City
 City of Redwood City
 East Bay Regional Park District
 Monterey Salinas Transit
 Napa County
 Redondo Beach Unified School District
 Santa Cruz Metro Transit District
 Upland Unified School District

\$400,000

Authority for California Cities
 Excess Liability (ACCEL):
 City of Monterey
 City of El Monte
 City of Rialto
 Monterey County

\$500,000

Authority for California Cities
 Excess Liability (ACCEL):
 City of Bakersfield
 City of Santa Cruz
 City of Burlingame
 City of Chico
 City of Concord
 City of Covina
 City of Cupertino
 City of Escondido
 City of Fremont
 City of Hawthorne
 City of Hayward
 City of Millbrae
 City of National City
 City of Newport Beach
 City of Oceanside
 City of Santa Clara
 City of Santa Rosa
 City of South San Francisco
 City of Stockton
 City of Sunnyvale
 City of Whittier
 CFSA
 Community Development Commission of LA County
 Fresno County
 Golden Empire Transit District
 Kern County Hospital Authority
 Municipal Pooling Authority (MPA)
 Northern California Cities Self Insurance Fund (NCCSIF)
 San Joaquin County
 Santa Barbara Metro Transit
 Santa Cruz County
 Stanislaus County
 Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)

\$750,000

Authority for California Cities
 Excess Liability (ACCEL):
 City of Modesto
 City of Mountain View
 City of Ontario
 City of Palo Alto
 City of Santa Barbara
 City of Santa Monica
 City of Downey
 City of Fairfield
 City of Manhattan Beach
 City of Oakland
 City of Redding
 City of Redondo Beach
 City of Richmond
 City of San Bruno
 City of Simi Valley
 Contra Costa County
 Riverside Transit Agency
 Turlock Irrigation District

\$1,000,000

City of Chula Vista
 City of Corona
 City of Fontana
 City of Garden Grove
 Big Independent Cities Excess Pool (BICEP):
 City of Huntington Beach
 City of Oxnard
 City of San Bernardino
 City of San Buenaventura
 City of Santa Ana
 City of West Covina
 City of Montebello
 City of Pomona
 Omnitrans
 Orange County Sanitation District

\$1,500,000

Special District Risk Management Authority (SDRMA)

\$2,000,000

Authority for California Cities
 Excess Liability (ACCEL):
 City of Anaheim
 City of Sacramento
 City of Torrance
 Orange County Fire Authority
 Riverside County
 San Bernardino County
 San Diego County

\$3,000,000

Alameda County
 Sacramento County

\$4,000,000

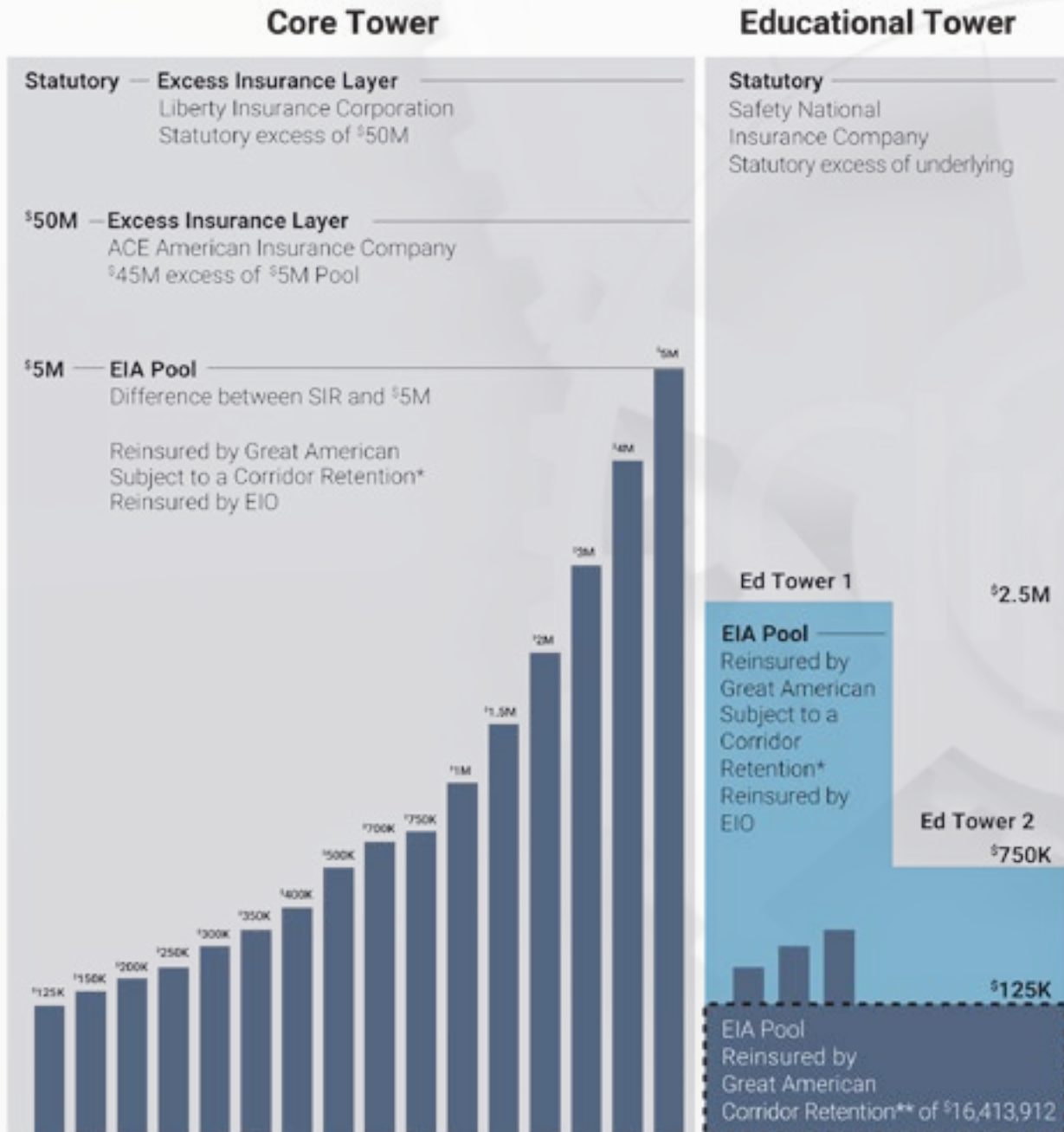
Santa Clara County

\$5,000,000

Local Agency Workers' Compensation Excess (LAWCX) JPA

Excess Workers' Compensation

2017/2018



* The Corridor Retention will be adjusted at the end of the year. The Core and Educational Towers are subject to a single, shared corridor retention of \$44,864,854 (does not include primary <\$125k layer).

** The Corridor Retention will be adjusted at the end of the year.

Primary General Liability

The Primary General Liability (PGL) Program is another adjoining program, similar to the PWC/EWC model, and was created out of a desire to provide members the opportunity to convert their self-insured retention to a \$10k deductible. For smaller members, the Program has served to protect them from the financial instability that can come with maintaining a self-insured retention. This support has been significant for the members in terms of managing their cash-flows and budgets.

In addition to providing coverage at a lower level, the PGL Program also provides its 22 members with claims administration services, which are now provided by three claims administrators. Under the Program's current structure, there is no pooling. Rather, the Program's limit is provided through a reinsurance arrangement with Berkley Insurance Company, who pays for the balance of claims between the member's deductible and the \$100K attachment point to the GL1 program.

A new component was added this year as the program implemented a new \$500k corridor retention that was reinsured by the EIO. The transfer of the corridor retention to the EIO resulted in a savings of \$40k to the Program. This structure is depicted graphically on page 12.

Transferring the risk to an insurance company, along with the incorporation of corridor retention, has helped accomplish the PGL members' goals for the Program: keep costs reasonable, maintain stability, and ensure the members have the ability to control their claims disposition. The PGL Committee has demonstrated they are flexible and will react to changes in the insurance environment, when necessary. The members have enjoyed a very successful program for more than 15 years.

The PGL Committee governs this Program. They review all matters pertaining to the Program including coverage issues, claims, program services, new member applications, and reinsurance renewals.



Paul Hight
 Sacramento County Contracts
 Primary General Liability
 Committee Chair

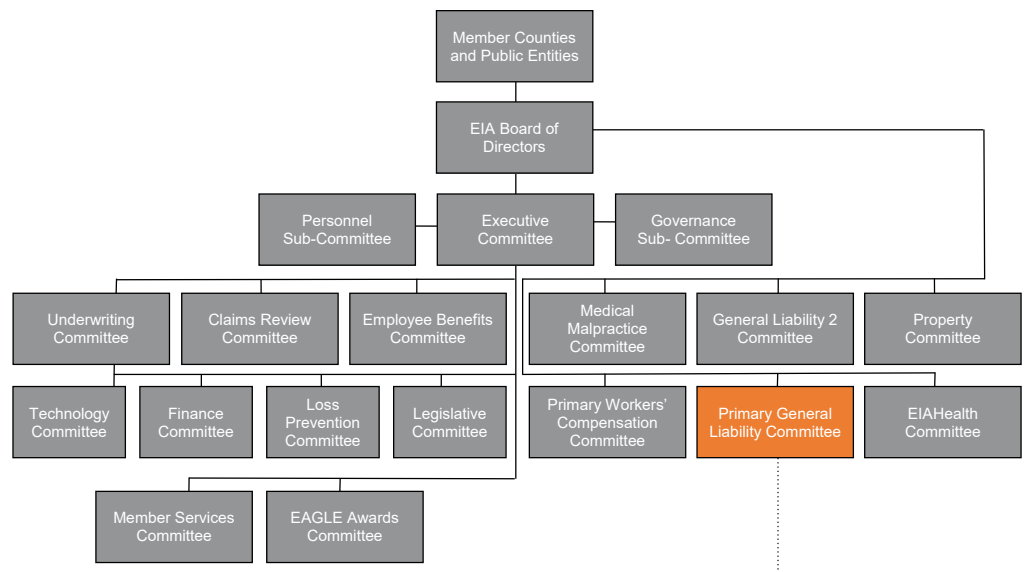


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Primary General Liability Membership

2017/2018

Amador County
California Mental Health
Services Authority
Central Sierra Child
Support Agency
City of Carmel by The Sea
City of Rancho Cordova
Contra Costa IHSS Public Authority
Del Norte IHSS Public Authority
Housing Authority of the
County of Riverside
Humboldt IHSS Public Authority
Imperial IHSS Public Authority
Kern IHSS Public Authority

Lake County
Madera IHSS Public Authority
Riverside IHSS Public Authority
Sacramento County Contracts
San Bernardino IHSS Public Authority
San Diego IHSS Public Authority
Shasta IHSS Public Authority
Siskiyou County
Solano County
Sutter IHSS Public Authority
Tuolumne County

Primary General Liability

2017/2018

\$25M — General Liability 1 Program

<p>\$100K</p> <p>PGL Program Reinsurance Layer Berkley Insurance Co. <small>\$90K excess of deductible</small></p> <p><small>Subject to a \$500K Corridor Retention Reinsured by EIO</small></p>
<p>\$10K</p> <p>Member Deductible</p>



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General Liability 1

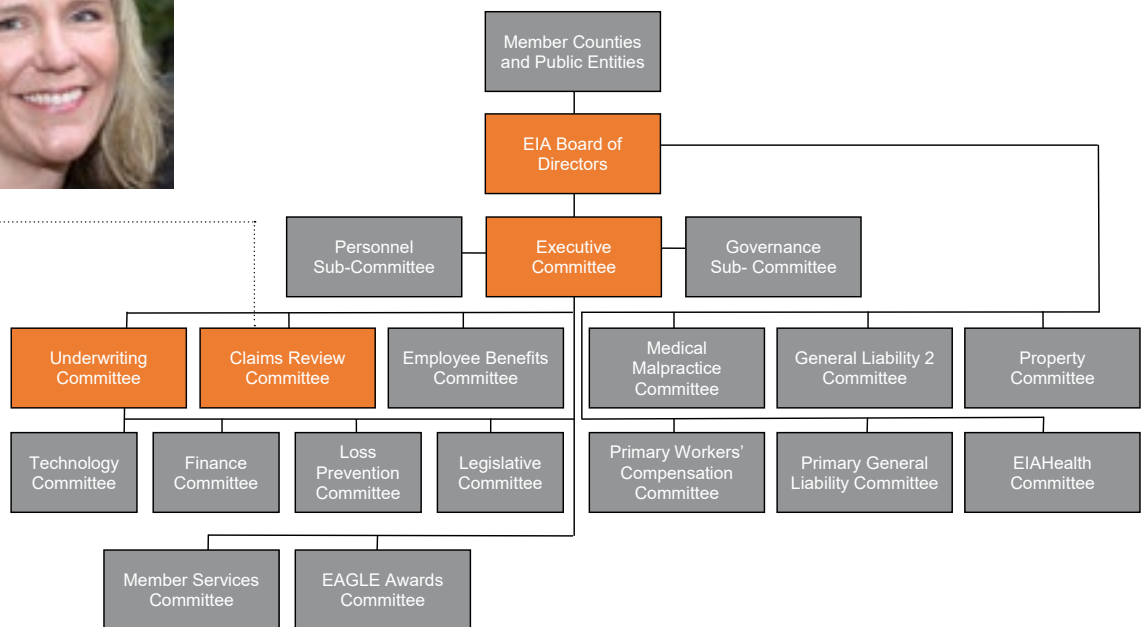
Another core piece of the EIA's programs, the General Liability 1 (GL1) Program, provides members with coverage for third party liabilities (including general, automobile, employment practices, and errors and omissions). The Program added six new members during the year, bringing the total to 120 members, who enjoy \$25M in coverage limits, subject to the members' self-insured retention which can range from \$100k to \$2M (retentions as low as \$25k have been provided on an exception basis). Because members maintain self-insured retentions in this Program, they are able to manage their own claims, either through a third party administrator of their choice or with their own claims staff. The Program funds a \$5M pool and purchases \$20M in reinsurance to achieve the \$25M limit. In the first layer of reinsurance (\$5M excess of \$5M), a third year was added on to the 2-year \$5M corridor, to make it a 3-year \$7.5M corridor retention. The program was able to transfer an additional \$2.5M to the EIO, resulting in \$200k in savings for the Program. There is also a separate program for optional excess insurance if members desire a higher limit. The structure of the GL1 Program is depicted graphically on page 14.

Within the public liability arena, there are many coverage issues to consider. The Program's coverage document is frequently reviewed, and the decisions to grant coverage or exclude risks must be made carefully. The Program has a growing and diverse membership, and the Board and governing Committees must ensure the needs and desires of all members are considered. At the same time, these groups must also consider the potential risk for unanticipated claims to the Program. This ongoing evaluation of providing coverage, while protecting the Program's assets, is reviewed on a regular basis. Like the EWC Program, the GL1 Program is governed by the Board of Directors, with recommendations being made by the Executive, Underwriting, and Claims Review Committees. The Board has delegated a significant amount of authority to the Underwriting and Claims Review Committees to handle the day-to-day business of the Program. More detail on the Underwriting Committee can be found on page 9.

The Claims Review Committee reviews GL1 and EWC claims. They have full authority to authorize settlements and take action regarding claims services, such as cost containment solutions and claims audit services.



Janell Crane
 Sonoma County
 Claims Review Committee Chair



General Liability 1 Membership

2017/2018

\$25,000

Council of San Benito County Governments
East San Gabriel Valley Regional Occupational Program
Marin County Transit District
Military Department of the State of California

\$50,000

Capitol Area Development Authority (CADA)
City of Elk Grove
West San Gabriel Liability & Property JPA

\$100,000

Alpine County
Amador County
California Mental Health Services Authority
Butte County
Calaveras County
Central Sierra Child Support Agency
City of Carmel By The Sea
City of Del Mar
City of Hanford
City of Imperial Beach
City of Lemon Grove
City of Lompoc
City of Los Alamitos
City of Pico Rivera
City of Rancho Cordova
City of Ridgecrest
City of Solana Beach
City of South Pasadena
Colusa County
Contra Costa IHSS Public Auth. CSAC EIA
Del Norte County
Del Norte IHSS Public Authority
Golden State Risk Management Authority (GSRMA) JPA Administration
Housing Authority of the County of Riverside
Humboldt County
Imperial IHSS Public Authority
Inyo County
Irvine Ranch Water District
Kern IHSS Public Authority
Lake County
Lassen County
Madera County
Madera IHSS Public Authority
Merced County
Modoc County
Mono County
Nevada County
Pasadena Unified School District

Plumas County
Riverside IHSS Public Authority
Sacramento County Contracts
Sacramento Area Flood Control Agency (SAFCA)
San Benito County
San Benito IHSS
San Bernardino IHSS Public Authority
San Diego IHSS Public Authority
San Jose Unified School District
Shasta IHSS Public Authority
Sierra County
Siskiyou County
Solano County
Solano Transportation Authority
Sutter County
Sutter IHSS Public Authority
Tehama County
Torrance Unified School District
Trindel Insurance Fund
Trinity County
Tuolumne County
Yuba County

\$150,000

City of Napa
City of Santee
City of Vista
Mariposa County
Mendocino County
San Diego Unified School District

\$200,000

Imperial County

\$250,000

City of Belmont
City of Calexico
City of Carson
City of Coronado
City of El Cajon
City of Encinitas
City of Hemet
City of Lancaster
City of National City
Golden State Risk Management Authority (GSRMA)
Mt. Diablo Unified School District
San Luis Obispo County
South Bay Area Schools Insurance Authority (SBASIA)
Shasta County
San Mateo County Schools Insurance Group (SMCSIG)
Stanislaus County
Tulare County

\$300,000

Napa County

\$500,000

City of Chula Vista
City of Concord
City of Corona
City of Covina
City of Escondido
City of Manhattan Beach
City of Newport Beach
City of Oceanside
City of Redlands
City of Redondo Beach
City of Rialto
East Bay Regional Park District
Kings County
San Bernardino County Departments
Santa Barbara County

\$750,000

Fresno County

\$1,000,000

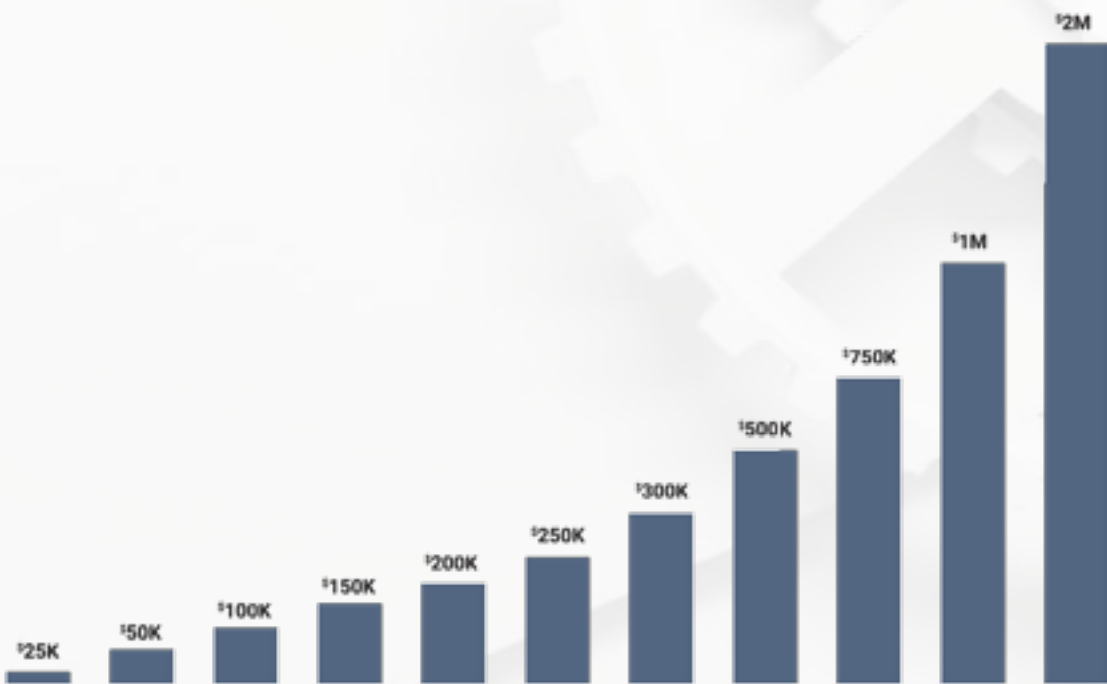
California Association for Park & Recreation Indemnity (CAPRI)
City of Carlsbad
City of Fontana
City of Pomona
City of Simi Valley
Public Agency Risk Sharing Authority of California (PARSAC)
Public Entity Risk Management Authority (PERMA)
Placer County
Schools Excess Liability Fund (SELF)
Sonoma County

\$2,000,000

City of Garden Grove

General Liability 1

2017/2018



*37 GL1 Program members purchase additional limits through the Optional Excess Liability Program.

General Liability 2

The General Liability 2 (GL2) Program has been firmly embedded in insurance offerings of the EIA for more than two decades. The Program grew by two new members and now provides 17 members with coverage for third party liabilities (general, automobile, employment practices, and errors and omissions), up to a limit of \$25M subject to the members' self-insured retentions, which range from \$1M to \$5M. Some members also have individual member corridor deductibles, which sit on top of those members' self-insured retentions.

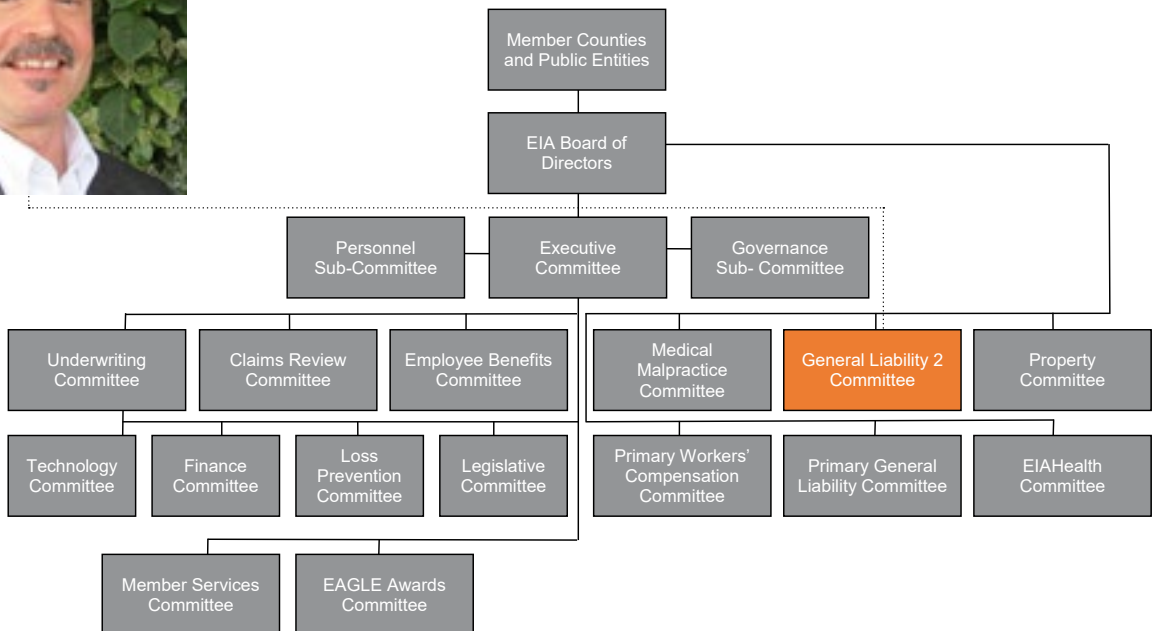
Although the Program has historically had a challenging loss history and continues to face complex liability issues, the Program enjoyed a very successful renewal with only a 1% increase in overall premium. Supporting this Program and its members with proper risk financing and risk management services is vitally important. Members have worked together to make changes to ensure the Program is attractive to the insurance market, such as last year's addition of the Crisis Incident Management Policy allowing members \$50k of coverage for situation assessment and crisis management communications through our chosen service provider.

The Program currently has three reinsurance layers, with QBE and Munich Re providing the first layer of reinsurance coverage above the group corridor retention up to \$10M. The group corridor retention is \$17.9M and is reinsured by the EIO. The transfer of corridor retention to the EIO resulted in savings of \$1.4M to the Program. Markel Global Reinsurance Co., Great American, and Brit Insurance each share in the next \$10M layer; while three different Lloyd's of London Syndicates take on the upper \$5M layer of the Program. This structure is illustrated on page 16.

The GL2 Committee governs this Program. They review all matters pertaining to the GL2 Program including insurance placements, coverage issues, claims administration, program services, and new member applications. The GL2 premium is allocated between its members using a market-based model which maintains competitiveness of the Program and equity between members.



Lance Sposito
 Santa Clara County
 General Liability 2 Committee Chair



General Liability 2 Membership

2017/2018

\$1,000,000	IMCD
Alameda County	Nil
Contra Costa County	Nil
El Dorado County	Nil
Exclusive Risk Management Authority of CA (ERMAC)	\$250,000
City of Montebello	\$500,000
San Joaquin County	Nil
Santa Cruz County	Nil
Tulare County	Nil

\$2,000,000	IMCD
City of Sacramento	\$1,000,000
Sacramento County	Nil
Santa Clara County	\$500,000

\$3,000,000	IMCD
City of Oakland	Nil
City of San Diego	\$2,000,000
City of Santa Clara	Nil
San Bernardino County	Nil

\$3,500,000	IMCD
Riverside County	\$2,000,000

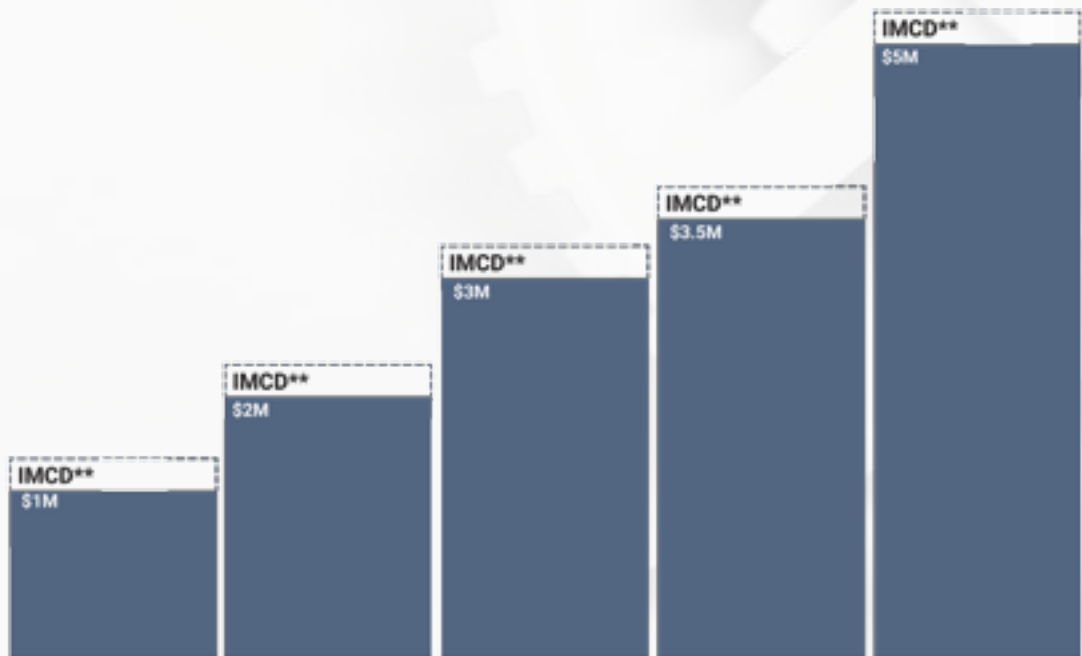
\$5,000,000	IMCD
City of Redlands	Nil

Individual Member Corridor Deductibles (IMCD) are aggregated deductibles retained by members and must be exhausted before reinsurance layers apply.

General Liability 2

2017/2018

\$25M	Reinsurance Layer Quota Share Placement 65% AmTrust Syndicate 25% Hiscox Syndicate 10% Apollo Syndicate \$5M excess of \$20M
\$20M	Reinsurance Layer Quota Share Placement 45% Markel Global Reinsurance Co. 30% Great American 25% Brit Insurance \$10M excess of \$10M
\$10M	Reinsurance Layer QBE and Munich Re Subject to a \$17,973,212 Corridor Retention Reinsured by EIO



*12 GL2 Program members purchase additional limits through the Optional Excess Liability Program.
 **Individual Member Corridor Deductible (IMCD) where applicable.

Property

The Property Program, with all of its intricacies, is much like an insurance version of clockwork. With towers and rooftop layers, flood and earthquake coverages, each part syncs together creating a well-structured, well-funded program. It is flexible, creative, works systematically through renewals and collaborations with underwriters, provides the best protection at the lowest possible cost. The Property Program runs like a well-oiled machine, allowing its 100 members to thrive.

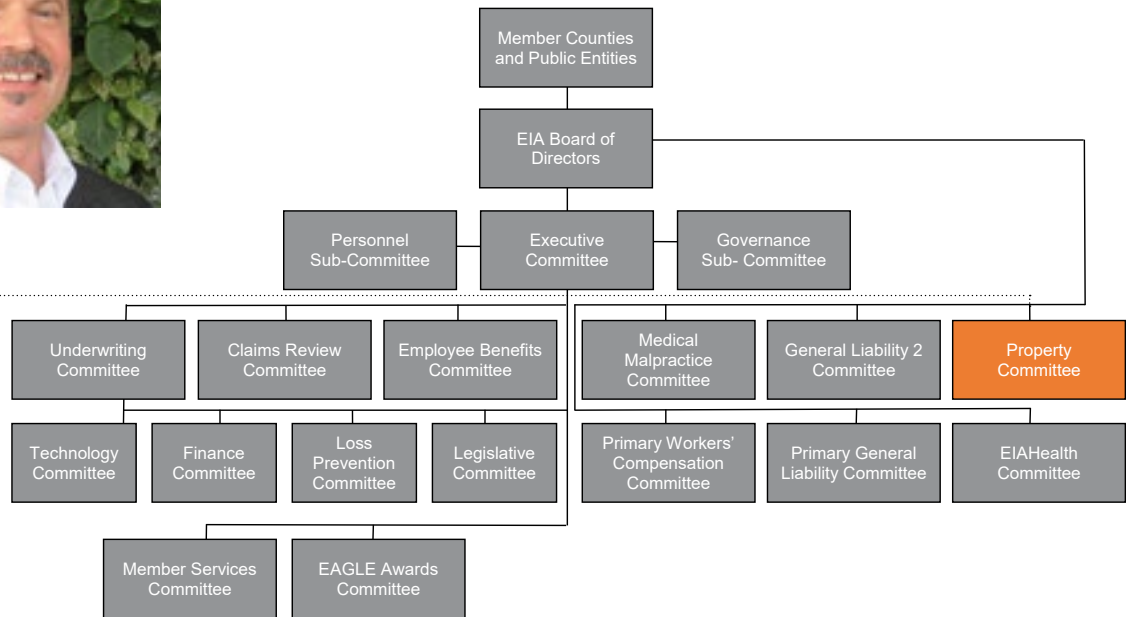
Each year, the Property Committee works hard to balance the members' desire for best in class coverage and the need for protection, within their budget constraints. There is only so much insurance capacity available in the marketplace, in particular as respects earthquake coverage. This year, however, we were able to maintain the earthquake deductible at 2%, a great member benefit found only in the EIA Program, and reduced the vehicle coverage deductible from \$20k to \$10k for vehicles valued less than \$250k. In addition to reducing the vehicle deductible, the Program formed a \$400K vehicle coverage pool which was reinsured by the EIO.

Ideally, we would like to buy additional limits, but at some point purchasing additional coverage becomes cost-prohibitive or simply unavailable. To address these issues, the Property Program has implemented a unique structure with "Towers" to spread risk both geographically and categorically. This spread of risk allows the Program to access higher limits at reduced costs. Members have \$600M in all risk and \$550M in flood limits. Plus, members that purchase earthquake coverage have access to \$540M in earthquake coverage in one or more of five towers. The Program maintains a \$3M pool, with reinsurance and insurance providing the balance of the limits. The pool exposure is limited to \$10M for the year, and upon exhaustion of the pool's aggregate, the primary reinsurer, Lexington, pays for losses excess of the members' deductibles. This year, the Program transferred both the \$10M All Risk pool exposure and the \$400k vehicle deductible pool exposure to the EIO, affording the Program members \$520k in savings.

The Property Committee governs this Program. They review all matters pertaining to the Program including insurance placements, coverage issues, property appraisals, other program services, and new member applications.



Lance Sposito
Santa Clara County
Property Committee Chair



Property Membership

2017/2018

\$5,000

Amador County
Butte County
Calaveras County
Central Sierra Child Support Agency
City of Bakersfield
City of Calexico
City of Coronado
City of Del Mar
City of Elk Grove
City of Encinitas
City of Hemet
City of Imperial Beach
City of Lemon Grove
City of Napa
City of National City
City of Oceanside
City of Pico Rivera
City of Rancho Cordova
City of Rialto
City of Ridgecrest
City of Solana Beach
City of Santee
City of South Pasadena
City of Vista
CSAC EIA
Golden State Risk Management Authority (GSRMA)
Humboldt County
Imperial County
Inyo County
Kings County
Lake County
Madera County
Mariposa County
Merced County
Mountain Communities Healthcare District
Napa County
Placer County
Santa Cruz County
Solano County
Sonoma County Employees' Retirement Association
Sutter County
Tehama County
Tuolumne County
Yuba County

\$10,000

City of Carmel By The Sea
City of Chula Vista
City of Concord
City of Escondido
City of Manhattan Beach
City of Oakland
Housing Authority of the County of Riverside
Mendocino County
Orange County
Plumas County
San Luis Obispo County
Santa Barbara County
Santa Clara County Vector Control District
Siskiyou County
Stanislaus County
Tulare County
Ventura County

\$25,000

Alpine County
City of Covina
City of Redondo Beach
City of San Diego
Colusa County
Del Norte County
East Bay Regional Park District
El Dorado County
Fresno County
Irvine Ranch Water District
Lassen County
Modoc County
Mono County
Monterey County
Nevada County
San Benito County
San Bernardino County
San Diego Housing Commission
San Diego Metro Transit System
San Joaquin County
Shasta County
Sierra County
Trinity County
Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)

\$50,000

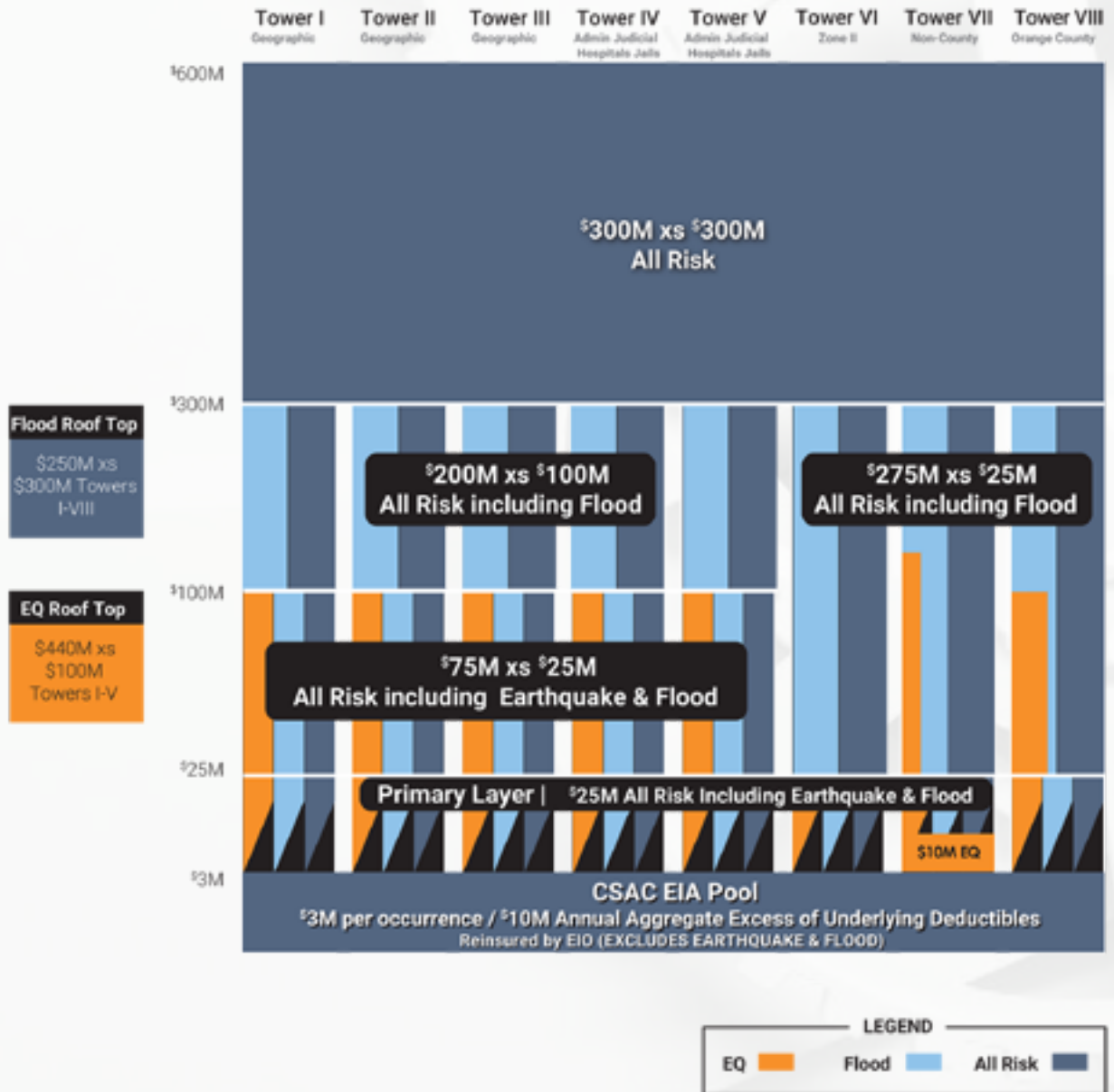
Alameda County
Alameda Health System
Contra Costa County
Kern County
Kern County Hospital Authority
Pasadena Unified School District
Riverside County
Sacramento County
San Diego County
Santa Clara County
Santa Clara County Library JPA
Sonoma County
West San Gabriel Property & Liability JPA

\$100,000

California Schools Risk Management (CSRM)
Mt. Diablo Unified School District

Property

2017/2018



Not shown graphically is the Catastrophic Risk pool, designed to buy down member deductibles for Flood and EQ.

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Medical Malpractice

The Medical Malpractice Program has recently added three new members now providing 52 members with coverage for medical professional services and limited general liability exposures at established healthcare facilities. The Program offers limits of \$21.5M in addition to the members' deductible or self-insured retention, which range from \$5k to \$1.1M. For members who maintain a deductible, claims administration is provided by the Program's claims administrator, Risk Management Services (RMS). Members who maintain a self-insured retention are able to manage their claims, either through a claims administrator, or with their own claims staff. The Program funds a \$1.5M pool and purchases \$20M of reinsurance to fulfill the limits. This structure is depicted graphically on page 20.

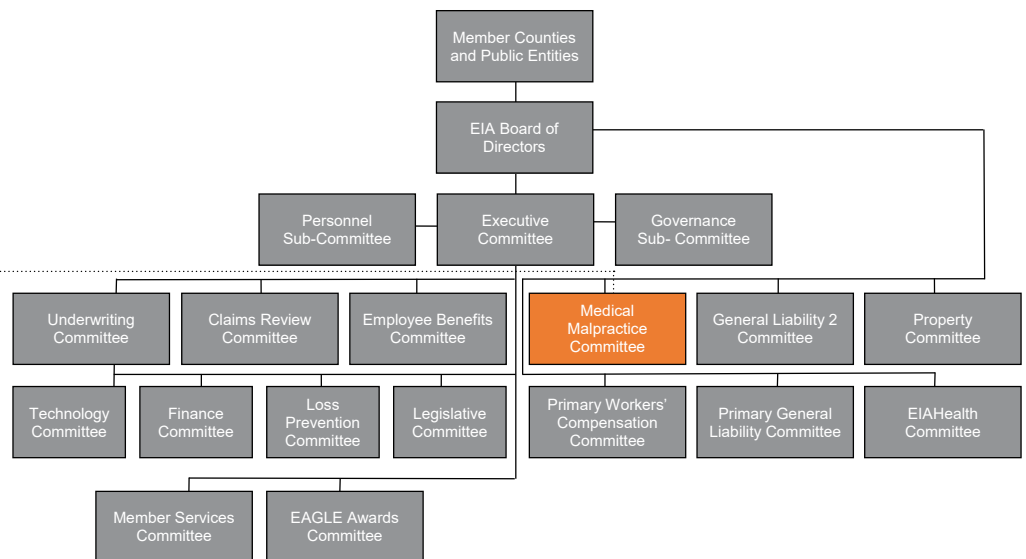
Beginning with the 2010/11 year, the Program's reinsurance agreement was converted from "claims-made" to an "occurrence" basis. This was achieved by taking advantage of a soft insurance market with the long term strategy to retain occurrence based coverage until the market hardened significantly. At the same time, the members have continued to fund and provide coverage for the pooled layer on a claims-made basis in order to take advantage of risk financing benefits of lower cost, greater predictability, and stability.

Since the conversion to occurrence based coverage the market has remained soft. However, this year Lexington, the Program's long time reinsurer, made a business decision to no longer offer occurrence based policies for medical malpractice across their entire book of business. The Program was marketed, resulting in a move to MedPro, a Berkshire Hathaway Company, who offered an occurrence based solution at very competitive rates. The Program enjoyed a successful renewal, and outside of replacing Lexington with MedPro, the Program structure remained unchained.

The Program is governed by the Medical Malpractice Committee, who is responsible for all matters pertaining to the Program including pool funding, coverage issues, claims, program services, new member applications, and insurance placements.



Tanya Moreno
 San Joaquin County
 Medical Malpractice Committee Chair



Medical Malpractice Membership

2017/2018

\$5,000

Alpine County
Calaveras County
City of Anaheim
City of Berkeley
City of Fremont
Colusa County
Del Norte County
Kings County
Lassen County
Los Angeles Unified School
District
Mariposa County
Mendocino County
Merced County
Modoc County
Mono County
Placer County
San Diego Unified
School District
Sierra County
Siskiyou County
Solano County
Sonoma County
Sutter County
Tehama County
Trinity County
University of CA, Hastings
College of Law

\$10,000

Alameda County
Amador County
Butte County
El Dorado County
Glenn County
Humboldt County
Imperial County
Inyo County
Madera County
Marin County
Napa County
Nevada County
Plumas County
San Benito County
San Luis Obispo County
Santa Barbara County
Santa Cruz County
Shasta County
Stanislaus County
Tulare County
Tuolumne County
Yolo County
Yuba County

\$500,000

Santa Clara County

\$1,000,000

Contra Costa County
San Joaquin County

\$1,100,000

Riverside County

Medical Malpractice

2017/2018

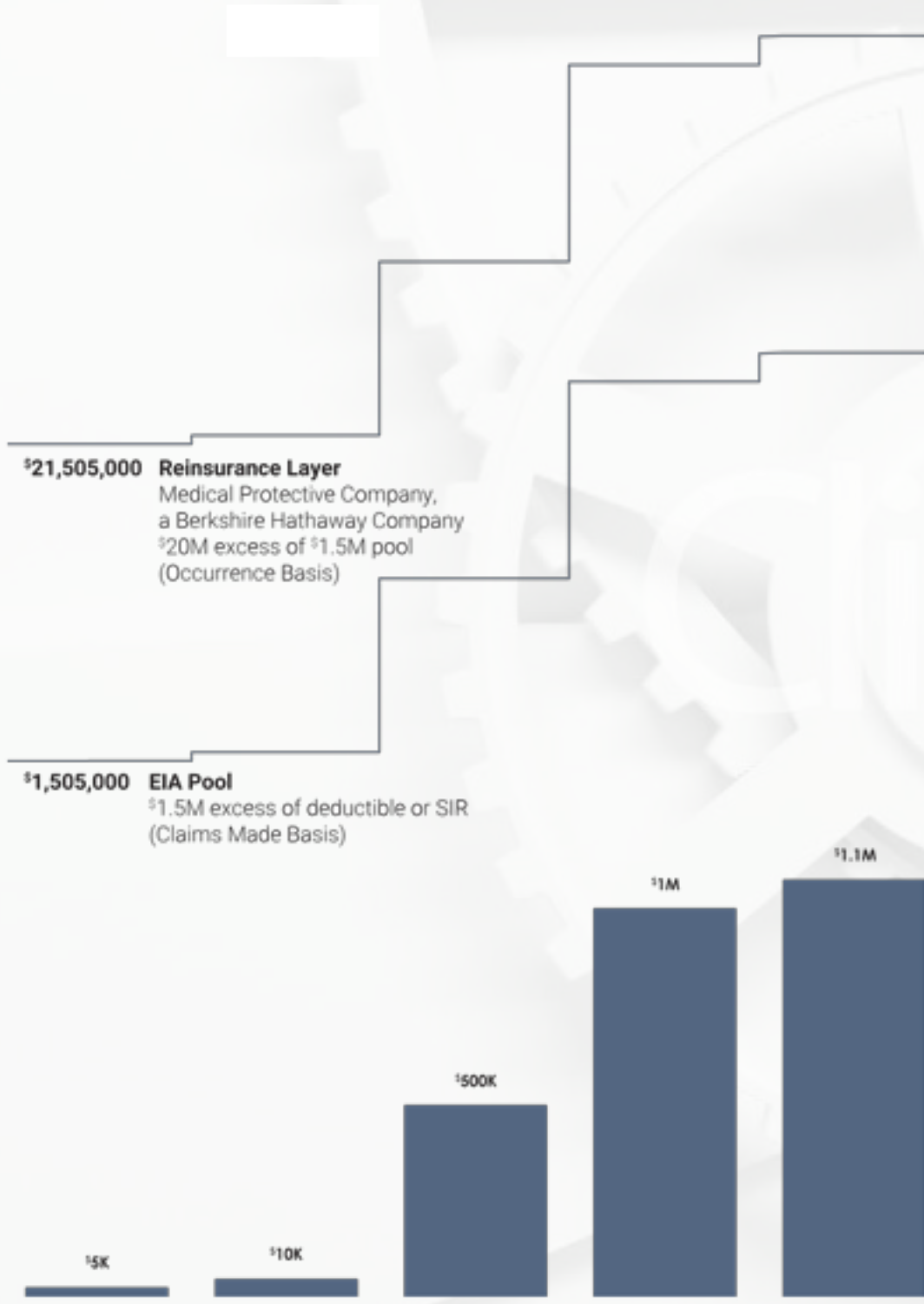


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EIAHealth

The EIAHealth Program continues to provide a transparent and stable option to today's uncertain healthcare marketplace. Established in 2003, EIAHealth has grown steadily and is now part of the second largest public agency healthcare purchasing pool in California. The Program currently represents 30 members and provides coverage for over 24,000 employees/retirees.

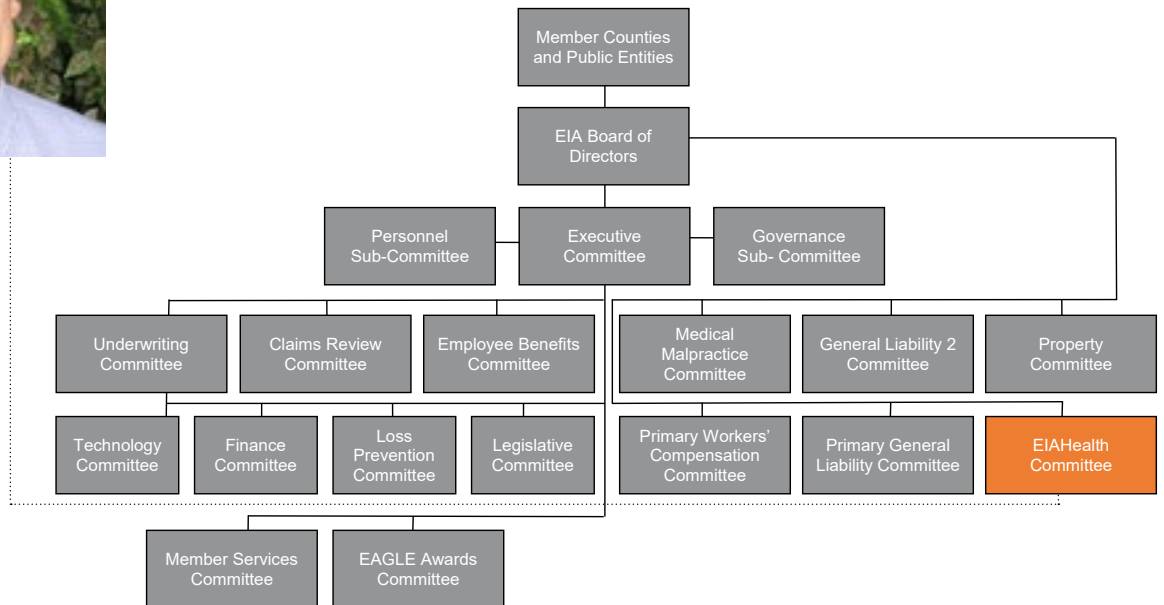
The Program is a cooperative effort between Anthem, Blue Shield, Kaiser, and Express Scripts, providing members an alternative to group health insurance using the concept of pooling to reduce insurance premiums through consolidating fixed costs over a larger population and risk sharing. Members of the large group segment are able to create and maintain their own plan designs within the context of the pooling arrangement, which provides much greater stability than a stand-alone program. In addition, a small group segment provides pre-defined benefit options and regional rates for public employers with less than 200 employees.

The EIAHealth Program partners with Self Insured Schools of California (SISC) for the pooling of PPO type indemnity plans. In addition, HMO options are available to members on an insured basis. This relationship gives the Program more stability and lower rates.

The EIAHealth Committee governs this Program. This Committee reviews all matters pertaining to the EIAHealth Program including program funding, new member applications, and program renewals.



Scott De Moss
Merced County
EIAHealth Committee Chair



EIAHealth Membership

2017/2018

Amador County
 Calaveras County
 City of Chico
 City of Clovis
 City of Huntington Beach
 City of Irvine
 City of Merced
 City of Redding
 City of Santa Rosa
 City of Visalia
 City of Walnut Creek

City of Watsonville
 City of Yuba City
 Community Development
 Commission of LA County
 Del Norte County
 El Dorado County
 Golden State Risk
 Management Authority (GSRMA)
 Lake County
 Mendocino Coast
 District Hospital

Merced County
 Orange County Sanitation
 District
 Orange County Transportation
 Authority
 San Benito County
 Santa Barbara County
 Special District Risk Management
 Authority (SDRMA)
 Superior Court of California,
 County of Merced

Superior Court of California,
 County of Santa Barbara
 Sutter County
 Tehama County
 Turlock Irrigation District

Dental Membership

2017/2018

Alpine County
 Amador County
 Bay Area Air Quality
 Management District
 Calaveras County
 California State Legislature
 Catalina Island Medical Center
 Central Contra Costa Sanitary
 District
 Central Sierra Child Support
 Agency
 City of Alameda
 City of American Canyon
 City of Atascadero
 City of Atwater
 City of Belmont
 City of Buena Park
 City of Calabasas
 City of Capitola
 City of Chico
 City of Claremont
 City of Concord
 City of Costa Mesa
 City of Cypress
 City of El Centro
 City of Escalon
 City of Folsom
 City of Fremont
 City of Galt
 City of Goleta
 City of Hayward
 City of Huntington Beach
 City of Ione
 City of Live Oak
 City of Livermore
 City of Maywood
 City of Menlo Park
 City of Merced
 City of Mill Valley
 City of Mission Viejo
 City of Murrieta
 City of Needles
 City of Novato
 City of Oceanside
 City of Oroville
 City of Pacifica
 City of Paso Robles

City of Perris
 City of Pleasanton
 City of Port Hueneme
 City of Rancho Cordova
 City of Rancho Santa Margarita
 City of Redding
 City of Richmond
 City of Roseville
 City of San Bernardino
 City of San Jacinto
 City of San Leandro
 City of San Ramon
 City of Santa Rosa
 City of Solana Beach
 City of South San Francisco
 City of Stanton
 City of Sunnyvale
 City of Twentynine Palms
 City of Vacaville
 City of Visalia
 City of Walnut Creek
 City of Watsonville
 City of West Covina
 City of West Sacramento
 Coachella Valley Association
 of Governments (CVAG)
 Colusa County
 CSAC Excess Insurance Authority
 Dublin San Ramon Services District
 El Dorado County
 Gold Coast Transit District
 Great Basin Unified Air Pollution
 Control District
 Golden State Risk Management
 Authority (GSRMA)
 Humboldt County
 Inland Empire Health Plan
 Inland Empire Utilities Agency
 Inyo County
 Lake County
 Lassen County
 Mariposa County
 Mendocino Coast District Hospital
 Merced County
 Modoc County
 Mono County
 Monterey Salinas Transit

Morongo Basin Transit Authority
 Napa County
 Napa Sanitation District
 Nevada County
 Office of Community Investment
 and Infrastructure (OCII)
 Orange County Sanitation District
 Orange County Transportation
 Authority
 Otay Water District
 Palo Verde Valley Health Care
 District Hospital
 Placer County
 Placer County Water Agency
 Pleasant Hill Recreation and
 Park District
 Plumas County
 Port of Oakland
 Public Agency Risk Sharing
 Authority of California (PARSAC)
 Public Entity Risk Management
 Authority (PERMA)
 Sacramento- Yolo Mosquito and
 Vector Control District
 San Bernardino Municipal Water
 District
 San Benito County
 San Diego County Water
 Authority
 San Joaquin County
 San Luis Obispo County
 Santa Barbara County
 Santa Clara Housing Authority
 Santa Cruz County
 Santa Cruz Metro Transit District
 Shasta County
 Sierra County
 Solano County
 Sonoma Marin Area Rail Transit
 Special District Risk Management
 Authority (SDRMA)
 Stanislaus County
 Superior Court of California:
 County of Alpine
 County of Amador
 County of Butte
 County of Calaveras

Superior Court of California (cont'd)
 County of Colusa
 County of Contra Costa
 County of Del Norte
 County of El Dorado
 County of Lake
 County of Lassen
 County of Merced
 County of Orange
 County of Placer
 County of San Benito
 County of San Luis Obispo
 County of Santa Barbara
 County of Santa Cruz
 County of Shasta
 County of Sonoma
 County of Stanislaus
 County of Trinity
 County of Tuolumne
 County of Yolo
 County of Yuba
 Sutter County
 Tehama County
 Town of Yountville
 Transportation Corridor Agencies
 Trindel Insurance Fund
 Trinity County
 Tuolumne County
 Turlock Irrigation District
 Western Riverside Council of
 Governments (WRCOG)
 Yolo County
 Yuba County

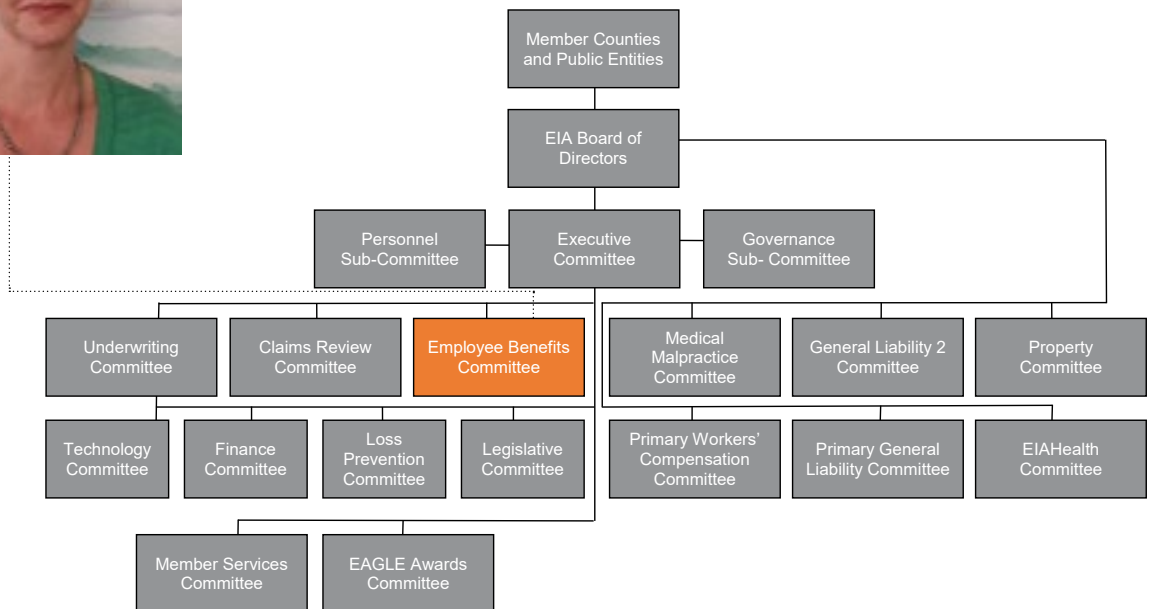
Dental

The Dental Program, another gear in the employee benefits offerings, was launched in January 2010 and has since experienced significant growth. This Program utilizes pooling methodology to provide members with more predictable and stable dental rates year-over-year. The Program partners with Delta Dental to provide administrative services including claims administration and access to the Delta Dental network of providers. The administrative fees in the Program are also some of the lowest offered by Delta Dental of California.

The Employee Benefits Committee governs the Dental Program, as well as other miscellaneous employee benefit programs (i.e. Vision, Employee Assistance Program, Life, Short Term Disability, and Long Term Disability). This Committee reviews all matters pertaining to the Programs including program funding, new member applications, and program renewals.



Donna Caldwell
 Solano County
 Employee Benefits Committee Chair



Master Rolling Owner Controlled Insurance Program

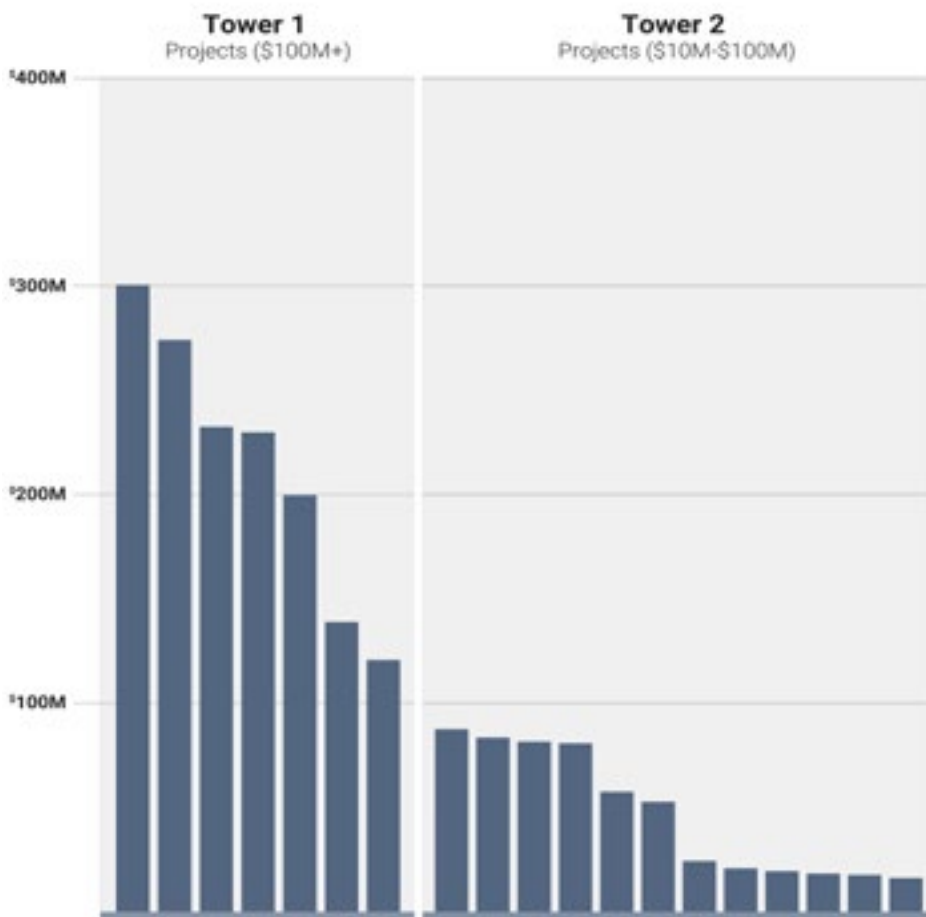
The Master Rolling Owner Controlled Insurance Program, or MR OCIP for short, enables members to purchase workers' compensation and general liability coverage for all eligible parties (owner, general contractor, and sub-contractors) working on their construction projects. These policies (also known as "wrap-ups") are widely used on public sector construction projects and capital improvement programs such as jail, school, hospital and various improvements or new construction. They offer cost savings, better coverage, more control, and higher limits of insurance than a traditional approach to construction insurance. A truly progressive alternative to traditional insurance.

Historically, OCIPs were only cost effective for construction projects of at least \$100M. The EIA, however, has leveraged its pooling power to combine smaller projects of the members into one Program. Now, construction projects valued at as little as \$10M can provide members the opportunity to receive the benefits of a "wrap-up" on projects that otherwise wouldn't qualify because of their size.

As the newest EIA major program, MR OCIP was launched on January 1, 2013. The Program continues to grow, and currently has 14 participating members and more than \$1B in construction values. This Program is positioned to experience significant growth, as the economy strengthens and members continue to evaluate the cost savings and enhanced coverage that is provided by the Program.

MR OCIP

2017/2018



Membership

Tower 1

- City of Oakland
- Coast Community College District
- Port of Oakland
- Riverside County
- San Diego County

Tower 2

- City of Oakland
- Kern County
- Kings County
- Merced County
- Placer County
- San Diego County
- Santa Barbara County
- San Mateo County Schools Insurance Group (SMCSIG)
- Solano County
- Tulare County
- Tuolumne County

Financial Letter

November 1, 2017

Board of Directors
CSAC Excess Insurance Authority

The gears of the EIA move together to meet the program needs of members. This report contains easy-to-read information on EIA's programs, an overview of the EIA's financial condition, and highlights of the financial activity for the fiscal year ended June 30, 2017. Included are comparative financial statements for the years ended June 30, 2017 and 2016, including the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, which conform to Generally Accepted Accounting Principles (GAAP). This information is derived from our Comprehensive Annual Financial Report (CAFR). The CAFR contains more detailed information and can be found on our website at www.csac-eia.org. Our CAFR for fiscal year ending June 30, 2016, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and will be submitting our CAFR for the current year to the GFOA.

Financial Highlights

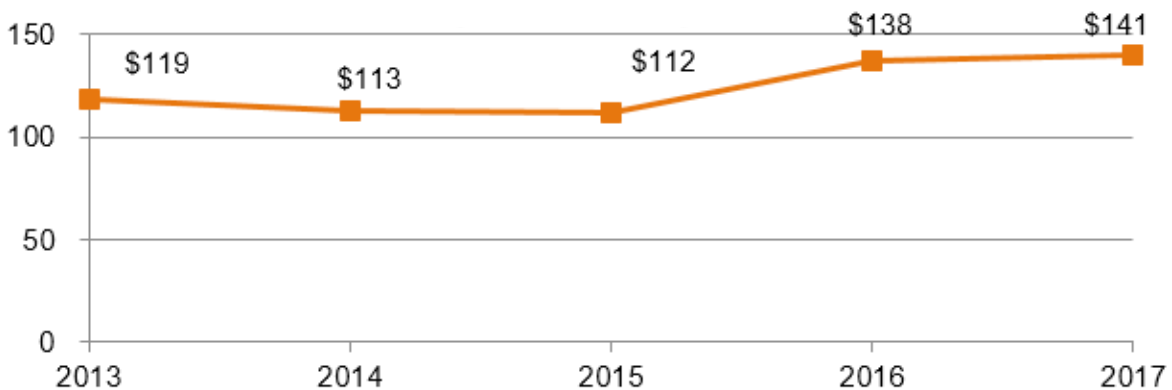
Net Position

Net position is defined as the difference between Total Assets and Total Liabilities. The EIA started the year with a net position of \$137.7M. Net income before dividends was \$5.8M. We declared a \$2.5M dividend in our Primary Workers' Compensation Program, a \$266k dividend in the Primary General Liability program and \$205k of no claims bonuses in our other programs. Our ending balance in net position at June 30, 2017 is \$140.5M, up \$2.9M from fiscal 2016.

The increase in net position was largely driven by the funding of the new policy year at a higher than expected confidence level in many programs, as well as lower than budgeted administrative expenses. This was partially offset by development in claims liabilities in the older policy years.

Net Position Trend

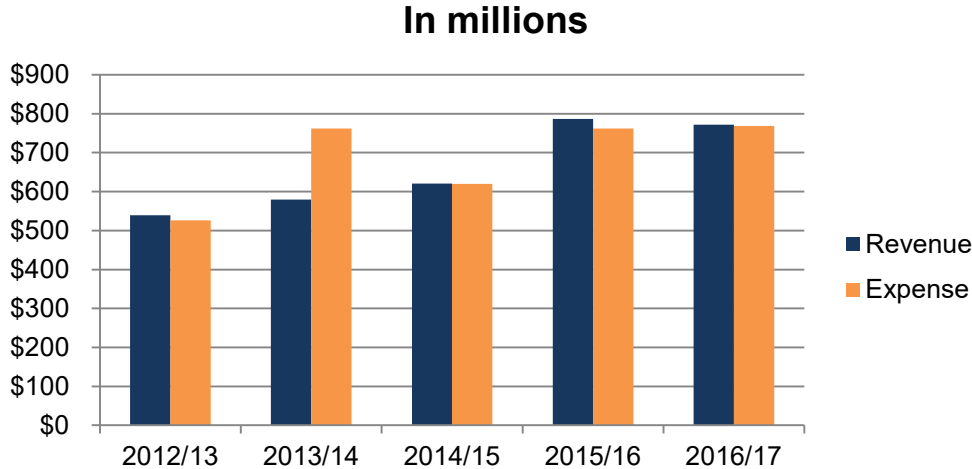
(in millions)



Financial Letter

continued

The following chart shows how Revenues and Expenses have changed over time.



Claim Liabilities

After net position, claim liabilities are the most significant line item on our statements. Claim liabilities are shown discounted, which is at their net present value, taking into account investment earnings over time. Claim liabilities increased from \$562.5M to \$610.7M partly because of a claims commutation in the PWC Program, where the reinsurer paid the EIA to assume \$9.8M in undiscounted claim liabilities in its layer for the 1997 – 2004 claim years. This liability was further transferred to the EIA's captive insurance company, the Excess insurance Organization (EIO). There was growth in the programs and increases in the self-funded aggregate layers due to establishment of the EIO.

The target equity range is what the EIA considers desirable equity that should be on hand as reserve for loss development. The governing committees for each program use this information to determine how much premium to collect at renewal, and whether to declare a dividend. The chart below shows the target equity range for each program, and the Net Position of those programs at June 30, 2017.

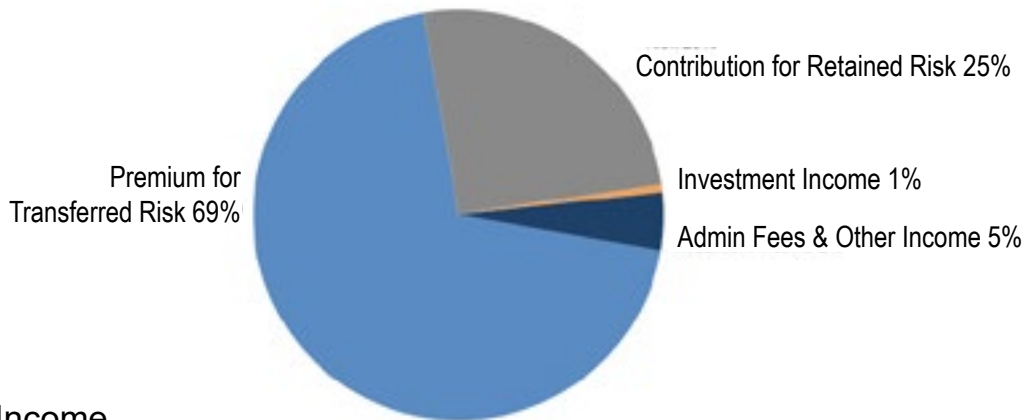
Program	Target Equity Range (in millions)		Program Net Position (in millions) as of June 30, 2017
	Low	High	
Primary Workers' Compensation	\$14.3	\$40.5	\$25.5
Excess Workers' Compensation	\$30.0	\$91.6	\$22.4
Primary General Liability	\$0.01	\$1.2	\$1.3
General Liability 1	\$20.1	\$34.7	\$33.1
Medical Malpractice	\$3.6	\$12.3	\$6.7

Financial Letter

continued

Revenues

Total revenues were \$771M during 2017, a 2% decrease from the \$787M in 2016. Most of the decrease is due to the fact that Fiscal 2016 revenue was inflated due to the claims commutation in the EWC Program. Reduced investment income also contributed to the decrease in revenues. Net of these two factors, both premium and pool revenue is up partly due to rising payrolls which is the exposure base for many programs. Insurance rates increased for the Excess Workers' Compensation, General Liability 1 and 2, Medical Malpractice, and EIAHealth Programs. There were flat rate renewals or rate decreases in the Primary Workers' Compensation, Primary General Liability, Property, Dental, and Vision Programs.



Investment Income

Investment income was \$4.6M for fiscal 2017; only a third of fiscal 2016. Even though we have more treasury assets to invest, we experienced some unrealized losses as compared to unrealized gains in fiscal 2016 that were included in the investment income. We expect earnings to rise gradually as interest rates recover.

Expenses

The EIA continued to purchase insurance to cover risks when that option was more cost effective than pooling the risk. In 2017, insurance related expense was \$537M, up from \$496M in 2016, matching the growth in revenues. Purchased insurance was 70% of all expenses, while claim costs accounted for 25%. Dividends, Program Services, and Administrative Costs made up the remaining 5% of expenses.

The Member Services Department was created in fiscal 2016 and continues to implement new services, which incorporate Loss Prevention, Claims, and Risk Management services. The EIA offers a wide range of services to our members including:

- On-site and telephonic consultation
- Video, electronic and printed resource material
- Regional, on-site and web based training programs
- Facility inspections
- Hazard and exposure assessments with realistic solutions
- Crisis Incident Management and Consultation
- Drug and Alcohol Monitoring Consortium
- Policy/program evaluation and development
- Subsidy program to fund risk management services
- A Risk Management Practitioners Program
- Background Check Services
- An online Risk Assessment Tool

Financial Letter

continued

We are always in the process of re-evaluating and expanding services to members, including creating an Enterprise Risk Consultants program.

New and On-going Initiatives

The conversions for two of the three remaining Primary Workers' Compensation Third Party Administrators (PWC TPAs) into our Claims Management Information System (CMIS) were completed. The final PWC TPA will be implemented in the 2017/18 fiscal year, so discussions regarding feasibility for Primary General Liability TPAs to convert have begun. The IT Department continues to provide a CMIS service to our members.

We continue development on a benchmarking service that will enhance our understanding of claims trends and enable us to craft more focused loss prevention programs, as well as more effectively price member premiums. The automated Risk Assessment Tool enabling members to identify areas of risk and make changes as needed to mitigate losses, was made available.

Development continues on the website and pool management system functionality. Applications to manage subsidy balances and reimbursement requests as well as governance participation were released.

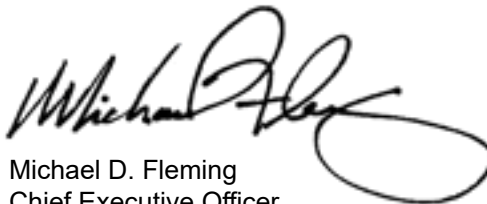
The EIAHealth Program continues to provide transparent and stable healthcare renewals to California public agencies. In fiscal 2016/2017 the Program grew 25% which represents 28 agencies and covers 24,000 employee/retiree lives.

Our financial statements follow. With the help of its people, members, staff, business and insurance partners, the EIA continues to accomplish its mission of providing risk coverage programs and risk management services to its members which drive member stability, efficiency and best practices.

Respectfully submitted,



Puneet Behl
Chief Financial Officer



Michael D. Fleming
Chief Executive Officer



Darrel Pyle
City of Hanford
Finance Committee Chair

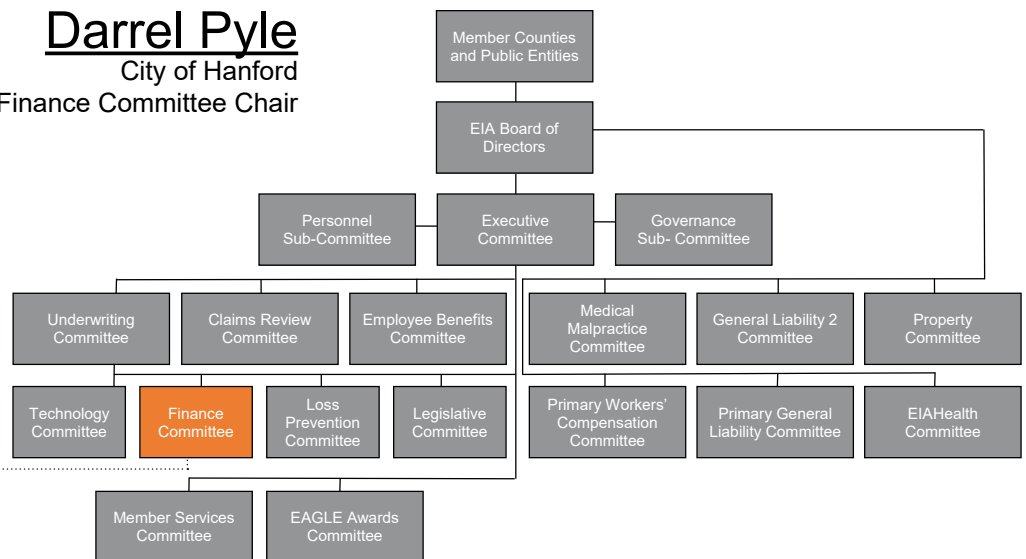
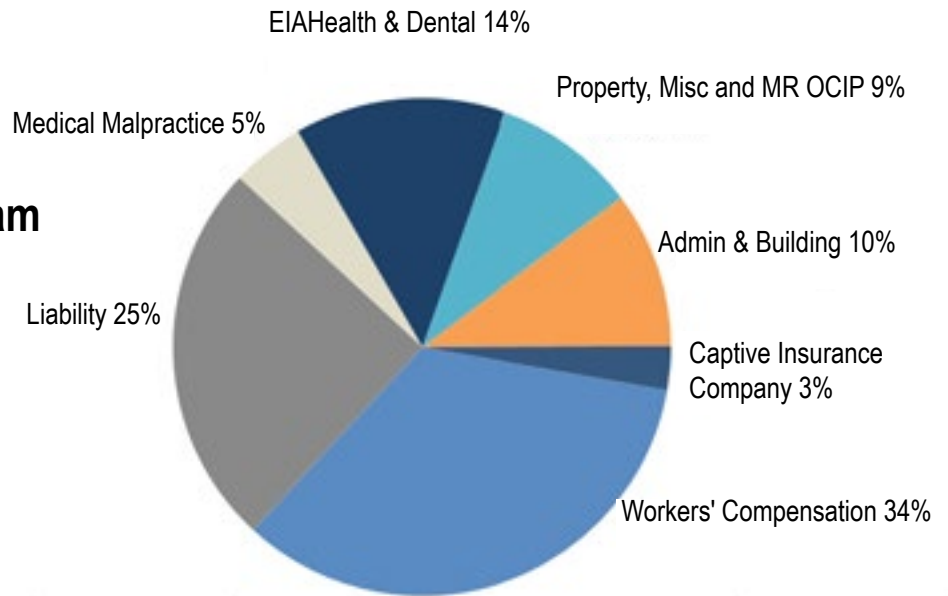


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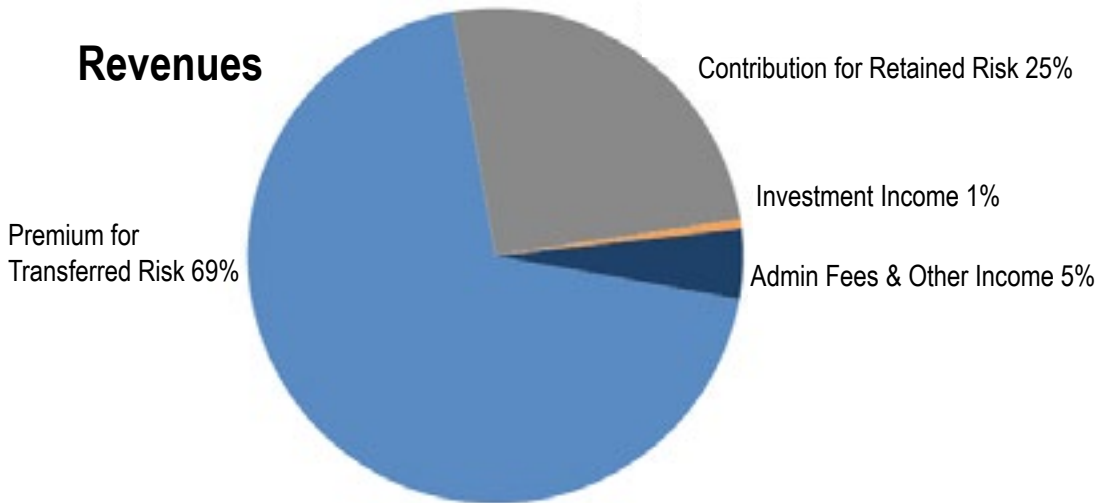
Financial Profile

Financial results in brief 2016/2017

Net Position by Program



Revenues



Expenses

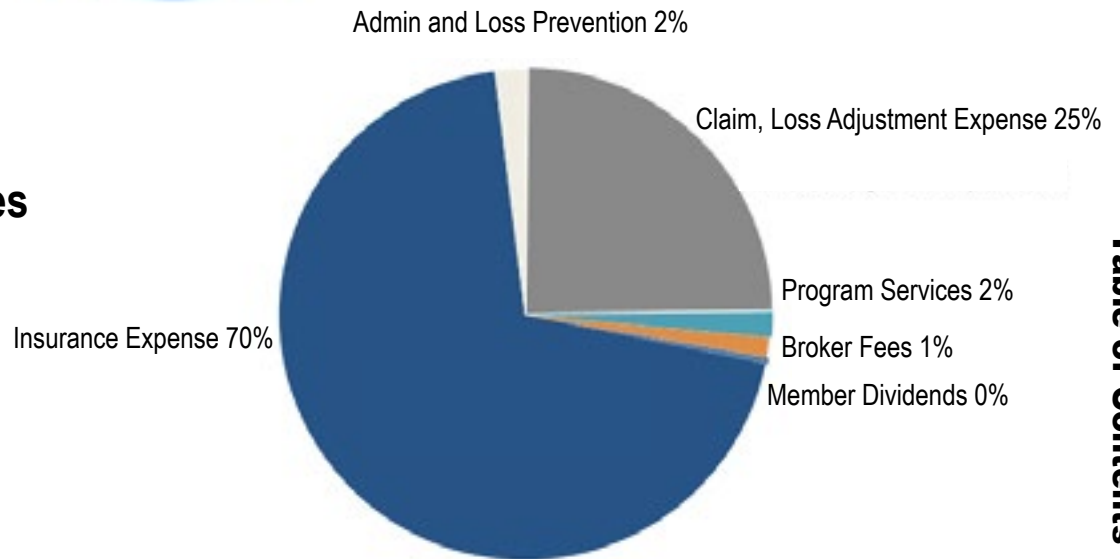


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Financial Profile

continued

Statement of Net Position, June 30, 2017 and 2016

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Assets:		
Cash and Cash Equivalents	\$ 36,891,450	\$ 39,521,430
Investments	616,992,552	571,598,427
Receivables	29,796,756	26,517,743
Prepaid Expenses and Deferred Outflows of Resources	99,381,588	94,770,870
Land, Buildings and Equipment (Net)	<u>9,838,240</u>	<u>9,578,879</u>
 Total Assets and Deferred Outflows of Resources	 <u>792,900,586</u>	 <u>741,987,349</u>
Liabilities:		
Accounts Payable, Due to Members and Deposits from Carriers	19,247,003	28,503,002
Unearned Income and Other Liabilities	19,872,723	9,821,051
Pension Liabilities	2,558,380	3,469,004
Claim Liabilities	<u>610,701,218</u>	<u>562,521,675</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>652,379,324</u>	 <u>604,314,732</u>
Net Position:		
Invested in Capital Assets	9,838,240	9,578,879
Unrestricted	<u>130,683,022</u>	<u>128,093,738</u>
 Total Net Position	 <u><u>\$ 140,521,262</u></u>	 <u><u>\$ 137,672,617</u></u>

Financial Profile

continued

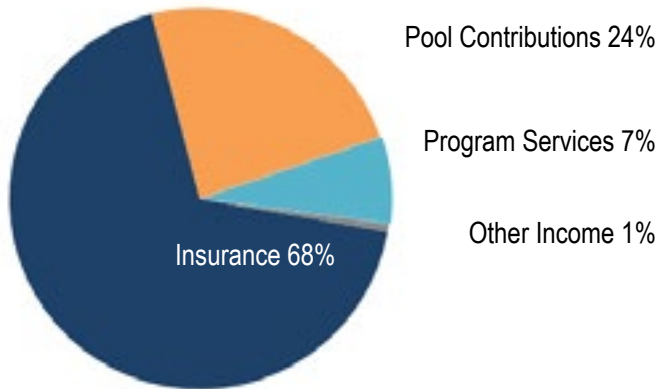
Statement of Revenues, Expenses & Changes in Net Position For the Fiscal Years Ended June 30, 2017 and 2016

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Revenues:		
Premiums for Transferred Risk	\$ 535,583,984	\$ 493,749,250
Broker Fees	9,996,927	9,385,697
Contributions for Retained Risk	196,118,073	163,031,197
Dividend Income	192,828	232,389
Investment Income, net	4,602,220	13,786,527
Member Services	935,244	747,513
Administration Fees	21,294,667	18,830,010
Public Entity Fees	738,862	655,463
Development Fees	2,400	-
Other Income	2,172,511	86,854,558
	<u>771,637,716</u>	<u>787,272,604</u>
Total Revenues		
Expenses:		
Member Dividends	\$ 2,970,796	\$ 5,554,624
Stabilization Funds Distributed	64,106	477,716
Insurance and Provision for Losses:		
Insurance Expense	537,135,168	496,527,761
Broker Fees	10,056,293	9,125,742
Provision for Insured Events	185,159,424	213,524,014
Unallocated Loss Adjustment Expenses	4,035,629	9,400,117
Program Services	13,006,216	13,744,756
Member Services and Subsidies	2,753,144	2,963,429
General Administrative Services	12,500,483	9,574,758
Depreciation and Building Maintenance	1,107,812	1,113,715
	<u>768,789,071</u>	<u>762,006,632</u>
Total Expenses		
Changes in Net Position	<u>2,848,645</u>	<u>25,265,972</u>
Net Position:		
Net Position, Beginning of Year	<u>137,672,617</u>	<u>112,406,645</u>
Cumulative Effect of Change in Accounting Principle		
Pension	<u>-</u>	<u>-</u>
Net Position, End of Year	<u><u>\$ 140,521,262</u></u>	<u><u>\$ 137,672,617</u></u>

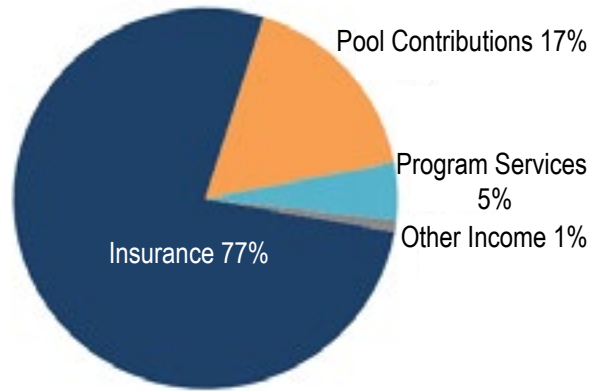
Financial Profile

Operating Results by Program

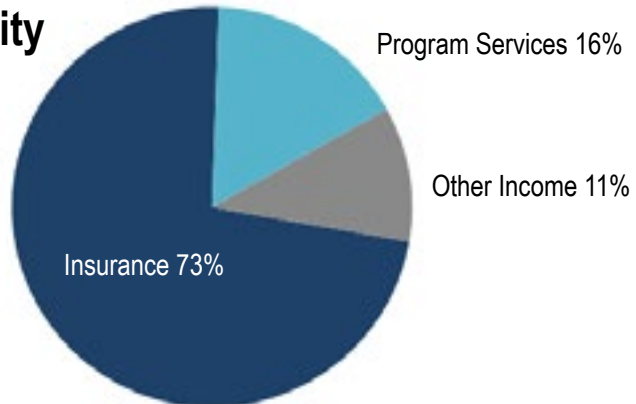
Primary Workers' Compensation



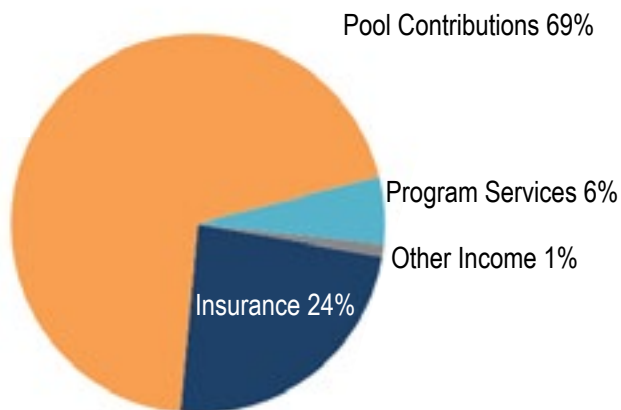
Excess Workers' Compensation



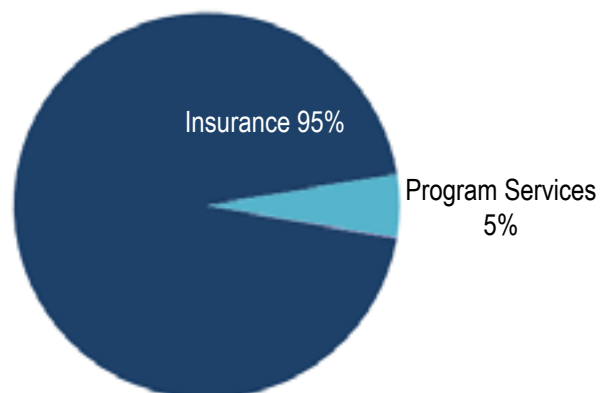
Primary General Liability



General Liability 1



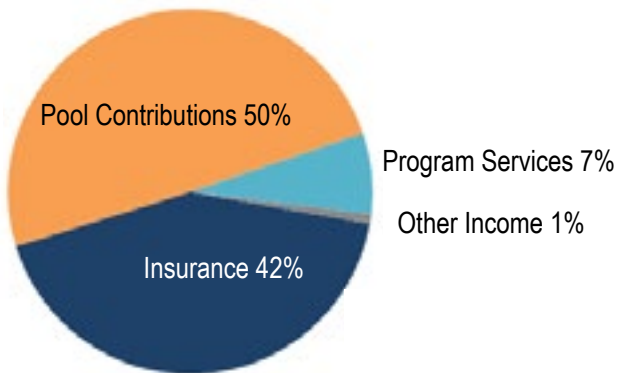
General Liability 2



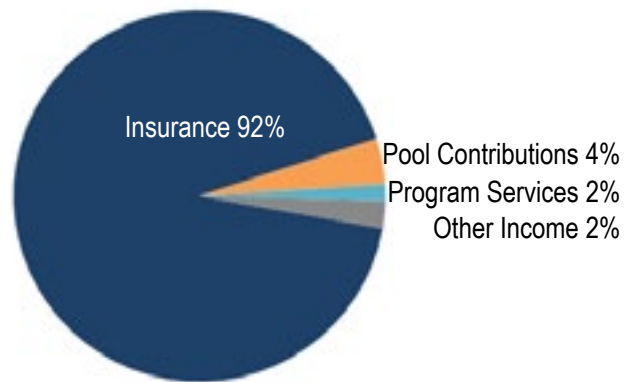
Financial Profile

Operating Results by Program

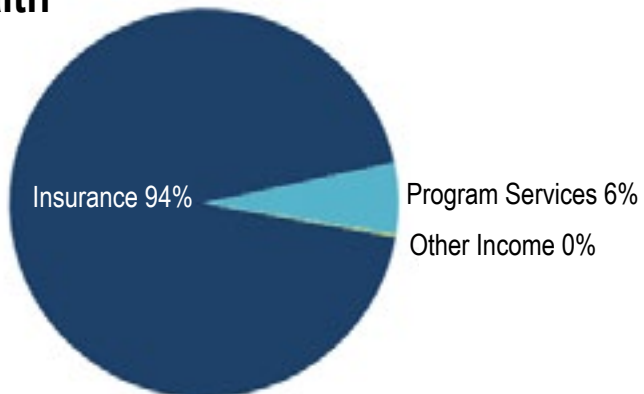
Medical Malpractice



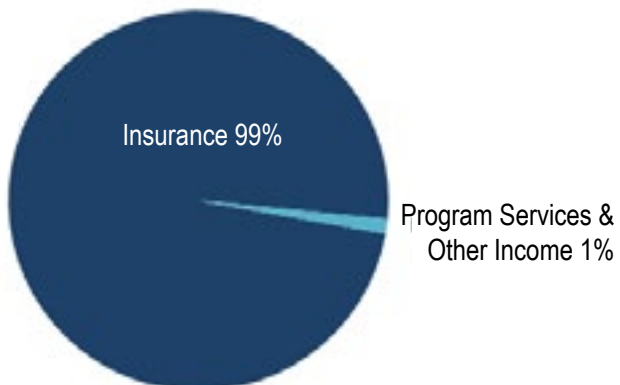
Property



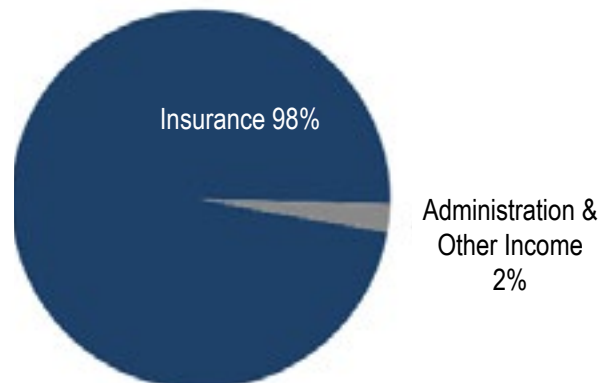
EIAHealth



Dental



MR OCIP



About the EIA

The CSAC Excess Insurance Authority was formed as a Joint Powers Authority (JPA) in 1979, pursuant to Article 1, Chapter 5, Division 7, Title 1, of the California Government Code (Section 6500 et seq.). The EIA is a recognized leader and pioneer in the pooling and risk management community in California and nationwide.

Over the past 38 years, the organization has grown substantially in terms of membership, programs, and services. During that entire time, the EIA has helped public entities and local communities preserve their resources by reducing their cost of risk and insurance. The EIA has continued to thrive by providing members with exceptional value and service, as well as the opportunity to actively participate in an organization dedicated to the control of losses and cost effective risk management solutions.

A high priority for the Board of Directors and the committees is to ensure the EIA is providing high-quality, cost-effective, and efficient services to the members. Through the efforts of the members, the EIA has created programs and services that are stable, secure, and have the flexibility to meet the challenges of the dynamic insurance marketplace and ever changing economy. The formation of the Excess Insurance Organization (EIO) captive, which began operations on July 1, 2016, is an example of the gears in motion at the EIA.

While the membership has enjoyed the rewards of their success over the past 38 years, they have continued to refine, restructure, and improve the programs and services to ensure that the members' current and future needs will be met. At the same time, efforts are continually made to keep costs as low as possible for members.

In order to measure the effectiveness of its services and programs, the EIA participates in the California Association of Joint Powers Authorities (CAJPA) Accreditation Program. Since 1989, the EIA has been awarded their highest designation, "Accreditation with Excellence," which was again awarded this year. Since 2007, the EIA has also been recognized by the Association of Governmental Risk Pools (AGRiP), a national pooling association, which was also again awarded this year. Both the CAJPA accreditation and AGRiP recognition are indications of exceptional compliance with best management and financial practices. Additionally, the EIA was the first JPA in the state to receive the Government Finance Officers Association's Certificate of Excellence in Financial Reporting (FYE 6/30/94 – 6/30/16) and was again awarded the Certificate this year. These recognitions and achievements reinforce the valuable, effective, efficient, collaborative, and stable organization that the members have built for California's counties and public entities.

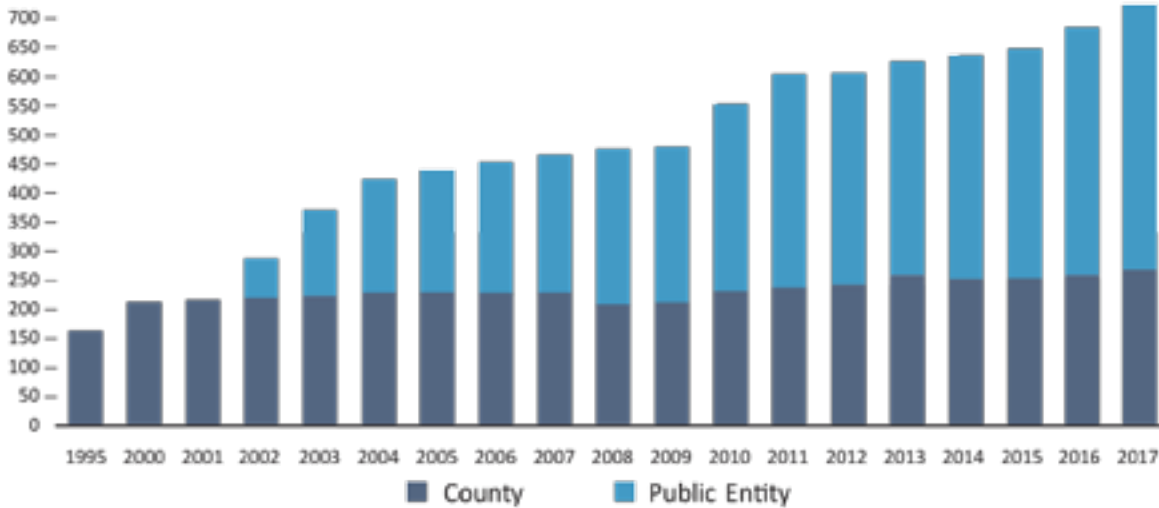
Membership

Since the early 2000s, when non-county public entities throughout the state were given the opportunity to access the EIA's programs and services, the EIA has seen significant membership growth. Most of the growth occurred during 2001 to 2004 as a result of conditions in the insurance market.



As depicted in the graph on the next page, growth over the past five years has continued, but at a more steady and controlled pace. Growth over the last five years is due, in large part, to the formation of the Dental Program. This Program launched on January 1, 2010 and currently has 146 members spanning 74,000 public entity employees enrolled. In the following graph, membership is shown in terms of "member units", where each member in each of the programs is counted as one member unit.

Membership (continued)



The EIA's 55 member counties represent a 95% market share of the 58 counties in the state. While the public entity membership currently consists of 273 organizations, including cities, school districts, special districts, and other JPAs, the actual number of public entities accessing the coverage and services of the EIA is more than 1,900. In fact, coverage is being provided, either directly or through a member JPA, to 67% of the cities in California. While future growth within California is likely to continue at a slower pace, the need for high-quality, low-cost insurance programs remain strong by county-affiliated agencies and local governmental entities.

Development of a Captive Insurance Company

The idea of the EIA forming a captive insurance company was contemplated and investigated for several years, and at the strategic planning retreat in April of 2016, a plan was set in motion, which was approved by the Executive Committee in May, by the Board in June, and the captive began operations as the Excess Insurance Organization (EIO) on July 1, 2016. The EIO is a Utah domiciled captive insurance company wholly owned by the EIA. It took in \$81.8M in revenue including \$5M in initial capitalization in its first year of operations. Six programs elected to transfer their corridor layers of risk to the EIO, resulting in an aggregate premium savings of approximately \$7.5M for the EIA members. Through the EIO's investment program, we increased our total investment income by over \$2.8M. To compare, the EIA earned .22% on its investment portfolio, while the EIO earned 3.45%, resulting in a collectively earned total investment return of .63% on a blended basis.



Benefits of the EIO include:

- There is a short-term immediate benefit to each program that transfers risk into the captive.** The cost to fund each corridor is discounted by 5 - 8%, depending on the duration of the payout period of the program, which represents an upfront savings to the program members.
- There is a long-term benefit to the entire EIA membership across all programs.** This is derived from an enhanced investment program that will return millions of dollars in additional investment income to the EIA Treasury (all programs) over the long-term.
- A superior risk transfer mechanism is created in the captive by comingling the risks of different programs.** When the risks are comingled, the nature of the risk changes creating a diversified blended risk that is inherently more stable.

CSAC EIA's Members



Membership Involvement

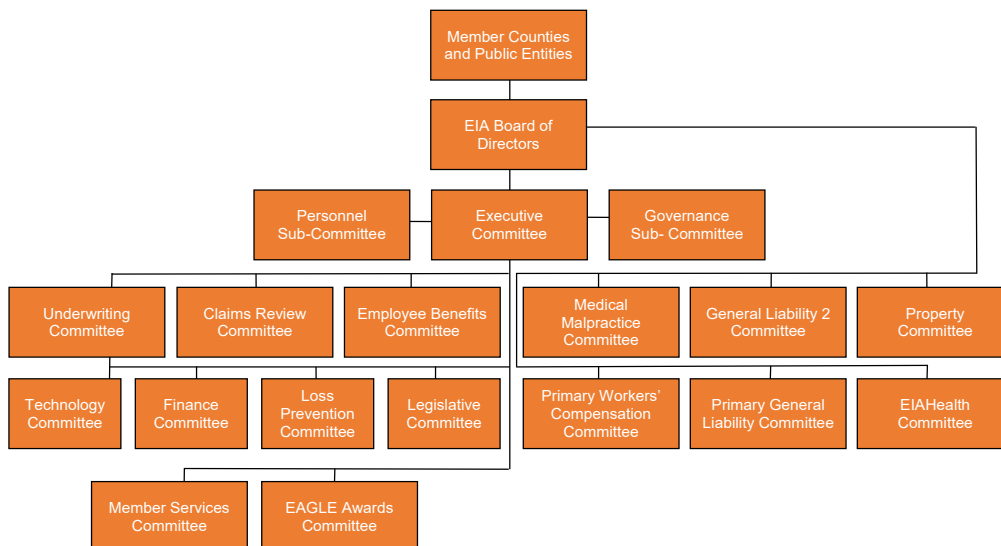
Our mission statement starts by prefacing that the EIA “is a member-directed risk sharing pool...”. Membership involvement has always been the hallmark of the EIA and the key to the success of the organization. The EIA members generously provide their time, expertise, and leadership by serving on the Board of Directors and through their involvement on one or more of the EIA’s 18 committees. As such, more than 120 individuals are currently participating in the governance of the organization. The EIA is fortunate to have such a substantial number of people driving the decisions that keep the organizations gears in motion.

Not only does the EIA have a high number of members contributing to the success of the organization, the expertise and knowledge that they bring is amongst the best in the business. We have participation by members of Boards of Supervisors, County Administrative Officers, Risk Managers, Auditors, and many other professionals offering their expertise. The EIA is truly appreciative of all the time and effort the members contribute to the organization. The organization would not be as great without them.

Because member involvement is a critical component of success, the EIA has made this subject one of its highest priorities. Strategies have been implemented such as succession planning and mentor programs to ensure that active participation – which leads to member loyalty – continues at a high level.

Below is an organizational chart depicting the governance structure of the EIA. The Board of Directors is comprised of 62 members; 1 representative from each member county and 7 members elected by the public entity membership. The Executive Committee consists of 11 members elected by the Board of Directors. Each year, the EIA solicits interest from the members to serve on the various committees. Appointments are then made by the Executive Committee from members’ participation in the specific coverage program, or based upon an individual’s background or expertise.

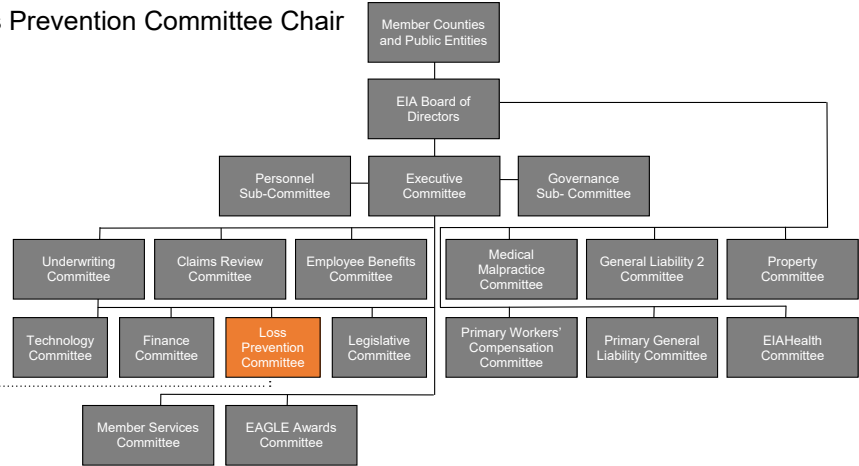
Several of the governing committees are depicted on the preceding pages of this report. In addition, the EIA also has a Loss Prevention Committee, Legislative Committee, Technology Committee, Member Services Committee, and EAGLE Awards Committee (pages 37 & 38). The Loss Prevention Committee is responsible for determining the loss prevention services and resources that are offered to EIA members, generally based on past loss trends, emerging trends, and demands of the membership. The Member Services Committee works in tandem with the Loss Prevention Committee to provide members the services they need that are aligned with general risk management services. The Legislative Committee follows state, and sometimes federal, legislation and regulations that could affect the EIA programs and the members. They primarily focus on legislation and regulations that affect public entities in the areas of workers’ compensation, tort liability, health benefits, and workplace safety. Finally, the Technology Committee oversees the EIA’s technology resources such as the website and claims management system. The Committee is also responsible for determining technology related services that are offered to the members. The EAGLE Awards Committee is the newest, working to showcase best practices of members so they can be shared amongst us to move us all forward.





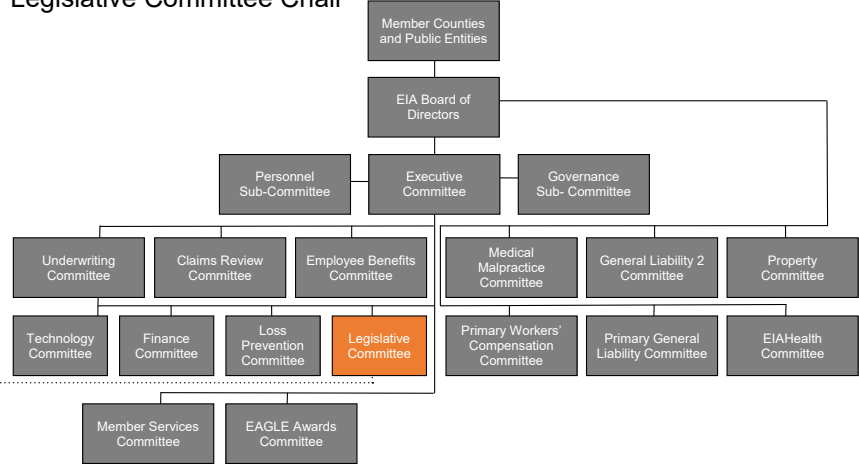
Eric Dahlen CSRM

Loss Prevention Committee Chair



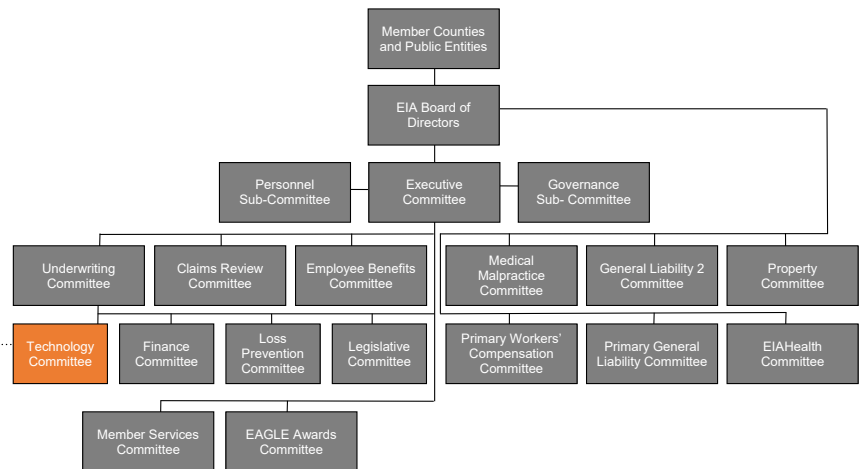
Andreas Pyper

Santa Barbara County
Legislative Committee Chair



Heather Correll

Mendocino County
Technology Committee Chair

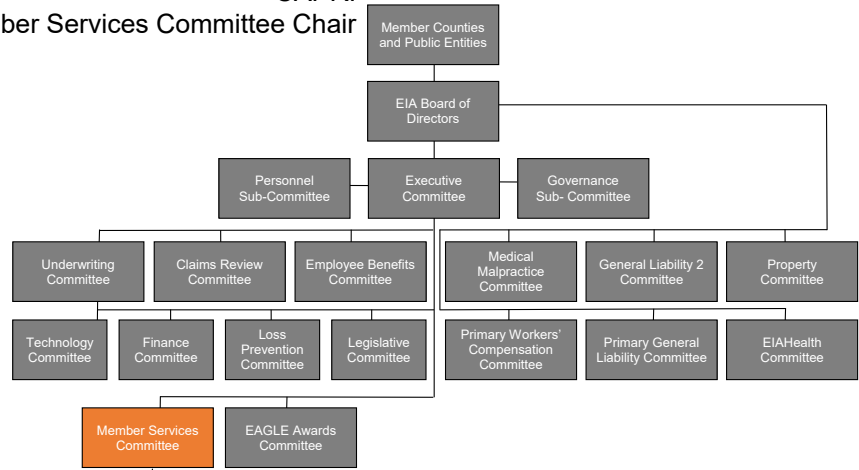




Pat Cabulagan

CAPRI

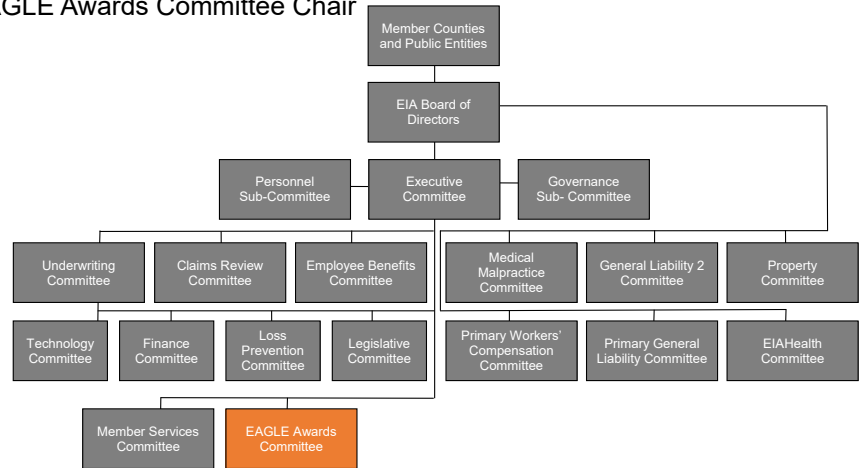
Member Services Committee Chair



James Brown

Merced County

EAGLE Awards Committee Chair



EIA Leadership

2017 Executive Committee

President

James Brown, Merced County

Vice President

Kerry John Whitney, Napa County

Members

Ann Richey, ACCEL/City of Ontario
John Viegas, Glenn County
Scott Schimke, Glenn County
Matt Gutierrez, Kern County
Richard Egan, Lassen County
Roberta Allen, Plumas County
Kimberly Greer, City of Richmond
Ken Hernandez, San Bernardino County
Lance Sposito, Santa Clara County

Presidents

Supervisor Barbara Crowley, Tehama Co. 1980-1982
Charles Mitchell, Santa Barbara Co. 1985-1986
James L. Gale, Kings County, 1987
John Crane, Calaveras County, 1988
Gail Braun, Sonoma County, 1988-1989
Ronald Whipp, Santa Cruz County, 1990
Norman Phelps, Shasta County, 1991
Charles Graham, Sutter County, 1992
John Larkin, Trinity County, 1993
Arthur Giumini, San Luis Obispo County, 1994
Don Blackhurst, Santa Clara County, 1995
Marcia Chadbourne, Solano County, 1996
J. Terry Roberts, Fresno County, 1983-84 & 1998
Robert Kessinger, Colusa County, 1999
Brent Harrington, Calaveras County, 2000
Kimberly Kerr, Humboldt County, 2001-2002
Richard Robinson, Tehama County, 1997 & 2003
Charles Nares, San Diego County, 2004
David L. Dolenar, Stanislaus County, 2005
Peggy Scroggins, Colusa County, 2006
Marcia Chadbourne, Sonoma County, 2007
Ron Harvey, Contra Costa County, 2008
Supervisor Peter W. Huebner, Sierra County, 2009
Lance Sposito, Santa Clara County, 2010
Barbara Lubben, Alameda County, 2013
Larry Moss, EBRPD, 2014
Jim Sessions, Riverside County, 2011 & 2015
Scott Schimke, GSRMA, 2012 & 2016
James Brown, Merced County, 2017 & 2018

2018 Executive Committee

President

James Brown, Merced County

Vice President

Kerry John Whitney, Napa County

Members

John Viegas, Glenn County
Scott Schimke, Golden State Risk Mgmt. Authority
Matt Gutierrez, Kern County
Richard Egan, Lassen County
Roberta Allen, Plumas County
Kimberly Greer, City of Richmond
Lance Sposito, Santa Clara County
Sherri Adams, Solano County
Janell Crane, Sonoma County

Chief Executive Officers

Gregory L. Trout, 1980-1985
Vincent W. Pisani, 1985-1992
Michael Fleming, 1992-Present

Director Emeritus

Supervisor Dick Mudd, 2000-Present

Legal Counsel

Stephen Underwood



Senior Management (left to right)

John Alltop, Chief Actuary
Gina Dean, Chief Operating Officer
Michael Pott, Chief Claims Officer
Michael Fleming, Chief Executive Officer
Rick Brush, Chief Member Services Officer
Puneet Behl, Chief Financial Officer
George Reynolds, Chief Information Officer

*The Board of Directors of the
Association of Governmental Risk Pools
is pleased to grant Recognition to*

CSAC - EIA

*Such Recognition is granted
only after a rigorous review of
documentation submitted to
show compliance with the*

AGRiP Advisory Standards
2016-2019



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Presented to

**CSAC Excess Insurance Authority
California**

For its Outstanding Financial
Reporting for the
Fiscal Year Ended

June 30, 2016

Jeffrey R. Green
Executive Director







CSAC Excess Insurance Authority
75 Iron Point Circle, Suite 200
Folsom, CA 95630
916.850.7300
www.csac-eia.org

FY 2017/2018 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 2017/2018 AORMA Long Range Action Plan

FY 2017/18 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1	Workers' Compensation Program Growth			
Workers' Compensation Program Growth	1 Obtain underwriting information to finalize coverage and/or funding options for Members	PA	Jan-18	In Process
	2 Present Member funding options to AORMA Committee for approval	PA, AORMA	Feb-18	In Process
	3 Present final quotes to Members	PA	Mar-18	
	4 Provide underwriting information to CSAC EIA for approval	PA	Apr-18	
	5 Bind coverage within the AORMA Workers' Compensation Program	PA	Jun-18	
LRP-2	Formation of Student Clubs Insurance Program			
Student Clubs Insurance Program	1 Identify two or three campuses with very reliable information regarding student clubs	PA	Oct-17	In Process
	2 Create underwriting specifications and program design	PA	Jan-18	In Process
	3 Submit underwriting specifications to various insurers	PA	Feb-18	In Process
	4 Approve the creation of a Student Club Insurance Program	PA, AORMA, EC, BOD	May-18	
	5 Receive coverage proposals	PA	May-18	
	6 Approval to bind coverage	PA, AORMA, EC	Jun-18	
	7 Disseminate information to all Campuses and Auxiliary Members			
	8 Upload information onto the CSURMA website			
LRP-3	Captive Insurer			
Evaluation of participation in the CSU captive vehicle	1 Oversee formation of captive	PA, SRM	Dec-17	In Process
	2 Determine which insurance products can be marketed by the auxiliary organizations	PA, SRM, EC, AORMA	Jul-18	
	3 Design marketing plan	PA, SRM, AORMA	Aug-18	
LRP-4	Recreation Center Good Practices			
Development of Recreation Center Good Practices	1 Survey Campus and Auxiliary members to see what is currently in place	PA	Nov-17	Completed
	2 Research standards and guidelines published by industry experts	PA	Nov-17	In Process
	3 Prepare draft Recreation Center Good Practices for the Programs Committee approval	PA, PC	Jun-18	
	4 Approval of final Recreation Center Good Practices	AORMA	Sep-18	
	5 Disseminate information to all Campus and Auxiliary Members	PA	Oct-18	
	6 Upload information onto the CSURMA website	PA	Oct-18	

FY 2017/18 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-5 AORMA Benefits Program					
Formation of AORMA Benefits Program	1	Authorize formation of AORMA Benefits Program	AORMA, EC	Sep-17	Completed
	2	Authorize formation of AORMA Benefits Program	BOD	Oct-17	In Process
	3	Secure underwriting information and prepare renewal specifications	PA	Jun-18	
	4	Submit underwriting information for a quote through the CSAC EIA benefits program	PA	Jun-18	
	5	Forward benefits pricing to the existing members as well as those members not participating in the AOA Benefits Program	PA	Nov-18	
LRP-6 CSURMA 20th Anniversary Report					
Preparation and Distribute the CSURMA 20th Anniversary Report	1	Compile all background information and prepare the draft 20th anniversary report	PA	Nov-17	Completed
	2	Seek approval of report from Systemwide Risk Management	PA, SRM	Dec-17	Completed
	3	Review with the Executive Committee	EC	Jan-18	Completed
	4	Distribute report to all Campus and Auxiliary staff as listed on the CSURMA rolodex as well as on the AOA distribution list	PA	Jan-18	Completed
	5	Upload report onto the CSURMA website	PA	Jan-18	Completed
	6	Distribute hard copies at the 2018 AOA Conference	PA	Jan-18	Completed
LRP-7 Dissemination of CSAC EIA Risk Management / Safety Services					
Disseminate CSAC EIA Risk Management / Safety Services	1	Choose three or four CSAC EIA Risk Management / Safety Services that may be relevant to the Members' operations	PA	Mar-18	
	2	Write up a summary of the services and distribute to all Members	PA	Apr-18	
	3	Continue to distribute information on a quarterly basis choosing different services each quarter	PA	May-18	
	4	Upload bulletin to the CSURMA website	PA	Continuous	

BOD: CSURMA Board of Directors
PC: AORMA Programs Committee
CABO: CSU Chief Administrators and Business Officers
CO: Chancellor's Office
AORMA: AORMA Committee

EC: CSURMA Executive Committee
OGC: CSU Office of General Counsel
PA: CSURMA Program Administrator
SRM: CSU Systemwide Risk Management

CSURMA AORMA 2018 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 – 2018 Meeting Calendar

2018 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
7	3:30 PM	EC (AOA Conference)	Sacramento	22	9:00 AM	PC	Teleconference	8	10:00 AM	AORMA	Long Beach
9	7:30 AM	PC (AOA Conference)	Sacramento					8	2:30 PM	EC	Long Beach
7 - 10		AOA Annual Conference	Sacramento					9	8:30 AM	EC LRP	Long Beach
15	10:30 AM	AIME									
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
23 - 24		Fitting the Pieces Conference	San Diego	7	10:30 AM	AIME	San Francisco	TBD		AOA EC	TBD
25	TBD	AORMA	San Diego		2:00 PM	BOD Orientation	Teleconference	21	1:00 PM	PC	Teleconference
25	8:30 AM	EC	San Diego								
25	10:30 AM	BOD	San Diego								
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
	11:00 AM	AORMA Officers Retreat	TBD	TBD		AOA EC	TBD	5	9:00 AM	AORMA New Member	TBD
								5	10:00 AM	AORMA LRP	TBD
								6	9:00 AM	AORMA	TBD
								6	4:00 PM	EC Orientation	TBD
								7	8:30 AM	EC	TBD
								27	1:00 PM	PC	Teleconference
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
15	10:30 AM	AIME	Fullerton	TBD		AOA EC	TBD	6	10:00 AM	AORMA	TBD
	2:00 PM	BOD Orientation	Teleconference	29	8:00 AM	PC	San Francisco	7	8:30 AM	EC	TBD
25	10:00 AM	AORMA	Long Beach								
26	8:30 AM	EC	Long Beach								
26	10:30 AM	BOD	Long Beach								

AORMA = Auxiliary Organizations Risk Management Alliance Committee
 AIME = Athletic Injury Medical Expense Committee
 AORMA LRP = AORMA Long Range Planning Meeting

PC = AORMA Programs Committee
 AOA = CSU Auxiliary Organizations Association
 BOD = CSURMA Board of Directors

EC = CSURMA Executive Committee
 EC LRP = EC Long Range Planning Meeting

CSURMA AORMA PROGRAM ADMINISTRATOR'S CONTACT LISTS

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

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

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

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
JPA Program Administrator – Alliant Insurance Services, Inc.				
Certificate of Insurance Requests	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
General CSURMA Coverage Questions	Robert Leong Van Rin Amy Lightner Daniel Howell	rleong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
General AORMA Coverage Questions	Mimi Long Van Rin Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
AIME	Stacey Weeks Robert Leong	sweeks@alliant.com rleong@alliant.com	415-403-1448 415-403-1441	415-874-4810 415-874-4810
Inland Marine	Van Rin Mimi Long	vrin@alliant.com mlong@alliant.com	415-403-1408 415-403-1423	415-874-4810 415-874-4810
Participant Accident Insurance (PAI)	Van Rin Tevea Him	vrin@alliant.com thim@alliant.com	415-403-1408 415-403-1416	415-874-4810 415-874-4810
Special Events Insurance	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Foreign Travel Program	Stacey Weeks Van Rin	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
General Risk Management Questions	Mimi Long Van Rin Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
Workers' Compensation Claims Consultant	Jacki Graf	jgraf@alliant.com	415-403-1438	415-874-4810
Alliant Claims Consulting	Robert Frey Diana Walizada Elaine (Kim) Tizon Sheila McClenaghan	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com sheila.mcclenaghan@alliant.com	415-403-1445 415-403-1453 415-403-1458 415-403-1492	415-403-1466 415-403-1466 415-403-1466 415-403-1466
Form 700	Tevea Him	thim@alliant.com	415-403-1416	415-402-0773
Website and Technology Questions	Yung Lam Tevea Him Myron Leavell	ylam@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1461 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
CSU Chancellor's Office				
CSU Chancellor's Office	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	Steve Relyea	srelyea@calstate.edu	562-951-4600	562-951-4971
CSU Chancellor's Office Office of General Counsel	William Hsu	whsu@calstate.edu	562-951-4500	562-951-4956
	Nada Moeiny	nmoeiny@calstate.edu	562-951-4500	562-951-4956
CSU Chancellor's Office Financial Services Division Systemwide Accounting & Reporting	Sedong John	sjohn@calstate.edu	562-951-4577	562-951-4865
	Alice Kim	akim@calstate.edu	562-951-4627	
	Cindi Le	cle@calstate.edu	562-951-4651	562-951-4865
	Jessica Liu	jliu@calstate.edu	562-951-4621	
Chancellor's Office Systemwide Professional Development	David Kervella	dkervella@calstate.edu	562-951-4403	
	Chris Fondacaro	cfondacaro@calstate.edu	562-951-4403	

Coverage	Contact	E-Mail Address	Office	Fax
Loss Control Consultants – Alliant Risk Control				
Alliant Risk Control Consulting	John Owen <i>Northern California</i>	jowen@alliant.com	916-643-2736	
	Archie Lazar <i>Southern California</i>	archie.lazar@alliant.com	949-660-5980	
	Kristina Loiselle <i>Southern California</i>	kloiselle@alliant.com	949-260-5042	
	Tim Leech <i>Central California</i>	tleech@alliant.com	949-260-5008	

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
Unemployment Insurance Claims Administrator – Employers Edge				
Client Services	Angie Hansen	ahansen@employersedge.com	720-891-4900 x116	720-420-7356
Unemployment Claims Operations, Claim Specialist	Nicole Murphy	nmurphy@employersedge.com	720-891-4900 x139	720-420-7390
Tax Analyst	John Mansfield	jmansfield@employersedge.com	720-891-4900 x128	720-420-7430
Appellate Level	Jen Venable Jamie Clark	jvenable@employersedge.com jclark@employersedge.com	720-891-4900 x114 720-891-4900 x122	720-420-7354 720-420-7396
Account Management	Steve Bell	sbell@employersedge.com	720-891-4900 x101	720-420-7431

Coverage	Contact	E-Mail Address	Office	Fax
Human Resources Consulting – Employers Group				
Helpline	Mark Nelson	mnelson@employersgroup.com	213-765-3952 or 800-748-8484	
Client Service	Bill Stephens	bstephens@employersgroup.com	805-807-9922	213-226-0216
Reference Library	Robert Campbell	rcampbell@employersgroup.com	800-748-8484 Ext. 3430	
Unemployment Questions	Mark Nelson	mnelson@employersgroup.com	213-765-3952	
Affirmative Action Plans	Suzanne Oliva	soliva@employersgroup.com	213-765-3918	
Leave Management	Helpline	helpline@employersgroup.com	800-748-8484	
Research and Surveys	Juan Garcia	jpgarcia@employersgroup.com	213-765-3969	
Employee Opinion Survey	Megan Vallone	mvallone@employersgroup.com	213-765-3920	
Training Services	Somaly Heng	sheng@employersgroup.com	213-765-3962	
Employer Advocacy	Ken Tiratira	ktiratira@employersgroup.com	213-765-3915	



LIABILITY – CLAIMS REPORTING CONTACT

In the event of a loss, please contact:

Yumi Augustus
Litigation Manager
Carl Warren & Company
PO Box 2411
Tustin, CA 92781
csurma@carlwarren.com

or

yaugustus@carlwarren.com
Tel: 818-265-6765



POLLUTION – CLAIMS REPORTING CONTACT

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

Report the incident immediately to:

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

AND:

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

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

OR

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

OR

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

After hours claims reporting number

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



CYBER LIABILITY – CLAIMS REPORTING CONTACT

Report the incident immediately to:

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

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

AND COPY TO:

Elaine (Kim) Tizon, Claims Advocate	OR	Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.		Alliant Insurance Services, Inc.
E-mail: elaine.tizon@alliant.com		E-mail: dwalizada@alliant.com
Tel: 415-403-1458		Tel: 415-403-1453
Fax: 415-403-1466		Fax: 415-403-1466
Cell: 415-609-2133		Cell: 415-693-8714

After hours claims reporting number

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



SPECIAL LIABILITY INSURANCE PROGRAM (SLIP) CLAIMS REPORTING CONTACT

Report the incident immediately to:

Elaine (Kim) Tizon, Claims Advocate OR

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

Diana Walizada, Claims Unit Manager

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

OR:

After hours claims reporting number:

Robert Frey, First Vice President

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



AUTO PHYSICAL DAMAGE (APD) CLAIMS REPORTING CONTACT

Report the incident immediately to:

Elaine (Kim) Tizon, Claims Advocate **OR**

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

Diana Walizada, Claims Unit Manager

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

OR:

After hours claims reporting number:

Robert Frey, First Vice President

Alliant Insurance Services, Inc.

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



PROPERTY / BOILER & MACHINERY CLAIMS REPORTING CONTRACT

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

OR

Diana Walizada, Claims Unit Manager

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

OR

Robert Frey, First Vice President

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490

OR

Elaine (Kim) Tizon, Claims Advocate

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

AND COPY TO:

Sandra Doig

McLaren's
180 Montgomery Street, Suite 2100
San Francisco, CA 94104
Sandra.Doig@mclarens.com
Tel: 415-392-6034
Fax: 949-757-1692

After hours claims reporting number:

Robert Frey, First Vice President

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



WORKERS' COMPENSATION – CLAIMS REPORTING CONTACT

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

Brian Montagnese - Supervisor
Sedgwick CMS
P.O. Box 14629
Lexington, KY 40512-4629

E-mail: brian.montagnese@sedgwickcms.com
Tel: 916-636-4441
Fax: 916-851-8079

YOUR CLAIM WILL BE ASSIGNED TO EITHER:

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

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

OR

Biba Olson
Claims Assistant and Medical Only Examiner
Sedgwick CMS

E-mail: biba.olson@sedgwickcms.com
Tel: 916-636-4439

Susan Neville
Adjuster, Northridge Auxiliary Only
Sedgwick CMS

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



PARTICIPANT ACCIDENT INSURANCE (PAI)

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

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

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



UNEMPLOYMENT INSURANCE PROGRAM (UIP)

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

Reina Gonzales, Claim Specialist

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

Email: rgonzales@employersedge.com

Tel: (720) 891-4900 x139

Steve Bell, Account Management

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

Email: s.bell@employersedge.com

Tel: (720) 891-4900 x101

AORMA COMMITTEE MEMBERS

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

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

FISCAL IMPACT: None.

BACKGROUND: Contact lists are provided at every meeting.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Committee Roster - Effective at July 1, 2017

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2017

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	First Vice Chair	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
AORMA	Second Vice Chair	Starr Lee	Director of Administration & Legal /Associate Executive Director	Monterey Bay	The University Corporation at Monterey Bay	stlee@csumb.edu	831-582-3000
AORMA	Seat 1	Bella Newberg	Associate Vice President, Business Dev	San Marcos	California State University San Marcos Corporation	newberg@csusm.edu	760-750-4700
AORMA	Seat 2	Chuck Kissel	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	ckissel@fullerton.edu	657-278-4990
AORMA	Seat 3	Open					
AORMA	Seat 4	Open					
AORMA	Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
AORMA	Seat 6	Open					
AORMA	Seat 7	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744

On March 1, 2017, Dwayne Brummett was appointed to complete Guy Dalpe's term. Dwayne's first complete term will be 7/1/17 to 6/30/19.

On July 1, 2015, Dave Nakamura was appointed to complete Mark Day's term. Dave's first complete term will be 7/01/16 to 6/30/18.

On October 1, 2015, Dave Nirenberg was appointed to complete Melinda Coil's term. Dave's first term will be 7/01/17 to 6/30/19.

On December 20, 2016, Bella Newberg was appointed to complete Cheree's Aguilar's term. Bella's first term will be 7/01/17 to 6/30/19.

On March 1, 2017, Starr Lee was appointed to complete Leslie Davis' term. Starr's first term will be 7/1/18 to 6/30/20.

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	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744
PC	At Large	Gigi Kiama	Human Resources Director	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
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	Open					
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).

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

AORMA’S TRAVEL REIMBURSEMENT POLICY

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

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

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

PUBLICATION: None.

ATTACHMENT(S):

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



CSURMA AORMA

POLICY AND PROCEDURE NO. A-7

SUBJECT: CSURMA AORMA TRAVEL REIMBURSEMENT
POLICY

ADOPTED: MARCH 21, 2013

AMENDED: MARCH 19, 2015

MARCH 9, 2017

EFFECTIVE: MARCH 21, 2013

PURPOSE:

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

POLICY:

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

PROCEDURE:

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



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

DEFINITIONS:

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

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

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