



**CSURMA EXECUTIVE COMMITTEE MEETING AGENDA**  
**“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:	May 9, 2013	Primary Location:	CSU Chancellor’s Office
Time:	4:00 PM		401 Golden Shore, Munitz Room
			Long Beach, CA 90802
Reconvene:	May 10, 2013	Legend:	<b>A</b> = Action
	8:30 AM		<b>I</b> = Information
			<b>V</b> = Verbal
			<b>S</b> = Separate

**A. CALL TO ORDER**

- 1. **Approval of the Agenda** A p. 4

**B. PUBLIC COMMENTS**

**C. CONSENT CALENDAR**

*The Committee is asked to take action on the consent calendar items as a group, except that a member may request that an item be withdrawn from the Consent Calendar for discussion and action.*

- 1. **Approval of Minutes – March 21 & 22, 2013** A p. 5  
*The Committee will be asked to approve the minutes from their last meeting.*

**D. GENERAL ADMINISTRATION**

- 1. **Update on Status of University Auditor’s Report** A p. 23  
*The Committee will receive an update on the status of the University Auditor’s report and may take action or provide direction to staff as necessary.*
- 2. **Financial Report**
  - a. **Receipt and Review of the Draft Financial Statements at 03/31/2013** A p. 24  
*The Committee will be asked to review and accept the audited Financial Statement as March 31, 2013.*
  - b. **Treasurer’s Report – March 31, 2013** A p. 35  
*The Committee review and accept the Treasurer’s Report at March 31, 2013.*
- 3. **MOU’s for Services Provided by CSU Chancellor’s Office** A p. 42  
*The Committee will be asked to delegate authority to prepare and execute memoranda of understanding documenting services provided.*

- |  |   |   |        |
|--|---|---|--------|
| 4.   | <b>Recommendation for Approval of the FY 2013/2014 Operating Budget</b><br><i>The Committee will review and recommend approval of the FY 2013/2014 budget</i>   | A | p. 50  |
| 5.   | <b>Adoption of Revised P&amp;P No. 10 – Member Loans</b><br><i>The Committee will be asked to adopt a revised policy and procedure.</i>   | A | p. 91  |
| 6.   | <b>Program Administration Request for Proposal Evaluation Task Group</b><br><i>The Executive Committee will be asked to designate a task group to evaluate proposals.</i>   | A | p. 94  |
| 7.   | <b>Access to iVOS Policy and Procedure</b><br><i>The Committee will be asked to adopt a policy and procedure relating to user access to the Campus Liability Program iVOS system.</i>   | A | p. 95  |
| 8.   | <b>Delegation of Authority to Engage Risk Control Consultants</b><br><i>The Committee will be asked to delegate authority to engage consultants to perform projects related to “minors on campus” and “theater operations.”</i> | A | p. 98  |
| 9.   | <b>Campus Liability Program Claims Audit Report</b><br><i>The Committee will be asked to review and accept the independent auditor’s report and may provide direction to staff.</i>   | I | p. 112 |
| 10.  | <b>Nominating Committee Report</b><br><i>The Committee will be receiving a report from the Nominating Committee for Executive Committee elections.</i>  | A | p. 150 |
| 11.  | <b>Executive Committee and Board of Directors Orientation, Participation, Roles &amp; Responsibilities.</b><br><i>The Committee will discuss the content of orientations offered as well as participation goals.</i>            | A | p. 152 |
| 12.  | <b>Adoption of Applicable Administrative Policies</b><br><i>The Committee will take action to establish applicable administrative policies.</i>   | A | p. 160 |
| 13.  | <b>Adoption of Revised Meeting Calendar</b><br><i>The Committee will be asked to reconsider the September and December meeting dates and locations.</i>   | A | p. 161 |
| 14.  | <b>Review of 2013/2014 Long Range Action Plan</b><br><i>The Committee will be asked to review and discuss the 2013/2014 Long Range Action Plan and targets for goal setting, taking action as necessary.</i>                    | A | p. 164 |
| <br><b>E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS</b> |   |   |        |
| 1.   | <b>AORMA Programs Update</b><br><i>The Committee will receive a verbal report on the AORMA programs.</i>  | I | p. 169 |



California State University Risk Management Authority

- F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1)** – *Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). Please refer to the claims listed below, that may be discussed. The Committee may take action or provide direction to Staff regarding the litigation discussed.* **A**

**NONE**

**G. INFORMATION ITEMS**

1. **CSURMA Executive Committee & Staff Contact List** **I** p. 170

- H. ADJOURNMENT** **A**

**TELECONFERENCE LOCATIONS**

CSU Chancellor’s Office – 401 Golden Shore, Long Beach, CA

*The next CSURMA Executive Committee meeting is scheduled for September 13, 2013 in Long Beach, please contact Myron Leavell at (415) 403-1404 or via email at [mleavell@alliant.com](mailto:mleavell@alliant.com).*

## **APPROVAL OF THE AGENDA**

**ISSUE:** Approval of the order of agenda items.

**RECOMMENDATION:** The Executive Committee is asked to review and approve the proposed agenda before discussion of any business.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**ATTACHMENT(S):** None.

**APPROVAL OF MINUTES –**  
**MARCH 21-22, 2013**

**ISSUE:** Acceptance of the Executive Committee draft meeting minutes.

**RECOMMENDATION:** The Executive Committee is asked to review and accept the March 21-22, 2013 draft meeting minutes with corrections as necessary.

**FISCAL IMPACT:** None.

**BACKGROUND:** The minutes reflect the actions taken by the Executive Committee at its last meeting.

**ATTACHMENT(S):** 1) Draft Minutes of the March 21-22, 2013 Executive Committee meeting

**MINUTES OF THE CSURMA  
EXECUTIVE COMMITTEE MEETING  
MARCH 21 & 22, 2013  
NEWPORT BEACH, CALIFORNIA**

**MEMBERS PRESENT**

George V. Ashkar, CSU Office of the Chancellor, Treasurer  
Kurt Borsting, Associated Students, CSU Fullerton  
Dwayne Brummett, California Polytechnic State University  
Lori Gentles, San Francisco State University  
Linda Hawk, CSU San Marcos (Arrived 03.22.13 8:00 a.m.)  
Cynthia Matson, CSU Fresno, Chair  
Mary Ann Rodriguez, CSU Dominguez Hills Vice-Chair (Arrived 03.22.13 8:00 a.m.)  
Michael Thorpe, CSU Chico

**MEMBERS ABSENT**

Tom McCarron, CSU Northridge

**STAFF, GUESTS & CONSULTANTS**

Kelly Cox, CSU Office of the Chancellor  
Robert Eaton, CSU Financing and Treasury (Arrived 03.22.13 8:00 a.m.)  
Zachary Gifford, CSU Office of the Chancellor  
Jacki Graf, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
William Hsu, CSU Office of General Counsel (Not present 03.22.13)  
Myron Leavell, Alliant Insurance Services, Inc.  
Robert Leong, Alliant Insurance Services, Inc.  
Mimi Long, Alliant Insurance Services, Inc.  
Charlene Minnick, CSU Office of the Chancellor  
Robyn Pennington, CSU Office of the Chancellor

**A. CALL TO ORDER**

The meeting was called to order at 2:36 p.m. by Chair, Cynthia Matson.

**A.1. Approval of the Agenda**

It was requested that Items C.2.d, C.3, C.4, C.5, C.6 & C.7 be removed from the Consent Calendar for further discussion.

A motion was made to remove Items C.2.d, C.3, C.4, C.5, C.6 & C.7 from the Consent Calendar as further discussion was needed.

**Approved by Affirmation**

<b>NAME</b>	<b>AYES</b>	<b>ABSTAIN</b>	<b>NAYS</b>	<b>ABSENT</b>
George Ashkar	<b>X</b>			
Kurt Borsting	<b>X</b>			
Dwayne Brummett	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk				<b>X</b>
Cynthia Matson	<b>X</b>			
Tom McCarron				<b>X</b>
Mary Ann Rodriguez				<b>X</b>
Michael Thorpe	<b>X</b>			

**B. PUBLIC COMMENTS**

None.

**C. CONSENT CALENDAR**

**C.1 Approval of Minutes – December 6 & 7, 2012**

**C.2.a Receipt and Review of the Draft Financial Statements at February 28, 2013**

**C.2.b Treasurer’s Report – December 31, 2012**

**C.2.c Reconciliation of Property Funds and Adoption of Resolution 01-13 (EC)**

A motion was made to approve the consent calendar as discussed at today’s meeting.

**Approved by Affirmation**

<b>NAME</b>	<b>AYES</b>	<b>ABSTAIN</b>	<b>NAYS</b>	<b>ABSENT</b>
George Ashkar	<b>X</b>			
Kurt Borsting	<b>X</b>			
Dwayne Brummett	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk				<b>X</b>
Cynthia Matson	<b>X</b>			
Tom McCarron				<b>X</b>
Mary Ann Rodriguez				<b>X</b>
Michael Thorpe	<b>X</b>			

**C.2.d FY 2012/2013 Midterm Budget Adjustments and Adoption of Resolution No. 02-13 (EC)**

Rob Leong reviewed the item with the Executive Committee. Rob stepped through the adjustments and noted the following:

1. Decrease Contributions by \$5,458,879 for IDL/NDL/UI (\$2,716,515 supplemental assessment), AIME (\$41,098 CSUEB new), OCIP (\$8,421,306 project enrollment), Club Sports (\$204,814 new).
2. Increase Contributions for Reinsurance Premiums negative revenue by \$14,756,542 due to non-renewal of Campus WC reinsurance (\$16,771,051) and 2011/12 final premium adjustment (-\$2,014,509).
3. Decrease Claims Payments & Legal Expenses by \$841,172 for projected losses paid per 2012 actuarial reports.
4. Increase Claims Administrators by \$91,909 for Campus Liability consulting, AIME and Club Sports.
5. Decrease Claims MIS by \$337,500 due to fee waiver by Sedgwick for Campus WC.
6. Increase Insurance Premiums by \$408,759 for Campus Liability (APEEL, Non-owned Aviation), Campus XWC final premium adjustment, and Club Sports.
7. Increase Program Legal by \$10,000 for AORMA UIP.
8. Decrease Workshop/Training Expenses by \$50,000 for “Fitting the Pieces Together” conference rescheduled to FY 13/14.
9. Increase Loss Control Expenses by \$18,125 for AORMA programs.
10. Increase Reinsurance Recovery negative expense by \$7,295,442 for Campus Liability and Campus WC per 2012 actuarial report.
11. Increase Dividend Distributions by \$7,504,717 for Campus Liability & Campus WC dividends payments to members.

The effect of the above budget adjustment increases planned expenditures by \$14,109,437 resulting in FY 12/13 Total Revenues of \$87,026,337; Total Expenses of \$83,376,266; and Non-operating Income of \$5,000,000. The Ending Balance at June 30, 2013 is estimated to be \$67,008,604.

A motion was made to the amendments to the FY 2012/2013 budget and to adopt Resolution 02-13 (EC).

**MOTION:** George Ashkar

**SECOND:** Michael Thorpe

**MOTION CARRIED**

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

## **D.1 Service Provider Performance Evaluations**

Zachary Gifford reviewed the item with the Executive Committee. The CSU Office of Risk Management contacted all CSURMA/AORMA members requesting comments on vendor performance. The Service Provider Performance evaluation process provides CSURMA with information to address member service needs for strategic planning. The survey is designed to maintain respondent confidentiality in order to elicit candid comments. The survey was modified this year so that respondents were only asked complete the survey for those service providers that they interact with.

The following vendors were evaluated in the process:

- A-G Administrators – AIME Claims Administrator
- Alliant – CSURMA Program Administrator
- Alliant – CSURMA Insurance Brokerage/Consulting
- Alliant – Workers’ Compensation Consulting
- Alliant – Property/Crime Claims Consulting
- AON e-Solutions – WC/Liability Claims System Software
- Belfor – Property Loss Mitigation & Restoration
- CSU Office of Risk Management – CSURMA Liability Claims Administrator
- CSU Office of Risk Management – Risk Consulting
- CSU Enterprise Accounting – Accounting Services
- Equifax Workforce Solutions – Unemployment Claims Administrator
- Har-Bro – Property Loss Mitigation & Restoration
- Sedgwick CMS – CSURMA Workers’ Compensation Claims Administrator
- Workplace Answers – Campus Web-based Training

The Executive Committee reviewed results with the following standouts being noted: Martha Guiditta, formerly from Police Services, came up to speed as a Claims Administrator, mastering the work quite quickly. It was also noted that the changes in the Accounting department have brought improvements in service. Charlene Minnick, Secretary-Auditor, commended all of the vendors for their quality work product.

## **D.2 CSURMA FY 2013/2014 Vendor Service Fee**

Cindy Matson, Chair; reviewed the item with the Executive Committee. Vendor service fees are included in the draft FY 13/14 budget which is to be approved at the May CSURMA Board of Directors meeting. The following vendors have service agreements with annual review of compensation:

- Alliant Insurance Services
- Carl Warren & Company
- Sedgwick (compensation is being negotiated as part of pending RFP)

The Executive Committee discussed the vendor service fees for the upcoming budget year.

A motion was made to delegate authority to the Chair and Secretary-Auditor to negotiate fees for FY 13/14.

**MOTION:** Dwayne Brummett      **SECOND:** Michael Thorpe      **MOTION CARRIED**

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

### D.3 Delegation of Authority to Renew Insurance Program

Charlene Minnick reviewed the item with the Executive Committee. CSURMA’s insurance and reinsurance programs renew on July 1. The Program Administrator is actively marketing the programs to ensure competitive rates and terms. Underwriting meetings are scheduled for the week of March 25, 2013 with key markets, including presentations to underwriters by the Chancellor and Executive Vice Chancellor Business & Finance/CFO.

The insurance market for CSU’s risks is a global one that passes through soft and hard markets. CSU has benefitted from an extended soft market for the past several years, but a firming of the market began in 2012 and appears to be taking hold. Attached to this item was the 2012 Q4 rate survey report showing that rate increases have appeared across all commercial lines.

A motion was made delegate authority to the CSURMA Secretary-Auditor to negotiate and bind insurance renewals as appropriate and within the budgeted amounts of the FY 13/14 Budget to be adopted by the Board of Directors in at their May 10, 2013 meeting.

**MOTION:** George Ashkar      **SECOND:** Kurt Borsting      **MOTION CARRIED**

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

### **D.5 Appointment of Nominations Committee for Executive Committee Elections**

The Chair of the Executive Committee discussed the appointment of the three seats up for re-election for the term beginning July 1, 2013. Seats #1 & 2 are up for re-election as this is an odd year, with Seat #4 being vacated by Thomas McCarron. Seat #4 is up for appointment by the Chair for the remainder of the term.

Michael Thorpe and Linda Hawk were appointed to the Nominating Committee by the Chair to fill one Campus Seat #4 and approve two Auxiliary seats. The Auxiliary Organizations elect their two Executive Committee representatives at their December meeting for the term beginning July 1.

The Chair appointed Mary Ann Rodriguez and Thomas McCarron to appoint Seats 1 & 2, presently occupied by Linda Hawk and Michael Thorpe, respectively; which are eligible for re-election.

A motion was made to approve the Nominating Committee as appointed to propose a slate of a candidates for the open seats.

**MOTION:** George Ashkar

**SECOND:** Lori Gentles

**MOTION CARRIED**

<b>NAME</b>	<b>AYES</b>	<b>ABSTAIN</b>	<b>NAYS</b>	<b>ABSENT</b>
George Ashkar	<b>X</b>			
Kurt Borsting	<b>X</b>			
Dwayne Brummett	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk				<b>X</b>
Cynthia Matson	<b>X</b>			
Tom McCarron				<b>X</b>
Mary Ann Rodriguez				<b>X</b>
Michael Thorpe	<b>X</b>			

### **D.6 CAJPA Accreditation**

Charlene Minnick introduced the item to the Executive Committee. This item has become a subjectivity in the recent internal Trustee's Audit performed on CSURMA. As a result, the issue is being discussed today.

CSURMA was accredited by CAJPA in the 1990's. When the workers' compensation crisis damaged California JPA balance sheets at the turn of the century, CAJPA began requiring elevated funding levels to reduce deficits. The CSURMA Executive Committee was advised that CAJPA would withhold accreditation if the CSURMA did not adopt mandatory funding requirements for the University and also establish a mandatory minimum funded reserve. At that time, the Executive Committee and University were not prepared to commit to funding requirements set by an external entity, and CSURMA withdrew from CAJPA accreditation.

CSURMA is now fully funded in compliance with CAJPA accreditation requirements; however the question remains whether the University would want to be bound by externally imposed funding requirements. CAJPA’s funding requirements are established to reduce the risk of funding deficit assessments for JPA members. The CSURMA Campus Risk Pool program is unique among JPA’s in that it has only one legal entity member – the CSU, and as a result there is not a risk of the University suffering a default from another member.

Daniel Howell remarked that although CSURMA did not pursue accreditation by CAJPA, it continues to operate as though it is fully accredited.

There was extensive discussion on the CAJPA Accrediation with the following final comments:

1. Cost of the accreditation will be \$10,000 (Full accreditation)/\$5,000 (Shadow accreditation).
2. The funding requirements are excessive.
3. It requires the use of restrictive language in contracts and service agreements.
4. CSURMA has the Shadow Accreditation Audit performed.
5. CSURMA is a unique JPA with only one legal entity member.

A motion was made to not pursue CAJPA Accreditation at this time and to revisit the issue in 2014-15 to determine whether to pursue accreditation, full or shadow, in 2015-16.

**MOTION:** George Ashkar

**SECOND:** Lori Gentles

**MOTION CARRIED**

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

**D.7 MOU between CSURMA and Chancellor’s Office**

Chair Matson introduced the item to the Executive Committee. The CSU University Auditor drafted a finding that CSURMA’s documentation for reimbursement of certain Chancellor’s Office expenses was not sufficient. While CSURMA has appropriately reimbursed the Chancellor’s Office for services, it was recommended that CSURMA establish a Memorandum of Understanding (MOU) that describes the services and cost for the following:

- Services of the Office of Systemwide Risk Management and Public Safety;
- Services of the Office of General Counsel for designated litigators; and,
- Services of the Office of Financial Services.

There was significant discussion on this topic and specifically as to how Memoranda of Understanding would work in this case, as they are not true contracts. As this body performs its functions through actions, motions and resolutions, a question was asked if these MOU's would be legally required.

Daniel Howell commented that an MOU is more appropriate in this case. Contracts have indemnification language to protect both parties; and in this case, as CSURMA is a subsidiary entity of the CSU, this becomes unnecessary. As an aside, it was pointed out the in the CAJPA Accreditation review process, CSURMA was considered a subsidiary of the CSU, as well.

It was further remarked, that the expense for these line items is included in the annual budget that is reviewed by the Executive Committee and then adopted by the full Board of Directors.

This item was tabled to allow the Office of General Counsel to research this issue further and report their findings at the next meeting.

#### **D.8 Specified Subject Matters in Service Agreements**

Daniel Howell introduced the item to the Executive Committee. The Trustees' Auditors recently completed a review of CSURMA operations and identified a need for a policy relating to the inclusion, review and/or approval of standard terms and conditions within CSURMA's contracts with third-party service providers. The Auditors noted that certain agreements with CSURMA service providers did not expressly address some subject matters such as the disclosure of conflicts of interest.

Staff reviewed the audit findings and recommendations with the Office of General Counsel, who concluded that it is impractical to draft standard, "one size fits all" wording that would be applicable for all service agreements; instead, staff and General Counsel should be assigned the responsibility to consider each agreement, and where necessary and appropriate to require service agreements to contain provisions and terms addressing specified subject matters.

George Ashkar remarked that there are numerous internal controls in place to prevent conflicts of interest and that these items are reviewed annually by KPMG as part of their financial audit process. Further, that audit is reviewed with the Executive Committee and Board of Directors.

CSURMA's General Counsel drafted Resolution No. 03-13 (EC) for the Executive Committee's consideration regarding a process for staff including the General Counsel to require specified subject matters in its service agreements as appropriate.

General Counsel was provided direction to adjust to the language of the draft document further narrowing its scope.

A motion was made to adopt Resolution 03-13 (EC) with the proposed changes.

**MOTION:** George Ashkar

**SECOND:** Michael Thorpe

**MOTION CARRIED**

<b>NAME</b>	<b>AYES</b>	<b>ABSTAIN</b>	<b>NAYS</b>	<b>ABSENT</b>
George Ashkar	<b>X</b>			
Kurt Borsting	<b>X</b>			
Dwayne Brummett	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk				<b>X</b>
Cynthia Matson	<b>X</b>			
Tom McCarron				<b>X</b>
Mary Ann Rodriguez				<b>X</b>
Michael Thorpe	<b>X</b>			

### **D.9 Claims Audit Requisitions**

Rob Leong reviewed the item with the Executive Committee. The CSURMA is directed by policy & procedure to perform claims audits periodically. At its December 7, 2012 meeting, the Executive Committee delegated authority to the Secretary-Auditor to enter an engagement agreement with independent professional consultants to review and audit the performance and practices of the key third-party claim administrators for CSURMA's Liability, Athletic Injury Medical Expense (AIME), and AORMA Liability at a cost not to exceed \$20,000.

A Task Group was assigned to draft the scope of work, review the proposals and select the auditor(s). The Executive Committee appointed Mary Ann Rodriguez, Michael Thorpe, Kurt Borsting, and Dwayne Brummett to the task group.

Proposals were received from Bickmore Risk Services and Farley Consulting Services to audit the Chancellor's Office Risk Management for the self-administered Campus Liability Program and Carl Warren Co. for the AORMA Liability Program. The target date for completion of the claim audits is April 30, 2013 for Campus Liability and AIME programs, and June 30, 2013 for AORMA Liability.

The Task Group recently met via teleconference and is recommending that Bickmore Risk Services provide the audit services the Chancellor's Office Risk Management for the self-administered Campus Liability Program and Carl Warren Co. for the AORMA Liability Program. The use of one vendor for both would allow for a more even result across the reports for the two programs. Michael Thorpe remarked that the initial scope of work would review 2% of the files, whereas that number is usually closer to 10%.

Additionally, a proposal was received from Strategic Claims Direction to audit A-G Administrators for the AIME Program. Two options were provided: 1) 50 files and 2) 68 files. Option 1 was chosen as option 2 didn't offer that much larger of a sampling for review to affect the outcome of the results. Charlene Minnick commented that within those 50 claims, we specifically select those with some complexity.

Chair Matson thanked the Task Group for their efforts. She also remarked that all of the work was completed via teleconference.

A motion was made directing the Program Administrators to engage the service of Bickmore Risk Services and Strategic Claims Direction to conduct the claims audit services outlined above.

**MOTION:** Kurt Borsting

**SECOND:** Michael Thorpe

**MOTION CARRIED**

NAME	AYES	ABSTAIN	NAYS	ABSENT
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk				X
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez				X
Michael Thorpe	X			

### **E.1 AORMA Programs Update**

Kurt Borsting presented the AORMA Program update to the Executive Committee. The AORMA Committee reviewed and approved the 2013/14 budget. There was an increase in Alliant Loss Control costs due to a change in the base number of days of services from 50 this year to 62 days next year.

Kurt also reviewed the AORMA elections process. There are 5 seats up for election – 3 incumbent – Gigi Kiama, Guy Dalpe and Brian Nowlin and 2 open seats with Melinda Coil and Haleh Minakari being recommended for appointment. Dwayne Brummett will become Chair with Robert DeWit moving to the Vice-Chair position.

The AORMA Committee also reviewed the Service Provider Evaluations related to their programs.

### **E.2 Report on the 2013 AOA Annual Conference**

Kurt Borsting reported that the 2013 AOA Conference held in Pasadena was a rousing success. He took the opportunity to thank Alliant for their hard work on the breakout presentations.

### **H.1 CSURMA 2013 Meeting Calendar**

The Executive Committee reviewed the 2013 Calendar that was included in the agenda packet. There was discussion on the Fitting the Pieces Together conference dates as these would ultimately affect the CSURMA Executive Committee and Board of Directors meeting schedule.

Additionally, there was discussion on the expense cap for hotel rooms of \$175, exclusive of taxes. There are exceptions to the rule, but there must be an acceptable business reason – need,

meeting held at a specific hotel, etc. - which will require prior authorization. Lori, Gentles, San Francisco State University, offered their new library facility as a meeting location as there is no facility use charge; the only drawback being that it is not located in downtown San Francisco.

## **H.2 CSURMA Executive Committee & Staff Contact List**

The Executive Committee reviewed the Contact List was advised to inform the Program Administrators of any needed updates or corrections.

**ADJOURNMENT on 03.21.13 @ 5:38 p.m.**

**RECONVENED on 03.22.13 @ 8:01 a.m.**

## **G.1 Investment Task Force**

Robert Eaton, Senior Director, Financing and Treasury, introduced the issue. The Executive Committee appointed a task group of its members to prepare an evaluation of CSURMA's investment program, and policies and procedures. The Task Group then directed staff in the development of the attached Investment Task Group Report.

In addition, the Executive Committee asked for a review of CSURMA's Member Loan policy and procedure, and proposed revisions to that document are included in the task group report since member loans are a part of CSURMA's asset portfolio. Kelly Cox remarked that loans are for risk mitigation purposes only. CSURMA attempts to provide the most flexibility to use as a loan source, but should be "port of last resort" for shortest term possible, a maximum 5 year term, with the possibility of a 5-year extension. George Ashkar added that all CSURMA loans are reviewed and approved by Executive Vice Chancellor Quillian.

The report outlines the investment vehicles accessible by CSURMA for the various funds depending on desired liquidity. Guidelines are provided for acceptable types of instruments, credit quality, performance benchmarks and investment authority are also provided in the report. Also included in the report, is a draft of an expanded CSURMA Investment Policy.

It was determined that all loan requests should come through the Executive Committee for review as should any requests for extension or modification of the loan agreement. George Ashkar remarked that although we have these tightly drawn parameters they are very closely monitored for adherence. Additionally, loan fund balances are reported to the Executive Committee and the Board of Directors in the financial statements presented at each regular meeting.

Robert Eaton further reported that CSURMA uses a professional investment manager to manage diversification of the portfolio, which the Investment Policy addresses in broad terms.

Staff was directed to make the requested changes to the Master Investment Policy and Member Loan Policy & Procedure for presentation to the Board of Directors at their May meeting.

A motion was made directing staff to modify the Master Investment Policy and Member Loan Policy & Procedure as discussed including language that specifies that the Executive Committee shall serve as the Investment Committee.

**MOTION:** Mary Ann Rodriguez    **SECOND:** Linda Hawk                    **MOTION CARRIED**

<b>NAME</b>	<b>AYES</b>	<b>ABSTAIN</b>	<b>NAYS</b>	<b>ABSENT</b>
George Ashkar	X			
Kurt Borsting	X			
Dwayne Brummett	X			
Lori Gentles	X			
Linda Hawk	X			
Cynthia Matson	X			
Tom McCarron				X
Mary Ann Rodriguez	X			
Michael Thorpe	X			

**D.4 Recommendation of Approval of the FY 2013/2014 Operating Budget**

Rob Leong reviewed the proposed operating budget with the Executive Committee. In light of the recently completed Trustees’ Audit, the Executive Committee has requested additional detail on some of the line items. As a result, the Executive Committee will hold a Budget Review Meeting on May 9, 2013 at 4 PM to finalize their discussion and take action as needed.

No action was taken at this time.

**G.3 Campus Pooled Program Funding Status**

Rob Leong reviewed the item with the Executive Committee. Staff prepared an analysis of the pooled programs funding position relative to the actuary’s projection for CSURMA’s minimum funding requirements and expected cash expenditures for program administration through June 30, 2013. It was reported that there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures. Additionally, there will be approximately \$15m in fund reserves, with 50% of that available to consider a release of dividends to the members.

**G.4 On-Line Training and Learning Management Systems**

Zachary Gifford introduced Robin Ennis, System Wide Professional Development and David Kervella, System Wide Professional Development, who offered a presentation on the efficiencies of online training and how the Learning Management System utilizing the SkillSoft platform assists in compliance and consistency of training systemwide. As an example, Defensive Driving Training was rolled to over 70% drivers who drove more than once per month – that equates

6,640 users who completed 8,681 hours of training at 4 cents per seat, making this a very cost effective solution.

**C.7 Selection of Workers’ Compensation Program TPA**

Zachary Gifford reviewed the item with the Executive Committee. CSURMA engages the services of a third party claims administrator (TPA) to handle workers’ compensation claims for the Campus WC Risk Pool and the AORMA WC Program. The Chancellor’s Office Department of Procurement assisted staff in conducting a request for proposals (RFP) process for services and five proposals were received and reviewed.

Two firms, Sedgwick and York were selected for oral interviews which were conducted on February 26, 2013. Sedgwick is the highest ranked bidder by the CSURMA WC RFP Task Group. The Task Group included the following: Dwayne Brummett, AORMA Committee Vice Chair; Lori Gentles, CSURMA EC Committee Member; Michael Thorpe, CSURMA EC Committee Member; and Zachary Gifford, Associate Director, Systemwide Risk Management. The Task Group ranked all the proposers using scoring criteria developed with the assistance of the Chancellor’s Office Department of Procurement.

A motion was made to delegate authority to the CSURMA Chair and CSURMA Secretary-Auditor to negotiate and execute a service agreement with the highest ranked bidder, Sedgwick, as described in the RFP.

**MOTION:** Mary Ann Rodriguez    **SECOND:** Dwayne Brummett    **MOTION CARRIED**

<b>NAME</b>	<b>AYES</b>	<b>ABSTAIN</b>	<b>NAYS</b>	<b>ABSENT</b>
George Ashkar	<b>X</b>			
Kurt Borsting	<b>X</b>			
Dwayne Brummett	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Cynthia Matson	<b>X</b>			
Tom McCarron				<b>X</b>
Mary Ann Rodriguez	<b>X</b>			
Michael Thorpe	<b>X</b>			

**C.3 SAS 70 Policy & Procedure**

Daniel Howell reviewed the item with the Executive Committee. The CSU University Auditor has drafted a finding that CSURMA should define when a Statement on Auditing Standards No. 70 Servicing Organizations (SAS 70) report is required from a CSURMA servicing organization and how that report will be handled by CSURMA.

The Program Administrator has prepared the attached policy and procedure that requires a SAS 70 report from all CSURMA’s claims administrators expected to handle more than \$5 million of

claims in a specific year. The Chancellor’s Office has been specifically exempted from the requirement to provide a SAS 70 report.

There was discussion on the audit finding, as it would be beyond the skillset of the CSURMA staff to evaluate sufficiency of a provided SAS 70 report and; may require additional reporting from vendors, and in some cases incur additional costs.

This item has been tabled to the May 9-10 Executive Committee meeting.

No action was taken at this time.

**C.4 Adoption of CSURMA Travel Policy & Procedure**

Chair Matson reviewed the item with the Executive Committee. The CSURMA has had a practice of reimbursing travel expenses of campus and Chancellor Office personnel participating in committee meetings and other program related travel. The attached policy and procedure documents the CSURMA requirements for reimbursement of travel expenses. The AORMA Committee has a separate travel reimbursement policy and procedure before it that takes into account auxiliary organization processes.

A motion was made to adopt the CSURMA Travel Policy & Procedure as presented.

**MOTION:** George Ashkar                      **SECOND:** Michael Thorpe                      **MOTION CARRIED**

<b>NAME</b>	<b>AYES</b>	<b>ABSTAIN</b>	<b>NAYS</b>	<b>ABSENT</b>
George Ashkar	<b>X</b>			
Kurt Borsting	<b>X</b>			
Dwayne Brummett	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Cynthia Matson	<b>X</b>			
Tom McCarron				<b>X</b>
Mary Ann Rodriguez	<b>X</b>			
Michael Thorpe	<b>X</b>			

**C.5 CSURMA Board of Directors Participation, Executive Committee Nominations, and Elections**

Daniel Howell reviewed the item with the Executive Committee. CSURMA is governed by its Board of Directors which has 30 votes held by the University and 10 votes held by the auxiliary organization members. The auxiliary organization members have had a formal policy and procedure for election of the Auxiliary Organization Committee which holds their 10 Board votes. The University Auditor has drafted a finding that CSURMA adopt a written policy and procedure for participation on the Board of Directors and Executive Committee.

Staff has prepared the attached draft policy and procedure for discussion at today’s meeting, which memorializes the process.

A motion was made to adopt the Board of Directors Participation, Executive Committee Nominations, and Elections Policy & Procedure.

**MOTION:** George Ashkar                      **SECOND:** Lori Gentles                      **MOTION CARRIED**

<b>NAME</b>	<b>AYES</b>	<b>ABSTAIN</b>	<b>NAYS</b>	<b>ABSENT</b>
George Ashkar	<b>X</b>			
Kurt Borsting	<b>X</b>			
Dwayne Brummett	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Cynthia Matson	<b>X</b>			
Tom McCarron				<b>X</b>
Mary Ann Rodriguez	<b>X</b>			
Michael Thorpe	<b>X</b>			

**C.6 Campus Risk Pool Claims Settlement Authority Policy & Procedure**

Daniel Howell reviewed the item with the Executive Committee. CSURMA operates insured and self-insured coverage programs. For insured programs the insurance company processes claims and pays the covered amount. For self-insured programs, covered claims are paid by CSURMA up to CSURMA’s retained limit. The University Auditor has drafted a finding that CSURMA needs better documentation of claims settlement process and authorities for campus pooled programs. The AORMA programs have their own Claims Settle Policy & Procedure.

The Program Administrator has prepared the attached Policy and Procedure to address the finding raised by the University Auditor. This policy & procedure only addresses settlement authority, not settlement agreement.

A motion was made to adopt the Campus Risk Pool Claims Settlement Authority Policy & Procedure with the noted edits.

**MOTION:** Michael Thorpe                      **SECOND:** Linda Hawk                      **MOTION CARRIED**

<b>NAME</b>	<b>AYES</b>	<b>ABSTAIN</b>	<b>NAYS</b>	<b>ABSENT</b>
George Ashkar	<b>X</b>			
Kurt Borsting	<b>X</b>			
Dwayne Brummett	<b>X</b>			
Lori Gentles	<b>X</b>			
Linda Hawk	<b>X</b>			
Cynthia Matson	<b>X</b>			
Tom McCarron				<b>X</b>
Mary Ann Rodriguez	<b>X</b>			

Michael Thorpe	X			
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## G.2 Review of 2012/2013 Long Range Action Plan

Rob Leong reviewed the 2012/2013 Long Range Action Plan with the Executive Committee.

- LRP – 1 Club Sports launched.
- LRP – 2 Completed
- LRP – 3 Proprietary - CHANGE - Development of Web-Based LMS Content Ongoing
- LRP – 4 Risk Management Innovation Funding
- LRP – 5 Completed
- LRP – 6 Completed
- LRP – 7 Completed
- LRP – 8 HR will do presentation. Need to form committee
- LRP – 9 Deferred per Charlene Minnick due to new Chancellor with desire for Enterprise Risk Management component
- LRP -10 George Ashkar putting together Request for Proposal based on this week's Trustees' meeting, Extended KPMG contract for one year; previously \$53k annually, now \$48 k - 10% reduction in cost; FY 13-14 cycle on new contract
- LRP – 11 Presentation this morning
- LRP – 12 Move forward
- LRP – 13 In development Charlene Minnick - Due Diligence
- LRP – 14
- LRP – 15 REMOVED - Tobacco-Free not Smoking

## G.5 Development of CSURMA Goals for next 1 to 3 years

Daniel Howell introduced the item to the Executive Committee. Discussion on FY 13/14 Long Range Action Plan goals included:

- Use of Alternative Medicines CO
- Website Enhancements
- Student Property and Liability coverage - Like Renters' Insurance
- EQ - AORMA kick over to CPDC. This is more of business continuity issue /ERM
- Service Animals - Certified for ADA accommodation. Is the raising of service animals appropriate on campus?
- Wild Animals - Consistency of Policy systemwide
- Pedestrian Paths - Bicycles and Skateboards
- Review of CSURMA P & P's - Freshen all and review 2-3 each meeting
- Theatre and Arena Safety Program
- Minors on Campus Best Practices Training (Lori Gentles - Involve HRO's)
- International Inbound Student - Adult to Minor ratio
- ARM / RM Training - If we don't train it becomes a claim.....
- How To Apply for Risk Innovation Grant

## **I. Adjournment**

The meeting adjourned at 11:45 a.m.

A motion was made to adjourn the meeting.

## **UPDATE ON STATUS OF UNIVERSITY'S AUDITOR'S REPORT**

**ISSUE:** The CSU University Auditor has conducted an audit of CSURMA. Staff has reviewed preliminary drafts of the findings and recommendations and have taken action as appropriate to address them pending issuance of the final report. The Auditor has met with CSURMA's Chair, Vice Chair, Treasurer and Secretary-Auditor, as well as the CSU's Executive Vice Chancellor/CFO to discuss the report. The audit report has not been issued as of yet, but may be available by the meeting.

**RECOMMENDATION:** The Executive Committee will receive a verbal update from CSURMA's officers, and may take action or provide direction as appropriate.

**FISCAL IMPACT:** No direct fiscal impact is expected from action at today's meeting.

**BACKGROUND:** None.

**ATTACHMENT(S):** None.

**FINANCIAL REPORT**  
**DRAFT FINANCIAL STATEMENTS**  
**AT MARCH 31, 2013**

**ISSUE:** The Chancellor's Office Financial Services Accounting prepares the Financial Statements for CSURMA. The Financial Statements at March 31, 2013 are provided as an attachment to this item. The Executive Committee is asked to review the Financial Statements as part of the Consent Calendar. A representative from the Chancellor's Office Finance Services Accounting will be on hand to answer questions.

**RECOMMENDATION:** It is recommended that the Executive Committee review and accept the Draft CSURMA Financial Statements at March 31, 2013 as part of the Consent Calendar.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Financial Statements will be relied upon for CSURMA decision making.

**PUBLICATION:** None.

**ATTACHMENT(S):**

Draft CSURMA Financial Statements at March 31, 2013

**California State University Risk Management Authority**  
**Member Aged Accounts Receivable**  
As of April 10th, 2013

Client Name	Current	31 - 60	Over 61	Balance
Associated Students Inc, CSU Northridge	16,615.00	0.00	0.00	16,615.00
Associated Students Inc. CSU Stanislaus	1,107.00	0.00	0.00	1,107.00
Associated Students Incorporated CSU East Bay	11,438.00	0.00	0.00	11,438.00
Associated Students Incorporated, Cal Poly Pomona	16,949.00	0.00	0.00	16,949.00
Associated Students Incorporated, CSU Chico	57,080.00	0.00	0.00	57,080.00
Associated Students Incorporated, CSU Long Beach	24,706.00	0.00	0.00	24,706.00
Associated Students Incorporated, CSU Sacramento	19,379.00	0.00	0.00	19,379.00
Associated Students of Humboldt State University	635.00	0.00	0.00	635.00
Associated Students of San Diego State University	41,113.00	0.00	0.00	41,113.00
Associated Students, CSU Fullerton	20,354.00	0.00	0.00	20,354.00
Associated Students, Inc., CSU Dominguez Hills	1,793.00	0.00	0.00	1,793.00
Associated Students, Inc., San Francisco SU	6,425.00	0.00	0.00	6,425.00
Associated Students, Inc.of Sonoma State University	2,979.00	0.00	0.00	2,979.00
Associated Students, San Luis Obispo	22,909.00	0.00	0.00	22,909.00
Cal Poly Corporation	85,779.00	0.00	0.00	85,779.00
Cal Poly Pomona Foundation, Inc.	55,281.00	0.00	0.00	55,281.00
Cal State Los Angeles University Auxiliary Svcs Inc	79,665.00	0.00	0.00	79,665.00
Capital Public Radio, Inc.	5,917.00	0.00	0.00	5,917.00
CPSU San Luis Obispo	4,808.52	0.00	0.00	4,808.52
CSPU Pomona	12,422.00	0.00	0.00	12,422.00
CSU Bakersfield	637.50	0.00	0.00	637.50
CSU Bakersfield Foundation	9,297.00	0.00	0.00	9,297.00
CSU Bakersfield, Auxiliary for Sponsored Programs Administration	2,322.00	0.00	0.00	2,322.00
CSU Channel Islands University Glen	8,071.00	0.00	0.00	8,071.00
CSU Chico	928.00	0.00	0.00	928.00
CSU Chico Research Foundation	61,476.00	0.00	0.00	61,476.00
CSU Dominguez Hills Foundation	30,657.00	0.00	0.00	30,657.00
CSU East Bay	68,736.60	0.00	0.00	68,736.60
CSU East Bay Foundation	6,561.00	0.00	0.00	6,561.00
CSU Fresno	59,482.62	0.00	0.00	59,482.62
CSU Fresno Association	55,409.00	0.00	0.00	55,409.00
CSU Fresno Athletic Corporation	17,778.00	0.00	0.00	17,778.00
CSU Fresno Foundation	29,912.00	0.00	0.00	29,912.00
CSU Fullerton	141,651.47	0.00	0.00	141,651.47
CSU Fullerton University Auxiliary Services Corporation	66,990.00	0.00	0.00	66,990.00
CSU Long Beach	6,008.55	0.00	0.00	6,008.55
CSU Los Angeles	19,835.51	0.00	0.00	19,835.51
CSU Monterey Bay	5,326.73	0.00	0.00	5,326.73
CSU Northridge	114,791.61	0.00	0.00	114,791.61
CSU Sacramento	114,030.42	0.00	0.00	114,030.42
CSU San Marcos	2,562.50	0.00	0.00	2,562.50
CSU Stanislaus	18,306.00	0.00	0.00	18,306.00
CSU, Long Beach Research Foundation	79,999.00	0.00	0.00	79,999.00
Forty-Niner Shops Incorporated, CSU Long Beach	32,624.00	0.00	0.00	32,624.00
Humboldt State Univ Sponsored Programs Foundation	31,962.00	0.00	0.00	31,962.00
Humboldt State University	1,288.16	0.00	0.00	1,288.16
Humboldt State University Advancement Foundation	4,638.05	0.00	0.00	4,638.05
Loker University Student Union; CSU Dominguez Hills	1,837.00	0.00	0.00	1,837.00
San Diego State University	9,873.98	0.00	0.00	9,873.98
San Diego State University Research Foundation	50,013.00	0.00	0.00	50,013.00
San Francisco State University	67,555.68	0.00	0.00	67,555.68
San Francisco Student Center	14,113.00	0.00	0.00	14,113.00
San Jose State University	412,368.03	0.00	0.00	412,368.03
San Jose State University Research Foundation	112,299.00	0.00	0.00	112,299.00
Santos Manuel Student Union, CSU San Bernardino	9,137.00	0.00	0.00	9,137.00
Sonoma State University	50,078.00	0.00	0.00	50,078.00

**California State University Risk Management Authority**  
**Member Aged Accounts Receivable**  
As of April 10th, 2013

Client Name	Current	31 - 60	Over 61	Balance
Spartan Shops Inc., San Jose State University	46,691.00	0.00	0.00	46,691.00
Student Union Inc., San Jose State University	10,608.00	0.00	0.00	10,608.00
The Tower Foundation, San Jose State University	7,141.00	0.00	0.00	7,141.00
The University Corporation at Monterey Bay	44,420.00	0.00	0.00	44,420.00
The University Corporation, CSU Northridge	86,362.00	0.00	0.00	86,362.00
The University Corporation, San Francisco State	15,313.00	0.00	0.00	15,313.00
Univ Enterprises Inc. CSU Sacramento	214,143.00	0.00	0.00	214,143.00
University Auxiliary and Research Svcs Corp, CSU San Marcos	29,020.00	0.00	0.00	29,020.00
University Center, Humboldt State University	24,096.00	0.00	0.00	24,096.00
University Enterprises Corporation at CSUSB	51,411.00	0.00	0.00	51,411.00
University Student Union, CSU Los Angeles	11,070.00	0.00	0.00	11,070.00
University Student Union, CSU Northridge	22,992.00	0.00	0.00	22,992.00
University Student Union, CSU Stanislaus	1,345.00	0.00	0.00	1,345.00
<b>Totals:</b>	<b>3,770,522.93</b>	<b>0.00</b>	<b>0.00</b>	<b>3,770,522.93</b>

**California State University Risk Management Authority  
Outstanding Member Loan Status  
As of 3/31/2013**

**Loan Pool: 15% of the overall average cash and investment for the preceding 12 months (Apr 2012 - Mar 2013)**

**\$ 25,123,188.84**

Member Name	Maturity Date	Original Issue Date	Original Issue Amount	Outstanding Loan Balance 3/31/2013	Outstanding Loan Balance 6/30/2012
Humboldt State University Advancement Foundation	Oct 2017 (Extension)	Aug 2008	\$ 2,535,000.00	\$ 2,000,000.00	\$ 2,535,000.00
CSU Fresno	Oct 2013	Nov 2008	\$ 4,500,000.00	\$ 2,698,286.88	\$ 3,069,895.88
CSU Northridge	Jun 2015	May 2010	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
<b>Total Loans</b>			<b>\$ 12,035,000.00</b>	<b>\$ 9,698,286.88</b>	<b>\$ 10,604,895.88</b>
<b>Remaining Amount Available for Member Loans:</b>				<b>\$ 15,424,901.96</b>	

**\*Per CSURMA P&P No. 10:**

A single Member loan and its associated Member's Auxiliary Organizations shall not exceed 5% of the overall average cash and investment for the preceding 12 months (Apr 2012 - Mar 2013)

**\$ 8,313,391.62**

**California State University Risk Management Authority**  
**Balance Sheet - Campus Programs as of 3/31/2013**  
(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs as of 3/31/2013
<b>Assets:</b>							
Cash and Investments	9,982,174	16,729,488	1,759,514	1,531,114	747,857	0	30,750,146
Other long-term investments	38,993,795	65,094,380	6,803,127	5,919,920	2,902,936	0	119,714,158
Accounts receivable	1,000,000	0	0	0	0	0	1,000,000
Loan receivable	0	0	0	0	0	0	0
Accrued interest receivable	1,333	2,227	233	203	99	0	4,095
Prepaid insurance	1,001,737	398,313	0	2,246,644	8,976	170,834	3,826,503
Prepaid expense	9,038	1,423,037	1,354	166,728	944	0	1,601,100
Fixed asset	3,138	7,404	2,209	2,767	644	0	16,162
Accumulated Depreciation	(1,020)	(2,406)	(718)	(899)	(209)	0	(5,253)
<b>Total assets:</b>	<b>50,990,194</b>	<b>83,652,443</b>	<b>8,565,718</b>	<b>9,866,476</b>	<b>3,661,246</b>	<b>170,834</b>	<b>156,906,911</b>
<b>Liabilities:</b>							
Accounts payable	83,741	720,493	3,519,006	21,805	5,830	0	4,350,876
Deferred revenue	3,612,728	7,413,107	3,125,000	2,778,915	739,780	170,834	17,840,364
SELF assessment liability	0	14,591,809	0	0	0	0	14,591,809
Reported claims	12,823,833	29,242,770	0	0	142,442	0	42,209,045
Claims incurred but not reported	10,745,376	10,985,551	0	0	1,899,224	0	23,630,151
<b>Total liabilities:</b>	<b>27,265,678</b>	<b>62,953,730</b>	<b>6,644,006</b>	<b>2,800,720</b>	<b>2,787,276</b>	<b>170,834</b>	<b>102,622,245</b>
Fund balance	23,724,516	20,698,713	1,921,712	7,065,756	873,970	0	54,284,666
<b>Total liabilities and fund balance</b>	<b>50,990,194</b>	<b>83,652,443</b>	<b>8,565,718</b>	<b>9,866,476</b>	<b>3,661,246</b>	<b>170,834</b>	<b>156,906,911</b>

# California State University Risk Management Authority

## Balance Sheet - AORMA Programs as of 3/31/2013

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs as of 3/31/2013
<b>Assets:</b>						
Cash and Investments	1,863,324	2,869,389	173,745	28,856	640,148	5,575,462
Other long-term investments	7,249,738	11,169,748	699,292	111,233	2,487,580	21,717,591
Accounts receivable	25,000	0	104	0	0	25,104
Loan receivable	0	0	0	0	0	0
Accrued interest receivable	248	382	24	4	85	743
Prepaid insurance	86,129	109,512	634,771	46,698	0	877,110
Prepaid expense	166,024	170,706	44,774	(741)	3,020	383,783
Fixed asset	965	931	759	0	0	2,656
Accumulated Depreciation	(314)	(303)	(247)	0	0	(863)
<b>Total assets:</b>	<b>9,391,114</b>	<b>14,320,366</b>	<b>1,553,222</b>	<b>186,049</b>	<b>3,130,834</b>	<b>28,581,585</b>
<b>Liabilities:</b>						
Accounts payable	1,068,807	807,825	6,060	580	639,836	2,523,107
Deferred revenue	668,843	10,740	1,024,874	70,580	2,374	1,777,412
SELF assessment liability	0	0	0	0	0	0
Reported claims	1,750,588	3,641,041	0	0	0	5,391,629
Claims incurred but not reported	817,895	4,241,254	0	0	0	5,059,149
<b>Total liabilities:</b>	<b>4,306,133</b>	<b>8,700,860</b>	<b>1,030,934</b>	<b>71,161</b>	<b>642,210</b>	<b>14,751,297</b>
Fund balance	5,084,982	5,619,506	522,288	114,888	2,488,624	13,830,288
<b>Total liabilities and fund balance</b>	<b>9,391,114</b>	<b>14,320,366</b>	<b>1,553,222</b>	<b>186,049</b>	<b>3,130,834</b>	<b>28,581,585</b>

# California State University Risk Management Authority

## Balance Sheet - Miscellaneous Programs as of 3/31/2013

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Loans	Total Misc Programs as of 3/31/2013	Grand Total All Programs as of 3/31/2013
<b>Assets:</b>						
Cash and Investments	1,675	(1,497,262)	6,296	(1,993,809)	(3,483,100)	32,842,508
Other long-term investments	6,522	(5,888,635)	24,548	(7,704,478)	(13,562,044)	127,869,705
Accounts receivable	3,803	0	0	0	3,803	1,028,907
Loan receivable	0	0	0	9,698,287	9,698,287	9,698,287
Accrued interest receivable	0	(201)	1	0	(200)	4,638
Prepaid insurance	0	2,247,452	41,408	0	2,288,860	6,992,472
Prepaid expense	0	255,210	4,654	0	259,864	2,244,747
Fixed asset	0	0	0	0	0	18,818
Accumulated Depreciation	0	0	0	0	0	(6,116)
<b>Total assets:</b>	<b>12,000</b>	<b>(4,883,436)</b>	<b>76,906</b>	<b>0</b>	<b>(4,794,530)</b>	<b>180,693,966</b>
<b>Liabilities:</b>						
Accounts payable	0	22,009	0	0	22,009	6,895,992
Deferred revenue	0	0	48,205	0	48,205	19,665,981
SELF assessment liability	0	0	0	0	0	14,591,809
Reported claims	0	0	0	0	0	47,600,674
Claims incurred but not reported	0	0	0	0	0	28,689,300
<b>Total liabilities:</b>	<b>0</b>	<b>22,009</b>	<b>48,205</b>	<b>0</b>	<b>70,215</b>	<b>117,443,756</b>
Fund balance	12,000	(4,905,446)	28,701	0	(4,864,745)	63,250,210
<b>Total liabilities and fund balance</b>	<b>12,000</b>	<b>(4,883,436)</b>	<b>76,906</b>	<b>0</b>	<b>(4,794,530)</b>	<b>180,693,966</b>

# California State University Risk Management Authority

## Income Statement - Campus Programs as of 3/31/2013

(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs
<b>OPERATING REVENUES:</b>							
Contributions	11,088,719	22,239,322	12,091,515	8,357,162	2,215,604	512,502	56,504,824
Reinsurance premiums	(123,750)	(2,014,509)	0	0	0	0	(2,138,259)
<b>Total operating revenues:</b>	<b>10,964,969</b>	<b>20,224,813</b>	<b>12,091,515</b>	<b>8,357,162</b>	<b>2,215,604</b>	<b>512,502</b>	<b>54,366,565</b>
<b>OPERATING EXPENSES:</b>							
<b>DIRECT PROGRAM EXPENSES:</b>							
Claims payment & legal expenses	6,456,466	13,924,360	10,531,622	1,223,255	2,123,448	0	34,259,150
Deductible recoveries	(2,313,496)	0	0	0	0	0	(2,313,496)
Claims administrators	61,431	2,726,534	45,342	0	86,250	0	2,919,557
Claims management information system	22,704	0	0	0	0	0	22,704
Program administrator	145,749	296,547	125,010	148,609	7,227	0	723,142
Brokerage commissions	1,510	19,702	0	315,601	126	0	336,938
Insurance premiums	2,964,064	3,203,854	0	6,526,171	16,961	512,502	13,223,552
Taxes, assessments & fees	188,015	0	0	0	0	0	188,015
Actuarial services	4,750	5,250	0	0	2,750	0	12,750
Miscellaneous program services	20,712	2,789	0	0	0	0	23,500
Workshops/training	0	0	0	0	0	0	0
Loss control	68,021	731	0	0	0	0	68,752
Reinsurance recovery	0	(8,778,647)	0	0	0	0	(8,778,647)
Program committee	0	0	0	0	1,306	0	1,306
Dividend distributions	0	7,504,717	0	0	0	0	7,504,717
<b>Total direct program expenses:</b>	<b>7,619,925</b>	<b>18,905,836</b>	<b>10,701,974</b>	<b>8,213,635</b>	<b>2,238,068</b>	<b>512,502</b>	<b>48,191,940</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>							
Financial audit	8,173	16,629	7,010	6,113	1,635	0	39,560
Executive committee & board expenses	1,036	2,108	889	775	207	0	5,016
JPA insurance	1,985	4,039	1,703	1,485	397	0	9,609
Memberships, associations & dues	1,155	2,350	991	864	231	0	5,590
Chancellor's office accounting services	37,589	76,479	32,241	28,114	7,517	0	181,940
Risk management expenses	132,185	268,948	113,379	98,867	26,435	0	639,814
Miscellaneous indirect services	3,494	7,385	2,986	2,760	710	0	17,335
<b>Total general &amp; administrative expenses:</b>	<b>185,617</b>	<b>377,939</b>	<b>159,198</b>	<b>138,978</b>	<b>37,132</b>	<b>0</b>	<b>898,864</b>
<b>Total operating expenses:</b>	<b>7,805,542</b>	<b>19,283,775</b>	<b>10,861,172</b>	<b>8,352,613</b>	<b>2,275,200</b>	<b>512,502</b>	<b>49,090,804</b>
<b>NON-OPERATING REVENUES:</b>							
Investment income	764,009	1,387,157	180,651	100,926	71,618	0	2,504,361
<b>Total non-operating revenues:</b>	<b>764,009</b>	<b>1,387,157</b>	<b>180,651</b>	<b>100,926</b>	<b>71,618</b>	<b>0</b>	<b>2,504,361</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>19,801,080</b>	<b>18,370,519</b>	<b>510,717</b>	<b>5,185,396</b>	<b>861,948</b>	<b>0</b>	<b>44,729,659</b>
<b>ADJUSTMENTS TO RETAINED EARNINGS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,774,885</b>	<b>0</b>	<b>0</b>	<b>1,774,885</b>
<b>TOTAL ADJUSTED RETAINED EARNINGS</b>	<b>19,801,080</b>	<b>18,370,519</b>	<b>510,717</b>	<b>6,960,281</b>	<b>861,948</b>	<b>0</b>	<b>46,504,544</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>3,923,436</b>	<b>2,328,194</b>	<b>1,410,995</b>	<b>105,475</b>	<b>12,022</b>	<b>0</b>	<b>7,780,122</b>
<b>ENDING RETAINED EARNINGS</b>	<b>23,724,516</b>	<b>20,698,713</b>	<b>1,921,712</b>	<b>7,065,756</b>	<b>873,970</b>	<b>0</b>	<b>54,284,666</b>

California State University Risk Management Authority

Income Statement - AORMA Programs as of 3/31/2013

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs
<b>OPERATING REVENUES:</b>						
Contributions	2,637,887	3,290,169	3,074,894	211,741	1,723,647	10,938,337
Reinsurance premiums	(618,750)	0	0	0	0	(618,750)
<b>Total operating revenues:</b>	<b>2,019,137</b>	<b>3,290,169</b>	<b>3,074,894</b>	<b>211,741</b>	<b>1,723,647</b>	<b>10,319,587</b>
<b>OPERATING EXPENSES:</b>						
<b>DIRECT PROGRAM EXPENSES:</b>						
Claims payment & legal expenses	1,467,335	1,437,530	34,481	0	2,068,043	5,007,390
Deductible recoveries	(134,326)	0	0	0	0	(134,326)
Claims administrators	9,450	155,317	0	0	15,000	179,767
Claims management information system	0	0	0	0	0	0
Program administrator	425,625	251,019	181,911	17,442	30,938	906,935
Brokerage commissions	28,466	(2,526)	133,375	(2,318)	0	156,998
Insurance premiums	258,386	331,487	1,904,655	140,095	0	2,634,623
Taxes, assessments & fees	0	29,989	0	0	0	29,989
Actuarial services	4,000	5,500	0	0	0	9,500
Miscellaneous program services	0	0	0	0	0	0
Workshops/training	4,925	5,803	4,206	403	2,663	18,000
Loss control	66,226	79,060	0	0	0	145,286
Reinsurance recovery	0	0	0	0	0	0
Program committee	4,610	5,417	3,923	376	2,482	16,807
Dividend distributions	1,061,712	640,445	0	0	0	1,702,157
<b>Total direct program expenses:</b>	<b>3,196,409</b>	<b>2,939,042</b>	<b>2,262,551</b>	<b>155,997</b>	<b>2,119,125</b>	<b>10,673,124</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>						
Financial audit	1,989	2,344	1,699	163	1,075	7,269
Executive committee & board expenses	252	297	215	21	136	922
JPA insurance	483	569	413	40	261	1,766
Memberships, associations & dues	0	0	0	0	0	0
Chancellor's office accounting services	9,148	10,779	7,812	748	4,946	33,433
Risk management expenses	32,170	37,904	27,473	2,632	17,392	117,570
Miscellaneous indirect services	910	1,027	743	65	432	3,177
<b>Total general &amp; administrative expenses:</b>	<b>44,952</b>	<b>52,920</b>	<b>38,355</b>	<b>3,667</b>	<b>24,243</b>	<b>164,137</b>
<b>Total operating expenses:</b>	<b>3,241,361</b>	<b>2,991,962</b>	<b>2,300,906</b>	<b>159,665</b>	<b>2,143,368</b>	<b>10,837,261</b>
<b>NON-OPERATING REVENUES:</b>						
Investment income	147,864	201,685	38,416	2,142	52,244	442,351
<b>Total non-operating revenues:</b>	<b>147,864</b>	<b>201,685</b>	<b>38,416</b>	<b>2,142</b>	<b>52,244</b>	<b>442,351</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>6,159,342</b>	<b>5,119,614</b>	<b>1,484,769</b>	<b>60,671</b>	<b>2,856,101</b>	<b>15,680,497</b>
<b>ADJUSTMENTS TO RETAINED EARNINGS</b>	<b>0</b>	<b>0</b>	<b>(1,774,885)</b>	<b>0</b>	<b>0</b>	<b>(1,774,885)</b>
<b>TOTAL ADJUSTED RETAINED EARNINGS</b>	<b>6,159,342</b>	<b>5,119,614</b>	<b>(290,116)</b>	<b>60,671</b>	<b>2,856,101</b>	<b>13,905,612</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(1,074,361)</b>	<b>499,893</b>	<b>812,404</b>	<b>54,218</b>	<b>(367,478)</b>	<b>(75,324)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>5,084,982</b>	<b>5,619,506</b>	<b>522,288</b>	<b>114,888</b>	<b>2,488,624</b>	<b>13,830,288</b>

**California State University Risk Management Authority**  
**Income Statement - Miscellaneous Programs as of 3/31/2013**

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Total Misc Programs	Grand Total All Programs
<b>OPERATING REVENUES:</b>					
Contributions	288,867	0	130,030	418,897	67,862,058
Reinsurance premiums	0	0	0	0	(2,757,009)
<b>Total operating revenues:</b>	<b>288,867</b>	<b>0</b>	<b>130,030</b>	<b>418,897</b>	<b>65,105,049</b>
<b>OPERATING EXPENSES:</b>					
<b>DIRECT PROGRAM EXPENSES:</b>					
Claims payment & legal expenses	0	0	0	0	39,266,540
Deductible recoveries	0	0	0	0	(2,447,822)
Claims administrators	0	0	0	0	3,099,324
Claims management information system	0	0	0	0	22,704
Program administrator	0	198,125	0	198,125	1,828,201
Brokerage commissions	13,792	18,679	10,191	42,662	536,598
Insurance premiums	256,045	2,424,795	91,202	2,772,042	18,630,216
Taxes, assessments & fees	0	0	0	0	218,004
Actuarial services	0	0	0	0	22,250
Miscellaneous program services	0	0	0	0	23,500
Workshops/training	0	0	0	0	18,000
Loss control	0	0	0	0	214,038
Reinsurance recovery	0	0	0	0	(8,778,647)
Program committee	0	0	0	0	18,114
Dividend distributions	0	0	0	0	9,206,874
<b>Total direct program expenses:</b>	<b>269,837</b>	<b>2,641,599</b>	<b>101,393</b>	<b>3,012,829</b>	<b>61,877,893</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>					
Financial audit	0	6,170	0	6,170	53,000
Executive committee & board expenses	0	782	0	782	6,719
JPA insurance	0	1,499	0	1,499	12,874
Memberships, associations & dues	0	0	0	0	5,590
Chancellor's office accounting services	0	28,377	0	28,377	243,750
Risk management expenses	0	99,793	0	99,793	857,177
Miscellaneous indirect services	0	1,975	0	1,975	22,487
<b>Total general &amp; administrative expenses:</b>	<b>0</b>	<b>138,596</b>	<b>0</b>	<b>138,596</b>	<b>1,201,597</b>
<b>Total operating expenses:</b>	<b>269,837</b>	<b>2,780,195</b>	<b>101,393</b>	<b>3,151,425</b>	<b>63,079,491</b>
<b>NON-OPERATING REVENUES:</b>					
Investment income	0	(80,658)	64	(80,593)	2,866,118
<b>Total non-operating revenues:</b>	<b>0</b>	<b>(80,658)</b>	<b>64</b>	<b>(80,593)</b>	<b>2,866,118</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>(7,030)</b>	<b>(2,044,593)</b>	<b>0</b>	<b>(2,051,623)</b>	<b>58,358,534</b>
<b>ADJUSTMENTS TO RETAINED EARNINGS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ADJUSTED RETAINED EARNINGS</b>	<b>(7,030)</b>	<b>(2,044,593)</b>	<b>0</b>	<b>(2,051,623)</b>	<b>58,358,534</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>19,030</b>	<b>(2,860,853)</b>	<b>28,701</b>	<b>(2,813,122)</b>	<b>4,891,676</b>
<b>ENDING RETAINED EARNINGS</b>	<b>12,000</b>	<b>334,905,446</b>	<b>28,701</b>	<b>(4,864,745)</b>	<b>63,250,210</b>

# California State University Risk Management Authority

## Income Statement as of 3/31/2013

(Unaudited)

	Budget vs. Actual			Percent of Budget
	FY 2012/2013 Budget	Year-to-Date Ending 3/31/2013	Variance	
<b>OPERATING REVENUES:</b>				
Contributions	90,030,846	67,862,058	22,168,788	75.38%
Reinsurance premiums	(3,004,509)	(2,757,009)	(247,500)	91.76%
<b>Total operating revenues:</b>	<b>87,026,337</b>	<b>65,105,049</b>	<b>21,921,288</b>	<b>74.81%</b>
<b>OPERATING EXPENSES:</b>				
<b>DIRECT PROGRAM EXPENSES:</b>				
Claims payment & legal expenses	59,249,626	39,266,540	19,983,086	66.27%
Deductible recoveries	(4,050,000)	(2,447,822)	(1,602,178)	60.44%
Claims administrators	4,639,795	3,099,324	1,540,471	66.80%
Claims management information system	100,000	22,704	77,296	22.70%
Program administrator	2,449,686	1,828,201	621,485	74.63%
Brokerage commissions	1,258,407	536,598	721,809	42.64%
Insurance premiums	19,305,370	18,630,216	675,154	96.50%
Taxes, assessments & fees	235,000	218,004	16,996	92.77%
Actuarial services	26,000	22,250	3,750	85.58%
Claims audit	22,000	0	22,000	0.00%
Coverage counsel	16,000	0	16,000	0.00%
Program legal	12,500	0	12,500	0.00%
Miscellaneous program services	11,905	23,500	(11,595)	197.40%
Workshops/training	35,000	18,000	17,000	51.43%
Loss control	558,125	214,038	344,087	38.35%
Reinsurance recovery	(11,830,493)	(8,778,647)	(3,051,846)	74.20%
Program committee	30,688	18,114	12,574	59.03%
Dividend distributions	9,723,907	9,206,874	517,033	94.68%
<b>Total direct program expenses:</b>	<b>81,793,516</b>	<b>61,877,893</b>	<b>19,915,623</b>	<b>75.65%</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>				
Financial audit	55,000	53,000	2,000	96.36%
Executive committee & board expenses	34,000	6,719	27,281	19.76%
JPA insurance	27,500	12,874	14,626	46.81%
Memberships, associations & dues	5,250	5,590	(340)	106.48%
Chancellor's office accounting services	325,000	243,750	81,250	75.00%
Risk management expenses	1,116,000	857,177	258,823	76.81%
JPA legal	5,000	0	5,000	0.00%
Miscellaneous indirect services	15,000	22,487	(7,487)	149.91%
<b>Total general &amp; administrative expenses:</b>	<b>1,582,750</b>	<b>1,201,597</b>	<b>381,153</b>	<b>75.92%</b>
<b>Total operating expenses:</b>	<b>83,376,266</b>	<b>63,079,491</b>	<b>20,296,775</b>	<b>75.66%</b>
<b>NON-OPERATING REVENUES:</b>				
Investment income	5,000,000	2,866,118	2,133,882	57.32%
<b>Total non-operating revenues:</b>	<b>5,000,000</b>	<b>2,866,118</b>	<b>2,133,882</b>	<b>57.32%</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>8,650,071</b>	<b>4,891,676</b>	<b>3,758,395</b>	<b>56.55%</b>

**FINANCIAL REPORT**  
**TREASURER'S REPORT**  
**AT MARCH 31, 2013**

**ISSUE:** California Government Code Section 53646(b)(1) requires that the CSURMA Treasurer submit a Quarterly Investment Report stating that all investments are in compliance with the current investment policy and that CSURMA has sufficient funds to meet its expenditure requirements for the next six months. The CSURMA Treasurer will be on hand to address questions.

**RECOMMENDATION:** It is recommended that the Executive Committee review the Treasurer's Report ending March 31, 2013 as part of the Consent Calendar.

**FISCAL IMPACT:** None.

**BACKGROUND:** The objective of ensuring that CSURMA has sufficient funds is to assure that policies and procedures are in effect and followed to protect and preserve the JPA's financial assets.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Certification of Funds Letter dated April 25, 2013
- b. CSURMA Investment Report



California State University Risk Management Authority

**Officers**

**Cynthia Teniente-Matson**  
Chair

**Mary Ann Rodriguez**  
Vice Chair

**George V. Ashkar**  
Treasurer

**Charlene M. Minnick**  
Secretary

To: Executive Committee  
CSU Risk Management Authority

From: George V. Ashkar  
Treasurer of CSU Risk Management Authority

Re: Quarterly Investment Report  
Ending March 31, 2013

Date: April 25, 2013

Government Code Section 53646(b)(1) requires the Authority's Treasurer to submit to the legislative body (Executive Committee), a quarterly investment report. Attached is the quarterly investment report ending March 31<sup>st</sup>, 2013. The report contains a portfolio summary which includes market value, return, yield, weighted average to maturity (WAM), and duration for each of CSURMA investment Portfolios; Fixed Income Portfolio with Morgan Stanley-Smith Barney, and CSU's Consolidated Investment Pool.

It is the belief of the Treasurer that the funds held in investments are sufficient to meet the Authority's cash flow needs for the following six (6) months, and the investments are in accordance with the investment policy of the Authority, as duly authorized by the Executive Committee.

George V. Ashkar, Treasurer

# CSURMA Quarterly Investment Report

January 1, 2013 – March 31, 2013

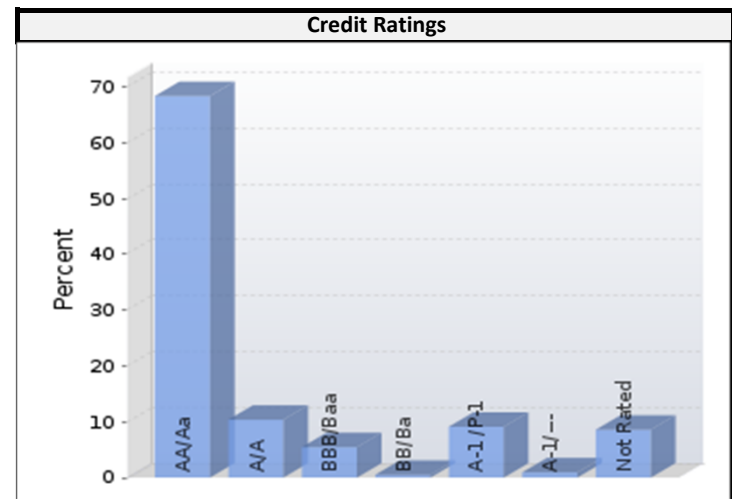
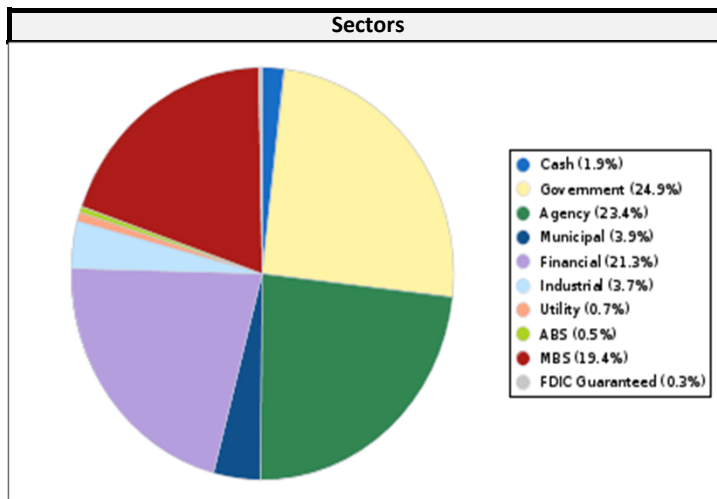
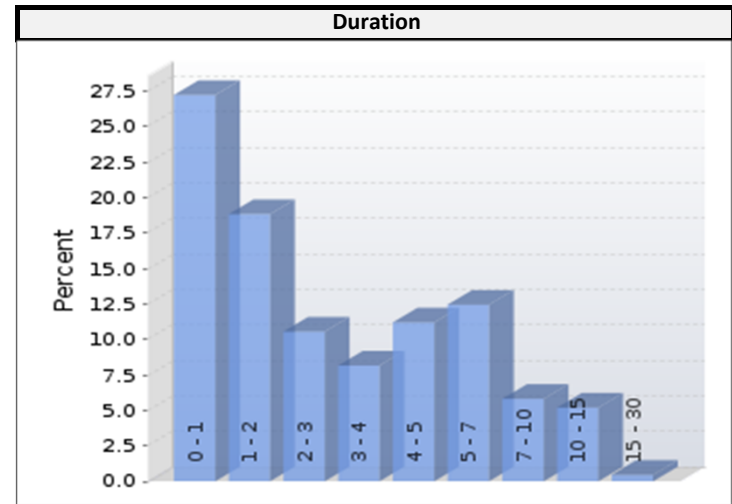
Prepared by the Office of Financing and Treasury

# California State University Risk Management Authority

## Fixed Income Portfolio (Auxiliary Investment Platform)

As of 3/31/2013

Portfolio Summary Total	
Total Assets	127,869,705
Duration	3.245
Yield	0.687%
Avg Credit Rating	AA-/Aa3
QE Performance	0.122%

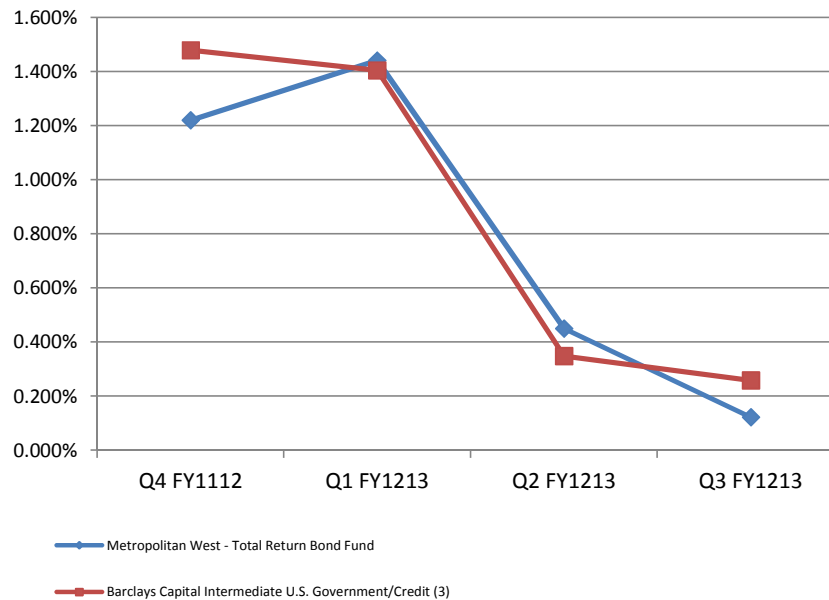


**California State University Risk Management Authority**  
**Fixed Income Portfolio (Auxiliary Investment Platform)**  
**Performance Summary**

Period Ended 3/31/13

Account / Index	Market Value	3 Month <sup>(1)</sup>	12 Month <sup>(1)</sup>	3 Year <sup>(1)</sup>	5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	03/31/13	01/01/13 - 03/31/13	04/01/12 - 03/31/13	04/01/10 - 03/31/13	04/01/08 - 03/31/13	04/01/08 - 03/31/13			
Metropolitan West - Total Return Bond Fund	127,869,705	0.122%	3.226%	4.418%	5.791%	5.791%	0.687	7.489	3.245
Barclays Capital Intermediate U.S. Government/Credit <sup>(3)</sup>		0.258%	3.528%	4.741%	4.610%	4.610%	1.073	4.262	3.900

Account / Index	Q4 FY1112	Q1 FY1213	Q2 FY1213	Q3 FY1213	12 Month Return <sup>(1)</sup>
	04/01/12 - 06/30/12	07/01/12 - 09/30/12	10/01/12 - 12/31/12	01/01/13 - 03/31/13	04/01/12 - 03/31/13
Metropolitan West - Total Return Bond Fund	1.220%	1.441%	0.449%	0.122%	3.226%
Barclays Capital Intermediate U.S. Government/Credit <sup>(3)</sup>	1.479%	1.404%	0.348%	0.258%	3.528%

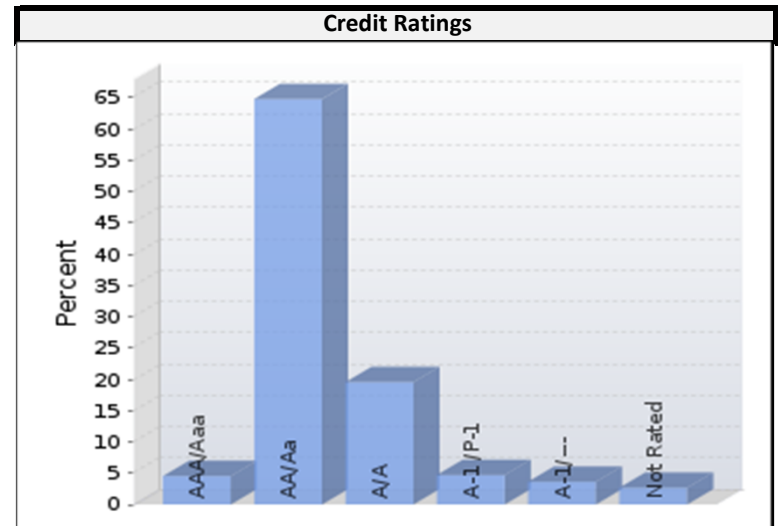
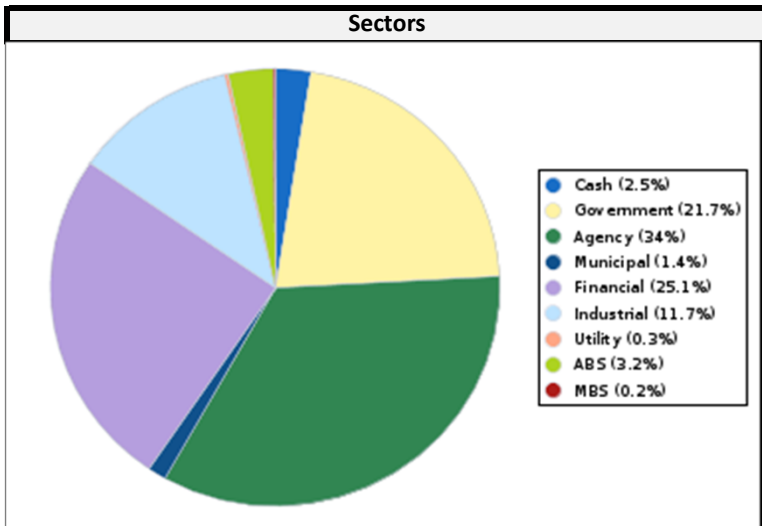
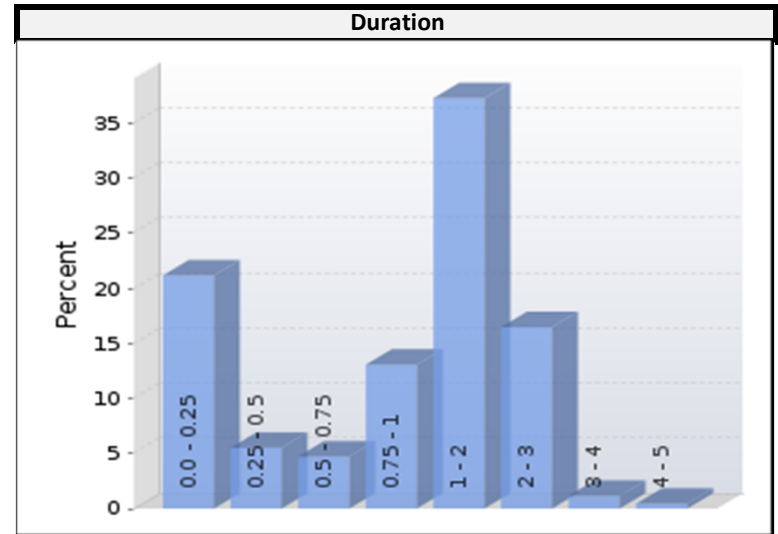


- (1) Represents Total Return on the portfolio (Income Return plus Price Return)
- (2) Weighted Average Maturity
- (3) Portfolio Benchmark

# California State University SWIFT Portfolio

As of 3/31/2013

Portfolio Summary Total	
Total Assets	32,776,422
Duration	1.227
Yield	0.350%
Avg Credit Rating	AA-/Aa3
QE Performance	0.143%



# California State University Risk Management Authority

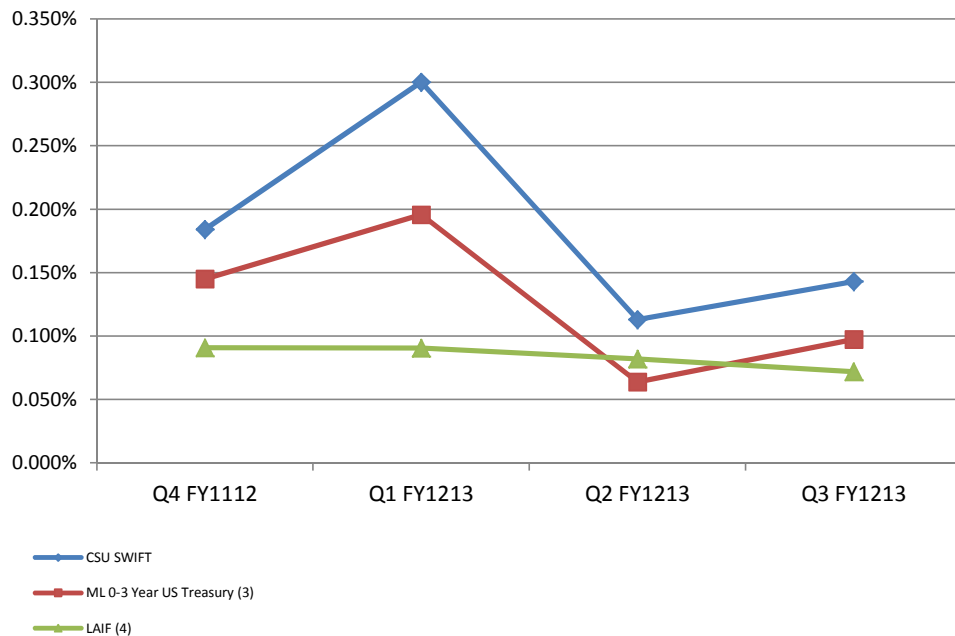
## SWIFT Portfolio

### Performance Summary

Period Ended 3/31/13

Account / Index	Market Value	3 Month <sup>(1)</sup>	12 Month <sup>(1)</sup>	3 Year <sup>(1)</sup>	5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	03/31/13	01/01/13 - 03/31/13	04/01/12 - 03/31/13	04/01/10 - 03/31/13	04/01/08 - 03/31/13	04/01/08 - 03/31/13			
CSU SWIFT	32,776,422	0.143%	0.743%	0.653%	1.170%	1.669%	0.350	1.583	1.227
BofA ML 0-3 Year US Treasury <sup>(3)</sup>		0.097%	0.503%	0.968%	1.403%	2.377%	0.211	1.457	1.432
LAIF <sup>(4)</sup>		0.072%	0.336%	0.421%	0.949%	n/a	0.290		

Account / Index	Q4 FY1112	Q1 FY1213	Q2 FY1213	Q3 FY1213	12 Month Return <sup>(1)</sup>
	04/01/12 - 06/30/12	07/01/12 - 09/30/12	10/01/12 - 12/31/12	01/01/13 - 03/31/13	04/01/12 - 03/31/13
CSU SWIFT	0.184%	0.300%	0.113%	0.143%	0.743%
ML 0-3 Year US Treasury <sup>(3)</sup>	0.145%	0.196%	0.064%	0.097%	0.503%
LAIF <sup>(4)</sup>	0.091%	0.091%	0.082%	0.072%	0.336%



(1) Represents Total Return on the portfolio (Income Return plus Price Return)

(2) Weighted Average Maturity

(3) Portfolio Benchmark

(4) LAIF quarterly return calculated by CSUCO Financing & Treasury

**MEMORANDA OF UNDERSTANDING (MOU) FOR SERVICES  
PROVIDED BY CSU CHANCELLOR'S OFFICE**

**ISSUE:** CSURMA has engaged and reimbursed the CSU Chancellor's Office for accounting, legal and risk management services. The services provided are described in the attached memoranda. The table below summarizes the cost of services provided

<b>Service Provider</b>	<b>FY 2012-2013 Cost</b>	<b>FY 2013-2014 Cost</b>
Financial Services	\$325,000	\$325,000
Office of General Counsel	327,360	338,000
Risk Management	769,398	792,480
Public Safety	213,660	220,070
<b>TOTAL:</b>	<b>\$1,635,418</b>	<b>\$1,675,550</b>

**RECOMMENDATION:** It is recommended that the Executive Committee approve the memoranda of understanding and delegate to the Chair the authority to execute the documents.

**FISCAL IMPACT:** The cost for these services has been included in the current fiscal year and proposed FY 13-14 budgets.

**BACKGROUND:** None.

**ATTACHMENT(S):** Memoranda of Understanding:

1. Financial Services
2. Office of General Counsel
3. Risk Management and Public Safety

**MEMORANDUM**

Date: May 9, 2013  
To: CSURMA Executive Committee  
From: George V. Ashkar  
Assistant Vice Chancellor/Controller, Financial Services  
Subject: **FY 2013/14 Financial Services Overhead Costs for CSURMA**

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The following services (costs) are assigned to the CSU Risk Management Authority.

**CSURMA Accounting Services**

Annual cost of staff, benefits, space, and operating costs for CSURMA Accounting which provides the following services:

- **Accounts Payable:** Process bi-weekly and emergency disbursements for vendor payments, settlements, legal bills and reimbursements to the members.
- **Accounts Receivable:** Produces on demand, quarterly and annual billing invoices/CPOs to CSURMA members, manages collection efforts on all CSURMA accounts, and collects member payments on a daily basis. Facilitates member disputes and provides the appropriate action.
- **Financial Reporting:** Produces financial reporting packages, annual external audit, bond audited financial statement and on demand reporting requests.
- **Financial Edge:** Manages financial data to maintain electronic records and information in accordance with CSURMA's Policy.
- **Record Retention:** Maintains Accounts Payable, Accounts Receivable, Audit Reporting, Banking, and financial reporting records and information in accordance with CSURMA's Policy.

The total annual cost of providing the services identified above is \$325,000 as approved by the Executive Committee annual budget process. Your program will be charged quarterly installments of \$81,250 for a total annual amount of \$325,000. This plan is effective for the fiscal period beginning July 1, 2013 through June 30, 2014.

If you have any questions, please contact me at extension 1-4671.

The above has been reviewed and approved;

\_\_\_\_\_  
Benjamin F. Quillian  
Executive Vice Chancellor and Chief Financial Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Cindy Matson  
CSURMA Executive Committee, Chair

\_\_\_\_\_  
Date


GVA:KC;ea

cc: Jean L. Gill, Assistant Controller, Financial Services Accounting  
Zachary Gifford, Associate Director, SW Risk Management  
Kelly Cox, Associate Director, Financial Services Accounting  
Alice Kim, Enterprise and CO Reporting Manager, Financial Services Accounting

## MEMORANDUM

**April 29, 2013**

**To:** CSURMA Executive Committee

**From:**  G. Andrew Jones, Interim General Counsel  
[gajones@calstate.edu](mailto:gajones@calstate.edu)

**Re:** CSURMA-OGC Relationship and Cost Sharing  
OGC No. 06-1085

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The purpose of this memorandum is to clarify the role and responsibilities of the CSURMA legal counsel, and to confirm the long-standing agreement of the CSU Risk Management Authority to fund certain overhead costs for the CSU Office of General Counsel.

### **Role of CSURMA Counsel**

The CSURMA counsel is appointed by the CSU General Counsel as provided under CSURMA's Joint Powers Agreement Section 14(b). CSURMA's counsel serves as counsel to CSURMA in the areas described below, and is available to provide legal advice to the CSU Systemwide Office of Risk Management on matters related to operation of CSURMA.

### **Responsibilities of CSURMA Counsel**

The responsibilities of CSURMA's counsel are not narrowly circumscribed, and are subject to reasonable variation from time to time after appropriate consultation between the CSU General Counsel and CSURMA. In general, the responsibilities of the CSURMA counsel include:

1. **Open meeting law compliance** – Provide counsel and training to the CSURMA Board, Committees and staff regarding compliance with the Bagley-Keene Open Meeting Act and ensure that meetings are conducted pursuant to that Act.
2. **Counsel on matters related to CSURMA operations** – As needed, provide advice on matters related to CSURMA operations, such as service agreements with third party vendors. If legal issues arise concerning the relationship between CSURMA and CSU or any of its personnel, and the CSURMA Counsel has an actual or perceived conflict, the CSURMA Counsel will not provide advice on that particular issue, unless CSURMA and CSU's General Counsel mutually and expressly agree and request that he/she do so.

April 26, 2013  
Page 2

3. **Legislative and regulatory analysis** – As such matters arise, provide advice on the impact of pending legislation and regulation as it pertains to the operation of the CSURMA joint powers authority entity.
4. **Special Projects** – Assist with special projects related to CSURMA programs. (For example, CSURMA counsel participated in development of the Waiver of Liability Language Project, effected in Executive Order 1051.) Assist with litigation management where CSURMA is a party litigant (e.g., the SELF dispute).

CSURMA counsel is not expected to provide advice on matters such as coverage opinions, assist with the selection of defense counsel or provide litigation management outside of what is described above. All assignments to the CSURMA counsel will come from the Assistant Vice Chancellor of Systemwide Risk Management and Public Safety, who will discuss anything out of the ordinary with the CSU General Counsel in advance.

#### Allocation of Overhead Costs

Recognizing the value to CSURMA arising from the services of the CSURMA counsel as well as the services provided by OGC litigation attorneys, in 2006/2007 the CSU Risk Management Authority agreed to fund certain OGC overhead costs. Specifically, CSURMA agreed to fund the annual overhead costs for two OGC litigation attorneys, including salary, benefits, office space and other operational costs. Additionally, CSURMA agrees to assume responsibility for any direct out of pocket expenses associated with the services provided by the CSURMA counsel, such as travel expenses to attend CSURMA-related meetings at locations other than the CSU Chancellor's Office.

For the 2012-2013 fiscal year, the anticipated reimbursement provided by CSURMA is approximately \$327,360. For the 2013-2014 fiscal year, the OGC overhead costs funded by CSURMA are projected to be approximately \$338,000.

**The above has been reviewed and approved.**

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**Benjamin F. Quillian**  
Executive Vice Chancellor and Chief Financial Officer

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**Date**

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**Cindy Matson**  
CSURMA Executive Committee, Chair

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**Date**

*Risk Management and Public Safety*  
401 Golden Shore, 5th Floor  
Long Beach, CA 90802-4210

[www.calstate.edu](http://www.calstate.edu)

## MEMORANDUM

Date: May 9, 2013  
To: CSURMA Executive Committee  
From: Charlene Minnick  
Assistant Vice Chancellor –Systemwide Risk Management & Public Safety  
Subject: **Annual Office of Systemwide Risk Management & Public Safety Overhead Costs for CSURMA**

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The following services (costs) are assigned to the CSU Risk Management Authority

### **CSURMA Systemwide Risk Management & Public Safety Overhead Costs**

Annual cost of staff, benefits, space and operation costs for CSURMA Office of General Counsel Overhead which provides the following services:

- **Oversight of CSURMA:** Works directly with CSURMA program administrator and broker in administration and development of the self-insurance and insurance programs.
- **Insurance Placement:** Key participant in the placement of the 16+ insurance placements, including underwriter meetings, insurance program review, analysis and development.
- **Risk Consultation:** Provides daily risk management, loss control, emergency preparedness, workers compensation and public safety consultation with a myriad of campus representatives.
- **General Liability Claims Handling and Litigation Support:** Adjusts claims from notice of incident through the filing and adjustment of the claim and when applicable, monitors and collaborates with legal counsel on litigated matters. Maintains the general liability database.
- **Workers' Compensation, Environmental Health & Safety, Risk Management and Emergency Preparedness Systemwide Oversight:** Provides guidance, oversight and the development of policy and procedures systemwide.
- **Police Services (Public Safety) Oversight\*:** assists in the design, development and implementation of public safety programs including policies and procedures for the University in

**CSU Campuses**  
Bakersfield  
Channel Islands  
Chico  
Dominguez Hills  
East Bay

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

addressing police services, emergency preparedness, emergency coordination and critical response. Systemwide CLERY reporting is also coordinated through Police Services.

Currently the annual cost of providing the services identified above is (~) \$769,398 (Risk Management) and \$213,660 (Public Safety/Police Services). The CSURMA program is billed monthly. The above is effective for the fiscal period beginning July 1, 2012 through June 30, 2013. For the period of July 1, 2013 through June 30, 2014 the projected annual cost of providing services is \$792,480 (Risk Management) and \$220,070 (Public Safety/Police Services).

If there are any questions, please contact me at [cminnick@calstate.edu](mailto:cminnick@calstate.edu) or by calling (562) 951-4580.

The above has been reviewed and approved;

\_\_\_\_\_  
Benjamin F. Quillian  
Executive Vice Chancellor and Chief Financial Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Cindy Matson  
CSURMA Executive Committee, Chair

\_\_\_\_\_  
Date

\*The Chief Law Enforcement Officer and the Special Assistant – Compliance Coordinator are reimbursable positions at the direction of the Executive vice Chancellor – Chief Financial Officer.

\*The Chief Law Enforcement Officer and the Special Assistant – Compliance Coordinator are reimbursable positions at the direction of the Executive vice Chancellor – Chief Financial Officer.

**RECOMMENDATION FOR APPROVAL OF THE  
FY 2013/2014 OPERATING BUDGET**

**ISSUE:** This item was deferred from the Executive Committee's meeting on March 21, 2013 to today's meeting. CSURMA's next fiscal year begins on July 1, 2013. The FY 2013/14 operating budget is to be approved by the Board of Directors at its May 10, 2013 meeting. The Chancellor's Office and the Program Administrators worked together to draft the FY 2013/14 budget for the Executive Committee's review.

AORMA separately develops a budget for its coverage programs. The AORMA Committee approved its FY 2013/14 operating budget on March 21, 2013 and this has been incorporated into the draft CSURMA budget for FY 2013/14.

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

- Projected decrease in Total contributions from \$73,981,577 to \$69,700,749.
- Projected decrease in Liability contributions from \$14,573,913 to \$13,670,600 due to actuarial projected claim trend.
- Projected decrease in Workers' Compensation contributions from \$29,652,429 to \$29,448,933 due to actuarial projected claim trend.
- Projected decrease in IDL/NDI/UI contributions from \$15,216,515 (inclusive of UI assessment) to \$13,500,000.
- Projected decrease in Property contributions from \$10,900,000 to \$9,500,000 due to change in Property rates. Premiums are subject to adjustment based on final reported total insured values (TIV).
- Projected decrease in AIME contributions from \$2,955,384 to \$2,932,489 due to actuarial projected claim trend.
- Projected decrease in Auto Liability contributions from \$683,336 to \$648,727 per the state allocation for VELSIP approved by the DGS Office of Risk & Insurance Management (ORIM).

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

- Projected increase in Total contributions from \$12,962,681 to \$14,293,685.
- Projected increase in Liability contributions from \$3,546,798 to \$3,665,132 due to actuarial projected claim trend and projected reinsurance premiums.
- Projected increase in Workers' Compensation contributions from \$4,179,283 to \$4,444,743 due to actuarial projected claim trend and projected excess insurance premium.
- Projected increase in Property contributions from \$3,028,727 to \$3,539,254 due to change in total insured values and expected insurance premiums. Premiums are

subject to adjustment based on final reported total insured values (TIV) and final negotiated rates.

- Projected increase in Crime from \$290,404 to \$351,104 due to claims experience.
- Projected increase in Unemployment Insurance contributions from \$1,917,469 to \$2,293,452 due to claims experience.

The proposed budget for FY 2013/14 includes a planned increase for Loss Control Expenses from \$558,125 to \$1,178,125 for on-site training related to Safety of Minors on Campus (\$60,000 shared with AORMA), Theater Risk Management (\$40,000 shared with AORMA), Risk Reduction Funding Grants (\$100,000 Campus only), IT Security Awareness Training (\$20,000 Campus only), and specialized software for International Travel Tracking (\$400,000 Campus only).

Additionally, CSURMA added a new fund in August 2012 for Club Sports Insurance Program for the University's inter-mural, intra-mural & recreational sports.

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

**RECOMMENDATION:** The Executive Committee is asked to review the draft budget for FY 2013/14 and make a recommendation to the Board of Directors for adoption with changes as appropriate.

**FISCAL IMPACT:** The proposed operating budget would develop Total Revenue of \$90,388,455; Total Operating Expense of \$85,540,538; and Total Non-Operating Revenue of \$5,000,000; generating excess revenue to expenses of \$9,847,917 in projected additions to reserves. *The preceding does not include projected Dividend Distributions during FY 2013/14, which, if any, will increase expenditures and decrease fund reserves.*

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

**PUBLICATION:** None.

**ATTACHMENT(S):**

Draft FY 2013/14 CSURMA Budget of Revenues and Expenses

# **CSURMA**

## **Cash Flow Budget of Revenues and Expenses Fiscal Year July 1, 2013 to June 30, 2014**

*Draft 14*

**Board of Directors  
May 10, 2013**

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**TOTAL: ALL FUNDS**

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b>Change</b>
<b>Operating Revenues</b>			
Contributions	90,030,846	91,378,455	1,347,609
Reinsurance Premiums	-3,004,509	-990,000	2,014,509
Total Operating Revenues	<u>87,026,337</u>	<u>90,388,455</u>	<u>3,362,118</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	59,249,626	64,738,427	5,488,801
Deductible Recoveries	-4,050,000	-4,050,000	0
Claims Administrators	4,639,795	4,661,895	22,100
Claims Management Information System	100,000	100,000	0
Program Administrators	2,449,686	2,449,686	0
Brokerage Commissions & Fees	1,258,407	1,258,407	0
Insurance Premiums (net of brokerage)	19,305,370	19,280,615	-24,755
Taxes, Assessments & Fees	235,000	235,000	0
Actuarial Services	26,000	26,000	0
Claims Audit	22,000	22,000	0
Coverage Counsel	16,000	16,000	0
Program Legal	12,500	2,500	-10,000
Miscellaneous Program Services	11,905	11,755	-150
Workshop/Training Expenses	35,000	<b>88,000</b>	<b>53,000</b>
Loss Control Expenses	558,125	<b>1,178,125</b>	<b>620,000</b>
Appraisals	0	0	0
Reinsurance Recovery	-11,830,493	-8,453,500	3,376,993
Program Committee	30,688	30,688	0
Dividend Distributions	9,723,907	2,219,190	-7,504,717
Total Direct Program Expenses	<u>81,793,516</u>	<u>83,814,788</u>	<u>2,021,272</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**TOTAL: ALL FUNDS**

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> <u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	55,000	48,000	-7,000
Executive Committee & Board Expenses	34,000	34,000	0
JPA Insurance	27,500	27,500	0
Memberships, Associations & Dues	5,250	5,250	0
Chancellor's Office Accounting Services	325,000	325,000	0
Chancellor's Office Risk Management Service	1,116,000	1,266,000	150,000
JPA Accreditation	0	0	0
JPA Legal	5,000	5,000	0
Miscellaneous Expenses	15,000	15,000	0
Total General & Administrative Expenses	<u>1,582,750</u>	<u>1,725,750</u>	<u>143,000</u>
Total Operating Expenses	<u>83,376,266</u>	<u>85,540,538</u>	<u>2,164,272</u>
<b>Non-Operating Revenues</b>			
Investment Income	5,000,000	5,000,000	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>8,650,071</u>	<u>9,847,917</u>	
<b>Beginning Retained Earnings</b>	58,358,534	67,008,604	
<b>Ending Retained Earnings</b>	67,008,604	76,856,521	

CSURMA  
 Cash Flow Budget of Revenues and Expenses  
 Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**GENERAL FUND**

To allocate General Expenses  
 across All Program Funds

<i>Amended</i>	<i>Proposed</i>	
<b>FY 12/13</b>	<b>FY 13/14</b>	<b>Budget</b>
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

**Operating Revenues**

Contributions	0	0	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>0</u>	<u>0</u>	<u>0</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**GENERAL FUND**

**To allocate General Expenses  
across All Program Funds**

*Amended*  
**FY 12/13**  
**Budget**

*Proposed*  
**FY 13/14**  
**Budget**

**Budget  
Change**

<b>General &amp; Administrative Expenses</b>	<i>Amended</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 13/14</b> <u><b>Budget</b></u>	
Financial Audit	55,000	48,000	-7,000
Executive Committee & Board Expenses	34,000	34,000	0
JPA Insurance	27,500	27,500	0
Memberships, Associations & Dues	5,250	5,250	0
Chancellor's Office Accounting Services	325,000	325,000	0
Chancellor's Office Risk Management Service	1,116,000	1,116,000	0
JPA Accreditation	0	0	0
JPA Legal	5,000	5,000	0
Miscellaneous Expenses	15,000	15,000	0
<b>Total General &amp; Administrative Expenses</b>	<u><b>1,582,750</b></u>	<u><b>1,575,750</b></u>	<u><b>-7,000</b></u>
<b>Total Operating Expenses</b>	<u><b>1,582,750</b></u>	<u><b>1,575,750</b></u>	<u><b>-7,000</b></u>
<b>Non-Operating Revenues</b>			
Investment Income	5,000,000	5,000,000	0
Interest Income - Loans (separate fund)	0	0	0
Miscellaneous Fee Revenue	0	0	0
<b>Total Non-Operating Revenues</b>	<u><b>5,000,000</b></u>	<u><b>5,000,000</b></u>	<u><b>0</b></u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**TOTAL: CAMPUS PROGRAMS**

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b>Change</b>
<b>Operating Revenues</b>			
Contributions	73,981,577	69,700,749	-4,280,828
Reinsurance Premiums	-2,179,509	-165,000	2,014,509
Total Operating Revenues	<u>71,802,068</u>	<u>69,535,749</u>	<u>-2,266,319</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	53,777,398	59,019,141	5,241,743
Deductible Recoveries	-4,000,000	-4,000,000	0
Claims Administrators	4,394,795	4,404,795	10,000
Claims Management Information System	100,000	100,000	0
Program Administrators	964,190	964,190	0
Brokerage Commissions & Fees	920,500	920,500	0
Insurance Premiums (net of brokerage)	13,636,503	13,611,748	-24,755
Taxes, Assessments & Fees	200,000	200,000	0
Actuarial Services	15,000	15,000	0
Claims Audit	12,000	12,000	0
Coverage Counsel	10,000	10,000	0
Program Legal	0	0	0
Miscellaneous Program Services	11,650	11,500	-150
Workshop/Training Expenses	20,000	61,112	41,112
Loss Control Expenses	300,000	904,169	604,169
Appraisals	0	0	0
Reinsurance Recovery	-11,830,493	-8,453,500	3,376,993
Program Committee	2,000	2,000	0
Dividend Distributions	7,504,717	0	-7,504,717
Total Direct Program Expenses	<u>66,038,260</u>	<u>67,782,656</u>	<u>1,744,396</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**TOTAL: CAMPUS PROGRAMS**

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b>Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	41,053	36,653	-4,400
Executive Committee & Board Expenses	25,378	25,962	584
JPA Insurance	20,526	20,999	473
Memberships, Associations & Dues	3,919	4,009	90
Chancellor's Office Accounting Services	242,584	248,170	5,586
Chancellor's Office Risk Management Service	832,995	1,002,176	169,181
JPA Accreditation	0	0	0
JPA Legal	3,732	3,818	86
Miscellaneous Expenses	11,196	11,454	258
Total General & Administrative Expenses	<u>1,181,382</u>	<u>1,353,241</u>	<u>171,858</u>
Total Operating Expenses	<u>67,219,643</u>	<u>69,135,897</u>	<u>1,916,254</u>
<b>Non-Operating Revenues</b>			
Investment Income	4,307,524	4,539,333	231,809
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>4,307,524</u>	<u>4,539,333</u>	<u>231,809</u>
<b>Net Surplus (Deficit)</b>	<u>8,889,949</u>	<u>4,939,186</u>	
<b>Beginning Retained Earnings</b>	46,504,544	55,394,493	
<b>Ending Retained Earnings</b>	55,394,493	60,333,679	

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS LIABILITY PROGRAM**

(Fund 10)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> Change
<b>Operating Revenues</b>			
Contributions	14,573,913	13,670,600	-903,313
Reinsurance Premiums	-165,000	-165,000	0
Total Operating Revenues	<u>14,408,913</u>	<u>13,505,600</u>	<u>-903,313</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	9,431,586	19,451,425	10,019,839
Deductible Recoveries	-4,000,000	-4,000,000	0
Claims Administrators	81,909	81,909	0
Claims Management Information System	100,000	100,000	0
Program Administrators	194,334	182,633	-11,701
Brokerage Commissions & Fees	316,000	316,000	0
Insurance Premiums (net of brokerage)	3,542,173	3,552,027	9,854
Taxes, Assessments & Fees	200,000	200,000	0
Actuarial Services	6,000	6,000	0
Claims Audit	10,000	10,000	0
Coverage Counsel	10,000	10,000	0
Program Legal	0	0	0
Miscellaneous Program Services	1,000	1,000	0
Workshop/Training Expenses	0	8,500	8,500
Loss Control Expenses	300,000	796,685	496,685
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>10,193,002</u>	<u>20,716,179</u>	<u>10,523,177</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS LIABILITY PROGRAM**

(Fund 10)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> Change
<b>General &amp; Administrative Expenses</b>			
Financial Audit	8,482	7,256	-1,225
Executive Committee & Board Expenses	5,243	5,140	-103
JPA Insurance	4,241	4,157	-84
Memberships, Associations & Dues	810	794	-16
Chancellor's Office Accounting Services	50,119	49,131	-987
Chancellor's Office Risk Management Service	172,099	<b>198,406</b>	<b>26,307</b>
JPA Accreditation	0	0	0
JPA Legal	771	756	-15
Miscellaneous Expenses	2,313	2,268	-46
Total General & Administrative Expenses	<u>244,077</u>	<u>267,908</u>	<u>23,831</u>
Total Operating Expenses	<u>10,437,080</u>	<u>20,984,088</u>	<u>10,547,008</u>
<b>Non-Operating Revenues</b>			
Investment Income	1,380,048	<b>1,182,265</b>	-197,783
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>1,380,048</u>	<u>1,182,265</u>	<u>-197,783</u>
Net Surplus (Deficit)	<u>5,351,881</u>	<u>-6,296,223</u>	
Beginning Retained Earnings	<b>19,801,080</b>	25,152,961	
Ending Retained Earnings	25,152,961	18,856,738	

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	29,652,429	29,448,933	-203,496
Reinsurance Premiums	-2,014,509	0	2,014,509
Total Operating Revenues	<u>27,637,920</u>	<u>29,448,933</u>	<u>1,811,013</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	22,404,634	21,671,122	-733,512
Deductible Recoveries	0	0	0
Claims Administrators	4,132,886	4,132,886	0
Claims Management Information System	0	0	0
Program Administrators	395,396	393,424	-1,972
Brokerage Commissions & Fees	160,000	160,000	0
Insurance Premiums (net of brokerage)	1,629,995	1,629,995	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,000	6,000	0
Claims Audit	2,000	2,000	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	8,500	8,500	0
Workshop/Training Expenses	0	18,311	18,311
Loss Control Expenses	0	107,484	107,484
Appraisals	0	0	0
Reinsurance Recovery	-11,830,493	-8,453,500	3,376,993
Program Committee	0	0	0
Dividend Distributions	7,504,717	0	-7,504,717
Total Direct Program Expenses	<u>24,413,635</u>	<u>19,676,222</u>	<u>-4,737,413</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

	<i>Amended</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 13/14</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	17,257	15,631	-1,625
Executive Committee & Board Expenses	10,668	11,072	404
JPA Insurance	8,628	8,956	327
Memberships, Associations & Dues	1,647	1,710	62
Chancellor's Office Accounting Services	101,972	105,838	3,866
Chancellor's Office Risk Management Service	350,157	<b>427,403</b>	<b>77,245</b>
JPA Accreditation	0	0	0
JPA Legal	1,569	1,628	59
Miscellaneous Expenses	4,706	4,885	178
Total General & Administrative Expenses	<u>496,605</u>	<u>577,123</u>	<u>80,517</u>
Total Operating Expenses	<u>24,910,240</u>	<u>20,253,345</u>	<u>-4,656,895</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,538,380	<b>2,588,728</b>	50,348
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,538,380</u>	<u>2,588,728</u>	<u>50,348</u>
<b>Net Surplus (Deficit)</b>	<u>5,266,060</u>	<u>11,784,316</u>	
<b>Beginning Retained Earnings</b>	<b>18,370,519</b>	23,636,579	
<b>Ending Retained Earnings</b>	23,636,579	35,420,895	

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS IDL NDI UI PROGRAM \***

(Fund 12)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> <u>Change</u>
<b>Operating Revenues</b>			
Contributions	15,216,515	13,500,000	-1,716,515
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>15,216,515</u>	<u>13,500,000</u>	<u>-1,716,515</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	16,000,000	12,000,000	-4,000,000
Deductible Recoveries	0	0	0
Claims Administrators	60,000	60,000	0
Claims Management Information System	0	0	0
Program Administrators	166,680	180,354	13,674
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,000	1,000	0
Workshop/Training Expenses	0	8,394	8,394
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>16,227,680</u>	<u>12,249,748</u>	<u>-3,977,932</u>

**CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**CAMPUS IDL NDI UI PROGRAM \***

(Fund 12)

	<i>Amended</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 13/14</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	7,275	7,166	-109
Executive Committee & Board Expenses	4,497	5,076	579
JPA Insurance	3,637	4,105	468
Memberships, Associations & Dues	694	784	89
Chancellor's Office Accounting Services	42,987	48,518	5,532
Chancellor's Office Risk Management Service	147,609	<b>195,930</b>	<b>48,321</b>
JPA Accreditation	0	0	0
JPA Legal	661	746	85
Miscellaneous Expenses	1,984	2,239	255
Total General & Administrative Expenses	<u>209,344</u>	<u>264,565</u>	<u>55,221</u>
Total Operating Expenses	<u>16,437,024</u>	<u>12,514,313</u>	<u>-3,922,712</u>
<b>Non-Operating Revenues</b>			
Investment Income	100,627	<b>484,565</b>	383,939
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>100,627</u>	<u>484,565</u>	<u>383,939</u>
<b>Net Surplus (Deficit)</b>	<u><b>-1,119,883</b></u>	<u><b>1,470,252</b></u>	
<b>Beginning Retained Earnings</b>	<b>510,717</b>	-609,165	
<b>Ending Retained Earnings</b>	-609,165	861,087	

\* Industrial Disability, Non-industrial Disability, Unemployment Insurance

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> <u>Change</u>
<b>Operating Revenues</b>			
Contributions	10,900,000	9,500,000	-1,400,000
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>10,900,000</u>	<u>9,500,000</u>	<u>-1,400,000</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	3,363,266	3,363,266	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	198,145	198,145	0
Brokerage Commissions & Fees	442,500	442,500	0
Insurance Premiums (net of brokerage)	7,761,199	7,761,199	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,000	1,000	0
Workshop/Training Expenses	0	5,907	5,907
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>11,766,110</u>	<u>11,772,017</u>	<u>5,907</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> Change
<b>General &amp; Administrative Expenses</b>			
Financial Audit	6,343	5,043	-1,301
Executive Committee & Board Expenses	3,921	3,572	-350
JPA Insurance	3,172	2,889	-283
Memberships, Associations & Dues	606	552	-54
Chancellor's Office Accounting Services	37,484	34,143	-3,342
Chancellor's Office Risk Management Service	128,715	<b>137,877</b>	<b>9,162</b>
JPA Accreditation	0	0	0
JPA Legal	577	525	-51
Miscellaneous Expenses	1,730	1,576	-154
Total General & Administrative Expenses	<u>182,548</u>	<u>186,175</u>	<u>3,627</u>
Total Operating Expenses	<u>11,948,658</u>	<u>11,958,192</u>	<u>9,534</u>
<b>Non-Operating Revenues</b>			
Investment Income	163,736	<b>119,676</b>	-44,060
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>163,736</u>	<u>119,676</u>	<u>-44,060</u>
Net Surplus (Deficit)	<u>-884,922</u>	<u>-2,338,516</u>	
Beginning Retained Earnings	<b>6,960,281</b>	6,075,359	
Ending Retained Earnings	6,075,359	3,736,843	

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	2,955,384	2,932,489	-22,895
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,955,384</u>	<u>2,932,489</u>	<u>-22,895</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,577,912	2,533,328	-44,584
Deductible Recoveries	0	0	0
Claims Administrators	120,000	130,000	10,000
Claims Management Information System	0	0	0
Program Administrators	9,635	9,635	0
Brokerage Commissions & Fees	2,000	2,000	0
Insurance Premiums (net of brokerage)	19,800	19,800	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	3,000	3,000	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	150	0	-150
Workshop/Training Expenses	20,000	20,000	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	2,000	2,000	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,754,497</u>	<u>2,719,763</u>	<u>-34,734</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

<i>Amended</i>	<i>Proposed</i>	
<b>FY 12/13</b>	<b>FY 13/14</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**General & Administrative Expenses**

Financial Audit	1,696	1,557	-139
Executive Committee & Board Expenses	1,048	1,103	54
JPA Insurance	848	892	44
Memberships, Associations & Dues	162	170	8
Chancellor's Office Accounting Services	10,022	10,539	517
Chancellor's Office Risk Management Service	34,414	42,560	8,146
JPA Accreditation	0	0	0
JPA Legal	154	162	8
Miscellaneous Expenses	463	486	24
<b>Total General &amp; Administrative Expenses</b>	<b><u>48,807</u></b>	<b><u>57,469</u></b>	<b><u>8,662</u></b>
<b>Total Operating Expenses</b>	<b><u>2,803,304</u></b>	<b><u>2,777,232</u></b>	<b><u>-26,072</u></b>

**Non-Operating Revenues**

Investment Income	124,733	164,099	39,366
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
<b>Total Non-Operating Revenues</b>	<b><u>124,733</u></b>	<b><u>164,099</u></b>	<b><u>39,366</u></b>

**Net Surplus (Deficit)** **276,813** **319,355**

**Beginning Retained Earnings** **861,948** 1,138,760  
**Ending Retained Earnings** 1,138,760 1,458,116

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS AUTO LIABILITY PROGRAM \***

(Fund 15)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	683,336	648,727	-34,609
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>683,336</u>	<u>648,727</u>	<u>-34,609</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	683,336	648,727	-34,609
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>683,336</u>	<u>648,727</u>	<u>-34,609</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS AUTO LIABILITY PROGRAM \***  
(Fund 15)

	<i>Amended</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 13/14</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>683,336</u>	<u>648,727</u>	<u>-34,609</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>0</u>	<u>0</u>	
<b>Beginning Retained Earnings</b>	0	0	
<b>Ending Retained Earnings</b>	0	0	

\* Vehicle Liability Self-Insurance Program  
State Motor Vehicle Self-Insurance Account

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS STUDENT HEALTH INSURANCE PROGRAM \***

(Fund \_\_)

<i>Amended</i>	<i>Proposed</i>	
<b>FY 12/13</b>	<b>FY 13/14</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions	0	0	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>0</u>	<u>0</u>	<u>0</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CAMPUS STUDENT HEALTH INSURANCE PROGRAM \***

(Fund \_\_)

<i>Amended</i>	<i>Proposed</i>	
<b>FY 12/13</b>	<b>FY 13/14</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**General & Administrative Expenses**

Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0

Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
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Total Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>
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**Non-Operating Revenues**

Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0

Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
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<b>Net Surplus (Deficit)</b>	<u>0</u>	<u>0</u>	
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<b>Beginning Retained Earnings</b>	0	0	
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<b>Ending Retained Earnings</b>	0	0	
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\* Launched \_\_

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**TOTAL: AORMA PROGRAMS**

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b>Change</b>
<b>Operating Revenues</b>			
Contributions	12,962,681	14,293,685	1,331,004
Reinsurance Premiums	-825,000	-825,000	0
Total Operating Revenues	<u>12,137,681</u>	<u>13,468,685</u>	<u>1,331,004</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,363,985	5,614,704	250,719
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	240,000	252,100	12,100
Claims Management Information System	0	0	0
Program Administrators	1,212,996	1,212,996	0
Brokerage Commissions & Fees	298,750	298,750	0
Insurance Premiums (net of brokerage)	2,950,336	2,950,336	0
Taxes, Assessments & Fees	35,000	35,000	0
Actuarial Services	11,000	11,000	0
Claims Audit	10,000	10,000	0
Coverage Counsel	6,000	6,000	0
Program Legal	12,500	2,500	-10,000
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	15,000	26,888	11,888
Loss Control Expenses	258,125	273,956	15,831
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	28,688	28,688	0
Dividend Distributions	2,219,190	2,219,190	0
Total Direct Program Expenses	<u>12,611,825</u>	<u>12,892,362</u>	<u>280,537</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**TOTAL: AORMA PROGRAMS**

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> Change
<b>General &amp; Administrative Expenses</b>			
Financial Audit	7,544	7,587	43
Executive Committee & Board Expenses	4,664	5,374	711
JPA Insurance	3,772	4,347	575
Memberships, Associations & Dues	720	830	110
Chancellor's Office Accounting Services	44,578	51,371	6,793
Chancellor's Office Risk Management Service	153,073	176,399	23,327
JPA Accreditation	0	0	0
JPA Legal	686	790	105
Miscellaneous Expenses	2,057	2,371	314
Total General & Administrative Expenses	<u>217,093</u>	<u>249,069</u>	<u>31,976</u>
Total Operating Expenses	<u>12,828,918</u>	<u>13,141,432</u>	<u>312,513</u>
<b>Non-Operating Revenues</b>			
Investment Income	812,476	627,018	-185,458
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>812,476</u>	<u>627,018</u>	<u>-185,458</u>
<b>Net Surplus (Deficit)</b>	<u>121,239</u>	<u>954,272</u>	
<b>Beginning Retained Earnings</b>	13,905,612	14,026,851	
<b>Ending Retained Earnings</b>	14,026,851	14,981,123	

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	3,546,798	3,665,132	118,334
Reinsurance Premiums	-825,000	-825,000	0
Total Operating Revenues	<u>2,721,798</u>	<u>2,840,132</u>	<u>118,334</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,167,620	1,318,479	150,859
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	15,000	15,000	0
Claims Management Information System	0	0	0
Program Administrators	567,500	557,137	-10,363
Brokerage Commissions & Fees	60,000	60,000	0
Insurance Premiums (net of brokerage)	346,582	346,582	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,000	5,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	4,104	6,894	2,790
Loss Control Expenses	118,497	123,810	5,313
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	8,619	8,619	0
Dividend Distributions	1,403,847	1,403,847	0
Total Direct Program Expenses	<u>3,659,269</u>	<u>3,807,869</u>	<u>148,600</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b>Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	2,064	1,945	-119
Executive Committee & Board Expenses	1,276	1,378	102
JPA Insurance	1,032	1,115	83
Memberships, Associations & Dues	197	213	16
Chancellor's Office Accounting Services	12,197	13,172	975
Chancellor's Office Risk Management Service	41,883	45,232	3,349
JPA Accreditation	0	0	0
JPA Legal	188	203	15
Miscellaneous Expenses	563	608	45
Total General & Administrative Expenses	<u>59,400</u>	<u>63,865</u>	<u>4,465</u>
Total Operating Expenses	<u>3,718,669</u>	<u>3,871,734</u>	<u>153,065</u>
<b>Non-Operating Revenues</b>			
Investment Income	316,027	<b>205,705</b>	-110,322
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>316,027</u>	<u>205,705</u>	<u>-110,322</u>
Net Surplus (Deficit)	<u>-680,845</u>	<u>-825,897</u>	
Beginning Retained Earnings	<b>6,159,342</b>	5,478,497	
Ending Retained Earnings	5,478,497	4,652,600	

Includes Cyber Risk Liability

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	4,179,283	4,444,743	265,460
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,179,283</u>	<u>4,444,743</u>	<u>265,460</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,204,128	2,293,988	89,860
Deductible Recoveries	0	0	0
Claims Administrators	205,000	205,000	0
Claims Management Information System	0	0	0
Program Administrators	334,692	293,581	-41,111
Brokerage Commissions & Fees	40,000	40,000	0
Insurance Premiums (net of brokerage)	395,000	395,000	0
Taxes, Assessments & Fees	35,000	35,000	0
Actuarial Services	6,000	6,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	4,836	8,361	3,525
Loss Control Expenses	139,628	150,146	10,518
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	9,906	9,906	0
Dividend Distributions	815,343	815,343	0
Total Direct Program Expenses	<u>4,195,788</u>	<u>4,258,579</u>	<u>62,791</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	2,432	2,359	-73
Executive Committee & Board Expenses	1,504	1,671	168
JPA Insurance	1,216	1,352	136
Memberships, Associations & Dues	232	258	26
Chancellor's Office Accounting Services	14,372	15,974	1,602
Chancellor's Office Risk Management Service	49,352	54,853	5,501
JPA Accreditation	0	0	0
JPA Legal	221	246	25
Miscellaneous Expenses	663	737	74
Total General & Administrative Expenses	<u>69,993</u>	<u>77,450</u>	<u>7,458</u>
Total Operating Expenses	<u>4,265,781</u>	<u>4,336,029</u>	<u>70,248</u>
<b>Non-Operating Revenues</b>			
Investment Income	398,471	284,878	-113,593
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>398,471</u>	<u>284,878</u>	<u>-113,593</u>
<b>Net Surplus (Deficit)</b>	<u>311,973</u>	<u>393,591</u>	
<b>Beginning Retained Earnings</b>	5,119,614	5,431,587	
<b>Ending Retained Earnings</b>	5,431,587	5,825,178	

**CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Amended</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 13/14</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	3,028,727	3,539,254	510,527
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>3,028,727</u>	<u>3,539,254</u>	<u>510,527</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	240,000	250,000	10,000
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	242,548	254,983	12,435
Brokerage Commissions & Fees	181,250	181,250	0
Insurance Premiums (net of brokerage)	2,061,673	2,061,673	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	3,505	6,658	3,153
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	5,707	5,707	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,734,683</u>	<u>2,760,270</u>	<u>25,588</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Amended</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 13/14</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	1,763	1,879	116
Executive Committee & Board Expenses	1,090	1,331	241
JPA Insurance	881	1,076	195
Memberships, Associations & Dues	168	205	37
Chancellor's Office Accounting Services	10,416	12,720	2,304
Chancellor's Office Risk Management Service	35,765	43,678	7,913
JPA Accreditation	0	0	0
JPA Legal	160	196	35
Miscellaneous Expenses	481	587	106
Total General & Administrative Expenses	<u>50,724</u>	<u>61,672</u>	<u>10,948</u>
Total Operating Expenses	<u>2,785,406</u>	<u>2,821,942</u>	<u>36,536</u>
<b>Non-Operating Revenues</b>			
Investment Income	39,795	48,584	8,790
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>39,795</u>	<u>48,584</u>	<u>8,790</u>
<b>Net Surplus (Deficit)</b>	<u>283,115</u>	<u>765,896</u>	
<b>Beginning Retained Earnings</b>	-290,116	-7,001	
<b>Ending Retained Earnings</b>	-7,001	758,896	

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

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b>Change</b>
<b>Operating Revenues</b>			
Contributions	290,404	351,104	60,700
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>290,404</u>	<u>351,104</u>	<u>60,700</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	75,000	75,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	23,256	25,295	2,039
Brokerage Commissions & Fees *	17,500	17,500	0
Insurance Premiums	147,081	147,081	0
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	336	660	324
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	394	394	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>263,567</u>	<u>265,930</u>	<u>2,363</u>

**CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Amended</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 13/14</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	169	186	17
Executive Committee & Board Expenses	104	132	28
JPA Insurance	85	107	22
Memberships, Associations & Dues	16	20	4
Chancellor's Office Accounting Services	999	1,262	263
Chancellor's Office Risk Management Service	3,429	4,333	904
JPA Accreditation	0	0	0
JPA Legal	15	19	4
Miscellaneous Expenses	46	58	12
Total General & Administrative Expenses	<u>4,864</u>	<u>6,118</u>	<u>1,254</u>
Total Operating Expenses	<u>268,430</u>	<u>272,048</u>	<u>3,618</u>
<b>Non-Operating Revenues</b>			
Investment Income	1,055	2,402	1,347
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>1,055</u>	<u>2,402</u>	<u>1,347</u>
Net Surplus (Deficit)	<u>23,028</u>	<u>81,458</u>	
Beginning Retained Earnings	60,671	83,699	
Ending Retained Earnings	83,699	165,157	

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

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	1,917,469	2,293,452	375,983
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>1,917,469</u>	<u>2,293,452</u>	<u>375,983</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,677,237	1,677,237	0
Deductible Recoveries	0	0	0
Claims Administrators	20,000	32,100	12,100
Claims Management Information System	0	0	0
Program Administrators	45,000	82,000	37,000
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	10,000	0	-10,000
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	2,219	4,314	2,095
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	4,063	4,063	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,758,518</u>	<u>1,799,714</u>	<u>41,195</u>

**CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Amended</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 13/14</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	1,116	1,217	101
Executive Committee & Board Expenses	690	862	172
JPA Insurance	558	697	139
Memberships, Associations & Dues	107	133	27
Chancellor's Office Accounting Services	6,594	8,243	1,649
Chancellor's Office Risk Management Service	22,643	28,304	5,661
JPA Accreditation	0	0	0
JPA Legal	101	127	25
Miscellaneous Expenses	304	380	76
Total General & Administrative Expenses	<u>32,113</u>	<u>39,964</u>	<u>7,851</u>
<b>Total Operating Expenses</b>	<u><b>1,790,631</b></u>	<u><b>1,839,678</b></u>	<u><b>49,046</b></u>
<b>Non-Operating Revenues</b>			
Investment Income	57,129	85,449	28,320
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>57,129</u>	<u>85,449</u>	<u>28,320</u>
Net Surplus (Deficit)	<u>183,967</u>	<u>539,224</u>	
<b>Beginning Retained Earnings</b>	<b>2,856,101</b>	3,040,068	
<b>Ending Retained Earnings</b>	3,040,068	3,579,292	

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Amended</i> <b>FY 12/13</b> <b><u>Budget</u></b>	<i>Proposed</i> <b>FY 13/14</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b>Change</b>
<b>Operating Revenues</b>			
Contributions	300,000	300,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>300,000</u>	<u>300,000</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	30,000	30,000	0
Insurance Premiums (net of brokerage)	270,000	270,000	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>300,000</u>	<u>300,000</u>	<u>0</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> Change
<b>General &amp; Administrative Expenses</b>			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>300,000</u>	<u>300,000</u>	<u>0</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>0</u>	<u>0</u>	
<b>Beginning Retained Earnings</b>	-7,030	-7,030	
<b>Ending Retained Earnings</b>	-7,030	-7,030	

\* Participant Accident Insurance (PAI), Auto Physical Damage (APD)

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	2,581,774	6,879,207	4,297,433
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,581,774</u>	<u>6,879,207</u>	<u>4,297,433</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	272,500	272,500	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	2,366,117	2,366,117	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,638,617</u>	<u>2,638,617</u>	<u>0</u>

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> Change
<b>General &amp; Administrative Expenses</b>			
Financial Audit	6,403	3,651	-2,752
Executive Committee & Board Expenses	3,959	2,586	-1,372
JPA Insurance	3,202	2,092	-1,110
Memberships, Associations & Dues	611	399	-212
Chancellor's Office Accounting Services	37,839	24,724	-13,115
Chancellor's Office Risk Management Service	129,932	84,897	-45,036
JPA Accreditation	0	0	0
JPA Legal	582	380	-202
Miscellaneous Expenses	1,746	1,141	-605
Total General & Administrative Expenses	<u>184,275</u>	<u>119,871</u>	<u>-64,403</u>
Total Operating Expenses	<u>2,822,892</u>	<u>2,758,488</u>	<u>-64,403</u>
<b>Non-Operating Revenues</b>			
Investment Income	-120,000	-172,670	-52,670
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>-120,000</u>	<u>-172,670</u>	<u>-52,670</u>
Net Surplus (Deficit)	<u>-361,118</u>	<u>3,948,048</u>	
Beginning Retained Earnings	-2,044,593	-2,405,711	
Ending Retained Earnings	-2,405,711	1,542,338	

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2013 to June 30, 2014

**DRAFT**

**CLUB SPORTS INSURANCE PROGRAM**

(Fund 17)

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	<u>Budget</u> Change
<b>Operating Revenues</b>			
Contributions	204,814	204,814	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>204,814</u>	<u>204,814</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	108,243	104,582	-3,661
Deductible Recoveries	0	0	0
Claims Administrators	5,000	5,000	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	9,157	9,157	0
Insurance Premiums (net of brokerage)	82,413	82,413	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>204,814</u>	<u>201,153</u>	<u>-3,661</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2013 to June 30, 2014**

**DRAFT**

**CLUB SPORTS INSURANCE PROGRAM**  
(Fund 17)

	<i>Amended</i> <b>FY 12/13</b> <u><b>Budget</b></u>	<i>Proposed</i> <b>FY 13/14</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	0	109	109
Executive Committee & Board Expenses	0	77	77
JPA Insurance	0	62	62
Memberships, Associations & Dues	0	12	12
Chancellor's Office Accounting Services	0	736	736
Chancellor's Office Risk Management Service	0	2,528	2,528
JPA Accreditation	0	0	0
JPA Legal	0	11	11
Miscellaneous Expenses	0	34	34
 Total General & Administrative Expenses	 <u>0</u>	 <u>3,569</u>	 <u>3,569</u>
 Total Operating Expenses	 <u>204,814</u>	 <u>204,721</u>	 <u>-92</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	6,319	6,319
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>0</u>	 <u>6,319</u>	 <u>6,319</u>
 Net Surplus (Deficit)	 <u>0</u>	 <u>6,411</u>	
 Beginning Retained Earnings	 0	 0	
Ending Retained Earnings	0	6,411	

Launched beginning August 1, 2012

**ADOPTION OF REVISED P&P No. 10 – MEMBER LOANS**

**ISSUE:** At the Long Range Planning Session, the CSURMA Executive Committee reviewed the Investment Task Group’s Comment Draft report dated March 2013. As a part of that report and in response to the Executive Committee’s inquiries at a prior meeting, the CSURMA Treasurer has developed proposed revisions to CSURMA’s Member Loans policy and procedure. At the March meeting the Executive Committee suggested further edits to the policy and procedure and those edits have been incorporated in the proposed Amended P&P No. 10 – Member Loans attached to this item.

**RECOMMENDATION:** It is recommended that the Executive Committee review the proposed amendments to Policy and Procedure No. 10 – Member Loans, and take action to adopt the amended policy.

**FISCAL IMPACT:** No direct fiscal impact is expected from action on this item at today’s meeting. Future member loans will be established under the revised policy.

**BACKGROUND:** None.

**ATTACHMENT(S):** Amendments to CSURMA Policy and Procedure No. 10 – Member Loans.



**CSURMA**

**POLICY AND PROCEDURE NO. 10**

**ADOPTED:** ~~MAY~~ March 21~~13~~, 2011-2013 (AMENDED)  
**EFFECTIVE:** JULY 1, 2013~~4~~  
**SUBJECT:** MEMBER LOANS

*Should there be any discrepancy between this document and either the JOINT POWERS AGREEMENT or BYLAWS, the JOINT POWERS AGREEMENT and BYLAWS will govern.*

**POLICY:**

It is the policy of CSURMA that, upon recommendation of the Treasurer, the Executive Committee may approve a CSURMA Member Loan (“Loan”) to a Campus or AORMA Member (“Member”) pursuant to the procedures described herein. No new ~~Member-Loan~~ shall be granted without a ~~finding-determination by the Executive Committee~~ that CSURMA has sufficient funds such that the proposed ~~member loan-Loan~~ would not impair CSURMA’s ongoing operations. ~~Member-Loans~~ shall only be granted upon a finding by the Treasurer that the Member has exhausted alternative sources of funding and that a ~~Member-Loan~~ is in the best interests of the University.

**PROCEDURE:**

The following procedures shall be followed in administration of the ~~CSURMA Member-Loan~~ program:

- 1. Amount Available for ~~Member-Loans~~** – The amount available for ~~Member-Loans~~ shall not exceed 15% of the overall average ~~fund-cash and investment~~ balance for the preceding 12 months. ~~N-and no~~ new ~~Member-Loan~~ shall be initiated by the Treasurer without determining that the proposed ~~Member-L~~loan will fall within the 15% limit and that CSURMA will maintain adequate funds to cover its cash needs following the loan. In the interest of fairness, ~~Member-Loans~~ to a single Member’s ~~c~~campus (~~inclusive of and itsits~~ associated ~~Member-Auxiliary-Organizations~~AORMA member) shall not exceed 5% of the overall average ~~fund-cash and investment~~ balance for the preceding 12 months.
- 2. Payment Period and Rate:** All loans must be repaid within 5 (five) yearser. All loans require amortization of principal and interest to be included in the loan repayment period. Upon maturity, members may reapply if continued financing is needed and at the approval of the Executive Committee.

Interest rate shall be at least equivalent to the investment income rate that CSURMA would have earned if the funds had instead been invested during the same calculation period.

- 3. Member Loan Request** – A member seeking a ~~CSURMA Member-Loan~~ shall submit to the Treasurer a written request describing the amount, purpose, proposed terms, ~~and~~-repayment

schedule and source of repayment for the requested ~~Member~~-Loan. The request shall describe what steps the Member has taken to secure ~~the requested funds through~~ alternate financing and sources and why the Member is seeking ~~the proposed a L~~ loan from CSURMA. ~~The Member shall describe the collateral and source of repayment funds for the proposed Member Loan.~~ -If a general obligation pledge is proposed ~~by an Auxiliary Organization Member~~, then that Member must also show adequate cash flow from a specific funding source or adequate reserves to make the debt service payments during the term of the loan. The member must also state the financial and/or risk that will be mitigated as a result of the approval of this loan. ~~Proposed Member Loans for the acquisition of real estate by an Auxiliary organization may not pledge the real estate as collateral for the loan.~~

4. **Treasurer's Review and Recommendation** - The Treasurer shall review the ~~Member~~-Loan request, evaluate if alternate financing instruments should be consider and seek approval from the Executive Vice Chancellor/CFO ~~additional information as necessary~~ to make a determination. If a favorable determination is made, the Treasurer shall recommend to the Executive Committee the proposed ~~Member~~-Loan including the ~~Treasurer's recommended~~ terms and conditions. ~~Recommended terms shall require that the frequency of interest payments shall be at least quarterly in arrears and at an interest rate at least equivalent to the investment income rate that CSURMA would have earned if the funds had instead been invested during the same calculation period.~~
5. **Executive Committee Action** – At duly noticed meeting, the Executive Committee shall take action on the Treasurer's recommendation. If the proposed ~~Member~~-Loan is to be approved, such approval shall be memorialized by ~~resolution~~ directing the Treasurer to prepared the loan note for ~~review and approval signature~~ by ~~CSURMA's General Counsel~~ CSURMA Chair, Secretary, Treasurer and borrowing member.
6. **Administration of Member Loans** – The Treasurer shall direct ~~the~~-CSURMA Accountingant to transfer funds, calculate interest, collect repayment proceeds and prepare reports on the status of outstanding loans. Any failure to make timely payments or proposed change in terms or conditions shall be reported by the Treasurer to the Executive Committee for review and action at their next regularly scheduled meeting.

**PROGRAM ADMINISTRATION REQUEST FOR PROPOSAL  
EVALUATION TASK GROUP**

**ISSUE:** CSURMA engages its Program Administrator following a request for proposals (RFP) solicitation. The last RFP was in the fall of 2008 and the term of the current service agreement is set to expire at December 31, 2013. Similar to the recent Workers' Compensation Claims Administrator RFP process, Zachary Gifford in the Systemwide Office of Risk Management is working with the Chancellor's Office Department of Contract Services and Procurement to conduct the RFP for CSURMA Program Administration.

**RECOMMENDATION:** It is recommended that the Executive Committee take action to establish a task group to evaluate the Program Administration RFP responses and recommend a vendor for the next service term.

**FISCAL IMPACT:** No direct fiscal impact is expected from action at today's meeting.

**BACKGROUND:** None.

**ATTACHMENT(S):** None.

## **ACCESS TO iVOS POLICY AND PROCEDURE**

**ISSUE:** As a part of its services to CSURMA the Systemwide Office of Risk Management and Public Safety administers claims information system for the Campus Risk Pool Liability Program. The claims system is known as “iVOS,” and it is used to track liability claims data. The system administrator for iVOS is designated in the Systemwide Office, and the administrator is responsible for maintaining current access logs and eligibility. The attached User Policy documents how the system administrator will perform this role. While this User Policy is not a policy and procedure of CSURMA, it is recommended that the Executive Committee review and accept it as appropriate.

**RECOMMENDATION:** It is recommended that the Executive Committee review and accept the Systemwide Office of Risk Management and Public Safety’s “CSURMA iVOS User Policy.”

**FISCAL IMPACT:** No fiscal impact is expected from action on this item at today’s meeting.

**BACKGROUND:** None.

**ATTACHMENT(S):** CSURMA iVOS User Policy

## **CSURMA iVOS User Policy**

The iVOS Liability system has been operational since 2006. Beginning in 2006, CSURMA implemented the following policies and procedures designed to restrict access to the iVOS Liability system.

### **System Administrator(s)**

Administrative access to the iVOS Liability system is limited to individuals identified by CSURMA as being a system administrator. It is the responsibility of the system administrator to activate access for users, maintain user lists, and perform security functions.

### **Access Authorization**

User access to the iVOS Liability system is restricted. User access is granted on a “read-only” basis. Access is provided only to the Campus Risk Manager and other campus personnel who are directly involved in claims/risk management for the campus. In order to grant access to campus personnel (other than the Campus Risk Manager), a written request (e.g., an e-mail) must be received from the Campus Risk Manager requesting and approving access for that person. The Campus Risk Manager is responsible for determining and verifying that the identified person has had appropriate and adequate training and has signed all necessary and required data confidentiality agreements.

The system administrator maintains a list of all persons to whom user access has been granted. The list is updated and changed throughout the year as the system administrator receives information concerning personnel changes. The Campus Risk Manager is responsible for notifying the system administrator about any change in a user’s employment status. In addition, the system administrator independently reviews the list of users on no less than an annual basis.

### **Password Protocol**

The password protocol described below is utilized as a means of authentication control.

**CSU iVOS User Policy – Password Security Settings**

Controls	11/5/2009 Minimum Settings	3/1/2011 Revisions
minimumPasswordLength	8 characters	
passwordExpirePeriod	60 days	90 days (quarterly - CSU policy)
maximumInactiveDays	90 days	
minimumUppercaseChars	1 character	
minimumLowercaseChars	1 character	
minimumNumericChars	1 character	
minimumSpecialChars	0 characters	1 character (CSU policy)
maximumDuplicateCharsWithPrior	No more than 3 duplicate characters	No more than 6 duplicate characters
minimumPriorPasswords	12 prior passwords	
maximumFailedLoginAttempts	3 failed logins	
requireInitialPasswordChange	TRUE - initial password change	

*(Document Origination Date: April 2013)*

## **DELEGATION OF AUTHORITY TO ENGAGE RISK CONTROL CONSULTANTS**

**ISSUE:** At the Long Range Planning Session, the CSURMA Executive Committee agreed that two risk control projects should be pursued:

- Performing Arts Risk Control – a joint effort with the University of California to establish loss control protocols for performing arts venues and activities; and,
- Minors on Campus Risk Control – a review of practices at the University and auxiliary organizations to identify risks and loss prevention opportunities.

The Performing Arts initiative is a long term effort under which CSU and the UC will combine efforts to establish a safe operating environment through physical inspections and improved operating practices. The “Minors on Campus Risk Control” project involves engagement of Praesidium, a consultant who has performed similar reviews for several higher education institutions. The Program Administrator will develop the scope of services for each project with a goal of creating deliverables useful to both the University and auxiliary organizations.

**RECOMMENDATION:** It is recommended that the Executive Committee delegate authority to the Secretary-Auditor to execute agreements to effect the projects within the budgeted amounts.

**FISCAL IMPACT:** The proposed FY 13-14 Budget includes \$100,000 to accomplish these projects, allocated across the Campus and AORMA programs.

**BACKGROUND:** None.

**ATTACHMENT(S):** Sample Praesidium presentation

# Prevention and Management of Child Sexual Abuse in Higher Education

Richard F. Dangel, Ph.D.  
Aaron Lundberg, LMSW



**PRAESIDIUM**  
Our passion. Your protection.

# About Praesidium

*“To help you protect those in your care from abuse and to help preserve trust in your organization.”*

- Two decades of experience
- More than 4,000 clients
- Completed thousands of root cause analyses
- Developed comprehensive abuse risk management model
- Offer complete range of risk management solutions
- National safety partner with:
  - YMCA of the USA, Boys & Girls Clubs of America, USA Swimming (Olympics NGB), Church Pension Group (insuring the Episcopal community), CWLA (Child Welfare League of America), and CMSM (Conference of Major Superiors of Men)

# Scope of the Problem

- 1 in 4 girls and 1 in 6 boys
- 10% of school children
- 300% increase in child-to-child abuse
- 80% goes unreported
- Legislative changes allowing litigation

# Effects of Abuse on Victims

- Psychological 3 times greater depression
- Educational 4 times greater suicidal thoughts
- Behavioral 6 times greater PTSD
- Interpersonal 13 times greater alcohol abuse
- Sexual 26 times greater drug abuse

# Effects of Abuse on Organizations

- Threat to the mission
- Awards from \$3,000 to multi-millions
- Highest percentage of all types of claims in higher education resulting in monetary loss
- Higher education average loss \$475,000 +
- Plaintiffs prevail in two-thirds of cases
- Jeopardizes insurability
- Reputational damage

# Common Claims in Litigation

- Negligent screening
- Negligent training
- Negligent supervision
- Negligent retention
- Negligent investigation

# How Offenders Operate

- Types of offenders
  - Predatory
  - Opportunistic
- Conditions necessary to offend
  - Access
  - Privacy
  - Control

# Sample Exposures on Campus Involving Minors

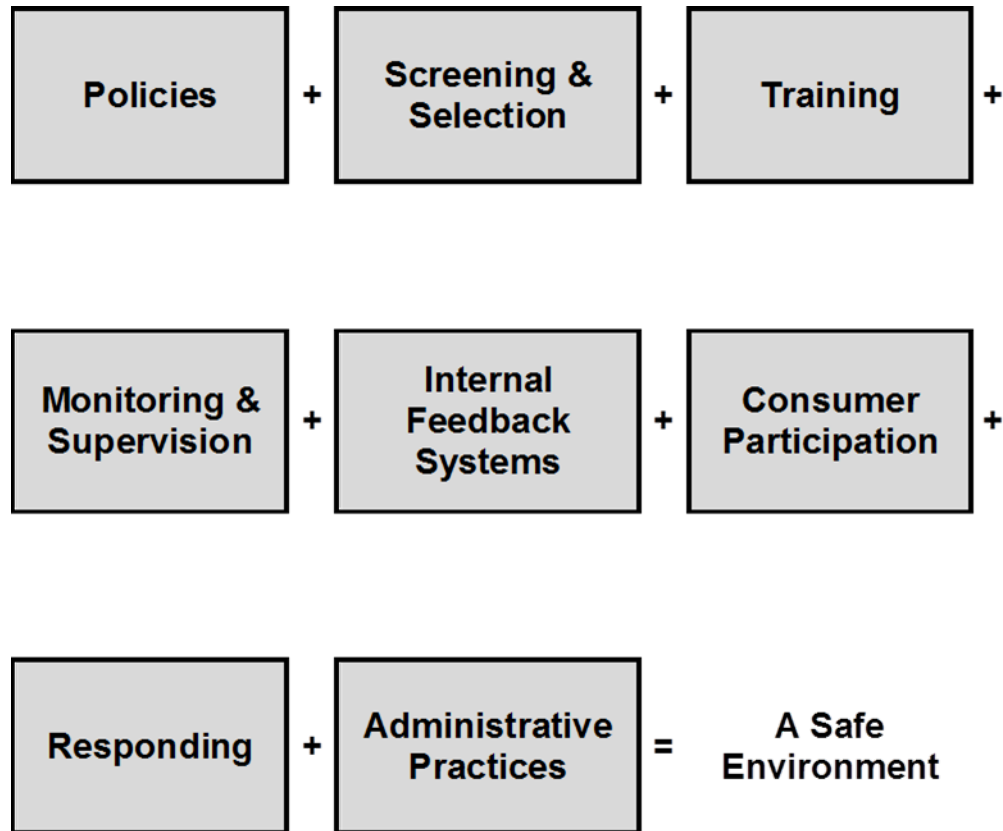
- Field practicum, internships
- Adult student to minor
- Registered sex offender student or employee
- Child care (authorized, unauthorized)
- Athletics, camps, clubs
- Field trips on campus
- Tutoring
- Music lessons
- Exchange students, aspiring students
- Concerts, performances



# Unique Circumstances in Higher Education

- Decentralized policies
- Unclear ownership of risk
- Departmental autonomy in program launch and risk management
- Diversity of potential exposures
- Relative ease of access

# The Praesidium Safety Equation<sup>®</sup>



# Six Steps to Prevention

Step 1. Assign leadership, embrace the cause.

Step 2. Establish a child safety task force.

Step 3. Identify and assess current exposures.

Step 4. Establish policies for programs involving minors.

Step 5. Provide compulsory training with compliance tracking.

Step 6. Implement system for reporting and responding.

# Praesidium Resources

- Online Program Self Assessment
- Model Youth Protection Policies
- Armatus<sup>®</sup> Online Training
- On-site Training
- Criminal Background Checks
- Confidential Reporting Helpline
- Incident Response and Investigation
- Implementation Consultation Services

# Contact Us

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817.801.7773

## **CAMPUS LIABILITY PROGRAM CLAIMS AUDIT REPORT**

**ISSUE:** CSURMA engaged Bickmore Risk Services to conduct a claims audit at the Chancellor's Office Risk Management for the self-administered Campus Liability Risk Pool. The field work was completed during the week of April 15, 2013 and the draft report was completed on April 25, 2013. The draft report is attached herein for review by the Executive Committee.

**RECOMMENDATION:** Information item; no action requested.

**FISCAL IMPACT:** The cost for the claim audit is within the amount budgeted for FY 2012/13.

**BACKGROUND:** The CSU Trustee's Internal Audit identified that CSURMA had not recently secured a claims audit of the Campus Liability claims administration. In addition, the Program Director recommends that a claims audit be performed for the AORMA Liability and the AIME programs, which are in process; draft reports are due on May 28, 2013.

**PUBLICATION:** None.

**ATTACHMENT(S):**

Bickmore Risk Services: Draft Claims Audit Report for Campus Liability, April 25, 2013



# Bickmore



April 25, 2013

Mr. Robert Leong  
Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111

RE: **California State University Risk Management Authority  
General Liability and Errors and Omissions Claims Audit**

Dear Mr. Leong:

Please find enclosed the findings and recommendations of our claims audit on behalf of the California State University Risk Management Authority (CSURMA). This audit examines the claims handling practices of CSURMA in the self-administration of its claims.

We present an overview of our findings in Chapter I and discuss our findings in Chapter II. We look forward to discussing this report.

Bickmore appreciates the opportunity to provide claims program and evaluation services and the assistance received from the Systemwide Office of Risk Management and campus Risk Managers to complete this project.

We stand ready to answer any questions. Please feel free to contact me at:

Bickmore  
1100 Town & Country Road, Suite 1550  
Orange, California 92668  
Phone: (714) 426-8507  
E-mail: [demitchell@bickmore.net](mailto:demitchell@bickmore.net)

It has been a pleasure to provide services for this important project.

Respectfully submitted,

**DRAFT**

Dennis Mitchell, CPCU, SCLA, ARM  
Senior Claims Consultant

# Table of Contents

<b>I. Executive Summary</b> .....	<b>1</b>
<b>II. Detailed Findings</b> .....	<b>11</b>
1. Claims Intake.....	11
2. Investigation.....	13
3. Plan of Action/Documentation.....	14
4. Reserve Management.....	14
5. Statutory Compliance.....	16
6. Communication.....	17
7. Claims Management Information System (CMIS).....	17
8. Claim Disposition and Payment.....	18
9. Litigation/Recovery Management.....	19

## Exhibits

I-1 Systemwide Risk Management Organization Chart.....	7
I-2 Scoring by Component with Financials.....	8
I-3 Scoring by Component Summary Graph.....	9
I-4 Average Incurred Loss and Expense 2010 through 2012.....	10
II-1 Claim Intake and Closings, Composition and Pending.....	12

## Appendices

- A - Claims Audit List
- B - Component, Subcomponent, and Criteria Scores with Exceptions

## I. Executive Summary

The California State University Risk Management Authority (CSURMA) is a Joint Powers Authority (JPA) authorized by California Government Code §6500 et seq. The JPA was established in 1997 to perform pooled group insurance and risk management-related activities for the California State University (University) system and its 23 campuses. Claims and risk management functions are centralized in the Chancellor's Office in Long Beach, California.

The University is the largest four-year public university system in the nation with 44,000 faculty and staff, 437,000 students, and 23 statewide campus locations.

Claims are administered by the Systemwide Office of Risk Management and Public Safety (ORM) under the management of an Assistant Vice-Chancellor and four staff members who provide claim oversight and support services. Prior to October 2011, claims were received by the state Victim Compensation and Government Claims Board (VCGCB) and administered by Alliant Insurance Services, Inc. (Alliant).

Coverage is under a Master Document governing General Liability and Errors and Omissions Coverage which specifies coverage provided to members, definitions, limitations, exclusions, and conditions. Coverage is intentionally broad, providing \$5 million of pooled coverage, with excess coverage above the pooled layer.

Auto Liability and Property claims are not included and are handled by the California Office of Risk and Insurance Management (ORIM) and Alliant, respectively.

Each of the 23 campuses has a designated Risk Manager whose role in handling claims is supported by ORM. The University's Office of General Counsel (OGC) assigns an attorney to each campus to assist with legal claim issues. OGC is responsible for litigation management and oversight, including:

- Assigning newly litigated claims to OGC, an Attorney General (AG) with the California Department of Justice (DOJ), or outside counsel;
- Promoting evaluation and ongoing strategy development;
- Providing general guidance and settlement recommendations; and
- Controlling litigation costs.

ORM is responsible for administering claims made against the University, including:

- Receiving, recording, and acknowledging new claims;
- Coordinating investigation of liability with the campus Risk Manager;
- Ensuring reserve accuracy by evaluating claim developments and seeking additional information when appropriate;
- Reporting appropriate claims to the University's excess carriers;

- Promoting case resolution by obtaining settlement authority when appropriate, coordinating resolution, and overseeing warrant issuance; and
- Providing campuses with quarterly reports on claim activity.

To meet its responsibilities, ORM maintains constant contact with the campus Risk Manager and with OGC.

The purpose of this audit is to:

- Verify ORM's claims administration practices meet industry best practices, comply with state law, and its internal procedures; and
- Identify opportunities for program improvement and make recommendations to ensure improvement.

This is the first audit of CSURMA since administration was assumed by ORM in October 2011. Processes and procedures are still under development.

To assist CSURMA in assessing the effectiveness of its claims administration, Bickmore:

- Reviewed the recently developed "Liability Claims Guidelines" (Guidelines) to verify compliance with industry best practices;
- Interviewed ORM claims administration staff;
- Interviewed selected campus Risk Managers;
- Reviewed open and closed claims data and selected the sample of 45 liability claims shown in Appendix A;
- Reviewed the sample claims onsite at the Chancellor's Office in Long Beach, California from April 15 through April 17 to determine whether ORM policies and procedures meet industry best practices and are applied;
- Provided daily feedback communicating our findings to ORM during the onsite audit; and
- Provided our daily findings to ORM to validate results. We discussed the findings onsite, concluding discussions on April 23, 2013.

We were provided with a ten-year history of open and closed claims as of December 31, 2012. Our analysis of the data reflected 164 open pending claims and we randomly selected 45 open and closed claims for review. Thirty-three claims or 73% of the sample are litigated, compared to the overall pending litigation rate of 48%.

We find overall performance at 96%, indicating a **Superior** performance level, as shown in Table I-1.

We find:

- ORM complies with industry best practices and its internal procedures;

- ORM is led by the Assistant Vice Chancellor, Risk Management, and Public Safety (Chief Risk Officer);
- The Associate Director and the Risk Management and Administrative Analyst work as a team to develop claim information and record claims;
- Two additional staff provide support, including backup for claims administration;
- Most claims are reported to ORM via a form available on the University website;
- Claims are recorded promptly;
- ORM staff is dependent on campus staff to provide accident details and some follow-up by ORM is usually required;
- Initial reserves are occasionally late, with 21% not meeting the industry best practice of recording a reserve within five days of receipt;
- Reserves are reviewed frequently and represent an accurate estimate of CSURMA's exposure;
- Reporting claims to the Insurance Services Office (ISO) *ClaimSearch*<sup>®</sup> Index was instituted within the last 60 days with no activity seen in this audit;
- Of the 164 pending claims, 83 are personal injury claims, with 46 relating to employment actions;
- The incurred loss and expense for pending claims totals \$15,120,522 at the time of the audit, with an average incurred per claim of \$92,198;
- The average incurred loss for claims closed between 2010 and 2012 is \$120,600, with the impact of bodily injury and personal injury claims demonstrated in Exhibit I-4.
- Litigated claims represent 48% of the pending claims where ORM is dependent on OGC providing sufficient detail to promote accurate reserving; and
- Pending caseloads are reasonable and shared case management with extensive communication promotes the necessary teamwork.

We provide an organization chart for ORM in Exhibit I-1.

To arrive at our findings, we compared performance in the nine claims handling component areas for each claim shown in Appendix A against industry standards, state law, and CSURMA's own requirements. Results are shown in Exhibit I-2 "Scoring by Component with Financials," and graphically in Exhibit I-3.

By scoring each component using the performance evaluation criteria shown in Table I-2 and dividing the 'Yes' findings by possible findings ('yes' plus 'no' findings), we determine the compliance percentage. Using the scale shown in Table I-1, we assess performance setting an acceptable target at 85%, considering the compliance percentage for each component by claim and across all claims.

**Table I-1  
 Performance Evaluation Scale**

<b>Performance</b>	<b>Compliance Percentage</b>
Superior	96% - 100%
Commendable	91% - 95%
Acceptable	85% - 90%
Requires Improvement	Below 85%

**Table I-2  
 Performance Evaluation Criteria**

<b>Evaluation</b>	<b>Grading Criteria</b>
Yes	Complete compliance with industry standards and internal procedures. File reflects active steps are taken to resolve claim.
No	Lack of compliance with industry standards and internal procedures. Evidence of substandard claims handling, creating exposure to penalties or disbursement of undue benefits.
Not Applicable	The claim does not present a need for claims handling in the component area.

We make recommendations to enhance performance for component results below Commendable, or when subcomponents or criteria are scored below Acceptable.

To improve performance we recommend implementing the enhancements discussed in Table I-3.

**Table I-3  
 Performance Enhancement Recommendations Summary**

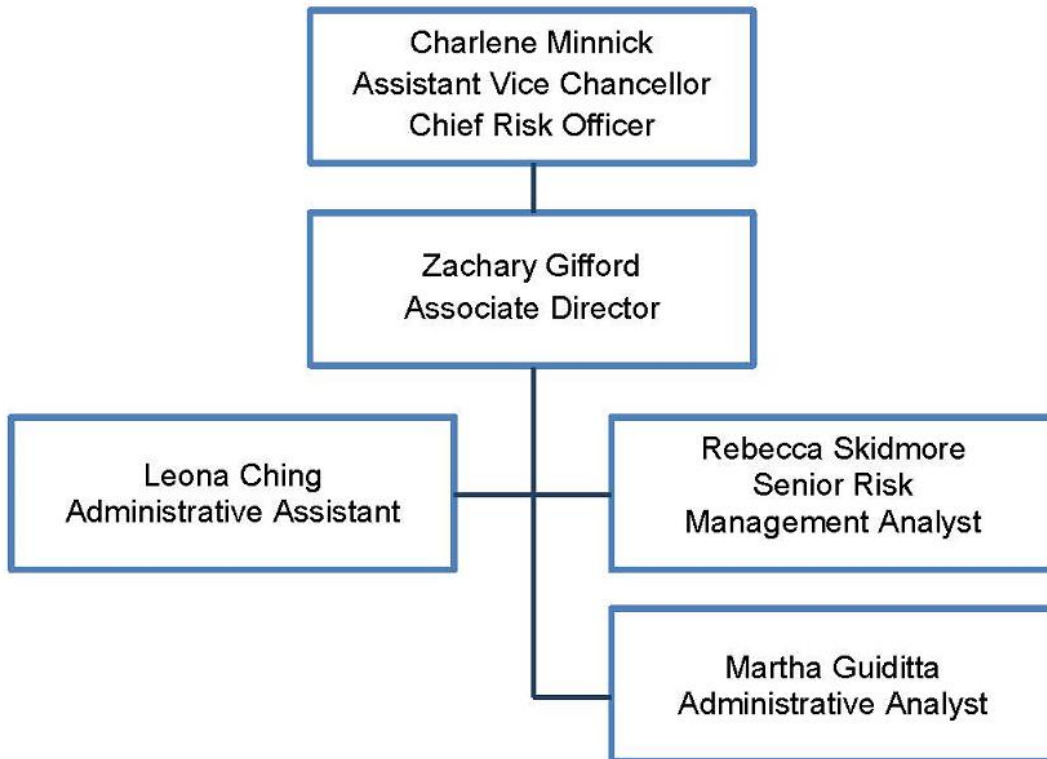
Performance Component	Performance Enhancement Recommendations
Investigation	<ul style="list-style-type: none"> <li>• Update the claim filing procedures at <a href="http://www.calstate.edu/risk_management/claims">http://www.calstate.edu/risk_management/claims</a> to require a claimant alleging bodily injury to provide a medical authorization with the claim form.</li> <li>• Provide a claim authorization complying with the Health Insurance Portability and Accountability Act (HIPAA) and approved by OGC on the website.</li> <li>• Require ORM staff to:               <ul style="list-style-type: none"> <li>- Follow up with campus representatives at 30-day intervals until a response is provided to an investigation request;</li> <li>- Ensure the attachment of investigative evidence to the iVOS<sup>®</sup> file; and</li> <li>- File an ISO <i>ClaimSearch</i><sup>®</sup> index report to develop information on prior injuries.</li> </ul> </li> </ul>
Reserve Management	<ul style="list-style-type: none"> <li>• Update ORM Guidelines to require establishment of the initial reserve within five days of claim receipt.</li> <li>• To facilitate documentation of reserve rationale, explore whether the character field of the reserve screen can be expanded to allow additional input.</li> </ul>
Claim Disposition and Payment	<ul style="list-style-type: none"> <li>• Update the ORM Guidelines to require documentation of settlement authority to include:               <ul style="list-style-type: none"> <li>- Attachment of a settlement authority document to the claim file; or</li> <li>- Inclusion of a notepad entry copying an authorization document, such as an e-mail; or</li> <li>- A notepad entry by the individual authorized to extend settlement authority.</li> </ul> </li> <li>• Update the claimant's Medicare status prior to beginning settlement negotiations; and</li> <li>• Require ORM staff to document:               <ul style="list-style-type: none"> <li>- Claim evaluations within 30 days of its receipt of damage information; and</li> <li>- Negotiations, obtaining the information from OGC on litigated claims.</li> </ul> </li> </ul>
Litigation/Recovery Management	<ul style="list-style-type: none"> <li>• Meet with OGC to develop a methodology to ensure compliance with established procedures, including:               <ul style="list-style-type: none"> <li>- Providing the AG and outside counsel with an engagement letter and handling instructions concurrent with the assignment;</li> <li>- Ensuring compliance with CSURMA's litigation management guidelines, including reporting and settlement authorization requirements; and</li> <li>- Developing standards for required ProLaw<sup>©</sup> documentation.</li> </ul> </li> <li>• Use the iVOS<sup>©</sup> litigation screen to record plaintiff and defense attorney information.</li> </ul>

In Section II, we present our findings in detail with a discussion of industry standards and our recommendations. We recommend our report be read in its entirety.

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Exhibit I-1

**Systemwide Risk Management and Public Safety  
Organizational Chart  
Claims Administration**



**Exhibit I-2**

**Scoring by Component with Financials**

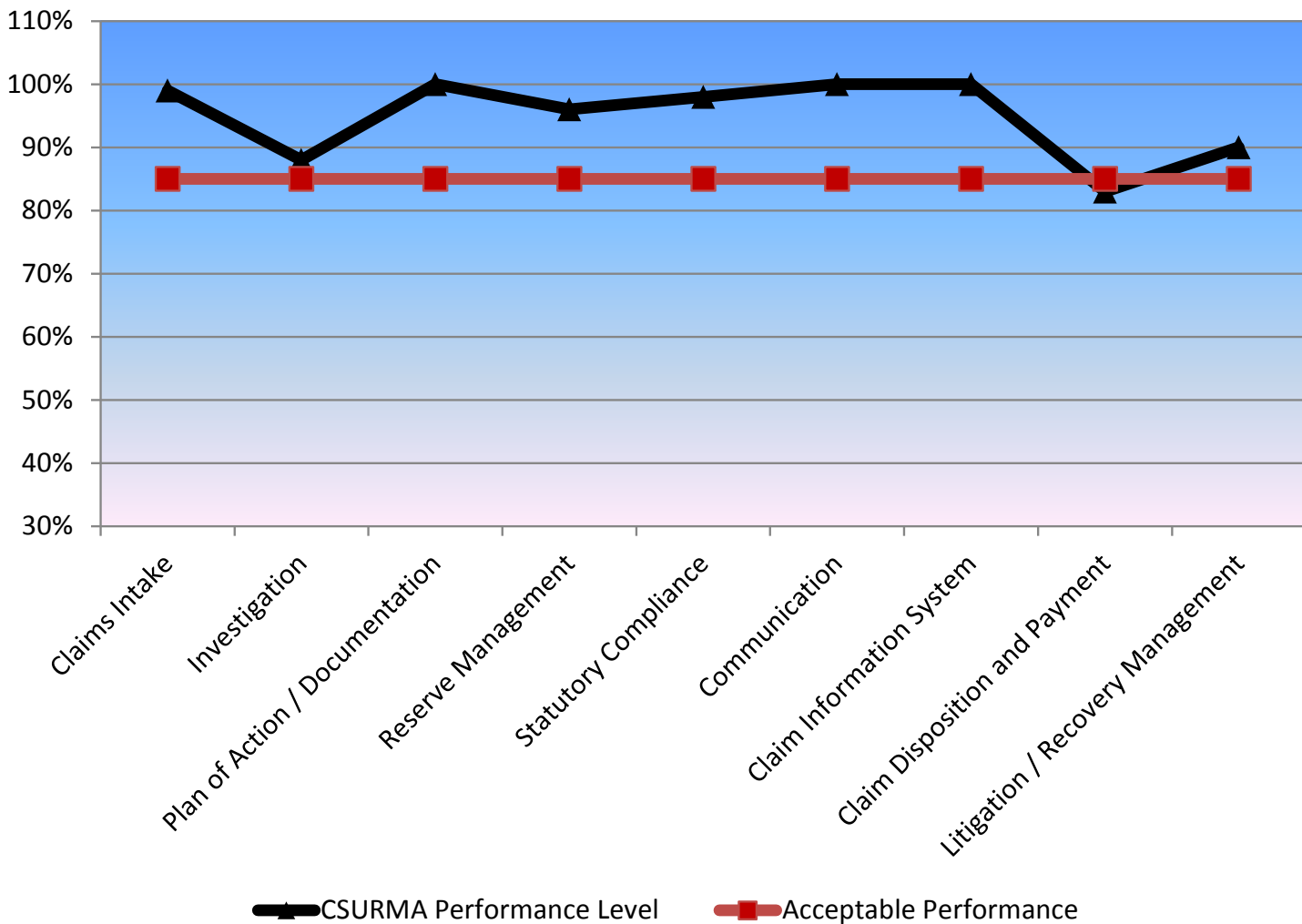
Claims Reviews Completed:	<b>45</b>	Actual Reserve:	<b>\$3,378,403</b>
Incurred:	<b>\$5,077,680</b>	Recommended Reserve:	<b>\$3,378,403</b>
Paid:	<b>\$1,669,277</b>	Net Reserve Change:	<b>\$0</b>

Claims Administration Component	Claims Graded	Number of Responses for Component			Compliance Percentage
		Yes	No	NA	
01 Claims Intake	35	186	1	83	99%
02 Investigation	40	120	16	269	88%
03 Plan of Action/Documentation	43	209	0	241	100%
04 Reserve Management	44	185	7	168	96%
05 Statutory Compliance	44	83	2	95	98%
06 Communication	43	47	0	88	100%
07 Claim Management Information System	44	211	0	14	100%
08 Claim Disposition and Payment	20	68	14	638	83%
09 Litigation/Recovery Management	32	102	11	517	90%
<b>Overall Claims Administration</b>	<b>45</b>	<b>1,211</b>	<b>51</b>	<b>2,113</b>	<b>96%</b>

Appendix B summarizes the “Yes/No” responses and identifies each exception by claim.

Exhibit I-3

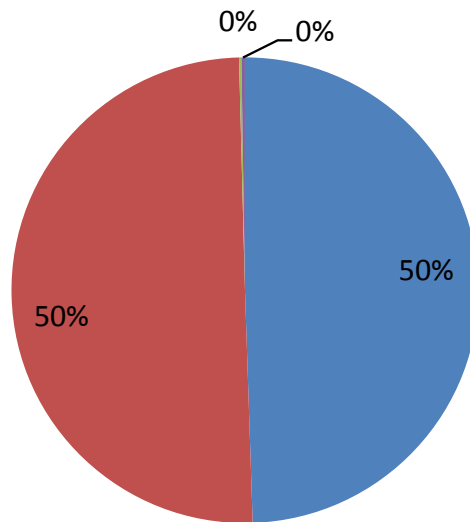
Scoring by Component Summary Graph



**Exhibit I-4**

**Average Incurred Loss and Expense  
 2010 through 2012**

Claim Type	2010	2011	2012	Grand Total
Bodily Injury	464,442	117,830	27,024	179,390
Personal Injury	305,975	96,421	132,063	181,741
Property Damage	426	691	775	599
Other	698	1,488	669	878
Grand Total	227,102	80,452	46,916	120,600



■ Bodily Injury ■ Personal Injury ■ Property Damage ■ Other

## II. Detailed Findings

This chapter provides our findings for each component we measure. Our findings consider how well procedures meet industry best practices and how well procedures are applied in handling the claims according to the sample review. Below is a narrative discussion of our analysis and findings. Exceptions for all components are found in Appendix B. Upon request, we can provide additional detail that includes comment on each claim reviewed.

### 1. Claims Intake

99%

Best practices require the JPA to develop policies and procedures to promote timely, accurate claim reporting by members. Best practices also require an administrator to:

- Maintain manageable caseloads to promote prompt, effective service to members and third party claimants;
- Process assignments within one business day; and
- Verify the Memorandum of Coverage (MOC) applies to the loss date and the claim facts.

CSURMA Guidelines require the claims administrative staff to obtain all available information from the campus. Campus Risk Managers are cooperative in providing information to ORM. While campus Risk Management does not have dedicated claim investigative staff available, they can generally provide sufficient information and evidence through campus police, maintenance or environmental staff.

Claims are recorded in Aon's iVOS<sup>®</sup> system. This user-friendly system allows the user to record financial and statistical data and adjuster notes. The system's "Sticky Notes" feature facilitates scanning and retention of documents, allowing CSURMA to operate in a paperless environment.

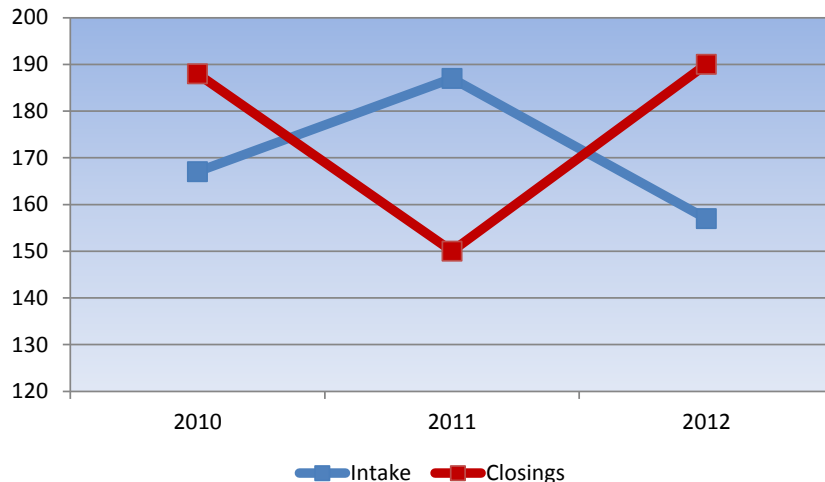
Two staff members provide oversight for claims. Caseloads are manageable. CSURMA incurred an average of 170 claims per year for the three years ending in 2012. During the same period, ORM closed an average of 176 per year, for a closing ratio of 104%. This is a favorable ratio; ratios exceeding 100% reflect closures exceeding intake, demonstrating staff are productive in managing the pending claims.

CSURMA's claims are complex, with 64% of the intake and 85% of the pending claims involving bodily injury or personal injury. Of the 83 pending personal injury claims, 46 are employment-related. Almost half the pending claims are litigated.

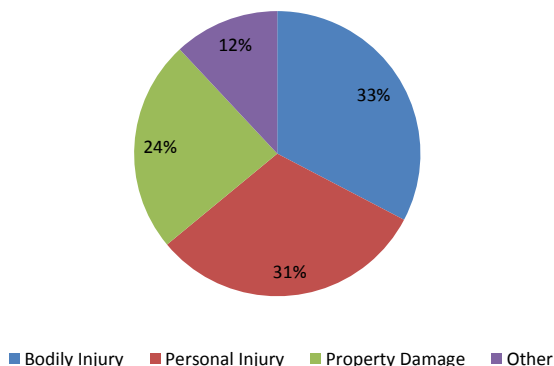
Exhibit II-1 graphically demonstrates the three-year average intake and closing data, the composition of the average intake, and the current pending claims.

Exhibit II-1

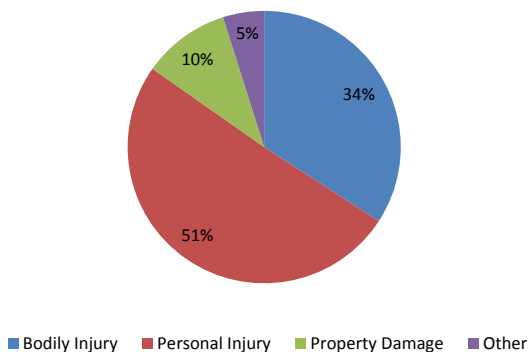
Claim Intake and Closings  
 2010 through 2012



Claim Intake Composition  
 2010 through 2012



Current Pending Claims  
 December 31, 2012



We find:

- New claims are set up timely, usually within 24 hours of receipt;
- Data is accurate and updated when appropriate; and
- Productivity is acceptable with claim closures slightly outpacing claim intake.

**We assess claims intake performance as superior.**

## 2. Investigation

88%

Best practices require:

- Completing investigation within 15 days of claim receipt or documenting efforts to do so;
- Documenting an action plan to complete items outstanding after 30 days;
- Developing evidence such as statements, police reports, and photographs to preserve evidence and support liability and damage decisions;
- Reporting bodily injury claims through the Insurance Services Office (ISO) *ClaimSearch*<sup>®</sup> system to identify prior injuries and claims history;
- Obtaining medical authorizations on bodily injury claims;
- Using a process to identify suspicious claims and target them for closer examination;
- Documenting analysis of the extent of the member's negligence and comparative negligence of the parties; and
- Documenting the initial liability assessment within 15 days of receipt of the claim and re-assessing liability upon receipt of new information.

A properly conducted investigation ensures an accurate understanding of the facts to determine liability. Prompt liability determination can eliminate the need to litigate and, if litigation does occur, allow more focused discovery.

The ORM Guidelines require staff to obtain "all available information" from the campus coordinator. CSURMA is usually able to make a prompt, accurate determination of liability without the benefit of a dedicated investigative staff. Campus Risk Managers are usually able to provide needed information.

We find:

- Contacts with campus parties are timely, usually by telephone or e-mail concurrent with claim setup;
- Claimant contact, if unrepresented, is usually made by the campus, although ORM stands ready to assist, if necessary;

- The *iVOS*® notepad usually documents the adjuster's analysis of negligence;
- Consistency in following up for requested information can be improved;
- Attachment of investigative evidence to the *iVOS*® file, such as campus initial reports and police reports, is inconsistent;
- Medical authorizations are not requested from claimants who allege bodily injury; and
- Claims are not indexed through ISO *ClaimSearch*®. However, this procedure was only implemented within the 60 days prior to this audit.

**We assess claims investigation performance as acceptable. To improve performance to commendable, we recommend ORM:**

- **Update the claim filing procedures at [http://www.calstate.edu/risk\\_management/claims](http://www.calstate.edu/risk_management/claims) to require a claimant alleging bodily injury to provide a medical authorization with the claim form;**
- **Provide a claim authorization complying with the Health Insurance Portability and Accountability Act (HIPAA) and approved by OGC on the website;**
- **Require ORM staff to:**
  - **Follow up with campus representatives at 30-day intervals until a response is provided to an investigation request;**
  - **Ensure the attachment of investigative evidence to the *iVOS*® file;**
  - **File an ISO *ClaimSearch*® index report to develop information on prior injuries.**

### 3. Plan of Action/Documentation

100%

Best practices require the administrator document action plans and initiate activities to resolve the claim. Claim action plans and activity should be entered into the claim file notes at least monthly, with an emphasis on moving the claim toward resolution. Supervisory intervention is necessary to ensure timely disposition.

CSURMA requires the claim notepad to “tell the story” of the claim based on review of information from the claimant, campus, investigation and OGC. Litigated claims are managed by OGC with documentation of activity in its *ProLaw*® system.

We find:

- Action plans are reflected in the notepad;
- ORM staff frequently checks OGC's *ProLaw*® file to determine the status of litigation;

- *ProLaw*® updates are inconsistent, with the extent of case information varying among attorneys, requiring additional follow-up by ORM staff; and
- Claim notes are professional clearly identify the party documenting the claim.

**We assess diary and action plan performance as superior. We recommend ORM work with OGC to develop standards for updating *ProLaw*® and address this in our section on Litigation/Recovery Management.**

#### 4. Reserve Management

96%

Best practices require:

- Setting initial reserves within five days of claim receipt;
- Reevaluating reserves at least bi-annually for adequacy based upon the liability and damages information reflected in the investigation and discovery;
- Maintaining reserves at “Most Probable Ultimate Outcome” (MPUO) to avoid reserve stair stepping. This is a methodology we encourage for other similar entities, as it is fiscally prudent. Calculation of MPUO is recommended as follows:
  - Where there is a 75% or greater chance for favorable outcome, reserve for favorable outcome plus 25% of probable adverse outcome;
  - Where there is a 51% to 75% chance for favorable outcome, reserve for favorable outcome plus 50% of probable adverse outcome;
  - Where there is a 25% to 50% chance for favorable outcome, reserve for favorable outcome plus 75% of probable adverse outcome; and
  - Where there is less than a 25% chance for favorable outcome, reserve for 100% of probable adverse outcome.
- Documenting reserve calculations.

CSURMA’s Guidelines address reserves generally, but does not specify time frames for setting and reviewing reserves.

We find:

- Notepad documentation and the *iVOS*® reserve section demonstrate frequent reserve review;
- 79% of the audit sample reflects establishment of the reserve within five days with performance essentially the same on claims established before and after October 2011;
- Reserve rationale is usually documented in the *iVOS*® reserve screen; however, in some cases the explanation exceeds the allowable character count, causing truncation of the explanation;

- Indemnity and expense reserves are evaluated separately; CSURMA uses two indemnity fields representing Bodily Injury/Property Damage and Other Indemnity. Other Indemnity represents Personal Injury claims where no physical injury is involved. CSURMA uses one expense field;
- With one exception, claims are closed and reserves removed within 30 days of the final payment; and
- Reserves are accurate. We agree with all reserves in the audit sample except for one recommendation to move a reserve from “Other” to “Bodily Injury.”

**While we assess reserve management performance as superior, we recommend ORM:**

- **Update its Guidelines to require establishment of the initial reserve within five days of receipt of the claim; and**
- **Explore whether the character field of the reserve screen can be expanded to allow sufficient input to explain reserve rationale.**

## 5. Statutory Compliance

98%

Best practices require compliance with:

- Any state Fair Claims Practices Act; and
- Other federal or state laws relating to handling and payment of claims.

Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) established mandatory reporting requirements for liability insurance (including self-insurance), no-fault insurance, and workers' compensation. This act requires claims administrators to identify a Medicare beneficiary (whose injury or accident might result in a settlement) to enable appropriate determination concerning coordination of benefits, including any Medicare recovery entitlement.

The Centers for Medicare & Medicaid Services (CMS) is responsible for implementing the MMSEA.

While public entity self-insurance programs qualify for exemption to requirements of the California Fair Claims Practices Act, included in the California Insurance Code, the ORM staff treats third party claimants fairly and facilitates prompt payment issuance.

ORM issues claim rejection letters only after consultation with the campus regarding assessment of liability.

ORM is a Responsible Reporting Entity (RRE) under MMSEA and contracts with FARA<sup>®</sup> to identify and report appropriate claims. CSURMA provides FARA<sup>®</sup> with a quarterly listing of claims, from which Medicare recipients are identified. This process takes place separately from the claims file.

**We assess statutory compliance performance as superior. We recommend ORM develop a methodology to document a claim file when a Medicare recipient is identified.**

## **6. Communication**

**100%**

Best practices require:

- Prompt response to internal communications; and
- Prompt response to external correspondence or communication.

Internal communication takes place between ORM and campus representative and OGC. Communication with the public is coordinated between the campus and ORM.

We find:

- Claim files reflect good communication among ORM, OGC, and campus representatives. No exceptions are noted; and
- Campus representative interviews confirm effective communication between the campus and ORM.

**We assess communication as superior.**

## **7. Claims Management Information System (CMIS)**

**100%**

Best practices require:

- CMIS support of claims handling efficiency, including:
  - CMIS fields adequate to collect data required to handle claims; and
  - Use of CMIS fields to collect data timely and accurately.
- CMIS support of loss experience reports (LERs), including:
  - Support for provision of LERs to members and loss control personnel; and
  - Support for provision of EDI per regulatory requirements.

CSURMA meets best practices by requiring:

- Entry of each claim related to an event separately in the CMIS; and
- CMIS updates to be completed by the ORM staff.

We find:

- Data captured is accurate and updated when necessary;
- iVOS contains sufficient fields to allow meaningful reports; and
- Claim file data reviewed in the sample agreed with the loss run data and there was no contradictory data found in the notepads.

**We assess performance for CMIS as superior.**

## **8. Claim Disposition and Payment**

**83%**

Industry best practices require documentation of:

- Evaluation of damages within 30 days of receipt;
- Verification of bodily injury claims by medical bills and reports;
- Extent of property damage by itemized building scope, appraisal, and pricing verification;
- Damage offsets such as prior damage, injury, or depreciation;
- Authorization requests and approvals;
- Offers and demands;
- Releases executed prior to settlement check issuance;
- Protection of Medicare's interest when there is a secondary payer obligation in accordance with the MMSEA; and
- Timely and accurate payments.

Campus Risk Managers have settlement authority within the campus deductible. In actual practice, ORM is involved in settlement discussions and campus representatives rely on ORM in matters of valuation.

Settlement authority is subject to the requirement that settlements exceeding \$100,000 are approved by the Chancellor. In many high-value claims, the Chief Risk Officer is directly involved in settlement negotiations.

We find:

- Claim evaluation is not consistently completed within 30 days of receipt of damage information;
- Documentation of evaluations and negotiations is inconsistent, although the settlement is documented;

- Releases are obtained in 100% of the settled claims in the audit sample;
- Medicare secondary payer status and determination of Medicare liens is not documented in the claim file;
- Documentation of settlement authority is inconsistent. Files contain reference to authority but not an approval document or note; and
- Payments are not issued by ORM, but requested through the CSURMA Accounting Department.

**We assess claims disposition performance as requiring improvement. We recommend ORM:**

- **Update its Guidelines to require documentation of settlement authority to include:**
  - **Attachment of a settlement authority document to the claim file; or**
  - **Inclusion of a notepad entry copying an authorization document, such as an e-mail; or**
  - **Notepad entry by the individual authorized to extend settlement authority.**
- **Update the claimant's Medicare status prior to beginning settlement negotiations; and**
- **Require ORM staff to document:**
  - **Claim evaluations within 30 days of its receipt of damage information; and**
  - **Negotiations, obtaining the information from OGC on litigated claims.**

## **9. *Litigation/Recovery Management***

**90%**

Best practices require the administrator to avoid unnecessary litigation by:

- Investigating claims promptly;
- Evaluating claims reasonably and making early resolution decisions;
- Maintaining frequent contact with third party claimants to establish trust and foster claim resolution when appropriate; and
- Treating claimants and attorneys fairly.

To minimize costs when litigation does occur, the administrator is expected to:

- Control the use of outside defense counsel;
- Assign claims in writing to specific attorneys rather than to firms;

- Ensure cases contain the attorney's documented resolution strategy and a written budget;
- Collaborate with the assigned attorney to facilitate development of alternative resolution strategies when appropriate;
- Consider alternative dispute resolution; and
- Monitor defense counsel's billings to ensure compliance with contractual requirements.

CSURMA monitors litigation by accessing OGC's *ProLaw*® file and obtaining information by e-mail or telephone if necessary.

CSURMA's litigation is managed by the OGC. This includes:

- Assignment of defense counsel;
- Oversight of defense counsel, including case strategy and budgeting;
- Updating *ProLaw*® with the current discovery and resolution status; and
- Approval of defense fees and expenses.

OGC provides written instructions to the AG and outside counsel setting forth requirements to provide them with written reports:

- Upon receipt of court rulings;
- Upon notice of settlement conference, mediation, or trial date;
- Relating results of key depositions;
- Upon discovery of new facts that substantially impact the issues; and
- For submission of a settlement recommendation.

We find:

- CSURMA and OGC support the use of alternative dispute resolution to promote settlement and contain litigation costs;
- OGC assigns claims to itself, the AG office, or to outside counsel on the CSURMA approved panel;
- When the AG or outside counsel is assigned, assignment is to a specific attorney;
- While a written engagement letter providing assigned counsel with handling guidelines is required, its use is inconsistent;

- The written instructions require the AG and outside counsel to provide copies of periodic written status reports to ORM; however, compliance within the audit sample is inconsistent;
- *ProLaw*® frequently provides insufficient information for ORM to evaluate case value and reserve accuracy;
- Documentation of approved legal fees and costs are found in the claim file; and
- Current hourly rates for the AG and outside counsel are \$175 and \$225, respectively.

Subrogation and recovery opportunities were not present in the audit sample.

**We assess litigation management performance as acceptable. We recommend ORM:**

- **Meet with OGC to develop a methodology to ensure compliance with established procedures, including;**
  - **Providing the AG and outside counsel with an engagement letter and handling instructions concurrent with the assignment;**
  - **Ensuring compliance with CSURMA's litigation management guidelines, including reporting and settlement authorization requirements; and**
  - **Developing standards for required *ProLaw*® documentation.**
- **Use the *iVOS*® litigation screen to record plaintiff and defense attorney information.**

**Appendix A**  
**Claims Audit List**

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## **Appendix B**

### **Component, Subcomponent, and Criteria Scores with Exceptions**

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# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
<b>01 Claims Intake</b>							
1	Claim Reporting	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
1.01	Does member report claim timely?	32	0	13	32	32	100%
1.02	Does the initial report have sufficient information for the adjuster to initiate contacts and investigation?	30	0	15	30	30	100%
1.03	Does the initial report reflect the member's familiarity with CSURMA claim reporting procedures?	31	0	14	31	31	100%
Subcomponent Total		93	0	42	93	93	100%
2	Claim Set Up	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
1.04	Is claim set up within 24 business hours of receipt?	34	0	11	34	34	100%
1.05	Are claim facts reviewed immediately to verify facts conform with coverage provided?	28	1	16	28	29	97%
1.06	Is claim data entry accurate?	31	0	14	31	31	100%
Subcomponent Total		93	1	41	93	94	99%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
<b>01 Claims Intake</b> (85% target)		<b>186</b>	<b>1</b>	<b>83</b>	<b>186</b>	<b>187</b>	<b>99%</b>
<b>Exceptions:</b> 01 Claims Intake (Claims scoring below 100%)							
1	2009-001889						75%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
		Yes	No	N/A	Actual	Possible	Pct
<b>02 Investigation</b>							
1	Contacts	Yes	No	N/A	Actual	Possible	Pct
2.01	Contacts with required parties initiated within 24 hours of receipt of claim?	26	0	19	26	26	100%
2.02	Is contact with parties sufficient to obtain required information?	27	0	18	27	27	100%
Subcomponent Total		53	0	37	53	53	100%
2	Obtaining and Preserving Evidence	Yes	No	N/A	Actual	Possible	Pct
2.03	Investigation is substantially completed within 15 days of assignment, or the claim is documented with efforts to do so.	31	1	13	31	32	97%
2.04	If the investigation is not complete within 30 days, there is an action plan to complete outstanding items?	15	2	28	15	17	88%
2.05	Investigation includes statements, police reports, photographs appropriate to support liability and damage decisions?	9	3	33	9	12	75%
2.06	If bodily injury is involved, are authorizations obtained?	0	0	45	0	0	N/A
Subcomponent Total		55	6	119	55	61	90%
3	Mitigation	Yes	No	N/A	Actual	Possible	Pct
2.07	If bodily injury is involved, the claim is reported to the index system?	0	10	35	0	10	0%
2.08	When fraud is suspected, additional investigation is pursued, together with reporting to authorities, if appropriate?	0	0	45	0	0	N/A
2.09	Did the adjuster perform a documented analysis of the extent of the member's negligence, including, if applicable, comparative negligence of the parties?	12	0	33	12	12	100%
Subcomponent Total		12	10	113	12	22	55%
Category Total:		Yes	No	N/A	Actual	Possible	Pct
<b>02 Investigation</b> (85% target)		<b>120</b>	<b>16</b>	<b>269</b>	<b>120</b>	<b>136</b>	<b>88%</b>

**Exceptions:** 02 Investigation  
(Claims scoring below 100%)

1	2011-002332	83%
2	2011-002320	75%
3	2011-002306	75%
4	2011-002281	80%
5	2011-002278	86%
6	2011-002268	33%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions	Number of Responses	Weighted	Score
<b>02 Investigation</b>			
	7	2011-002219	80%
	8	2011-002209	83%
	9	2011-002207	83%
	10	2010-002061	83%
	11	2010-002017	50%
	12	2009-002024	75%
	13	2008-001944	83%
	14	2007-001469	0%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
<b>03 Plan of Action/Documentation</b>							
1	Timeliness	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
3.01	Is an action plan documented and updated as necessary?	34	0	11	34	34	100%
3.02	Does the file reflect appropriate activities initiated to resolve the claim?	30	0	15	30	30	100%
Subcomponent Total		64	0	26	64	64	100%
2	Frequency of Updates	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
3.03	Time frames and follow-up dates documented?	34	0	11	34	34	100%
3.04	Diary frequency supported by case facts, but no longer than 60 days?	20	0	25	20	20	100%
3.05	Diary review is documented with date, adjuster name, and action taken?	30	0	15	30	30	100%
Subcomponent Total		84	0	51	84	84	100%
3	Quality of Documentation	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
3.06	File contents braided in chronological order?	0	0	45	0	0	N/A
3.07	Separate folders to house claimant-specific information maintained?	0	0	45	0	0	N/A
3.08	File material receipt recorded by date stamp or other means?	0	0	45	0	0	N/A
3.09	File documents communication among adjuster, claimant and defense counsel.	20	0	25	20	20	100%
3.10	Adjuster documentation is clear and professional.	41	0	4	41	41	100%
Subcomponent Total		61	0	164	61	61	100%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
<b>03 Plan of Action/Documentation</b> (85% target)		<b>209</b>	<b>0</b>	<b>241</b>	<b>209</b>	<b>209</b>	<b>100%</b>

**Exceptions:** 03 Plan of Action/Documentation  
(Claims scoring below 100%)

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
<b>04 Reserve Management</b>							
1	Procedures	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
4.01	Initial reserve is established within 5 business days of receipt of claim?	22	6	17	22	28	79%
4.02	Reserve adjustments are made within 30 days of receipt of information supporting a material change in developments?	25	0	20	25	25	100%
4.03	File contains documentation of reserve review at regular intervals, no greater than 120 days?	9	0	36	9	9	100%
4.04	Initial reserve and subsequent changes are supported by case facts?	34	0	11	34	34	100%
4.05	Reserves are evaluated by component, i.e., indemnity and expense?	40	0	5	40	40	100%
4.06	Reserve rationale is documented by worksheet, claim notes, report or other acceptable means.	21	0	0	0		
Subcomponent Total		151	6	89	130	136	96%
2	Evaluation and Accuracy	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
4.07	Indemnity reserve is accurate?	24	0	21	24	24	100%
4.08	Expense reserve is accurate?	24	0	21	24	24	100%
4.09	Reserve is closed within 30 days of final payment?	7	1	37	7	8	88%
Subcomponent Total		55	1	79	55	56	98%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
<b>04 Reserve Management</b> (85% target)		<b>206</b>	<b>7</b>	<b>168</b>	<b>185</b>	<b>192</b>	<b>96%</b>

**Exceptions:** 04 Reserve Management  
(Claims scoring below 100%)

1	2011-002296	86%
2	2011-002268	80%
3	2011-002248	67%
4	2010-002143	80%
5	2010-002096	86%
6	2008-001878	80%
7	2007-001723	75%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions		Number of Responses			Weighted	Score	
<b>05 Statutory Compliance</b>							
1	Compliance	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
5.01	Claim reflects compliance with state laws and regulations.	44	0	1	44	44	100%
5.02	Claim is flagged for required Medicare reporting?	3	2	40	3	5	60%
5.03	Does the adjuster require the claimant to comply with government code requirements?	27	0	18	27	27	100%
5.04	Is there analysis of potential immunity defense (s)?	9	0	36	9	9	100%
Subcomponent Total		83	2	95	83	85	98%
Category Total: <b>05 Statutory Compliance</b> (85% target)		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
		<b>83</b>	<b>2</b>	<b>95</b>	<b>83</b>	<b>85</b>	<b>98%</b>

**Exceptions:** 05 Statutory Compliance  
(Claims scoring below 100%)

1	2011-002281	75%
2	2008-001944	67%

### 06 Communication

1	Communication	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
6.01	Prompt response to internal communications?	2	0	43	2	2	100%
6.02	Response to correspondence requiring a response within 5 business days?	3	0	42	3	3	100%
6.03	Claim reflects updates between Risk Management and General Counsel?	42	0	3	42	42	100%
Subcomponent Total		47	0	88	47	47	100%
Category Total: <b>06 Communication</b> (85% target)		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
		<b>47</b>	<b>0</b>	<b>88</b>	<b>47</b>	<b>47</b>	<b>100%</b>

**Exceptions:** 06 Communication  
(Claims scoring below 100%)

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
<b>07 Claim Information System</b>							
1	Data Integrity	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
7.01	Claim entry contains accurate information.	44	0	1	44	44	100%
7.02	Claim data is updated with new information.	44	0	1	44	44	100%
7.03	Claim system includes sufficient fields to provide meaningful loss information reports.	44	0	1	44	44	100%
7.04	Claim data is accurately reflected in loss run data.	44	0	1	44	44	100%
Subcomponent Total		176	0	4	176	176	100%
2	Medicare Reporting	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
7.05	Claim contains entries for fields required for Medicare reporting under MMSEA (Legal Name, DOB, Gender, SSN)?	35	0	10	35	35	100%
Subcomponent Total		35	0	10	35	35	100%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
<b>07 Claim Information System</b> (85% target)		<b>211</b>	<b>0</b>	<b>14</b>	<b>211</b>	<b>211</b>	<b>100%</b>

**Exceptions:** 07 Claim Information System  
(Claims scoring below 100%)

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
<b>08 Claim Disposition and Payment</b>							
1	Evaluation and Documentation	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
8.01	Was the damage evaluation performed within 30 days of receipt of damages information?	6	1	38	6	7	86%
8.02	If injury/disability was considered questionable, was an activity check performed or an independent medical examination considered?	0	0	45	0	0	N/A
8.03	Does the adjuster establish a value range and a negotiating plan prior to initiating negotiations?	5	0	40	5	5	100%
8.04	Is the evaluation properly documented?	16	2	27	16	18	89%
8.05	If wage loss was involved, did the adjuster verify with the employer?	0	0	45	0	0	N/A
8.06	If property damage, was it verified by appraisal/photographs or adjuster verification of contractor's scope and pricing?	0	0	45	0	0	N/A
8.07	Were any applicable damage offsets assessed and applied?	1	0	44	1	1	100%
8.08	Are negotiations documented, stating each settlement offer and demand?	11	3	31	11	14	79%
8.09	Is a release executed prior to issuing a settlement check?	16	0	29	16	16	100%
8.10	Does file contain adequate documentation that Medicare interests have been protected pursuant to MMSEA?	0	2	43	0	2	0%
Subcomponent Total		55	8	387	55	63	87%
2	Authority	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
8.11	Is settlement authority requested within 10 days of completing the evaluation?	3	0	42	3	3	100%
8.12	Does the authority request clearly outline issues relevant to the claim to allow an informed decision?	3	2	40	3	5	60%
8.13	Is settlement authority documented in the claim file?	5	4	36	5	9	56%
Subcomponent Total		11	6	118	11	17	65%
3	Payments	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
8.14	Payment is issued timely.	0	0	45	0	0	N/A
8.15	Are payment requests supported by documentation?	1	0	44	1	1	100%
8.16	Payment is issued accurately.	1	0	44	1	1	100%
Subcomponent Total		2	0	133	2	2	100%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
<b>08 Claim Disposition and Payment</b> (85% target)		<b>68</b>	<b>14</b>	<b>638</b>	<b>68</b>	<b>82</b>	<b>83%</b>

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions	Number of Responses	Weighted	Score
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#### 08 Claim Disposition and Payment

**Exceptions:** 08 Claim Disposition and Payment  
(Claims scoring below 100%)

1	2011-002248		67%
2	2010-002158		80%
3	2010-002154		50%
4	2010-002125		86%
5	2008-002223		60%
6	2008-001944		75%
7	2008-001899		50%
8	2008-001878		71%
9	2007-001469		33%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
		Yes	No	N/A	Actual	Possible	Pct
<b>09 Litigation/Recovery Management</b>							
1	Litigation Management	Yes	No	N/A	Actual	Possible	Pct
9.01	Is the suit referred to a panel law firm within 5 days of notice?	22	0	23	22	22	100%
9.02	Does assignment include an engagement letter providing counsel with litigation guidelines?	11	6	28	11	17	65%
9.03	Does counsel work with adjuster to develop a litigation strategy?	16	1	28	16	17	94%
9.04	Does counsel provide a preliminary evaluation within 30 days of assignment?	9	1	35	9	10	90%
9.05	Does counsel provide a litigation budget within 30 - 45 days of assignment?	1	1	43	1	2	50%
9.06	Is counsel's analysis thorough, providing a fact summary and analysis of liability and governing statutes?	13	0	32	13	13	100%
9.07	Is counsel's subsequent reporting timely, within client guidelines?	12	1	32	12	13	92%
9.08	Is alternative dispute resolution considered, if appropriate?	2	0	43	2	2	100%
9.09	Do legal billings comply with litigation management guidelines?	11	1	33	11	12	92%
Subcomponent Total		97	11	297	97	108	90%
2	Recovery Management	Yes	No	N/A	Actual	Possible	Pct
9.10	Was responsible third party contacted within 10 days of knowledge or was there an attempt to identify potentially responsible parties?	1	0	44	1	1	100%
9.11	Is there an investigation to determine the existence of contracts that would shift liability to another party?	2	0	43	2	2	100%
9.12	If another responsible party is identified, is there appropriate follow-up contact until a response is obtained?	1	0	44	1	1	100%
9.13	Was the responsible party notified in writing?	1	0	44	1	1	100%
9.14	In the event the responsible party declines payment or ignores requests for payment, is there a decision made on whether or not to pursue subrogation after completing a cost-benefit analysis?	0	0	45	0	0	N/A
Subcomponent Total		5	0	220	5	5	100%
Category Total:		Yes	No	N/A	Actual	Possible	Pct
<b>09 Litigation/Recovery Management</b> (85% target)		<b>102</b>	<b>11</b>	<b>517</b>	<b>102</b>	<b>113</b>	<b>90%</b>

**Exceptions:** 09 Litigation/Recovery Management  
(Claims scoring below 100%)

1	2011-002286	75%
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# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### CSURMA

Components, Subcomponents and Questions	Number of Responses			Weighted		Score
<b>09 Litigation/Recovery Management</b>						
	2		2011-002268			40%
	3		2011-002219			75%
	4		2010-002158			88%
	5		2010-002098			75%
	6		2010-002071			67%
	7		2009-002024			75%
	8		2009-001897			83%
	9		2008-001878			83%
<b>Overall</b> (85% target)	<b>1,232</b>	<b>51</b>	<b>2,113</b>	<b>1,211</b>	<b>1,262</b>	<b>96%</b>

## **NOMINATING COMMITTEE REPORT**

**ISSUE:** At the March 21-22 Executive Committee Meeting, Mary Ann Rodriguez and Tom McCarron were appointed to serve as the Nominating Committee for the Executive Committee elections conducted at the Board of Directors meeting on May 10, 2013. Two seats with full two year terms are up for election:

- Seat 1 – Linda Hawk, eligible for a full two year term; and,
- Seat 2 – Michael Thorpe, eligible for a full two year term.

**RECOMMENDATION:** The Nominating Committee will report on their efforts at the meeting.

**FISCAL IMPACT:** No direct fiscal impact is expected from action on this item at today's meeting.

**BACKGROUND:** None.

**ATTACHMENT(S):** Terms of Office Matrix

## CSURMA

### EXECUTIVE COMMITTEE TERMS OF OFFICE FY 2013/2014

Position	July 1, 2003 to June 30, 2004	July 1, 2004 to June 30, 2005	July 1, 2005 to June 30, 2006	July 1, 2006 to June 30, 2007	July 1, 2007 to June 30, 2008	July 1, 2008 to June 30, 2009	July 1, 2009 to June 30, 2010	July 1, 2010 to June 30, 2011	July 1, 2011 to June 30, 2012	July 1, 2012 to June 30, 2013	July 1, 2013 to June 30, 2014
Chair - even year	Qayoumi	Qayoumi	Qayoumi	Morishita	Morishita	Morishita	Morishita	Matson	Matson	Matson	Matson
Vice-Chair - even year	Roush	Morishita	Morishita	Graham	Graham	Matson	Matson	Rodriguez	Rodriguez	Rodriguez	Rodriguez
CSU Seat #1 - odd year	Morishita	Graham	Graham	Matson	Matson	Rodriguez	Rodriguez	Morishita	Hawk	Hawk	<b><i>TBD</i></b>
CSU Seat #2 - odd year	Risser	Risser	Risser	Risser	Risser/Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	<b><i>TBD</i></b>
CSU Seat #3 - even year	D. West	D. West	D. West	D. West	D. West	Wight	Wight	Wight	VACANT	Gentles	Gentles
CSU Seat #4 - even year	Garcia	Garcia	Garcia	Garcia	Garcia	Garcia	Garcia	McCarron	McCarron	McCarron	McCarron
AORMA Seat #5 - Chair	Heiser	Clark	Mumford	Jackson	Prenovost	Mimnaugh	Brown	Brown	Worley	Borsting	Brummett
AORMA Seat #6 - V Chair	Nordstrom	Heiser	Clark	Mumford	Jackson	Prenovost	Mimnaugh	Worley	Borsting	Brummett	de Wit
CSU Seat #1/Treasurer - Appointed by EVC/CFO	Hordyk	Hordyk	Hordyk	Hordyk	Hordyk/Nickles	Nickles	Ashkar	Ashkar	Ashkar	Ashkar	Ashkar
Secretary/Auditor - Appointed	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick

Note: The Chair and Vice Chair may hold two consecutive complete terms. No term limits apply to other University seats on the EC.

The Treasurer is appointed by the CSU Executive Vice Chancellor/CFO and holds a seat on the CSURMA Executive Committee.

The Secretary-Auditor is designated in the Joint Powers Agreement as the person holding the position of Systemwide Director of Risk Management at the Chancellor's Office.

***TBD in BOLD & ITALICS*** indicates seat up for election at May 2013 Board of Directors meeting.

## **EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS ORIENTATION, PARTICIPATION, ROLES & RESPONSIBILITIES**

**ISSUE:** At the Long Range Planning Session, the CSURMA Executive Committee adopted Policy and Procedure No. \_\_\_\_, which described the nomination process for election to the Executive Committee and directed that regular Board orientations be conducted. The CSURMA Chair has asked that the Executive Committee further discuss the following topics:

- Orientations for the Executive Committee, Board, new campus risk managers, auxiliary organization personnel and other interested parties;
- Identification of Executive Committee nominees and their terms of office;
- Expectations of the Chair, Vice Chair and Executive Committee members as it relates to duration of service; and,
- Utilization of the Fitting the Pieces Together Risk Management Conference as a venue to support CSURMA's professional development goals.

Attached are sections of the CSURMA Joint Powers Agreement, Bylaws, and Policy & Procedures that describe the eligibility to serve and terms of office.

**RECOMMENDATION:** It is recommended that the Executive Committee discuss participation, orientation and professional development expectations and goals, taking action as necessary.

**FISCAL IMPACT:** No direct fiscal impact is expected from action on this item at today's meeting.

**BACKGROUND:** None.

**ATTACHMENT(S):**

1. Applicable Sections of the CSURMA Joint Powers Agreement and Bylaws
2. Policy and Procedure No. 18 - Board of Directors Participation and Executive Committee Nominations and Elections Process
3. Policy and Procedure No. 12 – CSURMA Committee Members attendance of Professional Development Conferences
4. Terms of Office Matrix

## **SECTION 12: Executive Committee**

(a) The day-to-day business of the Entity will be conducted, directed and supervised by an Executive Committee consisting of nine members of the Board of Directors.

(b) The Executive Committee shall be composed of the Chair, Vice Chair, Treasurer, four members elected from among the University-appointed Directors and two members elected from among the Auxiliary Organization Directors. Executive Committee elections and terms of office shall follow the same procedure as set forth in Section 11 above, with University-appointed Directors electing their four representatives and Auxiliary Organization Directors electing their two representatives. Of the four members elected from University appointed Directors, two terms of office shall end on June 30 in odd-numbered years, and two terms of office shall end on June 30 in even-numbered years. At the end of their term limits, the Chair and Vice Chair may run for election to become non-officer members of the Executive Committee. Term limitations shall not apply to the Executive Committee members elected by the University (other than the Chair and Vice Chair). The terms of office for the Auxiliary Organization representatives to the Executive Committee shall be determined by the policies and procedures adopted by the Auxiliary Risk Management Alliance Organization Committee, which may include term limits.

(c) The Executive Committee shall have all powers of the Board of Directors except those powers reserved solely to the Board under Section 9 above, or such powers as the Board may subsequently reserve solely to itself.

## **SECTION 13: Committees**

The Entity shall have standing and other committees as may be provided for in the Bylaws or which are created by the Board of Directors, the Executive Committee or the Chair. Committees of the Entity shall have powers, duties and responsibilities as provided in the Bylaws or as delegated and directed by the appointing authority.

## **SECTION 14: Program Director, Staff and Consultants**

(a) The Board of Directors shall appoint a Program Director who shall be responsible for the general administration of the business and activities of the Entity as directed by the Executive Committee.

(b) The California State University Office of General Counsel shall serve as general legal counsel to the Entity.

(c) Subject to the direction of the Board of Directors, the Executive Committee shall provide for the appointment of such staff or consultants of the Entity as may be necessary for the administration of the Entity.

(d) As determined by the Executive Committee, staff functions including those of Program Director may be performed by employees of the Entity, by officers, Directors and

(d) Quorum. The presence of a majority of the Directors of the Board shall constitute a quorum for the transaction of business. Except as otherwise provided in the Agreement, the Bylaws or by law, no action may be taken by the Board except by affirmative vote of not less than a majority of the votes held by those Directors of the Board present and voting. A smaller number may adjourn a meeting.

(e) Order of Business. At the regular meetings of the Board, the following shall be the order of business:

- i. Roll Call.
- ii. Approval of Minutes of the previous meeting.
- iii. Agenda Items.
- iv. Adjournment

(f) Manner of Voting. Voting shall be by acclamation; however a roll call may be requested by a majority of the Directors present, and the ayes and noes, abstentions, and members absent shall be entered in the minutes of the meeting.

(g) Action by the Board. All resolutions of the Board shall be in writing, signed by the Chair and attested to by the Secretary-Auditor. All other actions of the Board shall be by motion recorded in written minutes.

#### ARTICLE IV - EXECUTIVE COMMITTEE

##### SECTION 4.1. Membership.

(a) The membership of the Executive Committee shall be as set forth in Section 12 of the Agreement.

(b) The members of the Executive Committee shall be appointed or elected as individuals and not merely as representatives of a specific Member.

SECTION 4.2. Term. The Chair and Vice Chair of the Board, and the Treasurer of the Entity shall serve as Executive Committee members during their tenure as such officers. Terms of office are as set forth in Sections 11 and 12 of the Agreement.

##### SECTION 4.3. Powers, Duties and Responsibilities.

(a) The Executive Committee shall conduct, direct and supervise the day-to-day business of the Entity and in doing so shall exercise the powers expressly granted to it by the Agreement, these Bylaws and as otherwise delegated by the Board of Directors.

(b) The following duties and responsibilities shall be assumed and carried out by the Executive Committee, which shall have all powers necessary for those purposes:

- i. Provide general supervision and direction to the Program Director.
- ii. Authorize payment of claims against the Entity; provided, however, that with respect to claims arising under Coverage Programs operated by the Entity, claim settlement authority shall be in accordance with the policies and procedures governing the particular Coverage Program.
- iii. Enter into contracts, within budget limits.
- iv. Make payments pursuant to previously authorized contracts, within budget limits; this authority includes the power to authorize and reimburse expenses incurred for budgeted activities, within budget limits.
- v. Review and recommend a budget to the Board
- vi. Act as Program Director in the absence of the Program Director.
- vii. Establish policies and procedures to implement the Agreement, the Bylaws and the operation of specific programs.
- viii. Appoint a nominating committee for each election of officers and Members of the Executive Committee.

(c) Subject only such limitations as are expressly stated in the Agreement, these Bylaws or a resolution of the Board of Directors, the Executive Committee shall have and be entitled to exercise all powers which may be reasonably implied from powers expressly granted and which are reasonably necessary to conduct, direct and supervise the business of the Entity.

#### SECTION 4.4. Meetings.

(a) Regular Meetings. Regular meetings of the Executive Committee shall be held at least twice a year and at other times as the Executive Committee deems appropriate. The time and place of regular meetings shall be set by the Executive Committee, and the Board of Directors shall be notified of the meeting schedule. The notice of the meeting and agenda for each regular meeting of the Executive Committee shall be posted in accordance with the applicable public meeting laws in effect at the time of the meeting.

(b) Special Meetings. Special meetings may be called relating to pending litigation with notice of the meeting and an agenda to be provided to each Director at least forty-eight (48) hours in advance of the meeting.

(c) Public Meetings. All meetings of the Executive Committee shall be open to the public, except as provided by law, and may include closed sessions where permitted by law.



## CSURMA

## POLICY AND PROCEDURE NO. 18

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**ADOPTED:** March 22, 2013

**EFFECTIVE:** March 22, 2013

**SUBJECT:** BOARD OF DIRECTORS PARTICIPATION AND EXECUTIVE COMMITTEE NOMINATIONS AND ELECTIONS PROCESS

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**PURPOSE:** The purpose of this Policy and Procedure No. 18 is to describe the process by which members of the CSURMA Board of Directors are appointed and Executive Committee members are nominated and elected.

**POLICY:** It is the policy of the CSURMA that membership in the Board of Directors shall be adequately documented, and that nomination and election to the Executive Committee shall follow the process described in this Policy and Procedure No. 18. The AORMA Committee may adopt a separate policy and procedure applicable to auxiliary organization representation on the AORMA Committee and Board of Directors.

**PROCEDURE:** The following activities will be performed to effect the above stated policy.

1. Board of Directors Participation:
  - a. The CSU Executive Vice Chancellor, Business & Finance (EVC/CFO) will determine in writing to the Secretary-Auditor how to allocate CSURMA Board votes.
  - b. If votes are to be delegated to a campus, the EVC/CFO's campus designee will provide a written statement to the Secretary-Auditor of which person will be the primary representative of the campus and may designate one alternate representative. If the primary or alternate representative are to be replaced or are no longer eligible to serve, the campus designee will provide a written statement of the replacement.
  - c. The Program Administrator will maintain a list of primary and alternate representatives and will conduct orientations at least annually for new Board members.
2. Executive Committee Nominations and Elections:
  - a. Prior to the spring Board of Directors meeting the Chair will appoint a Nominating Committee to seek nominations for available positions on the Executive Committee.
  - b. The Nominating Committee will evaluate potential candidates and provide a report to the Board of Directors at the spring meeting.
  - c. The Board of Directors will conduct elections at the spring meeting for terms beginning July 1.
  - d. The Program Administrator will conduct orientations for new Board members.



## CSURMA

## POLICY AND PROCEDURE NO. 12

**ADOPTED:** March 24, 2011

**EFFECTIVE:** March 24, 2011

**SUBJECT:** CSURMA COMMITTEE MEMBERS ATTENDANCE OF  
PROFESSIONAL DEVELOPMENT CONFERENCES

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### **POLICY:**

In the best interest of the Authority, individuals who serve on the CSURMA Executive Committee are expected to be knowledgeable of the administrative workings of the Joint Powers Authority and risk management practice, procedures, and insurance trends. It shall be the policy of the CSURMA to annually fund travel for Executive Committee Members to attend professional development conferences.

### **PROCEDURE:**

1. Approval of Professional Development conferences annually for each member of the Executive Committee.
2. Attendance of Professional Development conferences funded annually as established and approved each year. Funds are allocated in the CSURMA budget for travel of the Executive Committee members to attend the PARMA, CAJPA, PRIMA, URMIA, ACUBO or other similar professional conferences as approved by the CSURMA Secretary.

#### Allowable Expenses

- a) **Registration** cost of registering for the Professional Development conference in the amount not to exceed \$500.00
- b) **Lodging** (not to exceed the Government or discount rate): Room service, movies and mini-bar charges are specifically excluded from reimbursement under this Policy and Procedure.
- c) **Meals** (not to exceed \$50 per day): When meals are provided by a conference or meeting, members will not be eligible for reimbursement if they choose to dine separately. Alcohol and/or corkage fees are not reimbursable expenses.
- d) **Airfare** (coach rates) and any *mandatory* baggage fees when attending Professional Development conferences.

- 
- e) **Travel by other public conveyance** (train, bus, taxi), or by personal auto (reimbursement at current IRS rate): reimbursement for personal auto use shall not exceed the cost of roundtrip coach airfare.
  - f) **Parking** – reimbursable for attendance at Professional Development conferences.
3. Receipts are required for each of the items listed above.
  4. The Expense Claim Form is to be signed by both the Member Representative and the CSURMA Secretary.
  5. The Attendee to provide the Board of Directors with a verbal report of the Professional Development conference attended.

## CSURMA

### EXECUTIVE COMMITTEE TERMS OF OFFICE FY 2013/2014

Position	July 1, 2003 to June 30, 2004	July 1, 2004 to June 30, 2005	July 1, 2005 to June 30, 2006	July 1, 2006 to June 30, 2007	July 1, 2007 to June 30, 2008	July 1, 2008 to June 30, 2009	July 1, 2009 to June 30, 2010	July 1, 2010 to June 30, 2011	July 1, 2011 to June 30, 2012	July 1, 2012 to June 30, 2013	July 1, 2013 to June 30, 2014
Chair - even year	Qayoumi	Qayoumi	Qayoumi	Morishita	Morishita	Morishita	Morishita	Matson	Matson	Matson	Matson
Vice-Chair - even year	Roush	Morishita	Morishita	Graham	Graham	Matson	Matson	Rodriguez	Rodriguez	Rodriguez	Rodriguez
CSU Seat #1 - odd year	Morishita	Graham	Graham	Matson	Matson	Rodriguez	Rodriguez	Morishita	Hawk	Hawk	<b><i>TBD</i></b>
CSU Seat #2 - odd year	Risser	Risser	Risser	Risser	Risser/Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	<b><i>TBD</i></b>
CSU Seat #3 - even year	D. West	D. West	D. West	D. West	D. West	Wight	Wight	Wight	VACANT	Gentles	Gentles
CSU Seat #4 - even year	Garcia	Garcia	Garcia	Garcia	Garcia	Garcia	Garcia	McCarron	McCarron	McCarron	McCarron
AORMA Seat #5 - Chair	Heiser	Clark	Mumford	Jackson	Prenovost	Mimnaugh	Brown	Brown	Worley	Borsting	Brummett
AORMA Seat #6 - V Chair	Nordstrom	Heiser	Clark	Mumford	Jackson	Prenovost	Mimnaugh	Worley	Borsting	Brummett	de Wit
CSU Seat #1/Treasurer - Appointed by EVC/CFO	Hordyk	Hordyk	Hordyk	Hordyk	Hordyk/Nickles	Nickles	Ashkar	Ashkar	Ashkar	Ashkar	Ashkar
Secretary/Auditor - Appointed	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick	Minnick

Note: The Chair and Vice Chair may hold two consecutive complete terms. No term limits apply to other University seats on the EC.

The Treasurer is appointed by the CSU Executive Vice Chancellor/CFO and holds a seat on the CSURMA Executive Committee.

The Secretary-Auditor is designated in the Joint Powers Agreement as the person holding the position of Systemwide Director of Risk Management at the Chancellor's Office.

***TBD in BOLD & ITALICS*** indicates seat up for election at May 2013 Board of Directors meeting.

## **ADOPTION OF APPLICABLE ADMINISTRATIVE POLICIES**

**ISSUE:** CSURMA is established as a public entity joint powers authority under California Government Code Section 6500 *et seq.* CSURMA has been operated along following parameters:

- Evaluate practices that have been successful for other joint powers authorities;
- Use the recommended operating tenets promulgated by the California Association of Joint Powers Authorities to inform CSURMA's operations; and,
- Adjust the foregoing to achieve the goals of the CSU and its auxiliary organizations in maintaining a successful and unique risk financing and services organization in CSURMA.

CSURMA has formally adopted several administrative policies and procedures specific to the risk pooling environment, and has also had a longstanding practice of following CSU's administrative policies where no other more specific policy has been adopted by CSURMA. The Executive Committee will be asked to discuss how CSURMA may formally establish overall administrative policies that support the mission with good business practices.

**RECOMMENDATION:** It is recommended that the Executive Committee discuss CSURMA's administrative policies and take action or provide direction to staff as appropriate.

**FISCAL IMPACT:** No direct fiscal impact is expected from action on this item at today's meeting.

**BACKGROUND:** None.

**ATTACHMENT(S):** None.

**Item No. D13**  
**CSURMA Executive Committee**  
**Meeting Date: May 9-10, 2013**

**ADOPTION OF REVISED MEETING CALENDAR**

**ISSUE:** Each Fall the CSURMA Executive Committee adopts a calendar of meeting dates necessary to administer the JPA’s operations. Staff is proposing the following revised meeting dates for the Committee to review:

<b>Date</b>		<b>Committee</b>	<b>Time</b>	<b>Location</b>
Thursday	March 21, 2013	Executive Committee	2:30 pm	Newport Beach
Friday	March 22, 2013	Long Range Planning Meeting	8:00 am	Newport Beach
Thursday	May 9, 2013	Executive Committee	5:00 pm	Long Beach
Thursday	May 10, 2013	Executive Committee	8:30 am	Long Beach
Friday	May 10, 2013	Board of Directors	10:30 am	Long Beach
Thursday	September 12, 2013	Executive Committee Orientation	4:00 pm	San Francisco
Friday	September 13, 2013	Executive Committee	8:30 am	San Francisco
Wednesday	November 6, 2013	Executive Committee	9:00 am	Sacramento
Wednesday	November 6, 2013	Board of Directors	10:30 am	Sacramento
Friday	December 6, 2013	Executive Committee	8:30 am	San Francisco

Executive Committee meetings will start at 8:30 am, except on days of Board meetings, the Executive Committee will meet at 9:00 am. Board of Directors meetings will start at 10:30 am. Special Executive Committee and Standing Committee meetings may be called with appropriate notice as provided under the Bagley-Keene Open Meeting Law.

**RECOMMENDATION:** Staff recommends that the Executive Committee review the proposed meeting dates and take action to adopt the meeting dates for the calendar year 2013.

**FISCAL IMPACT:** The cost of in person meetings is included in the budget for JPA Administrative Expenses. Teleconferencing will be utilized as appropriate to further reduce costs.

**BACKGROUND:** The cost of Board and Executive Committee meetings are included in the CSURMA Administrative budget.

**ATTACHMENT(S):** CSURMA Revised Meeting Dates for Calendar Year 2013



California State University Risk Management Authority  
 Auxiliary Organizations Risk Management Alliance

## 2013 CSURMA • AORMA MEETING CALENDAR

JANUARY, 2013		FEBRUARY, 2013		MARCH, 2013	
3	PC: Teleconference, 2:00 p.m.	4	MSLCTC: Teleconference, 11:00 a.m.	21	AORMA: Newport Beach, 9:00 a.m.
				21	EC: Newport Beach, 2:30 p.m.
				22	EC LRP: Newport Beach, 8:00 a.m.
					<b>Only the AORMA Chair and Vice Chair attend the EC meetings</b>
					<b>Only the AORMA Chair attends to AOA EC meeting</b>
APRIL, 2013		MAY, 2013		JUNE, 2013	
18	PC: Teleconference, 2:00 p.m.	9	AORMA: Long Beach, 10:00 a.m.	3	MSLCTC: Teleconference, 11:00 a.m.
		9	EC: Long Beach, 4:00 p.m.		
		10	EC: Long Beach, 8:30 a.m.		
		10	BOD: Long Beach, 10:30 a.m.		
			<b>Only the AORMA Chair and Vice Chair attend the EC meetings</b>		
			<b>All AORMA Committee members attend the BOD</b>		

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

## 2013 CSURMA • AORMA MEETING CALENDAR

JULY, 2013	AUGUST, 2013	SEPTEMBER, 2013
<p>10-11 <b>AORMA Officers Retreat</b></p> <p><b>Only the AORMA Chair, Vice Chair, Past Chair and Ex Officio attend the AORMA Officers Retreat</b></p>	<p>1 PC: Teleconference, 2:00 p.m. 26 MSLCTC: Teleconference, 11:00 a.m.</p>	<p>11 AORMA New Committee Member Orientation: San Francisco, 9:00 a.m. 11 AORMA LRP: San Francisco, 10:00 a.m. 12 AORMA: San Francisco, 9:00 a.m. 12 EC Orientation: San Francisco, 4:00 p.m. 13 EC: San Francisco, 8:30 a.m.</p> <p><b>Only the AORMA Chair and Vice Chair attend the EC meetings</b></p>
OCTOBER, 2013	NOVEMBER, 2013	DECEMBER, 2013
<p>3 PC: Teleconference, 2:00 p.m. 24 <b>AORMA: Newport Beach, 10:00 a.m.</b> 25 EC: Long Beach, 9:00 a.m. 25 BOD: Long Beach, 10:30 a.m.</p> <p><b>Only the AORMA Chair and Vice Chair attend the EC meetings</b></p> <p><b>All AORMA Committee members attend the BOD</b></p>	<p>18 MSLCTC: Teleconference, 11:00 a.m.</p> <p>6 EC: Sacramento, 1:00 p.m. 6 BOD: Sacramento, 3:30 p.m. 6-8 FTPT Conference, Sacramento, CA</p>	<p>5 AORMA: San Francisco, 10:00 a.m. 6 EC: San Francisco, 8:30 a.m. 12 PC: Teleconference, 2:00 p.m.</p> <p><b>Only the AORMA Chair and Vice Chair attend the EC meetings</b></p>

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 = California Auxiliary Organizations Association	BOD = CSURMA Board of Directors

## **REVIEW OF 2013/2014 LONG RANGE ACTION PLAN**

**ISSUE:** At its March 22, 2013 meeting, the Executive Committee discussed long range goals to be accomplished during FY 2013/14. Staff has prepared a draft outline summarizing the long range goals for consideration at today's meeting.

**RECOMMENDATION:** The Executive Committee is asked to review the draft FY 2013/14 Long Range Planning Goals to verify that it captures the intent of the Committee along with assigned responsibilities and deadlines, and to make a recommendation that the Board adopt the FY 2013/14 Long Range Action Plan with changes it deems appropriate.

**FISCAL IMPACT:** No fiscal impact is expected from action at today's meeting.

**BACKGROUND:** The Executive Committee meets annually in March to review the status of long range planning items for the current fiscal year and to amend the action plan as may be necessary. The Committee also develops new long range planning action items to be accomplished for the upcoming fiscal year.

**ATTACHMENT(S):** Draft CSURMA FY 2013/14 Long Range Action Plan Summary

# FY 2013/14 CSURMA LONG RANGE ACTION PLAN

**DRAFT**

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>LRP-1 ALTERNATIVE MEDICINES ON CAMPUS</b>				
<b>Draft Systemwide Policy regarding use of Alternative Medicines on Campus.</b>	1. Research existing Systemwide policy regarding permissible usage of alternative medicines on campuses.	1. PA, SRM	1. July 2013	
	2. Research existing Campus policy regarding permissible usage of alternative medicines on campus.	2. PA, SRM	2. August 2013	
	3. Identify other types of alternative medicines that are used on campus and determine whether or not such usage shall be permitted on campus.	3. PA, SRM, OGC, Student Health Centers, Human Resources	3. September 2013	
	4. Identify stake holders and enlist support.	4. PA, SRM, OGC, Student Health Centers, Human Resources	4. October 2013	
	5. Draft Policy & Procedure regarding permissible usage of alternative medicines on campus.	5. PA, SRM, OGC, Student Health Centers, Human Resources	5. November 2013	
	6. Determine whether the draft Policy & Procedure should be an Executive Order, Technical Letter or other.	6. CO	6. December 2013	
	7. Finalize draft Policy & Procedure.	7. PA, SRM	7. January 2014	
	8. Obtain appropriate sign off.	8. CO	8. January 2013	
	9. Roll out to campuses.	9. CO	9. January 2013	
<b>LRP-2 CSURMA WEBSITE ENHANCEMENTS</b>				
<b>Improve CSURMA website.</b>	1. Draft goals for website enhancements: identify what is working well, how utilized, areas to improve.	1. PA	1. January 2013	
	2. Work with website administrator to program needed/desired changes/enhancements.	2. PA, Website Administrator	2. Feb-Mar 2013	
	3. Beta testing.	3. PA, Website Administrator	3. Apr-May 2013	
	4. Populate website.	4. PA, Website Administrator	4. June-July 2013	
	5. Develop demo presentation.	5. PA	5. August 2013	
	6. Present enhanced website to SRM, EC, BOD.	6. PA	6. September 2013	
	7. Roll out to CSURMA members.	7. PA	7. October 2013	
<b>LRP-3 INTRAMURAL/RECREATIONAL SPORTS COVERAGE</b>				
<b>Develop coverage program for Intramural &amp; Recreational Sports.</b>	1. Develop coverage specification and proposed rating structure.	1. PA	1. May 2013	
	2. Market plan to underwriters.	2. PA	2. May 2013	
	3. Obtain and evaluate carrier quotes.	3. PA	3. May 2013	
	4. Draft coverage plan summary and rates.	4. PA	4. June 2013	
	5. Obtain necessary approvals from SRM, EC, BOD.	5. PA, SRM	5. July 2013	
	6. Roll out to CSURMA Members.	6. PA	6. August 2013	
<b>LRP-4 STUDENT PERSONAL PROPERTY &amp; LIABILITY INSURANCE</b>				
<b>Develop coverage program for</b>	1. Develop coverage specification and proposed rating structure.	1. PA	1. May 2013	
	2. Market plan to underwriters.	2. PA	2. May 2013	

## FY 2013/14 CSURMA LONG RANGE ACTION PLAN

**DRAFT**

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>Student Personal Property &amp; Liability Insurance.</b>	3. Obtain and evaluate carrier quotes.	3. PA	3. May 2013	
	4. Draft coverage plan summary and rates.	4. PA	4. June 2013	
	5. Obtain necessary approvals from SRM, EC, BOD.	5. PA, SRM	5. July 2013	
	6. Roll out to CSURMA Members.	6. PA	6. August 2013	
<b>LRP-5 EARTHQUAKE COVERAGE PROGRAM</b>				
<b>Develop coverage program for Earthquake Insurance.</b>	1. Develop coverage specification and proposed rating structure.	1. PA	1. January 2014	
	2. Market plan to underwriters.	2. PA	2. Feb-Mar 2014	
	3. Obtain and evaluate carrier quotes.	3. PA	3. Apr-May 2014	
	4. Draft coverage plan summary and rates.	4. PA	4. Apr-May 2014	
	5. Obtain necessary approvals from SRM, EC, BOD.	5. PA, SRM	5. May 2014	
	6. Roll out to CSURMA Members.	6. PA	6. July 2014	
<b>LRP-6 SERVICE ANIMALS ON CAMPUS</b>				
<b>Draft Systemwide Policy regarding use of Service Animals on Campus.</b>	1. Research existing Systemwide policy regarding permissible usage of service animals on campuses.	1. PA, SRM	1. July 2013	
	2. Research existing Campus policy regarding permissible usage of service animals on campus.	2. PA, SRM, Public Safety	2. August 2013	
	3. Draft Policy & Procedure regarding permissible usage of service animals on campus.	3. PA, SRM, OGC, Human Resources	3. September 2013	
	4. Determine whether the draft Policy & Procedure should be an Executive Order, Technical Letter or other.	4. CO	4. October 2013	
	5. Finalize draft Policy & Procedure.	5. PA, SRM	5. November 2013	
	6. Obtain appropriate sign off.	6. CO	6. December 2013	
	7. Roll out to campuses.	7. CO	7. January 2014	
<b>LRP-7 BICYCLES / SKATEBOARDS ON CAMPUS</b>				
<b>Draft Systemwide Policy regarding Bicycle &amp; Skateboard Safety on Campus.</b>	1. Research existing Systemwide policy regarding safety protocols for bicycles, skateboards, etc. on campuses.	1. PA, SRM	1. July 2013	
	2. Research existing Campus policy regarding safety protocols for bicycles, skateboards, etc. on campus.	2. PA, SRM, Public Safety	2. August 2013	
	3. Draft Policy & Procedure regarding safety protocols for bicycles, skateboards, etc. on campus.	3. PA, SRM, OGC	3. September 2013	
	4. Determine whether the draft Policy & Procedure should be an Executive Order, Technical Letter or other.	4. CO	4. October 2013	
	5. Finalize draft Policy & Procedure.	5. PA, SRM	5. November 2013	
	6. Obtain appropriate sign off.	6. CO	6. December 2013	
	7. Roll out to campuses.	7. CO	7. January 2014	

# FY 2013/14 CSURMA LONG RANGE ACTION PLAN

**DRAFT**

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>LRP-8 PERIODIC REVIEW OF CSURMA COVERAGE PROGRAMS</b>				
<b>Establish Plan for Regular Periodic Review of Campus Coverage Programs.</b>	1. Outline a timetable to review each Campus coverage program, at least one per month.	1. PA	1. July 2013	
	2. Outline a format to document coverage items to be reviewed.	2. PA	2. August 2013	
	3. Draft report of findings and recommendation for review and discussion with Systemwide Risk Management & Public Safety.	3. PA, SRM	3. September 2013	
	4. Present findings and recommendation as agreed with SRM to EC.	4. PA, SRM, EC	4. EC meetings	
	5. Execute plan of action as directed by SRM and EC. This step may also require BOD approval if Memorandum of Coverage is to be amended.	5. PA, SRM, EC, BOD	5. After EC meetings	
	6. Obtain appropriate sign off, and BOD approval if necessary.	6. PA, SRM, EC, BOD	6. BOD meetings	
<b>LRP-9 NEW MEMBER ORIENTATION FOR EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS</b>				
<b>Establish Plan for Regular Periodic Orientation to CSURMA for New Members</b>	1. Establish regular time and site for CSURMA Orientation, usually the day before EC's September meeting.	1. PA	1. July 2013	
	2. Maintain log of EC and BOD members who have attended orientation, date, etc., and members who still need orientation.	2. PA	2. August 2013	
	3. Schedule teleconference or webinars for members who are unable to attend orientation in person.	3. PA, Members	3. September 2013	
	4. Report orientation attendance to SRM and EC.	4. PA, SRM, EC	4. October 2013	
<b>LRP-10 THEATER RISK MANAGEMENT &amp; SAFETY</b>				
<b>Develop Systemwide Policy and Training regarding Theater Safety on Campus.</b>	1. Research existing Systemwide policy regarding public safety of theaters on campuses.	1. PA, SRM	1. July 2013	
	2. Research existing Campus policy regarding public safety of theaters on campus.	2. PA, SRM, Public Safety	2. August 2013	
	3. Research training programs and costs offered by UC.	3. PA, SRM, OGC	3. September 2013	
	4. Develop schedule to provide on-campus training on Theater Safety.	4. CO	4. October 2013	
	5. Engage service provider.	5. PA, SRM	5. November 2013	
	6. Obtain appropriate sign off.	6. CO	6. December 2013	
	7. Roll out to campuses.	7. CO	7. January 2013	
<b>LRP-11 MINORS ON CAMPUS</b>				
<b>Develop Systemwide Policy and Training regarding Safety of Minors on Campus.</b>	1. Research existing Systemwide policy on safety of minors on campuses.	1. PA, SRM	1. July 2013	
	2. Research existing Campus policy on safety of minors on campus.	2. PA, SRM, Public Safety	2. August 2013	
	3. Research training programs and costs offered by Praesidium, Inc.	3. PA, SRM, OGC	3. September 2013	
	4. Develop schedule to provide on-campus training on Safety of Minors.	4. CO	4. October 2013	
	5. Engage service provider.	5. PA, SRM	5. November 2013	
	6. Obtain appropriate sign off.	6. CO	6. December 2013	
	7. Roll out to campuses.	7. CO	7. January 2013	

**FY 2013/14 CSURMA LONG RANGE ACTION PLAN**

**DRAFT**

<b>GOAL</b>	<b>ACTION / TASK</b>	<b>RESPONSIBLE ENTITY</b>	<b>DEADLINE</b>	<b>STATUS</b>
<b>LRP-12 ENTERPRISE RISK MANAGEMENT</b>				
<b>Develop plan to promote Synergy among campuses in regards to Risk Management functions.</b>	1. Establish baseline for minimum essential risk management operations on campuses.	1. PA, SRM	1. July 2013	
	2. Identify SRM and Campus resources, especially subject matter experts.	2. SRM	2. Aug-Sep 2013	
	3. Identify opportunities to synergize risk management among campuses, possibly creating regional spheres of influence.	3. SRM, Campus RMs	3. Oct-Nov 2013	
	4. Create network among campuses for risk management resources.	4. SRM	4. December 2013	
	5. Roll out to campuses.	5. SRM	5. January 2014	
<b>LRP-13 SPONSORED TRAINING FOR EMPLOYEES</b>				
<b>Develop plan to provide Sponsored Training opportunities for Members.</b>	1. Identify training opportunities that may be beneficial to members. These may include conferences, seminars, webinars, and programs leading to professional credentials (e.g., CPCU, ARM, CSP, AIC, AIS, CRM, etc.), and may include regional sessions on campus to economize learning opportunities.	1. PA, SRM	1. July 2013	
	2. Identify needed training subjects and prioritize.	2. PA, SRM, Campus RMs	2. August 2013	
	3. Establish funding for sponsored training.	3. PA, SRM, EC	3. September 2013	
	4. Establish criteria for sponsored training and application.	4. PA, SRM	4. October 2013	
	5. Draft schedule for training.	5. PA, SRM	5. November 2013	
	6. Roll out to campuses.	6. PA, SRM	6. December 2013	

Key:

- BOD:** CSURMA Board of Directors
- CABO:** CSU Chief Administrators and Business Officers
- CO:** Chancellor's Office
- EC:** CSURMA Executive Committee
- OGC:** CSU Office of General Counsel
- PA:** CSURMA Program Administrator
- SRM:** CSU Systemwide Risk Management & Public Safety

## **AORMA PROGRAMS UPDATE**

**ISSUE:** The Auxiliary Organizations Risk Management Alliance (AORMA) continues to address the insurance and risk management needs of its members. All 90+ Auxiliary Organizations in Good Standing purchase insurance coverage through the AORMA.

Kurt Borsting, AORMA Chair, will report on the activities of the AORMA Committee.

**RECOMMENDATION:** No action is required on this item at today's meeting.

**FISCAL IMPACT:** None.

**BACKGROUND:** The AORMA was first marketed to CSU Auxiliary Organizations in 1998. Since that time, the program has grown from 12 members to 90+ members, and represents 100% participation.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**CSURMA EXECUTIVE COMMITTEE AND STAFF TELEPHONE,  
POSTAL ADDRESS AND E-MAIL LIST**

**ISSUE:** Attached is a list of telephone numbers, postal addresses and e-mail addresses for members of the Executive Committee and Staff.

**RECOMMENDATION:** It is recommended that members review the list at each meeting for accuracy and make any changes or additions. If there are any changes contact Myron Leavell at 415-403-1404 or via email at [mleavell@alliantinsurance.com](mailto:mleavell@alliantinsurance.com).

**FISCAL IMPACT:** None.

**BACKGROUND:** An accurate and current list facilitates better communication among Committee Members and Staff.

**ATTACHMENT(S):** CSURMA Executive Committee and Staff Telephone, Postal Address and E-mail List.

**CSURMA EXECUTIVE COMMITTEE MEMBER  
AS OF APRIL 2013**

<u>Location</u>	<u>Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Title</u>	<u>Street Address</u>	<u>Phone/Fax/E-mail</u>
Chancellor's Office	California State University, Office of the Chancellor	George V.	Ashkar	Assistant Vice Chancellor, Financial Services	401 Golden Shore, 5th Floor Long Beach, CA 90802-4210	Tel: 562-951-4671 Fax: 562-951-4865 Email: gashkar@calstate.edu
Chancellor's Office	California State University, Office of the Chancellor	Dr. Benjamin F.	Quillian	Executive Vice Chancellor/CFO	401 Golden Shore, 5th Floor Long Beach, CA 90802-4210	Tel: 562-951-4600 Fax: 562-951-4970 Email: bquillian@calstate.edu
Chico	California State University Chico	Michael	Thorpe	Risk Manager	400 West First Street First And Normal Chico, CA 95929	Tel: 530-898-6588 Fax: 530-898-4513 Email: methorpe@csuchico.edu
Dominguez Hills	California State University Dominguez Hills	Mary Ann	Rodriguez	Vice President, Administration & Finance	1000 East Victoria Street Welch Hall, 4th Flr, B-470 Carson, CA 90747	Tel: 310-243-3750 Fax: 310-243-3869 Email: marodriguez@csudh.edu
Fresno	California State University Fresno	Cynthia	Teniente-Matson	Vice President for Administration	5241 North Barton Avenue, M/S ML 52 Fresno, CA 93740-0052	Tel: 559-278-2083 Fax: 559-278-2928 Email: cmatson@csufresno.edu
Fullerton	Associated Students, CSU Fullerton	Kurt	Borsting	Director	800 N State College Blvd Fullerton, CA 92831-3657	Tel: 657-278-4214 Fax: 657-278-7099 Email: kborsting@fullerton.edu
Northridge	California State University Northridge	Tom	McCarron	Vice President Administration & Finance	18111 Nordhoff Street, Mail Stop 8206 Northridge, CA 91330-8206	Tel: 818-677-2333 Fax: 818-677-5089 Email: tom.mccarron@csun.edu
San Marcos	California State University San Marcos	Linda	Hawk	Vice President, Finance & Administrative Services	333 So Twin Oaks Valley Rd San Marcos, CA 92096-0001	Tel: 760-750-4950 Fax: 760-750-4949 Email: lhawk@csusm.edu
San Francisco	San Francisco State University	Lori	Gentles	Associate Vice President, Human Resources	1600 Holloway Avenue □ San Francisco	Tel: 415-338-1100 Fax: 415-338-2498 Email: lgentles@sfsu.edu

**CSURMA EXECUTIVE COMMITTEE STAFF  
AS OF MARCH 2013**

<u>Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Title</u>	<u>Street Address</u>	<u>Phone/Fax/Email</u>
CSU Chancellor's Office, Office of General Counsel	William	Hsu	University Counsel for the CSU	401 Golden Shore, 4th Floor Long Beach, CA 90802	Tel: 562-951-4500 Fax: 562-951-4956 Email: whsu@calstate.edu
CSU Office of the Chancellor	Charlene	Minnick	Assistant Vice Chancellor of Systemwide Risk Management & Public Safety	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4580 Fax: 562-951-4859 Email: cminnick@calstate.edu
CSU Office of the Chancellor	Zachary	Gifford	Associate Director of Systemwide Risk Management	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4568 Fax: 562-951-4859 Email: zgifford@calstate.edu
CSU Office of the Chancellor	Rebecca	Skidmore	Senior Risk Management Administrative Analyst	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4574 Fax: 562-951-4859 Email: rskidmore@calstate.edu
CSU Office of the Chancellor	Leona	Ching	Risk Management & Public Safety Administrative Assistant	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4580 Fax: 562-951-4859 Email: lching@calstate.edu
CSU Office of the Chancellor	Kelly	Cox	Associate Director of Accounting	401 Golden Shore, 5th Floor Long Beach, CA 90802-4210	Tel: 562-951-4611 Fax: 562-951-4865 Email: kcox@calstate.edu
CSU Office of the Chancellor	Alice	Kim	Enterprise & CO Reporting Manager	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4627 Fax: 562-951-4865 Email: akim@calstate.edu
CSU Office of the Chancellor	Rima	Tanuwidjaja	Financial Reporting Analyst	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4621 Fax: 562-951-4865 Email: rtan@calstate.edu
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**CSURMA EXECUTIVE COMMITTEE STAFF  
AS OF MARCH 2013**

<u>Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Title</u>	<u>Street Address</u>	<u>Phone/Fax/Email</u>
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