

5. DeBellis v. Sacramento Associated Students
6. Littles v. Chico Research Foundation
7. Richardson adv. CSU (LA) & UAS Food Services

E. GENERAL ADMINISTRATION

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|-----------|---|----------|---------------|
| 1. | Excess Insurance Renewals and Underwriter Meetings Report
<i>The Committee will receive a verbal report on the Underwriters Meetings report and take action as appropriate.</i> | A | <i>p. 38</i> |
| 2. | FY 2019/2020 CSURMA Operating Budget
<i>The Committee will review and recommend approval to the Executive Committee of the FY 19/20 CSURMA Budget.</i> | A | <i>p. 41</i> |
| 3. | Liability Claims Administration Audit
<i>The Committee will be asked to approve a proposal by Bickmore to perform the Liability Claims Administration Audit.</i> | A | <i>p. 55</i> |
| 4. | Development of Recreation Center Good Practices
<i>The Committee will hear an update on the status of this project and will be asked to provide direction to Staff.</i> | A | <i>p. 83</i> |
| 5. | Alliant Risk Control Consulting Renewal Contract Proposal for FY 2019/2022
<i>The Committee will be asked to review the ARCC renewal proposal and take action as appropriate.</i> | A | <i>p. 90</i> |
| 6. | Maximum Allowable Hourly Rate for Legal Counsel
<i>The Committee will be asked to discuss and approve the AORMA Liability Program's maximum allowable hourly rate for legal counsel.</i> | A | <i>p. 102</i> |
| 7. | Humboldt State University Real Estate Holdings – Request for Coverage Extension
<i>The Committee will be asked to extend liability coverage to HSU Real Estate Holdings per Policy and Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations</i> | A | <i>p. 109</i> |
| 8. | The Cal Poly Pomona Philanthropic Foundation – New Member
<i>The Committee will be asked to approve The Cal Poly Pomona Philanthropic Foundation as a new CSURMA AORMA member.</i> | A | <i>p. 130</i> |
| 9. | Workers' Compensation Coverage for Volunteers
<i>The Committee will hear an update regarding workers' compensation for volunteers for those members who do not currently purchase workers' compensation coverage.</i> | A | <i>p. 132</i> |

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| 10. | Liability Program Member Allocation for FY 19/20
<i>The Committee will be asked to approve the revised FY 19/20 AORMA Liability Program Member Allocation.</i> | A | <i>p. 138</i> |
| 11. | Equifax Proposal for I-9 Management Services
<i>The Committee will be asked to review the I-9 Management Services proposal received by Equifax and provide direction to Staff as appropriate.</i> | A | <i>p. 147</i> |
| 12. | Development of Scooters Accidental Medical Expense Program
<i>The Committee will hear a report regarding “no-fault” accidental medical expense program for students riding scooters on campus.</i> | I | <i>p. 163</i> |
| 13. | CSAC-EIA Workers’ Compensation Renewal Options
<i>The Committee will be asked to review and if appropriate recommend to the Executive Committee its commitment to participate in the CSAC-EIA primary workers’ compensation program for FY 19/20 and FY 20/21.</i> | A | <i>p. 164</i> |
- F. INFORMATION ITEMS**
- | | | |
|-----------|--|---------------|
| 1. | FY 2018/2019 AORMA Long Range Action Plan | <i>p. 165</i> |
| 2. | CSURMA AORMA 2019 Meeting Calendar | <i>p. 170</i> |
| 3. | CSURMA AORMA Program Administrator Contact Lists | <i>p. 172</i> |
| 4. | CSURMA AORMA Committee Contact List | <i>p. 185</i> |
| 5. | AORMA Travel Reimbursement Policy | <i>p. 187</i> |

G. ADJOURNMENT

The next AORMA Committee meeting is scheduled for May 2, 2019 at 10:00 AM in Long Beach, CA. 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 6, 2018

ISSUE: The Committee will be asked to review and approve the draft minutes from its December 6, 2018 meeting.

RECOMMENDATION: It is recommended that the Committee approve the minutes from its December 6, 2018 meeting, including corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA Committee Meeting Minutes – December 6, 2018

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING
DECEMBER 6, 2018
ALLIANT INSURANCE SERVICES, INC.
100 PINE STREET, 11TH FLOOR, SAN FRANCISCO, CA
11:00 AM**

MEMBERS PRESENT

Dwayne Brummett, Associated Students, Inc. at San Luis Obispo
Chuck Kissel, CSU Fullerton Auxiliary Services Corporation
Leslie Levinson, San Diego State Research Foundation *(via Teleconference)*
Dave Nakamura, Humboldt State University Center *(via Teleconference)*
Bella Newberg, California State University San Marcos Corporation *(via Teleconference)*
Bill Olmsted, University Union Operation of CSU Sacramento
Cecilia Ortiz, Loker Student Union, CSU Dominguez Hills
Russ Wittmeier, The CSU, Chico Research Foundation *(via Teleconference)*

MEMBERS ABSENT

Trina Knight, University Enterprises, Inc., CSU Sacramento *(via Teleconference; non-voting)*
Starr Lee, The University Corporation at Monterey Bay *(via Teleconference until 12:30 pm; non-voting)*

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 *(via Teleconference)*
Tevea Him, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc. *(via Teleconference)*
William Hsu, General Counsel *(via Teleconference)*
Mimi Long, Alliant Insurance Services, Inc.
Amy Lightner, Alliant Insurance Services, Inc.
Nada Moeny, General Counsel *(via Teleconference)*

A. CALL TO ORDER

The meeting was called to order by the Chair, Dwayne Brummett at 11:02 AM.

A1. Approval of the Agenda

Bella Newberg, Dave Nakamura, Russ Wittmeier, and Leslie Levinson agreed to abstain from all votes.

A motion was made to approve the agenda.

Motion: Bill Olmsted
Second: Cecilia Ortiz

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

B. PUBLIC COMMENTS

There were no comments from members of the public.

C. CONSENT CALENDAR

C1. Approval of Meeting Minutes – September 5-6, 2018

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

Motion: Cecilia Ortiz
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		

Starr Lee				X
Trina Knight				X

MOTION CARRIED

D. CLOSED SESSION

1. Judi Soderstrom v. San Luis Obispo, Cal Poly Corporation
2. Cadrena Heard v. CSU Long Beach AS
3. Mary O’Shea v. San Diego SURF
4. Willard Wattenburg v. CSU Chico RF
5. Monique Bennett v. San Diego AS
6. Apodaca v. ASI (San Marcos), et al.

A motion was made to enter closed session at 11:04 A.M.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

The Committee came out of closed session at 11:30 AM. The Chair reported that action was taken on Soderstrom v. Cal Poly Corporation during closed session.

E. GENERAL ADMINISTRATION

E1. FY 18/19 CSURMA AORMA Long Range Action Plan

The Committee heard an overview of the activity on the items within the FY 18/19 Long Range Action Plan:

1. Workers’ Compensation Program Growth *(continued from FY 17/18)*

2. Creation of a Fully Insured Primary Liability Program
3. Evaluation of Participation in the CSU Captive Insurance Vehicle *(continued from FY 17/18)*
4. Development of Recreation Center Good Practices *(continued from FY 17/18)*
5. Formation of the AORMA Benefits Program *(continued from FY 17/18)*
6. Theatre Inspection Common Findings Report
7. Verify and/or Place Coverage for CSU Alumni Associations
8. Formation of a Medical Expense Coverage Program to Cover Human Subjects Participating in Sponsored Programs
9. Review and Adopt Updated Target Surplus Analysis Ratios
10. Address the Issue of Workers' Compensation Coverage for the Members' Volunteers
11. Explore the Option of Expanding the AORMA Liability Program to Include Non-CSU Higher Education Entities

E2. Workers' Compensation Supplemental Actuarial Report (Experience Modification Factors) and the AORMA Class Code Rates

CSURMA's retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2018, and (2) Projected Ultimate Limited Losses for FY 19/20. These reports were approved by the AORMA Committee in September, 2018. The actuary also calculates each member's experience modification factor (EMF). The Committee was asked to accept the supplemental EMF report to be used in the FY 19/20 Workers' Compensation Program Member Allocation.

The EMF's are used in the FY 19/20 Workers' Compensation Member Allocation. Each member's EMF has the potential of increasing 20%; however, there is no limit on the percentage decrease.

The Workers' Compensation Program Member Allocation formula incorporates an EMF for each Member which is a claims experience rating system intended to provide Members with a direct financial incentive to reduce work-related accidents. The EMF rating system objectively distributes the workers' compensation program costs more equitably between the Members. An EMF less than 100% reflects better than average experience.

Each member will receive its EMF calculation once the Committee accepts this supplemental report. The EMF's will also be included in the budgeting letter which will be sent to all members in January, 2019.

A motion was made to accept the Workers' Compensation 19/20 EMF supplemental report dated November 21, 2018 to be used in the FY 19/20 Workers' Compensation Program Member Allocation.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E3. Workers’ Compensation Program Member Allocation for FY 19/20

The AORMA Committee was asked to approve the FY 19/20 workers’ compensation rates as well as the allocation of the total program costs to the workers’ compensation program members. Costs are allocated to the members based on their estimated payroll for FY 19/20 and their experience modification factor (EMF) as determined by the CSURMA actuary. The total funding required for the FY 19/20 program is \$5,026,242. As compared to the premium collected for FY 18/19 of \$4,731,203, the total premium costs have increased by \$295,039 or 6%. This increase is due primarily to the increase in payroll of 5% and a slight increase to the pooled layer rate of 1%.

In order to establish rate stability, the AORMA workers’ compensation program rates are determined by starting with the corresponding WCIRB rate approved for use as the AORMA class code rate and then applying a normalization factor to develop the total amount of funding required.

The goal of rate setting is to keep the rate changes to within a 10% increase or decrease; however, this year because of the continued decrease to the WCIRB rates as well as the prior year’s normalization factors of between +4% to -9% (to keep rates within a 10% change), Staff is unable to keep the rate change to a maximum of 10%. Rather than having the AORMA rates float further away from the WCIRB rates, Staff is proposing the same normalization factor for all rates. This results in substantial rate increases to Class Code 1004 and 1007. Staff reviewed several other rate options; however, each option moved AORMA’s rate further away from the base WCIRB rate. The final approved premiums, rates and experience modification factors for FY 19/20 will be sent out to the program members at the end of January, 2019. The Committee reviewed the proposed AORMA workers’ compensation program rates as shown below.

AORMA Class Code	1001	1002	1004	1005	1006	1007
FY 19/20 Rates	.26	.67	1.44	1.88	2.94	5.13

A motion was made to the approved the FY 19/20 rates shown above, as well as the FY 19/20 Workers' Compensation Program Member Allocation as presented allowing Staff to revise the allocation with updated member payroll information as appropriate.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E4. Liability Program Supplemental Actuarial Reports

CSURMA's retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2018, and (2) Projected Ultimate Limited Losses for FY 19/20. These reports were approved by the AORMA Committee in September, 2018. The actuary also provides two supplemental reports for the liability program – (1) Experience Modification Factor (EMF) and (2) Program Rates for EPL, Auto Liability, Premises Liability and All Other.

The EMF's and the four exposure rates are used in the Liability Program Member Allocation and will have a direct fiscal impact on the Members' allocation of the total FY 19/20 liability premium.

TABLE 1 and 2 below show the actuary's historical recommended rates for the four exposure categories as well as the percentage change year over year.

Exposure	FY 16/17	FY 17/18	FY 17/18	FY 18/19	FY 19/20
Auto Liability	151	143	143	161	172
Premises Liability	40	38	38	35	41
Other Liability	134	168	168	124	169
EPL	2,219	2,052	2,052	1,800	2,043

TABLE 2

Actuary's Recommended Rates - Comparison (Present Value)

Exposure	FY 16/17	FY 17/18	% Diff	FY 17/18	FY 18/19	% Diff	FY 18/19	FY 19/20	% Diff
Auto Liability	151	143	-5%	143	161	12%	161	172	7%
Premises Liability	40	38	-4%	38	35	-8%	35	41	16%
Other Liability	134	168	26%	168	124	-27%	124	169	37%
EPL	2,219	2,052	-8%	2,052	1,800	-12%	1,800	2,043	13%

In order to calculate the EMF's, the actuary uses five years of exposure data and loss data. To stabilize the EMF's, all losses are capped at \$100,000. The actuary first calculates each member's portion of the total losses compared to its portion of the total risk exposures. The actuary then adds a credibility weight based on each member's size. This assumes that the historical loss information of larger members is more predictive of future claim experience compared to that of small members. The two largest members were assigned a weight of 75%, and the remaining members were given proportionally lower weights.

To provide greater stability, the minimum and maximum EMF's are limited to between .50 and 2.00. The factors within the supplemental reports will be included in the Liability Program Member Allocation, but will not be distributed to each member separately.

A motion was made to accept the Liability Program 19/20 Rates and Experience Modification Factors report dated November 19, 2018.

Motion: Cecilia Ortiz
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E5. Liability Program Member Allocation for FY 19/20

The AORMA Committee was asked to review and approve the Liability Program Member Allocation and the allocation factors for FY 19/20. The total Liability Program costs have been

allocated to the members based on the approved allocation formula documented in Policy and Procedure L-8.

The Committee reviewed the allocation factors:

1. **Four basic rates.** TABLE 1 includes the proposed rates for Auto, Premises, Other and Employment Practices Liability (EPL). The rate changes have been limited to +/- 10% to provide rate stability.

Exposure Category	19/20 Actuary's Recommended Rates	AORMA 19/20 Collared Rates	Diff	AORMA 18/19 Collared Rates	AORMA 19/20 Collared Rates	Diff
Auto Liability	172	172	0%	165	172	4%
Premises Liability	41	40	-2%	37	40	8%
Other Liability	169	320	89%	356	320	-10%
EPL	2,043	1,560	-24%	1,418	1,560	10%

Table 2 below shows the actuary's recommended rates for the four exposure categories for FY 16/17, 17/18, 18/19 and 19/20. This table allows the Committee to see how the rates are trending based on AORMA's historical loss information.

Exposure	FY 16/17	FY 17/18	% Diff	FY 17/18	FY 18/19	% Diff	FY 18/19	FY 19/20	% Diff
Auto Liability	151	143	-5%	143	161	12%	161	172	7%
Premises Liability	40	38	-4%	38	35	-8%	35	41	16%
Other Liability	134	168	26%	168	124	-27%	124	169	37%
EPL	2,219	2,052	-8%	2,052	1,800	-12%	1,800	2,043	13%

2. **Maximum premium for calculating the size credit.** \$60,000. This factor remains unchanged from FY 18/19.
3. **Maximum size credit rate percentage.** 25%. This factor remains unchanged from FY 18/19.
4. **Maximum collared premium percentage increase.** The maximum increase was increased from 30% to 33%.
5. **Maximum collared rate percentage decrease.** The maximum decrease was changed from an 11% decrease to a plus 6% increase.
6. **Capped excess premium.** The maximum excess premium was increased from \$89,250 to \$93,713 (a 5% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
7. **Minimum administrative costs.** This was increased from \$660 to \$726 (a 10% increase), in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
8. **Maximum administrative costs.** This remains at \$60,000.

- 9. **Minimum premium.** The minimum premium was increased from \$2,474 to \$2,845 (a 15% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in January, 2018.

The total funding required for the FY 19/20 program is \$4,635,117. As compared to the premium collected for FY 18/19 of \$4,205,220, the total premium costs have increased by \$431,975 or 10%. This increase is due to anticipated growth of the AORMA members as well as the overall hardening of the excess/reinsurance commercial market.

A motion was made to approve the FY 19/20 Liability Program Member Allocation and the allocation factors allowing Staff to revise the allocation with updated exposure information as appropriate.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E6. Property Program Member Allocation for FY 19/20

The AORMA Committee was asked to review and approve the final member allocation and the allocation factors included within the FY 19/20 Property Program Member Allocation. The total Property Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure P-1.

The Committee discussed review the allocation factors:

- 1. **Basic rates:** .1424 for real property and business interruption/rents and .1709 for business personal property. TABLE 1 below notes the program’s historical rates.

Property Program Historical Rates						
Coverage	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	% Diff
Real Property, Business Interruption and Rents	0.1424	0.1402	0.1340	0.1376	0.1424	3.5%
Business Personal Property	0.1709	0.1682	0.1608	0.1651	0.1709	3.5%

2. **Maximum premium for calculating the size credit:** \$600,000. This factor remains unchanged from the FY 18/19 allocation.
3. **Maximum size credit rate percentage:** 30%. This factor remains unchanged from the FY 18/19 allocation.
4. **Minimum premium:** \$600. This factor remains unchanged from the FY 18/19 allocation.
5. **Loss ratio surcharge schedule:** No change. See TABLE 2 below which shows the historical loss ratio surcharges. The surcharges were increased effective July 1, 2018 in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.

Loss Ratio Surcharge	FY 17/18	FY 18/19	FY 19/20
Less than 40%	None	None	None
Between 40% and 60%	None	5%	5%
Between 60% and 100%	10%	10%	10%
Between 100% and 150%	20%	20%	20%
Between 150% and 300%	20%	30%	30%
Excess of 300%	20%	40%	40%

The FY 19/20 Property Program Member Allocation results in a total premium of \$2,526,617. This is a 10% (or \$238,876) increase compared to FY 18/19. As shown on Table 1 above, the basic property rate increased by 3.2%, and the total insurable property values increased by 9%. The total property program premium also includes the premium for the limited earthquake, pollution, and cyber coverage. The Property rates and premiums will be sent out to the members in January, 2019.

A motion was made to approve the FY 19/20 Property Program Allocation Factors as noted above and the member allocation as presented allowing Staff to revise the allocation with updated property value information when received from the members.

Motion: Cecilia Ortiz
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			

Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E7. Crime Program Member Allocation for FY 19/20

The AORMA Committee was asked to review and approve the final member allocation and the allocation factors included within the FY 19/20 Crime Program Member Allocation. The total Crime Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure C-1.

Long review the allocation factors:

- Basic rate:** .000411. This rate for FY 18/19 was .000414.
- Maximum premium for calculating the size credit:** \$6,000. This factor remains unchanged from the FY 18/19 allocation. Eleven members receive the entire 30% size credit.
- Maximum size credit rate percentage:** 30%. This factor remains unchanged from the FY 18/19 allocation.
- Minimum premium:** No change is recommended for the FY 19/20 allocation.
- Loss ratio surcharge schedule:** See the Loss Rating Surcharge Schedule (Table 2) below. The loss rating schedule is unchanged from the FY 18/19 allocation. The schedule was updated for the FY 18/19 allocation and is reviewed annually.

Loss Rating Surcharge Schedule	
Surcharge Ratio	FY 19/20
Less than 50%	0%
Over 50%	0%
Over 100%	20%
Over 200%	40%
Over 300%	50%

The FY 19/20 total cost for the Crime Program is \$229,984 which represents a 1% (or \$1,891) reduction compared to the FY 18/19 program costs. The crime costs will be sent out to the members in January, 2019.

A motion was made to approve the FY 19/20 Crime Program Allocation Factors and the member allocation as presented allowing Staff to revise the allocation with updated expenditure and/or payroll information as appropriate.

Motion: Bill Olmsted
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E8. Unemployment Insurance Program Member Allocation for FY 19/20

The AORMA Committee was asked to review and approve the FY 19/20 AORMA Unemployment Insurance Program (UIP) member allocation. The formula currently uses two factors – paid claims and administrative costs – in order to calculate each member’s deposit premium. Each member must maintain a minimum fund balance of two times its average annual losses. If the member’s fund balance is below the minimum, annually, the member will be assessed an amount not to exceed 20% of the additional funding required to achieve the minimum fund balance. The FY 19/20 UIP member allocation has been calculated in accordance with Policy and Procedure UI-1 and is being presented for the AORMA Committee’s approval.

In accordance with the draft changes to Policy and Procedure UI-1, Staff has applied the member’s excess funds (if any) to reduce the FY 19/20 UIP deposit. For those members with excess funds remaining, Staff will provide the option to;

1. Transfer the funds to another program (the workers’ compensation program only for those members with federal sponsored programs),
2. Keep the funds on account; or,
3. Receive a refund (only for those members without federal sponsored programs).

The UIP member allocation results in a total deposit for FY 19/20 of \$788,791. The FY 19/20 UIP costs will be sent out to the members in January, 2019.

A motion was made to approve the FY 19/20 UIP member allocation as presented.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E9. Liability and Workers’ Compensation Dividends

At its September, 2018 meeting, the AORMA Committee approved the following dividends to be distributed in July, 2019:

- a. Liability - \$942,030
- b. Workers’ Compensation - \$393,680

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

The Committee reviewed the liability and workers’ compensation dividend allocation calculation. Dividends are allocated to those members currently participating in the liability and workers’ compensation program (and who will be participating on July 1, 2019) based on each member’s total percentage of contributions during the following fiscal years: 13/14, 14/15, 15/16, 16/17 and 18/19. Members will be notified of the approved dividend amount at the end of January, 2019.

A motion was made to approve the liability and workers’ compensation dividends to be paid in July, 2019. The total dividend payable in July, 2019 is \$1,335,710.

Motion: Cecilia Ortiz
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			

Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

Starr Lee left the teleconference at 12:30 pm.

E10. Workers’ Compensation Coverage for Volunteers

During the meeting in September, 2018, the AORMA Committee directed Staff to add an item to the FY 18/19 Long Range Action Plan addressing workers’ compensation coverage for the Members’ volunteers. For those Members within the Workers’ Compensation Program, Staff provided confirmation of their previous decisions to cover, or not to cover, volunteers as employees for workers’ compensation insurance. Along with that confirmation, Staff also provided background information for why some Members choose to not cover their volunteers. Members were provided with the information necessary to change their decision in the future.

Thirty-four (34) Members do not have employees and therefore do not purchase workers’ compensation insurance. As such, they would not be able to offer workers’ compensation insurance to their volunteers. Staff proposed three separate ways to address this issue:

1. The Member could have all volunteers sign a volunteer form which clearly states that they are not covered for workers’ compensation. All injuries resulting from the volunteers’ activities would have to be addressed via the AORMA liability program and the volunteers would have to demonstrate that the Members were legal liable in order to trigger coverage.
2. The Member purchases a separate Participant Accident Insurance (PAI) policy for the different activities they have throughout the year involving volunteers. The PAI offers a low limit of “no-fault” accidental medical injury coverage.
3. We add those members with no employees to the AORMA Workers’ Compensation program and charge a nominal premium in order to cover their volunteers, outside board members, and contractors who may fall within the definition of “employee”. This option would require those Members to;
 - a. Complete the State of California - Application for a Public Entity Certificate of Consent to Self Insure,

- b. Pass a Board Resolution to join the AORMA Workers’ Compensation Program,
- c. Sign the AORMA Workers’ Compensation Program participation agreement; and,
- d. Pass a Board Resolution to cover volunteers as employees.

Committee Members directed Staff to survey members regarding number of volunteers and determine an appropriate rate.

E11. CSURMA AORMA Benefits Program Participation Agreement

In September, the AORMA Committee approved the CSURMA AORMA Benefits Program Participation Agreement in September. Staff was recommended the following changes:

- 1. The requirement that the Member’s board approve the participation agreement has been removed. CSURMA requires board approval when the program includes risk sharing and the potential for an assessment.
- 2. The Responsibility for Program Premiums section was revised to change responsibility from the CSURMA Board of Directors to the AORMA Committee. Because this is simply a group purchase program, CSURMA Board oversight is not necessary or required.
- 3. The last section of the Participation Agreement was revised to remove the requirement that the CSURMA Board approve all changes to the Participation Agreement.

A motion was made to approve the revised participation agreement.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E12. Policy and Procedure UI-1 – Formula for Determining Unemployment Insurance Program Annual Deposit

At its September 2018 meeting, the AORMA Committee directed Staff to make changes to Policy and Procedure UI-1 with regard to the Members’ use of excess UI funds. The following changes are included in the draft Policy and Procedure UI-1:

1. If a Member has excess funds in the UI Program, they will automatically be used to lower the contributions for the upcoming fiscal year.
2. Any excess funds remaining (after lowering the contributions for the upcoming fiscal year) can be used as follows: (Three different choices):
 - a. A one-time transfer into another AORMA Program, with the caveat that Members with federal sponsored programs can transfer the funds into the workers’ compensation program only; or,
 - b. Receive a refund. Members with federal sponsored programs must calculate the percentage to be returned to the feds; or,
 - c. Keep the excess funds on account.

The Members will receive notification in December/January which explains the changes and provides options for them to consider based on the information within the UI Program Member Fund Balance Report at June 30, 2018. The revised Policy and Procedure will also be uploaded to the CSURMA website.

A motion was made to approve the revisions to Policy and Procedure UI-1.

Motion: Cecilia Ortiz
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E13 Good Practices for Electric Scooters on Campus

The Committee was asked to discuss electric scooters on campus and the safety of employees, students and third parties as requested by Starr Lee at Monterey Bay, University Corporation.

Zachary Gifford from Systemwide Risk Management provided the following comments for consideration:

“It appears clear the core focus on existing campus policy is that of pedestrian safety. The authority to develop policy appears seated with California Vehicle Code Section 21113 and Education Code Sections 89030 and 89031, and California Code of Regulations, Title 5, Section 42353.1.

Many campuses prohibit all non-motorized transportation:

- Inside buildings
- On lawn or landscaped areas
- In pedestrian-only quad areas
- Through breezeways, under eaves or paths intended exclusively for pedestrians
- Exceeding 5 miles per hour in primarily pedestrian areas

Some campuses prohibit “skateboards” altogether, while allowing other personal forms of transport. Others allow skateboards for transportation purposes only with the following caveats:

- No stunts, tricks, destroying property, or continuously riding in one location
- Be courteous and safe
- No skating during busy or quiet hours
- Always give pedestrians the right of way
- Skate only on paved campus walkways, not in parking lots or roadways

Committee asked Staff to table this discussion to the March 2019 meeting.

F. INFORMATIONAL ITEMS

- F1. CSURMA AORMA 2019 Meeting Calendar**
- F2. CSURMA AORMA Program Administrator’s Contact Lists**
- F3. AORMA’s Travel Reimbursement Policy**
- F4. AORMA Committee Members - Effective 7/01/18**
- F5. CSURMA Administrative Service Calendar**

The Committee reviewed and discussed the informational items.

G. ADJOURNMENT

The meeting was adjourned at 1:05 PM.

FY 2018/2019 CSURMA MIDTERM BUDGET AMENDMENTS

ISSUE: The Board of Directors adopted the FY 2018/19 budget at its meeting on April 25, 2018. Upon review of the financial statements at December 31, 2018 (*unaudited*), Staff recommends amending the FY 2018/19 budget as described below with details provided in the attached Draft FY 2018/19 CSURMA Midterm Budget Amendments.

AORMA Funds

1. Decrease Contributions by \$1,145,817 to \$12,483,032 for actual contributions.
2. Decrease Reinsurance Premiums by \$265,895 to \$3,046,981 for actual expenditures.
3. Decrease Claim Payments & Legal Expenses by \$596,219 to \$4,775,703 due to updated actuarial reports and loss trends.
4. Decrease Brokerage Commissions & Fees by \$42,343 to \$291,962 for actual costs projected to fiscal year end.
5. Increase Insurance Premiums by \$216,062 to \$4,807,632 for actual costs projected to fiscal year end.
6. Decrease Excess/Reinsurance Recoveries by \$72,153 to \$1,733,855 per actuarial updates.

RECOMMENDATION: It is recommended the AORMA Committee recommend approval to the Executive Committee of the midterm budget changes to the FY 18/19 CSURMA Budget, and any additional amendments approved at today's meeting.

FISCAL IMPACT: The effect of the above adjustments decreases Total Revenues by \$879,921; decreases Total Expenses by \$344,601; Non-operating Revenue are unchanged; resulting in a Total Revenue of \$9,436,051; Total Expenses of \$11,651,063; and Non-Operating Income of \$410,000. The amended budget results in a Net Deficit of \$1,804,972. The Ending Balance at June 30, 2018 is projected to decrease from \$19,837,208 to 18,032,236.

BACKGROUND: The Total Contributions decreased due to (1) the change from estimate to actual, (2) lower Unemployment Insurance Program contributions because excess funds were used to lower the members' deposit premium, and (3) lower Workers' Compensation Program contributions because dividends and return audited premium were applied to lower the members' deposit premium.

PUBLICATION: The amended FY 2018/19 Budget will be uploaded onto the CSURMA website.

ATTACHMENT(S):

- a. Draft FY 2018/19 CSURMA Midterm Budget Amendments

CSURMA

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

**MIDTERM BUDGET AMENDMENTS
AORMA Committee**

Draft 9

TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,628,849	12,483,032	-1,145,817
Reinsurance Premiums	-3,312,877	-3,046,981	265,895
Total Operating Revenues	<u>10,315,972</u>	<u>9,436,051</u>	<u>-879,921</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
A Claims Payments & Legal Expenses	5,371,922	4,775,703	-596,219
Deductible Recoveries	-100,000	-100,000	0
Claims Administrators	279,256	279,256	0
Management Information System	12,122	12,122	0
Program Administrators	1,331,600	1,331,600	0
Brokerage Commissions & Fees	334,305	291,962	-42,343
Insurance Premiums (net of brokerage)	4,591,570	4,807,632	216,062
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	11,000	17,494	6,494
Claims Audit	4,620	4,620	0
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	1,401	1,401	0
Workshop/Training Expenses	30,304	29,556	-748
Loss Control Expenses	206,498	206,498	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,806,008	-1,733,855	72,153
Program Committee	8,000	8,000	0
Dividend Distributions	1,401,588	1,401,588	0
Total Direct Program Expenses	<u>11,752,179</u>	<u>11,407,578</u>	<u>-344,601</u>

TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	4,903	4,903	0
Executive Committee & Board Expenses	4,768	4,768	0
JPA Insurance	2,241	2,241	0
Memberships, Associations & Dues	6,031	6,031	0
Chancellor's Office Accounting Services	53,877	53,877	0
Chancellor's Office Risk Management Service	152,810	152,810	0
JPA Accreditation	0	0	0
JPA Legal	15,004	15,004	0
Miscellaneous Expenses	3,851	3,851	0
Total General & Administrative Expenses	<u>243,485</u>	<u>243,485</u>	<u>0</u>
Total Operating Expenses	<u>11,995,664</u>	<u>11,651,063</u>	<u>-344,601</u>
Non-Operating Revenues			
Investment Income	402,719	410,040	7,321
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>402,719</u>	<u>410,040</u>	<u>7,321</u>
Net Surplus (Deficit)	<u>-1,276,973</u>	<u>-1,804,972</u>	
Beginning Retained Earnings	20,305,528	19,837,208	
Ending Retained Earnings	19,028,555	18,032,236	

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	4,517,782	4,164,118	-353,664
Reinsurance Premiums	-1,748,198	-1,442,265	305,933
Total Operating Revenues	<u>2,769,584</u>	<u>2,721,853</u>	<u>-47,731</u>

Operating Expenses

Direct Program Expenses

A Claims Payments & Legal Expenses	1,027,137	1,028,423	1,286
Deductible Recoveries	-100,000	-100,000	0
Claims Administrators	15,000	15,000	0
Management Information System	4,018	4,018	0
Program Administrators	609,206	609,206	0
Brokerage Commissions & Fees	79,761	71,822	-7,939
Insurance Premiums (net of brokerage)	231,371	215,616	-15,755
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,250	7,416	2,166
Claims Audit	4,620	4,620	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	465	465	0
Workshop/Training Expenses	10,045	9,859	-186
Loss Control Expenses	91,425	91,425	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	2,500	2,500	0
Dividend Distributions	1,118,478	1,118,478	0
Total Direct Program Expenses	<u>3,106,776</u>	<u>3,086,348</u>	<u>-20,428</u>

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Adopted</i>	<i>Amended</i>	
	FY 18/19	FY 18/19	Budget
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
General & Administrative Expenses			
Financial Audit	1,625	1,625	0
Executive Committee & Board Expenses	1,580	1,580	0
JPA Insurance	743	743	0
Memberships, Associations & Dues	1,999	1,999	0
Chancellor's Office Accounting Services	17,860	17,860	0
Chancellor's Office Risk Management Service	50,654	50,654	0
JPA Accreditation	0	0	0
JPA Legal	4,974	4,974	0
Miscellaneous Expenses	1,277	1,277	0
 Total General & Administrative Expenses	 <u>80,712</u>	 <u>80,712</u>	 <u>0</u>
 Total Operating Expenses	 <u>3,187,488</u>	 <u>3,167,060</u>	 <u>-20,428</u>
 Non-Operating Revenues			
Investment Income	135,071	137,527	2,456
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>135,071</u>	 <u>137,527</u>	 <u>2,456</u>
 Net Surplus (Deficit)	 <u>-282,833</u>	 <u>-307,680</u>	
 Beginning Retained Earnings	 6,975,506	 6,268,117	
Ending Retained Earnings	6,692,673	5,960,436	

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

<i>Adopted</i>	<i>Amended</i>	
FY 18/19	FY 18/19	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

Operating Revenues

Contributions	5,005,003	4,944,840	-60,163
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>5,005,003</u>	<u>4,944,840</u>	<u>-60,163</u>

Operating Expenses

Direct Program Expenses

A Claims Payments & Legal Expenses	2,496,490	2,363,129	-133,361
Deductible Recoveries	0	0	0
Claims Administrators	235,368	235,368	0
Management Information System	4,452	4,452	0
Program Administrators	392,407	392,407	0
Brokerage Commissions & Fees	26	238	212
Insurance Premiums (net of brokerage)	4,000,000	4,220,444	220,444
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	5,750	8,323	2,573
Claims Audit	0	0	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	515	515	0
Workshop/Training Expenses	11,129	11,708	579
Loss Control Expenses	99,128	99,128	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,806,008	-1,733,855	72,153
Program Committee	2,800	2,800	0
Dividend Distributions	283,110	283,110	0
Total Direct Program Expenses	<u>5,791,666</u>	<u>5,954,266</u>	<u>162,600</u>

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Adopted</i>	<i>Amended</i>	
	FY 18/19	FY 18/19	Budget
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
General & Administrative Expenses			
Financial Audit	1,801	1,801	0
Executive Committee & Board Expenses	1,751	1,751	0
JPA Insurance	823	823	0
Memberships, Associations & Dues	2,215	2,215	0
Chancellor's Office Accounting Services	19,786	19,786	0
Chancellor's Office Risk Management Service	56,117	56,117	0
JPA Accreditation	0	0	0
JPA Legal	5,510	5,510	0
Miscellaneous Expenses	1,414	1,414	0
 Total General & Administrative Expenses	 <u>89,416</u>	 <u>89,416</u>	 <u>0</u>
 Total Operating Expenses	 <u>5,881,082</u>	 <u>6,043,683</u>	 <u>162,600</u>
 Non-Operating Revenues			
Investment Income	137,078	139,570	2,492
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>137,078</u>	 <u>139,570</u>	 <u>2,492</u>
 Net Surplus (Deficit)	 <u>-739,002</u>	 <u>-959,273</u>	
 Beginning Retained Earnings	 5,057,498	 5,324,721	
Ending Retained Earnings	4,318,496	4,365,448	

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i>	<i>Amended</i>	
	FY 18/19	FY 18/19	Budget
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Operating Revenues			
Contributions	2,134,679	2,447,577	312,898
Reinsurance Premiums	-1,564,679	-1,604,716	-40,038
Total Operating Revenues	<u>570,000</u>	<u>842,861</u>	<u>272,861</u>

Operating Expenses

Direct Program Expenses

A Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	1,899	1,899	0
Program Administrators	258,913	258,913	0
Brokerage Commissions & Fees	235,888	203,930	-31,958
Insurance Premiums (net of brokerage)	155,000	193,288	38,288
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	1,273	1,273
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	220	220	0
Workshop/Training Expenses	4,746	5,795	1,049
Loss Control Expenses	15,946	15,946	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	1,300	1,300	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>923,912</u>	<u>932,564</u>	<u>8,652</u>

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

Draft 9
 FY 18/19 Proposed Budget
MIDTERM BUDGET AMENDMENTS

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	768	768	0
Executive Committee & Board Expenses	747	747	0
JPA Insurance	351	351	0
Memberships, Associations & Dues	945	945	0
Chancellor's Office Accounting Services	8,439	8,439	0
Chancellor's Office Risk Management Service	23,935	23,935	0
JPA Accreditation	0	0	0
JPA Legal	2,350	2,350	0
Miscellaneous Expenses	603	603	0
Total General & Administrative Expenses	<u>38,137</u>	<u>38,137</u>	<u>0</u>
Total Operating Expenses	<u>962,049</u>	<u>970,700</u>	<u>8,652</u>
Non-Operating Revenues			
Investment Income	32,299	32,886	587
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>32,299</u>	<u>32,886</u>	<u>587</u>
Net Surplus (Deficit)	<u>-359,750</u>	<u>-94,954</u>	
Beginning Retained Earnings	1,813,874	2,237,041	
Ending Retained Earnings	1,454,124	2,142,087	

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

Draft 9
 FY 18/19 Proposed Budget
MIDTERM BUDGET AMENDMENTS

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	Budget Change
Operating Revenues			
Contributions	232,000	232,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>232,000</u>	<u>232,000</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	41,877	41,877	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	206	206	0
Program Administrators	25,384	25,384	0
Brokerage Commissions & Fees *	18,630	15,972	-2,658
Insurance Premiums	205,199	178,284	-26,915
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	121	121
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	24	24	0
Workshop/Training Expenses	516	549	33
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	200	200	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>292,036</u>	<u>262,617</u>	<u>-29,419</u>

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

Draft 9
FY 18/19 Proposed Budget
MIDTERM BUDGET AMENDMENTS

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 18/19 <u>Budget</u>	<i>Amended</i> FY 18/19 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	83	83	0
Executive Committee & Board Expenses	81	81	0
JPA Insurance	38	38	0
Memberships, Associations & Dues	103	103	0
Chancellor's Office Accounting Services	917	917	0
Chancellor's Office Risk Management Service	2,601	2,601	0
JPA Accreditation	0	0	0
JPA Legal	255	255	0
Miscellaneous Expenses	66	66	0
Total General & Administrative Expenses	<u>4,145</u>	<u>4,145</u>	<u>0</u>
Total Operating Expenses	<u>296,180</u>	<u>266,762</u>	<u>-29,419</u>
Non-Operating Revenues			
Investment Income	6,230	6,344	113
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>6,230</u>	<u>6,344</u>	<u>113</u>
Net Surplus (Deficit)	<u>-57,950</u>	<u>-28,418</u>	
Beginning Retained Earnings	345,488	462,615	
Ending Retained Earnings	287,538	434,196	

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

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

<i>Adopted</i>	<i>Amended</i>	
FY 18/19	FY 18/19	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

Operating Revenues

Contributions	1,739,385	694,497	-1,044,888
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>1,739,385</u>	<u>694,497</u>	<u>-1,044,888</u>

Operating Expenses

Direct Program Expenses

A Claims Payments & Legal Expenses	1,556,418	1,092,274	-464,144
Deductible Recoveries	0	0	0
Claims Administrators	28,888	28,888	0
Management Information System	1,547	1,547	0
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	0	361	361
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	179	179	0
Workshop/Training Expenses	3,868	1,644	-2,223
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	1,200	1,200	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,637,789</u>	<u>1,171,783</u>	<u>-466,006</u>

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

<i>Adopted</i>	<i>Amended</i>	
FY 18/19	FY 18/19	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

General & Administrative Expenses

Financial Audit	626	626	0
Executive Committee & Board Expenses	608	608	0
JPA Insurance	286	286	0
Memberships, Associations & Dues	770	770	0
Chancellor's Office Accounting Services	6,876	6,876	0
Chancellor's Office Risk Management Service	19,502	19,502	0
JPA Accreditation	0	0	0
JPA Legal	1,915	1,915	0
Miscellaneous Expenses	492	492	0
 Total General & Administrative Expenses	 <u>31,075</u>	 <u>31,075</u>	 <u>0</u>

Total Operating Expenses	<u>1,668,864</u>	<u>1,202,858</u>	<u>-466,006</u>
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Non-Operating Revenues

Investment Income	92,041	93,714	1,673
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>92,041</u>	 <u>93,714</u>	 <u>1,673</u>

Net Surplus (Deficit)	<u>162,562</u>	<u>-414,647</u>	
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Beginning Retained Earnings	6,113,162	5,544,715	
Ending Retained Earnings	6,275,724	5,130,068	

EXCESS INSURANCE RENEWALS AND UNDERWRITER MEETINGS REPORT

ISSUE: Most of CSURMA’s coverage programs renew on July 1. Chancellor’s Office and Program Administrator staff are actively marketing the programs and negotiating renewal terms. Meetings with key underwriters have been set for February 12, 2019 (at PARMA in Anaheim, CA), April 1-2, 2019 (London markets) and May 13-17, 2019 (New York and Bermudan markets). At this time the Program Administrator anticipates the major programs will renew as shown in Table 1 below.

Table 1

Projected Renewal Cost Change Estimates		
Program	AORMA % Change	Campus % Change
Excess Liability	+10%	+10%
Property	+15%	+15%
Worker’s Compensation	Flat to 5% Increase	Flat to 5% Increase
Builder’s Risk	N/A	Flat Rate
Fine Arts	N/A	+10%
SPLIP & SAFECLIP	Flat Rate or Decrease	Flat Rate or Decrease
FTIP	Flat Rate or Decrease	Flat Rate or Decrease
Aviation	Flat Rate or Decrease	Flat Rate or Decrease
Medical Malpractice	N/A	Flat Rate to 10% Increase
Fidelity	-5%	-5%

RECOMMENDATION: No action is requested at today’s meeting; however the AORMA 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: CSURMA representatives met with CSURMA’s program underwriters in London on November 19-20, 2018. CSURMA was represented by Timothy White, CSU Chancellor, Steven Relyea, CSU Executive Vice Chancellor, Robert Eaton, CSU Assistant Vice Chancellor, Financing, Treasury and Risk Management, Daniel Howell, CSURMA Program Director, P.J. Skarlanic, CSURMA Program Administrator and Amy Lightner, CSURMA Program Administrator. 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.

Over the two days of meetings there were over 10 meetings with over 20 market participants. The recent meetings focused on CSURMA's Excess Liability, Property, Fine Arts, SAFECLIP, SPLIP, and Medical Malpractice coverage programs. Important discussions include:

- Discussion on the new Active Assailant Insurance Program product details and support services;
- Refinement of the new blanket student organization liability program modelled after SAFECLIP;
- Meeting with CSURMA's excess liability underwriters to discuss response to industry concern for increasing large liability claims for California public entities in general;
- Review of the performance of the Fine Arts, Archives and Artifacts Program and renewal outlook considering high claims costs; and,
- Discussion of the impact of the significant catastrophic losses from California Wildfires along with CSU's recent increased property claims activity on the insurance pending renewal.

Following are comments on the status of programs:

- **Excess Liability** – this program has seen loss development in the first excess layers for both the AORMA and Campus programs. The Program Administrator anticipates rate increases in the lower layers and possible rate increases in the excess layers due to catastrophic losses impacting the entire marketplace.
- **Property** – Property losses to both the AORMA and Campus programs has increased the past three years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years will likely be again partially eroded by increases this coming renewal.
- **Workers' Compensation** – CSURMA has an existing two year rate agreement. We are in discussion with EIA about their ability to extend the rate agreement for FY 20/21 extension on favorable terms.
- **Builders Risk** – This program is stable and the Program Administrator expects flat rate renewal, though general market pressures due to catastrophic property losses may result in an increase. Rates are down 25% in recent years.
- **Fine Arts** – This program was launched in 2016 and the Program Administrator anticipates underwriters will require a rate increase due to the high loss ratio.
- **SPLIP & SAFECLIP** – perform exceptionally well with no losses and rates will likely be stable and possibly drop.
- **FTIP** – The loss ratio has stabilized at a level acceptable to underwriters. The Program Administrator expects a flat rate renewal.
- **Aviation** – This program has no losses and the market is stable. The Program Administrator expects a flat rate renewal or slight decrease; however, general market firming may come into play.

- **Medical Malpractice** – This program is at minimum premiums and we expect a flat renewal; however, general market firming may come into play.
- **Fidelity** – Claims have remained low and the Program Administrator expects a premium decrease on renewal unless new claims materialize prior to renewal.

PUBLICATION: None.

ATTACHMENT(S): None.

FY 2019/2020 CSURMA OPERATING BUDGET

ISSUE: CSURMA's next fiscal year begins on July 1, 2019. The FY 2019/20 operating budget is to be approved by the Board of Directors at its May 3, 2019 meeting. The Chancellor's Office Enterprise Accounting Services and the Program Administrators worked together to develop a draft FY 2019/20 budget for the AORMA Committee to review at today's meeting.

Major features of the proposed AORMA budget include:

- 1.5% decrease in Total Operating Revenues from \$9,436,051 to \$9,291,783.
- 1.6% increase in Total Operating Expenses from \$11,651,063 to \$11,837,078.
- 2.6% decrease in Non-Operating Revenue decreases from \$410,040 to \$399,226.
- Net Surplus increases -\$1,804,972 (*deficit*) to -\$2,146,069 (*deficit*).
- Retained Earnings decreases from \$18,032,236 to \$15,886,167 at June 30, 2020.

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 2019/20 and make a recommendation to the Executive Committee for adoption with changes as appropriate.

FISCAL IMPACT: The proposed budget is estimated to produce a Net Deficit of \$2,146,069. Retained Earnings is estimated to decrease from \$18,032,236 to \$15,886,167 at June 30, 2020.

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

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft FY 2019/20 CSURMA Budget of Revenues and Expenses

CSURMA

**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020**

**BUDGET PROPOSAL
AORMA Committee**

Draft 9

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

TOTAL: AORMA PROGRAMS

	<i>Final</i> <u>FY 18/19</u> <u>(MTBA)</u>	<i>Proposed</i> <u>FY 19/20</u> <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Operating Revenues				
Contributions	12,483,032	12,803,934	320,902	2.6%
Reinsurance Premiums	-3,046,981	-3,512,151	-465,170	15.3%
Total Operating Revenues	<u>9,436,051</u>	<u>9,291,783</u>	<u>-144,268</u>	<u>-1.5%</u>
Operating Expenses				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	4,775,703	5,148,118	372,415	7.8%
Deductible Recoveries	-100,000	-100,000	0	0.0%
Claims Administrators	279,256	287,184	7,928	2.8%
Management Information System	12,122	12,486	364	3.0%
Program Administrators	1,331,600	1,371,548	39,948	3.0%
Brokerage Commissions & Fees	291,962	300,721	8,759	3.0%
Insurance Premiums (net of brokerage)	4,807,632	5,002,749	195,117	4.1%
Taxes, Assessments & Fees	65,500	67,465	1,965	3.0%
Actuarial Services	17,494	12,468	-5,026	-28.7%
Claims Audit	4,620	6,500	1,880	40.7%
Coverage Counsel	6,000	5,000	-1,000	-16.7%
Program Legal	2,500	2,500	0	0.0%
Miscellaneous Program Services	1,401	1,285	-117	-8.3%
Workshop/Training Expenses	29,556	39,894	10,338	35.0%
Loss Control Expenses	206,498	209,695	3,197	1.5%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-1,733,855	-2,088,554	-354,699	20.5%
Program Committee	8,000	5,356	-2,644	-33.1%
Dividend Distributions	1,401,588	1,335,710	-65,878	-4.7%
Total Direct Program Expenses	<u>11,407,578</u>	<u>11,620,123</u>	<u>212,546</u>	<u>1.9%</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

TOTAL: AORMA PROGRAMS

	<i>Final</i> <u>FY 18/19</u> <u>(MTBA)</u>	<i>Proposed</i> <u>FY 19/20</u> <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
General & Administrative Expenses				
Financial Audit	4,903	4,555	-348	-7.1%
Executive Committee & Board Expenses	4,768	4,152	-616	-12.9%
JPA Insurance	2,241	1,952	-290	-12.9%
Memberships, Associations & Dues	6,031	5,251	-779	-12.9%
Chancellor's Office Accounting Services	53,877	46,917	-6,961	-12.9%
Chancellor's Office Risk Management Service	152,810	132,038	-20,772	-13.6%
JPA Accreditation	0	0	0	0.0%
JPA Legal	15,004	13,066	-1,938	-12.9%
Miscellaneous Expenses	3,851	3,354	-498	-12.9%
Total General & Administrative Expenses	<u>243,485</u>	<u>211,284</u>	<u>-32,201</u>	<u>-13.2%</u>
Total Operating Expenses	<u>11,651,063</u>	<u>11,831,407</u>	<u>180,345</u>	<u>1.5%</u>
Non-Operating Revenues				
Investment Income	410,040	399,226	-10,814	-2.6%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>410,040</u>	<u>399,226</u>	<u>-10,814</u>	<u>-2.6%</u>
Net Surplus (Deficit)	<u>-1,804,972</u>	<u>-2,140,398</u>	<u>-335,427</u>	<u>18.6%</u>
Beginning Retained Earnings	19,837,208	18,032,236	-1,804,972	-9.1%
Ending Retained Earnings	18,032,236	15,891,838	-2,140,398	-11.9%

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Operating Revenues				
Contributions	4,164,118	4,479,810	315,692	7.6%
Reinsurance Premiums	-1,442,265	-1,586,492	-144,227	10.0%
Total Operating Revenues	<u>2,721,853</u>	<u>2,893,319</u>	<u>171,466</u>	<u>6.3%</u>
Operating Expenses				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	1,028,423	1,250,814	222,391	21.6%
Deductible Recoveries	-100,000	-100,000	0	0.0%
Claims Administrators	15,000	15,000	0	0.0%
Management Information System	4,018	4,139	121	3.0%
Program Administrators	609,206	627,482	18,276	3.0%
Brokerage Commissions & Fees	71,822	73,977	2,155	3.0%
Insurance Premiums (net of brokerage)	215,616	222,084	6,468	3.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	7,416	5,806	-1,611	-21.7%
Claims Audit	4,620	6,500	1,880	40.7%
Coverage Counsel	5,000	5,000	0	0.0%
Program Legal	2,500	2,500	0	0.0%
Miscellaneous Program Services	465	449	-15	-3.2%
Workshop/Training Expenses	9,859	13,958	4,099	41.6%
Loss Control Expenses	91,425	94,399	2,974	3.3%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	2,500	2,575	75	3.0%
Dividend Distributions	1,118,478	942,030	-176,448	-15.8%
Total Direct Program Expenses	<u>3,086,348</u>	<u>3,166,712</u>	<u>80,365</u>	<u>2.6%</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
General & Administrative Expenses				
Financial Audit	1,625	1,594	-32	-1.9%
Executive Committee & Board Expenses	1,580	1,453	-128	-8.1%
JPA Insurance	743	683	-60	-8.1%
Memberships, Associations & Dues	1,999	1,837	-162	-8.1%
Chancellor's Office Accounting Services	17,860	16,415	-1,445	-8.1%
Chancellor's Office Risk Management Service	50,654	46,197	-4,457	-8.8%
JPA Accreditation	0	0	0	0.0%
JPA Legal	4,974	4,571	-402	-8.1%
Miscellaneous Expenses	1,277	1,173	-103	-8.1%
Total General & Administrative Expenses	<u>80,712</u>	<u>73,924</u>	<u>-6,788</u>	<u>-8.4%</u>
Total Operating Expenses	<u>3,167,060</u>	<u>3,240,636</u>	<u>73,576</u>	<u>2.3%</u>
Non-Operating Revenues				
Investment Income	137,527	148,072	10,546	7.7%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>137,527</u>	<u>148,072</u>	<u>10,546</u>	<u>7.7%</u>
Net Surplus (Deficit)	<u>-307,680</u>	<u>-199,245</u>	<u>108,435</u>	<u>-35.2%</u>
Beginning Retained Earnings	6,268,117	5,960,436	-307,680	-4.9%
Ending Retained Earnings	5,960,436	5,761,191	-199,245	-3.3%

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Operating Revenues				
Contributions	4,944,840	4,778,732	-166,108	-3.4%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>4,944,840</u>	<u>4,778,732</u>	<u>-166,108</u>	<u>-3.4%</u>
Operating Expenses				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	2,363,129	2,513,153	150,024	6.3%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	235,368	242,429	7,061	3.0%
Management Information System	4,452	4,586	134	3.0%
Program Administrators	392,407	404,179	11,772	3.0%
Brokerage Commissions & Fees	238	245	7	3.0%
Insurance Premiums (net of brokerage)	4,220,444	4,397,945	177,501	4.2%
Taxes, Assessments & Fees	65,500	67,465	1,965	3.0%
Actuarial Services	8,323	6,348	-1,976	-23.7%
Claims Audit	0	0	0	0.0%
Coverage Counsel	1,000	0	-1,000	-100.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	515	479	-35	-6.8%
Workshop/Training Expenses	11,708	14,889	3,181	27.2%
Loss Control Expenses	99,128	99,363	236	0.2%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	-1,733,855	-2,088,554	-354,699	20.5%
Program Committee	2,800	0	-2,800	-100.0%
Dividend Distributions	283,110	393,680	110,570	39.1%
Total Direct Program Expenses	<u>5,954,266</u>	<u>6,056,207</u>	<u>101,941</u>	<u>1.7%</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
General & Administrative Expenses				
Financial Audit	1,801	1,700	-100	-5.6%
Executive Committee & Board Expenses	1,751	1,549	-201	-11.5%
JPA Insurance	823	728	-95	-11.5%
Memberships, Associations & Dues	2,215	1,960	-255	-11.5%
Chancellor's Office Accounting Services	19,786	17,510	-2,275	-11.5%
Chancellor's Office Risk Management Service	56,117	49,280	-6,837	-12.2%
JPA Accreditation	0	0	0	0.0%
JPA Legal	5,510	4,876	-634	-11.5%
Miscellaneous Expenses	1,414	1,252	-163	-11.5%
Total General & Administrative Expenses	<u>89,416</u>	<u>78,856</u>	<u>-10,560</u>	<u>-11.8%</u>
Total Operating Expenses	<u>6,043,683</u>	<u>6,135,064</u>	<u>91,381</u>	<u>1.5%</u>
Non-Operating Revenues				
Investment Income	139,570	109,875	-29,695	-21.3%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>139,570</u>	<u>109,875</u>	<u>-29,695</u>	<u>-21.3%</u>
Net Surplus (Deficit)	<u>-959,273</u>	<u>-1,246,457</u>	<u>-287,184</u>	<u>29.9%</u>
Beginning Retained Earnings	5,324,721	4,365,448	-959,273	-18.0%
Ending Retained Earnings	4,365,448	3,118,991	-1,246,457	-28.6%

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Operating Revenues				
Contributions	2,447,577	2,526,617	79,040	3.2%
Reinsurance Premiums	-1,604,716	-1,925,660	-320,943	20.0%
Total Operating Revenues	<u>842,861</u>	<u>600,957</u>	<u>-241,903</u>	<u>-28.7%</u>
Operating Expenses				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	250,000	250,000	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	1,899	1,956	57	3.0%
Program Administrators	258,913	266,680	7,767	3.0%
Brokerage Commissions & Fees	203,930	210,048	6,118	3.0%
Insurance Premiums (net of brokerage)	193,288	199,087	5,799	3.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	1,273	225	-1,048	-82.3%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	220	254	34	15.5%
Workshop/Training Expenses	5,795	7,872	2,077	35.8%
Loss Control Expenses	15,946	15,933	-13	-0.1%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	1,300	1,339	39	3.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>932,564</u>	<u>953,394</u>	<u>20,830</u>	<u>2.2%</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
General & Administrative Expenses				
Financial Audit	768	899	131	17.0%
Executive Committee & Board Expenses	747	819	73	9.7%
JPA Insurance	351	385	34	9.7%
Memberships, Associations & Dues	945	1,036	92	9.7%
Chancellor's Office Accounting Services	8,439	9,258	819	9.7%
Chancellor's Office Risk Management Service	23,935	26,055	2,121	8.9%
JPA Accreditation	0	0	0	0.0%
JPA Legal	2,350	2,578	228	9.7%
Miscellaneous Expenses	603	662	59	9.7%
Total General & Administrative Expenses	<u>38,137</u>	<u>41,693</u>	<u>3,556</u>	<u>9.3%</u>
Total Operating Expenses	<u>970,700</u>	<u>995,087</u>	<u>24,386</u>	<u>2.5%</u>
Non-Operating Revenues				
Investment Income	32,886	33,901	1,015	3.1%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>32,886</u>	<u>33,901</u>	<u>1,015</u>	<u>3.1%</u>
Net Surplus (Deficit)	<u>-94,954</u>	<u>-360,228</u>	<u>-265,274</u>	<u>279.4%</u>
Beginning Retained Earnings	2,237,041	2,142,087	-94,954	-4.2%
Ending Retained Earnings	2,142,087	1,781,859	-360,228	-16.8%

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Operating Revenues				
Contributions	232,000	229,984	-2,016	-0.9%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>232,000</u>	<u>229,984</u>	<u>-2,016</u>	<u>-0.9%</u>
Operating Expenses				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	41,877	41,877	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	0	0	0	0.0%
Management Information System	206	212	6	3.0%
Program Administrators	25,384	26,146	762	3.0%
Brokerage Commissions & Fees *	15,972	16,451	479	3.0%
Insurance Premiums	178,284	183,633	5,349	3.0%
Taxes, Assessments & Fees *	0	0	0	0.0%
Actuarial Services	121	20	-101	-83.5%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	24	23	-1	-3.3%
Workshop/Training Expenses	549	717	167	30.5%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	200	206	6	3.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>262,617</u>	<u>269,284</u>	<u>6,667</u>	<u>2.5%</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
General & Administrative Expenses				
Financial Audit	83	82	-2	-2.0%
Executive Committee & Board Expenses	81	75	-7	-8.1%
JPA Insurance	38	35	-3	-8.1%
Memberships, Associations & Dues	103	94	-8	-8.1%
Chancellor's Office Accounting Services	917	843	-74	-8.1%
Chancellor's Office Risk Management Service	2,601	2,372	-230	-8.8%
JPA Accreditation	0	0	0	0.0%
JPA Legal	255	235	-21	-8.1%
Miscellaneous Expenses	66	60	-5	-8.1%
Total General & Administrative Expenses	<u>4,145</u>	<u>3,795</u>	<u>-350</u>	<u>-8.4%</u>
Total Operating Expenses	<u>266,762</u>	<u>273,079</u>	<u>6,317</u>	<u>2.4%</u>
Non-Operating Revenues				
Investment Income	6,344	7,496	1,152	18.2%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>6,344</u>	<u>7,496</u>	<u>1,152</u>	<u>18.2%</u>
Net Surplus (Deficit)	<u>-28,418</u>	<u>-35,599</u>	<u>-7,181</u>	<u>25.3%</u>
Beginning Retained Earnings	462,615	434,196	-28,418	-6.1%
Ending Retained Earnings	434,196	398,597	-35,599	-8.2%

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

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	<u>Budget</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Operating Revenues				
Contributions	694,497	788,791	94,294	13.6%
Reinsurance Premiums	0	0	0	0.0%
Total Operating Revenues	<u>694,497</u>	<u>788,791</u>	<u>94,294</u>	<u>13.6%</u>
Operating Expenses				
<i>Direct Program Expenses</i>				
Claims Payments & Legal Expenses	1,092,274	1,092,274	0	0.0%
Deductible Recoveries	0	0	0	0.0%
Claims Administrators	28,888	29,755	867	3.0%
Management Information System	1,547	1,593	46	3.0%
Program Administrators	45,690	47,061	1,371	3.0%
Brokerage Commissions & Fees	0	0	0	0.0%
Insurance Premiums (net of brokerage)	0	0	0	0.0%
Taxes, Assessments & Fees	0	0	0	0.0%
Actuarial Services	361	70	-291	-80.6%
Claims Audit	0	0	0	0.0%
Coverage Counsel	0	0	0	0.0%
Program Legal	0	0	0	0.0%
Miscellaneous Program Services	179	79	-100	-55.8%
Workshop/Training Expenses	1,644	2,458	813	49.5%
Loss Control Expenses	0	0	0	0.0%
Appraisals	0	0	0	0.0%
Excess/Reinsurance Recoveries	0	0	0	0.0%
Program Committee	1,200	1,236	36	3.0%
Dividend Distributions	0	0	0	0.0%
Total Direct Program Expenses	<u>1,171,783</u>	<u>1,174,526</u>	<u>2,742</u>	<u>0.2%</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2019 to June 30, 2020

Draft 9
FY 19/20
BUDGET PROPOSAL

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Final</i> FY 18/19 <u>(MTBA)</u>	<i>Proposed</i> FY 19/20 <u>Budget</u>	Budget Change	Percent Change
General & Administrative Expenses				
Financial Audit	626	281	-345	-55.2%
Executive Committee & Board Expenses	608	256	-353	-58.0%
JPA Insurance	286	120	-166	-58.0%
Memberships, Associations & Dues	770	324	-446	-58.0%
Chancellor's Office Accounting Services	6,876	2,890	-3,986	-58.0%
Chancellor's Office Risk Management Service	19,502	8,134	-11,368	-58.3%
JPA Accreditation	0	0	0	0.0%
JPA Legal	1,915	805	-1,110	-58.0%
Miscellaneous Expenses	492	207	-285	-58.0%
Total General & Administrative Expenses	<u>31,075</u>	<u>13,016</u>	<u>-18,059</u>	<u>-58.1%</u>
Total Operating Expenses	<u>1,202,858</u>	<u>1,187,542</u>	<u>-15,316</u>	<u>-1.3%</u>
Non-Operating Revenues				
Investment Income	93,714	99,882	6,167	6.6%
Interest Income - Loans	0	0	0	0.0%
Miscellaneous Fee Revenue	0	0	0	0.0%
Total Non-Operating Revenues	<u>93,714</u>	<u>99,882</u>	<u>6,167</u>	<u>6.6%</u>
Net Surplus (Deficit)	<u>-414,647</u>	<u>-298,869</u>	<u>115,777</u>	<u>-27.9%</u>
Beginning Retained Earnings	5,544,715	5,130,068	-414,647	-7.5%
Ending Retained Earnings	5,130,068	4,831,199	-298,869	-5.8%

LIABILITY CLAIMS ADMINISTRATION AUDIT

ISSUE: It is the policy of CSURMA that its third-party claims administrators (TPAs) be audited biennially. The audits for Campus Liability, Campus Worker’s Compensation, AIME, and AORMA Liability are to occur in odd-numbered calendar years; and AORMA Workers’ Compensation is to occur in even-numbered calendar years. Staff solicited proposals from Bickmore Risk Services to perform claims audits during 2019 for Campus Liability and AORMA Liability.

RECOMMENDATION: Bickmore Risk Services (BRS) performed the last claim audits for Campus Liability and AORMA Liability in 2017. To ensure consistency of review, Staff recommends that the AORMA Committee authorize the Secretary-Auditor to engage BRS as claims auditor for AORMA Liability Program during 2019 as proposed.

FISCAL IMPACT: The costs for the claims audits are included within the FY 19/20 CSURMA Budget. The proposed audit fees for the AORMA Liability Program is \$6,500 up from \$5,000 in 2017. The increase is due to Carl Warren & Company’s claims system. The auditor notes that their Claims Management Information System is challenging and results in additional time expended. The auditor has agreed to increase the number of files reviewed from 30 to 40.

BACKGROUND: In accordance with Policy & Procedure A-5 – Annual Calendar of Reports, Audits & Filings, it is the policy of CSURMA AORMA that its third-party claims administrators (TPAs) be audited on a periodic basis to ensure that the Authority is receiving high quality services. Further, it is CSURMA AORMA’s procedure that the audits are performed biennially such that AORMA Liability occurs in odd-numbered calendar years; and AORMA Workers’ Compensation occurs in even-numbered calendar years.

PUBLICATION: None.

ATTACHMENT(S):

- a. Policy & Procedure A-5 – Annual Calendar of Reports, Audits, & Filings
- b. Bickmore Risk Services Claims Auditing Proposal for AORMA Liability



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 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.



Bickmore



February 21, 2019

Mr. Robert Leong, ARM
First Vice-President
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Via Email: rleong@alliant.com

**RE: California State University Auxiliary Organizations Risk Management Alliance
Proposal for 2019 General and Errors & Omissions Liability Claims Audit**

Dear Rob,

The California State University's Auxiliary Organizations Risk Management Alliance (AORMA) seeks claims auditing services to ensure general liability and errors & omissions claims handling is in compliance with industry best practices, state law, and AORMA's procedures. The enclosed proposal details staff qualifications and an approach to complete this project with a final report by July 22, 2019.

Clients have turned to Bickmore for a full range of services related to pool management, including independent claims consulting, for over 30 years. We are pleased to submit our qualifications and demonstrate to AORMA how Bickmore is uniquely qualified for this project.

- **Related Project Experience:** Our experience managing risk retention pools led us to provide claim audits that ensure clients receive cost-effective services. We have completed similar projects for school JPAs, cities and counties, state agencies, and others. For each of these projects we provided a detailed assessment of performance and recommendations for improvement.
- **Staff Qualifications:** With over 30 years of experience, our claims team uses their knowledge of critical claims handling components and industry best practices to provide practical recommendations.
- **Valuable Long-Term Benefits:** Valuable insight doesn't end with our independent analysis and report. Bickmore reports are easy to understand and provide clear direction on how to *reduce costs* and *improve service* into the future. Reports improve management's understanding of claims administration, facilitate identification of improvement opportunities, and help make decisions to wisely spend risk dollars.

Dennis Mitchell is the contact person for all matters related to this proposal. He will direct the project, if we are selected. His contact information is:

Dennis Mitchell, CPCU, SCLA, ARM
Senior Claims Consultant
(p) 916.290.4616 (c) 916.413.0066
demitchell@bickmore.net

This proposal will remain valid for 90 days from February 21, 2019.

Thank you for the opportunity to be considered to work with AORMA and the Chancellor's Office on this important project.

Respectfully submitted,



Catherine Wells
Vice President, Risk Management Consulting

Table of Contents

1. Firm Background	1
A. Firm History.....	1
B. Independent and Objective	1
C. Experience and Qualifications.....	1
D. Your Team	2
E. References	4
2. Work Plan and Technical Approach	5
A. Claims Consulting Objective.....	5
B. Data Request.....	5
C. Work Plan.....	6
D. Deliverables.....	10
E. Proposed Timing	12
3. Cost Schedule	13
A. Fee Terms.....	13

APPENDICES

- A. Resumes
- B. Data Request

1. Firm Background

Bickmore is a leading independent risk management, insurance, and actuarial consulting firm. For over 30 years clients across the country have relied on us for solutions to a full range of risk management service needs, including claims audits.

A. Firm History

Formed in 1984, Bickmore is a C Corporation headquartered in California. Our professionals work together to provide clients with traditional risk management services such as coverage reviews, self-insured retention analysis, and claims consulting; and non-traditional services such as data collection, self-insured group administration, program structure evaluation, and underwriting.

B. Independent and Objective

Our independent position in the industry assures our findings are objective, increases understanding of claim administration, and demonstrates how to best spend risk dollars.

Bickmore does not sell insurance, nor are we owned by or affiliated with any insurer, broker, or agent. This independence allows us to perform consulting activities free from conflicts of interest and keep client goals and satisfaction as our primary objectives.

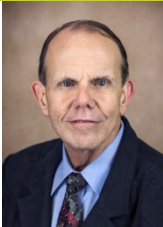
C. Experience and Qualifications

Bickmore has completed over 600 actuarial and risk management assignments for more than 150 entities in the last five years. We have full-time professionals who provide claims management consulting services for joint powers authority pools we administer, as well as our national public and private sector clients. Our claims team has worked with over 35 public entities throughout the nation. Bickmore's claims team has also provided biennial auditing services to AORMA and the California State University Risk Management Authority (CSURMA) since 2013.

D. Your Team

The claims consultants on our team are based in the Sacramento office but work remotely from Orange County. Detailed resumes can be found in Appendix A.

Lead Claims Consultant



Dennis Mitchell, CPCU, SCLA, ARM
Senior Claims Consultant

Dennis, a Senior Claims Consultant at Bickmore, provided AORMA with audit services in 2013, 2015, and 2017 and will lead the onsite activity.

Dennis has over 30 years of experience in managing and auditing multi-line/multi-jurisdiction claims for public and private sector clients. Dennis has performed scores of claims audit projects involving workers' compensation, automobile, general liability, and property claims. He provides clients with a thorough analysis of their claims administration program. Dennis audits claims, analyzes results, and makes recommendations to help clients improve quality, provide better service, and realize savings. His service expertise encompasses claim audits, procedure and workflow analysis, litigation management, and auto, general liability, workers' compensation, and property claims handling.

Claims Data Analyst



Paul Cross, ARM
Senior Consultant

Paul, a Senior Consultant at Bickmore, will provide claims data analysis and benchmarking.

Paul focuses on data collection, management, and analysis for our projects. He provides unique data visualization tools to help organizations understand their claims cost drivers and develop an appropriate random sample claims selection. His experience includes evaluating risk management claims information systems and loss experience for insured and self-insured programs. He has also managed several benchmarking projects. Paul designed and developed compSTATS, an online workers' compensation benchmarking application for public entities.

Project Coordinator



Sandra Spiess, ARM, MBA
Senior Analyst

Sandra, a Senior Analyst at Bickmore, will ensure timelines are met and services are rendered to AORMA’s satisfaction. She will also coordinate tasks and communicate deadlines.

Sandra is an experienced project manager. She has served as Project Manager for large-scale projects involving multiple stakeholders and statewide agencies. Sandra is skilled at managing all the project components, providing communications support, and contributing to quality control and timely provision of deliverables.

E. References

Bickmore has a wealth of experience working with California Joint Powers Authorities (JPAs). We have provided claims consulting services to over 10 JPAs for cities, schools, and special districts. In addition, we have provided claims auditing services to over 30 public entity clients across the country.

Figure 1.1 below lists information for references we encourage AORMA to contact regarding the quality of our team’s claims consulting work.

Figure 1.1 References		
References listed below represent clients and/or project needs similar in nature to AORMA.		
Client Name and Address	Contact Information	Project Description
Alliance of Schools for Cooperative Insurance Programs (ASCIP) 16550 Bloomfield Avenue Cerritos, CA 90703	Mr. Jonathan Lackey Director Liability/Property Programs 562.404.8029 lackey@ascip.org	Liability and workers’ compensation claims audits, 2011 and 2014.
County of Los Angeles Risk Management 3333 Wilshire Boulevard Suite 1000 Los Angeles, CA 90010	Mr. Reginald Crowell Manager of Risk Management 213.351.5363 rcrowell@ceo.lacounty.gov	Liability claims audit services, 2008 – 2015.
Southern California Schools Risk Management JPA 1950 South Sunwest Lane Suite 100 San Bernardino, CA 92408	Ms. Kharla Ray Chief Administrative Officer Mr. Javier Gonzalez Chief Financial Officer 909.763.4900 909.763.4910 krhay@scsjpa.org jgonzales@scsjpa.org	Liability and property claims audits, 2006 – 2015.
State of Utah 5120 State Office Building Salt Lake City, UT 84114	Mr. Brian Nelson Director of Risk Management 801.538.9576 benelson@utah.gov	Liability claims audit services, 2005 – current.
Texas Association of School Boards, Inc. P.O. Box 400 Austin, TX 78767	Ms. Dubravka Romano Associate Executive Director 800.482.7276 dubravka.romano@tasb.org	Liability and workers’ compensation claims audits, 2007 – 2011.

2. Work Plan and Technical Approach

AORMA represents a group of campus service programs sanctioned by California State University (the University) and covered for liability under CSURMA. CSURMA is a joint powers authority established in 1997 to perform pooled group insurance and risk management-related activities for the University system and its 23 campuses.

AORMA is composed of 90 independent non-profit organizations serving the needs of the University. These separate legal entities include student unions, research foundations, student housing, bookstores, and others.

CSURMA provides \$350,000 liability coverage to AORMA with member deductibles of \$25,000 to \$100,000 applying only to employment practices liability. Reinsurance above the \$350,000 primary layer up to \$5,000,000 is provided by General Re, above which excess insurance is provided.

AORMA's liability claims are administered by Carl Warren and Company (CW), a third party administrator (TPA), located in Ventura, California.

A. Claims Consulting Objective

Our work plan will accomplish AORMA's audit goals to:

- Ensure CW is providing effective and efficient claim services that comply with applicable industry best practices, tort laws, and AORMA and University policies and procedures;
- Evaluate adjuster experience, competence, and staffing levels;
- Ensure CW is in compliance with the claims administration contract; and
- Identify areas for improvement.

B. Data Request

To complete this project we request the data outlined in Appendix B.

C. Work Plan



To provide a comprehensive review of AORMA’s claims administration program and meet its goals, we propose the following scope of work and activities.

1. We will identify any changes to AORMA’s program since 2017 by:

- Interviewing AORMA committee members and CW staff to identify changes to workflows and procedures guiding the reporting, setup, and administration of claims;
- Reviewing the claims administration contract; and
- Reviewing existing claims procedure manuals.

2. We will examine claims data and select a sample for review:

To meet AORMA’s objectives, we recommend the selection of claims shown in Figure 2.1 on the following page. The sample will include a random selection with focus on incurred levels exceeding \$5,000 and ensure diverse campus representation. Litigated claims and employment claims will represent 30% of the sample. This will allow us to:

- Evaluate the application of the workflows and procedures we identify during the interview process; and
- Identify any systemic claims handling issues and propose recommendations for consideration.

Figure 2.1 Claims Sample Size

We will stratify the sampling across claim types and include a selection of claims closed subsequent to the prior audit, focusing on the last 12 months.

Status	Claim Type			Total
	BI	PI	PD	
Open	7	7	4	18
Closed	4	5	3	12
Total	11	12	7	40

3. We will evaluate claims handling practices and workflows.

We will examine the sample of claims at CW’s Ventura office. For each claim selected, we will review the following components.

a. Intake Process

- Claim reporting
- Claim setup

b. Investigation

- Contacts with parties
- Obtaining and preserving evidence
- Developing mitigating factors

c. Plan of Action and Documentation

- Timeliness of initial plan of action
- Frequency of updates to plan
- Quality of documentation

d. Reserve Management

- Procedures for establishing, maintaining, and recording reserves
- Procedures for evaluating reserves
- Accuracy of current reserves

e. Statutory Compliance

- Administration of the California Government Code
- Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) compliance

f. Communication

- Communication between campus Risk Management and Chancellor's Office
- Communication between the University's Office of General Counsel (OGC) and Risk Management on litigated claims

g. Claim Information System

- Adequacy of system to record data
- Promptness and accuracy of updating data
- Availability and usefulness of reports to analyze loss experience

h. Claim Disposition

- Claim evaluation process
- Settlement procedures and authority levels
- Payment procedures

i. Litigation and Recovery Management

- Assignment procedures
- Analysis and strategy
- Adherence to litigation guidelines
- Budgeting procedures

We will determine an **overall claims administration grade** by averaging grades for the components listed above to assess whether claims are handled in a timely and efficient manner. Claims handling components to be graded are also illustrated in Exhibit 2.1 on the following page.

Exhibit 2.1 Claims Service Grading Summary

We will evaluate sample claims based on nine measures of quality. The components below are critical to understanding claims administration successes and weaknesses.

<u>Claims Administration Components</u>	<u># Claims Graded</u>	<u>Findings</u>			<u>Actual (Yes)</u>	<u>Required (Yes + No)</u>	<u>Percentile (Actual/Possible)</u>
		<u>Yes</u>	<u>No</u>	<u>N/A</u>			
A. Intake Process							
B. Investigation							
C. Plan of Action/ Documentation							
D. Reserve Management							
E. Statutory Compliance							
F. Communication							
G. Claim Information System							
H. Claim Disposition							
I. Litigation/Recovery Management							
Overall Claims Administration							

Our sample claims review will compare claims handling practices to requirements of industry best practices, tort law, and AORMA’s Claim Procedure Manual. The analysis will assign a grade to each claim component for each claim. The grading scale is described in Figure 2.2.

Figure 2.2 Grading Scale

The scale is objective requiring an answer of “Yes” or “No” for criterion evaluated for each claims component, promoting consistency and easy comparison of results. Criteria not applicable are removed from grading calculations to prevent influencing results.

Evaluation	Grading Criteria
Yes	Complete compliance with industry best practices and internal procedures. File reflects active steps are taken to resolve claim.
No	Lack of compliance with industry best practices or internal procedures. Evidence of substandard claims handling, creating potential for overpayment of claims or increased expenses.
Not Applicable	The claim does not present a need for claims handling in the component area.

D. Deliverables

Bickmore will complete a claims review form for each claim to provide the grading rationale.

We will make claims review details available to CW staff for response to criticisms, if any. Bickmore understands the importance of validating findings and making sure recommendations are a good fit for AORMA and will:

- Provide a summary of findings verbally at the end of the on-site visit; and
- Work with AORMA and University personnel to review and amend the draft report prior to finalization.

A summary of findings will be included in our report in a format similar to Exhibit 2.1 along with narrative discussion. A listing of claims reviewed will be appended to the report.

The summary of findings will be included in tabular and narrative format with a listing of audited claims included as an addendum to the report. We will include recommended reserve changes in an exhibit, as shown in Figure 2.3 on the following page.

Figure 2.3 Reserve Analysis

Summary of Reserve Change Recommendations by claim

Member/ Campus	Injury Date	Claim No.	Current Outstanding Reserve	Recommended Outstanding Reserve	Comments
Totals:					
Total Recommended Reserve Change:					+ Or (-)

Bickmore’s reports include an executive summary to provide key findings and recommendations. Detailed findings and recommendations for each component are provided in a separate chapter.

Our reports are practical working documents that clients use for several years to implement changes and monitor progress. Reports are written to be readily understood by those without an insurance background, but contain all supporting data. We will present the report in person at AORMA’s option.

E. Proposed Timing

Specific work steps will depend on the final scope of work selected by AORMA, and availability of AORMA staff to provide critical information. We anticipate the activities and timing shown in Figure 2.4 below will ensure successful completion of this project based on AORMA's desire to have the onsite audit in June 2019. We are flexible and can adjust timing.

Figure 2.4 Proposed Timeline

Timeline of anticipated activities can be adjusted to meet AORMA's needs.

Activity	Timing
1. Discuss proposal with AORMA and Alliant for potential revisions.	By April 24, 2019
2. Initial telephone discussion with AORMA to review: data requirements (see Appendix B), meeting schedules, individuals to interview, and related topics.	By May 3, 2019
3. Receive and analyze information listed in Appendix B of this proposal.	May 17, 2019
4. Select a sample of files to be reviewed. A listing of claims sample selected will be submitted to AORMA/Alliant contact for review and concurrence.	May 30, 2019
5. Interview appropriate parties, as identified by AORMA, to determine effectiveness of procedures in place, workflow, caseloads, reserving practices, and present issues.	Week of June 3, 2019
6. Examine the sample of AORMA claim files. We anticipate the claims file examination will require four onsite auditing days.	June 6 through June 11, 2019
7. Conduct a detailed analysis of all information received to date. We will identify any missing data and develop a plan to obtain it.	June 14, 2019
8. Organize, tabulate, and analyze information and develop findings and recommendations.	June 21, 2019
9. Prepare a draft report presenting our findings and conclusions.	July 8, 2019
10. Discuss draft report with AORMA and conduct any necessary follow-up activities to complete final report.	By July 18, 2019
11. Provide AORMA with a final report based on information obtained in the preceding steps and additional research, if necessary.	July 22, 2019
12. Present findings at a regularly scheduled AORMA meeting.	To be determined

3. Cost Schedule

Bickmore proposes to perform the scope of service for a “not-to-be-exceeded fee” of \$6,500.

A. Fee Terms

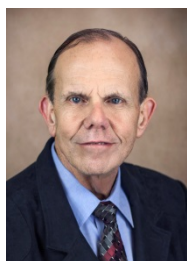
Fifty percent of the fee payment will be invoiced at submission of the claims audit list, with the balance invoiced upon delivery of our draft report. Invoice payments are due within 15 days.

The proposed fee for the claims audit includes all expenses, including travel and presentation of the report.



Appendix A

Resumes



Dennis Mitchell, CPCU, SCLA, ARM

Senior Claims Consultant

<http://www.linkedin.com/in/dennismitchell3>

Dennis Mitchell provides claim auditing and consulting services to public and private sector clients. He provides multi-state clients with a thorough analysis of their claims administration program. Dennis audits claims, analyzes results, and makes recommendations to help clients improve quality, provide better service, and realize savings.

EXPERIENCE

Dennis Mitchell has over 35 years of experience in the claims industry, primarily managing full-service, multi-line claim operations for national insurance carriers. His service expertise encompasses claim audits; policy/procedure and workflow analysis; litigation management; and auto, general liability, workers' compensation, and property claims handling. In addition to providing a thorough analysis of client claim administration and litigation management programs, Dennis evaluates compliance with state laws, claim administration contracts, and industry best practices.

Prior to joining Bickmore, Dennis was a Senior Claims Consultant at ARM Tech/Aon Global Risk Consulting. He was responsible for leading and assisting with claim audits for a variety of public and private sector clients, working with them and their claim administrators to improve the quality of claim outcomes.

Dennis began his career at The Hartford, advancing to increasingly responsible positions. Ultimately, he managed workers' compensation, commercial liability, and property claims for the company's Southern California Division until his retirement in 2000. Following the Hartford, he served for three years managing multi-line claims for a small, commercial national carrier.

EDUCATION

Bachelor of Arts, History – Saint Francis College, New York

Associate in Risk Management (ARM) Designation – Insurance Institute of America

Self-Insured Administrator Certification – California Department of Industrial Relations, Office of Self Insurance Plans

Senior Claim Law Associate (SCLA) Designation - American Educational Institute

PROFESSIONAL AFFILIATIONS

Society of Chartered Property and Casualty Underwriters (CPCU)

Insurance Educational Association – Instructor; Advanced Workers' Compensation Classes

Member, Claims and Litigation Management Alliance, Municipal Law Committee



Paul Cross, MS, ARM
Consultant

<http://www.linkedin.com/in/pauledwardcross>

In his role as Senior Consultant at Bickmore, Paul Cross provides data analysis, database application development, and reporting activities for Risk Management Consulting projects. He has been with Bickmore since 2009.

EXPERIENCE

From 1994 to 2009, Paul held positions as an actuarial analyst, information systems director, and risk management consultant at ARM Tech/Aon Global Risk Consulting. He designed and developed compSTATS, an online workers' compensation benchmarking application for public entities. Paul specialized in premium allocations, cost of risk benchmarking, and experience modification projects. He has demonstrated expertise in manipulating, converting, and parsing large, complex data sets and providing quick and flexible relational database applications, VBA programming, scripting, and web solutions.

EDUCATION

Master of Science, Statistics – University of California, Davis
Bachelor of Arts, Human Ethology – Pomona College

PROFESSIONAL CERTIFICATIONS

Associate in Risk Management (ARM) Designation – Insurance Institute of America

TECHNICAL BACKGROUND

Databases – Microsoft SQL Server, MS Access

Programming – SQL, VBScript, CSS, ActionScript, VBA, ColdFusion

Development – MS SQL Server Integration (SSIS), MS Access, LogiStudio

Design – Adobe Creative Suite Design Premium applications, Cinema 4D

PUBLICATIONS

Compilation of Workers Compensation Data of Self-Insured California Public Entities, California Institute for Public Risk Analysis

Cost Allocation and Risk Management Information Systems, (contributing author), International Risk Management Institute (IRMI)

PROFESSIONAL CERTIFICATIONS

Actuarial Exam-P Probability – Casualty Actuarial Society



Sandra Spiess, MBA, ARM, CRIS

Senior Analyst

www.linkedin.com/in/sandraspiess

Sandra Spiess is a Senior Analyst in the Risk Management Consulting practice. She is responsible for coordinating all aspects of communication and project management from project inception to quality control and timely delivery of project deliverables.

EXPERIENCE

In her career at Bickmore, Sandra served as Analyst/Project Coordinator for the Auto Dealers Compensation of California, Inc. (AD-COMP), a private self-insurance group consisting of over 270 automobile dealers across the state. She provided oversight of day-to-day activities, including member management, state reporting, and new member underwriting, and served as liaison between the State Office of Self-Insurance Plans and the Group. Sandra also supported workers' compensation and risk control activities.

Sandra has also served as Analyst/Project Coordinator for the California Affiliated Risk Management Authorities (CARMA) Joint Powers Authority, and the California Private Schools Self-Insurance Group (CAP-SIG). In that role, she provided oversight of day-to-day activities, including member management and state reporting.

Sandra's experience as Project Coordinator includes a multitude of projects, including large assignments for the State of New York Workers' Compensation Board, the State of Colorado Office of the State Auditor, the State of Rhode Island Department of Labor and Training, the Arizona Department of Transportation, the State of Montana, the California Department of Corrections and Rehabilitation, the University of California, the California Self-Insurers' Security Fund, the California Department of Industrial Relations, Office of Self-Insurance Plans, the Los Angeles County Metropolitan Transportation Authority, the Oregon University System, the California State Association of Counties Excess insurance Authority, the California Commission on Health and Safety and Workers' Compensation and the Maryland Stadium Authority

EDUCATION

Master of Business Administration – Golden Gate University

Bachelor of Science, Business Administration and Marketing – California State University, Sacramento

PROFESSIONAL CERTIFICATIONS

Associate in Risk Management (ARM) – Insurance Institute of America

Construction Risk Insurance Specialist (CRIS) – International Risk and Management Institute



Appendix B

Data Request

Claims Data Requirements

To complete this project, we should receive the following.

1. Copy of the current claims administration contract with CW.
2. Written procedures pertaining to handling of claims and settlement authority provided to CW.
3. CW claims procedure manual or written procedures applicable to administering AORMA claims.
4. AORMA current Committee-approved Policies and Procedures relating to:
 - Claims reporting requirements for members;
 - Procedures for resolving coverage disagreements, including member appeal procedures;
 - Litigation management guidelines and procedures; and
 - Other general claims administration procedures.
5. Personnel listing, curriculum vitae, job descriptions, and organization chart for CW staff involved in the administration of AORMA claims.
6. Listing of AORMA-approved defense panel, including primary partner, location, venues serviced, and current hourly rates.
7. Roster of AORMA Committee members.
8. Liability claims data by line of coverage from AORMA or CW via e-mail or on disk. This data is preferred in an Excel format. ***An update to the report previously provided by Alliant in 2017 is acceptable.*** These reports should include:
 - All open claims;
 - All closed claims with report date subsequent to January 1, 2014;
 - All claims closed in the prior 12 months, regardless of report date;
 - Claimant name (limit to first three letters of last name);
 - Claim number;
 - Claimant's year of birth;
 - Claimant's gender;
 - Assigned examiner;
 - Member name;
 - Date of loss;
 - Date of report;
 - Date of knowledge;

- Date of claim set up;
- Loss description;
- Injury/damage description;
- Date of denial, if any;
- Date of delay, if any;
- Litigation status;
- Subrogation status;
- Settlement status;
- Incurred reserves to date, separately for indemnity, legal expense, and other allocated expense, clearly indicating current outstanding reserve, amounts paid to date, and recoveries; and
- For sample selection only, printout of:
 - Diary and claim notes;
 - Reserve calculations and history; and
 - Payment records.

We prefer to receive all data electronically, if possible. Additional data may be requested during the course of this project. We will keep all such requests to a minimum, consistent with the need to conduct a thorough analysis.

We request CW provide access to “My Carl Warren” and the “Carl Warren Cloud.” If additional documents are retained in a paper claim file, we require those files be provided.

As always, if system access is provided, we waive the above printing request.

DEVELOPMENT OF RECREATION CENTER GOOD PRACTICES

ISSUE: The current FY 18/19 AORMA Long Range Action Plan includes the creation of a Recreation Center good practices manual. John Owen from Alliant Risk Control Consulting (ARCC) has completed following tasks/actions to complete this project:

1. Survey Campus and Auxiliary members to see what is currently in place
2. Research standards and guidelines published by industry experts
3. Identify Recreation Center Good Practices
4. Send out another request to all AORMA members to obtain copies of rec center practices currently in place
5. Inventory all information obtained

John Owen will be at this meeting to provide additional details.

RECOMMENDATION: The Committee will be asked to discuss the Recreation Center Good Practices project and provide direction to Staff.

FISCAL IMPACT: None at this time.

BACKGROUND: The attached document provides an inventory of the Recreation Center practices established systemwide.

PUBLICATION: None at this time.

ATTACHMENT(S):

- a. Recreation Center Good Practices Inventory

CSU Recreation Center Good Practices Summary

Campus	Rec Center Run by - per response & Sport Risk	Response Provided	Date of Response	Auxillary Responder Name	Contact Info (email/phone)	NIRSA Member
Bakersfield	Auxillary			Mary O'Mahoney	momahoney@csub.edu / (661) 654-2635	
Channel Islands	State					
Chico	Auxillary	YES	10/11/2017	Curtis Sicheneder	CSicheneder@csuchico.edu / (530) 898-4979	Yes
Domiguez Hills	No Rec Center					
East Bay	State			Jennifer Luna	jennifer.luna@csueastbay.edu / (510) 885-2685	
Fresno	Auxillary	YES	10/30/2017	Derek Walters	dewalters@csufresno.edu / (559-278-0776	Yes
Fullerton	Auxillary			Kenneth Maxey	kmaxey@fullerton.edu / (657) 278-5855	
Humboldt	Auxillary	YES	10/18/2017	Ruth Sturtevant	ruth.sturtevant@humboldt.edu / (707) 826-3417	
Long Beach	State					
Los Angeles	No Rec Center					
Maritime Academy	State					
Monterey	State					
Northridge	Auxillary	YES	10/17/2017	Kaila Lavin	kaila.lavin@csun.edu / (818) 677-5649	
Pomona	Auxillary	YES	11/26/2018	Krista Smith	kristasmith@cpp.edu / (909) 869-2317	Yes
Sacramento	Auxillary	YES	10/4/2017	Kate Smith & Tori Butler	kate.smith@csus.edu / (916) 278-2241	Yes
San Bernadino	Auxillary	YES	10/30/2017	Michael Wong	Michael.Wong@csusb.edu / (909) 537-5950	
San Diego	Auxillary	YES	12/19/2018	Raven Tyson	rtyson@sdsu.edu / (619) 594-3760	Yes
San Fransisco	State					
San Jose	Auxillary	YES	12/10/2018	Caryn Collopy	caryn.collopy@sjsu.edu / (408) 924-6345	
San Luis Obispo	Auxillary	YES	1/11/2019	Greg Avakian	gavakian@calpoly.edu / (805)756-5846	Yes
San Marcos	State					
Sonoma	State			Stacy Heldman-Holguin	heldmanh@sonoma.edu /	
Stanislaus	State					

48% (10 of 21)

AORMA Recreation Center Management Content

Areas where content provided	Chico	Fresno	Humboldt	Northridge	Sacramento	San Bernardino	San Diego	San Jose	San Luis Obispo
Customer / Member Handbook	X					X			
Staff / Student Employee Manual	X	X		X		X	X	X	
Center Policies & Standard of Conduct		X	X	X	X	X	X	X	
New Hire Packet / Checklist	X								
Guest Pass procedures	X	X						X	
Student Assistant evaluation form				X					
Regular employee evaluations	X			X					
Facility Use Guidelines				X	X		X	X	
General Employee Rules	X			X	X				
Rules & Regs for front desk				X					
Work Order forms				X		X			
Membership & Faculty access policy				X			X	X	
Membership procedures	X			X			X	X	
Student Application / Selection criteria		X	X		X	X			
Student Employee interview questions						X			
Student Employee employment process						X			
Membership services						X		X	
Daily tasks, opening/closing procedures		X		X	X	X		X	X
Cash handling procedures								X	
Lockdown procedures						X			
Guest/Performer contract						X			
Parking information		X		X	X	X			
Misconduct report		X							
Reservation request		X					X		
Misuse of ID		X							
Locker Room Procedures							X	X	
Lost & Found								X	
Space Specific Policies							X	X	
Operating Procedures					X				

AORMA Recreation Center Risk Management Content

Areas risk content provided	Chico	Fresno	Humboldt	Northridge	Pomona	Sacramento	San Bernardino	San Diego	San Jose	San Luis Obispo
Member Health & Safety Info	X									
Member Conduct & Rules	X		X	X			X	X	X	
Facility Useage / Activity	X			X			X	X		
Adult Liability waiver	X	X	X	X	X	X	X	X		X
Guest Liability waiver	X			X				X		
Under 18 Liability waiver	X							X		
Emergency Procedures Manual / Procedures	X	X		X	X	X	X	X	X	X
Emergency Maps	X	X		X		X	X	X	X	X
Incident Report	X			X		X	X			
Accident Report	X	X		X	X	X		X		X
Blood borne pathogens training		X				X	X			X
Red Cross AED/First Aid info		X				X	X	X		X
General Safe Practices	X		X							X
Vehicle Usage Policy	X	X			X					X
Employee Training Checklist		X			X	X		X		X
Job Descriptions		X	X	X		X	X			
Work Order forms				X	X	X	X			
Facility Security				X						X
Inspection Report					X	X	X			X
Maintenance Response Procedures		X			X	X	X	X	X	X
Cleaning Policies & Procedures									X	

AORMA Recreation Center Risk Management Content

Operational area content provided	Chico	Humboldt	Northridge	San Diego	San Jose	San Luis Obispo
Weight Room		Liability / Rules		Policy	Policy	
Climbing Wall		Liability / Rules	Guidelines	Policy		Procedures
Sports Clubs						
Intramural Sports			Guidelines			
Fitness Studio		Liability / Rules	Guidelines	Policy	Policy	
Youth Camps						
Travel						
Facilities			Guidelines			
Aquatics			Guidelines			
Sports Fields & Outdoor Rec				Policy		
Vehicle Usage	Policy					Standards

Completion of Sport Risk - Best Practices Assessment Surveys

School	RM.	ERP	Travel	Waiver	Fac's	Aquatics	Arena	Wt.Room	Fit. Stud.	Wall	Fields	IM's	Instr.	Clubs	Camps	Outdoor	Concussion
Sacramento State	✓	✓	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Northridge	✓	✓	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓	NA	✓	✓	✓	✓
San Diego State	✓	✓	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓	✓	✓	NA	✓	✓
CSU San Marcos	✓	✓	✓	✓	✓	NA	NA	✓	✓	NA	✓	✓	✓	✓	✓	✓	✓
CSU SF State	✓	✓	✓	✓	✓	✓	NA	✓	✓	NA	✓	✓	NA	✓	NA	NA	✓
CSU Humboldt	✓	✓	✓	✓	✓	NA	NA	✓	✓	✓	✓	✓	NA	✓	✓	✓	✓
CSU Bakersfield	✓	✓	✓	✓	✓	NA	NA	✓	✓	✓	✓	✓	NA	✓	NA	✓	✓
CSUSB	✓	✓	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓	✓	✓	NA	✓	✓
Cal Poly Pomona	✓	✓	✓	✓	✓	✓	NA	✓	✓	✓	NA	✓	✓	✓	NA	✓	✓
CSU Chico	✓	✓	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Vendors for Recreation Center Risk Management

Company Name	Service Focus	Contact	Website	Capabilities
NIRSA	Association	Nicole Jackson	https://nirsa.net/nirsa/	Association - bring together resources. Includes members from CSU
Sport Risk	Recreation Program Risk Assessment & Best Practices	Ian McGregor	https://www.sportrisk.com/	Conduct Risk Assessments and provide Best Practices. Assessments conducted at several CSU's (last one ~4 years ago)

**ALLIANT RISK CONTROL CONSULTING
 RENEWAL CONTRACT PROPOSAL FOR FY 2019/2022**

ISSUE: The current contract with Alliant Risk Control Consulting is due to expire on June 30, 2019. The Committee will be asked to review a three-year renewal proposal.

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

FISCAL IMPACT: The ARCC services will be charged at \$193.50 per hour, with the total annual hours not to exceed 646 or \$125,000 and the total three-year hours not to exceed 1,938 or \$375,000. Shown below are the historical costs for ARCC as well as the projected costs for FY 19/20, 20/21 and 21/22.

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
FY 18/19	N/A	\$193.50	\$130,000
FY 19/20	N/A	\$193.50	\$125,000
FY 20/21	N/A	\$193.50	\$125,000
FY 21/22	N/A	\$193/50	\$125,000

BACKGROUND: AORMA has had a contract with ARCC since 2006 and the scope of service has been similar over the years. The contract is serviced by John Owen, Tim Leech and Kristi Loiselle from Alliant Risk Control Consulting.

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

ATTACHMENT(S):

- a. FY 19/22 Alliant Risk Control Consulting – Proposed Contract
- b. ARCC Utilization Reports – 1st and 2nd Quarter

Alliant Risk Control Consulting **Three-Year Loss Control Services Agreement**

This three-year agreement is made and entered into effective July 1, ~~2018-2019~~ through June 30, ~~2019-2022~~. The parties to this agreement are the CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (“CSURMA”) and ALLIANT RISK CONTROL CONSULTING (“ARCC”). CSURMA and ARCC are hereinafter collectively referred to as “the Parties.”

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

1. ARCC Safety Services

ARCC will provide continuing services based upon the following:

- A. Services will be charged at \$193.50 an hour, with total annual hours not to exceed ~~672-646~~ or ~~\$130,000~~ \$125,000 (One Hundred Twenty-Five Thousand Dollars) and total three-year hours not to exceed 1,938 or \$375,000 (Three Hundred Seventy-Five Thousand Dollars). ~~(One Hundred Thirty Thousand Dollars).~~
- B. All safety service hours include travel expenses and training materials.
- C. Travel hours will be charged at 50% of the hourly rate.
- D. Any credits from unused prior year’s contract will be applied to the current contract.
- E. In the event AORMA exhausts all existing funds (including previous years) during the policy period, rates will be billed monthly as described in items A and B, above.

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

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

2. Safety Assessment Priority

Priority will be given to members that have leading workers’ compensation and general liability losses within AORMA as well as members with special projects and requests (such as new exposures, equipment and specialized training). At the beginning of each policy year, ARCC will review the AORMA Workers’ Compensation loss history over three previous years to rank loss causes (frequency) to identify top two loss trends. ARCC will prioritize services toward member organizations having operations represented in the top two aggregate loss trends. The priority will then be given to the top three member

departments with the top loss trends. ARCC will work directly with identified members to assess, enhance and implement good practices that address top two loss trends and reduce associated risk.

General Liability risk control consulting requests will continue to be prioritized based on member requests.

3. Experience Modification Reduction Plan

ARCC will review the workers' compensation losses for those AORMA members with an experience modification factor of between 1.10 and 1.25 and, if appropriate, provide recommendations as how to best reduce future losses. For those AORMA members with an experience modification in excess of 1.25, if appropriate, ARCC will meet with the AORMA member and assist in creating an experience modification reduction plan.

4. First Aid and CPR Training

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

5. Videos, Newsletters, Factsheets and Webinars

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

6. Insurance

ARCC shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by ARCC, its agents, representatives, or employees. Coverage shall be at least as broad as:

- A. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- B. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if ARCC has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

- C. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- D. Professional Liability (Errors and Omissions) Insurance appropriate to ARCC's profession, with limits no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- E. If ARCC maintains higher limits than the minimums shown above, CSURMA requires and shall be entitled to coverage for the higher limits maintained by the ARCC. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CSURMA.

7. **Other Insurance Provisions**

- A. Additional Insured Status - California State University Risk Management Authority, members of Auxiliary Organizations Risk Management Alliance, their officers, directors, members and agents are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the ARCC including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the ARCC's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).
- B. Primary Coverage - For any claims related to this contract, ARCC's insurance coverage shall be primary. Any insurance or self-insurance maintained by CSURMA AORMA shall be excess of ARCC's insurance and shall not contribute with it.
- C. Notice of Cancellation - Each insurance policy required above shall state that coverage shall not be canceled, except with notice to CSURMA.
- D. Waiver of Subrogation - ARCC hereby grants to CSURMA a waiver of any right to subrogation which any insurer of said ARCC may acquire against CSURMA by virtue of the payment of any loss under such insurance. ARCC agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CSURMA has received a waiver of subrogation endorsement from the insurer.
- E. Deductibles and Self-Insured Retentions - Any deductibles or self-insured retentions must be declared to and approved by CSURMA. CSURMA may require the ARCC to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
- F. Acceptability of Insurers - Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to CSURMA.

- G. Claims Made Policies - If any of the required policies provide coverage on a claims-made basis:
- 1) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 - 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 - 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the ARCC must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.
- H. Verification of Coverage - ARCC shall furnish CSURMA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by CSURMA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the ARCC’s obligation to provide them. CSURMA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- I. Subcontractors - ARCC shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and ARCC shall ensure that CSURMA is an additional insured on insurance required from subcontractors.
- J. Special Risks or Circumstances - CSURMA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

8. Indemnification

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

9. Termination

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

10. Use, Ownership and Confidentiality of Information

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

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

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

ARCC shall treat as confidential any information made available to it by reason of this agreement. ARCC will not release or disclose any such information without the express approval of CSURMA. To the extent it is necessary for ARCC to disclose CSURMA's information to a third party, ARCC shall limit the information disclosed to the minimum amount required for it to perform its obligations under this agreement and shall inform the third-party that the information is to be treated as confidential.

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

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

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

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

11. No Assignment or Delegation

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

12. Independent Contractor

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

13. Applicable Law and Dispute Resolution

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

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

If the Parties are unable to informally resolve a dispute or claim, the Parties agree that with regard to any dispute or claim related to this agreement, prior to the initiation of arbitration or other dispute resolution mechanism, they shall and must, in good faith, submit the claim or dispute to mediation with any mutually agreeable neutral possessing not less than three years mediation or other neutral alternative dispute resolution experience. To initiate the mediation process, the aggrieved party shall notify the other of the party's intent to seek mediation and provide a name for consideration as the neutral. The parties shall, within seven (7) days thereafter, in good faith select the neutral, and, as soon as such agreement is reached, the mediation process shall proceed. If the Parties are unable to reach agreement as to the selection of a neutral, they shall immediately submit the claim or dispute to the American Arbitration Association ("AAA") for mediation. The Parties agree to share equally the cost of the mediation, except that each party shall pay and bear its own attorney's fees and attorney related costs. At such time as the mediator declares that an impasse exists, either party may submit the matter to arbitration or other adjudication as provided for in the paragraph below.

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

14. Notices

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

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

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

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

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

15. Severability

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

16. Entire Agreement

This agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in the agreement, and no prior agreement, understanding or representation, oral or written, shall be effective for any purpose. This agreement supersedes any prior statement, writing or understanding of the Parties with respect to the subject matter hereof.

This agreement may be modified or amended only by a written statement signed by the Parties. Such modification or amendment shall thereupon become a part of this agreement.

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

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

William Hsu – CSURMA Legal Counsel

Date

AORMA July – Sept. ARCC Summary



Key Deliverables	<ul style="list-style-type: none">• AORMA Webinar 18–19’ Kickoff Series (5 sessions)• HMB Center Training (3 days)• Loss Review and Planning sessions:<ul style="list-style-type: none">• CSU Sacramento ASI• CSU Sacramento UEI• CSU Stanislaus ASI/UU• CSU San Jose Research Foundation• 4 Days of First Aid / CPR training sessions• 2 Program review requests• 3 Onsite surveys (2 ergonomic evaluations, 1 food service)	
Next Quarter Focus	<ul style="list-style-type: none">• Rec Center communication and inventory of RM practices• Service Plan work with SJSU RF, CSUS ASI, East Bay ASI, Stanislaus ASI/UU• 6 Loss Review & Planning sessions• 2–3 days of CPR training• Ag Safety Project next steps	
ARCC Hours	Used: 158 100	Remaining: 513

AORMA Oct. – Dec. ARCC Summary



Key Deliverables

- Loss Review and Planning sessions:
 - CSU East Bay ASI
 - CSU Sonoma ASI
 - Capital Public Radio
 - CSU San Bernardino Santos Manual Union
 - CSU San Bernardino ASI
- 3 Days of First Aid / CPR training sessions
- 2 Program review requests
- 3 Onsite surveys (2 ergonomic evaluations, 1 Campus Auxiliary survey (Northridge))
- 3 Research Requests
- 1 On-site Training session
- Additional Rec Center inventory collection

Next Quarter Focus

- Rec Center final inventory & proposal for next steps
- 2 New Service Plans
- 2-3 Loss Review & Planning Meetings
- 4-5 days of CPR training
- 3-4 Days of Training
- 2-3 Ergonomic Requests

ARCC Hours

Used To Date: 302

Remaining in FY: 378

MAXIMUM ALLOWABLE HOURLY RATE FOR LEGAL COUNSEL

ISSUE: Policy and Procedure L-3 - Legal Counsel Selection notes that the Liability Third Party Claims Administrator (TPA) will appoint all legal counsel to represent AORMA Members in defense of liability claims. All appointed legal counsel will be selected from the AORMA approved legal counsel list and subject to the maximum allowable hourly rate for legal counsel. The Policy and Procedure also notes that the TPA will, at least every 36 months, survey legal counsel compensation and recommend to the AORMA Committee a fair and equitable maximum allowable hourly rate. The Committee will be asked to discuss the recommendation made by the TPA for the maximum allowable hourly rate for legal counsel.

RECOMMENDATION: Staff recommends that the Committee approve a maximum allowable hourly rate for legal counsel based on the recommendation made by the TPA at this meeting.

FISCAL IMPACT: On September 8, 2016, the AORMA Committee approved the maximum allowable hourly rate for legal counsel of \$225; on September 7, 2017, the AORMA Committee approved the maximum allowable hourly rate for **specialty** legal counsel of \$275. A higher rate will have a direct effect on the overall cost of litigated liability claims.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Policy and Procedure L-3 – Legal Counsel Selection

SUBJECT: LEGAL COUNSEL SELECTION

ADOPTED: DECEMBER 7, 2006

**AMENDED: OCTOBER 8, 2009
SEPTEMBER 16, 2010
MAY 10, 2012
OCTOBER 23, 2014
MAY 5, 2016
SEPTEMBER 7, 2017**

EFFECTIVE: JANUARY 1, 2007

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

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

1. The TPA shall appoint all LEGAL COUNSEL to represent AORMA and its MEMBERS in defense of a covered liability claim. All appointed LEGAL COUNSEL shall be selected from the AORMA APPROVED LEGAL COUNSEL LIST and subject to the MAXIMUM ALLOWABLE HOURLY RATE for LEGAL COUNSEL. The TPA will send to LEGAL COUNSEL an engagement letter which the LEGAL COUNSEL will be asked to acknowledge and accept.
2. The CSURMA Secretary-Auditor approves the selection of defense counsel to be added to the AORMA APPROVED LEGAL COUNSEL LIST.
3. To avoid any appearance of a conflict of interest, actual or potential, any attorney who has advised a MEMBER in any capacity (such as serving as general or labor counsel) shall not be engaged as LEGAL COUNSEL for a matter on which that attorney previously advised the MEMBER without prior approval of the CSURMA Secretary-Auditor.

PROCEDURE

1. The TPA shall maintain and update the AORMA APPROVED LEGAL COUNSEL LIST of attorneys (not firms) to which claims will be assigned.
2. The AORMA APPROVED LEGAL COUNSEL LIST will also include specialty LEGAL COUNSEL which are subject to a higher MAXIMUM ALLOWABLE HOURLY RATE.

The CSURMA Secretary-Auditor and CSURMA Legal Counsel will determine if specialty LEGAL COUNSEL is required.

3. The TPA shall at least every 36 months survey LEGAL COUNSEL compensation and recommend to the AORMA COMMITTEE a fair and equitable MAXIMUM ALLOWABLE HOURLY RATE for LEGAL COUNSEL which will address specialty LEGAL COUNSEL rates, partner rates, associate rates and blended rates. The AORMA COMMITTEE shall consider and take action at a regularly scheduled meeting to establish the MAXIMUM ALLOWABLE HOURLY RATE.
4. If LEGAL COUNSEL is handling the defense of any University case, then LEGAL COUNSEL will be retained at the University's hourly rate.
5. MEMBERS shall have the right to recommend LEGAL COUNSEL from the AORMA APPROVED LEGAL COUNSEL LIST; however, the CSURMA Secretary-Auditor shall make the final selection of LEGAL COUNSEL. If the MEMBER disapproves of the selection of LEGAL COUNSEL for a particular matter, the MEMBER may submit an appeal in writing to the AORMA COMMITTEE.
6. Any MEMBER wishing to recommend LEGAL COUNSEL for inclusion on the AORMA APPROVED LEGAL COUNSEL LIST may do so by submitting background information on the individual attorney to the TPA. The TPA will then review the information and, if appropriate, request that the CSURMA Secretary-Auditor approve inclusion of the attorney on the AORMA APPROVED LEGAL COUNSEL LIST.
7. Due to the potential conflict of interest, attorneys who serve regularly as general counsel, in-house counsel or labor counsel for that MEMBER may not defend that MEMBER unless prior written approval is granted by the CSURMA Secretary-Auditor.
8. Except as permitted by Paragraph Nos. 9, 10 and 11 below, the CSURMA Secretary-Auditor and the TPA shall have the sole responsibility to select and engage LEGAL COUNSEL to represent MEMBERS of AORMA as to any matters tendered by a MEMBER through AORMA for DEFENSE and INDEMNITY. A MEMBER may request selection of LEGAL COUNSEL from the AORMA APPROVED LEGAL COUNSEL LIST for a specific claim.
9. The TPA shall assign claims to LEGAL COUNSEL within five days after receipt of notice from the MEMBER that a Summons and Complaint has been received by the TPA.
10. If there is a conflict of interest between AORMA and a MEMBER (which would be a conflict of interest between an insured and its insurer within the meaning of California Civil Code Section 2860) then that MEMBER has the same rights to select and engage INDEPENDENT COUNSEL as would an insured under Civil Code Section 2860. AORMA also has all of the rights reserved to an insurer under Civil Code Section 2860, and all of the provisions of Civil Code Section 2860 shall apply as if AORMA was an insurer and the MEMBER was an insured.

11. A MEMBER may recommend LEGAL COUNSEL to defend an action if all of the following conditions apply:
 - a. Recommended LEGAL COUNSEL is selected from the AORMA APPROVED LEGAL COUNSEL LIST;
 - b. The CSURMA Secretary-Auditor approves the recommendation. (The recommendation will be approved by the CSURMA Secretary-Auditor unless the MEMBER's selection is found to be imprudent, i.e., LEGAL COUNSEL proposed by the MEMBER does not have sufficient experience, expertise or other qualifications required to competently undertake the defense assignment).
 - c. One or more of the following circumstances exists:
 - i. The MEMBER has significant exposure to a claim which the AORMA COMMITTEE has either denied coverage for, or has reserved its rights to deny coverage for, but which claims there may not be a conflict of interest between AORMA and MEMBER of the kind referred to in Paragraph No. 10 above. If the MEMBER chooses to avail itself of the privilege of selecting LEGAL COUNSEL under this No. 10 c(i), the MEMBER shall affirmatively waive its rights under No. 9 above.
 - ii. The case involves legal or factual issues which merit handling by LEGAL COUNSEL with specialized expertise.
 - iii. The case involves unusual ancillary factors, which justify retaining LEGAL COUNSEL having special sensitivity in dealing with those factors.
12. The MEMBER always may select and engage, *at its own expense*, MONITORING COUNSEL in addition to the LEGAL COUNSEL. However, the LEGAL COUNSEL selected by the CSURMA Secretary-Auditor or the TPA shall manage and control the litigation.
13. AORMA will pay for INDEPENDENT COUNSEL and LEGAL COUNSEL selected and engaged pursuant to Paragraph Nos. 9 and 10 above. AORMA *will not pay for* MONITORING COUNSEL engaged pursuant to Paragraph 11, above.
14. In conjunction with LEGAL COUNSEL, selected pursuant to No. 9, above, the AORMA COMMITTEE and the TPA shall have the right to manage and control the conduct of the litigation. INDEPENDENT COUNSEL selected pursuant to No. 9, above, may participate in the defense of the litigation but shall not interfere with AORMA's right of control.
15. If a MEMBER has concerns regarding the selected LEGAL COUNSEL, they must communicate with the CSURMA Secretary-Auditor prior to initiating the MEMBER Appeal Process as described below.

NOTIFICATION

The TPA shall notify the MEMBER of LEGAL COUNSEL assigned to a claim, and confirm by sending the MEMBER a copy of the TPA's engagement letter. Before AORMA will pay any costs for LEGAL COUNSEL fees, selected LEGAL COUNSEL must confirm IN WRITING to the TPA that the engagement is between LEGAL COUNSEL and AORMA, not LEGAL COUNSEL and MEMBER.

MEMBER APPEAL PROCESS

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.

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'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:

APPROVED LEGAL COUNSEL LIST - A list of pre-approved attorneys approved by the CSURMA Secretary-Auditor and the TPA to handle defense and litigation of AORMA MEMBER claims.

AORMA – Auxiliary Organizations Risk Management Alliance is the group of programs under 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.

DEFENSE - Legal costs incurred as the result of defending a covered claim. These may include claimant’s and defense counsel’s attorney fees.

EXECUTIVE COMMITTEE – The CSURMA Executive Committee.

INDEMNITY - Compensation for an incurred injury, loss or damage

INDEPENDENT COUNSEL – Legal Counsel selected if a potential conflict of interest exists between AORMA and a MEMBER. INDEPENDENT COUNSEL may participate in the defense of the litigation but shall not interfere with LEGAL COUNSEL’S right of control.

IN WRITING - The required manner for reporting a claim to the AORMA TPA. Notification in writing includes email correspondence, faxed transmissions, and original, hard copy notifications.

LEGAL COUNSEL - Any attorney selected to represent an AORMA member. Legal Counsel is selected from the approved legal counsel list maintained by the TPA.

MAXIMUM ALLOWABLE HOURLY RATE – The maximum hourly fee for which AORMA will pay for an attorney to defend a covered claim. The TPA will survey the legal counsel marketplace to determine the maximum allowable hourly rate for AORMA in accordance with this Policy and Procedure. If the maximum allowable hourly rate is increase, it will be applicable only to current litigation and open claims. The change to the maximum allowable hourly rate does not apply retroactively to closed claims.

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.

MONITORING COUNSEL – Legal Counsel hired by the MEMBER to monitor.



CSURMA AORMA

POLICY AND PROCEDURE NO. L-3

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

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

**HUMBOLDT STATE UNIVERSITY REAL ESTATE HOLDINGS
 REQUEST FOR COVERAGE EXTENSION**

ISSUE: CSURMA AORMA Policy and Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations – allows an AORMA member to extend liability coverage to an entity it exercises substantial control over. Humboldt State University Real Estate Holdings (REH) is a California nonprofit corporation created in 2016 by the Humboldt State University Advancement Foundation as a supporting organization under Section 509(a)(3) of the Internal Revenue Code in order to accept, hold, and manage certain real property on behalf of the Advancement Foundation and the University. It is governed by a Board of Directors, all of whom are appointed by the Advancement Foundation. It makes charitable grants and distributions only to the Advancement Foundation.

RECOMMENDATION: Staff recommends that the Committee approve the extension of liability coverage to HSU Real Estate Holdings.

FISCAL IMPACT: No fiscal impact is expected from action taken by the Committee. Staff does not expect the extension of coverage to increase the risk exposures retain within the AORMA liability self-insured program. The exposures to loss are currently covered by the Advancement Foundation.

BACKGROUND: HSU Real Estate Holdings currently owns two buildings that are leased back to Advancement Foundation. The Advancement Foundation purchases the property insurance for both locations and reports the appropriate loss exposures within the liability program for the Samoa property and will add square footage for the Granite property.

HSU Real Estate Holdings - Owned Properties			
Address	Purpose	Property Insurance	Liability Insurance
570 Granite Avenue, Arcata	Multi-Family Residential Property	HSU Advancement Foundation	HSU Advancement Foundation
1601 Samoa Blvd., Arcata	Warehouse and Office	HSU Advancement Foundation	HSU Advancement Foundation

PUBLICATION: If an extension of coverage is approved, the AORMA Liability Program memorandum of coverage will be updated to include HSU Real Estate Holdings as an insured.

ATTACHMENT(S):

- a. Board minutes approving the formation of HSU Real Estate Holdings
- b. HSU Real Estate Holdings Articles of Incorporation
- c. HSU Real Estate Holdings Bylaws

To: Board of Directors
From: Craig Wruck, Executive Director
Re: Agenda Item 6: HSU Real Estate Holdings supporting organization

ACTION: The Board of Directors will be asked to ratify the actions of the Executive Committee to create Humboldt State University Real Estate Holdings, a supporting organization of the Foundation.

The Foundation has acquired and holds several pieces of real estate in support of Humboldt State University. Some are retained for use by the University (e.g. Schatz Tree Farm & Natural History Museum) and others are held for future expansion (e.g. Annex, Samoa Boulevard.)

As the owner of these properties the Foundation is responsible for costs, risks, and liabilities involved with these properties. In addition, changes in market value of these properties can have an impact on the Foundation's financial strength. Under some circumstances these risks and liabilities could jeopardize the ability of the Foundation to carry out its other charitable purposes.

The University anticipates an ongoing need for the Foundation to acquire and hold real estate that is not State property. In order to serve the University, the Foundation needs an efficient mechanism to acquire, manage, and dispose of real estate that protects the Foundation from liability and preserves its ability to fulfill all of its charitable purposes.

At the request of the University President, the Executive Committee took action in December, 2015, to authorize the establishment of a subsidiary organization to hold and manage real estate. Humboldt State University Real Estate Holdings (HSUREH) has been chartered as a separate California non-profit corporation. An application is in process for tax-exemption under Internal Revenue Code Section 501(c)(3). HSUREH is organized as a "supporting organization" under Section 509(a)(3) of the Internal Revenue Code. The HSUREH governing board is appointed by the Foundation and the HSUREH is allowed to make distributions only to the Foundation.

Attached for your reference are the Articles of Incorporation and Bylaws for the HSUREH. Note that the initial governing board is Duncan Robins, Jason Ramos, and Craig Wruck, and that the Advancement Foundation appoints and can remove HSUREH board members, a process that will ordinarily take place at the annual meeting of the Foundation each fall.

It is anticipated that the Foundation may transfer title to its existing real estate holdings to the HSUREH which will then hold and manage the properties separate from the Foundation. Future acquisitions and contributions of real estate will be made by HSUREH rather than the Foundation. After tax exemption is granted the University anticipates asking its other auxiliaries to transfer certain of their real estate holdings to HSUREH.

FILED
Secretary of State
State of California
MAY - 2 2016

ARTICLES OF INCORPORATION
OF
HUMBOLDT STATE UNIVERSITY REAL ESTATE HOLDINGS

ARTICLE I

The name of this corporation is Humboldt State University Real Estate Holdings.

ARTICLE II

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific and primary purpose of this corporation is to engage in charitable and educational activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law (the "Code"), as a supporting organization within the meaning of Section 509(a)(3) of the Code, that benefit, perform the functions of, or carry out the purposes of Humboldt State University Advancement Foundation, a California nonprofit public benefit corporation recognized as a tax-exempt public charity under Section 501(c)(3) and 509(a)(1) of the Code.

ARTICLE III

The name and address in this state of this corporation's initial agent for the service of process is:

Craig C. Wruck
1 Harpst Street
Arcata, CA 95521

ARTICLE IV

The initial street and mailing address of the corporation is 1 Harpst Street, Arcata, CA 95521.

ARTICLE V

A. This corporation is organized and operated exclusively for exempt purposes within the meaning of Section 501(c)(3) of the Code. Notwithstanding any other provision of these Articles, this corporation shall not carry on any activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (2) by a corporation, contributions to which are deductible under Sections 170(c)(2), 2055(a)(2), 2106(a)(2)(A)(ii), 2522(a)(2), or 2522(b)(2) of the Code.

B. Except as permitted by law, no substantial part of the activities of this corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall this corporation participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.

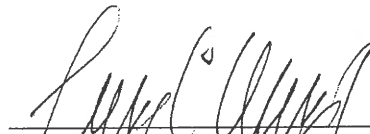
ARTICLE VI

This corporation shall not have the power to accept any gift or contribution from any person described in Section 509(f)(2)(B) of the Code.

ARTICLE VII

The property of this corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member, if any, of this corporation, or any other private person. Upon the winding up and dissolution of this corporation and after paying or adequately providing for the debts and obligations of this corporation, the remaining assets shall be distributed to the Humboldt State University Advancement Foundation if it is then an organization described in Sections 501(c)(3) and 509(a)(1) or (2) of the Code. If the Humboldt State University Advancement Foundation is not then an organization described in Sections 501(c)(3) and 509(a)(1) or (2) of the Code, the assets of this corporation shall be distributed to one or more nonprofit funds, foundations, or corporations that are organized and operated for the benefit of Humboldt State University to be selected and approved by the President of Humboldt State University and the Chancellor of The California State University. Such nonprofit funds, foundations, or corporations must be operated exclusively for charitable purposes, have established their tax-exempt status under Section 501(c)(3) of the Code, and be described in either 509(a)(1) or (2) of the Code.

DATED: 4/29/, 2016


 Craig C. Wruck, Incorporator

**BYLAWS
OF
HUMBOLDT STATE UNIVERSITY REAL ESTATE HOLDINGS**

TABLE OF CONTENTS

		<u>Page</u>
Article I	PRINCIPAL OFFICE	1
Article II	MEMBERSHIP.....	1
Article III	DESIGNATOR.....	1
	Section 1. Naming of Designator.....	1
	Section 2. Actions of Designator	1
Article IV	BOARD OF DIRECTORS	1
	Section 1. Powers.....	1
	Section 2. Number of Directors	1
	Section 3. Limitations on Interested Persons	2
	Section 4. Designation and Term of Office of Directors	2
	Section 5. Vacancies	2
	Section 6. Resignation and Removal	2
	Section 7. Annual Meetings.....	2
	Section 8. Special Meetings.....	2
	Section 9. Notice.....	2
	Section 10. Waiver of Notice.....	3
	Section 11. Quorum	3
	Section 12. Action Without a Meeting	3
	Section 13. Telephone and Electronic Meetings.....	3
	Section 14. Standard of Care	3
	A. General.....	3
	B. Investments	4
	Section 15. Inspection.....	5
	Section 16. Director Compensation	5
	Section 17. Executive Compensation Review	5
Article V	COMMITTEES.....	5
	Section 1. Board Committees	5
	Section 2. Advisory Committees	6
	Section 3. Committee Supervision and Reliance.....	6
	Section 4. Audit Committee.....	6
	Section 5. Meetings.....	7
	A. Of Board Committees	7
	B. Of Advisory Committees	7

TABLE OF CONTENTS

	<u>Page</u>
Article VI	OFFICERS..... 7
Section 1.	Officers 7
Section 2.	Election 7
Section 3.	Removal 7
Section 4.	Resignation 8
Section 5.	Vacancies 8
Section 6.	Chair of the Board..... 8
Section 7.	President..... 8
Section 8.	Secretary 8
Section 9.	Treasurer 8
Article VII	CERTAIN TRANSACTIONS..... 8
Section 1.	Loans..... 8
Section 2.	Self-Dealing Transactions..... 9
Section 3.	Approval 9
Article VIII	INDEMNIFICATION AND INSURANCE 9
Section 1.	Right of Indemnity 9
Section 2.	Approval of Indemnity..... 9
Section 3.	Advancing Expenses 10
Section 4.	Insurance 10
Article IX	GRANTS ADMINISTRATION 10
Section 1.	Purpose of Grants..... 10
Section 2.	Board of Directors Oversight..... 10
Section 3.	Refusal; Withdrawal 10
Section 4.	Accounting..... 10
Section 5.	Restrictions on Contributions 11
Article X	MISCELLANEOUS 11
Section 1.	Fiscal Year 11
Section 2.	Contracts, Notes, and Checks 11
Section 3.	Annual Reports to Directors 11
Section 4.	Required Financial Audits 12
Section 5.	Electronic Transmissions 12
Section 6.	Amendments 12
Section 7.	Governing Law 12

**BYLAWS
OF
HUMBOLDT STATE UNIVERSITY REAL ESTATE HOLDINGS**

**ARTICLE I
PRINCIPAL OFFICE**

The principal office of this corporation shall be located in the county of Humboldt, California.

**ARTICLE II
MEMBERSHIP**

This corporation shall have no voting members, but the Board of Directors of this corporation (the "Board") may, by resolution, establish one or more classes of nonvoting members and provide for eligibility requirements for membership and rights and duties of members, including the obligation to pay dues.

**ARTICLE III
DESIGNATOR**

Section 1. Naming of Designator. The Designator referred to in these Bylaws shall be Humboldt State University Advancement Foundation, a California nonprofit public benefit corporation, acting through its duly authorized representative.

Section 2. Actions of Designator. All actions of the Designator shall be evidenced by a writing signed by its duly authorized representative and delivered to an officer of this corporation, which shall be filed by the Secretary with the proceedings of the Board of Directors of this corporation.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 1. Powers. This corporation shall have powers to the full extent allowed by law. All powers and activities of this corporation shall be exercised and managed by the Board of Directors of this corporation directly or, if delegated, under the ultimate direction of the Board.

Section 2. Number of Directors. The number of directors shall be not less than three nor more than twelve, with the exact authorized number of directors to be fixed from time to time by resolution of the Board of Directors.

Section 3. Limitations on Interested Persons. At all times, not more than 49% of the directors of this corporation may be interested persons. An interested person means either:

(a) any person currently being compensated by this corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director; or

(b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 4. Designation and Term of Office of Directors. Except for the initial directors named by the incorporator, the directors of this corporation shall be designated by the Designator from time to time, subject to the power of the Board to fix the number of directors as provided in Section 2 above. The effective date of any such designation shall be as provided therein. Directors shall be designated for a three-year term, and each such designated Director shall hold office until the expiration of the term and until a successor has been designated.

Section 5. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason. Vacancies may be filled by the Designator for the unexpired portion of the term.

Section 6. Resignation and Removal. Resignations shall be effective upon receipt in writing by the Chair of the Board (if any), the President (if any), or the Secretary of this corporation, unless a later effective date is specified in the resignation. The Board of Directors, by the vote of a majority of the directors then in office, or the Designator, may remove without cause any director at any time provided that any such removal by the Board shall be effective only with the consent of the Designator.

Section 7. Annual Meetings. A meeting of the Board of Directors shall be held at least once a year. Annual meetings shall be called by the Chair of the Board (if any), the President (if any), or any two directors, and noticed in accordance with Section 9.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the Chair of the Board (if any), the President (if any), or any two directors, and noticed in accordance with Section 9.

Section 9. Notice. Notice of the annual meeting and any special meetings of the Board of Directors shall state the date, place, and time of the meeting and shall be given to each director at least four days before any such meeting if given by first-class mail or forty-eight hours before any such meeting if given personally or by telephone, including a voice messaging system, or by other electronic transmission such as email, in compliance with Article X, Section 5 of these Bylaws.

Section 10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present, and if, either before or after the meeting, each of the directors not present provides a waiver of notice, a consent to holding the meeting, or an approval of the minutes in writing. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 11. Quorum. A majority of the total number of directors then in office shall constitute a quorum, provided that in no event shall the required quorum be less than one-fifth of the authorized number of directors or two directors, whichever is larger. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in Article IV, Section 6 (removing directors) and Section 12 (taking action without a meeting); Article V, Section 1 (appointing Board Committees); Article VII, Section 3 (approving self-dealing transactions); Article VIII, Section 2 (approving indemnification); and Article X, Section 6 (amending Bylaws), of these Bylaws or in the California Nonprofit Public Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 12. Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent to such action in writing. Such written consents shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as the unanimous vote of such directors.

Section 13. Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission in compliance with Article X, Section 5 of these Bylaws so long as all of the following apply:

- (a) each director participating in the meeting can communicate with all of the other directors concurrently, and
- (b) each director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

Section 14. Standard of Care.

A. General. A director shall perform the duties of a director, including duties as a member of any Board Committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(i) one or more officers or employees of this corporation whom the director believes to be reliable and competent as to the matters presented;

(ii) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(iii) a committee upon which the director does not serve that is composed exclusively of any combination of directors or persons described in (i) or (ii) above, as to matters within the committee's designated authority, provided that the director believes such committee merits confidence;

so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article VII below, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

B. Investments. Except with respect to assets held for use or used directly in carrying out this corporation's public or charitable activities, in investing, reinvesting, purchasing or acquiring, exchanging, selling, and managing this corporation's investments, the Board shall adhere to the standards set forth in the preceding paragraph, and shall: (a) consider the charitable purposes of this corporation; (b) avoid speculation, looking to the permanent disposition of the funds, considering the probable income as well as the probable safety of this corporation's capital; and (c) consider:

- (1) General economic conditions;
- (2) The possible effect of inflation or deflation;
- (3) The expected tax consequences, if any, of investment decisions or strategies;
- (4) The role that each investment or course of action plays within the overall portfolio;
- (5) The expected total return from income and appreciation of investments;
- (6) This corporation's other resources;
- (7) The needs of this corporation to make distributions and to preserve capital;

- (8) An asset's special relationship or special value, if any, to the charitable purposes of this corporation.

Board decisions about an individual investment shall be made not in isolation but rather in the context of this corporation's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to this corporation.

Notwithstanding the above, no investment violates this section where it conforms to: (a) the intent of the donor as expressed in a gift instrument; or (b) provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to this corporation.

Section 15. Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of this corporation.

Section 16. Director Compensation. The Board of Directors may authorize, by resolution, the payment to a director of reasonable compensation for services as a director. The Board may authorize the advance or reimbursement to a director of actual reasonable expenses incurred in carrying out his or her duties as a director, such as for attending meetings of the Board and Board Committees.

Section 17. Executive Compensation Review. The Board of Directors (or a Board Committee) shall review any compensation packages (including all benefits) of the President or the chief executive officer and the Treasurer or chief financial officer, regardless of job title, and shall approve such compensation only after determining that the compensation is just and reasonable. This review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this corporation.

ARTICLE V COMMITTEES

Section 1. Board Committees. The Board of Directors may, by resolution adopted by a majority of the directors then in office, create any number of Board Committees, each consisting of two or more directors, and only of directors, to serve at the pleasure of the Board. Appointments to any Board Committee shall be by a majority vote of the directors then in office. Board Committees may be given all the authority of the Board, except for the powers to:

- (a) set the number of directors within a range specified in these Bylaws;
- (b) elect directors or remove directors without cause;
- (c) fill vacancies on the Board of Directors or on any Board Committee;

- Committee;
- (d) fix compensation of directors for serving on the Board or any Board Committee;
 - (e) amend or repeal these Bylaws or adopt new Bylaws;
 - (f) adopt amendments to the Articles of Incorporation of this corporation;
 - (g) amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
 - (h) create any other Board Committees or appoint the members of any Board Committees; or
 - (i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of this corporation.

Section 2. Advisory Committees. The Board of Directors may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of directors or non-directors and may be appointed as the Board determines. Advisory committees may not exercise the authority of the Board to make decisions on behalf of this corporation, but shall be restricted to making recommendations to the Board or Board Committees, and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee.

Section 3. Committee Supervision and Reliance. If a committee is composed and appointed as required by Section 1 above (concerning Board Committees), it may act with the authority of the Board to the extent and with the scope provided by the Board. Otherwise, the Board of Directors shall remain responsible for oversight and supervision of the committee as an Advisory Committee. If a committee meets the criteria of Article IV, Section 14.A.(iii), the individual directors may rely on it in discharging their fiduciary duties as provided in that Section.

Section 4. Audit Committee. For any tax year in which this corporation has gross revenues of \$2 million or more, this corporation shall have an Audit Committee whose members shall be appointed by the Board of Directors, and who may include both directors and non-directors, subject to the following limitations: (a) members of the finance committee, if any, shall constitute less than one-half of the membership of the Audit Committee; (b) the chair of the Audit Committee may not be a member of the Finance Committee, if any; (c) the Audit Committee may not include any member of the staff, including the President or chief executive officer and Treasurer or chief financial officer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with this corporation; and (e) Audit Committee members who are not directors may not receive compensation greater than the compensation paid to directors for their Board service.

Subject to the limitations set forth in this Section 4, the Board may appoint the Audit Committee of the Designator as the Audit Committee of this corporation. In such case, the Audit Committee of the Designator would have all of the rights and obligations of an audit committee described in this Section 4.

The Audit Committee shall: (1) recommend to the full Board of Directors for approval the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor, (2) subject to approval of the full Board, negotiate the compensation of the auditor on behalf of the Board, (3) confer with the auditor to satisfy the Audit Committee members that the financial affairs of this corporation are in order, (4) review and determine whether to accept the audit, and (5) approve performance of any non-audit services provided to this corporation by the auditor's firm.

Section 5. Meetings.

A. Of Board Committees. Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article IV of these Bylaws concerning meetings and actions of the Board of Directors, with such changes in the content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

B. Of Advisory Committees. Subject to the authority of the Board of Directors, Advisory Committees may determine their own meeting rules and whether minutes shall be kept.

The Board of Directors may adopt rules for the governance of any Board or Advisory Committee not inconsistent with the provisions of these Bylaws.

ARTICLE VI OFFICERS

Section 1. Officers. The officers of this corporation shall be a Chair of the Board, a President, a Secretary, and a Treasurer. The corporation may also have, at the discretion of the directors, such other officers as may be appointed by the Board of Directors. Any number of offices may be held by the same person, except that the Secretary, the Treasurer, or the Chief Financial Officer, if any, may not serve concurrently as the President or Chair of the Board, if any.

Section 2. Election. Except for the initial officers appointed by the incorporator, the officers of this corporation shall be elected every two years by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors or by an officer on whom such power of removal may be conferred by the Board of Directors.

Section 4. Resignation. Any officer may resign at any time by giving written notice to this corporation. Any resignation shall take effect on receipt of that notice by any other officer than the person resigning or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party.

Section 5. Vacancies. A vacancy in any office for any reason shall be filled in the same manner as these Bylaws provide for election to that office.

Section 6. Chair of the Board. The Chair of the Board shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 7. President. The President shall be the chief executive officer of this corporation and shall, subject to control of the Board, generally supervise, direct and control the business and other officers of this corporation. The President shall have the general powers and duties of management usually vested in the office of president of the corporation and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8. Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the Board of Directors and its committees, shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books of this corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9. Treasurer. The Treasurer shall be the chief financial officer of this corporation and shall supervise the charge and custody of all funds of this corporation, the deposit of such funds in the manner prescribed by the Board of Directors, and the keeping and maintaining of adequate and correct accounts of this corporation's properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

ARTICLE VII CERTAIN TRANSACTIONS

Section 1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, this corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 below, the Board of Directors shall not approve, or permit the corporation to engage in, any self-dealing transaction. A self-dealing transaction is a transaction to which this corporation is a party and in which one or more of its directors has a material financial interest, unless the transaction comes within California Corporations Code Section 5233(b).

Section 3. Approval. This corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that (a) this corporation is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to this corporation at the time; and (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the director's interest in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the requirements above; provided that, at its next meeting, the full Board determines in good faith that the Board Committee's approval of the transaction was consistent with the requirements above and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the directors then in office without the vote of any interested director.

ARTICLE VIII INDEMNIFICATION AND INSURANCE

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, this corporation shall indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, "agent" shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; "proceeding" shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and "expenses" shall have the same meaning as in Section 5238(a), including reasonable attorneys' fees.

Section 2. Approval of Indemnity. On written request to the Board of Directors in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, shall authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. The Board of Directors may authorize the advance of expenses incurred by or on behalf of an agent of this corporation in defending any proceeding prior to final disposition, if the Board finds that:

(a) the requested advances are reasonable in amount under the circumstances;
and

(b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether the undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. Insurance. The Board of Directors may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, and such insurance may provide for coverage against liabilities beyond this corporation's power to indemnify the agent under law.

ARTICLE IX GRANTS ADMINISTRATION

Section 1. Purpose of Grants. This corporation shall have the power to make grants and contributions and to render other financial assistance for the purposes expressed in this corporation's Articles of Incorporation.

Section 2. Board of Directors Oversight. The Board of Directors shall exercise itself, or delegate, subject to its supervision, control over grants, contributions, and other financial assistance provided by this corporation. The Board shall approve a process for reviewing and approving or declining all requests for funds made to this corporation, which shall require such requests to specify the use to which the funds will be put, and include a mechanism for regular Board review of all grants made. The Board shall similarly approve a process for authorizing payment of duly approved grants to the approved grantee.

Section 3. Refusal; Withdrawal. The Board of Directors, in its absolute discretion, shall have the right to refuse to make any grants or contributions, or to render other financial assistance, for any or all of the purposes for which the funds are requested. In addition, the Board, in its absolute discretion, shall have the right to withdraw its approval of any grant at any time and use the funds for other purposes within the scope of the purposes expressed in this corporation's Articles of Incorporation, subject to any rights of third parties under any contract relating to such grant.

Section 4. Accounting. The Board of Directors shall determine under what circumstances to require that grantees furnish a periodic accounting to show that the funds granted by this corporation were expended for the purposes that were approved by the Board.

Section 5. Restrictions on Contributions. Unless otherwise determined by resolution of the Board of Directors in particular cases, this corporation shall retain complete control and discretion over the use of all contributions it receives, subject only to any charitable trust restrictions that apply to such contributions, and all contributions received by this corporation from solicitations for specific grants shall be regarded as for the use of this corporation and not for any particular organization or individual mentioned in the solicitation.

ARTICLE X MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of this corporation shall end each year on June 30.

Section 2. Contracts, Notes, and Checks. All contracts entered into on behalf of this corporation must be authorized by the Chair of the Board, and, except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of this corporation shall be signed by the by the person or persons on whom such power may be conferred by the Board from time to time.

Section 3. Annual Reports to Directors. The chief executive officer shall furnish an annual written report to all directors of this corporation containing the following information about this corporation's previous fiscal year:

(a) the assets and liabilities, including the trust funds of this corporation, as of the end of the fiscal year;

(b) the principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) the revenue or receipts of this corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

(d) the expenses or disbursements of this corporation, for both general and restricted purposes, for the fiscal year; and

(e) any transaction during the previous fiscal year involving more than \$50,000 between this corporation (or its parent or subsidiaries, if any) and any of its directors or officers (or the directors or officers of its parent or subsidiaries, if any) or any holder of more than ten percent of the voting power of this corporation or its parent or subsidiaries, if any, or any of a number of such transactions in which the same person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than \$50,000, as well as the amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of this corporation. For each transaction, the report must disclose the names of the interested persons involved in such transaction, stating such person's relationship to this corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of this corporation that such statements were prepared without an audit from the books and records of this corporation. The report and any accompanying material may be sent by electronic transmission in compliance with Article X, Section 5 of these Bylaws.

Section 4. Required Financial Audits. This corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Whether or not they are required by law, any audited financial statements obtained by this corporation shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall remain available for three years (1) by making them available at this corporation's principal, regional, and district offices during regular business hours and (2) either by mailing a copy to any person who so requests in person or in writing or by posting them on this corporation's website.

Section 5. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from the corporation, the corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to the corporation, the corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

Section 6. Amendments. Proposed amendments to these Bylaws shall be submitted in writing to the directors at least one week in advance of any Board meeting at which they will be considered for adoption. The vote of a majority of the directors then in office or the unanimous written consent of the directors shall be required to adopt a bylaw amendment; provided, however, that no amendment to these Bylaws shall take effect without the written consent of the Designator.

Section 7. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

**THE CAL POLY POMONA PHILANTHROPIC FOUNDATION
NEW MEMBER**

ISSUE: The Committee will be asked to approve The Cal Poly Pomona Philanthropic Foundation as a new CSURMA AORMA member. The Philanthropic Foundation is being established to promote, secure and steward private support for the University. The work of the Philanthropic Foundation will be significant to building on the past success of the CSU.

RECOMMENDATION: Staff recommends that the Committee approve The Cal Poly Pomona Philanthropic Foundation as a new CSURMA AORMA member subject to final Chancellor’s Office approval. Staff recommends adding the Philanthropic Foundation to the Property, Liability, Crime and Excess Cyber Liability programs.

FISCAL IMPACT: Based on underwriting information provided, the CSURMA AORMA annual costs are as follows:

Table 1

Coverage Program	Annual Premium	
	FY 18/19	FY 19/20
Property	-	-
Liability	2,474	2,845
Crime	572	572
Excess Cyber Liability	28	28
Total	\$ 3,074	\$ 3,445

The annual costs will be pro-rated based on the inception date of coverage.

BACKGROUND: Cal Poly Pomona has received conditional approval from the Chancellor’s Office to form the new Philanthropic Foundation and will notify Staff when the CO issues final approval.

The following underwriting information was provided by the Philanthropic Foundation:

Table 2

CSURMA AORMA Underwriting Information		
1	Payroll (annual estimate):	N/A
2	Number of volunteers (annual estimate):	8
3	Number of owned vehicles:	0
4	Annual expenses (estimate):	\$950,000
5	Square footage for all real property that you own, lease, or are responsible for the maintenance and upkeep:	N/A
6	Total value of owned real property and business personal property:	N/A

PUBLICATION: None at this time.

ATTACHMENT(S): None.

WORKERS' COMPENSATION COVERAGE FOR VOLUNTEERS

ISSUE: Staff has been working with CSAC-EIA to obtain approval to expand the AORMA workers' compensation program to include as named insureds all AORMA members even those Members with no employees. This program change will allow members (with no employees) to extend workers' compensation coverage to their Board members as well as their volunteers.

RECOMMENDATION: This item is presented as information only; however, the Committee may provide direction to Staff as appropriate.

FISCAL IMPACT: To be determined. Staff has not received final approval from CSAC-EIA, but once final approval is received, the AORMA Committee should approve a rating plan for those members with no payroll and who choose to add workers' compensation coverage for their volunteers (including board members).

BACKGROUND: Once final approval is received from CSAC-EIA, Staff will complete the following tasks:

1. Create and suggest to the AORMA Committee a basic rating structure.
2. Gather the following information from those members with no employees who would like to cover their volunteers:
 - Number of annual volunteers (within two work categories – Physical in Nature and Non-Physical in Nature)
 - Number of board members
 - Number of board members who are not CSU Campus or Auxiliary employees
 - Anticipated volunteer activities
3. Provide pricing to AORMA members with no employees.

PUBLICATION: None at this time.

ATTACHMENT(S):

- a. AORMA Workers' Compensation Explanation of Classification Codes
- b. AORMA Workers' Compensation Payroll Rules to Follow

AORMA Workers' Compensation Explanation of Classification Codes

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

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

AORMA Workers' Compensation Payroll Rules to Follow

Revision Date: March 21, 2014

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

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

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

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

Division of Single Employee's Payroll:

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

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

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

LIABILITY PROGRAM MEMBER ALLOCATION FOR FY 19/20

ISSUE: At its meeting in December, 2018, the AORMA Committee approved the Liability Program Member Allocation and the allocation factors for FY 19/20. Subsequent to the Committee’s approval, Staff discovered and corrected an error in the calculation. The FY 18/19 costs were not accurately reflected which had an impact on the collaring section of the allocation. The FY 19/20 Liability Program Member Allocation has been corrected and is being presented for the Committee’s approval.

RECOMMENDATION: Staff recommends that the AORMA Committee approve the FY 19/20 Liability Program Member Allocation as presented. The allocation factors which were approved in December 2019, have not changed.

FISCAL IMPACT: The FY 19/20 Liability Program Member Allocation results in total costs of \$4,540,155 which is a 9% increase compared to the funding for FY 18/19 of \$4,164,118.

BACKGROUND: The following factors were approved by the AORMA Committee at its meeting in December, 2018:

1. **Four basic rates.** TABLE 1 includes the proposed rates for Auto, Premises, Other and Employment Practices Liability (EPL). The rate changes have been limited to +/- 10% to provide rate stability.

TABLE 1						
Exposure Category	19/20 Actuary's Recommended Rates	AORMA 19/20 Collared Rates	Diff	AORMA 18/19 Collared Rates	AORMA 19/20 Collared Rates	Diff
Auto Liability	172	172	0%	165	172	4%
Premises Liability	41	40	-2%	37	40	8%
Other Liability	169	320	89%	356	320	-10%
EPL	2,043	1,560	-24%	1,418	1,560	10%

Table 2 below shows the actuary’s recommended rates for the four exposure categories for FY 16/17, 17/18, 18/19 and 19/20. This table allows the Committee to see how the rates are trending based on AORMA’s historical loss information.

Exposure	FY 16/17	FY 17/18	% Diff	FY 17/18	FY 18/19	% Diff	FY 18/19	FY 19/20	% Diff
Auto Liability	151	143	-5%	143	161	12%	161	172	7%
Premises Liability	40	38	-4%	38	35	-8%	35	41	16%
Other Liability	134	168	26%	168	124	-27%	124	169	37%
EPL	2,219	2,052	-8%	2,052	1,800	-12%	1,800	2,043	13%

2. **Maximum premium for calculating the size credit.** \$60,000. This factor remains unchanged from FY 18/19.
3. **Maximum size credit rate percentage.** 25%. This factor remains unchanged from FY 18/19.
4. **Maximum collared premium percentage increase.** The maximum increase was increased from 30% to 33%.
5. **Maximum collared rate percentage decrease.** The maximum decrease was changed from an 11% decrease to a plus 6% increase.
6. **Capped excess premium.** The maximum excess premium was increased from \$89,250 to \$93,713 (a 5% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
7. **Minimum administrative costs.** This was increased from \$660 to \$726 (a 10% increase), in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
8. **Maximum administrative costs.** This remains at \$60,000.
9. **Minimum premium.** The minimum premium was increased from \$2,474 to \$2,845 (a 15% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.

PUBLICATION: The liability premiums were sent out to the members in January, 2019.

ATTACHMENT(S):

- a. The FY 19/20 Liability Program Member Allocation (*comparison section*)
- b. Policy & Procedure L-8 Liability Program Member Allocation Formula

**CSURMA AORMA
FY 19/20 Liability Program
Member Allocation**

Member Information	(Premium Comparison)
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MHL Oct. 19

Campus	Auxiliary Organization	FY 19/20	FY 18/19	% Diff	\$ Diff
Bakersfield	Associated Students, California State University, Bakersfield, Inc	5,573	5,258	6%	315
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	10,669	9,545	12%	1,124
Bakersfield	California State University, Bakersfield Foundation	8,689	8,197	6%	492
Bakersfield	California State University, Bakersfield Student Union, Inc.	6,813	6,427	6%	386
Chancellor's Office	California State University Foundation	4,128	3,894	6%	234
Chancellor's Office	California State University Institute	2,845	2,504	14%	341
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	3,967	3,742	6%	225
Channel Islands	California State University Channel Islands Foundator	2,859	2,697	6%	162
Channel Islands	CI Auxiliary Services Corporation, Inc. (University Glen Corp)	23,453	22,125	6%	1,328
Chico	Associated Students of California State University, Chicc	114,518	108,036	6%	6,482
Chico	Auxiliary Organization Associations	2,845	2,474	15%	371
Chico	The CSU, Chico Research Foundation	133,046	125,515	6%	7,531
Chico	The University Foundation, California State University, Chicc	11,394	10,749	6%	645
Dominguez Hills	Associated Students, California State University, Dominguez Hill:	5,792	4,805	21%	987
Dominguez Hills	California State University, Dominguez Hills Foundator	60,818	55,224	10%	5,594
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	17,050	16,085	6%	965
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	2,845	2,474	15%	371
East Bay	Associated Students, California State University, East Bay	14,133	13,333	6%	800
East Bay	Cal State East Bay Educational Foundation	2,845	2,547	12%	298
East Bay	California State University, East Bay Foundation, Inc.	34,496	32,543	6%	1,953
Fresno	Associated Students, Inc. of California State University, Fresnc	6,215	5,863	6%	352
Fresno	Fresno State Programs for Children, Inc.	8,744	8,249	6%	495
Fresno	The Agricultural Foundation of California State University, Fresnc	18,197	17,167	6%	1,030
Fresno	The California State University, Fresno Athletic Corporator	174,132	164,275	6%	9,857
Fresno	California State University, Fresno Association, Inc	184,179	173,754	6%	10,425
Fresno	California State University, Fresno Foundation	107,542	101,455	6%	6,087
Fullerton	Associated Students, California State University, Fullerton, Inc	67,422	50,693	33%	16,729
Fullerton	Cal State Fullerton Philanthropic Foundation	8,354	7,881	6%	473
Fullerton	CSU Fullerton Auxiliary Services Corporator	173,417	163,601	6%	9,816
Humboldt	Associated Students, Humboldt State University	5,562	5,247	6%	315
Humboldt	Humboldt State University Advancement Foundator	6,208	4,668	33%	1,540
Humboldt	Humboldt State University Center Board of Directors	46,841	44,190	6%	2,651
Humboldt	Humboldt State University Sponsored Programs Foundator	51,275	47,888	7%	3,387
Long Beach	Associated Students, California State University, Long Beach	86,941	68,245	27%	18,696
Long Beach	California State University, Long Beach Research Foundator	145,671	137,425	6%	8,246
Long Beach	CSULB 49er Foundation	7,608	5,720	33%	1,888
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	73,678	69,508	6%	4,170
Los Angeles	Associated Students, California State University, Los Angeles, Inc	5,913	5,578	6%	335
Los Angeles	Cal State L.A. University Auxiliary Services, Inc	60,308	56,894	6%	3,414
Los Angeles	California State University, Los Angeles Foundator	3,200	3,019	6%	181
Los Angeles	University-Student Union Board, California State University, Los Angeles	25,902	24,436	6%	1,466
Maritime	California Maritime Academy Foundation, Inc.	2,984	2,815	6%	169
Maritime	The Associated Students of the California Maritime Academy	2,988	2,819	6%	169
Monterey	Foundation of California State University, Monterey Bay	3,358	3,168	6%	190
Monterey	The University Corporation at Monterey Bay	200,264	187,169	7%	13,095
Monterey	Otter Student Union at CSU Monterey Bay	2,845	2,474	15%	371
Northridge	Associated Students, California State University, Northridge, Inc	28,390	26,783	6%	1,607
Northridge	California State University, Northridge Foundation	10,022	9,455	6%	567
Northridge	North Campus University Park Development Corporator	4,564	4,306	6%	258
Northridge	The University Corporation, CSU Northridge	119,473	112,710	6%	6,763
Northridge	University Student Union of California State University, Northridge	109,564	103,362	6%	6,202

**CSURMA AORMA
FY 19/20 Liability Program
Member Allocation**

Member Information	(Premium Comparison)
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MHL Oct. 19

Campus	Auxiliary Organization	FY 19/20	FY 18/19	% Diff	\$ Diff
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	80,084	75,551	6%	4,533
Pomona	The Cal Poly Pomona Foundation, Inc.	227,777	213,176	7%	14,601
Sacramento	Associated Students of California State University, Sacramento	86,011	81,142	6%	4,869
Sacramento	Capital Public Radio, Inc., CSU Sacramento	32,851	24,700	33%	8,151
Sacramento	The University Foundation at Sacramento State	4,768	4,498	6%	270
Sacramento	University Enterprises, Inc., CSU Sacramento	197,623	180,602	9%	17,021
Sacramento	University Union Operation of CSUS, Inc.	36,764	34,683	6%	2,081
San Bernardino	Associated Students Inc., California State University, San Bernardinc	8,249	7,782	6%	467
San Bernardino	CSUSB Philanthropic Foundation	4,451	4,199	6%	252
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	35,816	33,789	6%	2,027
San Bernardino	University Enterprises Corporation at CSUSB	67,753	58,229	16%	9,524
San Diego	Associated Students, San Diego State University	157,168	148,272	6%	8,896
San Diego	Aztec Shops, Ltd., San Diego State University	195,413	184,352	6%	11,061
San Diego	San Diego State University Research Foundatior	336,853	296,014	14%	40,839
San Francisco	Associated Students, Inc., San Francisco State University	33,947	25,524	33%	8,423
San Francisco	San Francisco State University Foundation	3,116	2,940	6%	176
San Francisco	The University Corporation, San Francisco State	26,517	25,016	6%	1,501
San Jose	Associated Student, San Jose State University	23,460	22,132	6%	1,328
San Jose	San Jose State University Research Foundatior	121,922	99,267	23%	22,655
San Jose	Spartan Shops, Inc., San Jose State University	73,650	69,481	6%	4,169
San Jose	The Student Union of San Jose State University	107,675	101,580	6%	6,095
San Jose	The Tower Foundation, San Jose State University	9,232	6,941	33%	2,291
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	81,560	76,943	6%	4,617
San Luis Obispo	Cal Poly Corporation	163,543	154,286	6%	9,257
San Luis Obispo	California Polytechnic State University Foundation	6,208	4,668	33%	1,540
San Marcos	California State University San Marcos Foundation	4,650	4,387	6%	263
San Marcos	The Associated Students of California State University, San Marcos	8,205	7,741	6%	464
San Marcos	California State University San Marcos Corporation	83,028	62,427	33%	20,601
Sonoma	Associated Students of Sonoma State University	13,273	12,522	6%	751
Sonoma	Sonoma State Enterprises, Inc.	30,836	29,091	6%	1,745
Sonoma	Sonoma State University Foundation (<i>Ademnic Foundation</i>)	12,892	12,162	6%	730
Stanislaus	Associated Students, Inc., California State University, Stanislaus	5,612	5,294	6%	318
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	13,386	12,628	6%	758
Stanislaus	California State University, Stanislaus Foundation	20,050	18,915	6%	1,135
Stanislaus	University Student Union of California State University, Stanislaus	5,273	4,193	26%	1,080

86

4,540,155 4,164,118 9% 376,037



CSURMA AORMA

POLICY & PROCEDURE NO. L-8

SUBJECT:	LIABILITY PROGRAM MEMBER ALLOCATION FORMULA
ADOPTED:	SEPTEMBER 8, 2016
EFFECTIVE:	JULY 1, 2018
AMENDED:	MAY 4, 2017

POLICY:

It shall be the policy of the CSURMA AORMA to determine each member’s allocation of the total liability program costs as outlined in the Liability Program Member Allocation Formula shown below:

PROCEDURE:

Annually, in September, the AORMA Committee will approve the Total Liability Program Costs for the upcoming fiscal year.

Annually, in December, the Programs Committee will accept the following four supplemental actuarial reports to be used as general guidelines within the Liability Program Member Allocation Formula:

1. Liability Rates
2. Liability Experience Modification Factors
3. Employment Practices Liability Indicated Deductible Credits

Annually, in December, the Programs Committee will approve the following allocation criteria within the Liability Program Member Allocation Formula and will approve the final member allocation for the upcoming fiscal year:

1. Basic rates for;
 - a. Automobile liability
 - b. Premises liability
 - c. Other liability
 - d. Employment practices liability
2. Maximum premium for calculating the size credit
3. Maximum size credit percentage
4. Minimum and/or maximum excess premium and administrative costs
5. Maximum and minimum premium collar percentages
6. Minimum premium

LIABILITY PROGRAM MEMBER ALLOCATION FORMULA:

Basic Rates:

Four basic rates are included in the allocation formula for the following loss exposures:

Loss Exposure	Exposure Basis
Automobile Liability (AL)	Number of owned autos
Premises Liability (PL)	Total square footage owned, occupied, operated or maintained
Other Liability (OL)	Total expenditures for five years
Employment Practices Liability (EPL)	Total payroll

1. The exposure basis for each loss exposure is multiplied separately by the corresponding approved basic rate and then added together. *Result – basic premium for pooled layer w/o size credit or loss rating.*

**** Example ****

1.	5	*	\$150	=	\$750
	Number of owned autos		Per Auto		AL Basic premium
	150,000	*	\$50	=	\$7,500
	Square Footage		Per 1,000 of square footage		PL Basic premium
	\$20,000,000	*	\$400	=	\$8,000
	Expenditures		Per 1,000,000 of expenditures		OL Basic premium
	\$5,000,000	*	\$1,200	=	\$6,000
	Payroll		Per 1,000,000 of payroll		EPL Basic premium
			Total		\$22,250
					Basic premium for pooled layer w/o size credit or loss rating

Size Credit:

1. Basic premium for pooled layer w/o size credit or loss rating is divided by the maximum premium for calculating size credit. *Result – percentage of basic premium for pooled layer compared to the maximum premium for calculating size credit.*
2. Percentage of total basic premium compared to maximum premium for calculating size credit is multiplied by maximum size credit percentage. *Result – size credit percentage.*
3. Basic premium for pooled layer w/o size credit or loss rating is multiplied by the size credit percentage. *Result – basic premium for pooled layer w/ size credit.*

**** Example ****

1.	\$22,250 Basic premium for pooled layer w/o size credit or loss rating	/	\$65,000 Maximum premium for calculating size credit	=	34% % of basic premium for pooled layer compared to maximum premium for calculating size credit
2.	34% % of basic premium for pooled layer compared to maximum premium for calculating size credit	*	20% Maximum size percentage credit	=	7% Size credit percentage
3.	\$22,250 Basic premium for pooled layer w/o size credit or loss rating	-	7% Size credit percentage	=	\$20,693 Basic premium for pooled layer w/ size credit

Loss Rating:

1. Loss rating discount or surcharge (as calculated by actuary) is multiplied by the basic premium for pooled layer w/ size credit. *Result – Basic premium for pooled layer w/ size credit and loss rating.*

**** Example ****

1.	\$20,693 Basic premium for pooled layer w/ size credit	*	.945 Loss rating discount or surcharge	=	\$19,555 Basic premium for pooled layer w/ size credit and loss rating
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Excess Premium:

1. Each Member’s percentage of the total basic premium for pooled layer w/o size credit or loss rating is multiplied by the total excess premium. *Result – excess premium.*
2. The excess premium is capped if it exceeds the maximum excess premium. *Result – capped excess premium.*

**** Example ****

1.	\$22,250 Basic premium for pooled layer w/o size credit or loss rating	/	\$1,718,405 Total program basic premium for pooled layer	=	1.29% Percentage of total program basic premium for pooled layer
	1.29% Percentage of total program basic premium for pooled layer	*	\$1,230,000 Total program excess premium	=	\$15,867 Excess premium
2.	\$15,867 Excess premium	=/<	\$85,000 Minimum excess premium	=	\$15,867 Capped excess premium

Administrative Costs:

1. Each Member’s percentage of the total basic premium for pooled layer w/o size credit or loss rating is multiplied by the total program administrative costs. *Result – administrative costs.*
2. The administrative costs are capped at either the minimum or maximum administrative costs. *Result - Capped administrative costs.*

1.	\$22,250	/	\$1,718,405	=	1.29%
	Basic premium for pooled layer w/o size credit or loss rating		Total program basic premium for pooled layer		Percentage of total program basic premium for pooled layer
	1.29%	*	\$730,000	=	\$9,417
	Percentage of total program basic premium for pooled layer		Total program excess premium		Administrative costs
2.	\$9,417	<	\$60,000	=	\$9,417
	Excess premium		Maximum administrative costs		Capped administrative costs
	\$9,417	>	\$600	=	\$9,417
	Excess premium		Minimum administrative costs		Capped administrative costs

Final Premium w/o Collars:

1.	\$19,555	+
	Basic premium for pooled layer w/ size credit and loss rating	
	\$15,867	+
	Capped excess premium	
	\$9,417	+
	Capped administrative costs	
	\$44,874	=
	Final premium w/o collars or deductible credits	

Collared Premium:

1. Prior year’s final premium w/o deductible credit is multiplied by the maximum collared percentage increase. *Result – maximum collared premium.*
2. Prior year’s final premium w/o deductible credit is multiplied by the maximum collared rate decrease. *Result – minimum collared premium.*
3. If the final premium w/o collars or deductible credits is less than the minimum collared premium, then the minimum collared premium will apply; if the final premium w/o collars or deductible credits is more than the maximum collared premium, then the maximum collared premium will apply.

**** Example ****

1.	\$35,000	+	10%	=	\$38,500
	Prior year’s final premium w/o deductible credit		Maximum collared percentage increase		Maximum collared premium
2.	\$35,000	-	10%	=	\$31,500
	Prior year’s final premium w/o deductible credit		Maximum collared percentage decrease		Minimum collared premium

3.	\$44,874	>	\$38,500	=	\$38,500
	The maximum collared premium is used because final premium w/o collars or deductible credits is greater than the maximum collared premium				Final premium w/o deductible credits

Minimum Premium:

1. The final premium w/o deductible credits is compared to the approved minimum premium. The minimum premium is applied as appropriate.

Employment Practices Liability Deductible:

1. The EPL basic premium is reduced by the EPL deductible credits. The total savings is applied to the final premium w/o deductible credits.

EQUIFAX PROPOSAL FOR I-9 MANAGEMENT SERVICES

ISSUE: Equifax became the AORMA Unemployment Insurance Program's claims administrator effective July 1, 2018. Equifax has provided a proposal for its I-9 Management Services.

RECOMMENDATION: If the AORMA Committee is interested in pursuing a master agreement with Equifax for I-9 Management Services, Staff recommends that the Chair appoint an ad hoc committee to work with Staff to review and finalize the program design prior to recommending approval to the AORMA Committee.

FISCAL IMPACT: There is no cost to CSURMA. AORMA members can choose to participate in the program. The members will be responsible for all costs and there will be no cost sharing between Members. Included in the latest proposal, the cost per Member is a one-time set-up fee of \$1,000 and a per I-9 fee of \$2.55 subject to a minimum of 450 I-9's annually (or a \$1,150). This may work for the larger members, but may not be feasible for the smaller members.

BACKGROUND: The Equifax I-9 Management Services is being offered to all AORMA Members under a master contract to be approved by CSURMA. Each Member only needs to sign a separate Participation Agreement.

1. **Form I-9:** Federal law requires that every employer who hires an individual for employment in the United States must complete Form I-9 - Employment Eligibility Verification.
2. **E-Verify:** The United State Department of Homeland Security website that allows businesses to determine the eligibility of their employees. E-Verify is voluntary in California, but is required for employees engaged in federal contracts.
3. **The Work Number:** Provides employment verification and unemployment separation information.

PUBLICATION: None at this time.

ATTACHMENT(S):

- a. The Equifax I-9 Management Services Proposal
- b. Equifax Agreement



I-9 Services / I-9 with The Work Number,
Enhancement

Informal Proposal for

California State University Risk Management



January 10, 2019

This proposal includes data that shall not be disclosed outside the California State University and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained on all pages.

This proposal contains trade secret and confidential business or financial information exempt from disclosure under the Freedom of Information Act. Copyright 2018. Equifax LLC. All rights reserved.



11432 Lackland Road
St. Louis, MO 63146

February 14th, 2019

California State University – Risk Management
Attn: Mimi Long
100 Pine Street
11th Floor
San Francisco, CA 94111

Dear Mimi,

Equifax appreciates the opportunity to present our I-9 solutions to the California State University. Equifax understands today's competitive environment, and we believe our solution will uniquely address your business requirements.

Equifax's I-9 Management Solution allows you to move from a paper I-9 process to an electronic solution with smart field validation to ensure compliance and a full integration with E-Verify. Equifax is one of the largest E-Verify employer agents and removes the need for your team to have individual E-Verify credentials, rekey information, or take E-Verify testing. Through The Work Number® we are also able to automatically and consistently identify missing I-9s and purge I-9s when retention requirements are met. In addition, our on demand audit trail can quickly and efficiently produce an ICE Audit response with Forms I-9 and supporting documents. From onboarding to auditing, we are hoping to bring you a solution that improves your entire I-9 experience.

During your evaluation process, I will be your point of contact for questions and clarification. Please contact me via email at Kevin Sullivan at kevin.sullivan@equifax.com or via phone (714) 421-8145.

Equifax looks forward to continuing a very successful, long-term partnership with you. We are confident Equifax can and will meet all of the business needs and requirements posed by the California State University and hopes to have an opportunity to present our solution in person.

Sincerely,

Kevin Sullivan

Account Executive

Our Solution

Working with I-9 Management Solutions

I-9 Management

COMPLETE I-9 MANAGEMENT POWERED BY THE WORK NUMBER[®]

- I-9 Management (with E-Verify[®])
- I-9 Anywhere[®]
- I-9 Conversion
- I-9 Audit and Remediation



I-9 Management from Equifax Workforce Solutions (EWS) helps the California State University face the challenges of the I-9 process with a service that evolves steadily to meet the ever-changing regulatory landscape. The solution helps your new employees and hiring managers easily and accurately complete Form I-9.

Form I-9, as well as the corresponding process that employers must go through, is intended to verify an employee's identity and eligibility to work in the US. While the 2-page Form I-9 may look simple, employers are accountable for more than 900 pages of guidance. Getting it right for EVERY new hire is critical for ALL employers, regardless of size, since enforcement is on the rise and increased penalties for Form I-9 errors mean the risks can be significant.

We get it, we pioneered the electronic I-9, and we've managed over 30 million of them. Our suite of solutions can streamline your organization's I-9 process to provide a

seamless experience for your new hires, simplify the process for your hiring managers, and help keep your HR team updated and aligned with the compliance mandates at the federal and state levels. In fact, we can have you on the road to I-9 compliance in as little as two weeks.

Our complete suite of I-9 solutions helps employers efficiently identify and mitigate risk associated with historical Forms I-9, as well as providing innovative options to streamline I-9 compliance for a remote workforce or locations without onsite HR.

We Get It		We Got It
<p>Day 1: It Has to be Done Section 1 of Form I-9 has to be completed by a new hire's first day, and it's critical that they get it done right and on time.</p> <p>It can be hard to get onboarding paperwork completed accurately and collected correctly when your new hires are speeding through a stack of forms.</p>		<ul style="list-style-type: none"> ■ Our solution accommodates Section 1 completion options from any internet enabled device, including mobile. ■ Our simple, guided workflow helps new hires accurately follow the process, no matter where they are located. ■ The solution also connects to our Compliance Center platform and Applicant Tracking Systems (ATS) and Human Capital Management systems (HCM) for even easier management.
<p>Employer Deadlines are Tight Employers must complete Section 2 within three business days of hire and documentation must be physically examined, and often scanned and kept on file.</p> <p>This is even more challenging when you have multiple worksites, a remote workforce, or locations without on-site HR personnel.</p>		<ul style="list-style-type: none"> ■ Our solution enables Section 2 completion, even from mobile devices, regardless of location. ■ With our I-9 Anywhere solution, we deliver nationwide coverage, providing Section 2 completion options at a time and place that is compliant for your new hires. Multiple options allow you to build an onboarding experience that meets the needs of your organization. ■ The prompted processes present only applicable documentation options and offer reference images. ■ Document upload is simple, even from mobile devices, as document images don't stop on completer's devices, eliminating the need for desktop scanners and computers.
<p>Paper I-9s are Risky Based on analysis by industry attorneys, 60% to 80% of paper I-9s are either missing, incomplete, or have errors.*</p>		<ul style="list-style-type: none"> ■ Our automated platform prompts for the correct inputs to accurately complete Form I-9. ■ With The Work Number, automatically identify missing I-9s, purge I-9s, and tie I-9s to employee location without one-off upload of payroll. ■ <i>Precision Scan</i> technology in our I-9 Conversion solution can help accurately transition your paper files to an electronic solution. ■ Our I-9 Audit and Remediation solution helps identify the risks lurking in your historical I-9s and offers <i>Smart Remediation</i> tools to guide corrections.
<p>E-Verify adds Complexity E-Verify is currently optional for some employers but mandated for federal contractors and by some states. Remembering which is which and managing the additional steps and deadlines for E-Verify is tough.</p>		<ul style="list-style-type: none"> ■ As one of the largest E-Verify employer agents our solution navigates the current patchwork of state requirements for you. ■ Our expertise is built into the platform, so your teams don't have to have individual E-Verify credentials, re-key information or take E-Verify testing. ■ Alerts keep your team on top of deadlines and bulk closure streamlines case management.
<p>You Have to be Audit Ready; All the Time You may have as few as 3-days to respond once you receive a Notice of Inspection (NOI) for an Immigration and Customs Enforcement (ICE) audit.</p>		<ul style="list-style-type: none"> ■ Our on demand audit trail can quickly and efficiently produce an ICE audit response. ■ Built in compliance alerts help keep your program running smoothly. ■ Our <i>Intelligent Dashboards</i> provide 24/7 visibility into your I-9 compliance with configurable dashboards offering graphical and detailed views, role-based access, user-level customization, filtering, and drill down reports that easily export in multiple formats.

* According to an industry attorney at Jackson Lewis P.C.

Figure 1. Equifax's I-9 Solution Helps Your New Employees and Hiring Managers Easily and Accurately Complete Form I-9 with Limited Risk

Pricing

Compliance Center (I-9 Pro)		
	Contracted Workload	Rate per I-9
Annual New Hires (Forms I-9)	Minimum 450	\$2.55 per
	One Time Setup	\$2,500 \$1,000

Verifications (The Work Number)		
	Contracted Workload	Annual Fee
VOEs / VOIs / SSVs	Unlimited	\$0.00

- Enterprise pricing per each location inside Cal State University Risk Management System
- To qualify for pricing incentives listed above, customer must be a data contributor to The Work Number

THIS PRICING PROPOSAL IS INTENDED SOLELY TO FACILITATE DISCUSSIONS AMONG THE PARTIES. THIS PRICING PROPOSAL IS NOT INTENDED TO CREATE, NOR WILL IT BE DEEMED TO CREATE, A LEGALLY BINDING OR ENFORCEABLE OFFER, AGREEMENT, OR THE LIKE OF ANY TYPE OR NATURE. THE PARTIES WILL KEEP CONFIDENTIAL THE EXISTENCE OF THIS PRICING PROPOSAL AND THE TERMS AND CONDITIONS HEREOF. THIS PRICING PROPOSAL IS NOT INTENDED TO BE EXHAUSTIVE AND ADDITIONAL TERMS AND CONDITIONS MAY APPLY.

UNIVERSAL SERVICE AGREEMENT

Client Name: California State University Risk Management Authority

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

Effective Date: July 1, 2018

Attn: Zachary Gifford

This UNIVERSAL SERVICE AGREEMENT (the "Agreement") is entered into and shall be binding upon the parties as of the last date executed below by and between TALX Corporation (a provider of Equifax Workforce Solutions), a Missouri corporation ("EWS"), and California State University Risk Management Authority ("Client"). The parties agree as follows:

1.0 CONTRACT SERVICES

By entering into this Agreement, Client hereby authorizes EWS to provide the employment or payroll related services (the "Services") as described in each applicable schedule, or schedule set, and any exhibits attached thereto (the "Schedule(s)") attached hereto. The parties may enter into one or more Schedule(s), each Schedule corresponding to a service or group of services provided by EWS, and such schedules, whether attached hereto or entered into after the execution of this Agreement, shall be a part of this Agreement. The terms of this Agreement shall apply to each Service, except as the parties may otherwise provide in the Schedule(s).

2.0 TERM

The term for each Service is set forth in the applicable Schedule. A Schedule may expire or be terminated without affecting the other Schedules. This Agreement shall remain in effect as long as there is an outstanding schedule with a term then in effect.

3.0 EWS OBLIGATIONS

EWS agrees that the Service (i) will be provided in compliance with laws and regulations applicable to EWS's performance thereof, and (ii) will not infringe trademarks, patents or other intellectual property rights of others. EWS MAKES NO WARRANTIES AS TO THE SERVICE OR THE DATA, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, AND/OR FITNESS FOR A PARTICULAR PURPOSE EVEN IF EWS KNOWS OF SUCH PURPOSE.

4.0 CONFIDENTIALITY

The parties agree that the following will be treated as "Confidential Information": (i) all employment and income data which may include information that identifies or can be used to identify or authenticate an individual including names, addresses, telephone numbers, social security numbers, tax identification numbers, employee identification numbers, and other unique identifiers (collectively, "Data") provided by or on behalf of Client to EWS; (ii) all information provided by EWS to Client pertaining to the Services; (iii) all information which is labeled as such in writing and prominently marked as "Confidential," "Proprietary" or words of similar meaning by either party; or (iv) business information of a party that derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use .

Except as required by law, any Confidential Information acquired or received by either party (the "Recipient") in the course of this Agreement will not be disclosed or transferred to any person or entity other than to employees of a party and, as to EWS, for the purpose of performing its obligations under this Agreement and only to the extent disclosure is necessary to enable it to perform those obligations. Confidential Information received under this Agreement will be treated with the same degree of care and security as each party uses with respect to its own Confidential Information, but not less than a reasonable degree of care. The parties agree to use Confidential Information only for the purpose of performance of this Agreement and to make no copies except as necessary for performance of this Agreement.

"Confidential Information" does not include information which (i) is or becomes generally available to the public other than as a result of disclosure by the Recipient, (ii) was known by the Recipient at the time of disclosure of the information without any obligation of confidence, and that knowledge is evidenced by reasonable proof, (iii) was or becomes available from a source other than the owner if the source was not legally bound to maintain the confidentiality of the information, or (iv) the Recipient independently develops without use of or reference to the Confidential Information. Each party acknowledges that unauthorized disclosure or use of the Confidential Information by a party may irreparably damage the other party in such a way that adequate compensation could not be obtained from damages in an action at law. Accordingly, the actual or threatened unauthorized disclosure or use of any Confidential Information shall give the owner the right to seek injunctive relief restraining such unauthorized disclosure or use, in addition to any other remedy otherwise available. Each party hereby waives the posting of a bond with respect to any action for injunctive relief.

If a party is presented with legal process under which it could be compelled to disclose any Confidential Information of the disclosing party (whether by deposition, subpoena, public records or similar process or by rule, regulation or other applicable law), the party will promptly notify the disclosing party before any disclosure is made so that the disclosing party may, at its discretion, seek a protective order or other appropriate remedy or may waive compliance with the confidentiality terms of this Agreement. If such protective order or other remedy is not obtained, or if the disclosing party waives compliance with the provisions hereof, then only that portion of the Confidential Information that it is legally required to be disclosed may be disclosed.

Upon Client's written request at any time during the Term of this Agreement (including termination or completion of the Services hereunder), EWS will purge, destroy, or otherwise render inaccessible, Data housed in the EWS production database(s), provided that EWS may retain archival copies of Data for audit and dispute resolution purposes, in accordance with applicable law and/or EWS's current data retention policies pursuant to which data is retained for a period of not more than eight (8) years and six (6) months. EWS may retain copies of Data on encrypted back-up media in which such Data is co-resident with other employment and income data. EWS shall remain under its contractual obligation of confidentiality and security to Client during such retention and such obligations shall survive termination of the Agreement.

This Section shall survive the termination of this Agreement.

5.0 DATA SECURITY AND PRIVACY

EWS shall maintain an information security program that includes appropriate administrative, technical and physical safeguards reasonably designed to: 1) ensure the security and confidentiality of Data; 2) protect against any anticipated threats or hazards to the security or integrity of such Data; 3) protect against unauthorized access to or use of such Data that could result in substantial harm or inconvenience to Client; and 4) dispose of such Data in a secure manner.

To comply with the safeguard obligations generally described above, EWS has (a) designated an employee to coordinate its information security program, (b) identified reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of Data that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such Data, and assessed the sufficiency of any safeguards in place to control these risks, and (c) designed and implemented information safeguards (including encryption of Data at rest and during transmission), to control the risks identified through the risk assessment, and regularly tests or otherwise monitors the effectiveness of safeguards' key controls, systems and procedures.

EWS shall notify Client in writing as soon as possible and without unreasonable delay, but in no event later than forty-eight (48) hours, after EWS has either actual or constructive knowledge of an actual breach or a reasonable belief that a breach which affects Data (an "Incident") has occurred. Notification may be delayed as required by law enforcement to prevent any impediment(s) to its investigation of the Incident.

EWS shall be deemed to have actual or constructive knowledge of an Incident if either (i) EWS actually knows there has been an Incident or if the facts or circumstances are such that a reasonable person would believe there has been an Incident.

EWS shall cooperate with law enforcement in accordance with applicable law provided however, that such cooperation shall not result in or cause an undue delay to remediation of the Incident. EWS shall promptly take appropriate action to mitigate such risk or potential problem at EWS's expense.

In the event of an Incident, EWS shall, at its sole cost and expense, (a) fully restore the Data and institute appropriate measures to prevent any recurrence of the problem as soon as is commercially practicable; (b) cooperate with Client in the preparation and transmittal of any notice, which Client, in its sole discretion, may deem appropriate or required by law, and (c) reimburse Client for the reasonable costs of providing any legally required notices to affected individuals whose information was disclosed as a result of the Incident.

This Section shall survive the termination of this Agreement.

6.0 DATA QUALITY AND DATA TRANSMISSION

Client acknowledges that the ability of EWS to provide accurate information is dependent upon receipt of accurate Data from Client. Client shall provide current and accurate Data necessary for EWS to provide the Services. Client agrees to provide such Data to EWS in the EWS format within a mutually agreeable timeframe and to promptly correct and update Data. Client further agrees to test and validate the accuracy of the Data on a mutually agreeable frequency using paper-based or electronic Data validation reports provided by EWS. Both parties agree to work together to identify and resolve all identified historical and ongoing Data errors within two (2) of Client's pay periods. Client agrees that any action required of EWS to correct the Data for Client may result in additional fees, as provided in each applicable Schedule attached hereto. Furthermore, Client agrees to transfer Data to EWS using one of the approved secure shipping methods provided in Attachment 1 to this Agreement.

7.0 PROPRIETARY RIGHTS

Neither party's ownership rights, including but not limited to, any intellectual property rights in or used by EWS to perform the Services nor any intellectual property rights in or to Client's Data, shall be transferred pursuant to this Agreement. This Section shall survive termination of this Agreement.

8.0 INDEMNIFICATION/LIMITATION OF LIABILITY

- 8.1 Each party agrees to indemnify, defend and hold harmless the other party and its affiliates, and their directors, officers and employees (each, an "Indemnified Party"), from and against any and all third party claims, demands, liabilities, suits, damages, expenses and costs (including reasonable attorneys', experts' and investigators' fees and expenses) incurred by the Indemnified Party arising from or related in whole or in part to the indemnifying party's, or its affiliates', or its directors', officers' or employees' (i) breach of Section 4.0, Section 5.0 (to the extent such breach of Section 5.0 results in an Incident), or Section 6.0 of this Agreement, (ii) infringement on the intellectual property rights of third parties and/or (iii) intentional wrongful act or omission, provided that (a) the Indemnified Party promptly notifies the indemnifying party of any claim for indemnity and cooperates fully in the defense of the claim, and (b) the indemnifying party shall have the right to select counsel to defend any such claim.
- 8.2 IN NO EVENT SHALL DAMAGES BY EITHER PARTY HEREUNDER EXCEED THE GREATER OF (A) THE TOTAL FEES PAID BY CLIENT DURING THE TWELVE MONTHS PRIOR TO THE ACT OR OCCURRENCE WHICH GIVES RISE TO THE CLAIM, OR (B) THE SUM OF TWENTY- EIGHT THOUSAND DOLLARS (\$28,000).
- 8.3 ANY OTHER TERM OR PROVISION OF THIS AGREEMENT TO THE CONTRARY NOTWITHSTANDING, IN NO EVENT SHALL EITHER PARTY, OR ITS AFFILIATES, THEIR DIRECTORS, OFFICERS OR EMPLOYEES, BE LIABLE FOR LOSS OF PROFITS OR FOR INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THE PERFORMANCE OF THIS AGREEMENT, EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.0 INSURANCE

During the term of the Agreement, EWS shall maintain the following insurance with insurance companies with a minimum Best's rating of A- VIII.

Workers' Compensation

- (A) Workers' Compensation Limit: Statutory
- (B) Employer's Liability:
 - (1) Bodily Injury by Accident, for Each Accident: \$1,000,000
 - (2) Bodily Injury for Each Employee by Disease: \$1,000,000
 - (3) Policy Limit for Bodily Injury by Disease:..... \$1,000,000

General Liability

Policy will include coverage for bodily injury, property damage, personal injury, advertising injury, contractual liability, products/completed operations.

- (A) Per Occurrence Limit: \$1,000,000
- (B) General Aggregate: \$2,000,000

Automobile Liability

Policy will include coverage for all owned, non-owned, and hired vehicles used by EWS in the performance of the Services.

Limit: \$1,000,000

Umbrella Liability

Policy provides additional limits excess of Employer's Liability, General Liability and Automobile Liability policies.

Limit: \$10,000,000

Professional Liability (a/k/a Errors & Omissions Insurance) including Network Security & Privacy Liability (a/k/a Cyber)

Policy will include coverage for actual or alleged breach of duty, act, error, omission, misstatement, misleading statement or neglect in the rendering of or failure to render the services under this Agreement. Policy will also include coverage for liability as a result of a data security breach or violation of consumer data protection laws. The professional liability insurance and network security and privacy liability insurance may be maintained under a combined policy or via separate policies.

Aggregate Limit: \$10,000,000

Upon commencement of services Client can request that EWS provide a certificate of insurance to Client evidencing each of the insurance policies above. Renewal certificates can also be provided to Client. In addition, EWS will endeavor to provide 30 days' notice of cancellation or non-renewal.

Additional Insured – Client, its Affiliates, directors, officers, and employees will be listed as additional insureds where required by written contract. This additional insured endorsement may be blanket or automatic and EWS's insurance shall be primary and non-contributory.

10.0 MISCELLANEOUS

- 10.1 **Entire Agreement.** This Agreement, which includes all schedules attached hereto and/or entered into after the execution hereof, comprises the entire Agreement between the parties, which supersedes all prior proposals, purchase orders, understandings and agreements with respect to the subject matter hereof.
- 10.2 **Force Majeure.** Neither party shall be responsible for any failure or delay in the performance of any obligations (excepting obligations to pay money) to the extent that failure is caused by acts of God, acts of terror, flood, fire, labor disputes, acts or omissions of the other party, non-delivery or delays in delivery by any other supplier of goods or services deliverable under this Agreement, or other causes beyond such party's reasonable control.

- 10.3 **Severability.** If any provision of this Agreement is held to be invalid or unenforceable under applicable law in any jurisdiction, the validity or enforceability of the remaining provisions thereof shall be unaffected as to such jurisdiction and such holding shall not affect the validity or enforceability of such provision in any other jurisdiction. To the extent that any provision of this Agreement is held to be invalid or unenforceable because it is overbroad, that provision shall not be void but rather shall be limited only to the extent required by applicable law and enforced as so limited.
- 10.4 **Assignment/Modification.** Neither party may assign this Agreement or any right or obligation under this Agreement without the express written consent of the other party, which consent shall not be unreasonably withheld or denied. In the event assignment is necessitated by a business reorganization, either party may assign this Agreement, provided that they provide the other party with written notice. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their permitted successors and assigns. Except as provided in each applicable Schedule hereto, this Agreement may be amended or modified only by the written and signed consent of the parties.
- 10.5 **Notices.** Every notice required under this Agreement shall be in writing and effective three (3) days after being mailed first class postage prepaid, or upon delivery by an overnight or other courier or delivery service, in either case addressed as follows:

To Client:	To EWS:
California State University Risk Management Authority	TALX Corporation
c/o CSU Office of the Chancellor	11432 Lackland Road
401 Golden Shore, 5th Floor Long Beach, CA 90802-4210	St. Louis, MO 63146
Attn: Zachary Gifford	Attn: President


Either Party may change its notice address with written notice to the other party.


- 10.6 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law provisions.
- 10.7 **Counterparts/Execution by Facsimile.** For the convenience of the parties, copies of this Agreement, including Schedules hereto, may be executed in two or more counterparts and signature pages exchanged by facsimile or scanned copies via e-mail. The parties intend that counterpart copies signed and exchanged as provided in the preceding sentence shall be fully binding as an original handwritten executed copy hereof and all of such copies together shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (CSURMA)

**TALX Corporation,
provider of Equifax Workforce Solutions**

By: 
 Name: Zachary Gifford
 Title: CSURMA Secretary-Auditor
 Date: 6/11/18

By: 
 Name: Javad Ra'ed
 Title: VP Strategic Accounts
 Date: 6/21/2018 | 12:14:47 EDT

Attachment 1**Security Requirements when Client Sends Employment and Income Data to EWS**

The following table outlines the acceptable options for the secure transfer of employment and income Data, to EWS. Client agrees to use one of the approved secure delivery or transmission methods provided below. The EWS preferred method of receiving Data is Secure File Transfer Protocol (SFTP) with PGP encryption.

	Transfer Option	Description	For Added Protection
1a	SFTP	Secures credentials and information in the file during transmission using the SSH protocol.	PGP desktop software and use of the EWS PGP encryption key adds extra protection to the Data file itself.
1b	FTPS	Secures credentials and information in the file during transmission using SSL/TLS protocols.	PGP desktop software and use of the EWS PGP encryption key adds extra protection to the Data file itself.
2	Encrypted Email Attachment	Secures information in email attachment only.	PGP desktop software and use of the EWS PGP encryption key encrypts the Data file.
3	CD/DVD	Allows for sending data files using encryption software with additional password protection.	PGP desktop software and use of the EWS PGP encryption key encrypts the Data file.
4	Secure Email (Voltage, TLS)	Secures information in the body of the email and attachments.	Client to confirm presence of TLS with their internal email service team.
5	Unencrypted Media	Secured transport service approved by EWS for unencrypted media and documents.	<ol style="list-style-type: none"> 1. USPS Certified Mail 2. USPS Overnight delivery 3. FedEx Overnight or 2-day delivery 4. UPS Overnight or 2-day delivery

SCHEDULE A – UNEMPLOYMENT COST MANAGEMENT SERVICE

SERVICE PROVIDER, TERM AND FEES FOR SERVICES

CLIENT NAME: California State University Risk Management Authority (CSURMA) **EFFECTIVE DATE:** July 1, 2018

The EWS Unemployment Cost Management Service is an unemployment cost control service provided by TALX Corporation (a provider of Equifax Workforce Solutions), a Missouri corporation (“EWS”). EWS will render comprehensive unemployment cost control services, detailed below (each, a “Service”) to Client in strict compliance with state regulations. Client authorizes EWS as its authorized agent to provide the Service. EWS shall provide the Service in accordance with the Universal Service Agreement (“Agreement”), which includes and incorporates this Schedule A and Schedule B, utilizing the employment information supplied by Client. All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Agreement.

- 1) **Term.** This Schedule shall be for an initial term of one (1) year from the Effective Date hereof. This Schedule shall automatically renew for successive one (1) year terms (“Successive Terms”) unless either party provides the other with written notice of termination at least ninety (90) days prior to the end of the then current term before terminating the Schedule.
- 2) **Termination** may be without cause and for any or no assigned reason.
- 3) **Termination For Cause.** Either party may, at any time, terminate this Schedule if the other party has materially breached the Agreement, provided that the party claiming breach must give the other party at least thirty (30) days prior written notice in which to cure the breach before terminating this Schedule.
- 4) **Payment Terms.** All fees shall be invoiced as stated in Exhibit, 1 attached hereto and made part of this Schedule A.
 - Invoices are due net thirty (30) days. Payments not received within 45 days of invoice will bear interest at a rate of 1.5% per month.
 - Except to the extent that Client has provided an exemption certificate, direct pay permit or other such appropriate documentation, EWS shall add to each invoice any sales, use, excise, value-added, gross receipts, services, consumption and other similar transaction taxes however designated that are properly levied by any taxing authority upon the provision of the Services, excluding, however, any state or local privilege or franchise taxes, taxes based upon EWS’s net income and any taxes or amounts in lieu thereof paid or payable by EWS as a result of the foregoing excluded items.
 - All prices are in U.S. dollars.
- 5) **Authority.** EWS is not a tax preparer, and therefore, disclaims any and all responsibility for preparation of Client’s federal tax return. At no time will EWS render or be required to render any service that could be interpreted as the practice of law or accountancy. Furthermore, EWS Hearing Representation is limited to unemployment matters presented before an administrative agency or tribunal. At no time will EWS Hearing Representation include representation for matters brought in any judicial court.
- 6) **Third Party Indemnification.** In addition to indemnification obligations set forth elsewhere in the Agreement, Client hereby agrees to indemnify, defend or pay the cost of defense, and hold EWS harmless with regard to any third party claims, actions, demands, damages, liabilities, costs and expenses as a result of any action arising out of or relating to a suit brought against EWS relating to employment or termination of employment by employees or former employees of Client as long as EWS was acting within the scope of its authority and such suit is not due to EWS’s negligence or willful misconduct.
- 7) **Data Quality.** Should EWS be required to correct the Data for Client, custom data conversion fees will be based on actual hours required at \$185 per hour. EWS will provide Client an estimate of time required and will obtain prior written approval before commencing work.
- 8) **Transmittal of Personal Data.** EWS’s internal policy for securing electronic communications containing confidential information, such as social security numbers, requires email encryption for clients who prefer to use email as their method of communication. The options for email encryption are usage of Transport Layer Security (TLS) on the client email servers or usage of the Voltage secure email application. Both options allow the email to travel over the internet securely and are easy for the client to use when retrieving and sending confidential email. Clients who choose to use Transport Layer Security to send email communications must maintain their TLS certification status on all servers receiving emails from EWS. Clients using email communications who do not use TLS or allow their TLS certification to lapse will be automatically set up to receive secure email using Voltage. Please designate your preferred email method for secure communication below:

- Transport Layer Security Is your certification current? Yes No Unknown
- Voltage Secure Email

If no selection is made above, EWS will set your primary communication preference for communicating sensitive data to fax and require a listing of current fax numbers for all contacts.

Schedule A and Schedule B shall be binding on the parties upon the date last executed below.

California State University Risk Management Authority (CSURMA)

By: ZACHARY GIFFORD
 Name: [Signature]
 Title: Secretary - Auditor CSURMA
 Date: 6/11/18

TALX Corporation, provider of Equifax Workforce Solutions

By: Javad Ra'ed
 Name: Javad Ra'ed
 Title: VP Strategic Accounts
 Date: 6/21/2018 | 12:14:47 EDT

SCHEDULE A – EXHIBIT 1 (FEES)
UNEMPLOYMENT COST MANAGEMENT SERVICE
EXHIBIT 1 – FEES

Fees: Fees for Services provided under this Schedule include:

Unemployment Cost Management Services

1. **Annual Fee.** The annual fee to be paid to EWS for the unemployment cost management Service to be rendered under this Schedule for Client and its subsidiaries or affiliates listed on Exhibit A shall be **\$14,000** per year payable in equal quarterly installments. This fee will increase by five percent (5%) on each anniversary of the Effective Date and will be invoiced on the first day of the calendar quarter in which Services are to be performed.

<u>Transaction Item(s)</u>	<u>Workload Estimate</u>
i)Unemployment Claims	(900)
ii)Hearing Consultation Provided	(ALL)
iii)Number of State Unemployment Accounts	(37)

2. **Excess Claims Fee.** Should the number of claims received in an agreement year exceed 100% of the workload estimate above, a fee of **\$16** per claim will be payable to EWS for each excess claim. This fee will increase by five percent (5%) on each anniversary of the Effective Date.

In the event Client terminates this Schedule A or the Agreement prior to the end of an agreement year, EWS will calculate a monthly pro rata threshold for Unemployment Claims and Client will be responsible for a pro rata share of the excess claims for the agreement year in which such early termination becomes effective. The monthly pro rata threshold will be calculated by dividing the annual Unemployment Claims Workload Estimate above by 12. The monthly pro rata threshold for Unemployment Claims will then be multiplied by the number of completed months of the agreement year in which the termination becomes effective. The total of this calculation will represent the calculated pro rata threshold. If the total claims processed during the completed months of the terminated agreement year exceed the calculated pro rata threshold, Client will be responsible for paying the excess claim fee stated above for each excess claim. For the avoidance of doubt, this language does not give Client any additional right to terminate this Schedule A or the Agreement. Termination provisions are as specified in Schedule A above.

3. **Hearings Representation.** Pursuant to this Agreement and the Power of Attorney executed by Client authorizing and appointing EWS to represent Client as Client's Agent and Attorney in Fact in unemployment and claim related matters, EWS will provide the following non-legal services at Client's election:

EWS or EWS's representative will attend unemployment hearings with Client upon request by Client for no additional charge, whether in person or by telephone, as permitted by law.

4. **Attorney Hearing Representation** In addition to Hearing Representation performed by EWS outlined above, and subject to the Limitations on Representation below, Client may request and authorize EWS, as the Client's Agent and Attorney in Fact, to obtain attorney representation for Client at unemployment hearings where attorney representation is a statutory requirement or otherwise required by law or regulation of the particular state. Client authorizes EWS to invoice Client a fee for attorney representation up to a maximum of \$350 per hearing, which is paid directly to the attorney obtained by EWS for representation of the Client. In the event EWS, as Client's Agent, negotiates a fee on behalf of Client that is less than \$350, EWS shall only bill Client for the amount of the legal fee charged by the attorney. In addition, a fee of \$50 will be due to EWS as Client's Agent for EWS's non-legal services in coordinating and facilitating the attorney's representation, including administration and processing of factual material such as EWS's file on the matter at issue and contact information, and the invoicing and processing of payment to the attorney. EWS does not retain any portion of the fee paid by Client to the attorney, and does not accept referral fees.

5. **Limitations on Representation** EWS's obligation is to assist Client in administrative, unemployment proceedings. Nothing herein shall be construed to obligate or require EWS to provide or otherwise pay for the Client's representation in any subsequent legal proceedings in any State or federal court.

EXHIBIT A- UNEMPLOYMENT COST MANAGEMENT SERVICE
LIST OF COVERED ENTITIES

CLIENT NAME: California State University Risk Management Authority (CSURMA) **EFFECTIVE DATE:** July 1, 2018

COMPANY NAME _____ **FEIN** _____

[Company Name]

SCHEDULE B – UNEMPLOYMENT COST MANAGEMENT SERVICE
SERVICE DESCRIPTION OVERVIEW

Unemployment Cost Management Services. Unemployment Cost Management Services are designed to reduce unemployment costs by eliminating payments made on unemployment claims discovered to be invalid and reducing administrative errors.

- a) The analysis of unemployment compensation records provided;
- b) The correction of discovered state agency errors;
- c) Auditing of benefit charges on unemployment claims managed by EWS;
- d) The establishment of procedures to enable EWS to process unemployment related forms;
- e) The verification of unemployment benefits paid;
- f) Provide activity reports on claims, separations and charges transmitted electronically, on a quarterly basis;
- g) An internet interface to provide separation data and extract periodic reports; (WebManager)
- h) Provide annual status report and other management reports;
- i) Consultation regarding unemployment hearing attendance; and
- j) Unemployment hearings representation for unemployment matters brought before an administrative agency or tribunal.

Client acknowledges that the ability of EWS to provide services which comply with state laws and procedures is dependent upon the timely information and prompt action by Client. Client agrees to inform EWS of important facts and changes in circumstance and to make its best efforts to attend state hearings and other meetings as appropriate to fulfill the responsibilities of Client as an employer and EWS as an agent of employer. EWS may use depersonalized Client Data to perform analytics, modeling and/or demographic studies. Depersonalized Client Data shall not include any information that individually, or collectively, could be used to specifically identify either Client or Client's employees.

Optional Services

Wage Audit. Respond to unemployment benefit wage audit requests received by Client from state agencies.

Learning Solutions

The Learning Solutions service provides web-based training designed to help Client's employees enhance the knowledge necessary to effectively control, contain and limit unemployment costs. Client can select one, or more, of the following training content that best satisfies its individual needs:

- a) **Unemployment Claims Training** – trains employees of Client in management of the unemployment insurance process by providing best practices guidance for:
 - o Documentation for employee performance
 - o Hearings preparation and participation
- b) **Industry Specific Training** – provides guidance on recognized best practices in particular industries that effect unemployment taxes.
 - o Staffing Industry
- c) **Compliance Training** – provides guidance on how to comply with laws applicable to Client's business.
 - o Sexual Harassment

Technical Support. EWS shall use reasonable efforts to promptly correct any material defects in the Service. EWS will use reasonable efforts to provide Client with technical support to assist it with regard to any material defects and/or errors in the Service. EWS, at its sole discretion, will choose which method(s) it uses to provide support services to Client. This Schedule does not provide for any on-site training, on-site maintenance or other support of any kind related to the Service.

Right to Modify. EWS reserves the right to modify the Service from time to time. If the modification shall be a substantial change from this Service Description Overview, EWS shall provide notice of the change to Client. A substantial change shall be a change which is inconsistent with this Service Description Overview. A change that does not alter functionality of the Service, such as a change for upgraded security of Data, is not a substantial change. Client may terminate the Service by notice given to EWS within thirty (30) days after notice of an amendment to the Service Description Overview, and termination shall be effective ninety (90) days after notice is provided unless Client provides for an earlier or later effective date of termination in the notice of termination. Absence of such termination shall constitute Client's agreement to the modified Service Description Overview.

**DEVELOPMENT OF SCOOTERS ACCIDENTAL MEDICAL EXPENSE
PROGRAM**

ISSUE: The Executive Committee will be evaluating the development of a systemwide “no-fault” accidental medical expense program for students riding electric scooters on Campus. Electric scooters are becoming more commonplace and their usage on campus varies greatly. An informal online survey of Campuses finds that some do not allow use of scooters and some allow use with restrictions.

RECOMMENDATION: This item is for information only; no action is required. However, the Committee may provide direction to Staff for the Executive Committee’s consideration.

FISCAL IMPACT: None at this time.

BACKGROUND: The Executive Committee is working with Staff to determine if an insurance solution for accidents to students while riding electric scooters on campus makes sense systemwide.

PUBLICATION: None.

ATTACHMENT(S): None.

CSAC-EIA WORKERS' COMPENSATION RENEWAL OPTIONS

ISSUE: CSURMA has been participating in the CSAC Excess Insurance Authority (*EIA*) Primary Workers' Compensation (*PWC*) program since January 1, 2015. CSURMA accepted terms last year to renew both the Campus WC and AORMA WC programs for a new two-year period (*i.e., 18/19 and FY 19/20*) in return for a guaranteed rate on the primary layer and reduced cost from EIA's captive investment pool. Upon review of CSURMA's collective loss experience and the actuary's projections for Campus WC and AORMA WC, staff asked EIA to revise its renewal terms for FY 19/20, and extend the two year plan to FY 20/21. EIA's revised renewal terms will be presented to the Committee as a handout.

RECOMMENDATION: The AORMA Committee is asked to discuss EIA's revised terms for the PWC program renewal, and if deemed favorable, take action to recommend to the Executive Committee a commitment to participate in EIA's PWC program for FY 19/20 and FY 20/21.

FISCAL IMPACT: Action taken at today's meeting is expected to set the AORMA Workers' Compensation program rates for FY 19/20 and FY 20/21 (*other than the excess insurance cost which is dependent on market*).

BACKGROUND: EIA's present cost for AORMA is \$3,998,076 vs. \$3,959,743 (*expected*); \$4,631,361 (*70% confidence level*). AORMA's cost was estimated to be \$38,333 more than self-funding at expected, but expected to save \$633,285 at 70% confidence level.

PUBLICATION: None.

ATTACHMENT(S):

- a. EIA's revised terms will be handed out at today's meeting.

FY 2018/2019 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 2018/2019 AORMA Long Range Action Plan

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
LRP-1	Workers' Compensation Program Growth				
	1	Obtain underwriting information to finalize coverage and/or funding options for Members	PA	Jan-19	
	2	Present Member funding options to AORMA Committee for approval	PA, AORMA	Feb-19	
	3	Present final quotes to Members	PA	Mar-19	
	4	Provide underwriting information to CSAC EIA for approval	PA	Apr-19	
	5	Bind coverage within the AORMA Workers' Compensation Program	PA	Jun-19	
LRP-2	Creation of Fully Insured Primary Liability Program				
	1	Discuss concept with AORMA Committee	PA, AORMA	Sep-18	Completed
	2	Compile information for those auxiliary organizations that are paper entities only or have no or very few employees	PA	Nov-18	Completed
	3	Identify potential insurers for this coverage program and request coverage forms	PA	Nov-18	
	4	Provide update to AORMA Committee, as appropriate	PA	Dec-18	
	5	Prepare marketing specifications	PA	Jan-19	
	6	Submit marketing specifications to the commercial insurers	PA	Feb-18	
	7	Provide coverage comparison for the AORMA Committee's review	PA, AORMA	Mar-18	
	8	Send out quotes to interested auxiliary organizations	PA	May-19	
	9	Bind coverage	PA	Jun-19	
LRP-3	Evaluation of Participation in the CSU Captive Vehicle				
	1	Oversee formation of captive	PA, SRM	Continuous	In Process
	2	Determine which insurance products can be marketed by the auxiliary organizations	PA, SRM, EC, AORMA	Sep-19	
	3	Design marketing plan	PA, SRM, AORMA	Dec-19	
LRP-4	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	Identify Recreation Center Good Practices	PA, PC	Jun-18	In Process
	4	Send out another request to all AORMA members to obtain copies of rec center practices currently in place - Staff will provide a detailed explanation as to why the information is being requested	PA	Nov-18	Completed
	5	Inventory all information obtained	PA	Feb-19	
	6	Obtain the Rec Center Directors affinity group directory	PA	Mar-19	
	7	Compile a complete directory of auxiliary and campus staff which shows who is overseeing the different Rec Center functions	PA	Mar-19	

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	8	Provide additional information regarding the Rec Center risk assessments available through SportRisk (Ian McGregory's Company)	PA	Mar-19	
	9	Chair to appoint ad hoc committee to review good practices providing input for updates as appropriate	PA, AORMA	May-19	
	10	Approval of final Recreation Center Good Practices	AORMA	Sep-19	
	11	Disseminate information to all Campus and Auxiliary Members	PA	Oct-19	
	12	Upload information onto the CSURMA website	PA	Oct-19	
LRP-5 Formation of the CSURMA 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	Completed
	3	Secure underwriting information and prepare renewal specifications	PA	Jun-18	Completed
	4	Submit underwriting information for a quote through the CSAC EIA benefits program	PA	Jun-18	Completed
	5	Approve CSURMA AORMA Benefits Program Participation Agreement	PA, AORMA	Sep-18	Completed
	6	Approve accounting procedures with CSU Accounting	PA, AORMA, CSU Accounting	Jan-19	
	7	Approve amendments to brokerage agreement with Alliant	PA, AORMA, EC	Sep-18	Completed
	8	Forward benefits pricing to the existing members as well as those members not participating in the AOA Benefits Program	PA	Nov-18	Completed
LRP-6 Theatre Inspection Common Findings Report					
	1	Receive copies of all theatre inspection reports completed	PA	Aug-19	Completed
	2	Review reports for common findings and distribute to members and post on CSURMA website	PA	Jan-19	
LRP-7 Verify and/or Place Coverage for CSU Alumni Associations					
	1	Gather information for all CSU Alumni Associations to confirm that they are all insured appropriately	PA	Oct-18	
	2	Provide applications for coverage under the Special Liability Insurance Program (SLIP)	PA	Dec-18	
	3	Obtain quotes and forward to Alumni Associations	PA	Feb-19	
LRP-8 Formation of a Medical Expense Coverage Program to Cover Human Subjects Participating in Sponsored Programs					
	1	Obtain information regarding the different federal program classifications	PA	Sep-18	Completed
	2	Request for the AOA Research Administration Committee (RAC) additional information regarding the number of AO's involved in research projects with human subjects	PA	Oct-18	Completed

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	3	Confirm if excess insurers can schedule the primary PAI policy as an underlying policy within the liability program	PA	Oct-18	Completed
	4	Confirm if excess insurers can schedule the primary PAI policy as an underlying policy within the liability program	PA	Nov-18	Completed
LRP-9 Review and Adopt Updated Target Surplus Analysis Ratios					
	1	Review all target surplus analysis ratio as recommended by CAJPA	PA	Jan-19	
	2	Present recommendations for change to the AORMA Committee	PA, AORMA	Mar-19	
	3	Revise and approve changes to Policy and Procedure A-2 Target Surplus Funding Policy accordingly	PA, AORMA	May-19	
	4	Receive the revised Target Surplus Funding presentation and review the new ratios.	PA, AORMA	Sep-19	
LRP-10 Address the Issue of Workers' Compensation Coverage for the Members' Volunteers					
	1	Confirm with all members within the AORMA workers' compensation program their current decision on file regarding workers' compensation coverage for volunteers	PA	Nov-18	Completed
	2	Provide to members the reasoning to cover and/or not to cover volunteers for workers' compensation	PA	Nov-18	Completed
	3	Discuss with the AORMA Committee coverage options for those members with no employees and therefore no workers' compensation coverage	PA, AORMA	Dec-18	In Process
	4	Provide coverage options for those members with no employees and therefore no workers' compensation coverage	PA	Jan-19	
LRP-11 Explore the Option of Expanding the AORMA Liability Program to include non-CSU higher education entities					
	1	Review CSURMA JPA Agreement and Bylaws to see if the expansion of the program to non-CSU entities is allowed	PA	Oct-18	Completed
	2	Obtain an inventory of other entities who may be candidates to join the program	PA	Nov-18	In Process
	3	Provide update to the AORMA Committee	PA, AORMA	Dec-18	In Process
	4	<i>If AORMA Committee approval to move forward is received, the following steps will be completed:</i>	AORMA	Dec-18	In Process
	5	Discuss change with excess reinsurers/insurers	PA	Jan-19	
	6	Modify the CSURMA JPA Agreement and Bylaws, the AORMA Participation Agreement, and the AORMA Liability Program Participation Agreement	PA, AORMA, EC, BOD	May-19	
	7	Update AORMA Liability Memorandum of Coverage as appropriate	PA	May-19	
	8	Send out program information to the identified candidates and request underwriting information	PA	May-19	

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	9	Complete rating process and send out quotes	PA	Jun-19	
<p>BOD: CSURMA Board of Directors PC: AORMA Programs Committee CABO: CSU Chief Administrators and Business Officers CO: Chancellor's Office AORMA: AORMA Committee</p> <p>EC: CSURMA Executive Committee OGC: CSU Office of General Counsel PA: CSURMA Program Administrator SRM: CSU Systemwide Risk Management</p>					

CSURMA AORMA 2019 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 – 2019 Meeting Calendar

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

CSURMA CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
JPA Program Administrator – Alliant Insurance Services, Inc.				
Certificate of Insurance Requests	Van Rin Andrew Gaspari	vrin@alliant.com andrew.gaspari@alliant.com	415-403-1408 415-403-1412	415-874-4810 415-874-4810
General CSURMA Coverage Questions	Robert Leong Van Rin Amy Lightner Daniel Howell Susan Leung	rleong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com susan.leung@alliant.com	415-403-1441 415-403-1408 415-403-1457 415-403-1426 415-403-1435	415-874-4810 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 Andrew Gaspari	vrin@alliant.com mlong@alliant.com andrew.gaspari@alliant.com	415-403-1408 415-403-1423 415-403-1412	415-874-4810 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	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com	415-403-1445 415-403-1453 415-403-1458	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	La Shaunda Gaines Tevea Him Myron Leavell	lashaunda.gaines@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1489 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	Scott Bourdon	sbourdon@calstate.edu	562-951-4580	
	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
Jody VanLeuven	jvanleuven@calstate.edu	562-951-4574		
CSU Chancellor's Office Office of General Counsel	William Hsu Robin Webb	whsu@calstate.edu rwebb@calstate.edu	562-951-4500 562-951-4500	562-951-4956 562-951-4956
CSU Chancellor's Office Financial Services Division Systemwide Accounting & Reporting	Alice Kim Cindi Le Jessica Liu Tanaka	akim@calstate.edu cle@calstate.edu jliu@calstate.edu	562-951-4627 562-951-4651 562-951-4621	562-951-4865 562-951-4865 562-951-4865
Chancellor's Office Systemwide Professional Development	David Kervella Chris Fondacaro	dkervella@calstate.edu cfondacaro@calstate.edu	562-951-4403 562-951-4403	

Coverage	Contact	E-Mail Address	Office	Fax
Loss Control Consultants – Alliant Risk Control Consulting				
Alliant Risk Control Consulting	John Owen <i>Northern California</i>	jowen@alliant.com	916-643-2736	
	Kristina Loïselle <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 – Equifax				
Account Manager	Kevin Sullivan	kevin.sullivan@equifax.com	714-421-8145	
UI Claims Administrator (Primary)	Irene Wang	irene.wang@equifax.com	317-684-2885	866-219-8844
UI Claims Administration Manager	Trisha Milton	trisha.milton@equifax.com	314-214-7883	
Power of Attorney Issues	Brittany Yehlen Mitchell Bowe	Brittany.yehlen@equifax.com Mitchell.bowe@equifax.com	314-684-2880 314-684-2471	

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	jgarcia@employersgroup.com	213-765-3969	
Employee Opinion Survey	Rebecca Rogan	rrogan@employersgroup.com	213-765-3920	
Training Services	Somaly Heng	sheng@employersgroup.com	213-765-3962	
Employer Advocacy	Dustan Batton	dbatton@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 Equifax Workforce Solutions directly at:

Equifax Workforce Solutions

P.O. Box 283
St. Louis, MO 63166-0283

Kevin Sullivan

Account Manager
kevin.sullivan@equifax.com
(714) 421-8145

Irene Wang

UI Consultant/Hearing Coordinator
irene.wang@equifax.com
(314) 684-2885

Trisha Milton

Claims Assistant Manager
trisha.milton@equifax.com
(314) 214-7883

State Agency Response Center: (800) 829 -1510

Should you receive any calls from the state agencies directly, requesting information related to a claim, please provide them the above number.

UC Support: (866)723-4800 or
ucsupport@equifax.com

Should you encounter any issues logging into the UC Web Manager (CaseBuilder, Insight) application, please reach out to UC Support.

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, 2018

**AORMA Committee
Effective at July 1, 2018**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Dwayne Brummett	Associate Executive Director	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 Development & Executive Director	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	Cecilia Ortiz	Director	Dominguez Hills	Loker Student Union	cortiz@csudh.edu	310-243-3854
AORMA	Seat 4	Russell Wittmeier	Human Resources Director	Chico	The CSU, Chico Research Foundation	rwittmeier@csuchico.edu	530-898-5731
AORMA	Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
AORMA	Seat 6	Leslie Levinson	Chief Financial Officer	San Diego	San Diego State University Research Foundation	llevinson@mail.sdsu.edu	619-594-8941
AORMA	Seat 7	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744

AORMA’S TRAVEL REIMBURSEMENT POLICY

ISSUE: Reasonable expenses associated with travel to and from the AORMA Committee meetings and CSURMA Board of Directors meetings are reimbursable by CSURMA. Attached 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
SEPTEMBER 6, 2018

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. As directors on the CSURMA Board, AORMA Committee Members are expected to attend CSURMA Board of Directors meetings and therefore reasonable expenses associated with travel to and from as well as participation in the CSURMA Board of Directors meeting 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.