



PROGRAMS COMMITTEE MEETING

“This is an Open Public Meeting”

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

Meeting Date: December 12, 2013
Time: 2:00 p.m. (Teleconference)

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

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

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

A. CALL TO ORDER

B. PUBLIC COMMENTS

C. GENERAL ADMINISTRATION

1. **Approval of the Agenda Order** A Pg. 3
The committee will be asked to approve today’s meeting agenda order
2. **Approval of the Meeting Minutes – October 3, 2013** A Pg. 4
The Committee will be asked to review and approve the minutes from the last Programs Committee meeting on October 3, 2013
3. **Approval of FY 14/15 Liability Program Member Cost Allocations** A Pg. 15
The Committee will be asked to review and approve the FY 13/14 Liability Program cost allocations.
4. **Approval of FY 14/15 Workers’ Compensation Program Cost Allocations and AORMA Class Code Rates** A Pg. 20
The Committee will be asked to review and approve the FY 13/14 Workers’ Compensation Program Member Cost Allocation, the AORMA Class Code Rates and the Program Member’s Experience Modification Factors
5. **Approval of FY 14/15 Property Program Cost Allocations** A Pg. 31
The Committee will be asked to review and approve the FY 13/14 Property Program Member Cost Allocations.
6. **Approval of FY 14/15 Crime Program Cost Allocations** A Pg. 39
The Committee will be asked to review and approve the FY 13/14 Crime Program Member Cost Allocations.

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| 7. | Approval of FY 14/15 Unemployment Insurance Program Cost Allocations
<i>The Committee will be asked to review and approve the FY 13/14 Unemployment Insurance Program Member Cost Allocations.</i> | A Pg. 47 |
| 8. | Approval of the FY 14/15 Liability Program Dividend
<i>The Committee will be asked to review and approve the member allocation of the Liability Program dividend</i> | A Pg. 51 |
| 9. | Approval of the FY 14/15 Workers' Compensation Program Dividend
<i>The Committee will be asked to review and approve the member allocation of the Workers' Compensation dividend</i> | A Pg. 62 |

D. INFORMATION ITEMS

- | | | |
|----|---|----------|
| 1. | FY 13/14 Long Range Action Plan | I Pg. 65 |
| 2. | CSURMA AORMA 2014 Meeting Calendar | I Pg. 72 |
| 3. | CSURMA AORMA Program Administrator's Contact Lists | I Pg. 75 |
| 4. | AORMA Committee Members - Effective 7/1/13 | I Pg. 78 |

E. ADJOURNMENT

The next meeting is scheduled for February 6, 2014 at 2:00 p.m. as a teleconference meeting.

APPROVAL OF THE AGENDA ORDER

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

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

FISCAL IMPACT: None

BACKGROUND: None

PUBLICATION: None

ATTACHMENT(S): None

APPROVAL OF MEETING MINUTES – OCTOBER 3, 2013

ISSUE: The Committee will be asked to review and approve the draft minutes from the October 3, 2013 Programs Committee meeting.

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

FISCAL IMPACT: None

BACKGROUND: None

PUBLICATION: None

ATTACHMENT(S):

- a. Meeting Minutes – October 3, 2013

**MINUTES OF THE CSURMA AORMA
PROGRAMS COMMITTEE MEETING
OCTOBER 3, 2013
TELECONFERENCE MEETING
2:00 PM**

MEMBERS PRESENT

Guy Dalpe, Cesar Chavez Student Center (San Francisco State University)
Kurt Borsting, Associated Students, Inc. (CSU Fullerton) – *Left at 4:01pm*
Haleh Minakary, The Cal Poly Pomona Foundation, Inc. (Cal Poly Pomona)
Gigi Kiama, University Corporation (CSU Monterey Bay)

MEMBERS ABSENT

Mark Day, Santos Manuel Student Union (CSU San Bernardino)

STAFF, GUESTS AND CONSULTANTS

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

A. CALL TO ORDER

The meeting was called to order by Guy Dalpe at 2:05 PM.

B. PUBLIC COMMENTS

There were no public comments.

C. GENERAL ADMINISTRATION

C1. Approval of the Agenda Order

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

First: Kurt Borsting

Second: Gigi Kiama

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Kurt Borsting	X			
Guy Dalpe	X			

Gigi Kiama	X			
Haleh Minakary	X			
Mark Day				X

C2. Approval of Minutes – August 8, 2013

A motion was made to approve the minutes from the August 8, 2013 meeting.

First: Haleh Minakary

Second: Kurt Borsting

MOTION CARRIED

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

C3. 2013 Workers’ Compensation Payroll Desk Audits

Annually, staff performs “desk” payroll audits of twelve (12) Workers’ Compensation program members. As directed by the Program Committee, Staff will audit any member who has an experience modification factor in excess of 1.00 (unless they were audited the previous year), any members with an experience modification factor in excess of 1.25 (even if they were audited the previous year) and a random selection of members.

Staff reviewed the following member information:

- Loss information as provided by the Third Party Claims Administrator (Sedgwick)
- Estimated payroll
- Exposure information as documented on the AORMA Liability Program application

Mimi stated that she did not see anything in the desk audit that would indicate that a member had not allocated its payroll to the correct classification code.

Mimi expressed concern regarding the class code assignments on the loss run. Her spot check of losses indicated that the injured employees were not always coded to the correct class code. When looking at the actual claim form which Sedgwick uses to input the claims information, many of the forms did not include the employee’s payroll classification. Therefore, Sedgwick has to make that determination. Gigi stated that the workers’ compensation claim form does not allow you to input a class code number. Mimi will work with Sedgwick to fix this problem. Mimi will also instruct Sedgwick to obtain from the member the injured employee’s payroll class code prior to entering the loss into their system.

Mimi also talked about the workers’ compensation rates for the AORMA class codes. According to the actuary, AORMA does not currently have enough losses in any one AORMA class code to make the rates stable. The six AORMA class codes are a combination of between two and five WCIRB rates. Every year the actuary reviews losses within each of AORMA’s six class codes and provides an estimated rate for that class code. Because AORMA members have relatively few losses within each class code one bad year, or good year, can completely skew the rate for that class code. The WCIRB rates, on the other hand, include losses from all California insureds and therefore are very stable. Mimi suggested using one of the WCIRB rates within each of the AORMA class codes rather than the current AORMA/WCIRB combined rate. The workers’ compensation program includes an experience modification factor which serves to modify a member’s premium based on its own loss experience. A workers’ compensation rate is basically, the statewide average claim cost for that activity. If the member has more losses than what was expected, then its experience modification factor will increase. If losses are lower than what was expected, the experience modification factor will decrease. If all AORMA members are using the same WCIRB rates at the start of the policy term, any payroll reporting discrepancies will be accounted for at the end of the policy term within the new experience modification factor. According to the actuary, in order to stabilize the rates it’s vital that the same stable rates are utilized by all members. The committee will review and approve the FY 14/15 workers’ compensation rates at its next meeting in December.

C4. Approval of the 2014 Meeting Dates for the CSURMA AORMA Programs Committee

The following meeting dates were proposed:

Date	Day	Time	Location
02/06/14	Thursday	2:00 pm	Teleconference
04/10/14	Thursday	2:00 pm	Teleconference
07/31/14	Thursday	2:00 pm	Teleconference
12/11/14	Thursday	2:00 pm	Teleconference

A motion was made to approve the 2014 meeting dates for the Program Committee.

First: Gigi Kiama
Second: Haleh Minakary

MOTION CARRIED

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

C5. Approval of the Long Range Action Plan for FY 13/14

At the September 2013 Long Range Planning meeting, the AORMA Committee updated the FY 13/14 Long Range Action Plan. The following actions/responsibilities have been assigned to the Programs Committee to oversee, coordinate and take action on:

1. Finalized Property and Crime Programs – Rating Methodology (for FY 14/15 term)
2. Liability Programs – Rating Methodology (for FY 14/15 term)

Mimi would like to add two more items to list.

1. WC Rates
2. IRIC – Grants / Contractor’s (outsourcing) – Agreement language.

Haleh suggested creating a task force to work with the AOA Research and Sponsored Programs Committee.

A motion was made to approve the FY 13/14 Long Range Action Plan with the two addition items Mimi presented.

First: Haleh Minakary
Second: Gigi Kiama

MOTION CARRIED

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

C6. Review of the FY 14/15 Total Funding for the Liability, Workers’ Compensation, Property and Crime Programs

Mimi explained that at the September 2013 meeting, the AORMA Committee approved the total funding for the Liability, Workers’ Compensation, Property and Crime programs. The Programs Committee will approve the member allocation of the total program costs at its meeting on December 12, 2013.

The following funding amounts were approved by the AORMA Committee for FY 14/15:

Liability Program
Pooled Layer Funding at an 70% Confidence Level: \$1,675,550

Claims Administration:	\$15,000
Program Administration Fee:	\$777,825
Excess insurance:	\$1,354,740
<i>Total Liability Program Expenses:</i>	<i>\$3,823,115</i>

Workers' Compensation Program

Pooled Layer Funding at an 80% Confidence Level:	\$3,108,750
Claims Administration:	\$205,000
Program Administration Fee:	\$551,699
Excess insurance:	\$517,000
<i>Total Workers' Compensation Program Expenses:</i>	<i>\$4,382,449</i>

Property Program

Pooled Layer Funding:	\$350,000
Administrative Costs:	\$329,019
Excess Insurance Premium:	\$2,500,000
<i>Total Property Program Expense:</i>	<i>\$3,179,019</i>

Crime Program

Pooled Layer Funding:	\$50,000
Administrative Costs:	\$50,000
Excess Insurance Premium:	\$237,000

C7. Review of FY 14/15 AORMA Liability and Workers' Compensation Program Actuarial Studies

The complete reports for the AORMA Liability Program and Workers' Compensation Program are included separately with the agenda packet. Staff highlighted key findings within the exhibits. The information provided by the actuary is used to establish fiscal year-end financial reports and as the starting point in consideration of rates and funding for FY 14/15 as well as potential for dividends or assessments.

Staff notes regarding the liability program:

1. The Estimated Outstanding Losses increased from \$2,389,287 as of June 30, 2012 to \$2,878,554 as of June 30, 2013, an increase of \$489,267. This increase can be attributed to (a) about \$1.3 million paid between June 30, 2012 and June 30, 2013, (2) an increase in projected ultimate losses for years through 2011/12 of about \$600,000, and (3) the addition of the projected ultimate losses for 2012/13 of about \$1.25 million.
2. For FY 08/09, a new claim was reported within FY 12/13 and has an incurred value of \$263,693
3. For FY 11/12, seven large claims contributed \$1,745,805 to the total limited reported losses as of 6/30/13. See Graph 111-4 and Exhibit LI-20.

Staff notes regarding the workers' compensation program:

1. The Estimated Outstanding Losses increased from \$7,332,366 as of June 30, 2012 to \$7,646,069 as of June 30, 2013, an increase of \$313,703.
2. The loss rate per \$100 in payroll increased slightly from .87 to .90 due to rising medical costs.
3. Since June, 2005, AORMA has only had one large claim (\$2,038,366) that pierced the excess insurance layer.

C8. Review of the Target Surplus Funding Report and Dividend Calculation

Mimi explained that at its meeting in September 2013, the AORMA Committee reviewed the Target Surplus Funding and Dividend Calculation report and approved the Liability and Workers’ Compensation dividend which will be paid in July 2014. The Programs Committee will approve the member dividend allocation at its meeting in December, 2013.

The AORMA Committee approved a dividend of 33% of the maximum dividend available for both Liability (\$978,346) and Workers’ Compensation (\$845,387)

C9. Policy and Procedure L-7 - Employment Practices Liability Deductible (EPL) Options

Mimi explained that in order to assist members in budget forecasting, the AORMA Committee suggested revising Policy and Procedure L-7, to limit the annual EPL deductible increase to one level per year. The revised EPL deductible provision will apply retroactively to the FY 13/14 deductible increases as well. The major change to the policy and procedure is note below.

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

Annually, based on the formula above, the JPA Program Administrator will determine the minimum ~~suggested~~ EPL deductible for each Member. **To assist Members in budget forecasting, the minimum EPL deductible will be limited to one EPL deductible level increase per year, regardless of the minimum EPL deductible calculated based on the schedule above.**

A motion was made to recommend to the AORMA Committee approval of the revisions to Policy & Procedure L-7.

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

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Kurt Borsting	X			

Guy Dalpe	X			
Gigi Kiama	X			
Haleh Minakary	X			
Mark Day				X

C10. FY 14/15 Employment Practices Liability (EPL) Deductibles Determination Formula

Mimi stated that as noted within Policy and Procedure L-7 – Employment Practices Liability Deductible (EPL) Options, the Programs Committee is responsible for approving each member’s minimum EPL deductible for FY 14/15. The AORMA Committee directed staff to revise Policy and Procedure L-7 to include a provision that a member’s EPL deductible can only increase one level annually.

Based on this formula, the following members will be mandated an EPL deductible in excess of the standard \$25,000 deductible:

Campus	Auxiliary	Paid Claims	FY 14/15 Deductible	FY 13/14 Deductible
East Bay	California State University, East Bay Foundation, Inc.	\$104,313	\$50,000	\$50,000
Fresno	California State University, Fresno Foundation	\$240,304	\$50,000	\$25,000
Long Beach	California State University, Long Beach Research Foundation	\$201,104	\$75,000	\$50,000
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$111,685	\$50,000	\$50,000
Pomona	Cal Poly Pomona Foundation, Inc.	\$262,603	\$75,000	\$100,000
Sacramento	University Enterprises, Inc.	\$161,251	\$50,000	\$25,000
San Diego	San Diego State University Research Foundation	\$1,274,601	\$75,000	\$50,000
San Jose	San Jose Research Foundation	\$132,590	\$50,000	\$25,000
San Luis Obispo	Cal Poly Corporation	\$149,099	\$50,000	\$25,000

A motion was made to approve the member’s minimum EPL deductibles for FY 14/15 contingent upon approval by the AORMA Committee of the revisions to Policy and Procedure L-7.

- First:** Kurt Borsting
Second: Gigi Kiama

MOTION CARRIED

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

C11. Policy and Procedure P-1 – Property Program Member Allocation Formula

Mimi stated that at its September 12, 2013 meeting, the AORMA Committee approved the revised property program member allocation formula. Policy & Procedure P-1 document in detail the property program rating plan and member allocation formula. The committee reviewed the draft version of Policy and Procedure P-1. The committee asked staff to add examples to Policy and Procedure so that it would be easier to follow the explanation.

A motion was made to recommend approval of Policy and Procedure P-1 to the AORMA Committee, with the revision noted above.

First: Haleh Minakary
Second: Kurt Borsting

MOTION CARRIED

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

C12. Policy and Procedure C-1 – Crime Program Member Allocation Formula

Mimi stated that at its September 12, 2013 meeting, the AORMA Committee approved the revised property program member allocation formula. Policy & Procedure C-1 document in detail the property program rating plan and member allocation formula. The committee reviewed the draft version of Policy and Procedure C-1. The committee asked staff to add examples to Policy and Procedure so that it would be easier to follow the explanation.

A motion was made to recommend approval of Policy and Procedure C-1 to the AORMA Committee, with the revision noted above.

First: Gigi Kiama
Second: Haleh Minakary

MOTION CARRIED

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

C13. Auxiliaries Multiple Employer VEBA Trust

The Programs Committee and AORMA Committee have been discussing the possibility of extending AORMA’s liability coverage to the Auxiliaries Multiple Employer VEBA Trust (Trust) as allowed under Policy and Procedure L-5. The Programs Committee reviewed Policy and Procedure L-5. The policy and procedure requires that the member exercise substantial control over all events, activities and operations and that it holds substantial financial control over the entity. The trust coordination is currently provided by Keenan and the trust investment is provided by Benefit Trust. The Programs Committee asked to review the agreements with Keenan and Benefit Trust to confirm that the trust does fit within the criteria of Policy and Procedure L-5. The Programs Committee decided that the Trust doesn’t completely fit within the criteria of Policy and Procedure L-5; however, Staff suggested add the Trust to the liability program as a separate named insured.

The committee discussed possible claims against the Trust and what effect they would have on AORMA’s self-insured layer. The Trust currently purchases a stand-alone fiduciary liability policy with a \$1,000,000 limit and a \$1,000 deductible. If AORMA’s liability program (including fiduciary liability) is extended to cover the Trust, AORMA’s self-insured layer would respond first to any claim against the Trust. As the Trust is an investment vehicle for retiree health and welfare benefits, it is conceivable that a claim could be made against the Trust for not adhering to the Trust’s investment policy. Depending on the circumstances of the claim, AORMA would at a minimum owe a defense to the trust. The committee also discussed the fact that the Trust is essentially a pass-through; and therefore, the fiduciary responsibility of the employer (the AORMA member) still may reside with the AORMA member rather than the Trust.

A motion was made to approve coverage for the Auxiliaries Multiple Employer VEBA Trust and to add the Trust as a named insured on AORMA’s liability memorandum of coverage.

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

MOTION CARRIED

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

D. INFORMATIONAL ITEMS

- D1. FY 12/13 Long Range Action Plan**
- D2. CSURMA AORMA 2013 Meeting Calendar**
- D3. CSURMA AORMA Program Administrator’s Contact Lists**
- D4. AORMA Committee Members - Effective 7/1/13**
- D5. AORMA Service Calendar**

E. ADJOURNMENT

The meeting was adjourned at 4:15 PM.

**APPROVAL OF FY 14/15 LIABILITY PROGRAM MEMBER
COST ALLOCATIONS**

ISSUE: At its September 12, 2013 meeting, the AORMA Committee approved the FY 14/15 Liability Program funding of \$3,823,115. The Programs Committee must now review and approve the allocation of the total program costs to the AORMA members. Costs are allocated to the members based on their exposure information and their loss experience.

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

FISCAL IMPACT: As noted on the attached Total Funding exhibit, the program costs have increased approximately 5% over the FY 13/14 costs. Total premium with a \$25,000 EPL deductible is \$3,821,036.

BACKGROUND: None.

PUBLICATION: The Members will receive notification of their FY 14/15 liability program premium at the end of January, 2014.

ATTACHMENT(S):

- a. FY 14/15 Liability Program – Total Funding
- b. FY 14/15 Liability Program – Member Costs Allocation

Approved on 9-12-13

CSURMA AORMA FY 2014/2015 Liability Program Total Estimated Funding 70% Confidence Level					
Expense Item	Actual FY 10/11 \$250,000/\$500,000 SIR 80% C.L.	Actual FY 11/12 \$350,000 SIR 80% C.L.	Actual FY 12/13 \$350,000 SIR 80% C.L.	Budgeted FY 13/14 \$350,000 SIR 80% C.L.	Proposed FY 14/15 \$350,000 SIR 70% C.L.
Actuarial Recommended Estimated Pooled Layer - Funding	1,774,750	2,198,750	1,618,750	1,565,000	1,675,550
Claims Administration	15,000	12,600	12,600	15,000	15,000
JPA Program Administration Fee	645,780	728,993	742,383	777,825	777,825
Reinsurance / Excess Liability Insurance	1,104,328	1,147,931	1,207,471	1,231,582	1,354,740
Total Expenses:	3,539,858	4,088,274	3,581,204	3,589,407	3,823,115
Difference from prior year:		-1.88%	-11.56%	-0.34%	6.51%

C.L. - Confidence Level

Actuarial Recommended Estimated Pooled Layer Funding (based on the actuarial report dated August 8, 2013)

Claims Administration (an increased or decrease is not contemplated)

JPA Program Administration Fee (an increase or decrease is not contemplated)

Current cost for Reinsurance / Excess Liability Insurance of \$1,231,582 plus a 10% increase

CSURMA AORMA

Liability Program - Member Premium Allocation

FY 14/15

Layer Funding		\$ 3,821,036	\$ 3,625,188	\$ 195,848
Campus	Auxiliary Member	Total FY 14/15 Liability Program Costs w/ a \$25,000 EPL Deductible	Total FY 13/14 Liability Program Costs	Percentage Increase or Decrease from Prior Year
Bakersfield	California State University, Bakersfield, Auxiliary for Sponsored Programs Administration	\$ 3,146	\$ 3,089	2%
Bakersfield	Associated Students Inc., California State University, Bakersfield	\$ 6,650	\$ 6,524	2%
Bakersfield	California State University, Bakersfield Foundation	\$ 20,663	\$ 20,270	2%
Bakersfield	Student Union, Inc., California State University, Bakersfield	\$ 3,154	\$ 3,094	2%
Chancellor's Office	California State University Foundation	\$ 1,522	\$ 1,493	2%
Chancellor's Office	California State University Institute	\$ 2,082	\$ 2,042	2%
Channel Island	Associated Students, Inc., CSU Channel Islands	\$ 1,636	\$ 1,613	1%
Channel Island	California State University Channel Islands Foundation	\$ 2,168	\$ 2,136	1%
Channel Island	University Glen Corporation, CSU Channel Islands	\$ 24,697	\$ 23,183	7%
Chico	Associated Students of California State University, Chico	\$ 136,649	\$ 131,662	4%
Chico	The University Foundation, California State University, Chico	\$ 9,195	\$ 8,860	4%
Chico	The CSU, Chico Research Foundation	\$ 114,633	\$ 110,449	4%
Chico	Auxiliary Organization Associations c/o CSU Chico Research Foundation	\$ 1,495	\$ 1,473	1%
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	\$ 6,077	\$ 5,933	2%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State University, Dominguez Hills	\$ 18,232	\$ 17,451	4%
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 27,594	\$ 26,844	3%
East Bay	California State University, East Bay Foundation, Inc.	\$ 41,161	\$ 39,739	4%
East Bay	Associated Students, Inc., California State University, East Bay	\$ 28,956	\$ 28,544	1%
East Bay	Cal State East Bay Educational Foundation		\$ 2,042	
Fresno	Associated Students Inc., CSU Fresno	\$ 3,944	\$ 3,887	1%
Fresno	California State University, Fresno Association	\$ 219,775	\$ 210,032	5%
Fresno	CSU Fresno Foundation	\$ 47,244	\$ 43,760	8%
Fresno	Fresno State Programs for Children	\$ 8,882	\$ 8,755	1%
Fresno	The Agricultural Foundation of CSU Fresno	\$ 21,713	\$ 21,404	1%
Fresno	The Athletic Corporation, CSU Fresno	\$ 207,785	\$ 198,836	5%
Fullerton	Associated Students, Cal State University, Fullerton, Inc.	\$ 35,086	\$ 33,805	4%
Fullerton	Cal State Fullerton Auxiliary Services Corporation	\$ 53,916	\$ 51,594	5%
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 6,855	\$ 6,757	1%
Fullerton	CSU Fullerton Housing Authority	\$ 19,802	\$ 19,023	4%
Humboldt	Associated Students of Humboldt State University	\$ 6,637	\$ 6,395	4%
Humboldt	Humboldt State University Advancement Foundation	\$ 1,581	\$ 1,557	2%
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 30,330	\$ 29,031	4%
Humboldt	University Center, Humboldt State University	\$ 55,893	\$ 54,573	2%
Long Beach	Associated Students Inc., CSU Long Beach	\$ 82,705	\$ 77,637	7%
Long Beach	CSULB Research Foundation	\$ 173,823	\$ 156,939	11%
Long Beach	Forty-Niner Shops, Inc. CSU Long Beach	\$ 42,649	\$ 41,092	4%
Long Beach	CSULB 49er Foundation	\$ 2,816	\$ 2,752	2%

CSURMA AORMA
Liability Program - Member Premium Allocation
FY 14/15

Layer Funding		\$ 3,821,036	\$ 3,625,188	\$ 195,848
Campus	Auxiliary Member	Total FY 14/15 Liability Program Costs w/ a \$25,000 EPL Deductible	Total FY 13/14 Liability Program Costs	Percentage Increase or Decrease from Prior Year
Los Angeles	Associated Students Inc., CSU Los Angeles	\$ 7,056	\$ 6,738	5%
Los Angeles	Cal State Los Angeles University Auxiliary Services, Inc.	\$ 30,772	\$ 30,893	0%
Los Angeles	California State University, Los Angeles Foundation	\$ 3,818	\$ 3,763	1%
Los Angeles	University Student Union, CSU Los Angeles	\$ 27,886	\$ 27,232	2%
Maritime	Associated Students Inc., California Maritime Academy	\$ 3,566	\$ 3,390	5%
Maritime	California Maritime Academy Foundation	\$ 3,560	\$ 3,566	0%
Monterey	Foundation of California State University Monterey Bay	\$ 4,007	\$ 3,838	4%
Monterey	The University Corporation at Monterey Bay	\$ 61,886	\$ 59,625	4%
Northridge	Associated Students Inc., CSU Northridge	\$ 16,583	\$ 15,360	8%
Northridge	CSU Northridge Foundation	\$ 11,960	\$ 11,164	7%
Northridge	North Campus Park Development Corporation	\$ 5,447	\$ 5,370	1%
Northridge	The University Corporation, CSU Northridge	\$ 85,038	\$ 79,276	7%
Northridge	University Student Union, CSU Northridge	\$ 83,504	\$ 77,887	7%
Pomona	Associated Students Inc., Cal Poly Pomona	\$ 75,795	\$ 73,029	4%
Pomona	Cal Poly Pomona Foundation	\$ 163,323	\$ 153,315	7%
Sacramento	Associated Students Inc., CSU Sacramento	\$ 102,633	\$ 98,886	4%
Sacramento	Capital Public Radio, CSU Sacramento	\$ 8,140	\$ 7,642	7%
Sacramento	The University Foundation at Sacramento State	\$ 5,690	\$ 5,609	1%
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 155,172	\$ 148,529	4%
Sacramento	University Union, CSU Sacramento	\$ 25,461	\$ 24,463	4%
San Bernardino	Associated Students Inc., CSU San Bernardino	\$ 9,844	\$ 9,704	1%
San Bernardino	University Enterprises Corporation at CSUSB	\$ 55,781	\$ 53,045	5%
San Bernardino	Santos Manual Student Union, CSU San Bernardino	\$ 14,631	\$ 14,004	4%
San Bernardino	CSUSB Philanthropic Foundation	\$ 2,816	\$ 2,752	2%
San Diego	Associated Students of San Diego State University	\$ 187,544	\$ 172,850	9%
San Diego	Aztec Shops, LTD, San Diego State University	\$ 133,432	\$ 128,561	4%
San Diego	San Diego State University Research Foundation	\$ 234,895	\$ 206,679	14%
San Diego	The Campanile Foundation			
San Francisco	Associated Students Inc., San Francisco State University	\$ 14,140	\$ 13,625	4%
San Francisco	San Francisco State University Foundation	\$ 3,719	\$ 3,606	3%
San Francisco	Cesar Chavez Student Center, San Francisco State University	\$ 54,229	\$ 53,045	2%
San Francisco	The University Corporation, San Francisco State	\$ 31,642	\$ 30,271	5%
San Jose	Associated Student Inc., San Jose State University	\$ 11,200	\$ 10,896	3%
San Jose	San Jose State University Research Foundation	\$ 32,714	\$ 30,109	9%
San Jose	Spartan Shops, Inc., San Jose State University	\$ 87,884	\$ 84,120	4%
San Jose	Student Union of San Jose State University	\$ 128,484	\$ 120,612	7%
San Jose	The Tower Foundation, San Jose State University	\$ 2,287	\$ 2,255	1%
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	\$ 97,323	\$ 92,683	5%
San Luis Obispo	Cal Poly Corporation	\$ 180,087	\$ 171,688	5%
San Luis Obispo	California Polytechnic State University Foundation	\$ 1,528	\$ 1,492	2%
San Marcos	Associated Students Inc, CSU San Marcos	\$ 9,791	\$ 9,651	1%

**CSURMA AORMA
Liability Program - Member Premium Allocation
FY 14/15**

Layer Funding		\$ 3,821,036	\$ 3,625,188	\$ 195,848
Campus	Auxiliary Member	Total FY 14/15 Liability Program Costs w/ a \$25,000 EPL Deductible	Total FY 13/14 Liability Program Costs	Percentage Increase or Decrease from Prior Year
San Marcos	Cal State San Marcos Foundation	\$ 5,549	\$ 5,346	4%
San Marcos	The University Corporation of CSU San Marcos	\$ 15,250	\$ 10,045	52%
San Marcos	University Auxiliary & Research Services Corporation at Cal State University San Marcos	\$ 35,551	\$ 39,058	-9%
Sonoma State	Associated Students Inc., Sonoma State University	\$ 15,839	\$ 15,613	1%
Sonoma State	Sonoma State Enterprises	\$ 36,796	\$ 35,454	4%
Sonoma State	Sonoma State University Academic Foundation	\$ 15,384	\$ 14,677	5%
Stanislaus	Associated Students Incorporated, California State University, Stanislaus	\$ 6,695	\$ 6,537	2%
Stanislaus	CSU Stanislaus Auxiliary & Business Services	\$ 15,974	\$ 15,747	1%
Stanislaus	CSU Stanislaus Foundation	\$ 23,925	\$ 23,585	1%
Stanislaus	University Student Union of CSU Stanislaus	\$ 3,661	\$ 3,631	1%
Total	88	\$ 3,821,036	\$ 3,625,188	5%

**APPROVAL OF FY 14/15 WORKERS' COMPENSATION PROGRAM MEMBER
 COST ALLOCATIONS**

ISSUE: At its September 12, 2013 meeting, the AORMA Committee approved the FY 14/15 Workers' Compensation Program funding of \$4,444,743. The Programs Committee must now (1) approve the FY 14/15 workers' compensation rates and (2) approve the allocation of the total program costs to the AORMA members. Costs are allocated to the members based on their proposed payroll for FY 14/15 and loss experience.

As discussed at the October 3rd meeting, according to the actuary, AORMA does not currently have enough losses in any one AORMA class code to make the rates stable. The six AORMA class codes are a combination of between two and five WCIRB rates. Every year the actuary reviews losses within each of AORMA's six class codes and provides an estimated rate for that class code. Because AORMA members have relatively few losses within each class code one bad year, or good year, can completely skew the rate for that class code. *(See the WC Rate Comparison Exhibit Attached.)*

In order to stabilize AORMA's workers' compensation rates, staff is recommends using one WCIRB rate within each of the AORMA class codes rather than the current AORMA/WCIRB combined rate. *(See Exhibit Below.)* The workers' compensation experience modification factor will then serves to modify a member's premium based on its own loss experience.

Proposed Workers' Compensation Rates for FY 14/15

WCIRB	AORMA	Description
8810	1001	Clerical
8868	1002	Colleges - professors, teachers or academic professional employees
8071	1004	Stores, books, retail
9053	1005	Exercise, health institutes - all ee's
9079	1006	Restaurants or taverns - all employees
9101	1007	Colleges - all ee's except professors, teachers or academic professional employees

<u>WCIRB</u>	<u>AORMA</u>	FY 13/14 Combined AORMA / WCIRB Rates	FY 14/15 WCIRB Rate (w/o Collar)	FY 14/15 WCIRB Rate (Collared)	% Difference
8810	1001	0.578	0.560	0.560	-3%
8868	1002	1.011	1.450	1.432	42%
8071	1004	1.932	2.360	2.360	22%
9053	1005	2.309	4.120	3.272	42%
9079	1006	3.639	5.150	5.150	42%
9101	1007	2.744	7.600	3.888	42%

As noted on the attached *FY 14/15 Workers' Compensation Rating – Member Allocation Comparison*, one member is collared at the minimum rate and eight members are collared at the maximum rate. The total premium is collared by \$121,188; however, when the experience modification assessment is added, only \$7,280 in premium is spread to the remaining members.

RECOMMENDATION: Staff recommends that the Committee approve (1) the use of the FY 14/15 WCIRB Rates (Collared) in the member allocation and (2) the allocation of the total program costs to the AORMA members as shown on the FY 14/15 Workers' Compensation Program – Member Costs Allocation.

<u>AORMA</u>	FY 14/15 WCIRB Rate (Collared)
1001	0.560
1002	1.432
1004	2.360
1005	3.272
1006	5.150
1007	3.888

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

BACKGROUND: None.

PUBLICATION: The final approved premiums / rates will be sent out to the program members at the end of January, 2014.

ATTACHMENT(S):

- a. FY 14/15 Workers' Compensation – Total Funding Approved
- b. Workers' Compensation Rate Comparison
- c. Workers' Compensation Rate Development
- d. FY 14/15 Workers' Compensation Program – Comparisons
- e. FY 14/15 Workers' Compensation Program – Member Costs Allocation (*as a separate excel spreadsheet*)

This option was approved on 9/12/13

CSURMA AORMA FY 13/14 Workers' Compensation Program Total Estimated Funding 80% Confidence Level					
Expense Item	Actual FY 10/11 \$500,000 SIR 80% C.L.	Actual FY 11/12 \$500,000 SIR 80% C.L.	Actual FY 12/13 \$500,000 SIR 80% C.L.	Proposed FY 13/14 \$500,000 SIR 80% C.L.	Proposed FY 14/15 \$500,000 SIR 80% C.L.
Actuarial Recommended Estimated Pooled Layer - Funding	\$2,452,327	\$2,541,000	\$2,928,900	\$3,149,900	\$3,108,750
Claims Administration	\$195,000	\$207,089	\$207,089	\$205,000	\$205,000
JPA Program Administration Fee	\$901,125	\$503,866	\$538,104	\$551,699	\$551,699
Excess Insurance	\$406,708	\$441,617	\$477,508	\$470,000	\$517,000
Total Expenses:	\$3,955,160	\$3,693,572	\$4,151,601	\$4,376,599	\$4,382,449
Difference from prior year:		-6.61%	12.40%	5.42%	0.13%
Actuarial Recommended Estimated Pooled Layer - Rate	\$0.90	\$0.83	\$0.95	\$1.03	\$0.95

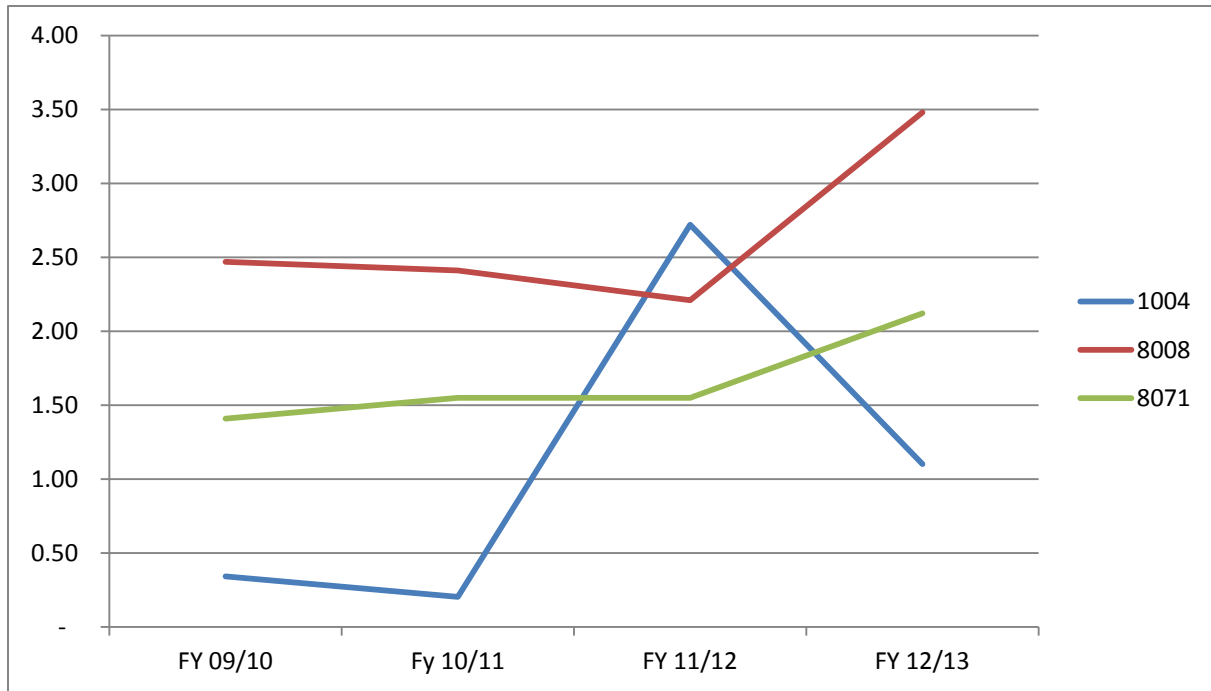
Actuarial Recommended Estimated Pooled Layer Funding (per the actuarial report dated July 29, 2012)

Claims Administration (no increase or decrease is contemplated)

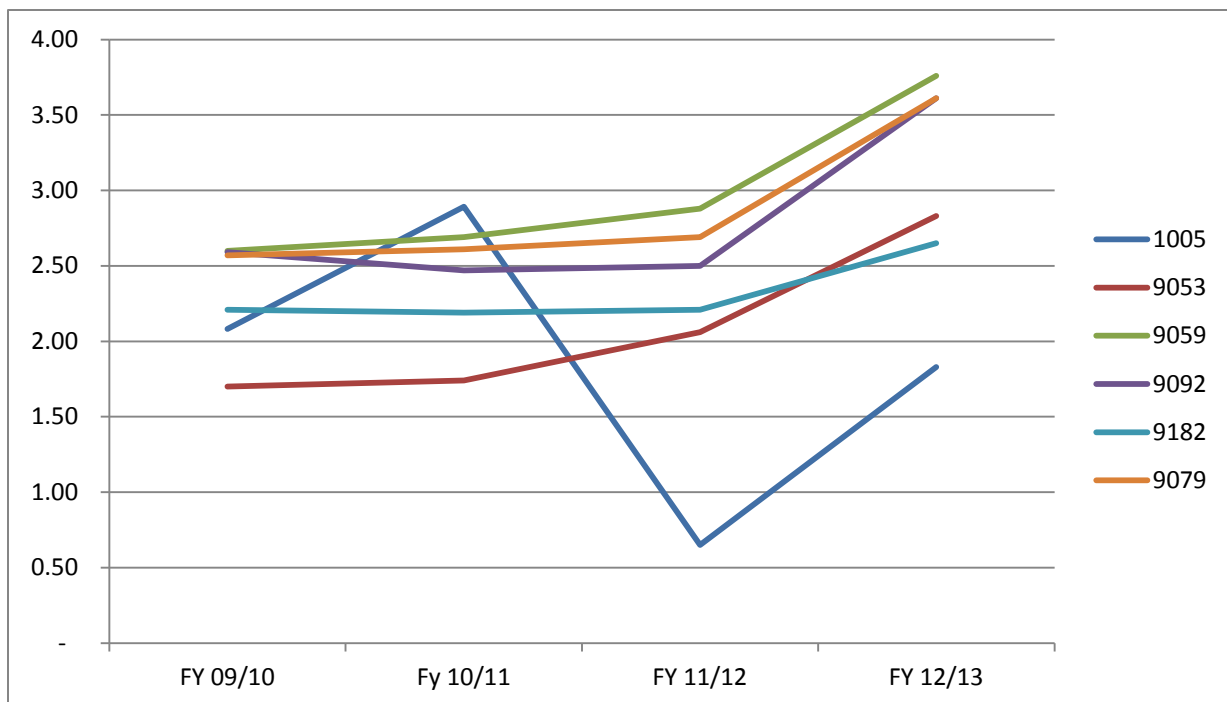
JPA Program Administration Fee (no increase or decrease is contemplated)

Excess Insurance (includes a 10% increase)

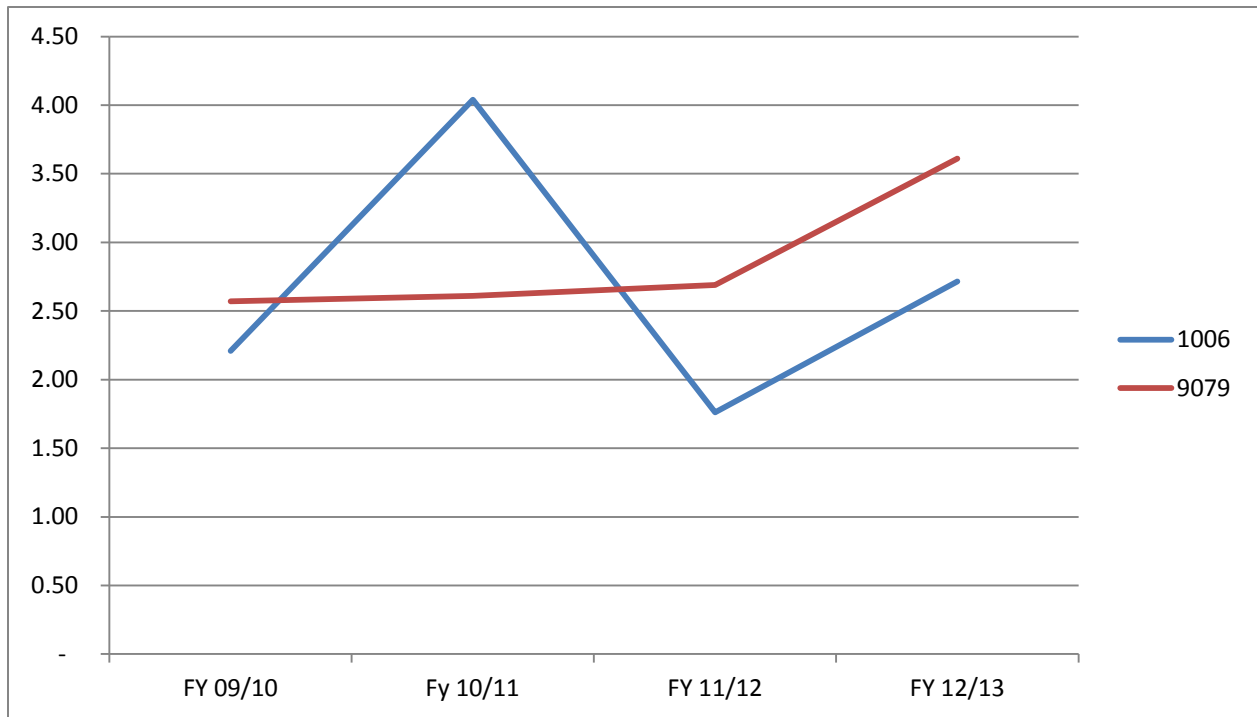
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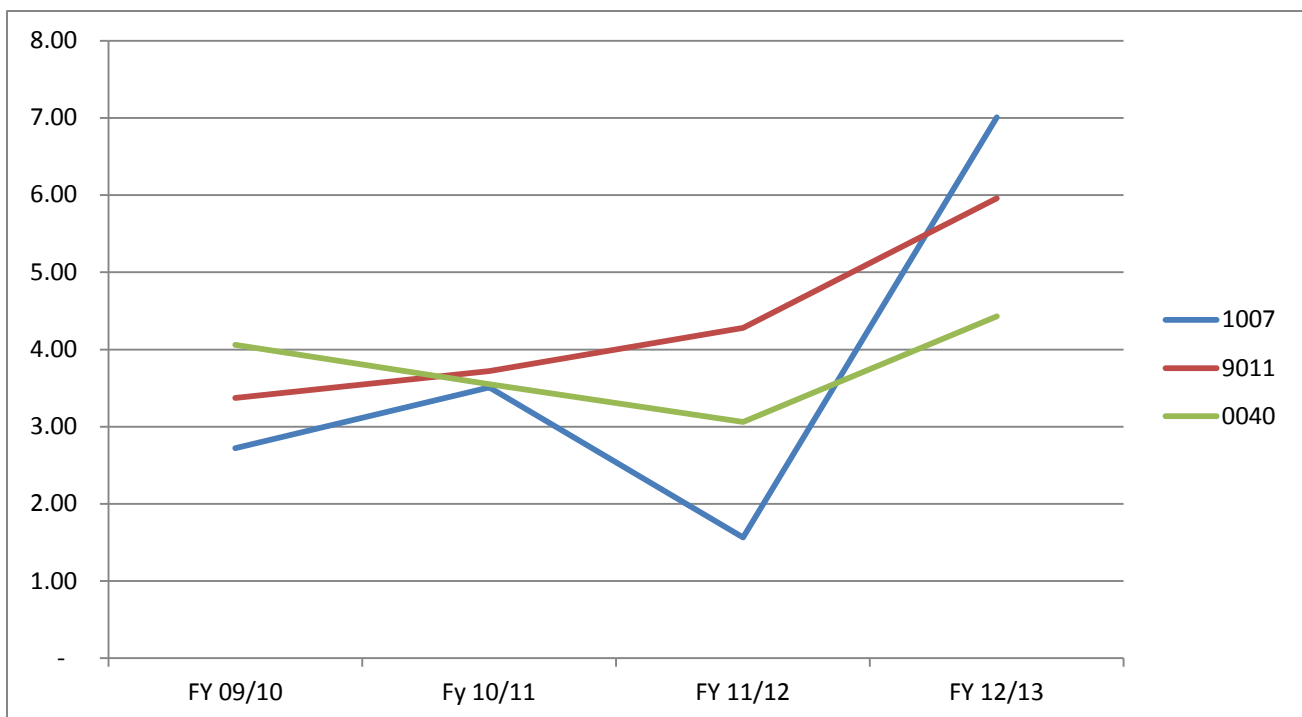
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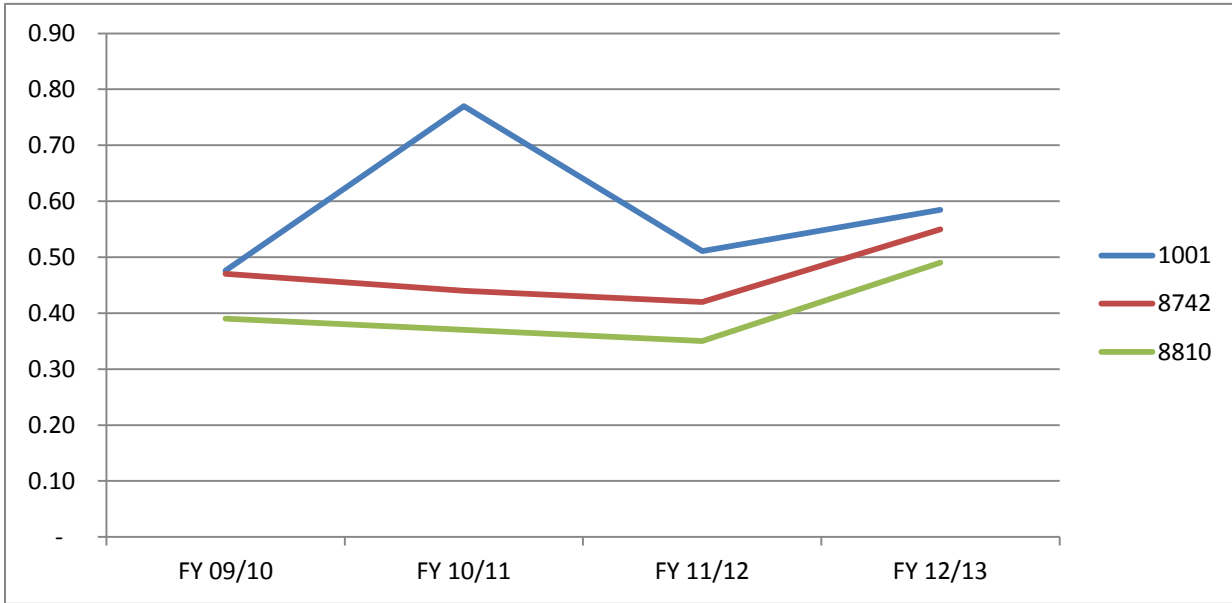
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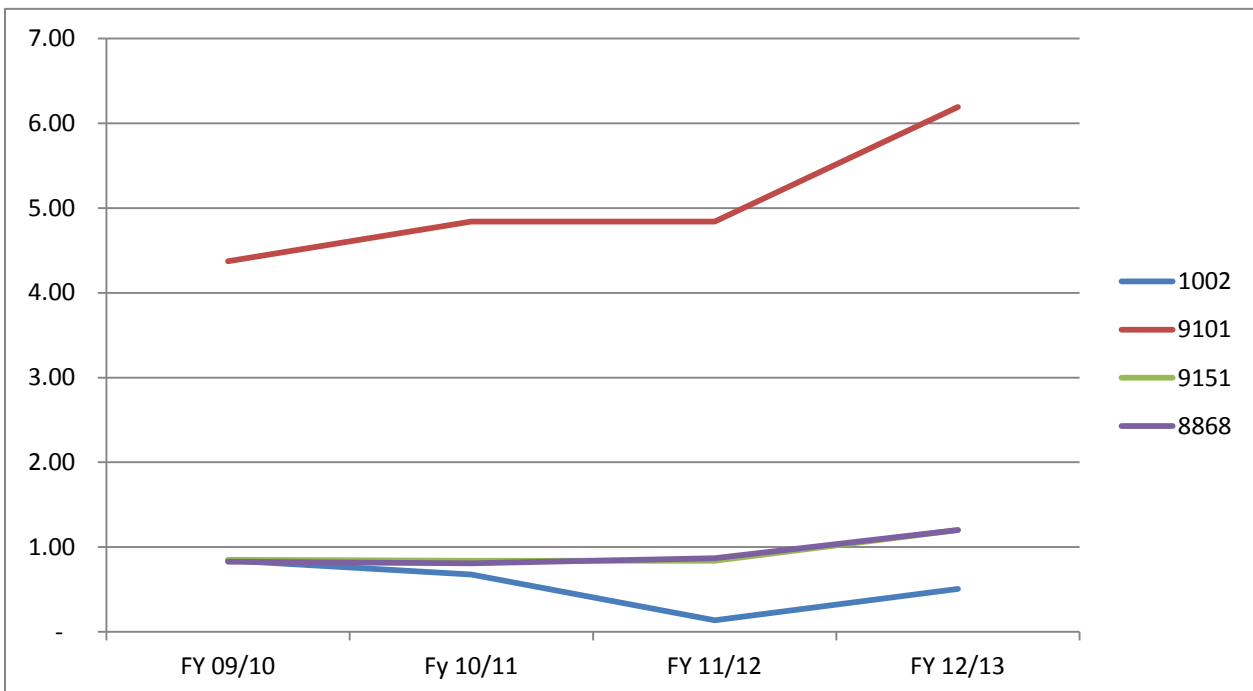
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1001



1002



**CSURMA AORMA
FY 14/15 Workers' Compensation Program
Rate Development**

<u>WCIRB</u>	<u>AORMA</u>	<u>Description</u>
8810	1001	Clerical
8868	1002	Colleges - professors, teachers or academic professional employees
8071	1004	Stores, books, retail
9053	1005	Exercise, health institutes - all ee's
9079	1006	Restaurants or taverns - all employees
9101	1007	Colleges - all ee's except professors, teachers or academic professional employees

<u>WCIRB</u>	<u>AORMA</u>	FY 13/14 Combined AORMA / WCIRB Rates	FY 14/15 WCIRB Rate (w/o Collar)	FY 14/15 WCIRB Rate (Collared)	% Difference
8810	1001	0.578	0.560	0.560	-3%
8868	1002	1.011	1.450	1.432	42%
8071	1004	1.932	2.360	2.360	22%
9053	1005	2.309	4.120	3.272	42%
9079	1006	3.639	5.150	5.150	42%
9101	1007	2.744	7.600	3.888	42%

**Historical Workers' Compensation Rate Comparison
Actual Rates Used in the Member Allocation**

Class Code	FY 10/11 Rates	FY 11/12 Rates	% Difference
1001	0.375	0.352	-6%
1002	1.332	0.753	-43%
1004	1.277	1.711	34%
1005	1.619	2.158	33%
1006	1.859	2.427	31%
1007	1.123	3.432	206%
Class Code	FY 11/12 Rates	FY 12/13 Rates	% Difference
1001	0.352	0.564	60%
1002	0.753	1.000	33%
1004	1.711	2.090	22%
1005	2.158	2.224	3%
1006	2.427	3.787	56%
1007	3.432	2.698	-21%
Class Code	FY 12/13 Rates	FY 13/14 Rates	% Difference
1001	0.564	0.578	2%
1002	1.000	1.011	1%
1004	2.090	1.932	-8%
1005	2.224	2.309	4%
1006	3.787	3.639	-4%
1007	2.698	2.744	2%
Class Code	FY 13/14 Rates	FY 14/15 Rates	% Difference
1001	0.578	0.560	-3%
1002	1.011	1.432	42%
1004	1.932	2.360	22%
1005	2.309	3.272	42%
1006	3.639	5.150	42%
1007	2.744	3.888	42%

**CSURMA AORMA
FY 14/15 Workers' Compensation Program
Comparison Exhibit - FY 13/14 vs FY 14/15**

Campus	Auxiliary	FY 13/14 Exp Mod	FY 14/15 Exp Mod	Diff	FY 13/14 Est Payroll	FY 14/15 Est Payroll	Diff
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.85	0.74	-13%	1,010,000	1,500,000	49%
Bakersfield	California State University, Bakersfield Foundation	0.95	1.09	15%	968,210	929,710	-4%
Channel Islands	University Glen Corporation, CSU Channel Islands	0.93	0.97	4%	1,989,771	2,034,771	2%
Chico	Associated Students of California State University, Chico	0.74	0.89	20%	8,013,935	7,434,935	-7%
Chico	The CSU, Chico Research Foundation	0.65	0.69	6%	12,830,000	13,357,000	4%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	0.97	0.93	-4%	423,386	466,720	10%
Dominguez Hills	California State University, Dominguez Hills Foundation	1.24	1.01	-19%	4,753,000	4,753,000	0%
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	0.91	0.87	-4%	586,861	598,598	2%
East Bay	Associated Students, California State University, East Bay	0.96	1.12	17%	2,050,000	2,050,000	0%
East Bay	California State University, East Bay Foundation, Inc.	1.01	0.73	-28%	2,823,300	2,823,300	0%
Fresno	California State University, Fresno Association, Inc.	0.79	0.73	-8%	6,296,000	6,322,000	0%
Fresno	The California State University, Fresno Athletic Corporation	0.67	0.61	-9%	4,336,100	4,964,000	14%
Fullerton	Associated Students, California State University, Fullerton, Inc.	0.70	0.85	21%	5,039,307	5,251,133	4%
Fullerton	CSU Fullerton Auxiliary Services Corporation	0.92	0.80	-13%	14,774,584	15,613,844	6%
Humboldt	Humboldt State University Center	1.02	1.15	13%	3,110,000	3,350,000	8%
Humboldt	Humboldt State University Sponsored Programs Foundation	1.69	1.60	-5%	7,040,000	6,600,000	-6%
Humboldt	Associated Students, Humboldt State University	1.00	1.00	0%	139,500	141,000	1%
Long Beach	Associated Students, California State University, Long Beach	0.63	0.71	13%	5,343,870	5,524,833	3%
Long Beach	California State University Long Beach Research Foundation	0.64	0.78	22%	16,825,023	16,288,114	-3%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	0.95	1.12	18%	7,000,000	7,310,000	4%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	1.00	0.77	-23%	10,410,000	9,500,000	-9%
Los Angeles	University-Student Union Board, California State University, Los Angeles	0.97	0.90	-7%	2,945,000	3,092,250	5%
Monterey Bay	The University Corporation at Monterey Bay	0.90	0.82	-9%	8,842,568	8,319,676	-6%
Northridge	Associated Students, California State University, Northridge, Inc.	0.80	0.73	-9%	2,859,000	3,032,500	6%
Northridge	The University Corporation, CSU Northridge	1.24	1.04	-16%	16,500,000	17,325,000	5%
Northridge	University Student Union of California State University, Northridge	0.68	0.68	0%	5,652,383	6,279,733	11%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	0.81	0.80	-1%	3,267,921	4,615,981	41%
Pomona	The Cal Poly Pomona Foundation, Inc.	0.97	1.07	10%	15,218,701	15,675,262	3%
Sacramento	Associated Students of California State University, Sacramento	0.92	0.85	-8%	3,342,486	3,442,762	3%
Sacramento	University Enterprises, Inc., CSU Sacramento	1.25	1.26	1%	23,443,000	20,569,000	-12%
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.91	0.76	-16%	324,137	325,535	0%
San Bernardino	University Enterprises Corporation at CSUSB	1.02	0.88	-14%	8,037,852	7,600,000	-5%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	0.89	1.31	47%	1,972,039	1,972,039	0%
San Diego	Associated Students, San Diego State University	1.04	0.84	-19%	7,915,770	7,847,578	-1%
San Francisco	Associated Students, Inc., San Francisco State University	1.22	1.33	9%	2,100,000	2,266,000	8%
San Francisco	Cesar Chavez Student Center, San Francisco State University	1.32	1.11	-16%	2,061,022	2,258,537	10%
San Francisco	The University Corporation, San Francisco State	1.19	1.08	-9%	2,070,000	2,000,000	-3%
San Jose	Associated Student, San Jose State University	1.21	1.12	-7%	2,722,500	2,804,000	3%
San Jose	San Jose State University Research Foundation	0.80	0.71	-11%	28,741,037	28,684,664	0%
San Jose	The Tower Foundation, San Jose State University	0.76	0.71	-7%	3,922,123	5,855,801	49%
San Jose	Spartan Shops, Inc., San Jose State University	0.88	0.99	13%	5,662,548	2,251,700	-60%
San Jose	The Student Union of San Jose State University	0.93	0.70	-25%	2,225,000	4,707,548	112%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	0.84	0.95	13%	6,291,000	5,590,000	-11%
San Luis Obispo	Cal Poly Corporation	0.57	0.69	21%	21,600,000	21,600,000	0%
San Marcos	University Auxiliary and Research Services Corporation	0.93	0.75	-19%	4,489,456	4,903,711	9%
Sonoma	Associated Students of Sonoma State University	1.73	2.36	36%	471,588	495,167	5%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	0.91	0.76	-16%	435,543	408,832	-6%
Stanislaus	University Student Union of California State University, Stanislaus	0.95	0.83	-13%	414,159	459,990	11%

Totals 48

298,279,680 299,696,225

**CSURMA AORMA
FY 14/15 Workers' Compensation Program
Comparison Exhibit - FY 13/14 vs FY 14/15**

Campus	Auxiliary	FY 13/14 Collared Premium	FY 14/15 Collared Premium	Diff	FY 14/15 Uncollared Premium	FY 14/15 Collared Premium	% Diff	\$ Diff
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	11,265	14,676	30%	12,348	14,676	19%	2,328
Bakersfield	California State University, Bakersfield Foundation	16,249	20,122	24%	20,122	20,122	0%	-
Channel Islands	University Glen Corporation, CSU Channel Islands	40,619	43,667	8%	43,667	43,667	0%	-
Chico	Associated Students of California State University, Chico	153,436	161,743	5%	161,743	161,743	0%	-
Chico	The CSU, Chico Research Foundation	133,532	136,807	2%	136,807	136,807	0%	-
Dominguez Hills	Associated Students, California State University, Dominguez Hills	3,185	2,431	-24%	2,431	2,431	0%	-
Dominguez Hills	California State University, Dominguez Hills Foundation	79,369	63,468	-20%	63,468	63,468	0%	-
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	4,650	3,585	-23%	3,585	3,585	0%	-
East Bay	Associated Students, California State University, East Bay	34,036	44,247	30%	50,472	44,247	-12%	(6,225)
East Bay	California State University, East Bay Foundation, Inc.	28,808	19,009	-34%	19,009	19,009	0%	-
Fresno	California State University, Fresno Association, Inc.	109,520	95,435	-13%	95,435	95,435	0%	-
Fresno	The California State University, Fresno Athletic Corporation	79,170	80,883	2%	80,883	80,883	0%	-
Fullerton	Associated Students, California State University, Fullerton, Inc.	63,762	86,375	35%	90,462	86,375	-5%	(4,087)
Fullerton	CSU Fullerton Auxiliary Services Corporation	218,607	154,079	-30%	154,079	154,079	0%	-
Humboldt	Humboldt State University Center	79,837	83,784	5%	83,784	83,784	0%	-
Humboldt	Humboldt State University Sponsored Programs Foundation	158,776	167,969	6%	167,969	167,969	0%	-
Humboldt	Associated Students, Humboldt State University	2,265	2,419	7%	2,419	2,419	0%	-
Long Beach	Associated Students, California State University, Long Beach	81,101	85,090	5%	85,090	85,090	0%	-
Long Beach	California State University Long Beach Research Foundation	113,527	100,876	-11%	100,876	100,876	0%	-
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	143,143	192,822	35%	192,822	192,822	0%	-
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	179,184	126,153	-30%	126,153	126,153	0%	-
Los Angeles	University-Student Union Board, California State University, Los Angeles	46,291	42,633	-8%	42,633	42,633	0%	-
Monterey Bay	The University Corporation at Monterey Bay	119,005	97,645	-18%	97,645	97,645	0%	-
Northridge	Associated Students, California State University, Northridge, Inc.	49,998	47,171	-6%	47,171	47,171	0%	-
Northridge	The University Corporation, CSU Northridge	307,377	285,057	-7%	285,057	285,057	0%	-
Northridge	University Student Union of California State University, Northridge	81,457	83,623	3%	83,623	83,623	0%	-
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	52,394	75,199	44%	75,199	75,199	0%	-
Pomona	The Cal Poly Pomona Foundation, Inc.	273,920	310,658	13%	310,658	310,658	0%	-
Sacramento	Associated Students of California State University, Sacramento	67,139	64,064	-5%	64,064	64,064	0%	-
Sacramento	University Enterprises, Inc., CSU Sacramento	205,746	234,679	14%	315,354	234,679	-26%	(80,675)
San Bernardino	Associated Students Inc., California State University, San Bernardino	2,681	1,841	-31%	1,841	1,841	0%	-
San Bernardino	University Enterprises Corporation at CSUSB	93,324	70,237	-25%	70,237	70,237	0%	-
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	28,725	37,343	30%	40,074	37,343	-7%	(2,732)
San Diego	Associated Students, San Diego State University	179,541	156,464	-13%	156,464	156,464	0%	-
San Francisco	Associated Students, Inc., San Francisco State University	24,425	34,263	40%	65,394	34,263	-48%	(31,132)
San Francisco	Cesar Chavez Student Center, San Francisco State University	34,036	48,487	42%	54,322	48,487	-11%	(5,835)
San Francisco	The University Corporation, San Francisco State	37,437	34,622	-8%	34,622	34,622	0%	-
San Jose	Associated Student, San Jose State University	51,694	48,978	-5%	48,978	48,978	0%	-
San Jose	San Jose State University Research Foundation	285,205	245,016	-14%	245,016	245,016	0%	-
San Jose	The Tower Foundation, San Jose State University	42,960	43,217	1%	43,217	43,217	0%	-
San Jose	Spartan Shops, Inc., San Jose State University	124,609	145,315	17%	145,315	145,315	0%	-
San Jose	The Student Union of San Jose State University	39,421	29,345	-26%	29,345	29,345	0%	-
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	114,504	103,493	-10%	103,493	103,493	0%	-
San Luis Obispo	Cal Poly Corporation	299,355	326,600	9%	326,600	326,600	0%	-
San Marcos	University Auxiliary and Research Services Corporation	52,422	44,388	-15%	44,388	44,388	0%	-
Sonoma	Associated Students of Sonoma State University	7,693	10,501	37%	10,612	10,501	-1%	(111)
Stanislaus	Associated Students, Inc., California State University, Stanislaus	6,545	4,782	-27%	4,782	4,782	0%	-
Stanislaus	University Student Union of California State University, Stanislaus	4,776	5,114	7%	5,114	5,114	0%	-
Totals	48	4,366,720	4,316,374		4,432,495	4,316,374		(128,469)

**CSURMA AORMA
FY 14/15 Workers' Compensation Program
Comparison Exhibit - FY 13/14 vs FY 14/15**

Campus	Auxiliary	Pure, Max or Min Rate	FY 14/15 Uncollared Premium	FY 14/15 Exp Mod Surcharge	FY 14/15 Collared Premium + Surcharge	Diff FY 12/13 Uncollared vs. Collared Premium	Collared Premium Spread to All Members
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.98	12,348	0	14,676	19%	2,328
Bakersfield	California State University, Bakersfield Foundation	2.16	20,122	0	20,122	0%	0
Channel Islands	University Glen Corporation, CSU Channel Islands	2.15	43,667	0	43,667	0%	0
Chico	Associated Students of California State University, Chico	2.18	161,743	0	161,743	0%	0
Chico	The CSU, Chico Research Foundation	1.02	136,807	0	136,807	0%	0
Dominguez Hills	Associated Students, California State University, Dominguez Hills	0.52	2,431	0	2,431	0%	0
Dominguez Hills	California State University, Dominguez Hills Foundation	1.34	63,468	0	63,468	0%	0
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	0.60	3,585	0	3,585	0%	0
East Bay	Associated Students, California State University, East Bay	2.16	50,472	0	44,247	-12%	(6,225)
East Bay	California State University, East Bay Foundation, Inc.	0.67	19,009	0	19,009	0%	0
Fresno	California State University, Fresno Association, Inc.	1.51	95,435	0	95,435	0%	0
Fresno	The California State University, Fresno Athletic Corporation	1.63	80,883	0	80,883	0%	0
Fullerton	Associated Students, California State University, Fullerton, Inc.	1.64	90,462	0	86,375	-5%	(4,087)
Fullerton	CSU Fullerton Auxiliary Services Corporation	0.99	154,079	0	154,079	0%	0
Humboldt	Humboldt State University Center	2.50	83,784	0	83,784	0%	0
Humboldt	Humboldt State University Sponsored Programs Foundation	2.54	167,969	41,992	209,961	25%	41,992
Humboldt	Associated Students, Humboldt State University	1.72	2,419	0	2,419	0%	0
Long Beach	Associated Students, California State University, Long Beach	1.54	85,090	0	85,090	0%	0
Long Beach	California State University Long Beach Research Foundation	0.62	100,876	0	100,876	0%	0
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	2.64	192,822	0	192,822	0%	0
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	1.33	126,153	0	126,153	0%	0
Los Angeles	University-Student Union Board, California State University, Los Angeles	1.38	42,633	0	42,633	0%	0
Monterey Bay	The University Corporation at Monterey Bay	1.17	97,645	0	97,645	0%	0
Northridge	Associated Students, California State University, Northridge, Inc.	1.56	47,171	0	47,171	0%	0
Northridge	The University Corporation, CSU Northridge	1.65	285,057	0	285,057	0%	0
Northridge	University Student Union of California State University, Northridge	1.33	83,623	0	83,623	0%	0
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	1.63	75,199	0	75,199	0%	0
Pomona	The Cal Poly Pomona Foundation, Inc.	1.98	310,658	0	310,658	0%	0
Sacramento	Associated Students of California State University, Sacramento	1.86	64,064	0	64,064	0%	0
Sacramento	University Enterprises, Inc., CSU Sacramento	1.14	315,354	58,670	293,349	-7%	(22,005)
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.57	1,841	0	1,841	0%	0
San Bernardino	University Enterprises Corporation at CSUSB	0.92	70,237	0	70,237	0%	0
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	1.89	40,074	9,336	46,678	16%	6,604
San Diego	Associated Students, San Diego State University	1.99	156,464	0	156,464	0%	0
San Francisco	Associated Students, Inc., San Francisco State University	1.51	65,394	8,566	42,828	-35%	(22,566)
San Francisco	Cesar Chavez Student Center, San Francisco State University	2.15	54,322	0	48,487	-11%	(5,835)
San Francisco	The University Corporation, San Francisco State	1.73	34,622	0	34,622	0%	0
San Jose	Associated Student, San Jose State University	1.75	48,978	0	48,978	0%	0
San Jose	San Jose State University Research Foundation	0.85	245,016	0	245,016	0%	0
San Jose	The Tower Foundation, San Jose State University	0.92	43,217	0	43,217	0%	0
San Jose	Spartan Shops, Inc., San Jose State University	2.48	145,315	0	145,315	0%	0
San Jose	The Student Union of San Jose State University	1.30	29,345	0	29,345	0%	0
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	1.85	103,493	0	103,493	0%	0
San Luis Obispo	Cal Poly Corporation	1.51	326,600	0	326,600	0%	0
San Marcos	University Auxiliary and Research Services Corporation	0.91	44,388	0	44,388	0%	0
Sonoma	Associated Students of Sonoma State University	2.12	10,612	2,625	13,126	24%	2,514
Stanislaus	Associated Students, Inc., California State University, Stanislaus	1.17	4,782	0	4,782	0%	0
Stanislaus	University Student Union of California State University, Stanislaus	1.11	5,114	0	5,114	0%	0
Totals		48	4,444,843	121,188	4,437,563		(7,280)

FY 14/15 PROPERTY PROGRAM COST ALLOCATION

ISSUE: According to the newly adopted Policy and Procedure P-1 – Property Program Member Allocation, the Programs Committee is responsible for approving the final member allocation and the allocation factors for FY 14/15. The AORMA Committee approved the total property program costs for FY 14/15 of \$3,179,019. These costs have been allocated based on the property program member allocation formula. Two options are being presented for review. Option 1 has an 80% minimum collared rate whereas Option 2 has an 85% minimum collared rate. Option 2 results in a significantly lower rate because all but nine members are capped at the minimum rate, which means that only nine members benefit from the reduced rate. The two options include the following allocation factors:

Option 1

1. Basic rate
 - a. .1730 – Real Property and BI / Rents
 - b. .2076 – Business Personal Property
2. Maximum premium for calculating the size credit - \$600,000
3. Maximum size credit rate percentage – 30%
4. Maximum collared rate percentage – 20% increase (two members are collared at the maximum rate)
5. Minimum collared rate percentage – 20% reduction (eight members are collared at the minimum rate)
6. Minimum premium - \$600
7. Loss ratio surcharge schedule
 - a. Less than 20% - 0%
 - b. Between 20% and 40% - 5%
 - c. Between 40% and 60% - 10%
 - d. Between 60% and 80% - 15%
 - e. Between 80% and 100% - 20%
 - f. Excess of 100% - 25%

Option 2

1. Basic rate (Only nine members benefit from these lower rates; the remaining members are collared at the 15% maximum reduction)
 - a. .1400 – Real Property and BI / Rents

b. .1680 – Business Personal Property

2. Maximum premium for calculating the size credit - \$600,000
3. Maximum size credit rate percentage – 30%
4. Maximum collared rate percentage – 20% increase (no members are collared at the maximum rate)
5. Minimum collared rate percentage – 15% reduction (all members are collared at the minimum rate except nine members)
6. Minimum premium - \$600
7. Loss ratio surcharge schedule
 - c. Less than 20% - 0%
 - d. Between 20% and 40% - 5%
 - e. Between 40% and 60% - 10%
 - f. Between 60% and 80% - 15%
 - g. Between 80% and 100% - 20%
 - h. Excess of 100% - 25%

RECOMMENDATION: Staff recommends that the Programs Committee approved Option 1. One of the major goals of the redesigned property program cost allocation was to have all members utilizing the same basic rating formula and to remove all rate collars within five years. Option 1 only collars the rates for ten members; whereas Option 2 collars the rates of all members except nine. Option 2 does not allow the larger members to fully benefit from the size credit and it also does not allow those members with inflated FY 13/14 rates to achieve a significant rate reduction.

FISCAL IMPACT: The AORMA Committee approved the overall FY 14/15 property program funding of \$3,179,019. This is a \$368,666 reduction compared to the FY 13/14 program costs of \$3,547,685. Therefore, most members will receive a premium reduction for FY 14/15.

BACKGROUND: None.

PUBLICATION: The property rates along with the estimated premium will be sent out to the members in January, 2014 along with a detailed explanation of the new property program deductibles and rating structure.

ATTACHMENTS:

- a. OPTION 1 - FY 14/15 Property Rating – Member Allocation (80% minimum rate / 120% maximum rate) – *as a separate spreadsheet*
- b. OPTION 2 - FY 14/15 Property Rating – Member Allocation (85% minimum rate / 120% maximum rate) – *as a separate spreadsheet*
- c. Comparison of the two options – *as a separate spreadsheet*
- d. FY 14/15 Property Program Total Funding
- e. Policy and Procedure P-1

Approved on 9/12/13.

CSURMA AORMA FY 2014/2015 Property Program Total Estimated Funding					
Expense Item	Actual FY 10/11 \$100,000 SIR \$250,000 Aggregate SIR	Actual FY 11/12 \$100,000 SIR \$250,000 Aggregate SIR	Actual FY 12/13 \$100,000 SIR \$250,000 Aggregate SIR	Actual FY 13/14 \$100,000 SIR \$250,000 Aggregate SIR	Proposed FY 14/15 \$100,000 SIR \$250,000 Aggregate SIR
Estimated Pooled Layer Funding	\$240,000	\$240,000	\$240,000	\$250,000	\$350,000
Excess Insurance Premium	\$2,125,836	\$2,481,083	\$2,717,248	\$2,539,426	\$2,500,000
JPA Administrative Costs	\$362,767	\$345,411	\$303,307	\$329,019	\$329,019
Total Expenses:	\$2,728,603	\$3,066,494	\$3,260,555	\$3,118,445	\$3,179,019
Difference from prior year:		12.38%	6.33%	-4.36%	1.94%

Estimated Pooled Layer Funding - Staff expects that the aggregate limit of \$250,000 may need to be increased to \$350,000 for FY 14/15. AORMA hits the \$250,000 aggregate every year. (the funding has been increased to \$250,000 which is the aggregate self insured retention)

Excess Insurance Premium - Staff is hoping for a small rate reduction in FY 14/15 if AORMA maintains a reasonable loss ratio.

Administrative costs - no increase or decrease is contemplated.

SUBJECT:	PROPERTY PROGRAM MEMBER ALLOCATION FORMULA
ADOPTED:	NOVEMBER 6, 2013
EFFECTIVE:	JULY 1, 2014
AMENDED:	N/A

POLICY:

It shall be the policy of the CSURMA AORMA to determine each member's allocation of the total property program costs as outlined in the Property Program Member Allocation Formula noted below:

PROCEDURE:

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

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

1. Basic rates
2. Maximum premium for calculating the size credit
3. Maximum size credit percentage
4. Minimum collared rate percentage
5. Maximum collared rate percentage
6. Minimum premium
7. Loss ratio surcharge schedule

PROPERTY PROGRAM MEMBER ALLOCATION FORMULA:

Basic Rates:

- *TIV = Total Insurable Values*
- *RP/BI = Real Property / Business Income and Rental Value*
- *BPP = Business Personal Property*

Two basic rates are included in the allocation formula; one for RP/BI and one for business BPP. The BPP rate is 20% higher than the RP/BI rate.

1. RP/BI TIV is multiplied by the RP/BI rate. *Result – RP/BI basic premium.*
2. BPP TIV is multiplied by the BPP rate. *Result – BPP basic premium.*

3. RP/BI basic premium and BPP basic premium are added together. *Result – basic premium.*
4. Basic premium is divided by the total TIV. *Result – basic rate.*

**** Example ****

1.	\$50,000,000 RP/BI TIV	*	.2000 RP/BI Rate	=	\$100,000 RP/BI Basic Premium
2.	\$25,000,000 BPP TIV	*	.2400 BPP Rate	=	\$60,000 BPP Basic Premium
3.	\$100,000 RP/BI Basic Premium	+	\$60,000 BPP Basic Premium	=	\$160,000 Basic Premium
4.	\$160,000 Basic Premium	/	\$75,000,000 Total TIV	=	.2133 Basic Rate (per \$100 in TIV)

Size Credit:

1. Basic premium is divided by the **Maximum Premium for Calculating Size Credit**. *Result – percentage of total basic premium 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 rate is multiplied by the size credit percentage. *Result – Basic rate with size credit.*

**** Example ****

1.	\$160,000 Basic Premium	/	\$600,000 Maximum Premium for Calculating Size Credit	=	27% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit
2.	27% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit	*	30% Maximum Size Percentage Credit	=	8% Size Credit Percentage
3.	.2133 Basic Rate	-	8% Size Credit Percentage	=	.1962 Basic Rate w/ Size Credit

Collared Rates:

1. Prior year's final rate is multiplied by the **Minimum Collared Rate Percentage**. *Result – minimum collared rate.*
2. Prior year's final rate from the prior year is multiplied by the **Maximum Collared Rate Percentage**. *Result – maximum collared rate.*

- The basic rate w/ size credit is used if it is greater than the minimum collared rate and less than the maximum collared rate.

**** Example ****

1.	.2172 Prior year's final rate	*	90% Minimum Collared Rate Percentage	=	.1955 Minimum Collared Rate
2.	.2172 Prior year's final rate	*	120% Maximum Collared Rate Percentage	=	.2606 Maximum Collared Rate
3.	.1962 > .1955 and .1962 < .2606 The Basic Rate w/ Size Credit is used if it is greater than the Minimum Collared Rate and less than the Maximum Collared Rate			=	.1962 Basic Rate w/ Size Credit and Collar

Loss Rating:

- Five years paid claims (minus deductible) is divided by total premium for five prior years. *Result – loss ratio.*
- Member's five-year loss ratio is reviewed against loss ratio surcharge schedule. *Result – loss ratio surcharge is assigned.*
- Basic rate w/ size credit and collar is increased by loss ratio surcharge. *Result – final rate.*
- Final rate is multiplied by total TIV. *Result – Final premium.*

**** Example ****

1.	\$125,000 Five Years Paid Claims	/	\$500,000 Total Premium for Five Prior Years	=	25% Loss Ratio
2.	25% 25% Loss Ratio is reviewed against Loss Rating Surcharge Schedule and Surcharge is Assigned.			=	5% Loss Ratio Surcharge
3.	5% Loss Ratio Surcharge	+	.1963 Basic Rate w/ Size Credit and Collar	=	.2060 Final Rate
4.	.2060 Final Rate	*	\$75,000,000 Total TIV	=	\$154,500 Final Premium

Loss Ratio Surcharge Schedule

Loss ratio less than 20%	=	No surcharge
Loss ratio between 20% and 40%	=	5% surcharge
Loss ratio between 40% and 60%	=	10% surcharge
Loss ratio between 60% and 80%	=	15% surcharge



CSURMA AORMA

POLICY & PROCEDURE NO. P-1

Loss ratio between 80% and 100%	=	20% surcharge
Loss ratio in excess of 100%	=	25% surcharge

Minimum Premium:

1. If the final premium is greater than the Minimum Premium, use the final premium. *Result – final premium w/ minimum premium if applicable.*

**** Example ****

1.	\$154,500	>	\$600	=	\$154,500
	If the Final Premium is greater than the minimum premium, use the Final Premium				Final Premium

DEFINITIONS:

1. **RP/BI - Real Property, Business Interruption and Rental Value Basic Rate** – This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year.
2. **BPP – Business Personal Property Basic Rate** - This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year. This rate will be 20% higher than the Real Property, Business Interruption and Rental Value Basic Rate.
3. **Maximum Premium for Calculating Size Credit** – The Maximum Premium for Calculating the Size Credit dollar amount will be approved annually by the Programs Committee. The Maximum Premium for Calculating Size Credit is used to calculate each member’s size credit. The member’s basic premium is divided by the Maximum Premium for Calculating Size Credit, as an example - $\$300,000$ (member’s basic premium) / $\$600,000$ (Maximum Premium for Calculating Size Credit) = 50% (member’s percentage of size credit). This member would be subject to 50% of the total **Size Credit Percentage**.
4. **Size Credit Percentage** – The Size Credit Percentage will be approved annually by the Programs Committee. The Size Credit Percentage represents the maximum size credit available to any one member. As an example – 50% (member’s percentage of size credit) * 30% (Size Credit Percentage) = 15% member’s size credit.
5. **Minimum Collared Rate Percentage** – The Minimum Collared Rate Percentage will be approved annually by the Programs Committee. The Minimum Collared Rate Percentage is the maximum rate decrease percentage (compared to the member’s final property rate for the prior year) that any member can receive.



6. **Maximum Collared Rate Percentage** - The Maximum Collared Rate Percentage will be approved annually by the Programs Committee. The Maximum Collared Rate Percentage is the maximum rate increase percentage (compared to the member's final property rate for the prior year) that any member can receive.

FY 14/15 CRIME PROGRAM COST ALLOCATION

ISSUE: According to the newly adopted Policy and Procedure C-1 – Crime Program Member Allocation, the Programs Committee is responsible for approving the final member allocation and the allocation factors for FY 14/15. The AORMA Committee approved the total crime program costs for FY 14/15 of \$337,000. These costs have been allocated based on the crime program member allocation formula which includes the following allocation factors:

1. Maximum premium for calculating the size credit - \$15,000 (the original allocation formula approved by the Programs Committee and AORMA Committee used \$10,000. Staff is recommending \$10,000 for FY 14/15 to help aid in the premium stability from FY 13/14 to FY 14/15.)
2. Maximum size credit rate percentage – 30%
3. Maximum collared rate percentage – 40% increase (sixteen members are collared at the maximum rate)
4. Minimum collared rate percentage – 20% reduction (the original allocation formula approved by the Programs Committee and AORMA Committee used a 15% reduction; however, taking into consideration the other allocation factors and the reduction in overall all program funding, a 15% reduction is not large enough to reduce the funding to the amount required. With a 20% reduction, three members are collared at the minimum rate.)
5. Minimum premium
 - a. Expenditures less than \$2,000,000 - \$250
 - b. Expenditures between \$2,000,001 and \$6,000,000 - \$1,250
 - c. Expenditures between \$6,000,001 and \$10,000,000 - \$2,250
 - d. Expenditures between \$10,000,001 and \$20,000,000 - \$2,750
 - e. Expenditures greater than \$20,000,001 - \$3,250
6. Loss ratio surcharge schedule
 - a. Less than 50% - 0%
 - b. Between 50% and 100% - 10%
 - c. Excess of 100% - 20%

RECOMMENDATION: Staff recommends approving the FY 14/15 Crime Program Allocation Factors as noted above and the member allocation as presented in the attached spreadsheet.

FISCAL IMPACT: The AORMA Committee approved the overall FY 14/15 crime program funding of \$337,000. This is a \$13,205 reduction compared to the FY 13/14 program costs of \$350,205.

BACKGROUND: None.

PUBLICATION: The crime premiums will be sent out to the members in January, 2014 along with a detailed explanation of the new minimum premiums and mandatory \$5,000 deductible.

ATTACHMENTS:

- a. FY 14/15 Crime Rating – Member Allocation (80% minimum rate / 140% maximum rate) – *as a separate spreadsheet*
- b. FY 14/15 Crime Program Total Funding
- c. Policy and Procedure C-1

Approved on 9/12/13

CSURMA AORMA FY 2014/2015 Crime Program Total Estimated Funding					
Expense Item	Actual FY 10/11 \$25,000 SIR \$100,000 Aggregate SIR	Actual FY 11/12 \$25,000 SIR \$100,000 Aggregate SIR	Actual FY 12/13 \$25,000 SIR \$100,000 Aggregate SIR	Actual FY 13/14 \$25,000 SIR \$100,000 Aggregate SIR	Proposed FY 14/15 \$25,000 SIR \$100,000 Aggregate SIR
Estimated Pooled Layer Funding	\$75,000	\$75,000	\$75,000	\$75,000	\$50,000
Excess Insurance Premium	\$160,567	\$160,017	\$183,702	\$225,436	\$237,000
JPA Administrative Costs	\$13,040	\$30,207	\$29,067	\$50,668	\$50,000
Total Expenses:	\$248,607	\$265,224	\$287,769	\$351,104	\$337,000
Difference from prior year:		6.68%	8.50%	22.01%	-4.02%

Estimated Pooled Layer Funding - At June 30, 2013, the crime program has a fund balance of \$110,755; therefore, \$50,000 is being proposed for the pooled layer funding rather than \$75,000.

Excess Insurance Premium - Due to the \$500,000 claim that was paid in FY 12/13, Staff anticipates that the excess crime coverage premium will increase. A 5% increase has been included in the proposed costs for FY 14/15.

Administrative Costs - No increase or decrease is contemplated.



SUBJECT: **CRIME PROGRAM MEMBER ALLOCATION FORMULA**

ADOPTED: **NOVEMBER 6, 2013**

EFFECTIVE: **JULY 1, 2014**

AMENDED: **N/A**

POLICY:

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

PROCEDURE:

Annually, in September, the AORMA Committee will approve the total crime program costs for the upcoming fiscal year.

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

1. Basic rate
2. Maximum premium for calculating the size credit
3. Maximum size credit percentage
4. Minimum collared rate percentage
5. Maximum collared rate percentage
6. Minimum premium schedule
7. Loss ratio surcharge schedule

Basic Rates:

The payroll used within this allocation is the estimated payroll for the upcoming fiscal year.

1. Payroll is multiplied by the **Basic Rate**. *Result – basic premium*

**** Example ****

1.	\$10,000,000	*	.0400	=	\$4,000
	Payroll		Basic Rate		Basic Premium

Size Credit:

1. Basic premium is divided by the **Maximum Premium for Calculating Size Credit**. *Result – percentage of total basic premium 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 rate is multiplied by the size credit percentage. *Result – Basic rate with size credit.*

**** Example ****

1.	\$4,000 Basic Premium	/	\$10,000 Maximum Premium for Calculating Size Credit	=	40% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit
2.	40% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit	*	30% Maximum Size Percentage Credit	=	12% Size Credit Percentage
3.	.0400 Basic Rate	-	12% Size Credit Percentage	=	.0352 Basic Rate w/ Size Credit

Collared Rates:

1. Prior year's final rate is multiplied by the **Minimum Collared Rate Percentage**. *Result – minimum collared rate.*
2. Prior year's final rate from the prior year is multiplied by the **Maximum Collared Rate Percentage**. *Result – maximum collared rate.*
3. The basic rate w/ size credit is used if it is greater than the minimum collared rate and less than the maximum collared rate.

**** Example ****

1.	.0350 Prior year's final rate	*	85% Minimum Collared Rate Percentage	=	.0298 Minimum Collared Rate
2.	.0350 Prior year's final rate	*	145% Maximum Collared Rate Percentage	=	.0508 Maximum Collared Rate
3.	.0352 > .0298 and .0352 < .0508 The Basic Rate w/ Size Credit is used if it is greater than the Minimum			=	.0352 Basic Rate w/ Size Credit and

Collared Rate and less than the Maximum Collared Rate	Collar
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Loss Rating:

1. Five years paid claims (minus deductible) is divided by total premium for five prior years. *Result – loss ratio.*
2. Member’s five-year loss ratio is reviewed against loss rating surcharge schedule. *Result – loss ratio surcharge is assigned.*
3. Basic rate w/ size credit and collar is increased by loss ratio surcharge. *Result – final rate.*
4. Final rate is multiplied by total payroll. *Result – Final premium.*

**** Example ****

1.	\$20,000 Five Years Paid Claims	/	\$17,500 Total Premium for Five Prior Years		114% Loss Ratio
2.	114% 114% Loss Ratio is reviewed against Loss Rating Surcharge Schedule and Surcharge is Assigned.			=	20% Loss Ratio Surcharge
3.	20% Loss Ratio Surcharge	+	.0352 Basic Rate w/ Size Credit and Collar	=	.0422 Final Rate
4.	.0422 Final Rate	*	\$10,000,000 Total TIV	=	\$4,220 Basic Premium w/ Size Credit, Collars and Loss Rating
<u>Loss Ratio Surcharge Schedule</u>					
	Loss ratio less than 50%			=	No surcharge
	Loss ratio between 50% and 100%			=	10% surcharge
	Loss ratio in excess of 100%			=	20% surcharge

Minimum Premium:

The expenditures used within this allocation are the expenditures documented in the member’s most recent financial audit.

1. Using the Minimum Premium Schedule, each member is assigned a minimum premium based on their total expenditures. *Result – member’s scheduled minimum premium.*

- Member's final premium is compared to the member's scheduled minimum premium. *Result – the minimum premium will be applied if the member's final premium is less than the minimum premium.*

**** Example ****

1.	\$40,000,000	=	\$3,250
	Expenditures are reviewed against the Minimum Premium Schedule and a Minimum Premium is assigned.		Loss Ratio
2.	\$4,220 > \$3,250	=	\$4,220
	If Basic Premium is greater than Minimum Premium, use Basic Premium. If Basic Premium is less than Minimum Premium, use Minimum Premium		Basic Premium w/ Size Credit, Collars, Loss Rating and Minimum Premium
<u>Minimum Premium Schedule</u>			
	Expenditures less than \$2,000,000	=	\$250
	Expenditures between \$2,000,001 and \$6,000,000	=	\$1,250
	Expenditures between \$6,000,001 and \$10,000,000	=	\$2,250
	Expenditures between \$10,000,001 and \$20,000,000	=	\$2,750
	Expenditures greater than \$20,000,001	=	\$3,250

Administrative Costs:

- The crime program administrative costs will be divided evenly between all of the crime program members. *Result – member's crime program administrative costs.*
- Member's crime program administrative costs are added to the member's final premium or minimum premium, whichever applies. *Result – total crime program premium.*

**** Example ****

1.	\$25,000	/	87	=	\$287
	Total crime program administrative costs		Number of crime members		Per member total crime program administrative costs
2.	\$4,220	+	\$287	=	\$4,507
	Basic Premium w/ Size Credit, Collars, Loss Rating and Minimum Premium		Per member total crime admin costs		Total Crime Premium

DEFINITIONS:

1. **Basic Rate** – This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total crime program funding required for the upcoming fiscal year.
2. **Maximum Premium for Calculating Size Credit** – The Maximum Premium for Size Credit dollar amount will be approved annually by the Programs Committee. The Maximum Premium for Size Credit is used to calculate each member’s size credit. The member’s basic premium is divided by the Maximum Premium for Size Credit, as an example - $\$5,000$ (*member’s basic premium*) / $\$10,000$ (*Maximum Premium for Size Credit*) = 50% (*member’s percentage of size credit*). This member would be subject to 50% of the total Size Credit Percentage.
3. **Size Credit Percentage** – The Size Credit Percentage will be approved annually by the Programs Committee. The Size Credit Percentage represents the maximum size credit available to any one member. As an example – 50% (*member’s percentage of size credit*) * 30% (*Size Credit Percentage*) = 15% *member’s size credit*.
4. **Minimum Collared Rate Percentage** – The Minimum Collared Rate Percentage will be approved annually by the Programs Committee. The Minimum Collared Rate Percentage is the maximum rate decrease percentage (compared to the member’s final crime rate for the prior year) that any member can receive.
5. **Maximum Collared Rate Percentage** - The Maximum Collared Rate Percentage will be approved annually by the Programs Committee. The Maximum Collared Rate Percentage is the maximum rate increase percentage (compared to the member’s final crime rate for the prior year) that any member can receive.

UNEMPLOYMENT INSURANCE PROGRAM RATING ALLOCATION

ISSUE: Two issues will be discussed below.

Issue 1: Per Policy and Procedure UI-1, each member's annual Unemployment Insurance Program annual contribution will be calculated as follows:

Member's average annual paid claims for five years ending 6/30
Plus
Administrative costs
Plus
Additional "safe level" funding (as required)

Each member is required to maintain two times its average annual losses within the Unemployment Insurance Program as a safe level fund balance. If the member's fund balance is below the minimum, the member will be assessed 20% of its annual contribution until the member's fund balance is at the minimum required safe level. Staff is recommending that the following changes be made to Policy and Procedure UI-1:

Each MEMBER must maintain in the AORMA UIP fund a minimum fund balance of two times its average annual losses. If a MEMBER's fund balance is below the minimum, annually, the additional funding required will be calculated and the MEMBER will be assessed at the program anniversary date an amount not to exceed 20% of the additional funding required to achieve the minimum fund balance. The MEMBER will be assessed annually ~~its annual contribution~~ until the MEMBER's fund balance is at the minimum fund balance.

Issue 2: University Enterprises, Inc., CSU Sacramento (UEI) had to lay off all of its Federal Work Study Student Assistants. Therefore, UEI's UI claims within FY 12/13 increased significantly for two quarters. Staff is recommending that UEI's premium calculation for FY 14/15 take into consideration the fact that the spike in UI claims is not a continuing trend. For the purpose of calculating the deposit for FY 14/15, staff substituted UEI's FY 12/13 claims with the FY 11/12 claims. This lowered their five year average claim amount from \$551,683 to \$396,544 and reduced their safe level from \$1,103,366 to \$793,089. UEI's fund balance at 6/30/13 does, however, include the actual claims paid during FY 12/13 and therefore, the additional funds required to achieve the minimum fund balance contemplates their actual negative fund balance. UEI will be required to reimburse the AORMA unemployment insurance program for its actual claim costs.

UEI's historical claims are noted below

Actual		Capped	
FY 12/13	\$1,127,492	FY 12/13.....	\$351,801
FY 11/12	\$351,801	FY 11/12.....	\$351,801
FY 10/11	\$412,716	FY 10/11.....	\$412,716
FY 09/10	\$428,898	FY 09/10	\$428,898
FY 08/09	\$437,506	FY 08/09.....	\$437,506
Five Year Average.....	\$551,683	Five Year Average	\$396,544

RECOMMENDATION: The Committee is being asked to (1) review the changes to Policy and Procedure UI-1 and recommend approval to the AORMA Committee, (2) approve the substitution of UEI's FY 12/13 claims with its FY 11/12 claims for use in calculating its Average Annual Claims for Five Years and its Safe Level, and (3) approve the FY 14/15 UIP member premium allocation.

FISCAL IMPACT: The UIP fund balance @ 6/30/13 is \$1,891,484 and the estimated UIP fund balance @ 6/30/14 is \$2,166,916. Currently, the required safe level is \$4,429,254; therefore, an additional \$2,262,338 is expected to be collected over a five year period to fund the safe level deficit.

BACKGROUND: None.

PUBLICATION: Members will be notified of their UIP costs in January, 2014.

ATTACHMENT(S):

- a. FY 14/15 Unemployment Insurance Program Rating Allocation – *as a separate excel spreadsheet*
- b. Policy & Procedure UI-1 – Formula for Determining UIP Annual Deposit



CSURMA AORMA

POLICY & PROCEDURE UI-1

SUBJECT: FORMULA FOR DETERMINING THE UNEMPLOYMENT INSURANCE PROGRAM ANNUAL CONTRIBUTIONS

ADOPTED: MAY 12, 2010

EFFECTIVE: JULY 1, 2011

REVISED: DECEMBER 6, 2012

The AORMA Unemployment Insurance Program (UIP) annual contribution for each Auxiliary Organization participating in the AORMA UIP (MEMBER) shall be calculated using two factors – paid claims and administrative costs.

DEPOSIT FORMULA:

Paid claims (the MEMBER's average annual paid claims for five years ending 6/30), plus an administrative cost. The administrative costs are allocated to each MEMBER based on its percentage of the total average annual paid claims.

MINIMUM FUND BALANCE:

Each MEMBER must maintain in the AORMA UIP ~~fund~~ a minimum fund balance of two times its average annual losses. If a MEMBER's fund balance is below the minimum, annually, the additional funding required will be calculated and the MEMBER will be assessed at the program anniversary date an amount not to exceed 20% of the additional funding required to achieve the minimum fund balance. The MEMBER will be assessed annually ~~its annual contribution~~ until the MEMBER's fund balance is at the minimum fund balance.

At the end of each fiscal year, the AORMA UIP Financial Statement will be distributed to each MEMBER. The Financial Statement will include actual paid claims for the fiscal year rather than estimates. If the MEMBER's fund balance exceeds the minimum fund balance required (two times annual average losses) then the MEMBER can request that the excess funds be returned. *Any obligation to a third party will be the responsibility of the MEMBER.*

MINIMUM CONTRIBUTION:

There is no minimum contribution based on paid claims. However, there is a \$250 minimum annual contribution for administrative costs.



INVESTMENT INCOME / LOSS:

The total Investment Income or Loss is allocated to each MEMBER based on its percentage of the total AORMA UIP average fund balance for the preceding fiscal year. For the purpose of calculating the MEMBER's average fund balance, the following formula shall be used:

Beginning fund balance *plus* additional contributions *less* MEMBER's paid claims *less* MEMBER's allocated administrative costs = MEMBER's average balance.

LIABILITY PROGRAM DIVIDEND ALLOCATION
(JULY, 2014 – DISTRIBUTION)

ISSUE: At its September 12, 2013 meeting, the AORMA Committee reviewed and approved the Target Surplus Funding Analysis and Dividend Calculation. The Committee approved a liability program dividend of 33% of the maximum dividend available or \$978,346. The total dividend has been allocated to the members based on the formula outlined in Policy & Procedure A-4 – Dividends and Assessments.

RECOMMENDATION: The Committee is being asked to review and approve the liability program dividend member allocation – payable in July, 2014.

FISCAL IMPACT: The total dividend payable in July, 2014 will be \$978,346. The Target Surplus Funding Analysis performed at June 30, 2014, indicates that the liability program has surplus in the amount of \$5,189,145. Per Policy & Procedure A-3 – Target Surplus Funding Policy, the maximum dividend available is \$2,964,685. The AORMA Committee approved a distribution of 33% of the maximum dividend available or \$978,346.

BACKGROUND: Dividends are allocated to those members currently participating in the liability program (and who will be participating on July 1, 2014) based on each member's total percentage of contributions during the following fiscal years: 08/09, 09/10, 10/11, 11/12 and 12/13.

PUBLICATION: Members will be notified of the approved dividend amount at the end of January, 2014.

ATTACHMENT(S):

- a. AORMA Liability Program – Dividend Allocation for July, 2014 Distribution
- b. FY 14/15 Target Surplus Funding Analysis
- c. Policy & Procedure A-3 – Target Surplus Funding Policy
- d. Policy & Procedure A-4 – Dividends and Assessments

AORMA Liability Program
July 1, 2014 Dividend Allocation

\$ 978,346

Campus	Auxiliary Organization Member	7/1/12 - 6/30/13 Premium Contribution	Total Premium Contributions for Five Years	Dividend Allocation
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 6,369	\$ 27,109	\$ 1,778
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 3,021	\$ 10,429	\$ 684
Bakersfield	California State University, Bakersfield Foundation	\$ 3,021	\$ 12,856	\$ 843
Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 19,789	\$ 84,229	\$ 5,523
Chancellor's Office	California State University Foundation	\$ 1,458	\$ 6,207	\$ 407
Chancellor's Office	California State University Institute	\$ 1,993	\$ 8,483	\$ 556
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 1,596	\$ 6,693	\$ 439
Channel Islands	California State University Channel Islands Foundation	\$ 2,114	\$ 8,999	\$ 590
Channel Islands	University Glen Corporation	\$ 22,330	\$ 94,482	\$ 6,195
Chico	Associated Students of California State University, Chico	\$ 126,822	\$ 544,906	\$ 35,730
Chico	Auxiliary Organization Associations	\$ 1,458	\$ 6,207	\$ 407
Chico	The CSU, Chico Research Foundation	\$ 106,388	\$ 450,144	\$ 29,516
Chico	The University Foundation, California State University, Chico	\$ 8,535	\$ 36,328	\$ 2,382
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 5,715	\$ 24,325	\$ 1,595
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 26,566	\$ 115,435	\$ 7,569
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 16,810	\$ 71,552	\$ 4,692
East Bay	Associated Students, California State University, East Bay	\$ 28,248	\$ 120,238	\$ 7,884
East Bay	Cal State East Bay Educational Foundation			
East Bay	California State University, East Bay Foundation, Inc.	\$ 60,483	\$ 243,348	\$ 15,957
Fresno	Associated Students, Inc. of California State University, Fresno	\$ 3,846	\$ 16,372	\$ 1,074
Fresno	California State University, Fresno Association, Inc.	\$ 203,191	\$ 940,943	\$ 61,698
Fresno	California State University, Fresno Foundation	\$ 41,326	\$ 172,876	\$ 11,336
Fresno	Fresno State Programs for Children, Inc.	\$ 8,663	\$ 36,877	\$ 2,418
Fresno	The Agricultural Foundation of California State University, Fresno	\$ 21,182	\$ 90,161	\$ 5,912
Fresno	The California State University, Fresno Athletic Corporation	\$ 187,773	\$ 776,216	\$ 50,897
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 32,562	\$ 138,600	\$ 9,088
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 6,687	\$ 28,462	\$ 1,866
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 48,723	\$ 207,484	\$ 13,605
Fullerton	CSU Fullerton Housing Authority	\$ 24,937	\$ 100,345	\$ 6,580
Humboldt	Associated Students, Humboldt State University	\$ 6,160	\$ 26,221	\$ 1,719
Humboldt	Humboldt State University Advancement Foundation	\$ 1,540	\$ 6,559	\$ 430
Humboldt	Humboldt State University Center Board of Directors	\$ 52,566	\$ 244,933	\$ 16,060
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 27,964	\$ 119,027	\$ 7,805
Long Beach	Associated Students, California State University, Long Beach	\$ 74,782	\$ 315,966	\$ 20,718
Long Beach	California State University, Long Beach Research Foundation	\$ 145,436	\$ 604,059	\$ 39,609
Long Beach	CSULB 49er Foundation	\$ 2,658	\$ 5,658	\$ 371
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 39,582	\$ 168,480	\$ 11,047
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 6,447	\$ 26,654	\$ 1,748
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 30,229	\$ 119,978	\$ 7,867
Los Angeles	California State University, Los Angeles Foundation	\$ 3,725	\$ 15,852	\$ 1,039
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 25,786	\$ 110,887	\$ 7,271
Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 3,493	\$ 14,624	\$ 959
Maritime Academy	The Associated Students of the California Maritime Academy	\$ 3,206	\$ 13,895	\$ 911
Monterey Bay	Foundation of California State University, Monterey Bay	\$ 3,680	\$ 11,989	\$ 786
Monterey Bay	The University Corporation at Monterey Bay	\$ 57,433	\$ 268,816	\$ 17,627
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 14,505	\$ 59,408	\$ 3,895
Northridge	California State University, Northridge Foundation	\$ 10,778	\$ 45,876	\$ 3,008
Northridge	North Campus University Park Development Corporation	\$ 5,315	\$ 22,297	\$ 1,462
Northridge	The University Corporation, CSU Northridge	\$ 74,866	\$ 302,528	\$ 19,837
Northridge	University Student Union of California State University, Northridge	\$ 75,023	\$ 322,594	\$ 21,153
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 70,344	\$ 295,170	\$ 19,355

**AORMA Liability Program
July 1, 2014 Dividend Allocation**

\$ 978,346

Campus	Auxiliary Organization Member	7/1/12 - 6/30/13 Premium Contribution	Total Premium Contributions for Five Years	Dividend Allocation
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 135,157	\$ 606,923	\$ 39,796
Sacramento	Associated Students of California State University, Sacramento	\$ 95,251	\$ 405,437	\$ 26,585
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 7,361	\$ 31,336	\$ 2,055
Sacramento	The University Foundation at Sacramento State	\$ 5,550	\$ 23,625	\$ 1,549
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 143,069	\$ 610,722	\$ 40,046
Sacramento	University Union Operation of CSUS, Inc.	\$ 23,563	\$ 98,567	\$ 6,463
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 9,603	\$ 40,872	\$ 2,680
San Bernardino	CSUSB Philanthropic Foundation	\$ 2,658	\$ 5,658	\$ 371
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 13,490	\$ 57,418	\$ 3,765
San Bernardino	University Enterprises Corporation at CSUSB	\$ 51,095	\$ 217,484	\$ 14,261
San Diego	Associated Students, San Diego State University	\$ 163,888	\$ 677,477	\$ 44,423
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 123,835	\$ 524,694	\$ 34,405
San Diego	San Diego State University Research Foundation	\$ 191,056	\$ 740,787	\$ 48,574
San Diego	The Campanile Foundation			
San Francisco	Associated Students, Inc., San Francisco State University	\$ 13,124	\$ 55,860	\$ 3,663
San Francisco	Cesar Chavez Student Center, San Francisco State University	\$ 61,808	\$ 263,087	\$ 17,251
San Francisco	San Francisco State University Foundation	\$ 3,406	\$ 14,996	\$ 983
San Francisco	The University Corporation, San Francisco State	\$ 29,115	\$ 182,219	\$ 11,948
San Jose	Associated Student, San Jose State University	\$ 10,782	\$ 45,618	\$ 2,991
San Jose	San Jose State University Research Foundation	\$ 28,434	\$ 119,183	\$ 7,815
San Jose	Spartan Shops, Inc., San Jose State University	\$ 81,027	\$ 346,311	\$ 22,708
San Jose	The Student Union of San Jose State University	\$ 116,178	\$ 499,563	\$ 32,757
San Jose	The Tower Foundation, San Jose State University	\$ 2,231	\$ 9,225	\$ 605
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 87,930	\$ 365,213	\$ 23,947
San Luis Obispo	Cal Poly Corporation	\$ 163,488	\$ 727,890	\$ 47,728
San Luis Obispo	California Polytechnic State University Foundation	\$ 1,438	\$ 6,122	\$ 401
San Marcos	California State University San Marcos Foundation	\$ 5,150	\$ 16,378	\$ 1,074
San Marcos	San Marcos University Corporation	\$ 9,940	\$ 134,113	\$ 8,794
San Marcos	The Associated Students of California State University, San Marcos	\$ 9,550	\$ 40,652	\$ 2,666
San Marcos	University Auxiliary and Research Services Corporation	\$ 38,130	\$ 70,500	\$ 4,623
Sonoma	Associated Students of Sonoma State University	\$ 15,451	\$ 65,768	\$ 4,312
Sonoma	Sonoma State Enterprises, Inc.	\$ 34,150	\$ 145,361	\$ 9,531
Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 14,525	\$ 61,826	\$ 4,054
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 6,298	\$ 26,806	\$ 1,758
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 15,584	\$ 66,333	\$ 4,349
Stanislaus	California State University, Stanislaus Foundation	\$ 23,340	\$ 99,350	\$ 6,514
Stanislaus	University Student Union of California State University, Stanislaus	\$ 3,593	\$ 15,295	\$ 1,003

88

TOTAL **\$ 3,497,372** **\$ 14,920,443** **\$ 978,346**

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

Gross Premium 2014/15 (at 80% CL)	\$3,336,690
Maximum Retention per loss:	\$350,000
O/S Reserves at 6/30/13:	\$1,961,656
*Surplus at 6/30/13:	\$5,189,145
Funding above 70% Conf Level:	\$4,706,126
Funding above 80% Conf Level:	\$4,482,130

* Surplus at 6/30/13 reflects the Fund Balance from the 6/30/13 Balance sheet including the \$1,061,712 12/13 dividend

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$2,224,460	0.64
Surplus:Retention	>5:1	\$1,750,000	14.83
O/S Reserve:Surplus	≤1.5:1	\$1,307,771	0.38

Maximum Dividend Available:	\$2,964,685
Dividend 50%	\$1,482,343
Recommended Dividend 33%:	\$978,346
Dividend 25%:	\$741,171

Approved on 9/12/13

Note: 2012 Dividend of \$1,061,712 was based on 25% of the Maximum Dividend Available

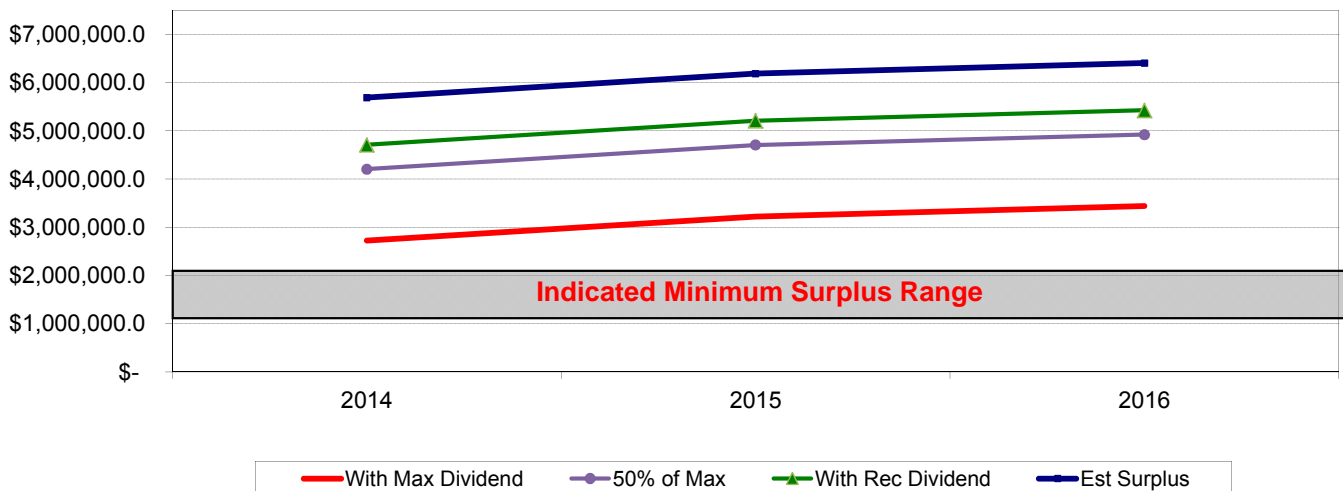
2014/15 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	1,429,000	-
60%	1.040	1,486,160	57,160
70%	1.150	1,643,350	214,350
80%	1.350	1,929,150	500,150

Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Max Dividend	With Rec Dividend
Estimated Balance at 7/1/13	N/A	5,189,145	N/A	N/A
2014/15 - Collection @ 80% CL	500,150	5,689,295	2,724,610	4,710,949
2015/16 - Collection @ 80% CL	500,150	6,189,445	3,224,760	5,211,099
2015/16 - Collection @ 70% CL	214,350	6,403,795	3,439,110	5,425,449

Three Year Funding Plan





CSURMA AORMA POLICY AND PROCEDURE NO. A-3

SUBJECT: TARGET SURPLUS FUNDING POLICY

ADOPTED: JANUARY 10, 2007

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

EFFECTIVE: JANUARY 1, 2007

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

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

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

POLICY

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

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

PROCEDURE

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



CSURMA AORMA POLICY AND PROCEDURE NO. A-3

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

Gross Premium to Surplus Ratio: Target <1.5:1
This ratio is a measure of how surplus is leveraged against possible pricing inaccuracies. A low ratio is desirable.

Surplus to Pool Retention Ratio: Target >5-10:1
This ratio is a measure of the maximum amount that surplus could decline due to a single loss. A high ratio is desirable.

Outstanding Reserves to Surplus Ratio: Target ≤ 1.5:1
This ratio is a measure of how surplus is leveraged against possible reserve inaccuracies. A low ratio is desirable.

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

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

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

4. Dividends – Dividends may be available from the amount of surplus exceeding the Target Surplus amount established by the AORMA COMMITTEE. The allocation of any dividend shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy & Procedure AORMA # A-4.

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



MEMBER APPEAL PROCESS

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

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



DEFINITIONS:

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

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

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

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

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

IBNR – Incurred but Not Reported losses

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

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

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

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



CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

SUBJECT: DIVIDENDS & ASSESSMENTS

ADOPTED: MARCH 8, 2007

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

EFFECTIVE: JULY 1, 2007

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

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

POLICY

It is the policy of AORMA Committee that:

- Evaluation of the funding for each Self-Insured Program shall be made based on all coverage periods combined for that particular program rather than on each coverage period on its own. The availability of any dividend or need for any assessment will be determined based on the program's overall funding relative to the Target Surplus Funding Goal detailed in the separate Policy and Procedure AORMA # A-3.
- Assessments and Dividends shall be allocated to the MEMBERS based on participation in "open" policy periods only.
- Unless the AORMA Committee takes specific action to the contrary, a coverage period shall be considered "closed" for dividend and assessment purposes five (5) years from the expiration of that period (i.e. 6/30/03 for FY07/08).
- Assessments are a responsibility of membership and shall be allocated to all members who participated in the open policy periods which the assessment is based on, regardless of whether they are current members at the time the assessment is declared.
- Dividends are a privilege of membership and shall be allocated only to the current members in the program at the time the dividend is declared who participated in one or more of the open policy periods which the dividend is based on.

PROCEDURE

1. **Annual Funding Analysis** – Each year the Program Director will analyze the current funding position of the Programs in accordance with the Target Surplus Funding Goal detailed in AORMA Policy and Procedure No. A-3. This analysis will, in part, determine whether the Program's overall funding is sufficient to consider a dividend or is depleted to the point of considering an assessment. The Program Director's analysis will be reviewed by the Programs Committee.

CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

- 2. Closure of Policy Periods** - Upon reaching five (5) years of maturity after the end of a coverage period, that period shall be "closed" and there shall be no further dividends or assessments allocated with respect to those program periods. Notwithstanding the above, the AORMA Committee may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last five (5) policy periods shall always remain "open" unless the AORMA Committee takes specific action to declare any of the last five (5) policy periods closed.
- 3. Dividends and Assessments** - Dividends and assessments shall be allocated to the MEMBERS based upon the proportion of all premiums paid to the PROGRAM in all "open" periods only. For purposes of allocating dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered collectively.
- 4. DECLARATION OF ASSESSMENTS** – Based on the recommendation of the Programs Committee, assessments will be declared as needed by the AORMA Committee, and will be collected from a MEMBER in accordance with its proportionate funding to the Program during all “open” policy periods, whether or not they currently participate in the Program at the time of the assessment.
- 5. DECLARATION OF DIVIDENDS** – Based on the recommendation of the appropriate Programs Committee, the AORMA Committee may declare dividends if overall funding is sufficient to support such action. Upon such a declaration, the dividend shall be allocated to those MEMBERS currently participating in the Program at the time the dividend is declared, based on the proportionate funding of all “open” policy periods.

MEMBER APPEAL PROCESS

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



DEFINITIONS:

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

AORMA COMMITTEE – The governing body of AORMA.

MEMBER – Any auxiliary organization participating in AORMA.

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

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

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

WORKERS' COMPENSATION PROGRAM DIVIDEND ALLOCATION
(JULY, 2014 – DISTRIBUTION)

ISSUE: At its September 12, 2013 meeting, the AORMA Committee reviewed and approved the Target Surplus Funding Analysis and Dividend Calculation. The Committee approved a workers' compensation program dividend of 33% of the maximum dividend available or \$845,387. The total dividend has been allocated to the members based on the formula outlined in Policy & Procedure A-4 – Dividends and Assessments.

RECOMMENDATION: The Committee is being asked to review and approve the workers' compensation program dividend member allocation – payable in July, 2014.

FISCAL IMPACT: The total dividend payable in July, 2014 will be \$845,387. The Target Surplus Funding Analysis performed at June 30, 2014, indicates that the workers' compensation program has surplus in the amount of \$5,119,614. Per Policy & Procedure A-3 – Target Surplus Funding Policy, the maximum dividend available is \$2,561,779. The AORMA Committee approved a distribution of 33% of the maximum dividend available or \$845,387.

BACKGROUND: Dividends are allocated to those members currently participating in the workers' compensation program (and who will be participating on July 1, 2014) based on each member's total percentage of contributions during the following fiscal years: 08/09, 09/10, 10/11, 11/12 and 12/13.

PUBLICATION: Members will be notified of the approved dividend amount at the end of January, 2014.

ATTACHMENT(S):

- a. AORMA Workers' Compensation Program – Dividend Allocation for July, 2014 Distribution
- b. FY 14/15 Target Surplus Funding Analysis

AORMA Workers' Compensation Program
July 1, 2014 Dividend Allocation

\$ 845,387

Campus	Auxiliary Organization Member	7/1/12 - 6/30/13 Premium Contribution	Total Premium Contribution 7/1/08 - 6/30/13	July 1, 2013 Dividend Allocation
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 14,619	\$ 35,961	\$ 1,517
Bakersfield	California State University, Bakersfield Foundation	\$ 16,535	\$ 134,838	\$ 5,687
Channel Islands	University Glen Corporation	\$ 36,719	\$ 137,702	\$ 5,807
Chico	Associated Students of California State University, Chico	\$ 163,524	\$ 1,015,031	\$ 42,808
Chico	The CSU, Chico Research Foundation	\$ 137,421	\$ 596,987	\$ 25,177
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 2,799	\$ 12,565	\$ 530
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 64,377	\$ 385,820	\$ 16,271
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 6,617	\$ 34,136	\$ 1,440
East Bay	Associated Students, California State University, East Bay	\$ 10,407	\$ 181,675	\$ 7,662
East Bay	California State University, East Bay Foundation, Inc.	\$ 38,345	\$ 207,169	\$ 8,737
Fresno	California State University, Fresno Association, Inc.	\$ 108,308	\$ 699,932	\$ 29,519
Fresno	The California State University, Fresno Athletic Corporation	\$ 82,849	\$ 356,751	\$ 15,046
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 76,605	\$ 349,110	\$ 14,723
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 177,438	\$ 1,020,854	\$ 43,053
Humboldt	Associated Students, Humboldt State University	\$ 2,282	\$ 2,282	\$ 96
Humboldt	Humboldt State University Center Board of Directors	\$ 73,235	\$ 418,156	\$ 17,635
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 110,957	\$ 415,878	\$ 17,539
Long Beach	Associated Students, California State University, Long Beach	\$ 79,024	\$ 450,225	\$ 18,988
Long Beach	California State University, Long Beach Research Foundation	\$ 127,262	\$ 572,139	\$ 24,129
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 109,969	\$ 616,362	\$ 25,994
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 148,737	\$ 744,871	\$ 31,414
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 36,253	\$ 141,434	\$ 5,965
Monterey Bay	The University Corporation at Monterey Bay	\$ 114,164	\$ 457,441	\$ 19,292
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 50,074	\$ 247,710	\$ 10,447
Northridge	The University Corporation, CSU Northridge	\$ 256,789	\$ 1,408,654	\$ 59,408
Northridge	University Student Union of California State University, Northridge	\$ 72,852	\$ 357,706	\$ 15,086
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 44,403	\$ 262,854	\$ 11,086
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 200,972	\$ 1,062,083	\$ 44,792
Sacramento	Associated Students of California State University, Sacramento	\$ 61,591	\$ 343,471	\$ 14,485
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 197,996	\$ 658,514	\$ 27,772
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 2,721	\$ 11,459	\$ 483
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 28,523	\$ 116,706	\$ 4,922
San Bernardino	University Enterprises Corporation at CSUSB	\$ 77,535	\$ 391,249	\$ 16,500
San Diego	Associated Students, San Diego State University	\$ 172,442	\$ 814,229	\$ 34,339
San Francisco	Associated Students, Inc., San Francisco State University	\$ 11,131	\$ 81,644	\$ 3,443
San Francisco	Cesar Chavez Student Center, San Francisco State University	\$ 45,696	\$ 198,937	\$ 8,390
San Francisco	The University Corporation, San Francisco State	\$ 33,923	\$ 102,805	\$ 4,336
San Jose	Associated Student, San Jose State University	\$ 41,410	\$ 187,577	\$ 7,911
San Jose	San Jose State University Research Foundation	\$ 285,278	\$ 1,040,514	\$ 43,882
San Jose	Spartan Shops, Inc., San Jose State University	\$ 118,758	\$ 568,530	\$ 23,977
San Jose	The Student Union of San Jose State University	\$ 32,025	\$ 125,230	\$ 5,281
San Jose	The Tower Foundation, San Jose State University	\$ 27,189	\$ 84,209	\$ 3,551
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 85,423	\$ 379,938	\$ 16,023
San Luis Obispo	Cal Poly Corporation	\$ 322,904	\$ 2,307,426	\$ 97,313
San Marcos	University Auxiliary and Research Services Corporation	\$ 56,873	\$ 255,618	\$ 10,780
Sonoma	Associated Students of Sonoma State University	\$ 7,082	\$ 18,925	\$ 798
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 4,206	\$ 17,829	\$ 752
Stanislaus	University Student Union of California State University, Stanislaus	\$ 4,691	\$ 14,217	\$ 600

\$ 3,980,933 \$ 20,045,353 \$ 845,387

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

Gross Premium 2014/15 (at 80% CL)	\$3,836,753
Maximum Retention per loss:	\$500,000
O/S Reserves at 6/30/13:	\$3,152,250
*Surplus at 6/30/13:	\$5,119,614
Funding above 70% Conf Level:	\$4,899,253
Funding above 80% Conf Level:	\$4,334,240

* Surplus at 6/30/13 reflects the Fund Balance from the 6/30/13 Balance sheet including the \$640,445 12/13 dividend

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$2,557,835	0.75
Surplus:Retention	>5:1	\$2,500,000	10.24
O/S Reserve:Surplus	≤1.5:1	\$2,101,500	0.62

Maximum Dividend Available:	\$2,561,779
Dividend 50%:	\$1,280,889
Recommended Dividend 33%:	\$845,387
Dividend 25%:	\$640,445

Approved on 9/12/13

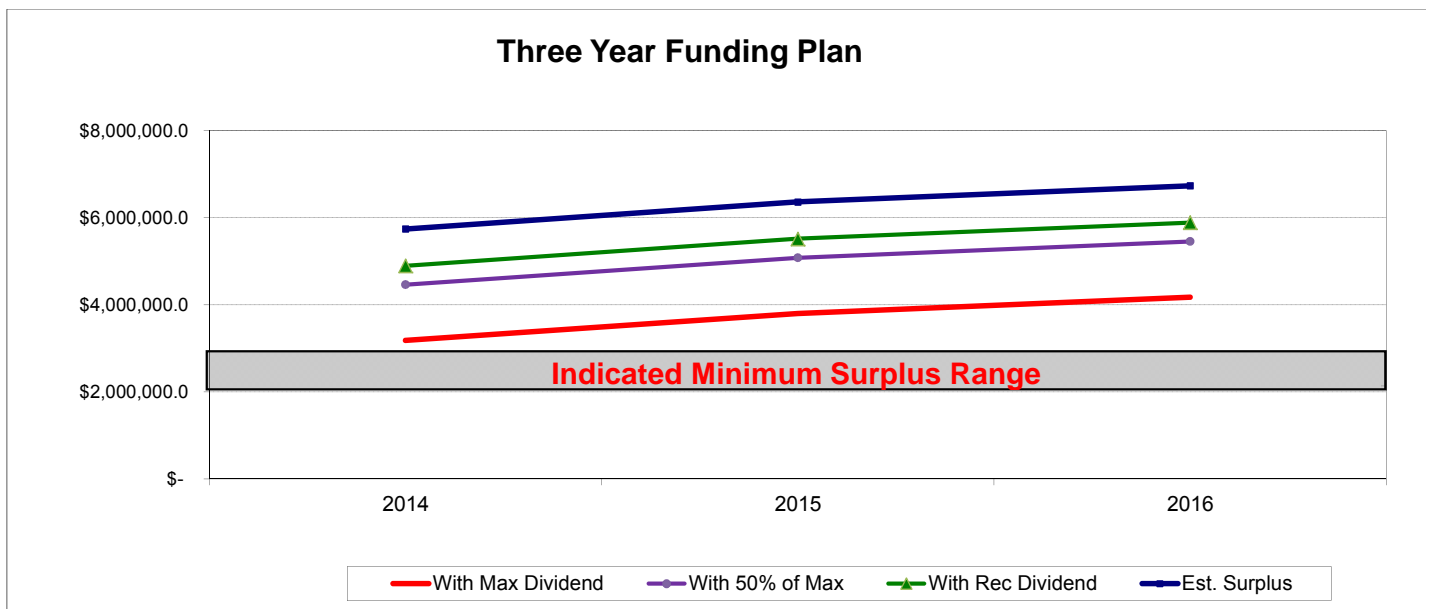
Note: 2012 Dividend of \$640,445 was based on 25% of the Maximum Dividend Available

2014/15 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	2,487,000	-
70%	1.150	2,860,050	373,050
80%	1.250	3,108,750	621,750
90%	1.500	3,730,500	1,243,500

Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Max Dividend	With Rec Dividend
Estimated Balance at 7/1/13	N/A	5,119,614	N/A	N/A
2014/15 - Collection @ 80% CL	621,750	5,741,364	3,179,585	4,895,977
2015/16 - Collection @ 80% CL	621,750	6,363,114	3,801,335	5,517,727
2016/17 - Collection @ 70% CL	373,050	6,736,164	4,174,385	5,890,777



FY 13/14 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 13/14 AORMA Long Range Action Plan

CSURMA AORMA FY 13/14 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
AORMA COMMITTEE				
A-1	WORKERS' COMPENSATION POLICIES AND PROCEDURES			
	Staff (Alliant)	Review all workers' compensation policies and procedures and recommend revisions as necessary.	January, 2014	
	PC	Review all workers' compensation policies and procedures and recommend approval to the AORMA Committee, with revisions as appropriate.	February 2, 2014	
	AORMA Committee	Review and approve revisions to the workers' compensation policies and procedures.	March 20, 2014	

CSURMA AORMA FY 13/14 - LONG RANGE ACTION PLAN

	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
PROGRAMS COMMITTEE				
P-1	WORKERS' COMPENSATION PROGRAM RATES			
	PC	Discuss actuary's comments regarding AORMA six workers' compensation class codes. Review WCIRB rates as a replacement for the AORMA combined rates.	December 12, 2013	
	Staff (Alliant)	Code all losses on the workers' compensation loss run @12/31/13 using the new WCIRB class code and AORMA class code.	May, 2014	
P-2	PROPERTY AND CRIME PROGRAMS – MEMBER ALLOCATION FORMULAS (for FY 14/15 term)			
	PC	Discuss current rating and allocation methodology	January 3, 2013	Completed
	PC	Review alternative rating and allocation methodologies (first review)	April 18, 2013	Completed
	PC	Review alternative rating and allocation methodologies (second review)	June 6, 2013	Completed
	PC	Review alternative rating and allocation methodologies (third review)	June 27, 2013	Completed
	AORMA Officers	Review alternative rating and allocation methodologies and make recommendations to the PC	July 10, 2013	Completed
	PC	Review and approve final revised rating and allocation methodology	August 8, 2013	Completed
	AORMA Committee	Review and approve final revised rating and allocation methodology	September 11, 2013	Completed
	PC	Review and recommend approval of Policy and Procedures P-1 and C-1	October 3, 2013	Completed
	AORMA Committee	Review and approve Policy and Procedures P-1 and C-1	November 6, 2013	Completed and Approved
	PC	Review revisions to the FY 14/15 MOC for the Property and Crime Programs	February 6, 2014	
	Staff (Alliant)	Notify AO's of their new premium allocation	January 31, 2014	
	AORMA Committee	Approval of revisions to the FY 14/15 MOC for the Property and Crime Programs	March 20, 2014	

CSURMA AORMA FY 13/14 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
PROGRAMS COMMITTEE				
P-3	LIABILITY PROGRAM MEMBER ALLOCATION FORMULA (for FY 15/16 term)			
	PC	Discuss current liability program member allocation formula and alternative allocation formulas	December 12, 2013	
	PC	Review alternative member allocation formula (first review)	February 6, 2014	
	PC	Review alternative member allocation formula (second review)	April 10, 2014	
	AORMA Officers	Review alternative member allocation formula	July, 2014	
	AORMA Committee	Review and approve modifications to the liability program member allocation formula.	September 11, 2014	

CSURMA AORMA FY 13/14 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
MEMBER SERVICES, LOSS CONTROL AND TRAINING COMMITTEE				
M-1 RISK REDUCTION MATCHING GRANT PROGRAM (for FY 13/14)				
	MSLCTC	Approval of Formal Policy and Procedure for the Risk Reduction Matching Grant Program	February 4, 2013	Completed
	AORMA Committee	Approval of Formal Policy and Procedure for the Risk Reduction Matching Grant Program	March 21, 2013	Completed
	MSLCTC	Review Workers' Compensation and Liability claims information @ 12/31/12 and determine criteria for matching grant program	February 4, 2013	Completed
	Staff (Alliant)	Send out notification to AORMA members of the grant criteria and solicit participants	June, 2013	Completed
	MSLCTC	Review grant applications received; approve participants	August, 2013	Completed
	MSLCTC	Review Policy and Procedure A-6 and update the grant criteria and qualifications as appropriate	November 18, 2013	Completed
	Staff	Review loss runs and recommend three to five risk reduction grant project for FY 14/15	January, 2014	
	MSLCTC	Review grant project ideas for FY 14/15. Approve grant for FY 14/15	February 3, 2014	
	AORMA Committee	Approval of revisions to Policy and Procedure A-6, if required	March 20, 2014	
M-2 AORMA SMART PHONE APPLICATION				
	MSLCTC	Review of AORMA Smartphone App	November 18, 2014	Completed
	AORMA Chair	Announcement of AORMA Smartphone App at AoA Conference	January, 2014	
M-3 SHOES FOR CREWS				
	MSLCTC	Discuss Shoes for Crews AORMA program	November 18, 2013	Completed
	Staff	Provide redacted loss information to Shoes for Crews for corporation program proposals	November, 2013	
	Staff	Announce the formation of the Shoes for Crews program and distribute information to the AORMA members	January, 2014	

CSURMA AORMA FY 13/14 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
MEMBER SERVICES, LOSS CONTROL AND TRAINING COMMITTEE				
M-4	INSURANCE REQUIREMENTS FOR SPONSORED PROGRAMS / GRANTS AND CONTRACTS			
	MSLCTC	Review of proposed Insurance Requirement for Sponsored Programs / Grants and Contracts	February 3, 2014	
	AORMA Committee	Review and approval of Insurance Requirements for Sponsored Programs / Grants and Contracts	March 21, 2014	
	Staff (Alliant)	Update AORMA Toolkit with approved Insurance Requirements for Sponsored Programs / Grants and Contracts	April, 2014	
	Staff (Alliant)	Send out AORMA Bulletin notifying members	April, 2014	
M-5	ON-LINE SAFETY TRAINING			
	MSLCTC	Continue to monitor on-line safety training through SkillSoft	November 5, 2012	Completed
	MSLCTC	Review optional on-line safety training through SkillSoft; provide recommendation to the AORMA Committee. The MSLCTC is not recommending that the on-line training services be changed at this time.	February 4, 2013	Completed
	AORMA Committee	If applicable, approve contract with SkillSoft	March 21, 2013	Project Terminated
	Staff (Alliant)	If applicable, give notice of contract termination to TargetSolutions (60 days in advance of 7/01 renewal). Will review again in FY 13/14.	April 1, 2013	Project Terminated
	AOA HR Committee	David Kervella from the CSU Office of the Chancellor will provide a demonstration of the new Campus on-line training platform provided by SkillSoft and LawRoom.	July 26, 2013	Completed
	CSU Systemwide Professional Development Staff	Design an access hub for AORMA members to preview platform.	September, 2013	Still in process
	AORMA Members	Preview on-line training platform and provide recommendation to the MSLCTC for future utilization.	January, 2014	
	MSLCTC	Provide recommendation to the AORMA Committee regarding renewal of the current TargetSolutions contract or utilization of SkillSoft / LawRoom	February 3, 2014	

CSURMA AORMA FY 13/14 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
		effective July 1, 2014.		
M-6	PRAESIDIUM CONTRACT – MANAGING THE RISK OF MINORS ON CAMPUS			
	MSLCTC	Review and evaluate services offered through Praesidium and provide a recommendation to the AORMA Committee for approval	November 18, 2013	Completed
	AORMA Committee	Approve services provided by Praesidium	December 5, 2013	
M-7	PROCEDURES AND PRACTICES AUDIT OF AUXILIARY’S HUMAN RESOURCES AND PAYROLL FUNCTIONS			
	MSLCTC	Discuss the idea of contracting with an outside vendor who could audit an auxiliary’s human resources and payroll procedures and practices	November 18, 2013	Completed
	AOA HR Committee	Discuss the idea of contracting with an outside vendor who could audit an auxiliary’s human resources and payroll procedures and practices	January, 2014	

CSURMA AORMA 2014 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 – 2014 Meeting Calendar



California State University Risk Management Authority
 Auxiliary Organizations Risk Management Alliance

2014 CSURMA • AORMA MEETING CALENDAR

JANUARY, 2014	FEBRUARY, 2014	MARCH, 2014
12-15 AOA Conference: Sacramento	3 MSLCTC: Teleconference, 11:00 a.m. 6 PC: Teleconference, 2:00 p.m. 18 Liab claim review: Teleconference, 10:00 AM Only the AORMA Chair and Vice Chair attend the liab claim review	20 AORMA: Newport Beach, 10:00 a.m. 20 EC: Newport Beach: 2:30 p.m. 21 EC LRP: Newport Beach, 8:00 a.m. Only the AORMA Chair and Vice Chair attend the EC meetings Only the AORMA Chair attends to AOA EC meeting
APRIL, 2014	MAY, 2014	JUNE, 2014
7 MSLCTC: Teleconference, 11:00 a.m. 8 Liab claim review: Teleconference, 10:00 AM 10 PC: Teleconference, 2:00 p.m. Only the AORMA Chair and Vice Chair attend the liab claim review	8 AORMA: Long Beach, 10:00 a.m. 9 EC: Long Beach, 8:00 a.m. 9 BOD: Long Beach, 10:30 a.m. Only the AORMA Chair and Vice Chair attend the EC meetings All AORMA Committee members attend the BOD	

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



California State University Risk Management Authority
 Auxiliary Organizations Risk Management Alliance

2014 CSURMA • AORMA MEETING CALENDAR

JULY, 2014	AUGUST, 2014	SEPTEMBER, 2014
TBD AORMA Officers Retreat (TBD) 28 MSLCTC: Teleconference, 11:00 a.m. 31 PC: Teleconference, 2:00 p.m. Only the AORMA Chair, Vice Chair, Past Chair and Ex Officio attend the AORMA Officers Retreat	13 Liab claim review: Teleconference, 10:00 AM Only the AORMA Chair and Vice Chair attend the liab claim review	10 AORMA New Committee Member Orientation: Newport Beach, 9:00 a.m. 10 AORMA LRP: Newport Beach, 10:00 a.m. 11 AORMA: Newport Beach, 9:00 a.m. 12 EC: Newport Beach, 8:30 a.m. Only the AORMA Chair and Vice Chair attend the EC meetings
OCTOBER, 2014	NOVEMBER, 2014	DECEMBER, 2014
23 AORMA: Long Beach, 10:00 a.m. 24 EC: Long Beach, 9:00 a.m. 24 BOD: Long Beach, 10:30 a.m. Only the AORMA Chair and Vice Chair attend the EC meetings All AORMA Committee members attend the BOD	12 Liab claim review: Teleconference, 10:00 AM 17 MSLCTC: Teleconference, 11:00 a.m. Only the AORMA Chair and Vice Chair attend the liab claim review	4 AORMA: TBD, 10:00 a.m. 5 EC: TBD, 8:30 a.m. 11 PC: Teleconference, 2:00 p.m. Only the AORMA Chair and Vice Chair attend the EC meetings

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

CSURMA AORMA PROGRAM ADMINISTRATOR CONTACT LISTS

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

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Program Administrator - Contact List

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
JPA Program Administrator – Alliant Insurance Services, Inc.				
Certificate of Insurance Requests	Hsan Htein Van Rin	hhtein@alliant.com vrin@alliant.com	415-403-1452 415-403-1408	415-874-4810 415-874-4810
General Coverage Questions	Mimi Long Van Rin Hsan Htein Daniel Howell	mlong@alliant.com vrin@alliant.com hhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
Inland Marine	Van Rin Hsan Htein Mimi Long	vrin@alliant.com hhtein@alliant.com mlong@alliant.com	415-403-1408 415-403-1452 415-403-1423	415-874-4810 415-874-4810 415-874-4810
Participant Accident Insurance (PAI)	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Special Events Insurance	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Foreign Travel Program	Stacey Weeks Van Rin	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
General Risk Management Questions	Mimi Long Van Rin Hsan Htein Daniel Howell	mlong@alliant.com vrin@alliant.com hhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
Workers' Compensation Claims Consultant	Jacki Graf	jgraf@alliant.com	415-403-1438	415-874-4810
Form 700	Tevea Him	thim@alliant.com	415-403-1416	
CSU Chancellor's Office				
CSU Chancellor's Office	Charlene Minnick Zachary Gifford Rebecca Skidmore Leona Ching Alice Kim Kelly Cox Mandy Wong Rima Tanuwidjaja Robert Eaton Audra Reed William Hsu	cminnick@calstate.edu zgifford@calstate.edu rskidmore@calstate.edu lching@calstate.edu akim@calstate.edu kcox@calstate.edu mwong@calstate.edu rtanuwidjaja@calstate.edu reaton@calstate.edu areed@calstate.edu whsu@calstate.edu	562-951-4580 562-951-4568 562-951-4574 562-951-4580 562-951-4627 562-951-4611 562-951-4578 562-951-4621	562-951-4859 562-951-4859 562-951-4859 562-951-4859 562-951-4865 562-951-4865 562-951-4865 562-951-4856

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
Loss Control Consultants				
Alliant Risk Control Consulting	Brent Escoubas	bescoubas@alliant.com	949-260-5013	
TargetSolutions	Kelly Zielinski	kaz@targetsolutions.com	858-683-7229	858-487-8762
TargetSolutions	Liz Farzan	laf@targetsolutions.com	858-592-6880 Ext. 147	
TargetSolutions	Ashley Cole	alc@targetsolutions.com	858-638-7176	
Unemployment & Verification Solutions – Employers Edge				
Unemployment Claims Operations, Claim Specialist	Vanessa Rodriguez	v.rodriquez@employersedge.com	720-891-4900 x144	720-420-7449
Hearing Coordination, Appellate Coordinator’s	Jamie Clark Jen Venable	j.clark@employersedge.com j.venable@employersedge.com	720-891-4900	
Account Management	Steve Bell	s.bell@employersedge.com	720-891-4900 x101	720-420-7431
Alteranate Account Management Contact, Direct of Client Services	Angie Hansen	a.hansen@employersedge.com	720-891-4900 x116	
Human Resources Consulting – Employers Group				
Helpline	Mark Nelson Kimberly Nwamanna	mnelson@employersgroup.com knwamanna@employersgroup.com	213-765-3952 213-765-3982	
Client Service	Bill Stephens	bstephens@employersgroup.com	805-807-9922	213-226-0216
Reference Library	Robert Campbell	rcampbell@employersgroup.com	800-748-8484 Ext. 3430	
Unemployment Questions	Ryan Farias	rfarias@employersgroup.com	213-709-4143	
Affirmative Action Plans	Suzanne Oliva	soliva@employersgroup.com	213-765-3918	
Leave Management	Kimberly Nwamanna	knwamanna@employersgroup.com	213-765-3982	
Research and Surveys	Juan Garcia	jgarcia@employersgroup.com	213-765-3969	
Employer Advocacy	Ken Tiratira	ktiratira@employersgroup.com	213-765-3915	

CSURMA AORMA COMMITTEE CONTACT LIST

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

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

FISCAL IMPACT: None.

BACKGROUND: Contact lists are provided at every meeting.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Committee Roster - Effective at 7-01-13

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2013

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	Vice Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	rdewit@csulb.edu	562-985-5549
AORMA	Past Chair	Kurt Borsting	Director, Titan Student Centers	Fullerton	Associated Students, California State University, Fullerton, Inc.	kborsting@fullerton.edu	657-278-4214
AORMA	Ex Officio	Pat Worley	Executive Director	Sacramento	Associated Students of California State University, Sacramento	pcworley@csus.edu	916-278-7290
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Research Foundation	Brian.Nowlin@csulb.edu	562-985-4690
AORMA	At Large	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
AORMA	At Large	Guy Dalpe	Managing Director	San Francisco	Cesar Chavez Student Center, San Francisco State University	gdalpe@sfsu.edu	415-338-1044
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslied@saclink.csus.edu	916-278-2904
AORMA	At Large	Keith Kompsi	Director, Foundation Financial Services	Fresno	Fresno Association, Inc., CSU Fresno	kkompsi@csufresno.edu	559-278-0838
AORMA	At Large	Haleh Minakary	General Business Manager	Pomona	The Cal Poly Pomona Foundation, Inc.	hminakary@csupomona.edu	909-869-2910
AORMA	At Large	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	mcoil@foundation.sdsu.edu	619-594-1076

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
MSLCTC	Chair	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	mcoil@foundation.sdsu.edu	619-594-1076
MSLCTC	At Large	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
MSLCTC	At Large	Kristin Kelly	Associate Director	San Jose	The Student Union of San Jose State University	kristin.kelly@sjsu.edu	408-924-6315
MSLCTC	At Large	Arnecia Bryant	Associate Director, Operations	Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	abryant@csudh.edu	310-243-3854
MSLCTC	At Large	Dennis Miller	Director, Employment Services	Pomona	The Cal Poly Pomona Foundation, Inc.	dennismiller@csupomona.edu	909-869-2958
MSLCTC	At Large	Debbie Adishian-Astone	Executive Director	Fresno	CSU Fresno Association, Inc.	debbiea@csufresno.edu	559-278-0802
MSLCTC	At Large	Raven Tyson	Contracts & Risk Management Coordinator	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760

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

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

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

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

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

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