



## CSURMA AORMA 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 a publicly accessible place, including the internet, at least ten days in advance of the meeting. This meeting agenda shall also be posted at the address of the teleconference location with access for the public via phone/speaker phone.*

*Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant at (415) 403-1400 twenty-four hours in advance of the meeting. Entrance to the meeting location may require routine provision of identification to building security. However, CSURMA AORMA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.*

1. Teleconference Location - CSU Chancellor’s Office, 401 Golden Shore, Long Beach, CA

<b>Meeting Date:</b>	September 7, 2017	<b>Location:</b>	Alliant Insurance Services
<b>Time:</b>	9:00 a.m.		2180 Harvard Street, Suite 460
			Sacramento, CA 95815

A = Action  
 I = Information  
 V = Verbal

**A. CALL TO ORDER**

- |   |          |             |
|---|----------|-------------|
| <b>1. Approval of the Agenda</b>  | <b>A</b> | <i>p. 4</i> |
| <b>2. Introduction of New Staff and Consultants</b><br><i>The Committee will be introduced to Nada Moeiny, Co-General Counsel for CSURMA, and Yumi Augustus, the new Liability Claims Examiner from Carl Warren &amp; Company</i> | <b>I</b> | <i>p. 5</i> |

**B. PUBLIC COMMENTS**

**C. STANDING COMMITTEE REPORTS**

- |  |          |              |
|--|----------|--------------|
| <b>1. Programs Committee Report</b>      | <b>I</b> | <i>p. 9</i>  |
| <b>2. AOA Executive Committee Report</b> | <b>I</b> | <i>p. 12</i> |

**D. CONSENT CALENDAR**

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will be asked to take action on the consent calendar items as a group; however, a member may request that an item be withdrawn from the Consent Calendar for discussion and action.*

- |   |          |              |
|---|----------|--------------|
| <b>1. Approval of Minutes – May 4, 2017</b><br><i>The Committee will be asked to approve the minutes from its last meeting.</i> | <b>A</b> | <i>p. 13</i> |
|---|----------|--------------|

*A Public Entity Joint Powers Authority*

- 2. **AORMA Liability and Workers' Compensation Program Actuarial Reports Valued at June 30, 2017** A p. 24  
*The Committee will be asked to review and accept the FY 18/19 AORMA Liability Program and Workers' Compensation actuarial reports.*
- 3. **Adoption of CSURMA AORMA 2018 Meeting Calendar** A p. 37  
*The Committee will be asked to review and approve the 2018 CSURMA AORMA meeting calendar*
  
- E. **CLOSED SESSION Pursuant to California Government Code Section 11126(e)(1) & 11126(f)(1)** A  
*Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). Please refer to the below list of claims that may be discussed. The Committee may assess and evaluate pending claims and related issues and take action or provide direction to Staff regarding the litigation described below.*
  - 1. Arce v CSUN ASI
  - 2. Diane Adams v Sacramento State Associated Students, Inc (Aquatic Center)
  - 3. Grajeda v Cal Poly Pomona Foundation
  - 4. Ming Xu v CSU Dominguez Hills Foundation
  - 5. Schwemley v CSUS Union
  - 6. Laurie Donnelly v CSU San Marcos Research Services Corp
  - 7. Lynda Ratchford v CSU San Diego Research Foundation
  - 8. Sargent v. Sonoma State University
  - 9. HSU Appeal re: CalPERS
  - 10. Apodaca v. CSU (San Marcos), ASI
  
- F. **GENERAL ADMINISTRATION**
  - 1. **Insurance Renewals Report** I p. 39  
*The Committee will receive a report on the completion of insurance renewal negotiations.*
  - 2. **Target Surplus Funding Report and Dividend Calculation** A p. 49  
*The Committee will be asked to review the AORMA Target Surplus Funding Report and to approve a dividend for the Liability and Workers' Compensation programs to be released in July, 2018.*
  - 3. **Program Funding** A  
*The Committee will be asked to approve the total FY 18/19 funding costs for the AORMA Programs:*
    - a. Liability Program p. 58
    - b. Workers' Compensation Program p. 63
    - c. Property Program p. 64
    - d. Crime Program p. 66

- |           |  |   |        |
|-----------|--|---|--------|
| 4.        | <b>AORMA Liability Program Memorandum of Coverage</b><br><i>The Committee will be asked to ratify the memorandum of coverage to be used effective July 1, 2017.</i>  | A | p. 69  |
| 5.        | <b>AORMA Liability Program Claims Administration Audit Report</b><br><i>The Committee will be asked to accept the Liability Claims Audit.</i>  | A | p. 110 |
| 6.        | <b>Maximum Allowable Hourly Rate for Legal Counsel</b><br><i>The Committee will be asked to review and approve the maximum allowable hourly rate for legal counsel and approve changes to Policy and Procedure L-3.</i>        | A | p. 166 |
| 7.        | <b>Policy and Procedure A-3 - Target Surplus Funding Policy</b><br><i>The Committee will be asked to approve revisions to Policy and Procedure A-3, with modifications as appropriate.</i>                                     | A | p. 181 |
| 8.        | <b>Policy and Procedure A-2 – AORMA Committee and Standing Committee Roles and Responsibilities</b><br><i>The Committee will be asked to approve revisions to Policy and Procedure A-2, with modifications as appropriate.</i> | A | p. 187 |
| 9.        | <b>Auxiliary Organization Employee Benefits Program</b><br><i>The Committee will be asked to discuss the formation of an AORMA Benefits Program and to recommend approval to the Executive Committee as appropriate</i>        | A | p. 194 |
| <br>      |  |   |        |
| <b>G.</b> | <b>INFORMATION ITEMS</b>   |   |        |
| 1.        | Praesidium Contract  |   | p. 195 |
| 2.        | CSURMA AORMA 2017 Meeting Calendar   |   | p. 217 |
| 3.        | CSURMA AORMA Program Administrator’s Contact Lists   |   | p. 219 |
| 4.        | AORMA’s Travel Reimbursement Policy  |   | p. 223 |
| 5.        | AORMA Committee Members - Effective 7/01/17  |   | p. 226 |
| 6.        | CSURMA Administrative Service Calendar   |   | p. 228 |
| <br>      |  |   |        |
| <b>H.</b> | <b>ADJOURNMENT</b>   |   |        |

*The next AORMA Committee meeting is scheduled for October 26, 2017 at 10:00 AM in Long Beach. Please contact Mimi Long [mlong@alliant.com](mailto:mlong@alliant.com) or Tevea Him [thim@alliant.com](mailto:thim@alliant.com) with questions.*

**APPROVAL OF THE AGENDA**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**INTRODUCTION OF NEW STAFF AND CONSULTANTS**

**ISSUE:** The Committee will be introduced to Yumi Augustus from Carl Warren & Company who is the new Senior Claims Examiner assigned to the AORMA Liability Program, and Nada Moeiny, the new CSURMA Co-General Counsel from the Chancellor's Office.

**RECOMMENDATION:** The Committee is being asked to welcome Yumi and Nada.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA AORMA Program Administrator's Contact Lists

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
<b>Certificate of Insurance Requests</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>General CSURMA Coverage Questions</b>	<b>Robert Leong Van Rin Amy Lightner Daniel Howell</b>	rleong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>General AORMA Coverage Questions</b>	<b>Mimi Long Van Rin Amy Lightner Daniel Howell</b>	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Inland Marine</b>	<b>Van Rin Mimi Long</b>	vrin@alliant.com mlong@alliant.com	415-403-1408 415-403-1423	415-874-4810 415-874-4810
<b>Participant Accident Insurance (PAI)</b>	<b>Van Rin Tevea Him</b>	vrin@alliant.com thim@alliant.com	415-403-1408 415-403-1416	415-874-4810 415-874-4810
<b>Special Events Insurance</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>Foreign Travel Program</b>	<b>Stacey Weeks Van Rin</b>	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
<b>General Risk Management Questions</b>	<b>Mimi Long Van Rin Amy Lightner Daniel Howell</b>	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Workers' Compensation Claims Consultant</b>	<b>Jacki Graf</b>	jgraf@alliant.com	415-403-1438	415-874-4810
<b>Alliant Claims Consulting</b>	<b>Robert Frey Diana Walizada Elaine (Kim) Tizon Sheila McClenaghan</b>	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com sheila.mcclenaghan@alliant.com	415-403-1445 415-403-1453 415-403-1458 415-403-1492	415-403-1466 415-403-1466 415-403-1466 415-403-1466
<b>Form 700</b>	<b>Tevea Him</b>	thim@alliant.com	415-403-1416	415-402-0773
<b>Website and Technology Questions</b>	<b>Yung Lam Tevea Him Myron Leavell</b>	ylam@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1461 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

### CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>CSU Chancellor's Office</b>				
<b>CSU Chancellor's Office</b>	<b>Leona Ching</b>	lching@calstate.edu	562-951-4580	562-951-4859
	<b>Robert Eaton</b>	reaton@calstate.edu	562-951-4572	562-951-4971
	<b>Zachary Gifford</b>	zgifford@calstate.edu	562-951-4568	562-951-4859
	<b>Martha Guiditta</b>	mguiditta@calstate.edu	562-951-4557	562-951-4859
	<b>Audra Reed</b>	areed@calstate.edu	562-951-4564	562-951-4971
	<b>Steve Relyea</b>	srelyea@calstate.edu	562-951-4600	562-951-4971
<b>CSU Chancellor's Office</b> Office of General Counsel	<b>William Hsu</b>	whsu@calstate.edu	562-951-4500	562-951-4956
	<b>Nada Moeiny</b>	nmoeiny@calstate.edu	562-951-4500	562-951-4956
<b>CSU Chancellor's Office</b> Financial Services Division Systemwide Accounting & Reporting	<b>Sedong John</b>	sjohn@calstate.edu	562-951-4577	562-951-4865 562-951-4865
	<b>Alice Kim</b>	akim@calstate.edu	562-951-4627	
	<b>Cindi Le</b>	cle@calstate.edu	562-951-4651	
	<b>Jessica Liu</b>	jliu@calstate.edu	562-951-4621	
<b>Chancellor's Office</b> Systemwide Professional Development	<b>David Kervella</b>	dkervella@calstate.edu	562-951-4403	
	<b>Chris Fondacaro</b>	cfondacaro@calstate.edu	562-951-4403p	

Coverage	Contact	E-Mail Address	Office	Fax
<b>Loss Control Consultants – Alliant Risk Control</b>				
<b>Alliant Risk Control</b> <b>Consulting</b>	<b>John Owen</b>	jowen@alliant.com	916-643-2736	
	<b>Archie Lazar</b>	archie.lazar@alliant.com	949-660-5980	
	<b>Kristina Loiselle</b>	kloiselle@alliant.com	949-260-5042	
	<b>Tim Leech</b>	tleech@alliant.com	949-260-5008	

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>Unemployment Insurance Claims Administrator – Employers Edge</b>				
Client Services	Angie Hansen	ahansen@employersedge.com	720-891-4900 x116	720-420-7356
Unemployment Claims Operations, Claim Specialist	Reina Gonzales	rgonzales@employersedge.com	720-891-4900 x139	720-420-7390
Tax Analyst	John Mansfield	jmansfield@employersedge.com	720-891-4900 x128	720-420-7430
Appellate Level	Jen Venable Jamie Clark	jvenable@employersedge.com jclark@employersedge.com	720-891-4900 x114 720-891-4900 x122	720-420-7354 720-420-7396
Account Management	Steve Bell	sbell@employersedge.com	720-891-4900 x101	720-420-7431

Coverage	Contact	E-Mail Address	Office	Fax
<b>Human Resources Consulting – Employers Group</b>				
Helpline	Mark Nelson	mnelson@employersgroup.com	213-765-3952 or 800-748-8484	
Client Service	Bill Stephens	bstephens@employersgroup.com	805-807-9922	213-226-0216
Reference Library	Robert Campbell	rcampbell@employersgroup.com	800-748-8484 Ext. 3430	
Unemployment Questions	Mark Nelson	mnelson@employersgroup.com	213-765-3952	
Affirmative Action Plans	Suzanne Oliva	soliva@employersgroup.com	213-765-3918	
Leave Management	Helpline	helpline@employersgroup.com	800-748-8484	
Research and Surveys	Juan Garcia	jpgarcia@employersgroup.com	213-765-3969	
Employee Opinion Survey	Megan Vallone	mvallone@employersgroup.com	213-765-3920	
Training Services	Somaly Heng	sheng@employersgroup.com	213-765-3962	
Employer Advocacy	Ken Tiratira	ktiratira@employersgroup.com	213-765-3915	

## **PROGRAMS COMMITTEE REPORT**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Agenda table of contents from Programs Committee meeting on June 22, 2017.



# PROGRAMS COMMITTEE MEETING

## “This is an Open Public Meeting”

*In accordance with the requirements of the Bagley-Keene Open Meeting Act, notice of this meeting must be posted in a publicly accessible place, including the internet, at least ten days in advance of the meeting. This meeting agenda shall also be posted at the address of the teleconference location with access for the public via phone/speaker phone.*

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1. Teleconference Location - CSU Chancellor’s Office, 401 Golden Shore, Long Beach
2. Gigi Kiama: University Corporation at CSUMB, 8 Upper Ragsdale Drive, Monterey
3. Bill Olmsted: University Union Operation of CSUS, Inc., 6000 J Street, Sacramento
4. Jason Porth: The University Corporation, San Francisco State, 1600 Holloway Avenue, ADM 361, San Francisco
5. Jun Reina: Capital Public Radio, Inc., CSU Sacramento, 7055 Folsom Boulevard, Sacramento
6. Russel Statham: CSU, Dominguez Hills Foundation, 1000 E. Victoria Street, Carson, CA
7. Raven Tyson: Associated Students of San Diego State University, 5500 Campanile Drive, Sacramento

<b>Meeting Date:</b>	June 22, 2017	<b>Location:</b>	Alliant Insurance Services, Inc. 100 Pine Street, 11 <sup>th</sup> Floor San Francisco, CA 94111
<b>Time:</b>	1:00 PM		

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

**A.            CALL TO ORDER**

- |           |  |          |             |
|-----------|--|----------|-------------|
| <b>1.</b> | <b>Approval of the Agenda Order</b>  | <b>A</b> | <i>p. 3</i> |
|           | <i>The Committee will be asked to approve today’s meeting agenda order</i> |          |             |
| <b>2.</b> | <b>Introduction of New Programs Committee Member – Russel Statham</b>      | <b>I</b> | <i>p. 4</i> |
|           | <i>The Committee will be ask to introduce themselves to our new member</i> |          |             |

**B.            PUBLIC COMMENTS**

**C.            GENERAL ADMINISTRATION**

- |           |  |          |              |
|-----------|--|----------|--------------|
| <b>1.</b> | <b>Approval of Meeting Minutes – February 23, 2017</b>   | <b>A</b> | <i>p. 6</i>  |
|           | <i>The Committee will be asked to review and approve the minutes from its meeting on February 23, 2017</i>                                 |          |              |
| <b>2.</b> | <b>Discussion and Recommendation for New Programs Committee Chair for FY 2017/2018</b>   | <b>A</b> | <i>p. 14</i> |
|           | <i>The Committee will be asked to discuss the Programs Committee Chair position and make a recommendation to the AORMA Committee Chair</i> |          |              |

- 3. **Workers' Compensation Dividend, FY 17/18 Workers' Compensation and Unemployment Insurance Member Allocation** A p. 22  
*The Committee will be asked to approve the revised workers' compensation program dividend allocation to be paid in July, 2017 and the FY 17/18 revised workers' compensation and unemployment insurance program member allocations*
  
- 4. **New Workers' Compensation Member – Aztec Shops, Ltd.** A p. 40  
*The Committee will be asked to approve the addition of a new member to the workers' compensation program*
  
- 5. **Potential New Workers' Compensation Program Member – SDSU Research Foundation** V  
*The item will not be discussed at today's meeting, as SDSU RF decided not to join the AORMA Workers' Compensation Program*
  
- 6. **New AORMA Member – Otter Student Union, CSU Monterey Bay** A p. 48  
*The Committee will be asked to approve a new member to join AORMA as well as the liability program, crime program and property program*
  
- D. INFORMATION ITEMS**
  

  - 1. **2017 CSURMA AORMA Meeting Calendar** I p. 81
  - 2. **FY 2016/2017 AORMA Long Range Action Plan** I p. 83
  - 3. **AORMA Committee and Standing Committee Roster** I p. 86

  
- E. ADJOURNMENT**

*The next Programs Committee meeting is scheduled for September 30, 2017 at 1:00 PM via teleconference. Please contact Mimi Long [mlong@alliant.com](mailto:mlong@alliant.com) or Tevea Him [thim@alliant.com](mailto:thim@alliant.com) with questions.*

## **AOA EXECUTIVE COMMITTEE REPORT**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

**APPROVAL OF MINUTES – MAY 4, 2017**

**ISSUE:** The Committee will be asked to review and approve the draft minutes from its May 4, 2017 meeting.

**RECOMMENDATION:** It is recommended that the Committee approve the minutes from its May 4, 2017 meeting, including corrections as necessary.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA AORMA Committee Meeting Minutes – May 4, 2017

**MINUTES OF THE  
CSURMA AORMA COMMITTEE MEETING**

**MAY 4, 2017**

**CSU CHANCELLOR'S OFFICE, ANACAPA ROOM  
401 GOLDEN SHORE • LONG BEACH, CA  
10:00 AM**

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**MEMBERS PRESENT**

Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach  
Gigi Kiama, The University Corporation at Monterey Bay  
Starr Lee, Cal Poly Corporation at San Luis Obispo  
Dave Nakamura, Humboldt State University Center (*via Teleconference*)  
Bella Newberg University Auxiliary and Research Services Corporation, San Marcos  
Dave Nirenberg, CI University Auxiliary Services, Inc.  
Brian Nowlin, CSU Long Beach Research Foundation  
Jim Reinhart, University Enterprises, Inc., CSU Sacramento (*via Teleconference*)

**MEMBERS ABSENT**

Dwayne Brummett, Associated Students, Inc. at San Luis Obispo  
Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation

**STAFF, GUESTS AND CONSULTANTS**

Deirdre Boyle, Carl Warren and Company  
Zachary Gifford, CSU Office of the Chancellor – Systemwide Risk Management  
Tevea Him, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
David Kervella, Systemwide Professional Development, CSU Office of the Chancellor  
Tim Leech, Alliant Risk Control Consulting  
Amy Lightner, Alliant Insurance Services, Inc.  
Jessica Liu, CSU Office of the Chancellor, CSURMA Accounting  
Mimi Long, Alliant Insurance Services, Inc.  
Mauri McGuire, Carl Warren and Company  
Maria Starn, CSU Office of the Chancellor, Office of General Counsel

**A. CALL TO ORDER**

The meeting was called to order by the Second Vice Chair, Gigi Kiama at 10:09 AM. Dave Nakamura and Jim Reinhart expressed their desire to abstain from voting on all motions.

**A1. Approval of the Agenda**

Gigi Kiama noted that Alliant Risk Control Consulting presentation and Online Training Platform will be discussed right after approval of the consent calendar.

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

Motion: Dave Nirenberg  
Second: Brian Nowlin

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

There were no comments from members of the public.

**C. CONSENT CALENDAR**

**C1. Approval of Minutes – March 9, 2017**

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

Motion: Robert de Wit  
Second: Bella Newberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			

Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

**MOTION CARRIED**

**F4. Alliant Risk Control Consulting Presentation**

Tim Leech provided a brief overview of the services provided under the current contract as well as introducing John Owen who has been assigned to work with the CSURMA AORMA members. Rather than replacing Brent Escoubas with just one ARCC staff member, the decision was made to have AORMA serviced by Tim Leech, John Owen, Archie Lazar and Kristina Loiselle. Staff was instructed to send out information to the members regarding the new staffing at ARCC.

Tevea Him will upload information onto the CSURMA website which includes the basic contact information as well as the subject matter expert for each campus and type of operation.

**F2. On-Line Training Platform Update**

David Kervella from Systemwide Professional Development provided an overview of the progress of transitioning the Campus auxiliary organization staff onto the SkillPort platform. Four campuses are still working on the integration process.

- CSU Bakersfield .....In process
- Maritime Academy .....In process (Tentatively June 1, 2017)
- CSU Long Beach .....In process (Tentatively May 25, 2017)
- San Diego State University .....In process (Tentatively June 22, 2017)

Mimi Long noted that after the contract terminates on June 30, 2017, Target Solutions will run a Completions Report for each of the AORMA members which will then be uploaded onto the SkillPort platform. This report will be available by July 10, 2017. Long also notes that those members in the AORMA workers’ compensation program will still be able to use the TargetSolutions training through the CSAC EIA contract. Kervella noted that AORMA wasn’t charged by Systemwide Professional Development for the FY 16/17 term.

**D. CLOSED SESSION**

1. Arce v CSUN ASI
2. Tu Nghiem v CSU Associated Students, Inc. (Aquatic Center)
3. Diane Adams v Sacramento State Associated Students, Inc. (Aquatic Center)
4. Grajeda v. Cal Poly Pomona Foundation
5. Ming Xu v CSU Dominguez Hills Foundation
6. Schwemley v CSU Sacramento Union
7. Jennifer Garcia, et. al. (Class Action) v CSU Fullerton Auxiliary Services Corp

A motion was made to enter closed session at 10:40 A.M.

Motion: Brian Nowlin  
Second: Robert de Wit

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

**MOTION CARRIED**

The Committee left closed session at 11:15 AM. The Gigi Kiama reported that no action was taken during closed session.

Motion: Bella Newberg  
Second: Robert de Wit

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura		X		
Dave Nirenberg	X			
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

**MOTION CARRIED**

**E. STANDING COMMITTEE REPORTS**

**E1. Programs Committee Report**

Gigi Kiama, the Programs Committee Chair, reported that the Programs Committee had not met since the last AORMA Committee meeting.

## **E2. AOA Executive Committee Report**

There was no AOA Executive Committee meeting since the last AORMA meeting.

## **F. GENERAL ADMINISTRATION**

### **F1. Excess Insurance Renewals and Underwriter Meetings Report**

Daniel Howell provided an update regarding the insurance renewals for FY 17/18. The excess liability program has seen loss development in the first layers for both the AORMA and Campus programs. The Program Administrator anticipates rate increases in the lower layers and flat renewals in the excess. Due to favorable market conditions, the Treasurer and Secretary-Auditor have asked the Bermuda market to price additional excess capacity above the current limits. AORMA's property loss ratio is at 55% and the campus program is at 88%. The Program administrator expects a slight reduction in rate for AORMA and a 5% increase for the campuses. Insured values have risen by 3%. Rates have declined over 38% during the past five years. CSURMA has an existing two-year rate agreement with CSAC EIA and the Executive Committee is considering a new agreement that would reduce rates and extend the rate guarantee to FY 18/19. The Fine Arts program was launched in 2016 and Staff anticipates underwriters will agree to a flat renewal despite losses. The aviation program has no losses and the market is soft. Staff expects a flat rate renewal or slight decrease; however, the program may be enhanced to include blanket drone coverage, which would move the current coverage away from the liability program. Crime claims are down, despite social engineering (phishing) losses. Staff expects a premium decrease at renewal.

### **F3. Member Allocation Formula Review**

Mimi Long explained that Policy and Procedure A-5 requires the Programs Committee to review the member allocation formula for each AORMA program with a pooled layer every three years to verify that the allocation formula is still fair and equitable. The Programs Committee is recommending several changes which Long summarized.

#### **F3a. L-8 – Liability Program Member Allocation Formula**

1. Use a rolling five-year total expenditures (as the rating basis for “all other”)
2. Decrease the minimum Experience Modification Factor from .75 to .50
3. Add a \$1,000 minimum to the Excess Premium
4. Increase the maximum Excess Premium by 5% each year for three years
5. Increase the minimum Administrative Costs by 10% each year for three years
6. Increase the program Minimum Premium by 15% each year for three years

It is expected that the smaller members who are subject to the minimum premium will see a maximum increase of 15% each year for three years. Other members may see a decrease in premium due to the reduction of the minimum EMF from .75 to .50. The use of the rolling five-year total expenditures is expected to create premium stability over time.

The Committee reviewed the draft revisions to Policy and Procedure L-8.

**F3b. C-1 – Crime Program Member Allocation Formula**

1. Use a rolling five-year total expenditures when determining the minimum premium
2. Increase the loss ratio surcharges
3. Apply the minimum premium before the loss rating

The use of the rolling five-year total expenditures is expected to create premium stability for those members subject to the minimum premium. The loss ratio surcharges have increased so that the program will receive additional reimbursement from those members with loss ratios above 100%.

The Committee reviewed the draft revisions to Policy and Procedure C-1.

**F3c. P-1 – Property Program Member Allocation Formula**

1. Increase loss ratio surcharges

The change will result in additional reimbursement to the pool for those members with a loss ratio in excess of 150%. This change does not negatively impact any one member. However, should losses increase, higher surcharges could be charged.

The Committee reviewed the draft revisions to Policy and Procedure P-1.

**F3d. UI-1 – Formula for Determining UIP Annual Deposit**

1. Increase the minimum administrative surcharge

The minimum administrative costs will be increase by 20% each year for the next three years as shown below.

Current Cost:.....	\$250
FY 18/19: .....	\$300
FY 19/20: .....	\$360
FY 20/21: .....	\$432

The Committee reviewed the draft revisions to Policy and Procedure UI-1.

**F3e. W-1 – Workers’ Compensation Program Member Allocation Formula**

1. Add a \$1,000 minimum premium, and review a percentage increase annually
2. Increase the maximum change to the experience modification factor (EMF) from +15% to +20% and eliminate the maximum decrease of -15%

The addition of a \$1,000 minimum premium will only impact one member who is currently paying \$99. The change to the EMF allows the pool to receive additional compensation for losses incurred as well as rewarding those members who make improvements to their claims experience.

The Committee reviewed the draft revisions to Policy and Procedure W-1.

A motion was made to approve the changes to the allocation formulas as recommended by the Programs Committee as well as the revisions to Policy and Procedures Nos. L-8, P-1, C-1, UI-1 and W-1.

Motion: Brian Nowlin  
Second: Bella Newberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura	X			
Dave Nirenberg		X		
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

**MOTION CARRIED**

**F5. CSURMA AORMA Committee Election Results**

Mimi Long let the Committee know that Shannon Stratton of Associate Student Inc., San Bernardino, Bill Olmstead of University Union Operation of CSUS, Inc. and Tina Knight of University Enterprises Inc., CSU Sacramento have been elected to serve on the AORMA Committee for a two-year term effective July 1, 2017 through June 30, 2019.

**F6. Watercraft Program Update**

Amy Lightner explained that CSU’s campuses and auxiliary organizations own a variety of watercraft. While the liability coverage programs include all watercraft up to 50 feet in length, the

liability coverage programs do not include the variety of additional coverages or hull coverage provided under a traditional marine insurance policy. The Program Administrator was directed to determine the benefits of launching a CSURMA watercraft program with the goal of providing consistently high level of coverage at group discounted pricing. With that in mind, Staff approached the marine markets to solicit a dedicated program and have obtained a suitable proposal from one of the leading marine markets, Navigators, who has offered to customize such program for CSURMA. This is not a mandatory program and so in order to launch Staff will start with Alliant’s existing standalone placements to achieve the economies of scale necessary then work with the other Campuses and Auxiliary Organizations to join and take advantage of the enhanced coverages and discounted pricing.

A motion was made to approve the delegation of authority to the CSURMA Secretary-Auditor to finalize the program.

Motion: Brian Nowlin  
Second: Dave Nirenberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura	X			
Dave Nirenberg		X		
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

**MOTION CARRIED**

**F7. AOA Annual Conference – Risk Management Sessions**

The Committee reviewed the AOA Session Topics proposed for the 2018 AOA Conference:

1. Drones
2. Insurance Requirements in Contracts
3. Major Property Losses Pre and Post
4. Foreign Travel Good Practices / Rental Car Coverage
5. Cyber Risks
6. Safety Program – Wellness Program
7. Phishing & Social Engineering
8. Workers Compensation Program – Employee Return to Work
9. Minors: Physical Hazardous, Coverage Limits, etc.

The Committee decided on the following Risk Management Sessions for the 2018 AOA Conference:

1. Major Property Losses Pre and Post
2. Cyber Risks
3. Wellness Center: Insurance Requirements, Waivers, Maintenance, Etc.
4. Programs for Minors: Insurance Requirements, Waivers, Etc.

A motion was made to approve the sessions noted above.

Motion: Bella Newberg  
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Bella Newberg	X			
Brian Nowlin	X			
Dave Nakamura	X			
Dave Nirenberg		X		
Dwayne Brummett				X
Frank Mumford				X
Gigi Kiama	X			
Jim Reinhart		X		
Robert de Wit	X			
Starr Lee	X			

**MOTION CARRIED**

**F8. CSURMA October 2017 Meeting Date Proposed Change**

Due to conflicting schedules on Thursday October 19<sup>th</sup> and Friday, October 20<sup>th</sup>, the October meetings has been moved to Thursday, October 26<sup>th</sup> and Friday, October 27<sup>th</sup>, 2017.

**G. INFORMATIONAL ITEMS**

- G1. CSURMA AORMA Meeting Calendar
- G2. AORMA Long Range Action Plan
- G3. AORMA Service Calendar
- G4. CSURMA AORMA Program Administrator’s Contact Lists
- G5. AORMA Committee Roster
- G6. Policy & Procedure A-7 – CSURMA Travel Reimbursement Policy

The Committee reviewed the information items but there was no discussion.

**H. ADJOURNMENT**

The meeting was adjourned at 12:33 PM.

## AORMA LIABILITY AND WORKERS' COMPENSATION PROGRAM ACTUARIAL REPORTS VALUED AT JUNE 30, 2017

**ISSUE:** CSURMA's retains the services of an independent actuary to evaluate the liabilities of its major self-insured programs. The complete draft reports for the AORMA Liability and Workers' Compensation Programs are included separately with the agenda packet. Staff has highlighted here and in attachments to this item key findings and exhibits. The information provided by the actuary is used to establish fiscal year-end financial reports, and as the starting point in consideration of rates and funding for FY 18/19 as well as evaluating potential dividends. The Actuary's findings and recommendations are shown below:

<b>Table 1</b>			
<b>Estimated Outstanding Losses at an "expected" confidence level, undiscounted for investment income, including unallocated loss adjustment expenses</b>			
<b>Liability</b>		<b>Workers' Compensation</b>	
At June 30, 2016	\$1,493,749	At June 30, 2016	\$5,942,753
At June 30, 2017	\$1,447,703	At June 30, 2017	\$3,875,940
<b>Change</b>	<b>-3%</b>	<b>Change</b>	<b>-35%</b>

As shown in Table 1, the estimated outstanding losses at June 30, 2017, have decreased dramatically within the workers' compensation program due to the reinsurance agreement with CSAC EIA. Effective January 1, 2015, the AORMA workers' compensation program is fully reinsured; therefore, all outstanding liabilities between January 1, 2015 and June 30, 2017 are retained by CSAC EIA.

<b>Table 2</b>					
<b>Workers' Compensation</b>					
<b>Projected Ultimate Net Limited Losses, Discounted</b>					
Term	Funding	Rate	Term	Funding	Rate
<b>80% Confidence Level</b>			<b>70% Confidence Level</b>		
FY 17/18 (\$500,000 SIR)	\$3,468,000	1.05	FY 17/18 (\$500,000 SIR)	\$3,162,000	0.96
FY 18/19 (\$750,000 SIR)	\$3,428,000	1.02	FY 18/19 (\$750,000 SIR)	\$3,098,000	0.92
<b>Change</b>	<b>-1%</b>	<b>-3%</b>	<b>Change</b>	<b>-2%</b>	<b>-4%</b>
<i>FY 18/19 (\$500,000 SIR) *</i>	<i>\$3,256,000</i>	<i>0.97</i>	<i>FY 18/19 (\$500,000 SIR) *</i>	<i>\$2,994,400</i>	<i>0.87</i>

*\* The FY 18/19 funding with a \$500,000 SIR is for comparison purposes only. The pooled layer has increased to \$750,000. The loss rate change, using the rate for the \$500,000 SIR, is an 8% reduction for the 80% CL funding and a 9% reduction for the 70% CL funding.*

Table 3		
Liability		
Projected Ultimate Net Limited Losses, Discounted		
Term	Funding	Rate
<b>80% Confidence Level</b>		
FY 17/18	\$2,166,071	0.48
FY 18/19	\$1,939,584	0.43
<b>Change</b>	<b>-10%</b>	<b>-10%</b>
<b>70% Confidence Level</b>		
FY 17/18	\$1,770,848	0.39
FY 18/19	\$1,585,685	0.35
<b>Change</b>	<b>-10%</b>	<b>-10%</b>

The reduction to the projected funding and loss rate as shown in Table 3 is due to the updated projection of losses within the \$500,000 pooled layer. Even though AORMA has experienced several catastrophic claims which pierced the reinsurance layer, necessitating an increase to the pooled layer limit and the reinsurance premium, the actuary believes a lower loss rate is sufficient to fund losses within the pooled layer for FY 18/19.

**RECOMMENDATION:** Staff recommends that the AORMA Committee accept the reports as presented.

**FISCAL IMPACT:** The action recommended will have the direct effect of establishing liabilities reported in CSURMA's financial statements. Indirectly, information from the accepted actuarial studies will be used in rate setting and funding forecasts.

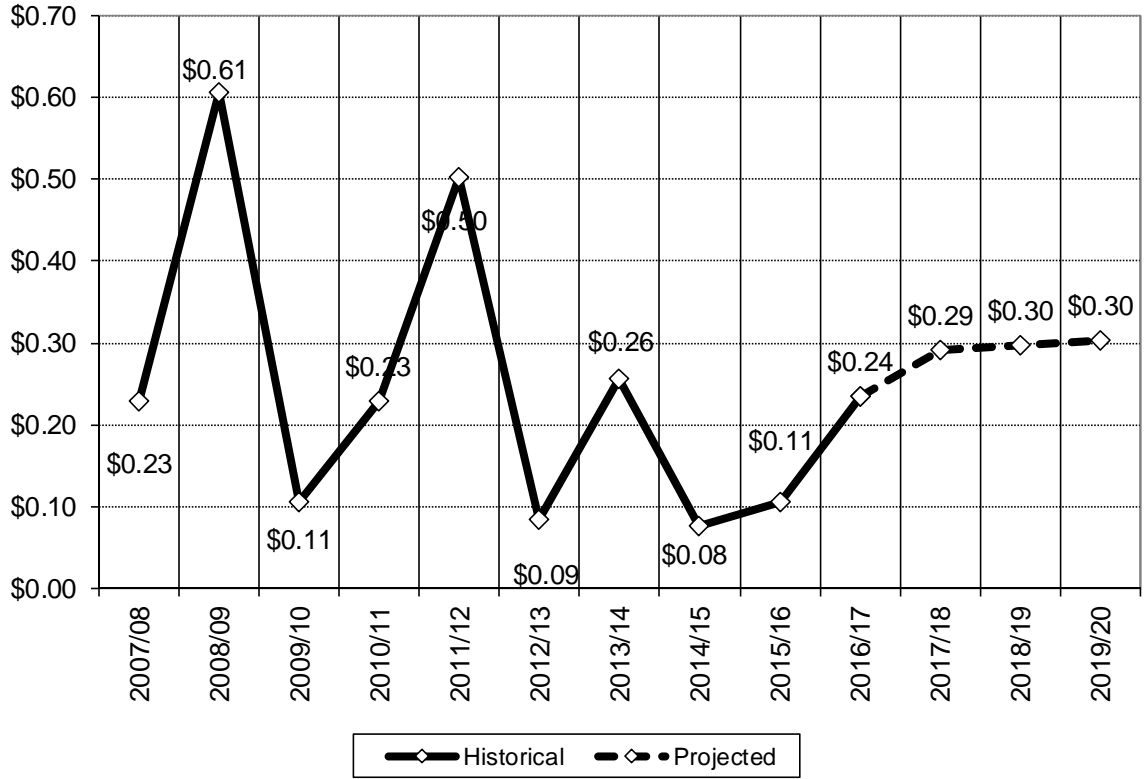
**BACKGROUND:** The complete actuarial study includes a discussion on the methodology used by the actuary to establish the financial projections for each coverage program. Staff will be present at today's meeting to review and comment on the findings in the reports.

**PUBLICATION:** None

**ATTACHMENT(S):**

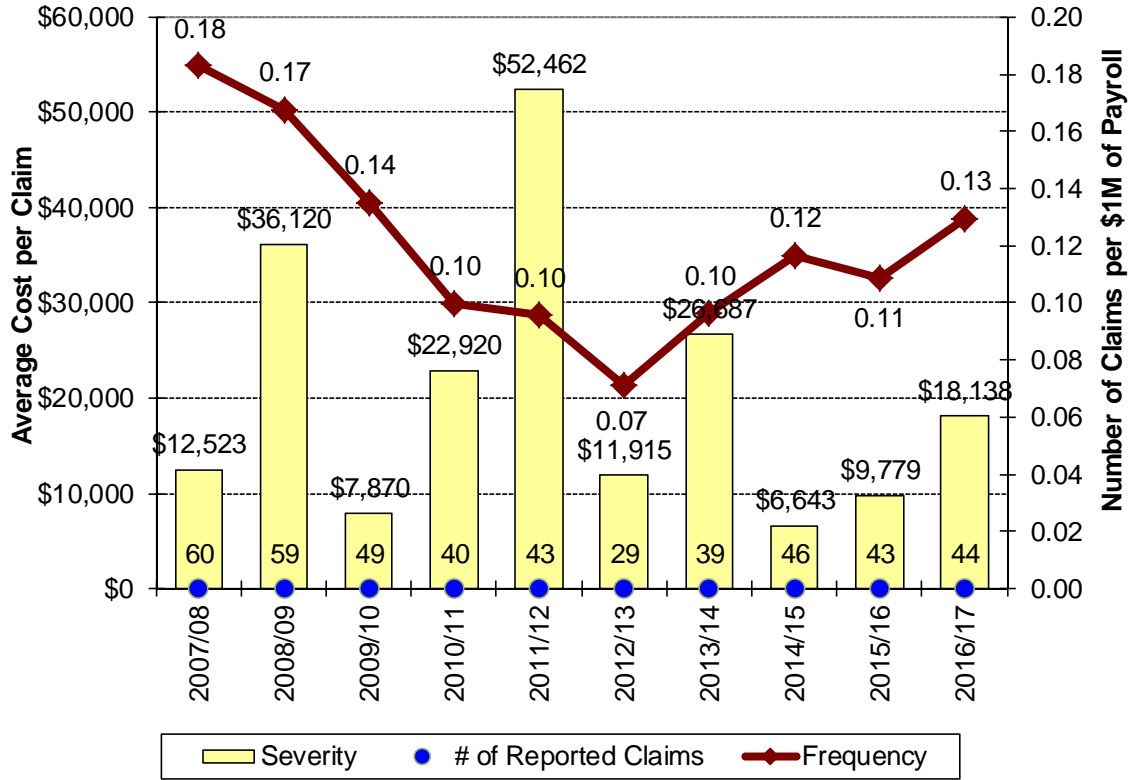
- a. Charts and exhibits from the Liability and Workers' Compensation draft actuarial reports valued at June 30, 2017.
- b. Complete copies of the draft studies dated August 9, 2017 and August 10, 2017 are included separately with the agenda packet.

**Graph III-1  
Loss Rate per \$100 of Payroll**



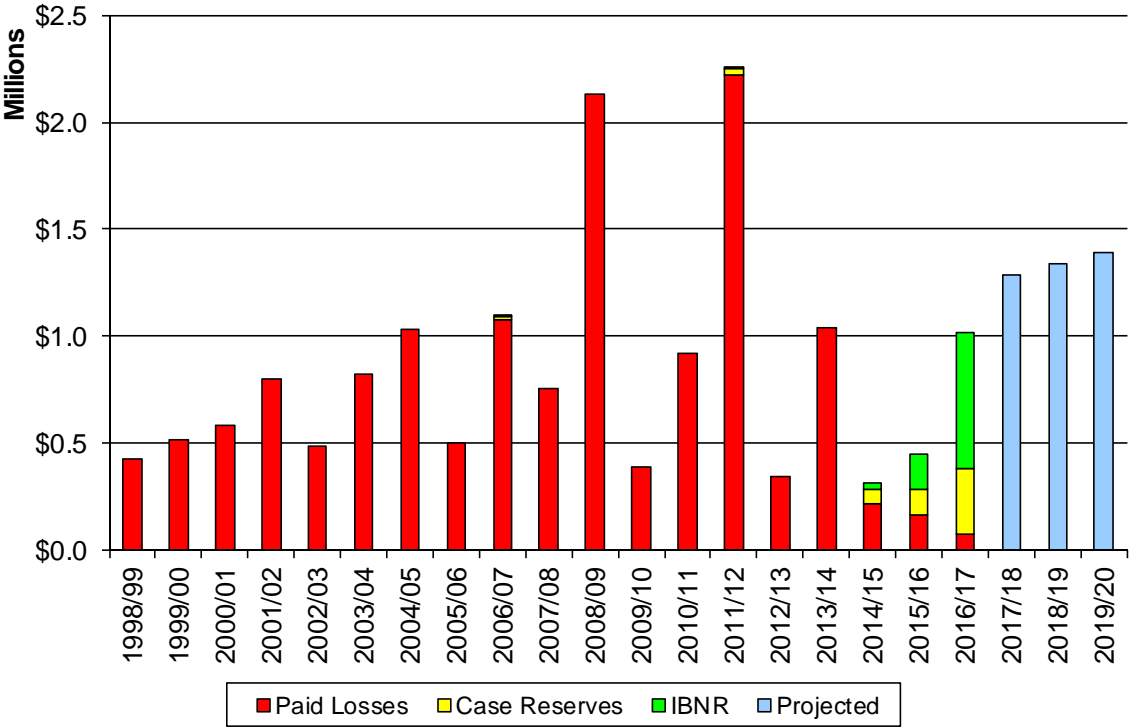
Note: Loss rates are from Exhibit LI-14, columns (4) and (7).

**Graph III-2  
Frequency and Severity**



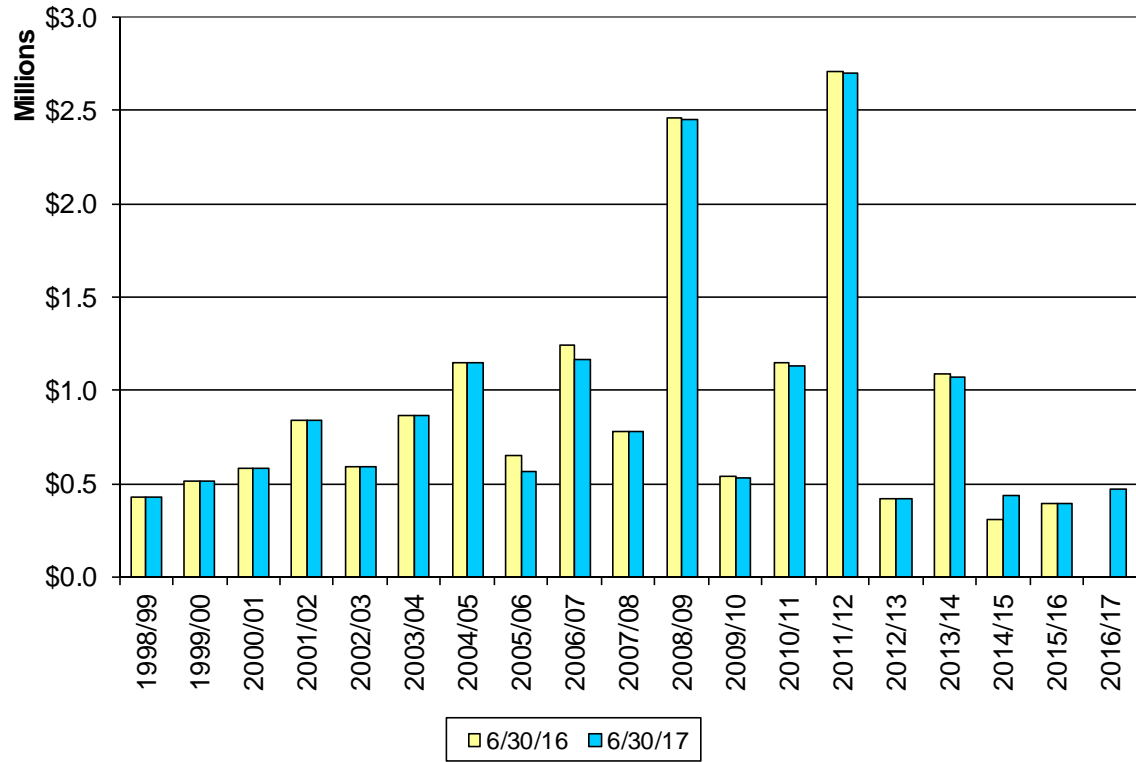
Note: Frequency amounts are from Exhibit LI-8, Section I, column (7).  
Severity amounts are based on the projected claim counts in Exhibit LI-8 and the projected ultimate losses in Exhibit LI-13.

**Graph III-3  
Composition of Projected Ultimate Limited Losses**



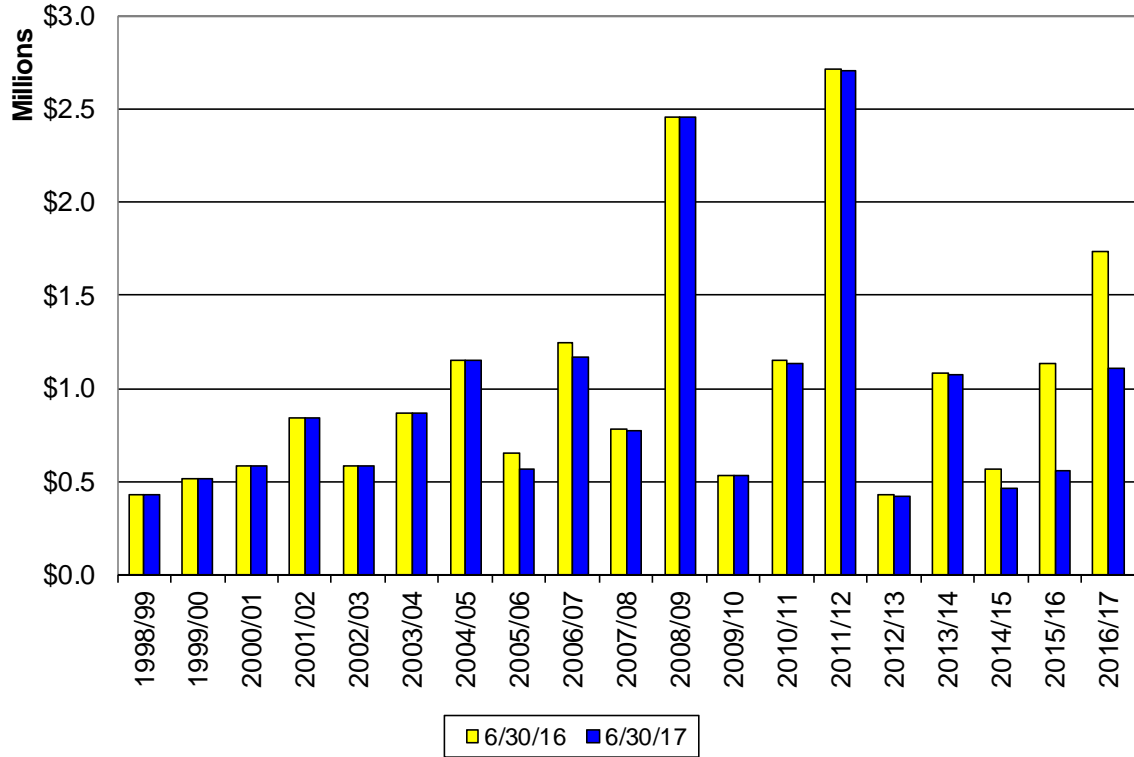
Note: Amounts through 2016/17 are from Exhibit LI-15.  
Amounts for 2017/18 through 2019/20 are from Exhibit LI-14.

**Graph III-4  
Comparison of Limited Reported Incurred Losses  
as of June 30, 2016 and June 30, 2017**



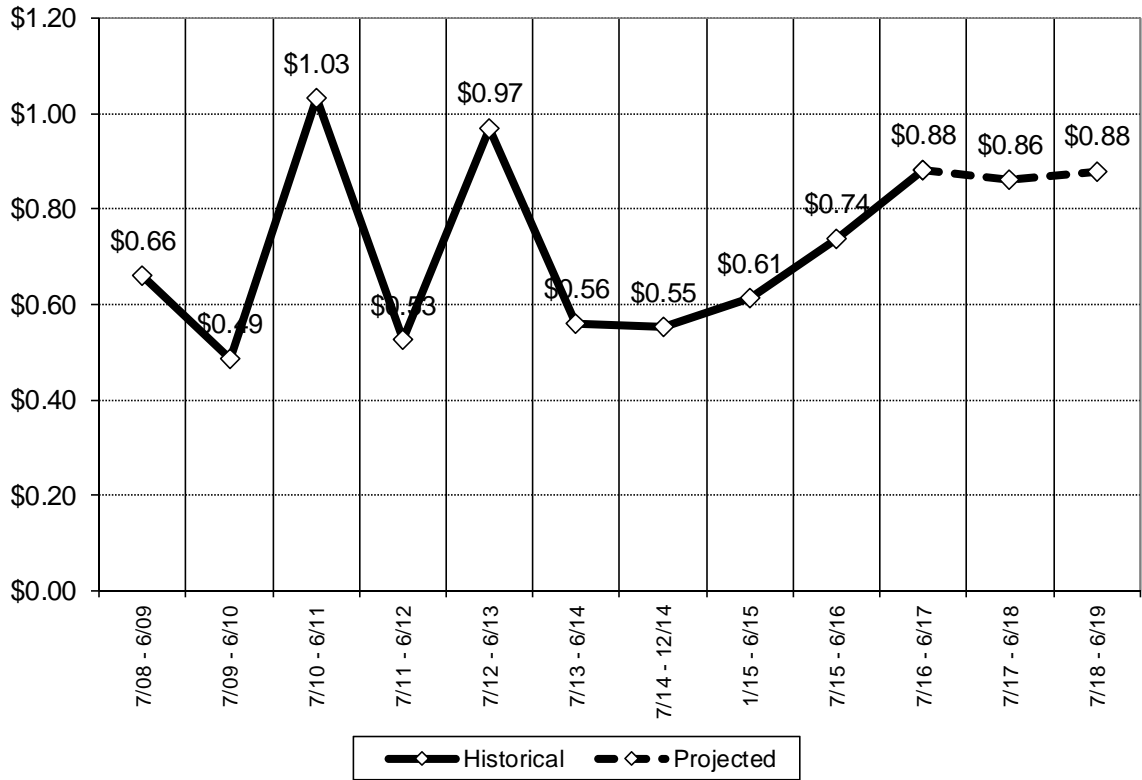
Note: Amounts as of June 30, 2016 are from the previous actuarial study.  
Amounts as of June 30, 2017 are from Exhibit LI-12.

**Graph III-5  
Comparison of Projected Ultimate Limited Losses  
as of June 30, 2016 and June 30, 2017**



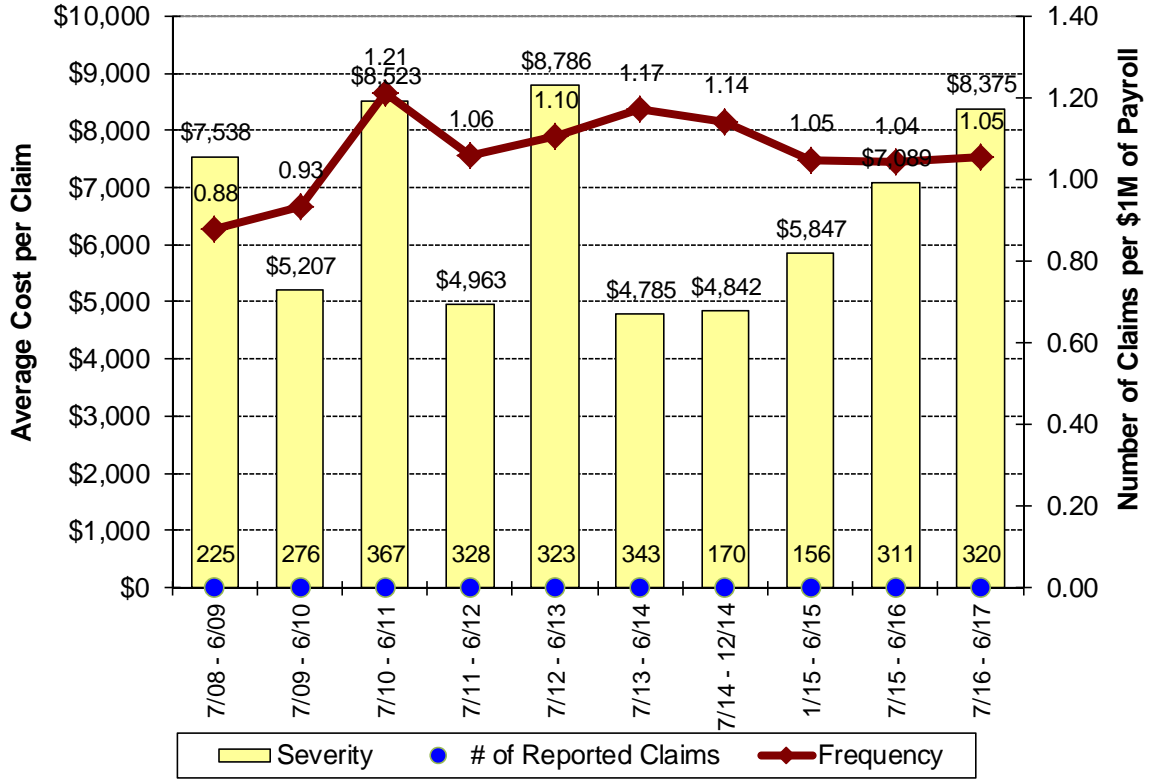
Note: Amounts as of June 30, 2016 are from the previous actuarial study.  
Amounts as of June 30, 2017 are from Exhibit LI-13.

**Graph III-1  
Loss Rate per \$100 of Payroll**



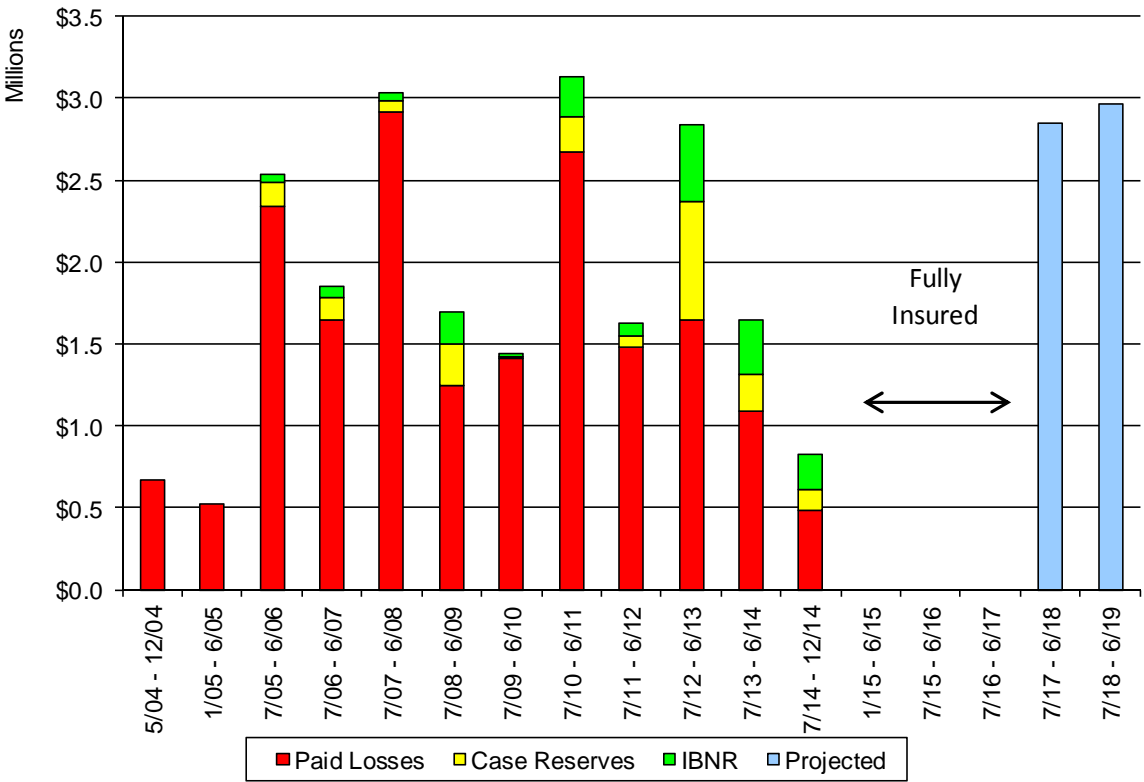
Note: Loss rates are from Exhibit WC-10, columns (4) and (7).  
 2017/18 and 2018/19 loss rates are based on the self-insured retention of \$750,000 effective July 1, 2017. Loss rates prior to 2017/18 were based on a self-insured retention of \$500,000.

**Graph III-2  
Frequency and Severity**



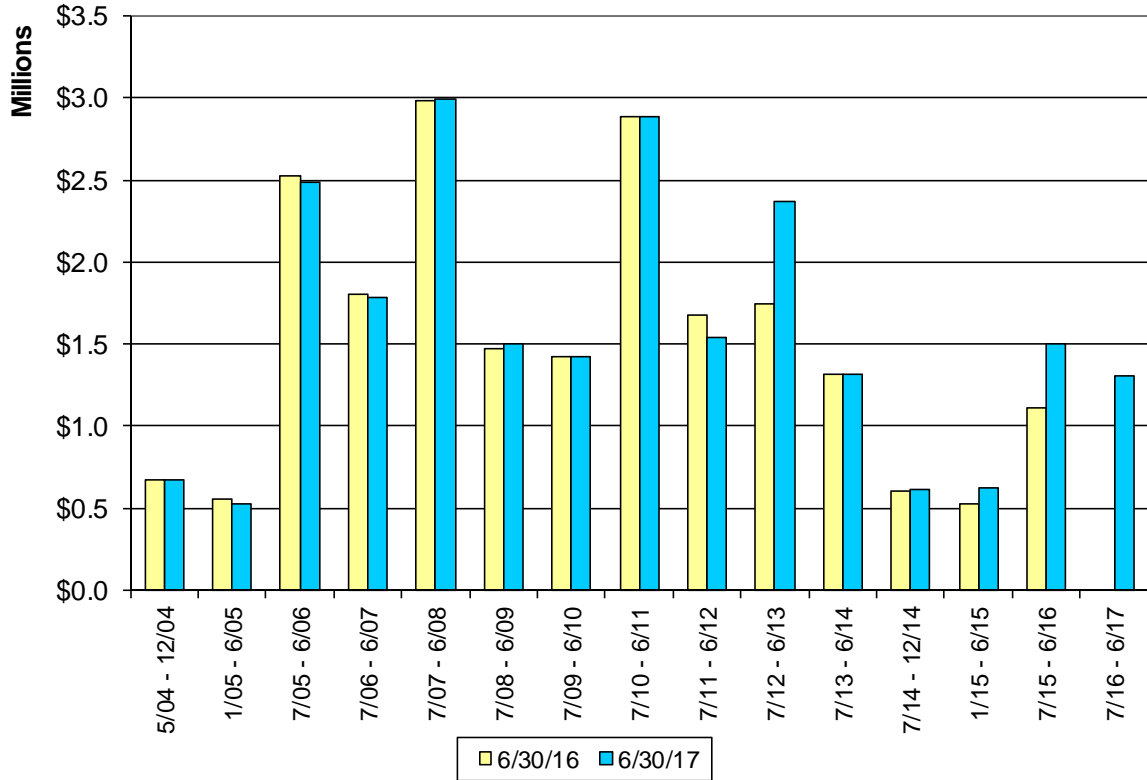
Note: Frequency amounts are from Exhibit WC-8, Section I, column (7).  
Severity amounts are based on the projected claim counts in Exhibit WC-8 and the projected ultimate losses in Exhibit WC-9.

**Graph III-3  
Composition of Projected Ultimate Limited Losses**



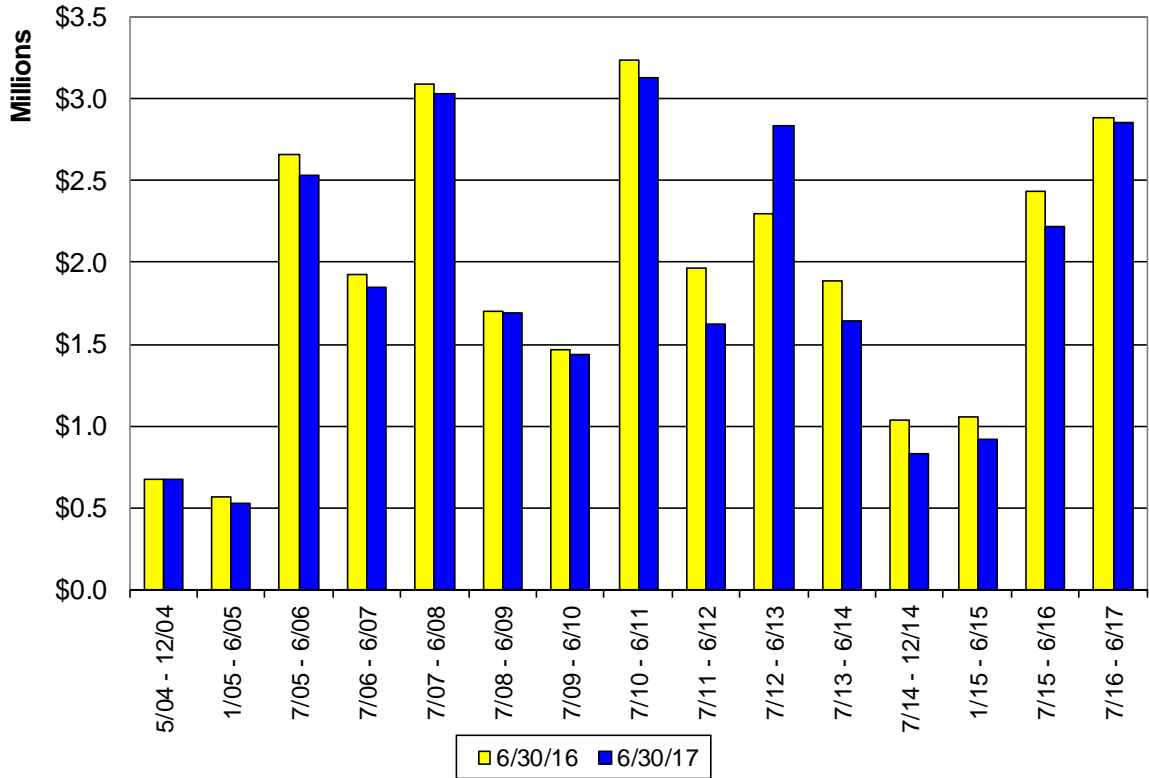
Note: Amounts through 7/16 – 6/17 are from Exhibit WC-11. Amounts for 7/17 – 6/18 and 7/18 – 6/19 are from Exhibit WC-10. 2017/18 and 2018/19 amounts are based on the self-insured retention of \$750,000 effective July 1, 2017. Losses prior to 2017/18 were based on a self-insured retention of \$500,000.

**Graph III-4  
Comparison of Limited Reported Incurred Losses  
as of June 30, 2016 and June 30, 2017**



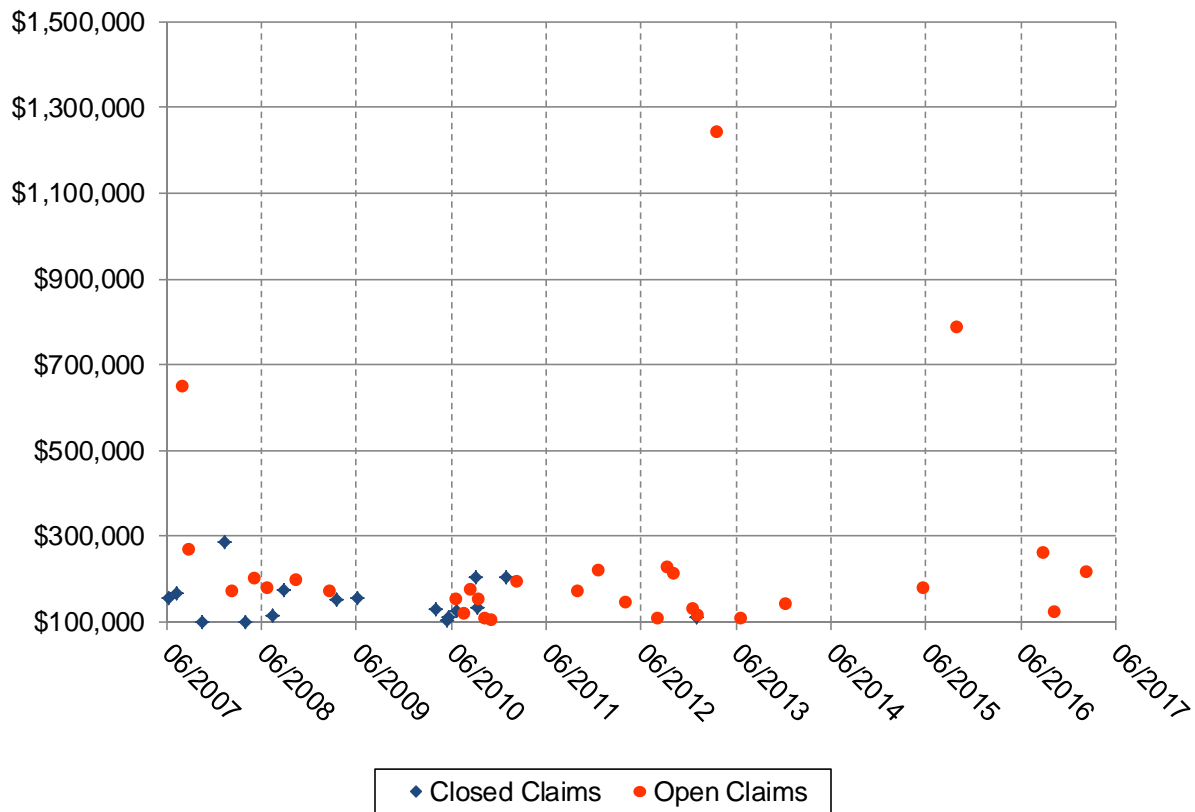
Note: Amounts as of June 30, 2016 are from the previous actuarial study. Amounts as of June 30, 2017 are from Exhibit WC-1.

**Graph III-5  
Comparison of Projected Ultimate Limited Losses  
as of June 30, 2016 and June 30, 2017**



Note: Amounts as of June 30, 2016 are from the previous actuarial study. Amounts as of June 30, 2017 are from Exhibit WC-9.

**Graph III-6B  
Claim Size Distribution  
Claims with Incurred Amount above \$100,000**



**ADOPTION OF CSURMA AORMA 2018 MEETING CALENDAR**

**ISSUE:** Noted below are the proposed 2018 AORMA Committee meeting dates.

March 8, 2018 at 10:00 AM.....AORMA Committee  
April 25, 2018 at TBD .....AORMA Committee  
September 5, 2018 at 9:00 AM.....AORMA Committee new member orientation  
September 5, 2018 at 10:00 AM.....AORMA Committee long range planning session  
September 6, 2018 at 9:00 AM.....AORMA Committee  
October 25, 2018 at 10:00 AM.....AORMA Committee  
December 6, 2018 at 10:00 AM.....AORMA Committee

**RECOMMENDATION:** Staff recommends approving the proposed 2018 AORMA Committee meeting dates, with changes as appropriate.

**FISCAL IMPACT:** None.

**BACKGROUND:** The meeting locations will be established at a later date.

**PUBLICATION:** The approved calendar will be posted on the CSURMA website and will be included in all of the agenda packets.

**ATTACHMENT(S):**

- a. Draft 2018 CSURMA Meeting Calendar

## 2018 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
7	3:00 PM	EC (AOA Conference)	Sacramento		9:00 AM	PC	San Francisco	8	10:00 AM	AORMA	TBD
8 - 10	10:30 AM	AOA Annual Conference AIME	Sacramento					8	2:30 PM	EC	TBD
								9	8:30 AM	EC LRP	TBD
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
23 - 25		Fitting the Pieces Conference	San Diego		10:30 AM	AIME	San Francisco	TBD		AOA EC	TBD
25 TBD		AORMA	San Diego		2:00 PM	BOD Orientation	Teleconference		1:00 PM	PC	Teleconference
25 TBD		EC	San Diego								
25 TBD		BOD	San Diego								
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
	11:00 AM	AORMA Officers Retreat	TBD	TBD		AOA EC	TBD	5	9:00 AM	AORMA New Member	TBD
								5	10:00 AM	AORMA LRP	TBD
								6	9:00 AM	AORMA	TBD
								6	4:00 PM	EC Orientation	TBD
								7	8:30 AM	EC	TBD
									1:00 PM	PC	Teleconference
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
	10:30 AM	AIME	Fullerton	TBD		AOA EC	TBD	6	10:00 AM	AORMA	TBD
	2:00 PM	BOD Orientation	Teleconference	29	8:00 AM	PC	San Francisco	7	8:30 AM	EC	TBD
25	10:00 AM	AORMA	Long Beach								
26	8:30 AM	EC	Long Beach								
26	10:30 AM	BOD	Long Beach								

*AORMA = Auxiliary Organizations Risk Management Alliance Committee*

*AIME = Athletic Injury Medical Expense Committee*

*AORMA LRP = AORMA Long Range Planning Meeting*

*PC = AORMA Programs Committee*

*AOA = CSU Auxiliary Organizations Association*

*BOD = CSURMA Board of Directors*

*EC = CSURMA Executive Committee*

*EC LRP = EC Long Range Planning Meeting*

## **INSURANCE RENEWALS REPORT**

**ISSUE:** CSURMA's programs employ a combination of insurance and self-insurance funding. Most of the program anniversary dates align with CSU's fiscal year. Staff prepared the attached report to summarize the results of the renewals including key outcomes.

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

**FISCAL IMPACT:** No fiscal impact at this meeting. Renewal costs have been included in the CSURMA budget.

**BACKGROUND:** Please refer to attached report.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 2017-2018 Insurance Renewals Executive Summary

## 2017-18 INSURANCE RENEWALS

### Executive Summary

July 17, 2017

#### I. BACKGROUND

At its May 5, 2017 meeting, the Executive Committee delegated authority to Robert Eaton, Treasurer, and Zachary Gifford, Secretary-Auditor, to work with Alliant to finalize negotiations with insurers and to effect coverage beginning July 1, 2017 as they deem appropriate. The actions taken are to be reported to the Executive Committee when it next meets on September 8, 2017.

#### II. PURPOSE

This Executive Summary recaps the participating insurers and costs for CSURMA's major coverage programs for FY 2017-18. The summary also highlights certain changes and bind orders directed by Robert Eaton and Zachary Gifford, which have been confirmed by the respective underwriters.

#### III. COVERAGE OPTIONS

##### A. EXCESS LIABILITY

1. **Terrorism Risk Insurance Act (TRIA)**: Renewed coverage for certified terrorism acts per TRIA to \$100M limit. TRIA was increased from \$50M to \$100M last year. Because TRIA is not applicable for reinsurance nor the MOC, we are obtaining clarification on how this is to be handled by the reinsurers.
2. **Additional Excess Limits (New Coverage)** -The Excess Liability coverage limits were increased from \$200M total to \$300M total, with 75% covered by Bermudian insurers, and 25% retained by CSURMA. The cost for \$100M xs \$200M is \$175,000 (i.e., \$1,750 per \$1M), thus the premium is 75% of \$175,000 or \$131,250; with taxes/fees, the cost \$140,437. As market capacity becomes available, CSURMA will entertain opportunities to insure 100% of this excess layer.

##### B. TERRORISM RISK – *New Options*

1. **Dedicated Terrorism** (Not Taken) - Hiscox indicated cost to provide dedicated terrorism insurance covering certified and non-certified acts, but this was very expensive compared to TRIA that is offered as part of the Excess Liability coverage. The cost for \$15M xs \$5M Dedicated Terrorism is \$100,000 compared to \$30,000 for TRIA included in the \$45M xs \$5M layers. Both exclude losses resulting from nuclear, chemical, biological, or radiation exposures (NCBR).
2. **NCBR** (Not Taken) - Coverage for Sabotage & Terrorism Liability including Malicious Acts involving Nuclear, Chemical, Biological and Radiological materials is offered from \$15M to \$100M limit each occurrence & aggregate in excess of \$100,000 self-retention as follows:
  - \$15M limit: \$195,000 annual premium + taxes/fees
  - \$25M limit: \$295,000 + taxes/fees
  - \$50M limit: \$550,000 + taxes/fees

- \$100M limit: \$850,000 + taxes/fees

These are subject to confirming carrier support, full and satisfactory security information; and no losses, threats or incidents whether insured or not, during the last 10 years.

3. The cost for Dedicated Terrorism with or without NCBR cover seems expensive. But, the federal government has not certified an act of terrorism to date, so an active shooter event like the San Bernardino County holiday party attack could raise coverage questions.

#### C. ACTIVE ASSAILANT COVERAGE (Not Taken)

1. Indication provided by XL Catlin: \$5M occ / \$5M agg; \$25k ded.
2. Annual premium is \$175,000 + taxes/fees.
3. One free reinstatement of limits.
4. Subjectivity: No prior loss that would have coverage under this active assailant policy.
5. This seems expensive and does not provide third-party liability cover.

#### D. DRONE INSURANCE PROGRAM – *New Program effective July 1, 2017*

1. New program effective July 1, 2017 covering Drone Liability for small drones that are owned, non-owned or hired by the University and/or its Auxiliary Organizations, and used for non-commercial purposes.
2. Only small Unmanned Aircraft Systems (sUAS aka: drones) as defined by Title 14 of the Code of Federal Regulations (14 CFR) Part 107 are covered by this program; i.e., 55lbs maximum total weight at takeoff including all onboard equipment, fuel, etc.
3. Coverage limit is \$50M, with \$0 (zero) deductible.
4. Chubb will quote Hull insurance for specific drones upon request.
5. \$150,000 initial annual premium will be allocated to Campus Liability and AORMA Liability program funds in proportion to the number of reported drones.
6. *Because of this new coverage, the Excess Liability premiums have been reduced, thus saving about \$35,000 total; Ironshore (\$27,000) and AWAC (\$8,000).*

### IV. CHANGES TO THE EXPIRING POLICIES

Changes to the expiring policies are summarized below. Note: This is a highlight only. See actual policies for other terms affecting coverage.

#### EXCESS LIABILITY COVERAGE (CAMPUS & AORMA)

##### A. LIABILITY REINSURANCE (SIR to \$5,000,000)

	<u>Insurer</u>	<u>Premium (taxes/fees included)</u>
• <i>Expiring:</i>	Evanston (50%) / GAIC (50%)	\$1,290,512
• <i>Recommended:</i>	Markel (50%) / GAIC (50%)	\$1,356,726

Markel replaces Evanston – they are sister companies in the same insurance group. Markel/Great American provides reinsurance for both Campus Liability and AORMA Liability. Campus coverage is Automobile Liability only covering non-salaried operators only (e.g., student volunteers) subject to a

\$1,000,000 self-retention. AORMA coverage includes General/Errors & Omissions Liability and Automobile Liability with a \$500,000 self-retention.

**B. EXCESS LIABILITY (Layer 1 - \$5,000,000 xs \$5,000,000)**

- *Expiring:* Ironshore \$1,231,803
- *Recommended:* same \$1,279,360

Ironshore is the primary excess reinsurer (“lead underwriter”) for the Liability Risk Pool covering both Campus Liability and AORMA Liability. The increased cost is due to an increase in total enrollment. Premium has been reduced by \$27,000 for new Drone Liability insurance purchased separately.

**C. EXCESS LIABILITY (Layer 2 - \$10,000,000 xs \$10,000,000)**

- *Expiring:* AWAC \$740,000
- *Recommended:* same \$754,600

Allied World (AWAC) offered to renew with an increase comparable to the lead underwriter. Premium has been reduced by \$8,000 for new Drone Liability insurance purchased separately.

**D. EXCESS LIABILITY (Layer 3 - \$5,000,000 xs \$20,000,000)**

- *Expiring:* Ironshore \$192,542
- *Recommended:* same \$195,237

Ironshore offered to renew with a slight increase as it required for Layer 1.

**E. EXCESS LIABILITY (Layer 4 - \$10,000,000 xs \$25,000,000)**

- *Expiring:* Peleus (Argonaut) \$275,000
- *Recommended:* same \$286,896

Argonaut offered to renew with an increase comparable to the lead underwriter.

**F. EXCESS LIABILITY (Layer 5 - \$5,000,000 xs \$35,000,000)**

- *Expiring:* AWAC \$91,450
- *Recommended:* same \$92,000

AWAC offered to renew with an increase comparable to the lead underwriter.

**G. EXCESS LIABILITY (Layer 6 - \$10,000,000 xs \$40,000,000)**

- *Expiring:* Gemini \$156,348
- *Recommended:* same \$156,348

No change; renewed flat.

**H. EXCESS LIABILITY (Layer 7 – \$50,000,000 xs \$50,000,000)**

- *Expiring:* Arch (30%) / AIG (50%) / GAIC (20%) \$332,280
- *Recommended:* GAIC (20%) / Hiscox, ATL, Score Re (60%) / Hallmark (20%) \$335,400

Mix of insurers changed. AIG required traumatic brain injury exclusion at renewal and Arch required continuation of the 2x annual aggregate. **Renewal carriers have agreed to remove the 2x aggregate and no exclusion for TBI.**

**I. EXCESS LIABILITY (Layer 8 – Cat Excess \$50,000,000 xs \$100,000,000)**

- *Expiring:* Aspen (50%) / Ironshore, Starr, Hamilton, Antares (50%) \$133,750
- *Recommended:* same \$133,750

Renew as is.

**J. EXCESS LIABILITY (Layer 9 – Cat Excess \$50,000,000 xs \$150,000,000)**

- *Expiring:* XL Catlin \$107,000
- *Recommended:* same \$107,000

Renew as is.

**K. EXCESS LIABILITY (Layer 10 – Cat Excess \$75,000,000 po \$100,000,000 xs \$200,000,000) - NEW**

- *Recommended:* Iron-Starr (25%), Aspen (25%), Chubb (25%) \$140,437

This excess layer is 75% complete, thus CSURMA retains 25% of the risk. As market capacity becomes available, CSURMA will entertain opportunities to insure 100% of this excess layer.

**OTHER COVERAGE PROGRAMS**

**L. CYBER RISK (Excess)**

- *Expiring:* APIP CEO, Novae, CFC \$520,205
- *Recommended:* APIP CEO, Novae, CFC, AXIS \$597,012

APIP provides \$2,000,000 limits and includes Cyber Enhancement Option in the Master Property Program. Excess limits have been increased from \$10,000,000 to \$15,000,000. Novae insures \$5M xs \$2M; CFC insures \$5M xs \$7M; and AXIS provides \$5M xs \$12M (new). Total combined limit is \$17,000,000. Self-retention remains as \$100,000 (Campus); \$25,000 (AORMA).

**M. FIDELITY (Crime)**

- *Expiring:* Lloyd’s London (Chubb, BRIT, XL Catlin) \$432,924
- *Recommended:* same \$411,278

Small reduction in premium. Lloyd’s provides coverage for Fidelity (Crime) covering the University against employee dishonesty, theft, computer crime, counterfeiting, or forgery. The insurance provides \$20,000,000 limit each loss; subject to a \$40,000,000 policy aggregate and a \$250,000 Deductible each loss. AORMA coverage limits are \$2,000,000 per loss with a \$25,000 deductible per

loss and \$100,000 deductible aggregate, which subsequently reverts to the applicable deductible for each member.

**N. TRUSTEES E&O LIABILITY, FIDUCIARY LIABILITY**

- *Expiring:* Lloyd’s London (Aspen, Barbican) \$68,138
- *Recommended:* same \$68,138

Lloyd’s offered to renew Flat. Lloyd’s covers CSURMA for Errors & Omissions Liability insuring its Board of Directors, Executive Committee, AORMA Committee, AIME Committee, and others while serving on behalf of CSURMA, and provides Fiduciary Liability insurance for AORMA members.

**O. AUTOMOBILE PHYSICAL DAMAGE (APD)**

- *Expiring:* Beazley \$86,150
- *Recommended:* same \$97,052

Beazley provides coverage for Auto Physical Damage for Campus and AORMA with deductibles ranging from \$1,000 to \$10,000. Cost is based on vehicle’s insured values and selected deductible.

**P. DRONE INSURANCE PROGRAM - NEW**

- *Recommended:* Chubb Aviation \$150,000

New program is effective July 1, 2017 covering liability for small unmanned aerial systems (sUAS aka: UAV or “drone”) up to 55lbs total weight that are owned, non-owned or hired by the University and/or its Auxiliary Organizations. Coverage includes TRIA and War risks.

**CAMPUS COVERAGE PROGRAMS**

**A. WORKERS’ COMPENSATION**

- *Expiring:* CSAC-EIA \$29,325,402
- *Recommended:* same \$30,314,694

CSAC-EIA offered to renew the first-dollar reinsurance plan for a new two year fixed rate and included a feature to assuage the burden for additional premium if CSU’s final actual payroll is greater than had been estimated for the coverage period.

**B. FOREIGN TRAVEL INSURANCE PROGRAM (FTIP)**

- *Expiring:* Chubb (ACE) \*\$524,151
- *Recommended:* same \$433,821

\*Includes prepayment of \$95,718 for 3 years of K&E coverage.

Chubb’s renewal terms reflect a flat rate; i.e., no rate increase. The annual cost is based on expected utilization of the program, which has increased. Rates are defined by trip duration (1-15 days, 16-30 days, etc.).

Chubb provides coverage for CSU faculty, staff, students, and guests who travel abroad on University or Auxiliary Organization business. Coverage includes: General Liability; Contingent Automobile Liability; Employer’s Responsibility (Workers’ Compensation); Employer’s Liability; Primary Medical Expense; Emergency Medical Expense, including Medical Evacuation; Repatriation of Remains, Emergency Reunion; Political Evacuation; Accidental Death & Dismemberment; Trip Cancellation; Trip Interruption. Additionally, CSU self-funds the expense for cancelling trips that is triggered by critical events that are not otherwise covered by Chubb.

**C. INTERNATIONAL PROGRAMS (IP)**

- *Expiring:* Chubb (ACE) \$289,135
- *Recommended:* same \$253,151

Chubb separately provides the same coverage for CSU’s International Program managed by the Chancellor’s Office. Premium reduced due to decline in participation.

**D. STUDENT PROFESSIONAL LIABILITY INSURANCE PROGRAM (SPLIP)**

- *Expiring:* Lloyd’s London, Hiscox \$601,824
- *Recommended:* Lloyd’s London, Ascot \$584,698

Lloyd’s provides General/Professional Liability insurance for Student Interns in Teaching, Nursing and Allied Health. Limits are \$5,000,000 each loss, subject to a \$15,000,000 policy aggregate. Deductibles are \$25,000 each claim; \$100,000 aggregate, which are covered by the risk pool. Lloyd’s agreed to renew at the expiring rate and continue the “No Claims Bonus.”

Additionally, the risk pool purchases \$10,000,000 additional Aggregate Limits – *this has moved with our underwriting team in Bermuda from Hiscox to Ascot, who has agreed to renew at the expiring price.*

**E. STUDENT ACADEMIC FIELD EXPERIENCE FOR CREDIT LIABILITY INSURANCE PROGRAM (SAFECLIP)**

- *Expiring:* Lloyd’s London, Hiscox \$297,216
- *Recommended:* Lloyd’s London, Ascot \$280,082

Lloyd’s provides General/Professional Liability insurance for Student Interns in Service Learning. Limits are \$5,000,000 each loss, subject to a \$10,000,000 policy aggregate. Deductibles are \$10,000 each claim; \$40,000 aggregate, which are covered by the risk pool. The underwriter agreed to renew at the expiring rate and continue the “No Claims Bonus.”

*The risk pool purchases \$10,000,000 additional Aggregate Limits from Ascot, who has agreed to renew at the same price.*

**F. PHYSICIANS PROFESSIONAL LIABILITY**

- *Expiring:* Hiscox \$77,400
- *Recommended:* Ascot \$77,400

*Ascot replaces Hiscox to provide additional coverage limits for medical professional liability insuring CSU’s employed physicians, following CSU’s underwriting team move to Ascot.*

**G. PROPERTY / BOILER & MACHINERY**

- *Expiring:* APIP \$5,181,821
- *Recommended:* same \$5,500,020

APIP (Alliant Property Insurance Program) is the Master Property Program offered by Alliant covering direct damage to the University’s buildings and including equipment breakdown for specified plant & equipment. Total Insured Values have been adjusted to 100% Replacement Cost. The insurance provides \$1,000,000,000 blanket limit and \$1,000,000 deductible per loss. The risk pool covers losses below \$1,000,000 with a \$100,000 deductible; except San Diego State University who chose the \$1,000,000 deductible. Special deductibles apply for structures designated as Campus 99, which are fully covered by APIP.

**H. INLAND MARINE**

- *Expiring:* Allianz \$44,871
- *Recommended:* same \$47,862

Allianz provides coverage for cameras, projectors, films, musical instruments, office equipment, electronic data processing equipment, laptops, and other specialized equipment and accessories. Deductibles range from \$1,000 to \$10,000. Cost is based on equipment type and equipment value.

**I. FINE ARTS, ARTIFACTS & ARCHIVES PROGRAM (FAAAP)**

- *Expiring:* Lloyd’s London \$237,360
- *Recommended:* same \$237,360

**Renewed with no increase.** FAAAP provides automatic coverage for loss or damage to the university’s fine arts, artifacts and archives that are owned by the university, lent to the university, or lent to others by the university. Coverage includes property in-transit. Coverage is “nail-to-nail” aka: “wall-to-wall.”

**J. AVIATION LIABILITY (Non-Owned Aircraft)**

- *Expiring:* Chubb Aviation \$38,700
- *Recommended:* same \$38,700

Chubb offered to renew the policy at the same cost. Chubb provides coverage for Non-owned Aircraft Liability. The \$50,000,000 coverage limit is excess over other valid and collectible insurance, with no deductible.

**K. ROCKETRY LIABILITY (Designated Launch Sites)**

- *Expiring:* Chubb Aerospace \$13,200
- *Recommended:* same \$12,375

**Premium reduced by 6.3%.** Chubb provides liability coverage for rocketry at designated launch sites.

**L. BUILDER’S RISK INSURANCE PROGRAM (BRIP)**

- *Expiring:* Chubb \$103,200
- *Recommended:* same \$25,800

**Rates have been reduced by 5%.** Initial deposit premium reduced from \$100,000 to \$25,000 plus taxes & fees, which is followed by quarterly payments based on actual projects reported, including new starts and completed projects for final premium adjustment.

**The premium payment plan is revamped** and is superior to Chubb’s prior insistence on installment billings, which was calculated on projected projects start-ups that are often delayed, and consequently requiring amendments to the installment schedule. CPDC and Alliant are relieved Chubb agreed to return to the plan when BRIP originally began.

Chubb insures direct damages to the CSU’s and Auxiliary Organizations’ construction projects while in the course of construction. Per the Chancellor’s Office Capital Planning Design & Construction (CPDC) directive, all major capital projects are to be covered by the BRIP.

**M. STUDENT TRAVEL ACCIDENT (AIME)**

- *Expiring:* Mutual of Omaha \$16,650
- *Recommended:* same \$16,650

Mutual of Omaha agreed to renew flat. This policy provides coverage for Student Travel Accident for inter-collegiate athletics (AIME) in excess of the Blanket Student Travel Accident policy purchased by CSU for student travel away from campus.

**N. POLLUTION LIABILITY**

- *Expiring:* APEEL \$127,220
- *Recommended:* same \$139,381

**Rate increased 9.59%.** The deductible for Campuses increased from \$100,000 to \$250,000 per loss due to CSU’s claims experience. AORMA’s deductible remained at \$50,000.

**AORMA COVERAGE PROGRAMS**

**A. WORKERS’ COMPENSATION**

- *Expiring:* CSAC-EIA \$3,153,341
- *Recommended:* same \$4,302,129

CSAC-EIA offered to renew the first-dollar reinsurance plan. The premium deposit is based on the estimated payrolls provided by each member auxiliary organization. **Aztec Shops joined the program this year, increasing the premium.** A proposal was also issued to SDSU Research Foundation but they decided to renew with their Large Deductible plan.

**B. PROPERTY / BOILER & MACHINERY**

- *Expiring:* APIP \$1,421,327
- *Recommended:* same \$1,362,734

APIP (Public Entity Property Insurance Program) is the Master Property Program offered by Alliant covering direct damage to the Auxiliary Organization’s owned buildings and contents, including equipment breakdown for specified plant & equipment. Total Insured Values have been adjusted to 100% Replacement Cost. The insurance provides \$1,000,000,000 blanket limit with deductible at \$100,000 per occurrence; \$250,000 in the aggregate. The risk pool provides coverage from the member deductibles to \$100,000. Member deductibles range from \$5,000 to \$100,000.

**C. IDENTITY FRAUD EXPENSE REIMBURSEMENT**

- *Expiring:* Travelers \$31,705
- *Recommended:* same \$27,594

**Premium reduced due to decline in participation.** Travelers provides cost reimbursement for AORMA members who are victims of identification fraud, which emanate from a theft of personal privacy information that may impair a victim’s or victims’ credit worthiness through fraudulent use of private information by unauthorized individuals.

**D. PARTICIPANT ACCIDENT INSURANCE (PAI)**

- *Expiring:* QBE \$99,626
- *Recommended:* same \$98,242

QBE provides coverage for accidental injuries to participants in Auxiliary Organization sponsored sport camps, and other activities requested by the member. Cost is based on utilization and the selected deductible.

**TOTAL COST:**

	2017-18	2016-17	\$ Chg	% Chg
Campus	\$ 42,209,335	\$ 40,705,963	\$ 1,503,372	3.69%
AORMA	\$ 7,704,591	\$ 6,536,289	\$ 1,168,303	17.87%
<b>Total</b>	<b>\$ 49,913,926</b>	<b>\$ 47,242,252</b>	<b>\$ 2,671,674</b>	<b>5.66%</b>

## **TARGET SURPLUS FUNDING REPORT AND DIVIDEND CALCULATION**

**ISSUE:** Staff will present an analysis of the financial position of the Liability and Workers' Compensation programs based on the surplus funding and dividend calculation formula set forth in Policy & Procedure A-3 Target Surplus Funding Policy. The analysis will show the current surplus fund amounts (at 6/30/17) as well as the estimated amounts available for dividend distribution.

**RECOMMENDATION:** Staff recommends that the Committee review the reports and approve a dividend within the liability and workers' compensation programs to be paid in July, 2018.

**FISCAL IMPACT:** The Committee will be asked to review the Target Surplus Funding Report and recommend a dividend within both the Liability and Workers' Compensation programs to be paid in July, 2018.

**BACKGROUND:** CAJPA, an informational and educational network for California JPA's, has established several surplus ratio standards that have been adopted by CSURMA AORMA in order to establish the target surplus amount for the Liability and Workers' Compensation Programs.

- Gross Premium to Surplus Ratio – at least 1.5 to 1: (Surplus should be at least 67% of the reserve amounts for all open claims.) Should there be any inaccuracies in the pricing, it is desirable to have adequate surplus to borrow against.
- Surplus to Pool Retention Ratio > 5-10 to 1: Should AORMA have multiple significant losses in the same year, it is desirable to have between five and ten times the retention.
- Outstanding Reserves to Surplus Ratio - at least 1.5 to 1: (Surplus should be at least 67% of the reserve amounts for all open claims.) Should there be any inaccuracies in the reserve amounts for open claims, it is desirable to have adequate surplus to borrow against.

**PUBLICATION:** All AORMA members will receive an update in September, 2017 which summarizes the decisions made at this meeting regarding surplus funds at June 30, 2017 and approved dividends to be released in July, 2018.

**ATTACHMENT(S):**

- a. Surplus Funding and Dividend Calculation
- b. Policy & Procedure A-3 – Target Surplus Funding Policy

**AORMA Liability Fund Program**  
**Target Surplus Funding Analysis - Pooled Layer Funding @ \$500,000**  
**@ June 30, 2017**

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 17/18 (at 70% CL) #1	2,598,878	Up From	2,526,956
Assets at 6/30/17 #2	8,421,605	Up From	7,958,922
Maximum Retention Per Occurrence	500,000	No Change	500,000
Outstanding Reserves at 6/30/17 #3	1,378,765	Down From	1,422,618
Surplus (Expected Confidence Level) #4	6,973,902	Up From	5,796,533
Surplus (above a 70% Confidence Level) #5	6,879,928	Up From	5,656,558
Surplus (above an 80% Confidence Level) #5	6,611,810	Up From	5,356,250

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

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

#3 - Reserves on open claims, plus IBNR, capped at the pooled layer limit.

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

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

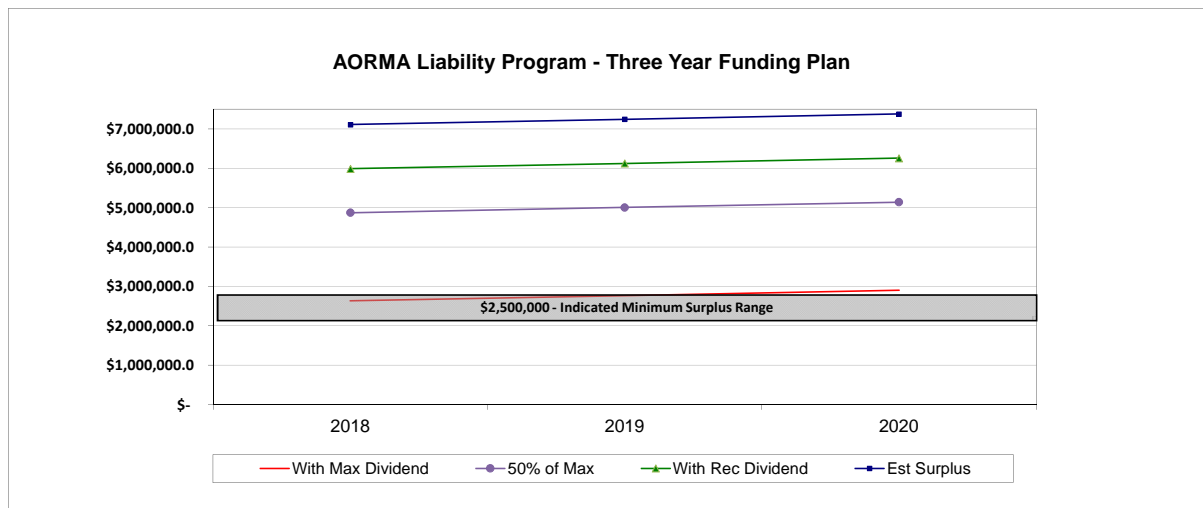
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	1,732,585	37%
Surplus : Retention	>5:1	<b>2,500,000</b>	<b>14</b>
Outstanding Reserves : Surplus	≤1.5:1	919,177	20%

Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	6,879,928
Indicated Minimum Surplus (largest ratio amount)	2,500,000
Maximum Dividend Available	4,473,902
Dividend 50%	2,236,951
Dividend 33%	1,476,388
Dividend 25%	1,118,476

Confidence levels	Risk Factor	Pooled Layer Funding #5	Surplus
Expected	1.000	1,340,589	-
60%	1.040	1,394,213	53,624
70%	1.100	1,474,648	134,059
80%	1.300	1,742,766	402,177

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

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/17	N/A	6,973,902	N/A	N/A
2018/19- Collection @ 70% Confidence Level	134,059	7,107,961	2,634,059	5,989,486
2019/20 - Collection @ 70% Confidence Level	134,059	7,242,020	2,768,118	6,123,545
2020/21 - Collection @ 70% Confidence Level	134,059	7,376,079	2,902,177	6,257,604



**AORMA Workers' Compensation Fund Program**  
**Target Surplus Funding Analysis - Pooled Layer Funding @ \$750,000**  
**@ June 30, 2017**

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 17/18 (at 70% CL) #1	4,570,145	Down From	4,062,286
Assets at 6/30/17 #2	10,285,547	Down From	12,126,149
Maximum Retention Per Occurrence	750,000	Up From	500,000
Outstanding Reserves at 6/30/17 #3	3,691,371	Down From	5,659,765
Surplus (Expected Confidence Level) #4	6,409,607	Up From	6,183,396
Surplus (above a 70% Confidence Level) #5	6,356,127	Up From	6,078,554
Surplus (above an 80% Confidence Level) #5	6,149,315	Up From	5,815,615

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

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

#3 - Reserves on open claims, plus IBNR, capped at pooled layer. Reserves on claims between 1/01/15 and 6/30/17 have been removed as the program was fully insured through CSAC EIA.

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

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

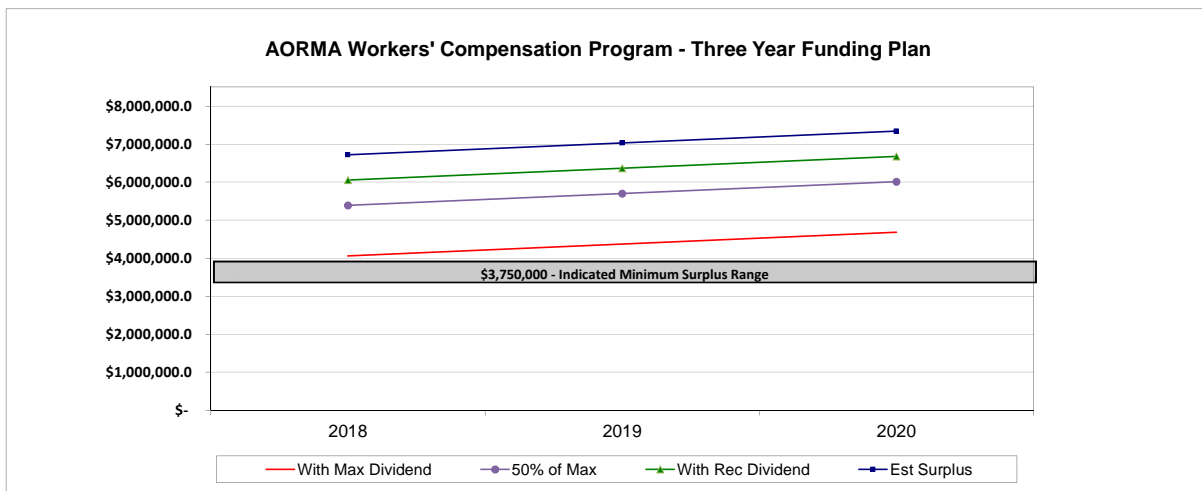
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	3,046,763	0.71
Surplus : Retention	>5:1	<b>3,750,000</b>	<b>9</b>
Outstanding Reserves : Surplus	≤1.5:1	2,460,914	0.58

Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	6,356,127
Indicated Minimum Surplus (largest ratio amount)	3,750,000
Maximum Dividend Available	2,659,607
Dividend 50%	1,329,804
Dividend 33%	877,670
Dividend 25%	664,902

Confidence levels	Risk Factor	Pooled Layer Funding #5	Surplus
Expected	1.000	3,446,860	-
70%	1.090	3,757,077	310,217
80%	1.150	3,963,889	517,029
90%	1.250	4,308,575	861,715

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

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/17	N/A	6,409,607	N/A	N/A
2018/19 - Collection @ 70% Confidence Level	310,217	6,719,824	4,060,217	6,054,922
2019/20 - Collection @ 70% Confidence Level	310,217	7,030,041	4,370,434	6,365,139
2020/21 - Collection @ 70% Confidence Level	310,217	7,340,258	4,680,651	6,675,356





**CSURMA AORMA**

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

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**SUBJECT:** TARGET SURPLUS FUNDING POLICY

**ADOPTED:** JANUARY 10, 2007

**EFFECTIVE:** JANUARY 1, 2007

**AMENDED:** OCTOBER 29, 2009  
SEPTEMBER 16, 2010  
OCTOBER 23, 2014  
MAY 5, 2016  
SEPTEMBER 7, 2017

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

**POLICY:**

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

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

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

**PROCEDURE:**

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

the CONFIDENCE LEVEL to which the program is currently funded. Because the Property and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.

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

**Gross Premium to Surplus Ratio: Target <1.5:1**

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

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

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

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

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

- 3. Discussion of Historical Funding** – As part of the Target Surplus Funding review process, annually, the AORMA COMMITTEE will discuss its historical funding philosophy and the factors involved in its decision making process. It will also consider whether the factors remain relevant, taking action to amend, if necessary.

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

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

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

- 5. Dividends** – Dividends may be available from the amount of SURPLUS exceeding the TARGET SURPLUS GOAL amount established by the AORMA COMMITTEE. The

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allocation of any dividend shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.

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

**MEMBER APPEAL PROCESS:**

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

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



**DEFINITIONS:**

**AORMA COMMITTEE** - The governing body of AORMA.

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

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

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

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

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

**IBNR** – Incurred but Not Reported losses.

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

**MEMORANDUM OF COVERAGE** – The AORMA Liability Program MEMORANDUM OF COVERAGE is a governing document which outlines the AORMA Liability Program's definitions, coverages, exclusions and provisions. The AORMA Liability Program MEMORANDUM OF COVERAGE does not provide insurance, but instead provides for pooled-insurance. The MEMORANDUM OF COVERAGE is a negotiated agreement among the MEMBERS of CSURMA AORMA.

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

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



**CSURMA AORMA**

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

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

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

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

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

## FY 18/19 LIABILITY PROGRAM - TOTAL FUNDING

**ISSUE:** Based on the information within the FY 18/19 actuarial study, staff has prepared the attached exhibit which shows the pooled layer funding requirements at a 70%, 75% and 80% confidence level along with the costs for the claims administration, program administration and excess insurance. Table 1 below compares the three options to the current program.

**Table 1**

Liability Program			
70% Confidence Level (Discounted)			
Expense Item	Current Program Costs 70% CL	Proposed Program Costs 70% CL	% Change
Pool Layer Funding	1,770,878	1,585,685	-10.46%
Claims Administration	15,000	15,000	0.00%
Program Administration	815,000	815,000	0.00%
Reinsurance / Excess Insurance	1,589,271	1,748,198	10.00%
<b>Total Costs</b>	<b>4,190,149</b>	<b>4,163,883</b>	<b>-0.63%</b>
75% Confidence Level (Discounted)			
Expense Item	Current Program Costs 70% CL	Proposed Program Costs 75% CL	% Change
Pool Layer Funding	1,770,878	1,764,006	-0.39%
Claims Administration	15,000	15,000	0.00%
Program Administration	815,000	815,000	0.00%
Reinsurance / Excess Insurance	1,589,271	1,748,198	10.00%
<b>Total Costs</b>	<b>4,190,149</b>	<b>4,342,204</b>	<b>3.63%</b>
80% Confidence Level (Discounted)			
Expense Item	Current Program Costs 70% CL	Proposed Program Costs 80% CL	% Change
Pool Layer Funding	1,770,878	1,939,584	9.53%
Claims Administration	15,000	15,000	0.00%
Program Administration	815,000	815,000	0.00%
Reinsurance / Excess Insurance	1,589,271	1,748,198	10.00%
<b>Total Costs</b>	<b>4,190,149</b>	<b>4,517,782</b>	<b>7.82%</b>

*The current program is funded at a 70% confidence level and is discounted for investment value. The discount rate is calculated based on a 2% yield on investments.*

**RECOMMENDATION:** The Committee will be asked to review three Liability Program funding options for FY 18/19 and to take action as appropriate.

**FISCAL IMPACT:** Three funding options are being presented. See the charts above for a comparison.

**BACKGROUND:** Prior to FY 14/15, the liability program was funded at an 80% confidence level. Beginning FY 14/15, the AORMA Committee decided to begin funding the program at a 70% confidence level. This decision was made because the program was sufficiently funded and a significant increase in surplus was not required.

**PUBLICATION:** The funding option approved by the AORMA Committee will be included in the “September Update Letter” which will be sent to all of the AORMA and AOA members.

**ATTACHMENT(S):**

- a. FY 18/19 Liability Program – Total Funding 70%, 75% and 80% Confidence Level

75% Confidence Level (Discounted)

CSURMA AORMA FY 2018/2019 Liability Program Total Estimated Funding					
Expense Item	Actual Program Costs FY 14/15 \$350,000 SIR	Actual Program Costs FY 15/16 \$350,000 SIR	Actual Program Costs FY 16/17 \$500,000 SIR	Program Costs FY 17/18 \$500,000 SIR	Proposed FY 18/19 \$500,000 SIR
Actuarial Recommended Estimated Pooled Layer - Funding	1,675,550	1,774,778	1,700,777	1,770,878	1,764,006
Claims Administration	13,300	14,000	14,000	15,000	15,000
Program Administration Fees	751,572	769,101	795,991	815,000	815,000
Reinsurance / Excess Liability Insurance	1,227,876	1,280,435	1,493,424	1,589,271	1,748,198
<b>Total Costs:</b>	<b>3,668,298</b>	<b>3,838,314</b>	<b>4,004,192</b>	<b>4,190,149</b>	<b>4,342,204</b>
<b>Difference from prior year:</b>	4.84%	4.63%	4.32%	4.64%	3.63%

Actuarial Recommended Estimated Pooled Layer Funding (based on the actuarial report dated August 9, 2017)

Claims Administration (per the Carl Warren & Company contract)

JPA Program Administration Fee (an increase or decrease is not contemplated). The Program Administration for FY 17/18 and FY 18/19 are estimates.

Reinsurance / Excess Liability, including Trustees E&O, Fiduciary Liability, and Drone Insurance Program (plus 10%)

**80% Confidence Level (Discounted)**

CSURMA AORMA FY 2018/2019 Liability Program Total Estimated Funding					
Expense Item	Actual Program Costs FY 14/15 \$350,000 SIR	Actual Program Costs FY 15/16 \$350,000 SIR	Actual Program Costs FY 16/17 \$500,000 SIR	Program Costs FY 17/18 \$500,000 SIR	Proposed FY 18/19 \$500,000 SIR
Actuarial Recommended Estimated Pooled Layer - Funding	1,675,550	1,774,778	1,700,777	1,770,878	1,939,584
Claims Administration	13,300	14,000	14,000	15,000	15,000
Program Administration Fees	751,572	769,101	795,991	815,000	815,000
Reinsurance / Excess Liability Insurance	1,227,876	1,280,435	1,493,424	1,589,271	1,748,198
<b>Total Costs:</b>	<b>3,668,298</b>	<b>3,838,314</b>	<b>4,004,192</b>	<b>4,190,149</b>	<b>4,517,782</b>
<b>Difference from prior year:</b>	4.84%	4.63%	4.32%	4.64%	7.82%

Actuarial Recommended Estimated Pooled Layer Funding (based on the actuarial report dated August 9, 2017)

Claims Administration (per the Carl Warren & Company contract)

JPA Program Administration Fee (an increase or decrease is not contemplated). The Program Administration for FY 17/18 and FY 18/19 are estimates.

Reinsurance / Excess Liability, including Trustees E&O, Fiduciary Liability, and Drone Insurance Program (plus 10%)

70% Confidence Level (Discounted)

CSURMA AORMA FY 2018/2019 Liability Program Total Estimated Funding					
Expense Item	Actual Program Costs FY 14/15 \$350,000 SIR	Actual Program Costs FY 15/16 \$350,000 SIR	Actual Program Costs FY 16/17 \$500,000 SIR	Program Costs FY 17/18 \$500,000 SIR	Proposed FY 18/19 \$500,000 SIR
Actuarial Recommended Estimated Pooled Layer - Funding	1,675,550	1,774,778	1,700,777	1,770,878	1,585,685
Claims Administration	13,300	14,000	14,000	15,000	15,000
Program Administration Fees	751,572	769,101	795,991	815,000	815,000
Reinsurance / Excess Liability Insurance	1,227,876	1,280,435	1,493,424	1,589,271	1,748,198
<b>Total Costs:</b>	<b>3,668,298</b>	<b>3,838,314</b>	<b>4,004,192</b>	<b>4,190,149</b>	<b>4,163,883</b>
<b>Difference from prior year:</b>	4.84%	4.63%	4.32%	4.64%	-0.63%

Actuarial Recommended Estimated Pooled Layer Funding (based on the actuarial report dated August 9, 2017)

Claims Administration (per the Carl Warren & Company contract)

JPA Program Administration Fee (an increase or decrease is not contemplated). The Program Administration for FY 17/18 and FY 18/19 are estimates.

Reinsurance / Excess Liability, including Trustees E&O, Fiduciary Liability, and Drone Insurance Program (plus 10%)

## **FY 18/19 WORKERS' COMPENSATION PROGRAM – TOTAL FUNDING**

**ISSUE:** Based on the information within the FY 18/19 actuarial study, staff has prepared an exhibit which shows the pooled layer funding requirements at a 70% and 80% confidence level along with the costs for the claims administration, program administration and excess insurance. Also, the pooled layer funding requirement has been increased from \$500,000 to \$750,000 due to the excess market requirement. AORMA's loss experience has increased to a level that necessitates a \$750,000 retention.

**RECOMMENDATION:** The Committee will be asked to review the Workers' Compensation Program funding options for FY 18/19 and to take action as appropriate.

**FISCAL IMPACT:** Staff will provide information within the exhibit which will be distributed at the meeting.

**BACKGROUND:** The workers' compensation program has historically been funded at an 80% confidence level. Beginning January 1, 2015, CSURMA and AORMA entered into a reinsurance agreement with CSAC EIA. The cost for the reinsurance was historically lower than AORMA's recommended "discounted expected" funding. The reinsurance contract had allowed surplus within workers' compensation program to increase even with funding at a 70% confidence level. FY 17/18 was the first year that CSAC EIA increased its pricing in excess of AORMA's funding at a 70% confidence level.

**PUBLICATION:** The funding option approved by the AORMA Committee will be included in the "September Update Letter" which will be sent to all of the AORMA members.

### **ATTACHMENT(S):**

- a. FY 18/19 Workers' Compensation Program – Total Funding (*This will be distributed at the meeting as a handout*)

**FY 18/19 PROPERTY PROGRAM - TOTAL FUNDING**

**ISSUE:** Staff has prepared the attached exhibit which shows the proposed costs for the FY 18/19 Property Program.

**RECOMMENDATION:** Staff recommends that the Committee review and approve the FY 18/19 Property Program costs of \$2,134,679 which is a 7% increase over the FY 17/18 program costs.

**FISCAL IMPACT:** See the funding comparison below. The recommended funding option will result in a 7% increase.

<b>Property Program</b>			
<b>Expense Item</b>	<b>Current Program Costs</b>	<b>Proposed Program Costs</b>	<b>% Change</b>
Pooled Layer Funding	250,000	250,000	0%
Excess Insurance	1,422,435	1,564,679	10%
Program Administration	320,000	320,000	0%
<b>Total Costs</b>	<b>1,992,435</b>	<b>2,134,679</b>	<b>7%</b>

**BACKGROUND:** The AORMA Property Program pooled layer has an aggregate limit of \$250,000. Which means the majority of AORMA’s property losses will be capped at the aggregate pooled layer of \$250,000.

**PUBLICATION:** The funding option approved by the AORMA Committee will be included in the “September Update Letter” which will be sent to all of the AORMA members in September, 2017. The Budgeting Letter, sent in January, 2018, will include the member’s final property rate.

**ATTACHMENT(S):**

- a. FY 18/19 Property Program – Total Funding

**CSURMA AORMA**  
**FY 2018/2019 Property Program**  
**Total Estimated Funding**  
**\$100,000 SIR / \$250,000 Aggregate SIR**

Expense Item	Actual Program Costs FY 14/15	Actual Program Costs FY 15/16	Actual Program Costs FY 16/17	Program Costs FY 17/18	Proposed Program Costs FY 18/19
Estimated Pooled Layer Funding	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Excess Insurance Premium	\$1,717,748	\$1,672,962	\$1,473,347	\$1,422,435	\$1,564,679
Program Administrative Costs	\$296,388	\$313,809	\$318,554	\$320,000	\$320,000
<b>Total Expenses:</b>	<b>\$2,264,136</b>	<b>\$2,236,771</b>	<b>\$2,041,901</b>	<b>\$1,992,435</b>	<b>\$2,134,679</b>
<b>Difference from prior year:</b>	-33.52%	-1.21%	-8.71%	-2.42%	7.14%

Estimated Pooled Layer Funding (no change is contemplated)  
Excess Insurance Premium (plus 10%). Includes Cyber and Pollution.  
The Program Administration for FY 17/18 and FY 18/19 are estimates.

**FY 18/19 CRIME PROGRAM – TOTAL FUNDING**

**ISSUE:** Staff has prepared the attached exhibit which shows the proposed costs for the FY 18/19 Crime Program.

**RECOMMENDATION:** Staff recommends that the Committee review and approve the FY 18/19 Crime Program costs of \$232,000 which is a 1% increase compared to the FY 17/18 program costs. The Crime Program has an annual aggregate of \$100,000. At June 30, 2017, the Crime Program fund balance was \$412,604; therefore, Staff is recommended that the Committee waive the pooled layer funding for FY 18/19.

**FISCAL IMPACT:** See the funding comparison below. The recommended funding option will result in a 1% increase.

Crime Program			
Expense Item	Current Program Costs	Proposed Program Costs	% Change
Pooled Layer Funding	-	-	0%
Excess Insurance	197,413	200,000	1%
Program Administration	32,000	32,000	0%
<b>Total Costs</b>	<b>229,413</b>	<b>232,000</b>	<b>1%</b>

**BACKGROUND:** The AORMA Crime Program pooled layer has a \$25,000 per claim limit and an aggregate limit of \$100,000. Because of this, AORMA’s crime losses, within the pooled layer, in any one year cannot exceed \$100,000; therefore, an actuarial study is not necessary. Currently, the Crime Program has a fund balance of \$412,604. Because the program’s surplus is sufficient to cover all claims paid within FY 17/18 and FY 18/19, Staff recommends that the Committee waive funding of the pooled layer for 18/19.

**PUBLICATION:** The funding option approved by the AORMA Committee will be included in the “September Update Letter” which will be sent to all of the AORMA members in September, 2017. The Budgeting Letter, sent in January, 2018, will include the member’s final crime premium.

**ATTACHMENT(S):**

- a. FY 18/19 Crime Program – Total Funding

CSURMA AORMA FY 2018/2019 Crime Program Total Estimated Funding \$25,000 SIR / \$100,000 Aggregate SIR					
Expense Item	Actual Program Costs FY 14/15	Actual Program Costs FY 15/16	Actual Program Costs FY 16/17	Program Costs FY 17/18	Proposed Program Costs FY 18/19
Estimated Pooled Layer Funding	\$50,000	\$50,000	\$50,000	\$0	\$0
Excess Insurance Premium	\$212,443	\$212,630	\$244,421	\$197,413	\$200,000
Program Administrative Costs	\$28,901	\$30,109	\$31,180	\$32,000	\$32,000
<b>Total Expenses:</b>	<b>\$291,344</b>	<b>\$292,739</b>	<b>\$325,601</b>	<b>\$229,413</b>	<b>\$232,000</b>
<b>Difference from prior year:</b>	-5.07%	0.48%	11.23%	-29.54%	1.13%

The retained earnings within the Crime Program exceed the annual aggregate pooled layer; therefore, no funding is requested for the pooled layer for FY 18/19.

Excess Insurance Premium - No change is anticipated.

The Program Administration for FY 17/18 and FY 18/19 are estimates.

## **AORMA LIABILITY PROGRAM MEMORANDUM OF COVERAGE**

**ISSUE:** The AORMA Liability Program Memorandum of Coverage (MOC) has been revised as follows:

1. The Unmanned Aerial Vehicle coverage has been deleted. Separate stand-alone coverage for the CSU's (including Auxiliary Organizations) owned, leased and borrowed drones has been purchased. Coverage has a \$50,000,000 per occurrence limit and no deductible.
2. The definition of Media Wrongful Act was expanded to be as broad as what is currently available in the standard market.
3. A few definition were moved because they were not in alphabetical order.

**RECOMMENDATION:** Staff recommends that the Committee approve the revisions to the Memorandum of Coverage, with additional amendments as appropriate.

**FISCAL IMPACT:** This change will slightly broaden coverage provided within Media Wrongful Acts which may result in additional costs; however, a review of the past ten years of loss activity shows that there is no current loss activity resulting from Media Wrongful Acts.

The elimination of the drone coverage would eliminate claim costs within the pooled layer. The total cost of the stand-alone drone policy is \$150,000. 32% or 48,000 has been allocated to the AORMA members as part of the Liability Program costs.

**BACKGROUND:** Staff completed a coverage comparison of Media Wrongful Act coverage from AIG, AXIS Pro and Federal Insurance (CHUBB). Based on that comparison, Staff recommends the revisions shown on the MOC in order to expand coverage to be as broad as coverage available in the commercial marketplace.

**PUBLICATION:** The revised MOC will be uploaded to the CSURMA website.

**ATTACHMENT(S):**

- a. FY 17/18 AORMA Liability Memorandum of Coverage (*draft*)

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
COVERAGE TERMS AND CONDITIONS FOR  
CSURMA AORMA LIABILITY PROGRAM**

Throughout this Memorandum, words and phrases that appear in boldface type have special meanings. They are defined in SECTION I – DEFINITIONS and/or with respect to Covered Parties in SECTION IV – COVERED PARTIES.

The California State University Risk Management Authority is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500 *et seq.* The Auxiliary Organizations Risk Management Alliance (hereinafter called AORMA) is a group of programs that operate within the California State University Risk Management Authority representing the California State University Auxiliary Organizations. Within this Memorandum the California State University Risk Management Authority will be called CSURMA AORMA recognizing that this is an AORMA Liability Program document with separate terms and conditions.

This Memorandum does not provide insurance, but instead provides for pooled self-insurance. This Memorandum is a negotiated agreement among the **Members** of the CSURMA AORMA, and none of the parties to the document is entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This document shall be applied according to the principles of contract law, giving full effect to the intent of the **Members** of the CSURMA AORMA, acting through the Board of Directors in adopting this document. As the CSURMA AORMA is not an insurer, it has no obligation to issue reservation of rights letters, nor does it have an obligation to provide “*Cumis*” counsel to a **Covered Party** in disputed coverage situations under Civil Code 2860. Finally, failure to provide notice to a **Covered Party** of any coverage dispute shall not operate to waive any of the provisions of this document.

**SECTION I – COVERAGES**

Subject to the **Member’s Deductible**, CSURMA AORMA agrees:

To pay on behalf of the **Member** those sums for **Ultimate Net Loss** in excess of the **Member’s Deductible** which the **Member** shall become obligated to pay as **Damages**;

1. By reason of liability assumed by the **Member** by contract because of **Bodily Injury or Property Damage, Personal Injury, Errors and Omissions, Employee Benefits Liability, Employment Practices Liability or Media Wrongful Acts** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence or Wrongful Act**, or
2. By reason of liability imposed by law because of **Bodily Injury, Property Damage, Personal Injury, Errors and Omissions, Employment Practices Liability or Media Wrongful Acts** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence or Wrongful Act**.
3. By reason of liability imposed by law because of **Employee Benefits Liability** claims made during the **Coverage Period** to which this Memorandum applies caused by an **Occurrence or Wrongful Act**.

## SECTION II - DEFINITIONS

1. **Additional Covered Party** means any person(s), entity(ies) or organization(s) to whom the **Member** is obligated by virtue of any written contract to provide coverage solely with respect to **bodily injury, property damage and personal injury** arising out of and during the **Member's** operations or premises owned, rented or used by the **Member**; and

For which a certificate of coverage has been issued to such person(s); entity(ies) or organization(s) and is on file with CSURMA AORMA evidencing their status as an **additional covered party** under this coverage.

The limit and scope of coverage afforded to the **Additional Covered Party** shall be no broader than that which is required by such contract and shall in no event be broader than the coverage afforded by this Memorandum.

**The coverage does not** extend, either with respects to defense or indemnity to the sole negligence, or to the willful misconduct of any **Additional Covered Party**.

2. **Administration**, with respect to **Employee Benefits Liability**, means:
- A. Providing information to **Employees**, including their dependents and beneficiaries, with respect to eligibility for or scope of **Employee Benefit Programs**;
  - B. Handling records in connection with the **Employee Benefit Program**; or
  - C. Effecting, continuing or terminating any **Employees'** participation in any benefit included in the **Employee Benefit Program**.

However, **Administration** does not include handling payroll deductions.

3. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air, ~~but does not include~~ **Unmanned Aerial Vehicle**.
4. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment.
5. **Bodily Injury** means **Bodily Injury**, sickness, disease or death, including but not limited to **shock, mental anguish, mental injury and humiliation** sustained by any person that occurs during the **Coverage Period**. **Bodily Injury** includes **Damages claimed by** any person or organization for care, loss of services or death resulting at any time from the **Bodily Injury**.
6. **Claim** means:
- A. A written demand to a **Member** for payment of **Damages** received by the CSURMA AORMA Secretary-Auditor or by the chief executive, Risk Manager, or general counsel of a **Member**; and/or
  - B. A civil proceeding against a **Member** in which **Damages** are sought on account of
    - 1) **Bodily Injury or Property Damage,**
    - 2) **Personal Injury,**
    - 3) **Errors and Omissions,**
    - 4) **Employee Benefits Liability,**
    - 5) **Employment Practices Liability**

6) **Media Wrongful Acts,**

**Occurrence** or **Wrongful Act** to which this insurance applies, including an arbitration or other alternative dispute resolution proceeding in which monetary **Damages** are sought and to which the **Member** must or does submit with our written consent.

7. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **Member**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following time:

- A. When all operations to be performed by or on behalf of the **Additional Covered Party** at the site of the operations have been completed.
- B. When all operations to be performed by or on behalf of the **Additional Covered Party** under the contract have been completed; or
- C. When the portion of the work out of which the injury or **Damages** arise has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed. The **Completed Operations Hazard** does not include **Personal Injury** or **Property Damage** arising out of:

- A. Operations in connection with the transportation of property unless the **Personal Injury** or **Property Damage** arises out of a condition in or on a vehicle created by the loading or unloading of that vehicle by any **Member**; or
- B. The existence of tools, uninstalled equipment or abandoned or unused materials.

8. **Coverage Period** means the period of coverage provided under this Memorandum as shown on the Declarations Page.

9. **Covered Individual(s)** means persons who are past or present elected or appointed officials, **Employees, whether or not compensated**, or authorized volunteers of the **Member**, while acting within the scope of their duties, office or employment for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include **Employees** of nonmember organizations, including, but not limited to alumni associations and volunteer university support groups.

10. **Dam** means any artificial barrier together with appurtenant works which:

- A. Is twenty-five feet or more in height from the foot of a natural bed of stream or watercourse; or
- B. Has water impounding capacity of fifty acre feet or more.

Except, any such barrier which is not in excess of twenty-five (25) feet in height regardless of storage capacity, or which has a storage capacity not in excess of fifteen (15) acre feet regardless of height, shall not be considered a **Dam**; and, no structure specifically exempted from jurisdiction by the applicable state agency overseeing **Dams** shall be considered a **Dam**, unless such structure is under the jurisdiction of any agency of the federal government.

11. **Damages** means compensation in money which a **Covered Party** is legally obligated to pay as a result of a **Claim**. **Damages** include: (1) attorney fees not based on any contract awarded against the **Covered Party**, (2) interest on judgments, or (3) costs, for which the **Covered Party** is liable either by adjudication or by compromise with the prior, written consent of the CSURMA AORMA, if the fees, interest or costs arise from an **Occurrence** or **Wrongful Act** to which this coverage applies.

**Damages** shall not include those sums determined to be owed by a **Covered Party** as contract **Damages**, including, but not limited to retroactive or prospective benefits, or any **Damages** determined to be owed for breach of an express contract of employment or under an express obligation to make payments in the event of termination of employment.

**Damages** shall not include sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

**Damages** shall not include fines, penalties, sanctions, taxes or fees assessed against any **Covered Party**.

12. **Deductible** means the amount of each **Ultimate Net Loss** which the **Member** is obligated to pay. The deductible is stated in the Declarations. Any deductible amount paid by CSURMA AORMA shall be promptly reimbursed to CSURMA AORMA by the **Member**.

13. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion, transfer, suspension, or termination of any **Employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy. **Discrimination**, other than as respects **Employment Practices Liability**, means **Bodily Injury**, **Personal Injury** and/or **Errors and Omissions** arising from alleged acts, errors or omissions showing favor, prejudice or bias for or against a person because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.

14. **Employee** means:

- A. Any person who has an assigned work schedule for the **Member** and is on the **Member's** regular payroll; and
- B. Any person who is leased to the **Member** through a staffing or temporary agency and is working for the **Member** under the **Member's** supervision, including a **Leased Worker**.
- C. **Employee** does not include independent contractors.
- D. As respects **Employment Practices Liability** and **Employee Benefit Liability** and when appearing in boldface type in this Memorandum, means any present or former **Employee** of the **Member**; and
- E. Solely as respects **Employment Practices Liability** arising from alleged **Discrimination** with respect to negligent hiring, only, **Employee** includes an applicant for employment.
- F. Solely as respects **Employment Practices Liability**, independent contractors and/or persons working on retained, while acting for or on behalf of the Member.

An **Employee's** status as a **Covered Party** will be determined as of the date of the **Occurrence** or **Wrongful Act** upon which a **Claim** involving the **Employee** is based.

15. **Employee Benefits Liability** means liability for actual or alleged Errors and Omissions in the Administration of a Member's Employee Benefit Program.
16. **Employee Benefit Program** means a program providing some or all of the following benefits to Employees:
- A. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts;
  - B. Profit sharing plans, Employee savings plans, Employee stock ownership plans, pension plans and stock subscription plans; and
  - C. Unemployment insurance, social security benefits, workers' compensation and disability benefits.
17. **Employment Practices Liability** means any circumstance relating to a past, present or prospective **employee** of the Member (and the child, parent, brother or sister of that person) as a consequence of the following **Wrongful Acts** or alleged **Wrongful Acts**: wrongful dismissal, discharge, or termination, either actual or constructive, of employment; employment related misrepresentation; retaliation; wrongful failure or refusal to employ or promote; wrongful deprivation of career opportunity or reassignment; wrongful discipline; failure to grant tenure or negligent **Employee** evaluation; **Sexual or Workplace Harassment** or humiliation of any kind, including, but not limited to, the alleged operation of a harassing workplace environment; negligence resulting in **Damages** to a person that is a whistle-blower; unlawful **Discrimination**, whether direct, indirect, intentional or unintentional; failure to provide adequate **Employee** policies and procedures. **Employment Practices Liability** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:
- A. Americans With Disabilities Act of 1992 (ADA)
  - B. Civil Rights Act of 1991
  - C. Age **Discrimination** In Empowerment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990
  - D. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
  - E. Civil Rights Act of 1866, Section 1981; and
  - F. Fifth and Fourteenth Amendments of the U.S. Constitution.
18. **Errors and Omissions** means a **Wrongful Act** by **Covered Individuals** individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
19. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
20. **Leased Worker** means any **Employee** who is under contract to the **Member** while performing duties defined under the contract with the Member.

21. **Loss Adjustment Expense** means all costs and expenses incurred by the **Member** in connection with the investigation, appraisal, negotiation, adjustment, settlement, litigation, defense or appeal of a specific **Claim** or loss, including but not limited to CSURMA AORMA approved defense attorney fees, court costs, costs of supersedes and appeal bonds, monitoring counsel expenses, post-judgment interest, pre-judgment interest (unless included as part of an award), subrogation, salvage and recovery expense, costs and expenses in connection with coverage questions and legal actions and other associated costs and expenses. Loss Adjustment Expense shall include any allocated **Claims** expenses, salaries or overhead incurred by attorneys who are **Employees** of the California State University's Office of General Counsel. However, such expenses shall be limited at \$250 per hour. **Loss Adjustment Expense** shall also include fees and expenses of outside adjusters, including Third Party Administrators (TPA), associated with specific **Claims**, but excluding any **Loss Adjustment Expense** and fees paid to a TPA that are not allocable to a specific **Claim**. **Loss Adjustment Expense** does not include salaries and expense of **Member's Employees** except as provided above as well as office and other overhead expenses.
22. **Member** means the **Member** named on the Declarations Page.
23. **Mold(s)** means to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces **Molds**.
24. ~~**Occurrence** means an accident, act, error, offense, omission or event **Media Wrongful Act** or **Wrongful Act** during the **Coverage Period**, including continuous or repeated exposure, which results in damages, neither expected nor intended by the **Member**. An **occurrence** taking place over more than one **Coverage Period** shall be deemed to have taken place during the **Coverage Period** when the **occurrence** ended and shall be treated as a single **occurrence** in that **Coverage Period**.~~
25. **Media Wrongful Act Occurrence** means any error or omission arising out of the gathering, recording, collection, writing, editing, advertising, publication, dissemination, exhibition, broadcast, display on an internet site, or release, including but not limited to any actual or alleged:
- A. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
  - B. Wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
  - C. Libel, slander, disparagement, or publicity, false light, public disclosure or private facts, appropriation of name, persona or likeness, or any other form of defamation or harm to the character or reputation of any person or entity;
  - D. Outrage, infliction of emotional distress or prima facie tort;
  - E. Infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name, domain name, deep linking or framing, including unfair competition in connection with such conduct;
  - F. Copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
  - G. Breach of a promise of confidentiality or anonymity;
  - H. Error or omission in content;

- I. Unfair competition or conspiracy, but only when the allegation of unfair competition or conspiracy is based entirely upon one or more Media Wrongful Acts falling within sections A-H above;
- J. Breach of an indemnification or hold harmless agreement relating to **Claims** arising out of the media, but only when such **Claims** allege a **Media Wrongful Act** falling within sections 1-9 above;

solely when committed or allegedly committed by a **Covered Party** in is, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media.

~~Wrongful Act Occurrence means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance and nonfeasance by the Member.~~

- 26. Occurrence means an accident, act, error, offense, omission or event **Media Wrongful Act** or **Wrongful Act** during the **Coverage Period**, including continuous or repeated exposure, which results in damages, neither expected nor intended by the **Member**. An **occurrence** taking place over more than one **Coverage Period** shall be deemed to have taken place during the **Coverage Period** when the **occurrence** ended and shall be treated as a single **occurrence** in that **Coverage Period**.
- 27. **Personal Injury** means any of the following offenses:
  - A. False arrest, detention, or imprisonment or malicious prosecution;
  - B. Shock, mental anguish, mental injury or humiliation
  - C. Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
  - D. Wrongful entry or eviction or other invasion of the right of private occupancy;
  - E. **Discrimination** or violation of civil rights other than **Employment Practices Liability**, not intentionally committed by or at the direction of the **Member**;
- 28. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **Waste**. **Waste** includes materials to be recycled, reconditioned or reclaimed. The term **Pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users.
- 29. **Property Damage** means:
  - A. Physical injury to or destruction of tangible property which occurs during the Coverage Period, including the loss of use thereof at any time resulting therefrom;
  - B. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an Occurrence or Wrongful Act during the Coverage **Period**.
- 30. **Sexual or Workplace Harassment** shall mean any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or person acting in concert, which causes physical and/or mental injuries. **Sexual or Workplace Harassment** also includes the above conduct when:

- A. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment, or a basis for employment decisions affecting a person; or
- B. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

**Sexual or Workplace Harassment** does NOT include **Sexual Misconduct** as defined in this Memorandum.

31. **Sexual Misconduct** means:

- A. The actual, attempted or alleged abuse or molestation of a person by another person, or persons acting in concert which causes physical and/or mental injuries. Sexual molestation includes: sexual abuse, sexual assault, sexual exploitation or sexual injury; or
- B. The negligent employment, investigation, supervision, reporting to the proper authorities or failure to report the above of a Covered Person.

32. **Territory** means an **Occurrence** or a **Wrongful Act** that takes place during the **Coverage Period**, anywhere in the world as well as **Claims** brought anywhere in the world.

33. **Ultimate Net Loss** means the amount of paid **Claims** liability for **Damages** for which the **Member** is liable on a per **Occurrence** or **Wrongful Act** basis, either by (1) adjudication, or (2) compromise with the prior written consent of the CSURMA AORMA, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** includes defense attorney fees and costs of the **Member** in defense of the **Claim** and also includes court costs, **Loss Adjustment Expenses**, and other associated costs and expenses, but does not include any salaries of the **Member's** regular **Employees**. **Ultimate Net Loss** includes retrospective benefit ("back wages"), but does not include prospective benefits ("forward wages"), payable as part of a **Claims** for **Employment Practices Liability** covered under this Memorandum. **Ultimate Net Loss** shall not include any of the above-described expenses for **Damages** against a **Member** or defense expenses incurred because of liability excluded by this Memorandum.

34. The following definitions are applicable only to **Exclusion T – Nuclear Material**:

- A. **Hazardous Properties** include radioactive, toxic or explosive properties;
- B. **Nuclear Material** means source material, special **Nuclear Material** or byproduct material;
- C. Source material, special **Nuclear Material** and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- D. **Spent Fuel** means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**;
- E. **Waste** means any **Waste** material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any **Nuclear Facility** included within the definition of **Nuclear Facility** under paragraph a. or b. thereof;
- F. **Nuclear Facility** means:
  - 1) Any **Nuclear Reactor**;
  - 2) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **Spent Fuel**, or (3) handling, processing or packaging **Waste**;

- 3) Any equipment or device used for the processing, fabricating or alloying of special **Nuclear Material** if at any time the total amount of such material in the custody of the **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- 4) Any structure, basin, excavation site premises or place prepared or used for the storage or disposal of **Waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

G. **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a supporting chain reaction or to contain a critical mass of fissionable material.

With respect to injury to or destruction of property, the word injury or destruction includes all forms of radioactive contamination of property.

35. **Unmanned Aerial Vehicle** means any vehicle without a human pilot aboard capable of flight principally in the air that is designed for the transport of equipment, ~~and weighing no more than 100 lbs. maximum take-off weight.~~
36. **Wrongful Act Occurrence** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance and nonfeasance by the **Member**.
37. **Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between an **Employee** and a **Member** in a manner and/or a reason which is contrary to applicable law.

### SECTION III - DEFENSE AND SETTLEMENT

CSURMA AORMA shall assume charge of the control, negotiation, investigation, settlement, defense or appeal of any claims made, or suits brought, or proceedings instituted against the **Covered Party**, which in the opinion of the CSURMA AORMA is or may be covered by CSURMA AORMA under the terms of this Memorandum.

In accordance with the CSURMA AORMA Legal Counsel Selection Memorandum and Procedure, CSURMA AORMA shall appoint, through its' claims administrator, all legal counsel to represent the **Covered Parties** in defense of a covered claim. The **Covered Party** has the right to recommend legal counsel from the approved legal counsel list; however, CSURMA AORMA shall make the final selection of legal counsel. If the **Covered Party** disapproves of the selection as outlined in the CSURMA AORMA Legal Counsel Selection Memorandum and Procedure, the **Covered Party** may submit an appeal in writing.

In the event of an **occurrence** which involves more than one **Covered Party**, all **Covered Parties** involved agree to joint legal representation as selected by CSURMA AORMA.

The **Covered Party** may select and engage, at its own expense, monitoring counsel in addition to the legal counsel selected and engaged by CSURMA AORMA. However, legal counsel selected by CSURMA AORMA shall manage and control the litigation.

If there is a conflict of interest between CSURMA AORMA and a **Covered Party** which would be considered a "conflict of interest" between an insured and its insurer within the meaning of California Civil Code Section 2860, the **Covered Party** has the same rights to select and engage independent counsel as

would an insured under Section 2860. CSURMA AORMA has all of the rights reserved to an insurer under Section 2860.

The **Covered Party** shall fully cooperate with the CSURMA AORMA in all matters pertaining to such claim, suit or proceeding. CSURMA AORMA shall have the right to settle any claim that in the CSURMA AORMA's sole opinion may create indemnification obligations for the CSURMA AORMA under this Memorandum.

No claim, suit or proceeding shall be settled, whether by out of court settlement, stipulated judgment or otherwise, by a **Covered Party** wherein the **Ultimate Net Loss** exceeds the **deductible**, without the prior written consent of the CSURMA AORMA.

#### SECTION IV - LIMITATIONS UPON CSURMA AORMA'S LIABILITY

Regardless of the number of (1) persons or entities covered under this Memorandum, or (2) persons or organizations who sustain injury or damage, or (3) **Claims** made or suits brought because of injury or damage, the CSURMA AORMA's liability for **Damages** is limited as follows:

The CSURMA AORMA's liability for **Damages** shall be only for the **Ultimate Net Loss** less the **Member's Deductible** not to exceed the Limits of Liability shown in the Declarations, as the result of any one **Occurrence** or **Wrongful Act** or the amount shown in the Declarations because of all occurrences for any one **Member** during each **Coverage Period**. . There is no limit to the number of **Occurrences** or **Wrongful Acts** during the **Coverage Period** for which **Claims** may be made.

The **Member's Deductibles** as shown in the Declarations applies to each such **Occurrence** or **Wrongful Act** without regard to exclusions, limitations or exhaustion of aggregate limits in underlying or contributing coverage, insolvency of any insurance carrier or insurance pool, or any circumstances wherein underlying or contributing coverage is uncollectible.

For the purpose of determining the CSURMA AORMA Limit of Liability and the **Member's Deductible**, all **Damages** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence** or **Wrongful Act**.

This Memorandum applies to **Occurrences** or **Wrongful Acts**, which take place anywhere in the world during the specified **Coverage Period** stated in the Declarations of this Memorandum.

The term **Covered Party** is used severally and not collectively. The Limit of Liability and **Member's Deductibles** as stated in the Declarations apply separately to each **Covered Party**. In the event of an **Occurrence** for which more than one **Covered Party** is or may be held liable, one **Member** Deductible and one Limit of Liability coverage will apply. CSURMA AORMA's liability for all Covered Parties shall not exceed the Limit of Liability set forth in Declarations. An **Occurrence** or **Wrongful Act** involving more than more than one **Member** shall be treated as a single **Occurrence** or **Wrongful Act** and a single Limit of Liability and a single **Member's Deductible** will apply to the **Occurrence** or **Wrongful Act**.

An **Occurrence** or **Wrongful Act** with a duration of more than one **Coverage Period** shall be treated as a single **Occurrence** or **Wrongful Act** arising during the **Coverage Period** when the **Occurrence** or **Wrongful Act** ends and under no circumstances shall the fact that said **Occurrence** or **Wrongful Act** have a duration of more than one **Coverage Period** entitle a **Covered Party** to more than one Limit of Liability or to coverage under more than one Memorandum.

**Bodily Injury** or **Personal Injury** damages resulting from **Sexual Misconduct** will be deemed to have occurred at the time of the last **Sexual Misconduct** and all such **Bodily Injury** or **Personal Injury** will be

deemed to be a single occurrence whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of (1) incidents of **Sexual Misconduct** taking place thereafter, (2) victims of **Sexual Misconduct**, or (3) locations where the **Sexual Misconduct** took place. Only the Memorandum of Coverage in effect during which such **Sexual Misconduct** last occurred will apply to such single occurrence of **Sexual Misconduct**. Coverage does not apply to any **Covered Party** who is found by a court of law to have committed a criminal act of **Sexual Misconduct**.

## SECTION V - COVERED PARTIES

The parties covered by the CSURMA AORMA:

1. The **Member**.
2. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the **Member**:
  - A. Governing Board.
  - B. Officers.
  - C. **Employees**.
  - D. Non-compensated individuals, while acting for or on behalf of the **Member**.
3. Additional Covered Parties as defined in Section II, 1. of this document.
4. **Covered Individuals** as defined in Section II, 9. of this document.
5. Any person while using an owned **Automobile**, or non-owned **Automobile**, or a hired **Automobile**, or mobile equipment and any person or organization legally responsible for the use thereof, including garage operations, provided the actual use of the **Automobile** is by or with permission of the **Member**.

Coverage provided by this Memorandum with respect to any person or organization other than the **Member** does not apply under this paragraph:

- A. To any person or organization, or to any agent or **Employee** thereof, engaged in selling, repairing, servicing, delivering, testing, road testing, parking or storing **Automobiles**, with respect to any **Occurrence** or **Wrongful Act** arising out of any such occupation, if there is other valid and collectible insurance available to such person as a named insured or as an agent or **Employee** of the named insured under that other insurance Memorandum with limits at least equal to the requirements of the applicable Financial Responsibility Laws; or;
  - B. With respect to any hired **Automobile**, to the owner, or a lessee thereof other than the **Member**, or to any agent or **Employee** of such owner or lessee.
6. Any **Employee** pension benefits or **Employee** welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a **Member** participates, provided the trust only serves auxiliary organizations who are **Members**.

The board of trustees of the trust are covered parties, when acting solely within the scope of their duties, office, or employment for the trust.

Coverage provided by this Memorandum with respect to covered trusts will not extend to any third party service provider to the covered trust.

Fraternal organizations are not covered parties under this Memorandum of Coverage.

## SECTION VI – EXCLUSIONS

This Memorandum shall not apply to and CSURMA AORMA shall not be obligated to make any payment or defend any lawsuit in connection with any **Claim** or liability or **Damages with respect to:**

1. Aircraft

The ownership, maintenance, loading or unloading, use or operation of any **Aircraft or Unmanned Aerial Vehicle** capable of flight. This exclusion does not apply to static **Aircraft**, ~~or to an Unmanned Aerial Vehicle.~~

2. Asbestos

The presence of, or installation or removal of, asbestos or any product containing asbestos material.

3. Assault and Battery

Arising out of assaults and batteries, except for assault and battery committed by or directed for the purpose of protecting persons or property or where same are not committed by or at the direction of the **Member**.

4. Aviation Activities

The ownership, maintenance, loading or unloading, use or operation of any:

~~A.~~ **Aircraft**

~~A.B.~~ **Unmanned Aerial Vehicle;**

~~B.C.~~ Airfields;

~~C.D.~~ Runways;

~~D.E.~~ Hangars; or

~~E.F.~~ Buildings of other properties in connection with aviation activities.

This exclusion shall not apply, however, to those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots and garages).

This exclusion shall not apply, however, to the maintenance and operations of permanently stationary **Aircraft** used for instructional purposes only.

~~This exclusion shall not apply, however, to the ownership, maintenance, loading or unloading, use or operation of any Unmanned Aerial Vehicle.~~

5. Bodily Injury

To **Bodily Injury** to any of the **Member's Employees** arising out of and in the course of employment by the **Member**, but this exclusion does not apply to Workers' Compensation Coverage B, Employers Liability, or Stop Gap Liability, as defined by the National Council on Workers' Compensation Insurance or Employment Practice Liability.

With respect to **Employment Practices Liability, Bodily Injury**, to any **Employee** of the **Member** arising out of and in the course of his/her employment by any **Member**; but this exclusion does not apply to liability assumed by any **Member** under any written contract.

6. Contractual Obligations

The actual or alleged failure to perform or breach of any contract, agreement or other guarantee or promise, except this exclusion does not apply to any employment related contracts as provided under **Employment Practices Liability**. This exclusion does not apply to liability for **damages** that the **Member** would have in the absence of the contract or agreement.

7. Dams

To any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any **Dam**.

8. Employee Benefits Liability

- A. Arising out of an insufficiency of funds to meet any obligations under any plan included in the Employee Benefits Program
- B. Failure of any investment to perform;
- C. Errors in providing information on past performance of investment vehicles; or
- D. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the Employee Benefits Program.
- E. For any **Employee Benefits Liability** Claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **Covered Party**, from the applicable funds accrued or other collectible insurance.
- F. For taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

Except as provided within the Fiduciary Liability Coverage endorsement.

9. ERISA

For the violation of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, and any rules or regulations of the foregoing promulgated thereunder, and amendments thereto, or any similar federal, state, local, or foreign statutory law or common law; provided, however, this exclusion shall not apply to **Employment Practices Liability** for an alleged violation of the Equal Pay Act.

Except as provided within the Fiduciary Liability Coverage endorsement.

10. Fiduciary Liability

To liability arising out of;

- A. The purchase, or sale, or offer of sale, or solicitation of any security, or decline in price or value of any security, debt, bank deposit or financial interest or instrument;
- B. Any representation made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument; or
- C. Any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument;

Except as provided within the Fiduciary Liability Coverage endorsement.

11. Funds, Grants or Appropriations

For the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations for the return of such funds, grants, or appropriations for any reason. However, CSURMA AORMA will defend any action or suits brought against any **Covered Party** for the actual or

alleged use, misuse, mismanagement or loss of funds, grants, or appropriations or for the return of such funds, grants or appropriations for such causes of action, unless their alleged conduct was outside the scope of employment, subject to the CSURMA AORMA sublimit of \$250,000 per **Occurrence**.

12. Insolvency

Arising by contract, operation of law, or otherwise, from **Covered Party's** participation or membership, whether voluntary or involuntary, in any insolvency fund. "Insolvency Fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, which provides for any assessment of or payments or assumption by CSURMA AORMA or any **Covered Party** of part or all of any **Claim**, debt, charge, fee or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any **Claim**, debt, charge, fee or other obligation in whole or in part.

13. Intentional Conduct

Arising out of any intentional, dishonest, fraudulent, criminal or malicious act, committed by any **Covered Party**, including the willful or reckless violation of any statute.

This exclusion shall not apply to any vicarious liability that any **Member** has with regards to the managerial, advisory, supervisory, or controlling obligations over the action of another.

Defense coverage will be provided until a **Covered Party** is proven to have engaged in fraudulent, criminal or dishonest conduct, through final adjudication or judgment.

14. Lack of Occurrence or Wrongful Act

For injuries or **Damages** which do not arise out of an **Occurrence** or **Wrongful Act** as defined in this Memorandum;

15. Land Use

To any liability for **Damages** arising from any **Claim**, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA AORMA shall defend the **Covered Party** up to an amount not exceeding \$250,000 **Ultimate Net Loss** for such liability.

This exclusion shall not apply, however, to any land use litigation where suits or **Claims** for land use litigation are a result of negligence proven on the part of a **Covered Party**. Nothing herein shall act to increase the limit of liability.

16. Lead

Arising out of, resulting as a consequence of, or related to lead whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

17. Medical Malpractice

To any liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Member**. This includes, but is not limited to:

A. The rendering or failure to render:

- 1) Medical, surgical, dental, x-ray or nursing service or treatment, or furnishing of food or beverages in connection therewith;

- 2) Any service or treatment related to physical or mental health or of a professional nature;
  - 3) Any cosmetic or tonsorial service or treatment.
- B. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to liability arising out of;

- A. Ambulance operations, occupational physical examinations, student nursing programs, infirmaries, on-clinic nursing services or services of the Insured's **Employees** who are nurses, physician assistants, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, phlebotomist or physical therapists;
- B. **Employment Practices Liability;**
- C. First aid to any person. For the purposes of this exception, first aid means the immediate and emergency care given to an ill or injured person before regular medical aid can be obtained.
- D. Any medical services clinic that does not perform invasive surgery of any kind; or
- E. Operations performed by coroners.
- F. Volunteer medical personnel while attending an activity sponsored by the Member or while on school premises under the **Member's** control.

18. Mold

Arising from **Mold**, moss, mildew, fungi, spores, bacterial infestation or any similar organism, wet or dry rot and extremes of temperature or humidity. This includes, but is not limited to, the cost for investigation, testing, and remediation services. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Except as provided as a sub-limit and aggregate limit per **Member**, as shown on the Declarations Page.

19. Non-Compensatory Amounts and/or Damages

For any non-monetary equitable redress or form of relief other than the payment of monetary **Damages**, including but not limited to, declaratory, injunctive or administrative relief or specific performance award, or any cost to defend or cost or expense to comply with any declaratory, injunctive or administrative relief or specific performance award.

20. Nuclear Material

To any liability for **Damages** arising out of injury, sickness, disease, death or destruction:

- A. For any loss or liability accruing to the **Covered Party** as a **Member** of, or subscriber to, any association of insurers or reinsurers formed for the purpose of covering nuclear energy risks or as a direct or indirect reinsurer of any such **Member**, subscriber or association.
  - 1) It is agreed that this Memorandum does not apply under any liability coverage, to Injury, sickness, disease, death or destruction, **Bodily Injury** or **Property Damage** with respect to which a **Covered Party** under the Memorandum is also an **Covered**

**Party** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability. The **Member** is, or had such coverage not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- B. Resulting from the **Hazardous Properties of Nuclear Material**, if:
- 1) The **Nuclear Material** is at any **Nuclear Facility** owned by, or operated by or on behalf of a **Member**, or has been discharged or dispersed therefrom;
  - 2) The **Nuclear Material** is contained in **Spent Fuel** or **Waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a **Member**; or
  - 3) The injury, sickness, disease, death or destruction arises out of the furnishing by a **Member** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any **Nuclear Facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this part c. applies only to injury to or destruction of property at such **Nuclear Facility**.

However, this Exclusion shall not apply to liability arising from the use of radioactive materials in instructional laboratories operated by the **Member** and/or research activities sponsored by the **Member**, but only to a sublimit of \$250,000 each **Occurrence**.

21. Office of Foreign Assets Control (OFAC)

For any liability for premium or loss under this Memorandum if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.

22. Pollution

For any loss, cost, or expense:

- A. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;
- B. Arising out of any **Claim**, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **Pollutants**:
- 1) At any premises owned, rented or occupied by the **Covered Party**;
  - 2) At or from any site or location used by or for the **Covered Party** or others for the handling, storage, dispersal, processing or treatment of **Waste**;

- 3) Which are at any time transported, handled, stored, treated or disposed of; or processed as **Waste** by or for the **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
- 4) At or from any site or location on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations:
  - a) If the **Pollutants** are brought on or to the site or location in connection with such operation; or
  - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **Pollutants**.

Subparagraph (a) and (d.1.) do not apply to **bodily injury of property damage** arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one, which becomes uncontrollable or breaks out from where it was intended to be.

Provided, however, that this exclusion does not apply to:

- A. Discharge, dispersal, release or escape directly caused by hostile fire, explosion, lightning, windstorm, vandalism or malicious mischief; or
- B. **Personal Injury** or **Property Damage** which is within the product hazard of the **Completed Operations Hazard**; or
- C. Loss or Damage caused by the collision, upset or overturn of any **Automobile**; or
- D. A discharge, dispersal, release or escape of **Pollutants** that meets all of the following conditions:
  - 1) It was accidental and was neither expected nor intended by the **Covered Party**.
  - 2) It was instantaneous and was demonstrable as having commenced at a specific time and date during the term of this coverage.
  - 3) Its commencement became known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party** within ten (10) calendar days.
  - 4) Its commencement was reported in writing within forty (40) calendar days of becoming known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party**.
  - 5) Reasonable effort was expended by the **Covered Party** to terminate the situation as soon as conditions permitted.

Nothing contained in this exclusion shall operate to provide any coverage with respect to:

- A. Any site or location used by others on the **Covered Party's** behalf, principally for the handling, storage, disposal, dumping, processing or treatment of **Waste** material.
- B. Any fines, penalties or exemplary **Damages**.

- C. Any clean-up costs ordered by the Superfund program, or any federal, state or local governmental authority. However, this specific exclusion (3) shall not serve to deny coverage for third party clean-up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;
- D. Acid rain;
- E. Clean up, removal, containment, treatment, detoxification or neutralization of **Pollutants** situated on premises the **Member** currently owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **Pollutants**; or
- F. Water Pollution caused by oil or by its derivatives.

23. Property Damage

For the cost to modify any building or property in order to make said building or property more accessible or accommodating to any disable or incapacitated person.

Arising from **Property Damage** to:

- A. Property owned by a **Covered Party**; or
- B. Property rented or leased to a **Covered Party** where the **Covered Party** had assumed liability for damage to or destruction of such property unless the **Covered Party** would have been liable in the absence of such assumption of liability or contractual liability

24. Silica

Arising out of, in whole or in part, the injurious properties of silica or any product or material containing or composed of silica in any form, under any theory of liability whatsoever. "Silica" means silica occurring in any form, including silicon dioxide, silica particles, silica fibers, silica sand, silica dust or silica compounds, including a mixture or combination of any of the foregoing and any other mineral, dust, particle or any substance or material of any kind or origin.

25. Subsidence

For any **Property Damage** arising from or related to **Land Subsidence** for any reason whatsoever.

26. Terrorism

For any loss, damage, cost or expense directly or indirectly caused by, contributed by, resulting from, or arising out of: (i) an Act of Terrorism as defined under the Terrorism Risk Insurance Act of 2002 or any amendments, renewals or successor legislation thereto in connection with biological, chemical, radiological or nuclear explosion, pollution or contamination; and (ii) any act, whether or not related to terrorism or any act of terrorism in connection with biological, chemical, radiological or nuclear explosion, pollution, contamination; whether in time of peace or war, and regardless of who commits the act, regardless of any other cause or event contributing concurrently or in any other manner.

27. War

Arising from war. War, as utilized herein, shall mean war whether or not declared, civil war, martial law, insurrection, revolution, invasion, bombardment or any use of military force, usurped power or confiscation, nationalization or damage of property by any government, military or other authority. This exclusion applies regardless of whether or not there is any other cause or event that in any way contributes concurrently or in any sequence to a loss, cost or expense.

28. Watercraft

Arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any **Covered Party**, but this exclusion does not apply to:

- A. Watercraft while ashore on premises owned or rented by **Covered Party**;
- B. Watercraft less than fifty-one (51) feet in length at the waterline.
- C. Watercraft with no self-propulsion capabilities, regardless of length.

29. Wrongful Acts

- A. Arising from any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations. This exclusion shall not apply to a **Claim** brought by (i) an **Employee** alleging **Wrongful Termination** or retaliation as a result of strike activity or union involvement, or (ii) a law enforcement officer responding within the scope of his or her duties to any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations.
- B. For injunctions, equitable relief, or any other form of relief other than the payment of money **Damages**.
- C. Liability arising out of an alleged willful commission of a crime by **Member** or other dishonest fraudulent, or malicious act. At CSURMA AORMA's discretion, however, CSURMA AORMA will pay for **Loss Adjustment Expense** until final adjudication, judgment, or settlement to which CSURMA AORMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA AORMA for all costs associated with the defense.
- D. Liability arising out of a **Member's Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled. At CSURMA AORMA's discretion, however, CSURMA AORMA will pay **Loss Adjustment Expense** for any **Claim** or Suit arising from an alleged willful commission of a crime by a **Member** or other dishonor, fraudulent or malicious act, for any **Claim** or Suit arising out of the Members **Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled until final adjudication, judgment, settlement to which CSURMA AORMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA AORMA for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **Member** has with regards to the managerial, advisory, supervisory, or controlling obligations over the action of another **Member**.

30. Under Errors and Omissions Liability;

- A. Based on **Covered Party's** obtaining of financial gain to which the Covered Parts was not legally entitled.
- B. Arising out of the willful violation of a penal code or ordinance committed by or with knowledge of consent of any **Covered Party**; except that any act pertaining to any one **Covered Party** shall not be imputed to any other **Covered Party** for the purpose of determining the application of this exclusion.

31. Under Media Wrongful Acts;

- A. Based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any actual or alleged infringement, contributing to the infringement, or inducing the infringement of any patent.
- B. Actual or alleged violation of any federal, state or local statute, law or regulation regarding the dissemination of unsolicited communications, including but not limited to unsolicited telephone calls, facsimiles and electronic mail; or
- C. Liability of any **Member** arising in whole or in part, out of any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled;
- D. Liability arising out of the willful violation of a penal statute, code or ordinance committed by or with the knowledge or consent of any **Member**; except that any act for which a **Covered Party** is responsible shall not be imputed to any other **Covered Party** for purposes of this subpart 3.

This exclusion does not apply to liability arising from the managerial, advisory, supervisory, or controlling obligations of any **Covered Party** over the action of another **Covered Party**;

32. Uninsured/Underinsured Motorists

For any **Claim** under any Uninsured Motorists, Underinsured Motorists, or No-Fault Law, or any similar federal, state, local or municipal law, and to any sums the **Covered Party** may be legally entitled to recover as **Damages** from the owner or operator of any uninsured or underinsured **Automobile** because of **Bodily Injury** or **Property Damage** sustained by any **Covered Party**.

## SECTION VII - COVERAGE EXTENSIONS

**Medical Payments** - Subject to the limit of liability stated in the Declarations. CSURMA AORMA will pay medical expenses as described below for **Bodily Injury** caused by an accident:

- 1. On premises the **Member** owns or rents,
- 2. On ways next to premises the **Member** owns or rents, or
- 3. Because of the **Member's** operations;
- 4. Provided that:
  - A. The accident takes place in the covered **territory** and during the **Coverage Period**;
  - B. The expenses are incurred and reported to CSURMA AORMA within one (1) year or the date of the accident; and
  - C. The injured person submits to examination, at CSURMA AORMA's expense, by physicians of the CSURMA AORMA's choice as often as CSURMA AORMA reasonably require.
    - 1) CSURMA AORMA will make these payments regardless of fault. These payments will not exceed the applicable limit of coverage. CSURMA AORMA will pay reasonable expenses for:
      - a) First aid administered at the time of an accident;

- b) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - c) Necessary ambulance, hospital, professional nursing and funeral services.
- 2) The Program will not pay expenses for **Bodily Injury**:
- a) To any **Member**;
  - b) To a person hired to do work for or on behalf of any **Member** or a tenant of any **Member**;
  - c) To a person injured on that part of premises the **Member** owns or rents that the person normally occupies;
  - d) To a person, whether or not an **Employee** of any **Member**, if benefits for **Bodily Injury** are payable or must be provided under workers' compensation or disability benefits law or a similar law;
  - e) To a person injured while taking part in athletics;
  - f) To a person who is a student of the California State University or a participant enrolled in a CSU sponsored program;
  - g) Included with the products- **Completed Operations Hazard**; and
  - h) Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**Domestic Hired Automobile Physical Damage** - Subject to the limit of liability stated in the Declarations, CSURMA AORMA will pay for physical damage **Loss** to a **Hired Automobile** or its equipment. The coverage provided by this endorsement is excess over any other collectible coverage. CSURMA AORMA will pay expenses for which a **Covered Party** becomes legally responsible to pay for loss of use of a Hired Automobile under a written rental contract or agreement. However, the most CSURMA AORMA will pay for any expenses for loss of use is \$60 per day, to a maximum of \$1,800. CSURMA AORMA will pay up to the limits shown in the Declarations Page for towing and labor costs incurred each time a covered Hired Automobile of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

A **Hired Automobile** is defined as a land motor vehicle designed for travel on public roads that the **Covered Party** may hire, lease, rent or borrow for no more than thirty (30) days by execution of a contract within the Coverage **Territory**. **Hired Automobile** does not include;

1. Those types of **Hired Automobiles** excluded under Exclusions A and B below, or to Mobile Equipment.
2. A **Hired Automobile** a **Covered Party** may hire, lease, rent or borrow from a **Member** of his/her household.
3. A **Hired Automobile** a **Covered Party** may hire, lease, rent or borrow with a driver.

**Loss** as used in this extension means direct and accidental loss or damage.

The most CSURMA AORMA will pay for Loss in any one accident is the lesser of:

1. The actual cash value of the damaged or stolen property at the time of the Loss; or
2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
3. \$50,000.

For each **Hired Automobile**, CSURMA AORMA's obligation to pay for repair, return or replace damaged or stolen property will be reduced by the applicable deductible of \$1,000. A deductible of \$5,000 will apply to all losses covered subject to the add-back of coverage detailed in Exclusions G and N.

This coverage extensions applies to losses occurring in the United States of America; and the territories and possessions of the United States of America; and Puerto Rico.

CSURMA AORMA shall not be obligated to make any payments in connection with;

1. Loss to any Expensive, Exotic or Antique **Hired Automobile**; semi-trailer trucks; motorcycles, mopeds, or motorbikes. Antique **Automobile** is defined as any vehicle over twenty (20) years old or any vehicle that has not been manufactured for ten (10) years or more. Examples of excluded Expensive or Exotic vehicles include but are not limited to those manufactured by Aston Martin, Bentley, Bricklin, Daimler, DeLorean, Excalibur, Ferrari, Jensen, Lamborghini, Lotus, Maeserati, Porsche and Rolls Royce. However, selected models of BMW, Mercedes-Benz, Cadillac and Lincoln are covered.
2. Loss to any **Hired Automobile** while used in any professional or organized racing or demolition contest or stunt activity, or while practicing for such contest or activity. CSURMA AORMA will also not pay for Loss to any covered **Hired Automobile** while that covered **Hired Automobile** is being prepared for such contest or activity.
3. Loss caused by or resulting from any of the following unless caused by other Loss that is covered by this coverage:
  - A. Wear and tear, freezing or mechanical or electrical breakdown; or
  - B. Blowouts, punctures or other road damage to tires.
4. Loss to any of the following:
  - A. Tapes, records, discs, or other similar audio, visual data electronic devices designed for use with audio, visual or data electronic equipment.
  - B. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.
  - C. Any electronic equipment, without regard to whether the equipment is permanently installed, that receives or transmits audio, visual, or data signals and that is not designed solely for the reproduction of sound.
  - D. Any accessories used with the electronic equipment described in Exclusion d.iii do not apply to:

- 1) Equipment designed solely for the reproduction of sound and accessories, provided such equipment is permanently installed in the covered **Hired Automobile** at the time of the loss or such equipment is removable from a housing unit which is permanently installed in the covered **Hired Automobile** at the time of loss, and such equipment is designed to be solely operated by use of the power from the covered **Hired Automobile's** electrical system, in or upon the covered **Hired Automobile**.
- 2) Any other electronic equipment that is:
  - a) Necessary for the normal operation of the covered **Hired Automobile** or the monitoring of the covered **Hired Automobile's** operating system
  - b) An integral part of the same unit housing any sound reproducing equipment described above in i. above and permanently installed in the opening of the dash or console of the covered **Hired Automobile** normally used by the manufacturer for installation of a radio.
- E. CSURMA AORMA will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provisions of this Endorsement.
- F. Loss arising out of any violation of the rental car agreement. This exclusion does not apply to operation of a **Hired Automobile** on non-paved roads when the off-road operation is authorized by a **Covered Party** for an appropriate business operation and the **Hired Automobile** is appropriate for the conditions of the non-paved road.
- G. Damage to **Hired Automobile's** that are hired, rented or borrowed for more than thirty (30) consecutive days.
- H. Loss or theft of personal belongings.
- I. **Damages** resulting from any **Covered Party's** personal liability.
- J. Loss due to intentional acts, or due to the driver(s) being under the influence of alcohol, intoxicants, or drugs, or due to contraband or illegal activities.
- K. CSURMA AORMA will not pay for confiscation by authorities.
- L. CSURMA AORMA will not pay for losses reported more than forty-five (45) days from the date of loss.

### SECTION VIII – CONDITIONS

1. Action Against CSURMA AORMA - No action shall lie against CSURMA AORMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA AORMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has

secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA AORMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability.

2. Arbitration:

A. In the event that a question or dispute arises between CSURMA AORMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an **Occurrence** or **Wrongful Act** or **Claim** against the **Covered Party**, either the **Covered Party** or CSURMA AORMA may make a written request for arbitration. Where such a request is made, arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.

B. If a **Covered Party** and CSURMA AORMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.

C. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).

3. Assignment: No assignment of interest under this Memorandum shall bind CSURMA AORMA without its written consent to endorse hereon.

4. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Member** or any **Covered Party** shall not relieve CSURMA AORMA of any of its obligations hereunder nor shall such bankruptcy or insolvency increase CSURMA AORMA'S obligations hereunder.

5. Cancellation and Termination:

Coverage provided under this Memorandum may be terminated at any time in accordance with the terms set forth in the CSURMA Joint Powers Agreement and Bylaws and the Policies and Procedures.

6. Changes to the Memorandum: This Memorandum may not be amended or changed in any respect, nor shall any provision of this Memorandum be deemed to have been waived by CSURMA AORMA, unless and until a written endorsement which expressly amends this Memorandum or waives a provision thereof has been duly issued by CSURMA AORMA and made a part of this Memorandum, unless the CSURMA AORMA policies and procedures regarding claims reporting and claims administration and litigation management have been amended by CSURMA AORMA.

7. Claims Settlement: As stated in the CSURMA AORMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management:

8. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA AORMA's rules and rates. CSURMA AORMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.

9. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit: The following provisions and the provisions of the CSURMA AORMA Memorandum and Policy and Procedure on claims reporting and Claims Administration and Litigation Management are conditions precedent to coverage under this Memorandum. The **Covered Party's** failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA AORMA.
- A. In the event of any **occurrence** or an offense which may result in a claim, suit or proceeding against a **Covered Party**, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the **Member** to the Third Party Claims Administrator (TPA) as soon as practicable.
- B. When the **Member** submits the first claim report, the following information shall be included, if available and applicable:
- 1) How, when and where the **occurrence** or offense took place;
  - 2) The names and addresses of any injured persons and witnesses;
  - 3) The nature and location of any injury or damage arising out of the **occurrence** or offense;
  - 4) Incident reports;
  - 5) Investigation reports;
  - 6) Police reports;
  - 7) Claim notices and **Member** and any other involved **Covered Party** response(s);
  - 8) Medical reports; and
  - 9) Other information helpful to CSURMA AORMA.
- C. The **Member** and any other involved **Covered Party** shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the **Member** or other involved **Covered Party** to the TPA and authorize CSURMA AORMA to obtain records and other information;
- 1) Late Reporting Penalties
    - a) If an **occurrence**, offense, claim, suit or proceeding is not reported by the **Member** to the TPA within the timeframes set below; the following late reporting schedule shall apply;
    - b) If an **occurrence**, offense, claim or suit is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
    - c) If an **occurrence**, offense, claim or suit is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply; or

- d) If an **occurrence**, offense, claim or suit is reported more than 12 months late as determined by the TPA, no recovery will be available to the **Member** or other involved **Covered Party**.

D. The **Member** and any other involved **Covered Party** will cooperate with CSURMA AORMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA AORMA, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply.

- 10. Inspection and Audit: CSURMA AORMA shall have the right, but not the obligation, to inspect the **Member's** property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of the **Member** or others, to determine or warrant that such property or operations are safe or healthy.

The **Member** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to CSURMA AORMA at the end of the **Coverage Period** and at such times during the **Coverage Period** as we may direct. CSURMA AORMA may examine and audit **Member's** books and records as they related to this Policy at any time during the **Coverage Period** and extensions thereof and within three (3) years after the final termination of this Policy.

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

With respect to **Employment Practices Liability**, as stated in CSURMA AORMA Policy and Procedure on **Claims** Reporting, in no event shall any payments be made by CSURMA AORMA for any costs incurred to defend a covered **Claim** more than thirty (30) days prior to written notification of an **Occurrence**, offense, **Claim** or suit to the TPA.

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

- 12. Other Coverage: If other valid and collectible coverage is available to the **Covered Party** for a covered claim, CSURMA AORMA's obligations are limited as follows:

- A. Primary Coverage

This coverage is primary except when Paragraph 3 below applies. If this coverage is primary, CSURMA AORMA's obligations are not affected unless any of the other coverage is also primary. Then, CSURMA AORMA will share with all other coverage by the method described in Paragraph 3 below.

- B. Excess Coverage:

- 1) With respect to liability for damages of the Covered Party arising from the conduct or activities of a third party, as between the Member and the CSURMA AORMA, the amount of the Member's deductible as set forth in the Declarations of this Memorandum shall be satisfied in whole or in part (as applicable, depending on how much other coverage is available) by any insurance coverage of said third party/parties which is available and applicable to the liability for damages of the

Covered Party. If such third-party insurance coverage exceeds the Member's deductible, all of such third-party insurance coverage (whether written on a primary or an excess basis, or written as reinsurance) shall apply to the loss before the CSURMA AORMA's limits hereunder shall attach.

- 2) When this coverage is excess, CSURMA AORMA will have no duty to defend the Covered Party against any suit if any other coverage provider has a duty to defend the Covered Party against that suit. If no other coverage provider defends, CSURMA AORMA will undertake to do so, but CSURMA AORMA will be entitled to the Covered Party's rights against all those other coverage providers.
- 3) CSURMA AORMA will share the remaining ultimate net loss, if any, with any other coverage that is not described in this provision and was not bought specifically to apply in excess of the limits of liability shown in the Declarations.

C. Method of Sharing:

- 1) If all of the other coverage permits contribution by equal shares, CSURMA AORMA will also permit contribution by equal shares. Under this approach, each coverage provider contributes equal amounts until the applicable limit of liability has been paid or none of the ultimate net loss remains, whichever comes first; or
- 2) If any of the other coverage providers does not permit contribution by equal shares, CSURMA AORMA will contribute by limits. Under this method, each coverage provider's share is based on the ratio of its applicable limit of liability to the total applicable limits of liability of all coverage providers.

13. Contribution: The Contribution designated in the Declarations Page is flat and not adjustable, unless:

- A. A material exposure is added;
- B. The Limits of Liability are increased or decreased;
- C. Coverage is restricted or broadened by endorsement; or
- D. The **Coverage Period** is increased or shortened

14. Separation of Covered Parties: Except with respect to the Section III – Limitations Upon CSURMA AORMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:

- A. As if each **Covered Party** were the only **Covered Party**; and
- B. Separately to each **Covered Party** against whom the **Claim** is made or suit is brought.

15. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.

16. Subrogation/Transfer of Rights of Recovery Against Others to CSURMA AORMA: CSURMA AORMA shall be subrogated to the extent of any payment hereunder, to all of **Member's** rights of recovery and **Member** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **Member** may elect to waive their rights to subrogation prior to a

loss. To the extent that **Member** elects to waive such rights, CSURMA AORMA shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

Any interest, including yours, having paid an amount in excess of **Member's Deductible** plus the Limit of Liability hereunder shall be reimbursed first to the extent of actual payment. CSURMA AORMA shall be reimbursed next, to the extent of actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse the Member. The expense of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries. If there is no recovery in proceedings conducted solely by **Member**, then **Member** shall bear the expenses thereof.

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE FOR  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)**

**CALIFORNIA UNINSURED OR UNDERINSURED MOTORISTS  
COVERAGE BODILY INJURY  
AMENDATORY ENDORSEMENT - #1**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

For a covered **Automobile** licensed or principally garaged in or with operations conducted in California this endorsement modifies the Memorandum provided under the following:

**Bodily Injury** to which this additional coverage applies.

With respect to the additional coverage provided by this endorsement, the provisions of the Memorandum apply unless modified by this endorsement. This endorsement changes the Memorandum effective on the inception date unless another date is indicated below.

SCHEDULE: Limit of Liability - \$250,000 per **Occurrence**

A. Coverage

1. CSURMA AORMA will pay all sums the **Covered Party** is legally entitled to recover as compensatory **Damages** from the owner or driver of an uninsured or underinsured motor vehicle. The **Damages** must result from “**Bodily Injury**” sustained by the **Covered Party** caused by an **Occurrence**. The owner’s or driver’s liability for these **Damages** must result from the ownership, maintenance or use of the uninsured or underinsured motor vehicle.
2. CSURMA AORMA will pay only after the limits of liability under any liability bonds or policies have been exhausted by payment of judgments or settlements.
3. Any judgment for **Damages** arising out of a **Claim**, suit or proceeding brought without the written consent of CSURMA AORMA is not binding.

B. Exclusions

This additional coverage does not apply to any of the following:

1. Punitive or exemplary **Damages**.

2. Any **Claim** settled without consent of the CSURMA AORMA. However, this exclusion does not apply to a settlement made with the insurer of an auto described in Paragraph b. of the definition of uninsured or underinsured motor vehicle.
3. The direct or indirect benefit of any insurer or self-insurer under any worker's compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. **Bodily Injury** sustained by any **Covered Party** while occupying or when struck by any **Automobile** owned by that **Covered Party** that is not a covered **Automobile** for uninsured or underinsured motorists Coverage under this Coverage Form;

However, Exclusion 4 shall not apply to **Bodily Injury** sustained by any **Covered Party** when struck by an **Automobile** owned by the **Member** and operated or caused to be operated by a person without that **Member's** consent in connection with criminal activity that has been documented in a police report and to which that **Covered Party** is not a party to.

5. Anyone using an **Automobile** without a reasonable belief that the person is entitled to do so.
6. **Bodily Injury** sustained by a **Covered Party** while occupying any **Automobile** that is rented or leased to that **Covered Party** for use as a public or livery conveyance.
7. **Bodily Injury** arising directly or indirectly out of:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### C. Limit of Liability

1. Regardless of the number of covered **Automobiles**, the **Member**, premiums paid, **Claims** made or **Automobiles** involved in the **Occurrence**, the most CSURMA AORMA will pay for all **Damages** resulting from any one **Occurrence** is the limit of liability for Uninsured or Underinsured Motorists coverage shown in the schedule of Declarations Page.
2. For an **Automobile** described in Paragraph b. of the definition of Uninsured Motor Vehicle, our limit of liability shall be reduced by all sums paid because of **Bodily Injury** by or for anyone who is legally responsible, including all sums paid or payable under this policy's liability coverage.
3. No one will be entitled to receive duplicate payment under this coverage for any element of **Damages** for which payment has been made by or for anyone who is legally responsible.

4. CSURMA AORMA will not make a duplicate payment under this coverage for any element of **Damages** for which payment has been made by or for anyone who is legally responsible.
5. CSURMA AORMA will not pay for any element of **Damages** if a person is entitled to receive payment for the same element of **Damages** under any workers' compensation, disability benefits or similar law.

D. Changes in Conditions

The conditions are changed for California uninsured motorist's coverage – **Bodily Injury** as follows:

1. Duties in the Event of Accident, Claim, Suit or Proceeding is changed by adding the following:
  - a. Promptly notify the police if a hit-and-run driver is involved; and
  - b. Send CSURMA AORMA copies of the legal papers if a **Claim**, suit or proceeding is brought. In addition, a person seeking coverage under Paragraph b. of the definition of Uninsured Motor Vehicle must:
    - i. Provide CSURMA AORMA with a copy of the complaint by personal service or certified mail if the **Covered Party** brings an action against the owner or operator of such Uninsured Motor Vehicle;
    - ii. Within a reasonable time, make all pleadings and depositions available for copying by CSURMA AORMA or furnish CSURMA AORMA copies at the expense of CSURMA AORMA; and
    - iii. Provide CSURMA AORMA with proof that the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.
2. Action Against CSURMA AORMA is replaced by the following:

No legal action may be brought against CSURMA AORMA under this endorsement until there has been full compliance with all the terms of this endorsement and with respect to Paragraphs a., c. and d. of the definition of uninsured motor vehicle unless within two (2) years from the date of the **Occurrence**:

- a. Agreement as to the amount due under this Memorandum has been concluded;
- b. The **Covered Party** has formally instituted arbitration proceedings against CSURMA AORMA. In the event that the **Covered Party** decides to arbitrate, the **Covered Party** must formally begin arbitration proceedings by notifying CSURMA AORMA in writing, sent by certified mail, return receipt requested; or
- c. **Claim**, suit or proceeding, for **Bodily Injury** has been filed against the Uninsured Motorist in a court of competent jurisdiction.

3. Transfer of Rights of Recovery Against Others to CSURMA AORMA is replaced by the following:
  - a. With respect to Paragraphs a., c. and d. of the definition of Uninsured or Underinsured Motor Vehicle, if CSURMA AORMA makes any payment, CSURMA AORMA is entitled to recover what CSURMA AORMA paid from other parties. Any person to or for whom CSURMA AORMA makes payment must transfer to CSURMA AORMA his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.
  - b. With respect to Paragraph b. of the definition of Uninsured or Underinsured Motor Vehicle, if CSURMA AORMA makes any payment and the **Covered Party** recovers from another party, the **Covered Party** shall hold the proceeds in trust for CSURMA AORMA and pay back the amount CSURMA AORMA has paid.

4. Other Insurance is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all endorsements and the memorandum combined may equal but not exceed the highest applicable limit for any one **Automobile** under any endorsement and the memorandum providing coverage on either a primary or excess basis.
- b. Any coverage CSURMA AORMA provides with respect to an **Automobile** the **Member** does not own shall be excess over any other collectible Uninsured or Underinsured Motorists insurance providing coverage on a primary basis.
- c. If the coverage under this endorsement is provided:
  - i. On a primary basis, CSURMA AORMA will pay only the share of the **Damages** that must be paid under this Memorandum providing coverage on a primary basis. CSURMA AORMA's share is the proportion that the limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.

E. Additional Definitions

1. Occupying means in, upon, getting in, on, out or off.
2. Uninsured or Underinsured Motor Vehicle means a land motor **Automobile** or trailer:
  - a. For which no liability bond or policy at the time of an **Occurrence** provides at least the amounts required by the applicable law where a covered **Automobile** is principally garaged;
  - b. That is an Underinsured Motor Vehicle. An Underinsured Motor Vehicle is a land motor vehicle or for which the sum of all liability bonds or policies at the time of an **Occurrence** provides at least the amounts required by the applicable law where

a covered **Automobile** is principally garaged but that sum is less than the limit of liability for this coverage;

- c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent;
- d. That is a hit-and-run **Automobile** and neither the driver nor owner can be identified. The **Automobile** must make physical contact with a **Covered Party**, a covered **Automobile** or an **Automobile** a **Covered Party** is occupying; or
- e. That is owned by the **Member** and operated or caused to be operated by a person without the owner's consent in connection with criminal activity that has been documented in a police report.

However, Uninsured Motor Vehicle does not include any **Automobile**:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed or modified primarily for use off public roads while not on public roads.

*All other terms and conditions in the Memorandum remain unchanged.*

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE FOR  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)**

**NON-SALARIED STATE EMPLOYEE AUTO LIABILITY  
AMENDATORY ENDORSEMENT - #2**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

The following is added to Section IV – COVERED PARTIES, Section C.

As respects motor vehicles operated by a Non-Salaried **Employee** of the California State University, CSURMA AORMA agrees to provide coverage directly in excess of the Motor Vehicle Liability Self-Insurance Program as defined by the State Administrative Manual of the State of California, section 2420 including any amendment or successor thereto, subject to all other terms and conditions of this Memorandum of Coverage. The coverage added does not involve the CSURMA AORMA pooling layer of liability.

The coverage provided herein includes liability arising from the use of any owned, non-owned or hired vehicle operated by a Non-Salaried Employee while on State business.

For the purpose of the coverage provided by this endorsement, the following definitions are added:

1. Non-Salaried Employee: Means anyone, including but not limited to a student assistant or volunteer, operating a motor vehicle while on State business.
2. State: Means the State of California; the Trustees of the California State University; the California State University, and its campuses.

2420 MOTOR VEHICLE LIABILITY SELF-INSURANCE PROGRAM (Revised 3/14)

The ORIM administers the State Motor Vehicle Liability Self-Insurance Program (VELSIP), which provides unlimited self-insured liability coverage for the state, agencies, and employees who operate covered self-propelled land vehicles on state business (California Vehicle Code Sections 17000 and 17001). Effective January 1, 2004, liability coverage is limited to \$1 million per occurrence/accident when the state vehicle is operated by a non-salaried employee (i.e. student assistant, volunteer, etc.) on state business. The driver's employing department/agency will be financially responsible for the payment of any claims, settlements, judgments or verdicts in excess of \$1 million. With the exception of peace officers as defined in Insurance Code Section 557.5, the VELSIP provides excess liability coverage for state employees on state business while driving non-state vehicles, but only after the vehicle owner's liability policy limits have been paid. The VELSIP does not provide coverage for injury to state employees nor for damage to state vehicles. Employee injuries are handled through Workers' Compensation coverage. Damage to state vehicles are handled through the budget of the owning state agency.

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE FOR  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)**

**FIDUCIARY LIABILITY  
AMENDATORY ENDORSEMENT - #3**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

This is claims made and reported coverage; therefore, the coverage is limited to Claims that are first made against the Member during the coverage period and are reported to CSURMA AORMA during the coverage period.

With respect to the additional coverage provided by this endorsement, the provisions of the Memorandum of Coverage apply unless modified by this endorsement.

A. SUBJECT TO THE LIMIT STATED BELOW CSURMA AORMA AGREES:

To pay on behalf of any **Member** those sums for loss including expenses incurred in the defense and settlement of any **Claim** first made against the **Member** and reported during the **Coverage Period**, alleging a **Wrongful Act(s)** of any **Covered Party**, first committed, or allegedly committed on or subsequent to the Retroactive Date shown herein, in the **Administration of Covered Party's Employee Benefit Plans** or **Covered Party's Trusts**.

B. **LIMIT OF LIABILITY:** (As shown on the Declarations Page)

**For the purpose of determining the limit of liability of CSURMA AORMA under this endorsement, all Damages arising out of continuous repeated exposure to substantially the same general conditions shall be considered as arising out of one loss.**

Loss, with duration of more than one **Coverage Period** shall be treated as a single loss arising during the **Coverage Period** when the **Claim** is first made, and under no circumstances shall the fact that said loss has duration of more than one **Coverage Period** entitle a **Covered Party** to more than one limit of coverage.

C. EXCLUSIONS

Exclusion 7 - Employee Benefits Liability Claim, Exclusion 9 – Employee Retirement Income Security Act (ERISA) and Exclusion 10 - Fiduciary Liability do not apply to the **Administration of the Covered Party's Employee Benefit Plans** or **Covered Party's Trusts**, but only up to the limit of liability stated above for CSURMA AORMA .

Underwriters shall not be liable to make any payment for that part of Loss, other than Defense Expenses:

1. Which constitutes civil or criminal fines or penalties, taxes, or the multiple portion of any multiplied damage award;
2. Which constitutes payments due under the terms of the Benefit Plan or Trust , unless recovery is based upon a covered **Wrongful Act**;
3. Loss made against the **Covered Party**:
  - a. For libel, slander, **Bodily Injury**, emotional distress, disease, sickness or death of any person. Or any damage to or destruction of any tangible property including loss of use thereof;
  - b. For liability of others assumed by the **Covered Party** under any oral, written or implied contract or agreement; however, this exclusion shall not apply to the extent the **Covered Party** would have been liable in the absence of such contract or agreement; or the liability was assumed in accordance with or under the Benefit Plan or Trust agreement or equivalent document pursuant to which the plan was established;
  - c. Any Insured's gain of any profit, remuneration or advantage to which they were not legally entitled; or
  - d. For **Discrimination** in violation of any law.
4. CSURMA AORMA shall not be liable to make any payment for Loss in connection with any **Claim** based upon, arising out of, directly or indirectly resulting from or in consequence of:
  - a. Any fact, circumstance, situation, transaction event or **Wrongful Act** which was the subject to any notice given under any prior coverage for fiduciary liability or other similar insurance;
  - b. Any litigation or administrative or regulatory proceeding against any Insured pending on or before the effective date of this endorsement, or any actual, alleged fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein which was known to the **Covered Party** prior to the inception of this endorsement, or
  - c. Any deliberately fraudulent or dishonest act or omission or any willful violation of any statute or regulation by any Insured; however, this exclusion shall not apply unless a judgment or other final adjudication adverse to such Insured establishes such a deliberately fraudulent or dishonest act or omission or willful violation.

#### D. DEFINITIONS

For the purpose of the coverage provided by this endorsement, the following definitions are added:

1. **Administration** means:
  - a. Providing information, advice, counsel or notice to **Employees** or Trust beneficiaries, with respect to the Employee Benefits Plan or Trust;
  - b. Providing interpretations of the Employee Benefits Plan or Trust;
  - c. Handling records in connection with the Employee Benefits Plan or Trust, or
  - d. Effecting enrollment, termination or cancellation of **Employees**, participants, or beneficiaries under the Employee Benefit Plan.
  
2. **Claim** means:
  - a. A written demand for specific monetary, non-pecuniary, or injunctive relief;
  - b. A criminal or civil proceeding for monetary, non-pecuniary or injunctive relief which is commenced by;
    - i. Service of a complaint or similar pleading; or
    - ii. Return of an indictment (in the case of criminal proceeding); or
    - iii. Receipt or filing of a notice of changes; or
  - c. A formal agency or regulatory proceeding to which a **Covered Party** is subject  
Made against a **Covered Party** alleging a **Wrongful Act**.
  
3. **Claims Expenses** mean reasonable expenditures incurred by a **Covered Party** in defense of a **Claim** covered under this endorsement, including but not limited to, cost of investigations, experts, adjustment services, legal services, court costs and similar expenses; provided however that **Claims Expenses** does not include wages or salaries of a **Covered Party**, or cost of attachment or similar bonds.
  
4. **Covered Party** means any natural person who was, is now, or becomes:
  - a. A trustee, **Member** of the board of directors, officer, in-house general counsel or an **Employee** of the **Member** of an Employee Benefit Plan or Trust, while acting in his or her capacity as a fiduciary of an Employee Benefit Plan or Trust or as a person performing **Administration** for an Employee Benefit Plan or Trust, or who is;
  - b. Assigned to act as a trustee, or an agent for finances of an Employee Benefit Plan or Trust.
  
5. Employee Benefit Plan means a program providing some or all of the following benefits to **Employees**:
  - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an

**Employee** may subscribe to such benefits and such benefits are made generally available to those **Employees** who satisfy the plan's eligibility requirements;

- b. Pension plans, provided that no one other than an **Employee** may subscribe to such benefits and such benefits are made generally available to all **Employees** who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits; and
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family and civil leave, tuition assistance plans; transportation and health club subsidies.
6. Insured means:
- a. **Member**
  - b. Elected/Appointed Officials: all past, present and future, including the **Member's** Designated Professional Fiduciary
  - c. **Employees**: all past, present, and future
7. Loss means the amount which a **Covered Party** is legally and personally liability to pay on account of a **Claim** first made or instituted during the **Coverage Period** covered under and not excluded by this additional coverage endorsement.
8. Retroactive Date shall mean any **Claim** or Loss reported pursuant to the terms and conditions herein and rendered on or after the date set forth herein:

For all **Members** other than those **Members** specifically listed below the retroactive date for this endorsement is: July 1, 2010. For all **Members** listed below the retroactive date is as stated.

<u>Campus</u>	<u>AORMA Member</u>	<u>Retroactive Date</u>
Chico	Associated Students of CSU Chico	July 1, 2005
Long Beach	CSU Long Beach Foundation	July 1, 2008
Los Angeles	Associated Students Inc. CSU Los Angeles	July 1, 2007
Northridge	The University Corp., CSU Northridge	October 1, 1991
Northridge	University Student Union, CSU Northridge	October 1, 1999
Sacramento	Capital Public Radio, CSU Sacramento	April 15, 2010
San Jose	San Jose University Research Foundation	July 1, 2002
San Jose	Spartan Shops, Inc.	February 1, 1998

9. Trust(s) means charitable remainder trusts, charitable lead trusts, pooled income funds, or any combination thereof, or any **Employee** pension benefits or **Employee** welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a **Member** participates, provided the trust only serves auxiliary organizations who are **Members**.
10. **Wrongful Act** means:
- a. Any actual or alleged breach of the responsibilities, obligations or duties imposed upon **Covered Party** for the Trusts by common or statutory law or regulation of the United States or any state;
  - b. Any other actual or alleged matter claimed against a **Covered Party** solely because of his or her service as the designated fiduciary of any Employee Benefit Plans or Trusts; or
  - c. Any actual or alleged negligent act, error or omission solely in the **Administration** of any Employee Benefit Plan or Trust, and
  - d. Any actual or alleged breach of duties, obligations and responsibilities imposed by ERISA or by COBRA or by any similar or related federal, state or local law or regulation in the discharge of the **Covered Party's** duties with respect to any Employee Benefit Plans or Trust.

*All other terms and conditions in the Memorandum remain unchanged.*

## **AORMA LIABILITY PROGRAM CLAIMS ADMINISTRATION AUDIT REPORT**

**ISSUE:** CSURMA engaged Bickmore Risk Services to conduct a liability claims administration audit of Carl Warren and Company. The purpose of the audit is to:

1. Verify that Carl Warren's claims administration practices meet industry best practices and comply with state law, the claims administration contract and its internal procedures
2. Evaluate adjuster experience, competence and staffing levels
3. Identify opportunities for program improvement and make recommendations to ensure improvement

Bickmore finds the overall performance of Carl Warren at 95%, indicating a **Commendable** performance level (down from 97% in 2015).

**RECOMMENDATION:** Staff recommends that the Committee accept the report as presented.

**FISCAL IMPACT:** The cost for the claim audit was included in the FY 16/17 budget.

**BACKGROUND:** To improve performance, Bickmore recommends the following:

1. **Plan of Action / Documentation (Score 91%):** Improve timeliness and quality of the plan of action (POA) by requiring adjusters to:
  - a. Document the POA minimally at 90 days intervals, or sooner if reasonable claim judgment requires, based on facts and activities of the claim;
  - b. Identify target activities and results in the POA; and
  - c. Include the next planned report date in the current POA.
2. **Statutory Compliance (Score 99%):** Ensure compliance with MMSEA by:
  - a. Increasing supervision to ensure Medicare-eligible claimants are identified within the claims system; and
  - b. Requiring documentation of confirmation of Medicare-eligibility inquiry response prior to issuing a settlement check for a bodily injury claim.
3. **Claim Disposition and Payment (Score 95%):** Improve evaluation and documentation of claim settlements by requiring adjusters to:

- a. Verify damage to property by personal inspection, appraisal or photographs prior to authorizing settlement; and
  - b. Direct counsel to protect Medicare's secondary payer status when settling claims involving Medicare-beneficiaries.
4. **Litigation/Recovery Management (Score 86%):** Continue to work with defense counsel to improve management of litigation by:
- a. Sending counsel a retention letter and requesting they return a signed acknowledgment for each new assignment; and
  - b. Monitor for the return of the signed acknowledgment. With AORMA approval, implement recommendations of the prior audit by:
  - c. Sending a suspension notice letter to counsel if compliance is not met within the required time frame, but no later than 45 days; and
  - d. Suspending payment to defense counsel until receipt of the signed acknowledgment, initial case analysis, and budget.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Claims Administration Audit Report – July 11, 2017 (Draft)



# Bickmore



July 11, 2017

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

RE: **California State University Auxiliary Organizations Risk Management Alliance  
2017 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 Auxiliary Organizations Risk Management Alliance (AORMA). Carl Warren and Company (CW), AORMA's third party administrator (TPA), is contracted to manage its public liability and errors and omissions claims. Our audit examines CW's claims handling practices.

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 audit services and the assistance received from Alliant Insurance Services, Inc. and CW.

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

Direct: 916.290.4616  
Mobile: 714.323.7898  
E-mail: 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

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- B - Component, Subcomponent, and Criteria Scores with Exceptions
- C - Carl Warren Claims Handling Guidelines
- D - Defense Counsel Engagement Letter
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## I. Executive Summary

The California State University Auxiliary Organizations Risk Management Alliance (AORMA) represents a group of programs under the California State University Risk Management Authority (CSURMA). CSURMA is a Joint Powers Authority established in 1997 to perform pooled group insurance and risk management-related activities for the California State University (University) system and its 23 campuses.

AORMA is comprised of about 90 covered independent non-profit organizations serving the needs of the University. These separate legal entities include student unions, research foundations, student housing, bookstores, etc. While associated with the University, they are not public entities. Thus, they are not entitled to the protections afforded to public entities by the California Government Code.

CSURMA provides \$350,000 pooled liability coverage to AORMA with member deductibles of \$25,000 to \$100,000 applying only to employment practices liability. Coverage above the \$350,000 primary layer is provided by CSURMA, with quota share reinsurance (through Evanston and Great American) above \$1,000,000 up to \$5,000,000. Ironshore Specialty Insurance Company provides excess coverage to \$10,000,000 and various excess carriers provide coverage up to \$200 million.

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

The purpose of this audit is to:

- Verify CW's claims administration practices meet industry best practices, comply with state law, the claims administration contract, and its internal procedures;
- Evaluate adjuster experience, competence, and staffing levels; and
- Identify opportunities for program improvement and make recommendations to ensure improvement.

To assist AORMA in assessing the effectiveness of CW's claims administration, Bickmore:

- Reviewed the claims administration contract;
- Interviewed current CW claims administration staff;
- Reviewed selected AORMA Policies and Procedures (P & P) relating to the administration of claims, member coverage, and litigation;
- Reviewed "Carl Warren Claims Handling Guidelines" (Appendix C) outlining claims administration procedures;

- Reviewed open and closed claims data and selected the sample of 30 liability claims shown in Appendix A;
- Reviewed the sample claims onsite at CW's Ventura, California office from June 5 through June 7, 2017, to determine whether CW claims administration meets industry best practices. Our review included the physical claim files along with the electronic notepad and financial information with system access provided by CW. This allowed us to review documented adjuster activities, reserve adjustments and payments. We did not have access to documents; however, needed documents were located in the physical claim file;
- Provided daily feedback communicating our findings to CW during the onsite audit; and
- Provided our findings to CW to validate results. We discussed the findings onsite, concluding discussions by telephone and e-mail through June 26, 2017.

We were provided with the history of open and closed claims as of May 2017. Our analysis of the data reflected 46 open pending claims and we randomly selected 18 open and 12 closed claims for review. Ten claims (30%) of the sample are litigated, compared to the overall pending litigation rate of 13% of the open claims.

For the three years ending April 30, 2017, annual claim intake averages 45 with 59 closures, for a 130% closing ratio. Maintaining a closing ratio of 100% or better promotes control of pending claims and usually stabilizes staffing requirements. General liability claims comprise 62% of the new claim intake and 76% of the open pending claims, with about 20% of those claims relate to employment practices or other personal injury. Exhibit I-3 graphically illustrates these statistics. The "Other" category includes Automobile bodily injury (ABI), property damage (APD), and collision (AC) claims, of which APD is the largest component.

The AORMA team is led by a Claims Supervisor in the Ventura office. In September 2016, claims were moved from Ventura to CW's Concord office for handling by an adjuster with oversight provided by a local Supervisor. Account coordination and management remained with the Ventura Supervisor which maintained stability. As of the audit, claims have been transferred back to Ventura with the Ventura Supervisor now having responsibility for investigation, resolution and overall account management. CW provides no administrative support beyond recording the initial report of incident. Adjusting caseload is reasonable with current pending claims totaling fewer than 60.

We find overall performance at 95%, indicating a **Commendable** performance level, as shown in Table I-1.

We find:

- CW complies with the contract, industry best practices, and its internal procedures;

- All components measured scored acceptable or better, with six of nine components scoring superior;
- Claim reporting by members is timely;
- Claim set-up and assignment by CW is prompt, promoting timely investigation;
- CW provides prompt and thorough investigations;
- Index reporting is outstanding, with all 10 qualifying claims reported;
- The claim sample included paper files supplemented with electronic notepad and financial information;
- Incoming correspondence is date-stamped or otherwise recorded;
- All initial reserves are set timely, usually within 24 hours of receipt of the claim;
- Reserves are accurate and reviewed frequently, with most adjustments made timely;
- Communication among members, CW and defense counsel are excellent with no exceptions noted;
- Payments are generally timely although we noted three exceptions to timely payment of defense counsel billings; and
- Litigation management results continue to reflect delays in initial and subsequent reporting and budget submissions by defense counsel despite CW's use of a retention letter which indicates payment of bills is contingent on compliance. We note adjusters make multiple requests for the initial case evaluation and budget, but find no evidence payment is withheld.

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, AORMA's requirements, and CW's guidelines. Results are shown in Exhibit I-1 "Scoring by Component with Financials," and graphically in Exhibit I-2.

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 or score shown in Exhibit I-1. 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>Score</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, contract, and internal procedures. File reflects active steps are taken to resolve claim.
No	Lack of compliance with industry standards, contract 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 Superior, 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**

<b>Performance Component</b>	<b>Performance Enhancement Recommendations</b>
Plan of Action/ Documentation	Improve timeliness and quality of the plan of action (POA) by requiring adjusters to: <ul style="list-style-type: none"> <li>• Document the POA minimally at 90 days intervals, or sooner if reasonable claim judgment requires, based on facts and activities of the claim;</li> <li>• Identify target activities and results in the POA; and</li> <li>• Include the next planned report date in the current POA.</li> </ul>
Statutory Compliance	Ensure compliance with MMSEA by: <ul style="list-style-type: none"> <li>• Increasing supervision to ensure Medicare-eligible claimants are identified within the claims system; and</li> <li>• Requiring documentation of confirmation of Medicare-eligibility inquiry response prior to issuing a settlement check for a bodily injury claim.</li> </ul>
Claim Disposition and Payment	Improve evaluation and documentation of claim settlements by requiring adjusters to: <ul style="list-style-type: none"> <li>• Verify damage to property by personal inspection, appraisal or photographs prior to authorizing settlement; and</li> <li>• Direct counsel to protect Medicare’s secondary payer status when settling claims involving Medicare-beneficiaries.</li> </ul>
Litigation/Recovery Management	Continue to work with defense counsel to improve management of litigation by: <ul style="list-style-type: none"> <li>• Sending counsel a retention letter and requesting they return a signed acknowledgment for each new assignment; and</li> <li>• Monitor for the return of the signed acknowledgment.</li> </ul> With AORMA approval, implement recommendations of the prior audit by: <ul style="list-style-type: none"> <li>• Sending a suspension notice letter to counsel if compliance is not met within the required time frame, but no later than 45 days; and</li> <li>• Suspending payment to defense counsel until receipt of the signed acknowledgment, initial case analysis, and budget.</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.

**Exhibit I-1**

**Scoring by Component with Financials**

Claims Reviews Completed:	<b>30</b>	Actual Reserve:	<b>\$676,852</b>
Incurred:	<b>\$1,866,153</b>	Recommended Reserve:	<b>\$675,452</b>
Paid:	<b>\$1,189,302</b>	Net Reserve Change:	<b>(\$1,400)</b>

Claims Administration Component	Claims Graded	Number of Responses for Component			Score	
		Yes	No	NA	2017	2015
01 Claims Intake	30	171	3	6	98%	99%
02 Investigation	30	141	5	124	97%	99%
03 Plan of Action/Documentation	30	231	22	47	91%	96%
04 Reserve Management	29	198	9	63	96%	98%
05 Statutory Compliance	23	24	1	95	99%	98%
06 Communication	27	58	0	32	100%	99%
07 Claim Management Information System	27	132	0	18	100%	99%
08 Claim Disposition and Payment	26	129	7	344	95%	100%
09 Litigation/Recovery Management	14	83	14	323	86%	88%
<b>Overall Claims Administration</b>	<b>30</b>	<b>1,166</b>	<b>62</b>	<b>1,052</b>	<b>95%</b>	<b>97%</b>

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

### Scoring by Component Summary Graph

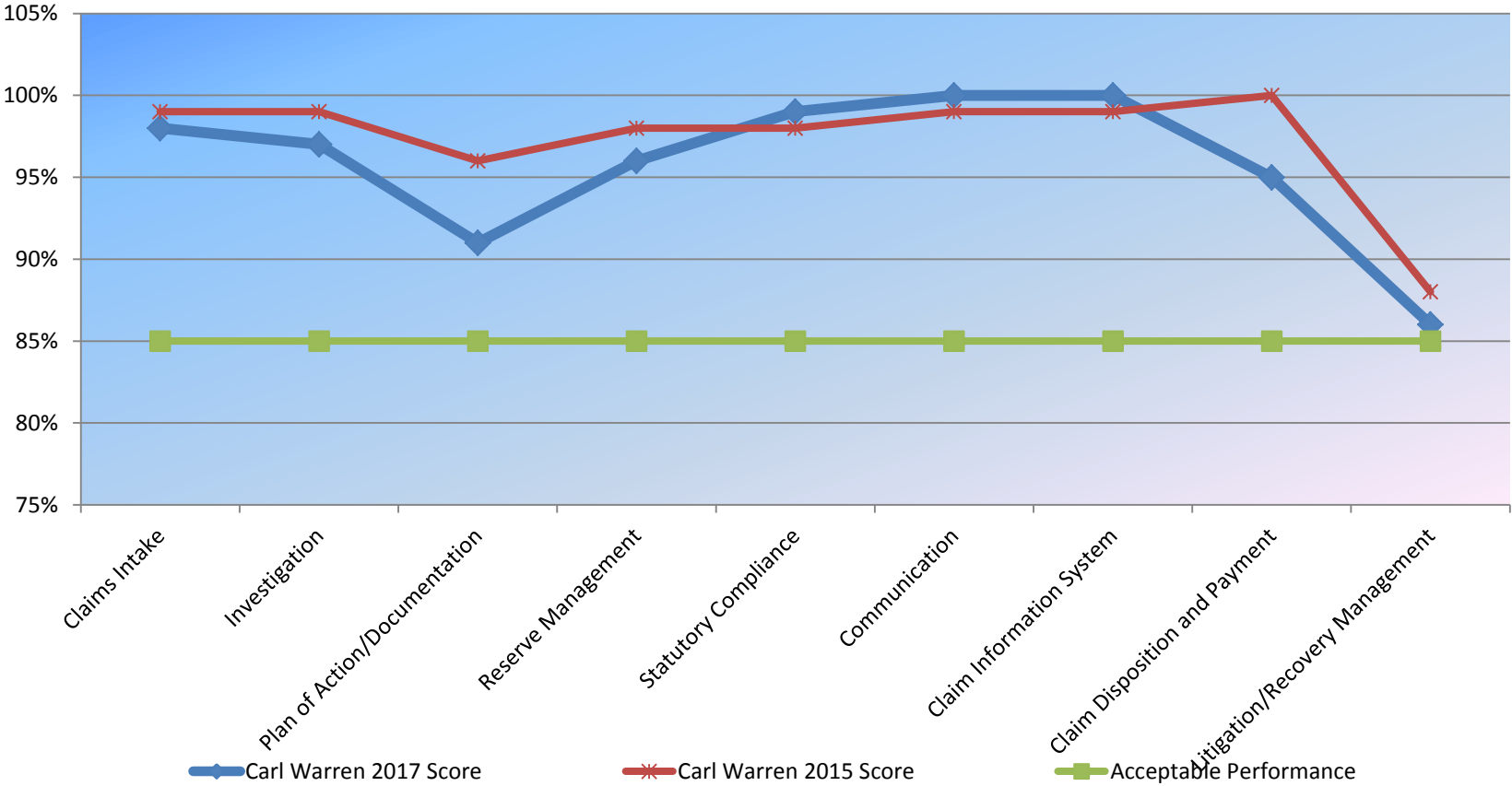
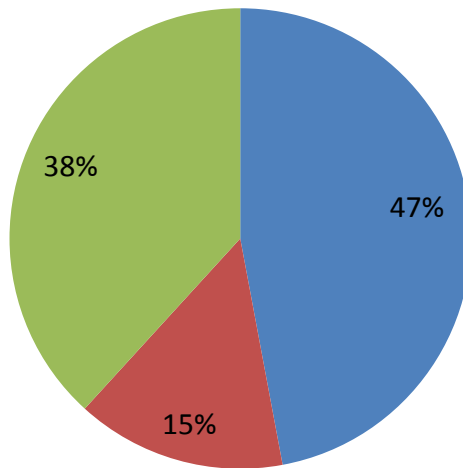


Exhibit I-3

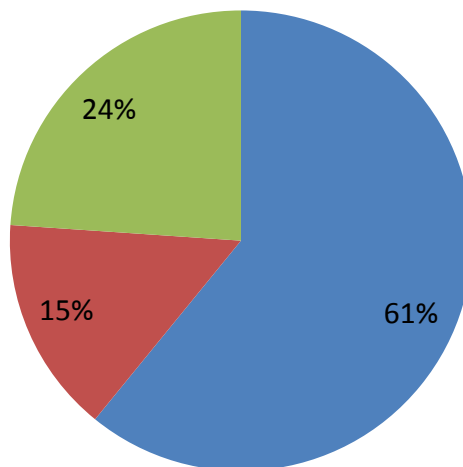
### Claim Intake and Pending Analysis

Claim Intake  
2014 through 2017



■ GL ■ EPL/PI ■ Other

Claims Pending  
As of April 30, 2017



■ GL ■ EPL/PI ■ Other

## II. Detailed Findings

This chapter provides our findings for each component we measure. Throughout this section we consider compliance requirements of:

- The Third Party Claims Administration Contract between AORMA and CW effective July 1, 2016;
- CW's requirements stated in the "Carl Warren Claims Handling Guidelines" (Guidelines) which we attach in Appendix C; and
- AORMA's guidelines stated in its Policies and Procedures.

Our findings also 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 including comment on each claim reviewed.

### 1. Claims Intake

**Score: 98%**

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.

CW's Guidelines support best practices by requiring:

- Creating and assigning new claims within 24 hours of receipt and setting the initial reserve within five working days;
- Supervisory approval prior to hiring independent experts; and
- Accurate data entry.

Members report claims timely; we note one late-reported claim in the audit sample. Late-reported claims may subject the member to a financial penalty. AORMA's P & P L-1 provides for a sliding scale reduction of coverage according to the number of days or months the claim is reported late. This encourages timely reporting.

Claims are recorded in CW's proprietary system maintaining financial and statistical data and allowing the adjuster to document claim handling by entering notes. CW maintains individual paper files supporting the electronic notes. Investigation, correspondence, and other documentation are maintained in the physical claim file or on a drive on their server. While we were not provided access to the server, we found needed documents in the paper file.

While caseloads are stable now, the nine months previous to the audit saw claims shifted among four adjusters and two supervisors in two claim offices with the only stability provided by the Account Manager. The claims have now shifted back from the Concord office to Ventura where the Account Manager is now responsible for adjustment of all AORMA claims. If investigation is required outside the Ventura area, staff from the local CW office will respond.

Workloads do not appear to be an issue with the current case manager administering a caseload of 55 pending claims, including all the AORMA claims. Other than initial claim entry, adjusters provide their own administrative support. CW staff is well-qualified with over 25 years' claims experience including 12 years with CW and providing AORMA with claims management service for almost the entire 12 years.

We find:

- Member reporting is timely;
- New claims are set up off-site and assigned timely, usually within 24 hours of receipt;
- CW confirms receipt of claim to the member;
- Data is accurate and updated when appropriate;
- Productivity is acceptable with claim closures exceeding claim intake for each of the past three years;
- Caseloads are manageable; and
- CW is thoroughly familiar with AORMA's coverage and will seek authority to issue a reservation of rights when appropriate.

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

## **2. Investigation**

**Score: 97%**

Best practices require:

- Initiating timely contact with required parties within one business day of assignment;
- Documenting contact attempts and results;

- Substantially 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 timely and properly conducted investigation ensures an accurate understanding of the facts to determine liability. Prompt liability determination promotes early resolution and may avoid litigation. If litigation does occur, discovery can be more focused.

CW's Guidelines establish written investigation standards supporting industry best practices for quality investigations, setting timeframes for contacting parties and determining liability.

We find:

- With respect to timeliness and quality of contact:
  - CW consistently makes required contacts within 24 hours, we note two exceptions in 24 qualifying claims; and
  - CW's experienced staff are able to assess potential issues and obtain sufficient information to promote early liability evaluations.
- All investigations are completed timely with appropriate planned follow-up if not completed within 30 days;
- Investigation usually includes statements and photographs, although we note one exception for obtaining adequate damage verification prior to paying a subrogation claim;
- All qualifying claims are indexed through ISO *ClaimSearch*<sup>®</sup>; and

- Post-investigation analysis of liability and damages is completed, but we note two claims which lacked a thorough analysis addressing the member's negligence and comparative negligence of each party.

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

### **3. Plan of Action/Documentation**

**Score: 91%**

Recognizing the importance of planning for resolution for claims open beyond 30 days, best practices require:

- Documenting an action plan no later than 30 days and identifying planned activities and anticipated time frames;
- Reviewing and updating the action plan at appropriate intervals (usually every 30-45 days for active claims) to ensure planned activities are focused on resolving the claim;
- Establishing diary to support the plan;
- Documenting communication between adjuster, member, claimant, and defense counsel;
- Documenting significant activities as they occur, by recording within 24 hours in a claim log or electronic claim notes, identifying the date of the note and its author;
- Documenting with clarity and professionalism;
- Maintaining paper files, date-stamped, and in chronological order, establishing additional volumes by date or by subject, when necessary; and
- Maintaining separate folders within a claim volume to house claimant-specific information when there are multiple claimants.

CW supports industry best practices by requiring:

- An initial case assessment within five days of assignment;
- An update POA within 30 days of receipt and every 90 days thereafter; and
- System-generated diary dates at 30 days, then recurring every 90 days;

We find:

- Action plans are documented and updated in the notepad and reflect appropriate activities initiated to resolve the claim, with one exception noted in 29 qualifying claims;
- POAs require improvement by noting targeted completion dates for each activity and the adjuster's planned follow-up date; 12 of the 25 qualifying claims documented this information;
- Diary frequency cannot be determined without access to historical diary activity; however, we were able to determine diary frequency usually met CW's requirements by reviewing the notepad for dates and activities; we note three exceptions;
- Claim notes documentation is professional, reflects ongoing internal and external communication, and identifies authorship and date;
- Files containing documents are usually in chronological order, although there were three exceptions where documentation had to be printed prior to shipment to Ventura from Concord and printed material was not in any particular order; and
- Correspondence received via regular mail is date-stamped.

**We assess diary and action plan performance as commendable. However, we recommend CW take steps to improve timeliness and quality of the documented POA by requiring adjusters to:**

- **Document the POA minimally at 90 days intervals, or sooner if reasonable claim judgment requires, based on facts and activities of the claim;**
- **Identify target activities and results in the POA; and**
- **Include the next planned report date in the current POA.**

#### **4. Reserve Management**

**Score: 96%**

Best practices require:

- Setting initial reserves timely and reviewing adequacy based upon developing an analysis of evidence in favor of issues pursued by the claimant and evidence in favor of immunities and defenses;
- Reevaluating reserves at least bi-annually for adequacy based upon the liability and damages information reflected in the investigation and discovery;

- Documenting reserve calculations using Most Probable Outcome (MPO) considering the probable adverse outcome and the probability for a favorable outcome is as follows:
  - 75% or greater chance for favorable outcome, reserve for favorable outcome plus 25% of probable adverse outcome;
  - 51% to 75% chance for favorable outcome, reserve for favorable outcome plus 50% of probable adverse outcome; and
  - 50% or less chance for favorable outcome, reserve for 100% of probable adverse outcome.

CW meets best practices by requiring:

- Initial loss reserve set within five days of receipt of the claim;
- Initial expense reserve set upon completion of the initial action plan;
- Expense reserves on litigated claims to be based on counsel's approved budget;
- Consideration of multiple factors in determining ultimate loss and expense payments; and
- Documentation of the adjuster's rationale when initially set, subsequently adjusted, and reviewed at 90-day intervals;

We find:

- CW sets a "placeholder" reserve when a new claim is entered offsite; however, this is not considered an initial reserve;
- Initial reserves are timely by the assigned adjuster;
- With two exceptions, adjustments are made within 30 days of receipt of information supporting the need for an adjustment;
- Files generally document reserve review at reasonable intervals, but no less than bi-annually;
- Adjusters document reserve rationale, although we note three exceptions of 22 qualifying claims;
- Indemnity and expense reserves are evaluated separately, supported by case facts, and consider defense counsel's analysis and recommended budget;

- Reserves are accurate. We recommend two reserve adjustments, one increase and one decrease for a net decrease of (\$1,400) to the total outstanding reserves of \$676,852 for the audit sample reflected in Appendix A;
- The recommended decrease is insignificant at less than 1% of the total outstanding reserves; our actuaries advise reserve adjustments less than 10% do not impact actuarial results; and
- All but two sample claims are closed within 30 days of the final payment.

**We assess reserve management performance as superior.**

## **5. Statutory Compliance**

**Score: 99%**

Best practices require compliance with:

- Any state Fair Claims Practices Act;
- Government code section(s) relating to filing or responding to claims, if appropriate, and
- Other federal or state laws relating to handling and payment of claims.

As a self-funded plan not covered by insurance, AORMA is exempt from the requirements of the California Fair Claims Practices Act included in the California Insurance Code. Nevertheless, CW treats claimants fairly and communicates and issues payments timely.

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.

Beginning January 1, 2012, Responsible Reporting Entities (RREs) were to begin reporting Total Payment Obligation to Claimant (TPOC) settlements, judgments, awards, or other payments over \$100,000. This threshold diminishes over the years and the current reporting threshold is now \$750. The complete reporting threshold dates are as follows.

Amount	TPOC Date on or after	Reporting Required*
\$100,000	October 1, 2011	January 1, 2012
\$50,000	April 1, 2012	July 1, 2012
\$25,000	July 1, 2012	October 1, 2012
\$5,000	October 1, 2012	January 1, 2012
\$2,000	October 1, 2013	January 1, 2014
\$1,000	October 1, 2014	January 1, 2015
\$750	January 1, 2017	April 1, 2017

\*Within the quarter beginning on this date.

Because CSURMA funds AORMA's self-insured retention, CSURMA is the RRE under MMSEA. CW is the reporting agent and contracts with ISO to identify and report appropriate claims. ISO provides CW with a listing of claims identifying Medicare recipients. CW's Guidelines require certain system fields to be completed to facilitate reporting.

This workflow is dependent on the adjuster:

- Completing the ISO ClaimSearch index with information required to query Medicare; and
- Recording the positive Medicare-eligibility finding in CW's claim system.

We note one claim settled in 2014 which was not identified as Medicare-eligible and defense counsel was asked to verify and did not respond, but the adjuster appropriately indicated the Total Payment Obligation to the Claimant (TPOC) was being reported; however, we are unable to confirm this occurred.

**We assess statutory compliance performance as superior. However, to ensure compliance with MMSEA, we recommend CW:**

- **Increase supervision to ensure Medicare-eligible claimants are identified within the claims system; and**
- **Require documentation of confirmation of Medicare-eligibility inquiry response prior to issuing a settlement check for a bodily injury claim.**

## 6. Communication

**Score: 100%**

Best practices require:

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

We find:

- Audit sample files reflect good communication among CW, CSURMA, defense counsel and member representatives; and
- Members are updated as claim or suit progresses.

**We assess communication as superior.**

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

**Score: 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.

We find:

- Data reflected in the printed financials provided for sample claims is accurate;
- Data integrity is dependent on the adjuster's updating data as necessary, and we find no exceptions;
- CW's proprietary system appears to contain 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

Score: 95%

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.

CW Guidelines require appropriate documentation to support bodily injury and property damage claims and response to settlement demands within 30 days.

CW requires the request for authority to provide a clear analysis of the claim.

AORMA's P & P No. L-2 sets forth the following settlement authority parameters:

- CW has authority to \$25,000; and
- The AORMA Committee has settlement authority in excess of \$25,000 to the limit of the pooled layer.

The MOC requires member notification for settlements and provides a two-level appeal process should the member disagree.

We find:

- The authority level delegated to CW is appropriate, given the experience of the individuals responsible for administering AORMA claims;

- Settlement evaluations are documented within 30 days of receipt of damages information without exception;
- Adjusters generally acknowledge receipt of a demand within 10 days, which we believe is an excellent practice, if 30 days is allowed for response to the demand;
- Settlement evaluations consistently include the adjuster's evaluation of evidence and rationale for the valuation range provided;
- We note one exception for proper documentation of the adjuster's evaluation and two exceptions for property damage verification;
- Negotiation strategy is well documented;
- Offers and demands are documented in the claim notes;
- Releases are obtained in 100% of the settled claims in the audit sample;
- Medicare interest potential was recognized in one settlement, but Medicare-eligibility was not documented;
- Settlement authority requests are timely and presented clearly;
- Payments are timely, with three exceptions noted for late payment of attorney fees without explanation; and
- Payments are accurate and supported.

**We assess claims disposition performance as commendable. We recommend CW improve evaluation and documentation of claim settlements by requiring adjusters to:**

- **Verify damage to property by personal inspection, appraisal or photographs prior to authorizing settlement; and**
- **Direct counsel to protect Medicare's secondary payer status when settling claims involving Medicare-beneficiaries.**

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

**Score: 86%**

Best practices for litigation management 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.

AORMA meets best practices by detailing litigation management requirements in P & P No. L-2 which requires:

- TPA oversight of legal defense management;
- Counsel to acknowledge and sign an engagement letter indicating understanding of AORMA's litigation management requirements; and
- Counsel to provide a case analysis and litigation budget within 30 days of receipt of assignment and update the legal budget as necessary.

The Policy requires defense counsel to be responsive to the TPA.

AORMA P & P L-3 requires CW to assign new suits to AORMA-approved counsel within five days of receipt. The policy also provides for maximum hourly rates.

AORMA litigation management guidelines are excellent as they set communication standards and require budgeting to promote cost projections. Despite CW's consistent application of the guidelines, performance for submitting the initial case analysis and budget requires improvement. Both items are critical to achieve reserving accuracy and accurate cost projections.

We find:

- Seventeen percent of the open pending claims and 40% of the audit sample are litigated, both excluding automobile;
- In addition to litigated claims, counsel is generally retained to monitor discrimination cases involving administrative hearings before the U.S. Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH);
- Representation of the member in EEOC and DFEH cases is outside the scope of the member's coverage;
- Without exception, CW refers new litigation to a panel firm within five days;
- CW uses the required engagement letter with one exception;
- Panel counsel demonstrates the necessary expertise to defend assigned cases and provides a thorough fact summary and analysis of liability. However, we note:
  - Counsel is non-compliant to CW's request for an initial case analysis within 30 days in two of nine qualifying<sup>1</sup> claims;
  - Counsel demonstrates non-compliance to CW's request for a litigation budget in three of ten qualifying claims, with several claims requiring multiple requests; and
  - Subsequent case reporting by counsel requires improvement to meet AORMA's guidelines with nine of thirteen qualifying claims in the sample reflecting late reporting.
- For those claims where counsel was delinquent in providing a timely initial evaluation or submitting a case budget, interim bills were paid despite the non-compliance; and
- Legal billings generally comply with AORMA's guidelines.

Best practices for recovery management require:

- Prompt identification of and contact with responsible parties;
- Prompt identification of contracts intended to hold a third party liable;
- Appropriate follow up with responsible parties to effect recovery;

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<sup>1</sup> "Qualifying" claims are those claims for which an initial analysis and/or case budget is due during the current audit period.

- Assessment of costs and methods to effect recovery should the responsible party decline payment; and
- Protection of the statute of limitations when the decision is made to use legal assistance to obtain payment.

No claims involving potential recovery are noted in the audit sample.

**We assess litigation management performance as acceptable. To improve performance to superior, we recommend AORMA request CW to:**

- **Continue to work with defense counsel to improve management of litigation by:**
  - **Sending counsel a retention letter and requesting they return a signed acknowledgment for each new assignment; and**
  - **Monitor for the return of the signed acknowledgment.**
- **With AORMA approval, implement the prior audit recommendations by:**
  - **Sending a suspension notice letter to counsel if compliance is not met within the required time frame, but no later than 45 days; and**
  - **Suspending payment to defense counsel until receipt of the signed acknowledgment, initial case analysis and budget.**

CW's Engagement Letter (Appendix D) notifies counsel of the requirement to immediately return a signed copy of the letter, and submit an initial analysis and budget within 30 days. The Engagement Letter provides sufficient notice to counsel and allows withholding of payment of bills received prior to the firm's compliance. The Suspension Letter (Appendix E) can be sent after expiration of the compliance period.

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

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## Claims Audit List

	Claim Number	Claimant	Member	DOL	Type	Status	Total Reserve \$	Recommended* Reserve \$
1.	1932137	ADA, D	CSU SACRAMENTO ASSOCIATED STUDENTS, INC.	10/24/2015	LBI	Open	27,017	27,017
2.	1947809	B.,, C	CSU LONG BEACH FORTY NINER SHOPS, INC.	8/25/2016	LBI	Closed	0	0
3.	1947012	BAK, I	CSU SAN DIEGO RESEARCH FOUNDATION	6/5/2015	LEP	Closed	0	0
4.	1925521	CAL,	CPSU POMONA FOUNDATION	11/9/2015	LPD	Closed	0	0
5.	1955188	CHR, K	CSU HUMBOLDT SPONSORED PROGRAMS FOUNDATION	9/20/2016	LPD	Open	1,837	1,837
6.	1915115	COL, D	CSU SAN DIEGO ASSOCIATED STUDENTS	9/30/2014	LEP	Closed	0	0
7.	1958579	DAM, S	CSU SACRAMENTO CAPITOL PUBLIC RADIO, INC.	1/31/2017	LEP	Open	29,058	29,058
8.	1958586	DEM, K	CSU MONTEREY BAY UNIVERSITY CORP.	3/13/2017	LBI	Open	477	477
9.	1626892	DOE, S	CPSU POMONA FOUNDATION	2/18/2012	LBI	Closed	0	0
10.	1951429	DON, L	CSU SAN MARCOS RESEARCH SERVICES CORP.	10/27/2016	LEP	Open	150,000	150,000
11.	1957393	ENT,	CSU SAN DIEGO RESEARCH FOUNDATION	2/21/2017	APD	Open	3,112	3,112
12.	1950262	ESP, J	CSU FULLERTON ASSOCIATED STUDENTS	10/13/2016	LBI	Open	5,000	6,500
13.	1959923	GAR, J	CSU FULLERTON AUXILIARY SERVICES CORPORATION	4/12/2017	LEO	Open	9,377	9,377
14.	1505817	GOL, T	CSU EAST BAY FOUNDATION	6/2/2009	LEP	Closed	0	0
15.	1946868	GRA, E	CPSU POMONA FOUNDATION	5/19/2016	LEP	Open	146,186	146,186
16.	1882328	JAY, J	CSU FULLERTON AUXILIARY SERVICES CORPORATION	8/13/2012	LEP	Closed	0	0
17.	1928350-B	JEF, K	CSU SAN DIEGO RESEARCH FOUNDATION	12/19/2015	APD	Open	3,504	3,504
18.	1928350-A	JOR, K	CSU SAN DIEGO RESEARCH FOUNDATION	12/19/2015	ABI	Open	15,000	15,000

	Claim Number	Claimant	Member	DOL	Type	Status	Total Reserve \$	Recommended* Reserve \$
19.	1936240	LIT, M	CSU DOMINGUEZ HILLS LOKER STUDENT UNION, INC.	5/9/2016	LBI	Closed	0	0
20.	1926306	MOS, B	CSU MONTEREY BAY UNIVERSITY CORP.	10/5/2015	LEP	Open	85,918	85,918
21.	1948852	NGU, W	CSU SAN JOSE STUDENT UNION, INC.	9/18/2016	LBI	Open	0	0
22.	1614600	PAR, L	CSU SAN JOSE RESEARCH FOUNDATION	4/16/2011	LEP	Closed	0	0
23.	1906737	PIN, B	CSU DOMINGUEZ HILLS FOUNDATION	4/9/2015	LBI	Open	70,235	70,235
24.	1911602	PRO,	CSU FRESNO ATHLETIC CORPORATION	2/23/2015	APD	Closed	0	0
25.	1910830	SAN,	CSU SAN DIEGO RESEARCH FOUNDATION	1/1/2012	LPI	Open	33,268	33,268
26.	1955081	SCH, N	CSU SACRAMENTO ASSOCIATED STUDENTS, INC.	1/17/2017	LBI	Open	32,791	32,791
27.	1940991	STA,	CSU FRESNO AGRICULTURAL FOUNDATION	4/13/2016	APD	Open	<b>5,267</b>	<b>2,367</b>
28.	1879344	TOR, A	CSU NORTHRIDGE UNIVERSITY STUDENT UNION	1/27/2014	LBI	Closed	0	0
29.	1953076	WOO, L	CPSU POMONA ASSOCIATED STUDENTS, INC.	12/8/2016	APD	Closed	0	0
30.	1947165	XU,, M	CSU DOMINGUEZ HILLS FOUNDATION	7/18/2016	LEP	Open	58,806	58,806
<b>Total</b>							<b>676,852</b>	<b>675,452</b>
<b>Difference +/-</b>								<b>(1,400)</b>

\* Reserve change recommendations are indicated in **boldface**.

**Appendix B**  
**Component, Subcomponent, and Criteria Scores  
with Exceptions**

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# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
		Yes	No	N/A	Actual	Possible	Pct
<b>01 Claims Intake</b>							
1	Claim Reporting	Yes	No	N/A	Actual	Possible	Pct
1.01	Does member report claim timely?	27	1	2	27	28	96%
1.02	Does the initial report have sufficient information for the adjuster to initiate contacts and investigation?	28	0	2	28	28	100%
1.03	Does the initial report reflect the member's familiarity with CSRMA claim reporting procedures?	29	0	1	29	29	100%
Subcomponent Total		84	1	5	84	85	99%
2	Claim Set Up	Yes	No	N/A	Actual	Possible	Pct
1.04	Is claim set up within 24 business hours of receipt?	29	1	0	29	30	97%
1.05	Are claim facts reviewed immediately to verify facts conform with coverage provided?	28	1	1	28	29	97%
1.06	Is claim data entry accurate?	30	0	0	30	30	100%
Subcomponent Total		87	2	1	87	89	98%
Category Total:		Yes	No	N/A	Actual	Possible	Pct
<b>01 Claims Intake</b> (85% target)		<b>171</b>	<b>3</b>	<b>6</b>	<b>171</b>	<b>174</b>	<b>98%</b>
<b>Exceptions:</b> 01 Claims Intake (Claims scoring below 100%)							
		1	1955188				83%
		2	1953076				83%
		3	1932137				83%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
<b>02 Investigation</b>							
1	Contacts	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
2.01	Contacts with required parties initiated within 24 hours of receipt of claim?	24	2	4	24	26	92%
2.02	Is contact with parties sufficient to obtain required information?	20	0	10	20	20	100%
Subcomponent Total		44	2	14	44	46	96%
2	Obtaining and Preserving Evidence	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
2.03	Investigation is substantially completed within 15 days of assignment, or the claim is documented with efforts to do so.	29	0	1	29	29	100%
2.04	If the investigation is not complete within 30 days, there is an action plan to complete outstanding items?	17	0	13	17	17	100%
2.05	Investigation includes statements, police reports, photographs appropriate to support liability and damage decisions?	19	1	10	19	20	95%
2.06	If bodily injury is involved, are authorizations obtained?	4	0	26	4	4	100%
Subcomponent Total		69	1	50	69	70	99%
3	Mitigation	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
2.07	If bodily injury is involved, the claim is reported to the index system?	10	0	20	10	10	100%
2.08	When fraud is suspected, additional investigation is pursued, together with reporting to authorities, if appropriate?	0	0	30	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?	18	2	10	18	20	90%
Subcomponent Total		28	2	60	28	30	93%
Category Total: <b>02 Investigation</b> (85% target)		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
		<b>141</b>	<b>5</b>	<b>124</b>	<b>141</b>	<b>146</b>	<b>97%</b>

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

1	1955188	75%
2	1950262	80%
3	1932137	75%
4	1928350-A	83%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

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?	28	1	1	28	29	97%
3.02	Does the file reflect appropriate activities initiated to resolve the claim?	28	1	1	28	29	97%
Subcomponent Total		56	2	2	56	58	97%
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?	12	13	5	12	25	48%
3.04	Diary frequency supported by case facts, but no longer than 60 days?	23	3	4	23	26	88%
3.05	Diary review is documented with date, adjuster name, and action taken?	28	0	2	28	28	100%
Subcomponent Total		63	16	11	63	79	80%
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?	27	3	0	27	30	90%
3.07	Separate folders to house claimant-specific information maintained?	5	0	25	5	5	100%
3.08	File material receipt recorded by date stamp or other means?	28	1	1	28	29	97%
3.09	File documents communication among adjuster, claimant and defense counsel.	24	0	6	24	24	100%
3.10	Adjuster documentation is clear and professional.	28	0	2	28	28	100%
Subcomponent Total		112	4	34	112	116	97%
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>231</b>	<b>22</b>	<b>47</b>	<b>231</b>	<b>253</b>	<b>91%</b>

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

1	1946868	88%
2	1626892	88%
3	1879344	78%
4	1906737	89%
5	1911602	89%
6	1925521	86%
7	1614600	90%
8	1932137	80%
9	1958586	86%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

Components, Subcomponents and Questions	Number of Responses	Weighted	Score
<b>03 Plan of Action/Documentation</b>			
	10 1947165		89%
	11 1947809		57%
	12 1950262		88%
	13 1951429		78%
	14 1955081		78%
	15 1955188		86%
	16 1928350-B		89%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

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 2 business days of receipt of claim?	29	0	1	29	29	100%
4.02	Reserve adjustments are made within 30 days of receipt of information supporting a material change in developments?	14	2	14	14	16	88%
4.03	File contains documentation of reserve review at regular intervals, no greater than 120 days?	17	0	13	17	17	100%
4.04	Initial reserve and subsequent changes are supported by case facts?	26	0	4	26	26	100%
4.05	Reserves are evaluated by component, i.e., indemnity and expense?	29	0	1	29	29	100%
4.06	Reserve rationale is documented by worksheet, claim notes, report or other acceptable means.	19	3	8	19	22	86%
Subcomponent Total		134	5	41	134	139	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?	27	1	2	27	28	96%
4.08	Expense reserve is accurate?	26	1	3	26	27	96%
4.09	Reserve is closed within 30 days of final payment?	11	2	17	11	13	85%
Subcomponent Total		64	4	22	64	68	94%
Category Total: <b>04 Reserve Management</b> (85% target)		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
		<b>198</b>	<b>9</b>	<b>63</b>	<b>198</b>	<b>207</b>	<b>96%</b>

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

1	1958586	88%
2	1950262	71%
3	1940991	86%
4	1932137	88%
5	1911602	67%
6	1906737	88%
7	1505817	88%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

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.	23	0	7	23	23	100%
5.02	Claim is flagged for required Medicare reporting?	1	1	28	1	2	50%
5.03	Does the adjuster require the claimant to comply with government code requirements?	0	0	30	0	0	N/A
5.04	Is there analysis of potential immunity defense (s)?	0	0	30	0	0	N/A
Subcomponent Total		24	1	95	24	25	96%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
<b>05 Statutory Compliance</b> (85% target)		<b>24</b>	<b>1</b>	<b>95</b>	<b>24</b>	<b>25</b>	<b>99%</b>

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

1	1626892	50%
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<b>06 Communication</b>							
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?	26	0	4	26	26	100%
6.02	Response to correspondence requiring a response within 5 business days?	21	0	9	21	21	100%
6.03	Claim reflects updates between Risk Management and General Counsel?	11	0	19	11	11	100%
Subcomponent Total		58	0	32	58	58	100%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
<b>06 Communication</b> (85% target)		<b>58</b>	<b>0</b>	<b>32</b>	<b>58</b>	<b>58</b>	<b>100%</b>

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

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
		Yes	No	N/A	Actual	Possible	Pct
<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.	27	0	3	27	27	100%
7.02	Claim data is updated with new information.	25	0	5	25	25	100%
7.03	Claim system includes sufficient fields to provide meaningful loss information reports.	27	0	3	27	27	100%
7.04	Claim data is accurately reflected in loss run data.	27	0	3	27	27	100%
Subcomponent Total		106	0	14	106	106	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)?	26	0	4	26	26	100%
Subcomponent Total		26	0	4	26	26	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>132</b>	<b>0</b>	<b>18</b>	<b>132</b>	<b>132</b>	<b>100%</b>

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

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

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?	5	0	25	5	5	100%
8.02	If injury/disability was considered questionable, was an activity check performed or an independent medical examination considered?	1	0	29	1	1	100%
8.03	Does the adjuster establish a value range and a negotiating plan prior to initiating negotiations?	7	0	23	7	7	100%
8.04	Is the evaluation properly documented?	13	1	16	13	14	93%
8.05	If wage loss was involved, did the adjuster verify with the employer?	2	0	28	2	2	100%
8.06	If property damage, was it verified by appraisal/photographs or adjuster verification of contractor's scope and pricing?	3	2	25	3	5	60%
8.07	Were any applicable damage offsets assessed and applied?	3	0	27	3	3	100%
8.08	Are negotiations documented, stating each settlement offer and demand?	10	0	20	10	10	100%
8.09	Is a release executed prior to issuing a settlement check?	12	0	18	12	12	100%
8.10	Does file contain adequate documentation that Medicare interests have been protected pursuant to MMSEA?	1	1	28	1	2	50%
Subcomponent Total		57	4	239	57	61	93%
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	27	3	3	100%
8.12	Does the authority request clearly outline issues relevant to the claim to allow an informed decision?	6	0	24	6	6	100%
8.13	Is settlement authority documented in the claim file?	6	0	24	6	6	100%
Subcomponent Total		15	0	75	15	15	100%
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.	19	3	8	19	22	86%
8.15	Are payment requests supported by documentation?	17	0	13	17	17	100%
8.16	Payment is issued accurately.	21	0	9	21	21	100%
Subcomponent Total		57	3	30	57	60	95%
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>129</b>	<b>7</b>	<b>344</b>	<b>129</b>	<b>136</b>	<b>95%</b>

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

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	1957393		33%
2	1947165		86%
3	1946868		89%
4	1925521		83%
5	1906737		75%
6	1626892		91%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

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?	13	0	17	13	13	100%
9.02	Does assignment include an engagement letter providing counsel with litigation guidelines?	11	1	18	11	12	92%
9.03	Does counsel work with adjuster to develop a litigation strategy?	8	2	20	8	10	80%
9.04	Does counsel provide a preliminary evaluation within 30 days of assignment?	7	2	21	7	9	78%
9.05	Does counsel provide a litigation budget within 30 - 45 days of assignment?	3	4	23	3	7	43%
9.06	Is counsel's analysis thorough, providing a fact summary and analysis of liability and governing statutes?	12	0	18	12	12	100%
9.07	Is counsel's subsequent reporting timely, within client guidelines?	9	4	17	9	13	69%
9.08	Is alternative dispute resolution considered, if appropriate?	9	0	21	9	9	100%
9.09	Do legal billings comply with litigation management guidelines?	11	1	18	11	12	92%
Subcomponent Total		83	14	173	83	97	86%
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?	0	0	30	0	0	N/A
9.11	Is there an investigation to determine the existence of contracts that would shift liability to another party?	0	0	30	0	0	N/A
9.12	If another responsible party is identified, is there appropriate follow-up contact until a response is obtained?	0	0	30	0	0	N/A
9.13	Was the responsible party notified in writing?	0	0	30	0	0	N/A
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	30	0	0	N/A
Subcomponent Total		0	0	150	0	0	N/A
Category Total:		Yes	No	N/A	Actual	Possible	Pct
<b>09 Litigation/Recovery Management</b> (85% target)		<b>83</b>	<b>14</b>	<b>323</b>	<b>83</b>	<b>97</b>	<b>86%</b>

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

1 1951429 78%

# Claims Audit

## Component, Subcomponent and Criteria Scores with Exceptions

### AORMA

Components, Subcomponents and Questions	Number of Responses			Weighted		Score
<b>09 Litigation/Recovery Management</b>						
	2	1947165				78%
	3	1910830				71%
	4	1906737				75%
	5	1882328				71%
	6	1879344				86%
	7	1626892				71%
	8	1614600				89%
<b>Overall</b> (85% target)	<b>1,167</b>	<b>61</b>	<b>1,052</b>	<b>1,167</b>	<b>1,228</b>	<b>95%</b>

## Appendix C

### CSURMA Claims Adjusting Process – Carl Warren and Company

DRAFT



## Carl Warren Claims Handling Guidelines

### COVERAGE

#### 1. CONFIRMING COVERAGE

Sources: The confirmation of coverage is the first step of handling any claim.

There are several methods that can be used for confirming that coverage exists:

- Compass
- Broker
- Client System

2. **Additional Confirmation Elements:** In addition to identifying the policy information and determining the presence of endorsements, confirmation of coverage also includes determining the following:

- Loss occurring during policy period
- Loss occurring in coverage territory
- Person(s) involved in the loss are an “insured” as defined
- Absence of any applicable exclusions, conditions or limitations exist
- Premium has been paid for coverage period
- Clients SIR/MOC

#### COVERAGE QUESTIONS:

1. **Determination:** Where applicable, tender the defense and indemnity to the appropriate party, in writing, and follow up in writing every 30 days.

#### 2. Reservation of Rights:

- Written Communication/File Documentation: In all instances where a Reservation of Rights (ROR) is to be issued, that communication is to be done in writing, addressed to the insured, and the file appropriately documented as to information that supports the coverage issue
- Sufficiency: The letter (ROR) shall include, at a minimum, the following information:
  - a. A prompt and thorough discussion/explanation to the insured
  - b. Clearly stated so as to provide the insured with sufficient information to determine what they should do to protect their interests
  - c. Quoted policy/MOC language and provisions upon which the Company is relying for its Reservation;
  - d. An indication that the investigation is ongoing and if additional information becomes known, the Company is willing to reconsider its position.

#### 3. COVERAGE DENIALS:



- Sufficiency: In order that a proper coverage denial is made, the following must occur:
  - a. Documentation in the file as to the nature and reason for the denial as well as memorializing the conversation with your Supervisor prior to issuance;
  - b. A written denial letter communicated to the insured, even if a prior oral declination has taken place; such written communication shall contain a specific reference to the policy provision, condition or exclusion involved;

## RESERVING

1. **General:** Coverage/file coding should be opened the day the loss is received and accompanying reserves should be established as soon as is possible after the claims handler receives the claims but not more than five (5) working days. Reserves should reflect the best estimate of the claim's ultimate value, based on jurisdiction factors, liability, nature and extent of injury permanency, anticipated medical treatment and cost, claimant's age and occupation, anticipated length of disability, lost earnings and amount of property damage. The reserving rationale is to be documented when the initial reserve is set, whenever it is modified and when reviewed at the 30 and 90 day marks. Reserves are to be reviewed and modified or confirmed as appropriate within 30 days of receipt of the claim and every 90 days thereafter.

2. **Loss Reserves**

- a. Case Reserves will be set by the claims handler, based upon the expected value of the claim and based upon information known at the time of setting the reserve;

3. **Expense Reserves:**

Expense reserve should be set upon completion of initial action plan but no later than three (3) days of receipt of claim. For all litigated claims, expense reserves are to be set based on anticipated defense costs (litigation budget).

## FILE MANAGEMENT

1. **Initial Claim Assessment (template):** The initial claim assessment and development of an action plan is to be completed and documented within 5 business days of receipt of the new claim.
2. **Communication:** Phone calls should be returned within 24 hours. All written communication should be responded to within 3 business days. All CCP 998 Offers to Compromise should be reported to their supervisor and client within 3 days of receipt.
3. **Contact:** 24 hour Emergency contact should be made within 1 hour of call.



- Initial contact should be made with insured and claimant within one (1) business day.** If contact is made a second contact via telephone will be made, if unsuccessful a contact letter will be sent to the party. Receipt/acknowledgement of claim letter should be sent to the insured within one (1) business day of receipt of claim.
4. **Settlement Authority:** Settlement authority should be obtained from client and documentation of settlement authority should be reflected in file notes. If client has given settlement authority to the claim handler a settlement draft may be requested. If settlement authority is beyond the claim handler limit, a request should then be made to their supervisor.
  5. **Updated Action Plan:** An updated action plan is to be documented in the file notes within 30 days of receipt of the claim and every 90 days thereafter. Each time a file is worked an "action plan" is to be noted in the file as to what the file is being "diaries" for.
  6. **Status Report:** is to be provided to the client within 30 day of receipt of the claim. Supplemental status reports to be sent to the client every 90 days thereafter as needed. The status report is to include the facts of loss, coverage/reserves, liability, damages, current status and action plan.
  7. **System Diary Dates:** The diary system automatically generate the first two diary dates. The first is at 30 days for the completion of the investigation and a recurring status diary is set 90 days thereafter. All open files must have an open and appropriate diary date. Completed diaries are to be marked off in C2 or other claims system.
  8. **File Closure:** The file is to be closed within 30 days of the settlement check being mailed or receipt of defense counsel's final billing.
  9. **Excess notification:** Excess carriers are to be placed on notice within the lesser of 15 days carrier guidelines upon receipt of claim with a catastrophic injury (or other excess reporting criteria) or within the lesser of 15 days of identifying excess reporting criteria.
  10. **Tender of Claim:** A tender letter is to be sent to the appropriate party within 15 days of identifying a potential tender and follow-up is to be made every 30 days thereafter until accepted or denied. If the client is an Additional Named Insured on a Certificate of Insurance the tender should be sent directly to the carrier, AND the broker, AND to the named insured. If the scope of indemnity may exceed the scope of AI Coverage the file is to be documented accordingly.



## ELEMENTS OF CLAIM INVESTIGATION

### A. Liability Investigation

1. **Statements:** Statements are to be obtained on all injury claims. If a statement is not secured, the reasons why is to be documented in the file. Statements are to be uploaded to the cloud. Statements of insured, claimant, all witnesses and any other party that would be relevant to your liability decision should be obtained.
2. **Scene investigation:** A scene investigation is to be completed as close to the receipt of the claim but no longer than 30 days from receipt of claim. Photos are to be uploaded to the cloud/k-drive or other electronic claims storage location the results of the investigation documented in the file notes.
3. **Additional investigation:** When requesting information from the insured/member, follow-up in 15 day increments if no response is received. Follow up should be in writing and noted in the file notes.
4. **Expert retention:** All retained experts (other than auto PD appraisers) should be approved by the supervisor.
5. **Fraud Potential:** If fraud is identified it is to be reported to our SIU vendor after consulting with a supervisor.
6. **Index** – All injury claims are to be indexed through ISO within 30 days. Index information should be uploaded to the cloud/Kdrive.
7. **Medicare-** MMSEA fields in C2 are to be completed and updated upon notification of Medicare eligibility. No payment should be made without a final demand letter from Medicare indicating the correct amount. The amount due must be paid directly to Medicare in order to satisfy our obligation. Paying to the plaintiff attorney for them to issue payment is not allowed. Settlement amounts are to be reported for Medicare recipients upon issuance of the settlement check. The claimant is to be re-indexed at the onset of litigation. Medicare communication including Section 111 response should be attached in the K drive.
8. **Liability Analysis:** A liability analysis is to be documented as to how the liability determination was made. Document immunities and defenses available to the client. The liability determination is to be reached within 30 days or documented as to what additional information is needed and what will be done to secure the information and when.
9. **Comparative liability:** All potential co-defendants are to be identified with an analysis of their exposure; including the claimant's comparative negligence.
10. **Reporting:** All client individual reports should be processed based on Client Special Handling Guidelines. Claim Handler will work this Client Services team to ensure that all client reports are complete; this includes timely completion of Trust Fund Replenishment Reports, Loss Run Reports and Stewardship Reports.
11. **Subrogation:** Identify and document any subrogation potential and notify client of potential. If Carl Warren is also handling the client subrogation, a referral should be made to the subrogation department.



## B.DAMAGES

The amount of damages alleged is to be documented in the file as well as the method by which the claimant provided proof of those damages. With the exception of first call settlements all injury claimants (or his/her attorney) should be sent medical authorizations. If the claimant is a Medicare recipient the Medicare release forms should be sent to the claimant (or his/her attorney).

- 1. Settlement Evaluations:** The value of the claim documentation is to include the legally allowable damages. Document the scope and proximate cause of the property damage. Document fair market value established by estimates, appraisals, etc. With injury claims, a review of the medical documentation to determine the extent of disability, cause of injury and whether lost work time was medically substantiated (except first call settlements), diagnosis, prognosis and consideration for general damages.
- 2. Property Damage:** All property damage should have a physical inspection and estimate submitted and reviewed prior to issuing any payment. Photos should accompany estimate as proof of claim/damage
- 3. Settlement Negotiations:** Upon receipt of a demand, the claim is to be evaluated, settlement authority requested as necessary and responded to in no more than 30 days.

## LITIGATION MANAGEMENT

Litigation management, unless specified by the client, should be lead by the Claim Examiner. The investigation should not be done by assigning defense counsel. The investigation should not be done via the legal discovery process. The Claim Examiner should continue to obtain all the elements of the investigation as outlined in these guidelines.

1. When Suit is Received Naming Insured as Defendant:

**Assignment:** Once a suit is received, the handler must:

- Complete the necessary client forms and refer matter to defense counsel within 2 days of receipt of complaint.
- Suit acknowledgement letter should be sent to insured
- Excess letters should be issued promptly upon recognition of excess exposures or potential excess exposures

**Verify Service:** The status of service must be confirmed by obtaining the following:

- Exact date and time the summons/complaint was served;
- The method of service (personal/certified mail, publication etc);
- Who accepted service, if appropriate
- Where (what address) the summons/complaint was served

**Confirm Coverage:**



- Coverage must be confirmed or determined;
- The duty to defend may be “triggered” even where there is a question of coverage; ROR letter
- Dependent upon coverage determination, the file may be “split”

#### **Litigation Budget:**

- Obtain a litigation budget from defense counsel/client within 30 days and modify the expense reserves accordingly and document in file notes
- If client does not set defense budget, create litigation plan and submit to defense counsel with initial budget
- Ensure compliance with all carrier or pool litigation policy and procedures. Review and authorize defense attorney request for discovery work and other activity in compliance with the litigation guidelines
- Review defense counsel’s billings for any charges that do not meet the litigation guidelines.
- Develop strategies in conjunction with the defense counsel and document in the action plan in the file and status reports
- Provide the client with status report every 90 days or quarterly as required

#### **Reporting:**

- Pre Trial report with strategy should be prepared 90 days prior to trial and 45 days before an ADR setting.

**Appendix D**  
**Defense Counsel Assignment Letter**

DRAFT



**CARL WARREN & COMPANY**  
Claims Management and Solutions

Date

Defense Attorney Name  
Defense Attorney Address

**Re: Principal: Auxiliary Organizations Risk Management Alliance (AORMA)**  
**Member:**  
**Additional Insured:**  
**Claimant:**  
**Date of Loss:**  
**Our File:**

Dear Mr. Attorney:

This assignment is being made to your office on behalf of our principal, CSURMA AORMA and its member, CSU Auxiliary Organization.

I have previously sent copies of my electronic file in anticipation of litigation in this matter.

Please immediately acknowledge your receipt of this assignment. Within 30 days please advise by letter:

- a) Facts.
- b) Your evaluation of liability based on present information.
- c) Your evaluation of damages at the present time.
- d) Applicable defenses.
- e) Further investigation required.
- f) Expert recommendation and timing of their use
- g) Proposed strategy and plan of action.

In your initial letter kindly set forth a budget of attorneys' fees and costs projected for handling the entire case through the completion of discovery, including the anticipated costs of mediation or any motions. Prior to a trial date we will request a budget for the cost of trial. In addition, no later than 30 days prior to mediation, arbitration or trial please provide a report, which shall include:

1. an assessment of the Member's liability;
2. an assessment of plaintiff's damages;

AN EMPLOYEE-OWNED COMPANY

P. O. Box 7059 | Ventura, CA 93006-7059

www.carlwarren.com | Tel: 805-650-7020 | 800-345-7338 | Fax: 866-254-4423

CA License No. 2607296

3. an assessment of legal defenses (and probability or prevailing);
4. an assessment of the chances of prevailing at trial;
5. the verdict value assuming full liability
6. as assessment of any other factors affecting the items above, including demeanor or credibility of important witnesses, evidentiary disputes, tendencies or local juries, the judge or opposing counsel, liability and solvency/coverage of co-defendants, or similar important issues;
7. an appraisal of settlement value, considering verdict value and chances of prevailing
8. the status of settlement discussions

Your reports should be to this office, with copies to all the listed parties copied below.

You are retained on behalf of the CSU Auxiliary Organization and they will be responsible for all bills. However, the bills should be sent to me for review and payment. CSURMA AORMA will be responsible for \$225.00 per hour for attorney billings. The balance will be forwarded to the CSU Auxiliary Organization to oversee payment.

**Payment of the legal bills is contingent on the return of this signed letter, receipt of the initial evaluation and budget and submission of a revised budget when the approved budget is exceeded or expected to be exceeded, within the timelines outlined above.**

Please refer all requests for settlement authorization to me and immediately alert me at any time settlement potential exists. Please forward a report if there have been substantive case developments, or every 90 days.

In order to control expenses, we require that you obtain authorization for significant discovery, retention of experts, filing of motions or scheduling of mediation. **In addition, all legal research requires prior approval.**

Please note that we reserve the right to order an independent legal billing audit if in our judgment, your billings do not comply with CSURMA AORMA's Liability Litigation Management guidelines or are excessive and/or unwarranted.

We thank you in advance for your assistance.

Sincerely,

CARL WARREN & COMPANY

Mauri McGuire  
Claims Analyst

I acknowledge that I have read this engagement letter and have received a copy of CSURMA AORMA's Policy & Procedure No. L-2 - Liability Claims Administration and Litigation Management guidelines.

---

Defense Attorney Named

---

Date

Cc: CSU Auxiliary Organization

Alliant Insurance Services, Inc.  
Attention: Mimi Long  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111

Zachary Gifford, Risk Management and Public Safety  
The California State University  
401 Golden Shore, 5<sup>th</sup> Floor  
Long Beach, CA 90802

William Hsu, CSURMA General Counsel  
Office of General Counsel  
401 Golden Shore, 2<sup>nd</sup> Floor  
Long Beach, CA 90802

**Appendix E**  
**Defense Counsel Suspension Letter**

DRAFT



**CARL WARREN & COMPANY**  
Claims Management and Solutions

Date

Defense Attorney Name  
Defense Attorney Address

**Re: Principal: Auxiliary Organizations Risk Management Alliance (AORMA)**  
**Member:**  
**Additional Insured:**  
**Claimant:**  
**Date of Loss:**  
**Our File:**

Dear Mr. Attorney:

As you may recall, you received the above mentioned assignment and retention letter dated (date). Within the retention letter there were various requirements for reporting with timeframes for completion. To date we have not received your signed copy confirming receipt of the CSURMA AORMA's Policy & Procedure No. L-2 - Liability Claims Administration and Litigation Management guidelines, litigation budget or initial evaluation.

As stated in the retention letter, payment of the legal bills is contingent on the return of the signed letter, receipt of the initial evaluation and litigation budget as well as the submission of a revised budget when the approved budget is exceeded.

As a result, we are providing formal notice that you have not complied with the requirements and that payment of further billings will be suspended until the needed documents are received.

I apologize for any inconvenience this may cause and look forward to receiving the requested/needed documents as soon as possible. Thank you for your cooperation.

Sincerely,

CARL WARREN & COMPANY

AN EMPLOYEE-OWNED COMPANY

1000 S. Hill Road, Suite 215 | Ventura, CA 93003

P. O. Box 7059 | Ventura, CA 93006-7059

www.carlwarren.com | Tel: 805-650-7020 | 800-345-7338 | Fax: 866-254-4423

CA License No. 2607296

Cc:

CSU Auxiliary Organization

Alliant Insurance Services, Inc.  
Attention: Mimi Long  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111

Zachary Gifford, Risk Management and Public Safety  
The California State University  
401 Golden Shore, 5<sup>th</sup> Floor  
Long Beach, CA 90802

William Hsu, CSURMA General Counsel  
Office of General Counsel  
401 Golden Shore, 2<sup>nd</sup> Floor  
Long Beach, CA 90802

## **MAXIMUM ALLOWABLE HOURLY RATE FOR LEGAL COUNSEL**

**ISSUE:** Policy and Procedure L-3 – Legal Counsel Selection, stipulates that Carl Warren and Company (AORMA’s liability third party claims administrator) will survey legal counsel compensation, at least every 36 months, and recommend to the AORMA Committee a fair and equitable maximum allowable hourly rate. Carl Warren and Company believes that they have an acceptable list of employment attorneys at who are willing to work at a rate of \$225 per hour. Currently, most non-employment attorneys are billing \$185 per hour.

CSU Systemwide Risk Management reiterates that if Legal Counsel is handling the defense of any University case, then Legal Counsel must be retained at the University’s hourly rate. The AORMA Committee has accepted this caveat and has included it in Policy and Procedure L-3.

Recently, Members have been involved in litigation that required attorneys with legal specialties. These attorneys often will not work at a rate of \$225 per hour. Staff has been directed to explore the option of allowing a higher maximum hourly rate for attorneys hired for specialty litigation. What is considered “specialty litigation” would be at the discretion of the CSURMA Secretary-Auditor and CSURMA Legal Counsel. If the Committee approves a higher maximum hourly rate, it would apply only to current open litigation and future litigation.

**RECOMMENDATION:** Staff recommends discussing a higher maximum hourly rate for specialty legal counsel and approving revisions to Policy and Procedure L-3 with additional modifications as appropriate.

**FISCAL IMPACT:** To be determined. Increasing the maximum hourly rate for legal counsel will increase AORMA’s overall claim costs.

**BACKGROUND:** Policy and Procedure L-3 – Legal Counsel Selection, has been revised to add that;

1. The approved legal counsel list will also include a list of specialty legal counsel,
2. Specialty legal counsel are subject to a higher maximum allowable hourly rate,
3. The CSURMA Secretary-Auditor and CSURMA Legal Counsel will determine when specialty legal counsel is required,
4. The change to the maximum hourly rate only applies to open claims.

**PUBLICATION:** If this change is approved, those members with open litigation which would be effected by this change will be notified immediately. The change will also be included in the annual or quarterly update letter that is distributed to the AORMA and AOA members. The revised policy and procedure will be uploaded to the CSURMA website.

**ATTACHMENT(S):**

- a. Approved legal counsel list, including hourly rate
- b. AORMA P&P L-3 Legal Counsel Selection

**AORMA APPROVED DEFENSE COUNSEL**

**SAN FRANCISCO/BAY AREA**

Taylor & Associates  
Patrick Taylor - **\$185**  
2101 Shoreline Drive, Suite 213  
Alameda, CA 94501  
Phone: (925) 323-5070  
Email: PeTaylor.Law@gmail.com

Edrington, Schirmer & Murphy  
Pete Edrington  
2300 Contra Costa Boulevard, Suite 450  
Pleasant Hill, CA 94523-3936  
(925) 827-3300  
(925) 827-3320 FAX

Gavin Cunningham & Hunter  
Alan Hunter - **\$175**  
1530 7<sup>th</sup> Alameda, Suite 210  
San Jose, CA 95126  
(408) 294-8500 fax (408) 294-8596  
hunter@gclitigation.com

Lightfoot Law Offices  
Stephen K. Lightfoot II - **\$185**  
500 Sansome Street, Suite 410  
San Francisco, CA 94111  
(415) 593-5808 (415) 593-6984  
[norcaltriallawyer@sbcglobal.net](mailto:norcaltriallawyer@sbcglobal.net)

**SACRAMENTO/CHICO**

Rodgers Law Firm  
Rick Rodgers - **\$185**  
1501 28<sup>th</sup> St. Suite 150  
Sacramento, CA 95816  
(916) 733-2500  
[rick@rodgerslawfirm.com](mailto:rick@rodgerslawfirm.com)

## NORTHERN CALIFORNIA

Mitchell, Brisso, Delaney & Vrieze  
Paul Brisso - **\$185**  
Seventh Street, P.O. Drawer 1008  
Eureka, California 95502  
(707) 443-5643

## CENTRAL CALIFORNIA

Adamski Moroski Madden & Green LLP  
David Cumberland - **\$185**  
6633 Bay Laurel Place  
Avila Beach, CA 93424  
(805) 543-0990

Peel, Garcia & Stamper, LLP  
James Peel - **\$185**  
3585 W. Beechwood, Suite 101  
Fresno, CA 93711  
(559) 431-1300 fax (559) 431-1442  
jpeel@pglp.com

Hall, Heatt & Connely  
Clayton Hall - **\$185**  
1319 Marsh Street, 2<sup>nd</sup> Floor  
San Luis Obispo, CA 93401  
(805) 544 3830  
hall@hhc-slo.com

## ORANGE/LOS ANGELES COUNTY

Doumanian & Associates  
Nancy Doumanian - **\$225**  
500 North Brand Blvd, Suite 1660  
Glendale, CA 91203  
(818) 500-7010  
nancy@doumanianlaw.com

Prindle, Amaro, Goetz, Hillyard, Barnes & Reinholtz  
Michael Amaro - **\$185**  
310 Golden Shore, Fourth Floor  
Long Beach, CA 90802  
(562) 436-3946  
mamaro@prindlelaw.com

Woodruff, Spradlin & Smart  
Dan Spradlin - **\$185**  
7091 South Parker Street, Suite 8000  
Orange, CA 92868  
(714) 558-3400  
DSpradlin@wss-law.com

## **SAN DIEGO COUNTY**

Daley & Heft  
Rick Schneider - **\$185**  
462 Stevens Ave., Suite 201  
Solana Beach, CA 92075  
(858) 755-5666 Fax (858) 755-7870  
rschneider@daley-heft.com

McCormick & Mitchell  
John McCormick - **\$185**  
Konrad Rasmussen - **185**  
625 Broadway, Suite 1400  
San Diego, CA 92101  
(619) 235-8444

Butz Dunn DeSantis  
Douglas Butz - **\$185**  
101 West Broadway, Suite 1700  
San Diego, CA 92101  
(619) 233-4777

Andrews, Lagasse, Branch & Bell LLP  
Traci Lagasse-death claims, large injuries - **\$225**  
11232 El Camino Real, Suite 250  
San Diego, CA 92130  
(ph) 858.345.5075  
(f) 858.345.5076  
[mbell@albblaw.com](mailto:mbell@albblaw.com)

## **COVERAGE/COMMERCIAL LITIGATION**

Barbanel & Treuer PC  
Stephen Treuer  
1925 Century Park East, Suite 350  
Los Angeles, CA 90067

Boornazian, Jensen & Garthe  
Alan Swerdlow  
1800 Harrison, 25<sup>th</sup> Floor  
Oakland, CA 94612-3434  
(P.O. Box 12925, Oakland, CA 94604-2925)  
(510) 834-4350  
ASwerdlow@bjg.com

Pistone & Wolder LLP  
Mike Wolder - **\$225**  
2020 Main St., Suite 900  
Irvine, CA 92614  
(949) 864-9664  
[mwolder@postonewolder.com](mailto:mwolder@postonewolder.com)

### **EMPLOYMENT**

Law Offices of Dennis Walsh  
Dennis Walsh - **\$225**  
16633 Ventura Blvd., Suite 1210  
Encino, CA 91436  
(818) 986-1776  
[dwalsh@walshlawyers.com](mailto:dwalsh@walshlawyers.com)

Doumanian & Associates  
Nancy Doumanian - **\$225**  
500 North Brand Blvd, Suite 1660  
Glendale, CA 91203  
(818) 500-7010  
nancy@doumanianlaw.com

HS Law Group APC  
Charles Roe - **\$225**  
210 North Fourth Street, Suite 201  
San Jose, CA 95112  
(408) 790-5320

Gavin Cunningham & Hunter  
Alan Hunter - **\$175**  
1530 The Alameda, Suite 210  
San Jose, CA 95126  
(408) 294-8500 fax (408) 294-8596  
hunter@gclitigation.com

Angelo, Kilday & Kilduff  
Carolee G. Kilduff - **\$185**  
601 University Avenue, Suite 150  
Sacramento, CA 95825  
(916) 564-6100 fax (916) 564-6263  
[ckilduff@akk-law.com](mailto:ckilduff@akk-law.com)

Cook Brown LLP  
Terry A. Wills - **\$225**  
555 Capitol Mall, Suite 425  
Sacramento, CA 95814  
(916) 442-3100 fax (916) 442-4227  
twills@cookbrown.com

Porter Scott  
Nancy Sheehan, Attorney at Law - **\$225**  
350 University Ave., Suite 200  
Sacramento, CA 95825  
916 9291481  
[nsheehan@porterscott.com](mailto:nsheehan@porterscott.com)

Kronick Moskowitz Tiedemann & Girard  
David W. Tyra - **\$225 blended**  
400 Capitol Mall, 27th Floor  
Sacramento, CA 95814  
Tel: 916.321.4500  
Fax: 916.321.4555  
dtyra@kmtg.com

Burnham Brown  
Cathy Arias - **\$225 blended**  
1901 Harrison Street, 11th Floor  
Post Office Box 119  
Oakland, CA 94612  
(510) 835-6806 fax (510) 835-6666  
[carias@burnhambrown.com](mailto:carias@burnhambrown.com)

Lombardi, Loper & Conant  
GayLynn Kirn Conant - **\$205 blended**  
1999 Harrison Street, Suite 2600  
Oakland, CA 94612  
(510) 433-2600 fax (510) 433-2699  
gkc@llcllp.com

Zampi, Determan & Erickson LLP  
Rex Randall Erickson - **\$185**  
225 Broadway, Suite 1450  
San Diego, California 92101  
619-231-9920 Fax 619-231-8529 Cell 619-248-6709  
[rerickson@zde-law.com](mailto:rerickson@zde-law.com)

Paul, Plevin, Sullivan & Connaughton, LLP  
Rich Paul, Angela Mullins - **\$225 blended**  
401 B Street, Tenth Floor  
San Diego, California 92101  
Phone: 619.237.5200 Fax: 619.615.0700

Andrews, Lagasse, Branch & Bell LLP  
Margi Bell - **\$225**  
11232 El Camino Real, Suite 250  
San Diego, CA 92130  
(ph) 858.345.5075  
(f) 858.345.5076  
[mbell@albblaw.com](mailto:mbell@albblaw.com)

#### **EMPLOYMENT ATTORNEYS CHARGING MORE THAN \$225/HOUR**

Little Mendelson  
Dick Leasia  
Suzanne Nestor  
50 West San Fernando Street, 15th Floor  
San Jose, CA 95113  
(408) 998-4150 fax: (408) 288-5686

Sheppard, Mullin, Richter & Hampton LLP  
Jim Curry available statewide - **\$365 combined rate**  
1901 Avenue of the Stars, Suite 1600  
Los Angeles, CA 90067  
Tel: 310.228.2289  
Fax: 310.228.3938  
[jcurry@sheppardmullin.com](mailto:jcurry@sheppardmullin.com)

Kronick Moskowitz Tiedemann & Girard  
Bruce Scheidt, Corrie Erickson  
400 Capitol Mall, 27<sup>th</sup> Floor  
Sacramento, CA 95814  
Tel: 916.321.4500  
Fax: 916.321.4555  
[bscheidt@kmtg.com](mailto:bscheidt@kmtg.com)

Littler Mendelson  
Jaffe Dickerson - **\$405**  
Shannon Boyce - **\$300**  
Robert Blumberg – **\$225 blended rate**  
Maggy Athanasious - **\$225 blended rate**  
2049 Century Park East, 6<sup>th</sup> Floor  
Los Angeles, CA 90067  
(310) 772-7255  
[jdickersonb@littler.com](mailto:jdickersonb@littler.com)

Nixon Peabody LLP  
Richard Bromley - **\$320**  
Gas Company Tower  
555 West 5<sup>th</sup> St., 46<sup>th</sup> Floor  
Los Angeles, CA 90013  
(213) 629-6135  
[rbromley@nixonpeabody.com](mailto:rbromley@nixonpeabody.com)

**SUBJECT: LEGAL COUNSEL SELECTION**

**ADOPTED: DECEMBER 7, 2006**

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

**EFFECTIVE: JANUARY 1, 2007**

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

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

**POLICY**

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

**PROCEDURE**

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

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

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

~~10.~~11. A MEMBER may recommend LEGAL COUNSEL to defend an action if all of the following conditions apply:

- a. Recommended LEGAL COUNSEL is selected from the AORMA APPROVED LEGAL COUNSEL LIST;
- b. The CSURMA Secretary-Auditor approves the recommendation. (The recommendation will be approved by the CSURMA Secretary-Auditor unless the MEMBER's selection is found to be imprudent, i.e., LEGAL COUNSEL proposed by the MEMBER does not have sufficient experience, expertise or other qualifications required to competently undertake the defense assignment).
- c. One or more of the following circumstances exists:
  - i. The MEMBER has significant exposure to a claim which the AORMA COMMITTEE has either denied coverage for, or has reserved its rights to deny coverage for, but which claims there may not be a conflict of interest between AORMA and MEMBER of the kind referred to in Paragraph No. 10 above. If the MEMBER chooses to avail itself of the privilege of selecting LEGAL COUNSEL under this No. 10 c(i), the MEMBER shall affirmatively waive its rights under No. 9 above.
  - ii. The case involves legal or factual issues which merit handling by LEGAL COUNSEL with specialized expertise.
  - iii. The case involves unusual ancillary factors, which justify retaining LEGAL COUNSEL having special sensitivity in dealing with those factors.

~~11.~~12. The MEMBER always may select and engage, *at its own expense*, MONITORING COUNSEL in addition to the LEGAL COUNSEL. However, the LEGAL COUNSEL selected by the CSURMA Secretary-Auditor or the TPA shall manage and control the litigation.

~~12.~~13. AORMA will pay for INDEPENDENT COUNSEL and LEGAL COUNSEL selected and engaged pursuant to Paragraph Nos. 9 and 10 above. AORMA *will not pay for* MONITORING COUNSEL engaged pursuant to Paragraph 11, above.

~~13.~~14. In conjunction with LEGAL COUNSEL, selected pursuant to No. 9, above, the AORMA COMMITTEE and the TPA shall have the right to manage and control the conduct of the litigation. INDEPENDENT COUNSEL selected pursuant to No. 9, above, may participate in the defense of the litigation but shall not interfere with AORMA's right of control.

~~14.~~15. If a MEMBER has concerns regarding the selected LEGAL COUNSEL, they must communicate with the CSURMA Secretary-Auditor prior to initiating the MEMBER Appeal Process as described below.

**NOTIFICATION**

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

**MEMBER APPEAL PROCESS**

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

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

**DEFINITIONS:**

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

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

**AORMA COMMITTEE** - The governing body of AORMA.

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

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

**EXECUTIVE COMMITTEE** – The CSURMA Executive Committee.

**INDEMNITY** - Compensation for an incurred injury, loss or damage

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

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

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

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

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

**MEMORANDUM OF COVERAGE** – The AORMA Liability Program MEMORANDUM OF COVERAGE is a governing document which outlines the AORMA Liability Program’s definitions, coverages, exclusions and provisions. The AORMA Liability Program MEMORANDUM OF COVERAGE does not provide insurance, but instead provides for pooled-insurance. The MEMORANDUM OF COVERAGE is a negotiated agreement among the MEMBERS of CSURMA AORMA.

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



## **CSURMA AORMA**

## **POLICY AND PROCEDURE NO. L-3**

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

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

**POLICY AND PROCEDURE A-3**  
**TARGET SURPLUS FUNDING POLICY**

**ISSUE:** At its last meeting in July, the AORMA Officers discussed the importance of an annual discussion of AORMA’s historical funding philosophy. As members term-off of the AORMA Committee institutional knowledge is lost. The Officers recommended amending AORMA’s policies and procedures to require an annual formal review of AORMA’s funding philosophy, the factors involved in its decision making process and to consider whether the factors remain relevant.

**RECOMMENDATION:** Staff recommends approving the revisions to Policy and Procedure A-3, with additional modification as appropriate.

**FISCAL IMPACT:** No fiscal impact is anticipated.

**BACKGROUND:** The FY 16/17 AORMA Long Range Action Plan included a Special Funding Task Group item. The Officers discussed this item at its last meeting and felt the best approach going forward was to provide information on annual basis regarding AORMA’s funding philosophy and the reasons for make certain decisions. This would be particularly beneficial for those new members joining the Committee.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Policy and Procedure A-3 – Target Surplus Funding Policy (*Draft*)



**CSURMA AORMA**

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

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**SUBJECT:** TARGET SURPLUS FUNDING POLICY

**ADOPTED:** JANUARY 10, 2007

**EFFECTIVE:** JANUARY 1, 2007

**AMENDED:** OCTOBER 29, 2009  
SEPTEMBER 16, 2010  
OCTOBER 23, 2014  
MAY 5, 2016  
SEPTEMBER 7, 2017

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

**POLICY:**

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

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

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

**PROCEDURE:**

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

the CONFIDENCE LEVEL to which the program is currently funded. Because the Property and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.

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

**Gross Premium to Surplus Ratio: Target <1.5:1**

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

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

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

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

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

- 3. Discussion of Historical Funding** – As part of the Target Surplus Funding review process, annually, the AORMA COMMITTEE will discuss its historical funding philosophy and the factors involved in its decision making process. It will also consider whether the factors remain relevant, taking action to amend, if necessary.

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

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

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

- 5. Dividends** – Dividends may be available from the amount of SURPLUS exceeding the TARGET SURPLUS GOAL amount established by the AORMA COMMITTEE. The

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allocation of any dividend shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.

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

**MEMBER APPEAL PROCESS:**

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

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



**DEFINITIONS:**

**AORMA COMMITTEE** - The governing body of AORMA.

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

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

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

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

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

**IBNR** – Incurred but Not Reported losses.

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

**MEMORANDUM OF COVERAGE** – The AORMA Liability Program MEMORANDUM OF COVERAGE is a governing document which outlines the AORMA Liability Program's definitions, coverages, exclusions and provisions. The AORMA Liability Program MEMORANDUM OF COVERAGE does not provide insurance, but instead provides for pooled-insurance. The MEMORANDUM OF COVERAGE is a negotiated agreement among the MEMBERS of CSURMA AORMA.

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

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



**CSURMA AORMA**

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

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

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

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

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

**POLICY AND PROCEDURE A-2**  
**AORMA COMMITTEE AND STANDING COMMITTEE ROLES AND**  
**RESPONSIBILITIES**

**ISSUE:** During the AORMA Officer's Retreat in July 2017, it was suggested that the term limits for Standing Committee members be removed. Policy and Procedure A-2 - AORMA Committee and Standing Committee Roles and Responsibilities has been revised to delete the three two-year term limits from the Standing Committees. Also, the following wording was added to address Standing Committee members who do not regularly attend meetings:

Any Standing Committee member who is not present, either in person or via teleconference, at two or more Standing Committee meetings in any one fiscal year, may be removed from the Standing Committee upon a majority vote of the AORMA Officers unless that AORMA Officer is the subject of the vote and then that AORMA Officer will be recused.

**RECOMMENDATION:** The AORMA Officers recommend removing the term limit from the Standing Committees. Staff recommends approving the revisions to Policy and Procedure A-2, with additional amendments as appropriate.

**FISCAL IMPACT:** None is anticipated.

**BACKGROUND:** None.

**PUBLICATION:** The revised Policy and Procedure will be uploaded onto the CSURMA website. Those Standing Committee members effected by this change will be notified.

**ATTACHMENT(S):**

- a. Policy and Procedure A-2 - AORMA Committee and Standing Committee Roles and Responsibilities (*Revised*)

**SUBJECT:** AORMA COMMITTEE AND STANDING  
COMMITTEE ROLES AND RESPONSIBILITIES

**ADOPTED:** AUGUST 19, 2003

**EFFECTIVE:** JULY 1, 2003

**AMENDED:** DECEMBER 7, 2005  
MAY 14, 2009  
OCTOBER 29, 2009  
JANUARY 11, 2010  
SEPTEMBER 16, 2010  
SEPTEMBER 13, 2012  
MAY 8, 2014  
DECEMBER 10, 2015  
SEPTEMBER 8, 2016  
SEPTEMBER 7, 2017

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

**PURPOSE:**

The purpose of this policy is to describe the roles and responsibilities of participants in the CSURMA AORMA COMMITTEE and its Standing Committee.

**POLICY:**

It is the policy of the CSURMA to encourage AORMA members' participation in the AORMA COMMITTEE and Standing Committee that oversee operation of AORMA insurance programs. To that end, CSURMA AORMA has adopted Policy and Procedure A-1 that describes the process of AORMA COMMITTEE elections and representation. This policy further describes the roles and responsibilities of Committee members and officers. It is expected that AORMA COMMITTEE members will commit to meeting attendance and participation needed to conduct CSURMA business.

**PROCEDURE:**

The AORMA COMMITTEE will conduct elections and appointments in accordance with the CSURMA Joint Powers Agreement, Bylaws and AORMA Policy and Procedure A-1. A copy of Policy and Procedure A-1 describing roles and responsibilities of Committee members will be provided to Committee nominees and participants.

**AORMA COMMITTEE Participation in General** - The AORMA COMMITTEE holds regularly scheduled meetings in person approximately four times per year with additional teleconference meetings as necessary. Following are considerations as respects AORMA COMMITTEE participation:

1. In person attendance at regularly scheduled AORMA COMMITTEE meetings is preferred. While teleconference attendance can be arranged, the Committee business is best conducted at in-person meetings. Any Committee member or Officer who is not present, either in person or via teleconference, at two or more AORMA COMMITTEE meetings in any one fiscal year, may be removed from the AORMA COMMITTEE upon a majority vote of the AORMA Officers unless that AORMA Officer is the subject of the vote and then that AORMA Officer will be recused.
2. AORMA COMMITTEE at-large member terms are for two years, with a maximum of three terms served before a member is either elected as the Chair, First Vice Chair or Second Vice Chair or termed out and must wait one year before again serving on the Committee. It is expected that members be prepared to serve for at least one complete term because the learning curve on CSURMA's coverage programs is steep.
3. Reasonable travel expenses associated with participation on the AORMA COMMITTEE are reimbursable as provided under CSU's travel reimbursement policy.
4. Representatives elected to the AORMA COMMITTEE are individually elected, not as direct representatives of their respective auxiliary organizations. It is expected that AORMA COMMITTEE members will approach their responsibilities from the perspective of the good of the CSURMA Auxiliary Organizations programs as a whole, rather than just their individual organization's benefit.
5. AORMA COMMITTEE members are expected to attend two (2) CSURMA Board of Directors meetings annually (one in the fall; one in the spring). State law requires timely completion of appropriate paperwork, such as Fair Political Practices Commission Form 700.
6. Develop recommendations for the AORMA COMMITTEE and take action within delegated authority.

**AORMA Committee Chair** - In addition to the roles and responsibilities of AORMA COMMITTEE participation, in general, the AORMA Committee Chair has the following roles and responsibilities:

1. Representative of the AORMA Committee to the AOA Executive Committee and attendance at AOA Executive Committee meetings.
2. Attendance and participation in CSURMA Executive Committee meetings (approximately four times per year).

3. Availability for regular communication with, and direction of CSURMA Program Administrator staff.
4. Availability to respond to CSURMA Auxiliary Organizations member questions and concerns.
5. A commitment toward professional development in the area of risk management and representation of CSURMA at conferences and meetings, such as the AOA Annual Conference, the CSURMA Fitting the Pieces Together Conference and other conferences as appropriate.
6. Authority to appoint an at-large AORMA Committee member or the First Vice Chair or Second Vice Chair if that seat on the AORMA Committee is vacated mid-term.
7. Authority to establish task groups as necessary.
8. Authority to appoint the Standing Committee Chair, members of the AORMA Standing Committee and task groups (in consultation with the AORMA Standing Committee Chair).
9. Service on Standing Committee, task groups and ad hoc committees as appropriate.
10. Attend and present at CSURMA Board of Directors meetings.
11. Authority to call meetings from time to time and in compliance with applicable open meeting regulations to conduct business and planning for the AORMA program including an AORMA Officer's Retreat.
12. Authority to invite additional attendees to meetings as the Chair deems appropriate and to authorize reimbursement of invitee travel expenses provided the expenses are within amounts budgeted for AORMA expenses and in compliance with AORMA travel expense reimbursement Policy and Procedure.

**AORMA Committee First Vice Chair** - In addition to items 1 thru 5 and item 9 of the roles and responsibilities of the AORMA Committee Chair, it is expected that the AORMA Committee First Vice Chair will also;

1. Be prepared to serve in the Chair position should the Chair vacate its seat mid-term.
2. Attend and participate in the CSURMA Executive Committee meetings.

**AORMA Committee Second Vice Chair** - In addition to items 1 thru 5 and item 9 of the roles and responsibilities of the AORMA Committee Chair, it is expected that the AORMA Committee Second Vice Chair will also;

1. Be prepared to serve in the First Vice Chair position should the First Vice Chair vacate its seat mid-term.

**AORMA Standing Committees**

1. The AORMA Committee reserves the right to create and dissolve any or all Standing Committees at any time. The AORMA Committee shall appoint Standing Committees to provide support to the AORMA Committee. These Standing Committees are as follows:
  - a. Programs Committee
  - b. Executive Officers
2. Standing Committee membership will be as follows:
  - a. Programs Committee – A minimum of five members, at least two of whom shall be AORMA Committee members.
  - b. Executive Officers – The AORMA Committee Chair, First Vice Chair and Second Vice Chair.
3. Every spring, the membership of each Standing Committee will recommend to the AORMA Committee Chair a nominee from the AORMA Committee for the Chair position of their respective Standing Committee.
4. The AORMA Committee Chair shall appoint Standing Chairs annually for a one-year term effective on July 1. The Chair of any Standing Committee must simultaneously be a member of the AORMA Committee.
5. AORMA Standing Committee appointments are at the discretion of the AORMA Committee Chair. It is expected that appointed members be prepared to serve for at least one complete two-year term. ~~Standing Committee members may serve a maximum of three consecutive two-year terms, with an effective date of July 1 of the year in which they are appointed. Upon being termed out of a Standing Committee, a person may serve again on the same Standing Committee after sitting out a period of one year.~~
6. No auxiliary organization will have multiple representatives serving simultaneously on any AORMA Standing Committee.
7. Reasonable travel expenses associated with participation on AORMA Standing Committees are reimbursable as provided in CSURMA’s travel reimbursement policy.
8. Representatives are individually appointed, not direct representatives of their respective auxiliary organizations. It is expected that representatives will approach their responsibilities from the perspective of the good of the CSURMA Auxiliary Organizations programs as a whole, rather than just their individual organization’s benefit.
9. Standing Committees shall develop recommendations for the AORMA Committee and take action within delegated authority.

10. Standing Committees shall be responsible for overseeing the completion of special projects as determined by the AORMA Committee. Standing Committees will be asked to present recommendations for discussion and approval by the full AORMA Committee.
11. Any Standing Committee member who is not present, either in person or via teleconference, at two or more Standing Committee meetings in any one fiscal year, may be removed from the Standing Committee upon a majority vote of the AORMA Officers unless that AORMA Officer is the subject of the vote and then that AORMA Officer will be recused.

## **ADDENDUM**

### **AORMA STANDING COMMITTEE DESCRIPTIONS**

This addendum to CSURMA AORMA Policy and Procedure A-2 will summarize the primary roles and responsibilities of the Committees appointed by the AORMA Committee Chair. The Committees will from time to time provide reports on their activities to the AORMA Committee, making recommendations on their areas of expertise.

This addendum may be updated from time to time as the need for changes to the Committee structure are desired by the AORMA Committee.

#### **Executive Officers Committee**

The AORMA Executive Officers Committee will provide executive management oversight of AORMA operations and AORMA staff. Comprised of the AORMA Chair, First Vice Chair and Second Vice Chair, the Executive Officers Committee will develop relationships between the CSURMA AORMA and the AOA, manage Committee appointments, leadership and succession planning, and work with staff to develop and update miscellaneous financial, legal, governing and coverage documents. The Executive Committee shall also have claims settlement authority as outlined in AORMA Policies and Procedures L-2 and W-5.

#### **Programs Committee**

The Programs Committee will oversee the management of all programs not otherwise assigned to another committee, including, but not limited to, the Liability, Workers' Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and Foreign Travel Liability Programs, as well as new program development. The Committee will assist in the review of annual actuarial reports and the development of rating plans for allocation of annual costs, policies and coverage documents. Training, service provider RFP development and selection will also be handled by this Committee. The Programs Committee will act as a liaison to the AOA Human Resources Committee. The Committee will assist in the development of relationships between the AORMA and the AOA, as well as continue to strengthen the relationships between the CSURMA and its Auxiliary Organization membership. The Committee will utilize newsletters, member surveys, annual reports and other methods of communicating the benefits of AORMA membership to the members. The Committee will direct staff in the development of "value-added" services such as the Certificate Tracking Program, OAYSYS-Net Property database, claims reports, service provider evaluations and the professional development through risk management training of the AORMA membership.

The Committee will assist in the development, implementation and evaluation of various training programs aimed at developing safety and loss control awareness among the AORMA membership. The Committee will also lead professional development of the AORMA membership in the field of risk management and be responsible for the allocation of the risk management budget among the various safety and risk control service providers.

## **AUXILIARY ORGANIZATION EMPLOYEE BENEFITS PROGRAM**

**ISSUE:** The Auxiliary Organizations Association (AOA) has a joint marketing employee benefits program, administered by the selected insurance broker under the supervision of the “AOA Benefits User Group” (AOA BUG) consisting of representatives from participating organizations. The AOA BUG conducted an insurance brokerage services RFP in Spring 2017 and selected Alliant Insurance Services as the program’s insurance broker. One of the strategies the program may take is to join the CSAC Excess Insurance Authority’s benefits program via CSURMA. And, the AOA BUG has indicated it may seek to become a standing committee of the AORMA program.

**RECOMMENDATION:** It is recommended that the AORMA Committee recommend approval to the Executive Committee to form a new AORMA Benefits Program. The final approval will be sought from the CSURMA Board of Directors at their October 27, 2017 meeting.

**FISCAL IMPACT:** The cost of an employee benefits insurance program would be allocated to the participating members as a part of the AORMA program budget.

**BACKGROUND:** None

**PUBLICATION:** None at this time.

**ATTACHMENT(S):** None.

## **PRAESIDIUM PROPOSAL**

**ISSUE:** At its meeting on May 5, 2017, the CSURMA Executive Committee approved an extension of the contract with Praesidium for prevention of abuse of minors for the term July 1, 2017 to June 30, 2020. The Praesidium products and services are now offered on an “ala carte” basis. Each campus will receive a \$3,000 stipend to be used on any product or service. All Praesidium billings will run through Systemwide Risk Management (SRM) for initial payment. SRM will then seek reimbursement from the Campus or Auxiliary Organization as appropriate.

In addition to the \$3,000 per campus stipend, Praesidium will perform six regional workshops and two guardian certification workshops.

**RECOMMENDATION:** No action is recommended; however, the Committee may provide direction to Staff as appropriate.

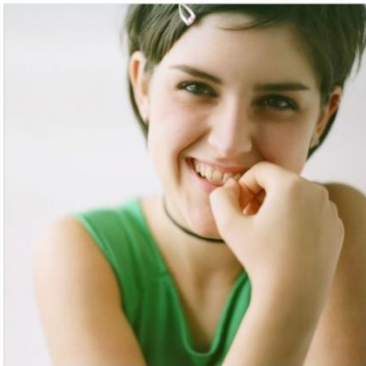
**FISCAL IMPACT:** This item is for discussion only and no fiscal impact is expected. The CSURMA Executive Committee did approve the contract costs of \$140,000 for the six Regional Workshops plus two Guardian Certification Workshops as well as \$3,000 per campus (\$72,000) and these costs have been included in the CSURMA budget.

**BACKGROUND:** See the brochure attached for additional details.

**PUBLICATION:** Information explaining the products and services available through Praesidium has been sent to all members separately.

**ATTACHMENT(S):**

- a. Praesidium / CSURMA Partnership Brochure



Proposal for  
California State University  
Risk Management Authority

February 22, 2017



**25<sup>th</sup>**  
**PRAESIDIUM**  
*Anniversary*

800.743.6354 • 817.261.7864 fax  
[www.PraesidiumInc.com](http://www.PraesidiumInc.com)

Information contained in this proposal is confidential and proprietary to Praesidium, Inc. and should not be disclosed to anyone not a designated recipient or reviewer.

# INTRODUCTION

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## ABOUT PRAESIDIUM

Since 1991, Praesidium’s mission is “to help you protect those in your care from abuse and to help preserve trust in your organization.” Praesidium works with organizations across the world to prevent the sexual abuse of children and vulnerable adults, to prevent false allegations of abuse against innocent employees and volunteers, and to prevent the loss of reputation and revenue for organizations serving vulnerable populations. The founders of Praesidium have over 30 years of experience working in abuse risk management. For the past two decades Praesidium has served more than 4,000 clients and offers a full range of risk management and loss control services. Praesidium’s clients include higher education institutions, public and private schools, churches, camps, youth development organizations, water parks, long-term care facilities, hospitals, luxury resorts, social service programs, sports programs, fitness clubs, and child care centers.

## PRAESIDIUM’S SCIENTIFIC METHODOLOGY

Using root cause analysis, Praesidium developed its own abuse risk management model, The Praesidium Safety Equation.® Root cause analyses of several thousand incidents of abuse across industries demonstrated that risks fell into eight organizational operations: Policies, Selection and Screening, Training, Monitoring and Supervision, Internal Feedback Systems, Consumer Participation, Responding, and Administrative Systems. By implementing best practices in each of these operations, Praesidium determined that risks could be reduced or eliminated.



## RECOMMENDED RENEWAL CONTRACT TERMS

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Building on Praesidium's knowledge and experience and CSURMA's commitment to provide risk mitigation controls to the California State University campuses and auxiliary organizations, Praesidium, CSURMA, and Alliant Insurance Services seek to continue their existing partnership. As part of this process, this proposal is designed to provide additional information on Praesidium, its products and services, optional pricing structures, and continue the discussions regarding rollout and implementation options.

- ✓ Three-year contract (7/1/2017 to 6/30/2020)
- ✓ All Praesidium products and services remain available to the campuses and auxiliaries at the same discounted rates
- ✓ CSURMA funds \$140,000 (or \$46,667 per year), which includes:
  1. \$69,000 (which CSURMA can distribute as \$3,000 per campus credits over the life of the contract)
  2. 6 On-Site Leadership Workshops (2 per year, valued at \$9,000 total)
  3. 2 California-based Certified Praesidium Guardian Workshops over the life of the contract (valued at \$62,000)

A comprehensive list of products, services, and prices is enclosed as Appendix 1 *Praesidium Price Listing*. Each of these items can be combined into additional packages at the system or campus level. Additional discounts are available for most items with packages or bulk purchases.

## OVERVIEW OF PRAESIDIUM PRODUCTS AND SERVICES

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**Praesidium Guardian Certification.** As part of the robust certification process, participants learn best practices in organizational abuse prevention, including specific steps to take to prevent incidents of abuse by employees, volunteers, or program participants, and how to respond effectively if an allegation or incident occurs. Participants also learn how to ensure that your organization stays current and consistent in the implementation of abuse prevention best practices.

### *Who makes a good candidate?*

Good candidates may come from any number of positions in your organization: risk management, human resources, training, legal, program directors, quality assurance, compliance, etc. What's more important is that the selected individual cares deeply about the safety of those in care; be respected by colleagues; be well-organized; and have the time and flexibility to spend up to a few hours a week executing Praesidium Guardian™ responsibilities.

### *What are the benefits?*

Your status as a Certified Praesidium Guardian™ demonstrates to consumers how seriously your organization takes the care of their loved ones, and it demonstrates to insurance carriers that it has in place the highest standards in abuse prevention. In fact, many carriers financially recognize the value of Praesidium's services. And of course, your credential is a valuable career enhancement.

### *The Praesidium Guardian™ experience*

The Praesidium Guardian™ experience has three main components:

1. Online preparation activities;
2. A three-day instructor-led workshop; and
3. A Work and Learn Assignment, an individually designed skills-application exercise.

The online preparation activities include completing approximately 8-10 hours of online courses focusing on Praesidium's proprietary risk management model, the Praesidium Safety Equation™. This content prepares participants for the workshop. The workshop is a highly interactive experience, packed full of engaging activities, group discussions, and actual field work. You will learn best practices in organizational abuse prevention and organizational change strategies to implement and maintain the best practices. The Work and Learn Assignment involves participants completing structured activities in their own organization with guidance from Praesidium—actually applying on the job what they've learned from the workshop. Throughout all components of the certification process—and beyond—participants benefit from access to Praesidium experts and to the online Praesidium Community where they can connect with other Certified Praesidium Guardian™ colleagues from across the nation.

## TRAINING SOLUTIONS

**Armatus® Learn to Protect System.** Adults directly involved in providing services to minors, those who supervise others directly involved with minors, and those who manage or oversee programs serving minors must know how offenders operate, how to recognize warning signs, when and how to intervene to interrupt interactions that may foretell of abuse, mandated reporting requirements, and how to manage high risk situations in their own programs. This training can be provided online where participants must demonstrate mastery and completion can be documented.

At the core of the system is a range of online courses, 25-45 minutes in length, designed to ignite the learning process and provide learners with the tools they need to implement best practices in abuse prevention. *See Appendix 3 for a sample course listing.* Armatus® online courses include actionable learning objectives, research-validated content, engaging graphics, frequent interactivity and a content mastery quiz. In addition to the online courses, learners are supported with a variety of tools including:

- *Action Plans* that are printed and used with the online course. Action Plans summarize the key learning points and prompt learners to take notes throughout the course. They provide a great reference after the course.
- *Coaching Guides* provide supervisors a high-level summary of the course, including learning objectives and key learning points. The coaching guide gives supervisors practical steps they can take to reinforce the learning, with specific things they can say, do, and reinforce.
- *Discussion Guides* are developed for small group and classroom discussions. A facilitator is able reinforce important content and remind learners of what they learned in the online course. The group is able to discuss practical application of the learning for their work group and organization.
- *Mini Minders* (coming soon!) are 30 second to 3 minute learning segments that reinforce or remind learners of content from an Armatus course. These can range from a short interactive segment, to a standalone video clip, a scenario(s) to apply skills, a PDF (Ready Reference or Pocket Card) or an offline worksheet. The goal is to remind learners of and review with them key content that they have previously learned.
- *Guide Posts* (coming soon!) are signs that you can post around your facility to remind learners of key policies, practices, and principles. Guide Posts have QR codes that can be scanned with a smart phone to pop-up a Mini Minder interaction.

Armatus® comes with a robust database that allows organizations to confirm in real time who has completed training, as well as other useful user information such as criminal background check completions. Praesidium also has the internal capability to design, program, and produce online courses to meet the specific needs of high volume usage and maintains a national network of content experts in a wide array of subjects.

**On-Site Leadership Presentations.** To fully integrate Minors on Campus initiatives and create cultural changes at the campus level, senior leadership on each campus should have a fundamental understanding of the scope of the risk, how abuse of minors happens in youth serving programs, and best practice standards designed to reduce the likelihood of an incident and effectively mitigate harm. Leadership should also understand and embrace their responsibilities and contributions to these initiatives. Because this information is best delivered in face-to-face meetings with leadership teams (i.e., Campus Presidents / Provosts, Cabinet Members, Vice Presidents, Department Leaders, etc.), Praesidium recommends a one-hour initial leadership meeting on each campus.

**On-Site Abuse Prevention Training.** To continue the blended learning environment and facilitate a campus-specific application of the key learning points, Praesidium recommends at least one on-site abuse prevention training for all campuses. Target audiences include all individuals who work with minors, including campus and auxiliary employees, staff, faculty, students, interns, volunteers, and chaperones.

Praesidium offers an array of on-site workshops and seminars for front-line employees and volunteers, supervisors, administrators, and board members covering screening and selection, best practices in abuse risk management, how to prevent peer-to-peer sexual abuse, legal issues in abuse risk management, and many others. Workshops can be tailored to meet the needs of each audience.

**Your Boundaries. Your Call!**<sup>TM</sup> This three-part video series teaches children between fifth and twelfth grades how to protect themselves if someone tries to violate their emotional, physical, or behavioral boundaries.

**Educational Webinars and Abuse Prevention Tips/Updates.** Praesidium can conduct regular abuse risk management seminars on a wide range of topics including sexual harassment, social networking, bullying, internal incident investigations, how offenders operate, reputational risk management, creating a culture of safety, quality assurance methods, employee and volunteer screening and selection for abuse risk, and others.

## **RISK ASSESSMENTS AND THE PATH TO ACCREDITATION**

***Know Your Score! Online Self Assessment.*** Individuals complete an online self-assessment, or in-depth questionnaire about existing policies and procedures in their program or organization. The self-assessment (available in generic or customizable versions) allows organizations to quickly and confidentially learn the strength of their policies and practices designed to keep those in their care safe from abuse. The completed self-assessment provides organizations with a blueprint and sample resources to address any potential abuse prevention gaps.

**Comprehensive On-Site Risk Assessment with Praesidium Accreditation.** Praesidium's Safety Analysts conduct a comprehensive risk assessment of all programs offered by the organization including a review of policies, on-site architectural inspections, interviews with employees and volunteers at all levels, interviews with administrators, analysis of claims and incident data, and direct observations of programs in operation. At the conclusion of the assessment, the organization can request The Praesidium Report,<sup>™</sup> which includes detailed findings and custom-tailored risk management recommendations. Upon implementation of the recommendations, the organization is eligible to attain Praesidium Accreditation status for three years and receives three random follow-up mini-audits at no additional costs (although travel may apply); a press release; a statement for parents and consumers; and, an etched-glass Praesidium award.

**On-Site Management Systems Review.** Praesidium's Management Systems Review identifies potential gaps in an organization's risk management practices related to preventing the sexual abuse of children or vulnerable adults by an employee, a volunteer, or by another program participant. Praesidium analyzes the organization's existing policies; interviews representatives from program, human resources, risk management, legal, and training; and reviews past incidents, allegations or litigation related to abuse. At the conclusion of this on-site review, Praesidium shares the findings with key leaders and outlines high level recommendations to address potential exposures.

**Minors on Campus Survey.** Praesidium's heat map process utilizes a minors on campus survey to identify all programs serving minors on campus at a higher education institution and in the community. This brief survey asks some basic questions to identify any program serving minors that an individual or department operates, sponsors, or hosts and is customizable in many respects. Among other things, this survey also identifies the number of minors served and various program characteristics, including risk level and ownership. Praesidium provides a comprehensive analysis of the data, along with recommendations in areas including policy development, training, monitoring and supervision, and relationships with third parties. The survey can also be tailored to accommodate other industries and risks.

## SCREENING SOLUTIONS

**Criminal Background Checks.** Praesidium offers several standard and customizable criminal background check packages plus other a la carte background check services. One of our most popular packages includes comprehensive searches in the industry and includes over 305 million criminal records from county, state, national, and international sources. It includes a Social Security Number Trace and Alias Search, Multi-State Criminal Records Search, National Sex Offender Registry Search, and national and international security searches. And, at no additional charge, Praesidium is also available to discuss additional screening issues with organizations upon receipt of their results.

**Screening and Selection Toolkit.** Less than five percent of offenders have a criminal history. Because criminal background checks can't be relied on to screen out offenders, organizations must use other methods to prevent potentially harmful adults from gaining access to their clients. Praesidium's Screening and Selection Toolkit provides organizations with everything necessary to effectively screen and select employees and volunteers. The Toolkit includes policies, forms (applications, interviewing questions, and reference forms), and guidelines for identifying high-risk and low-risk responses during interviews, reference checks, and on applications. It also identifies six applicant characteristics that are critical for adults working with children and vulnerable adults and a scoring system to evaluate applicants on each characteristic. The complete package includes one-day intensive on-site training that teaches hiring managers how to use the screening and selection toolkit.

## CONSULTATION, REPORTING MECHANISMS, AND CRISIS MANAGEMENT

**Model Policies and Policy Analysis.** Sound policies provide the foundation for a safe environment. They tell an organization's employees and volunteers what is and is not acceptable; they set tolerance levels; and they can protect an organization if it faces litigation. But are your policies doing their job? Do they address such ever-changing issues as whether employees can communicate with clients via email, social networking sites, or after work? Do they set limits on when and how employees or volunteers can demonstrate affection towards clients? Send the organization's policies to us, and we'll advise what works and what needs re-visiting, and why!

**Online Community.** Praesidium's online community allows individuals from across organizations and programs to connect and share their abuse prevention experiences, challenges, and successes. Praesidium's team of experts facilitates and monitors discussions to provide quick tips and initial consultation.

**General Consultation.** Does one of your campuses have concerns about a summer applicant? Does a Risk Manager need advice on how to manage a particular youth program's interactions with minors? Want to discuss their screening and selection practices? Not sure how to respond to a report of suspicious interactions between an employee and a program participant? Praesidium can be available over the phone to

discuss anything that may forewarn of an incident or lead to an abuse claim. Our experts include psychologists, social workers, attorneys, private investigators, policy analysts, doctoral level educators, and human resource professionals, all with extensive experience in organizational abuse risk management.

**Toll-Free Confidential Helpline.** In most cases of abuse in organizations, individuals often report having seen or heard something suspicious, inappropriate, or of concern, yet failed to take action. Praesidium’s consultation services allow your campuses a way to report concerns as well as an open line of communication in the event of an incident or crisis.

**Crisis Management and On-Site Victim’s Assistance.** In the event that a campus has an allegation or incident of suspicious or inappropriate interactions or suspected abuse, a member of Praesidium’s team can be available to provide a range services, including on-site consultation, response coordination, investigation, and victim’s assistance.

## CONTACT

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Aaron Lundberg, LMSW  
President and CEO  
[ALundberg@PraesidiumInc.com](mailto:ALundberg@PraesidiumInc.com)

Candace Collins, JD  
Director of Higher Education  
[CCollins@PraesidiumInc.com](mailto:CCollins@PraesidiumInc.com)

Praesidium  
624 Six Flags Drive, Suite 110  
Arlington, TX 76011  
817-801-7773 main  
800-743-6354 toll-free  
[www.PraesidiumInc.com](http://www.PraesidiumInc.com)

# Appendix 1

## Praesidium Price Listing

## Praesidium Price Listing<sup>1</sup> for CSURMA Global Contract

*Additional discounts available for most items with packages,  
bulk purchases, or multi-year contracts.*

Praesidium Product or Service	Pricing <sup>1</sup>
Praesidium Guardian Certification <sup>2</sup>	<p>\$4,000 per individual (if attending TX classes)</p> <p style="text-align: center;">-----</p> <p>1 CA class: \$39,000 2 CA classes: \$62,000</p> <p><i>Recommend CPG workshops be split between Northern and Southern California. Recommended CPG class size is 15 attendees.</i></p>
General Consultation	<p>\$2,000 per day on-site \$250 per hour off-site</p>
<p>Regional Workshops</p> <p><i>Half-day presentation, with half-day reserved for consultation</i></p>	<p>\$1,500 per regional workshop Includes a combination of general consultation, leadership strategies, best practices, and table top exercises.</p> <p><i>Recommend workshops be split between Northern and Southern California.</i></p>
Access to Praesidium's Online Community	<i>Pricing requires additional consultation with CSURMA to further define implementation and rollout.</i>
Policy Analysis and Sample Policies	<p>Ranges from \$1,000-\$25,000 <i>Depends on the nature and extent of analysis and samples (i.e., individual program procedure versus campus-wide policy)</i></p>
Armatus® Learn to Protect System <sup>3</sup>	\$8 per course
On-Site Campus Leadership Presentation	\$2,000 per day
On-Site Abuse Prevention Training	\$2,000 per day

Praesidium Product or Service	Pricing <sup>1</sup>
Educational Webinars and Abuse Prevention Tips/Updates <i>Includes regular email tips. Other topic updates, webinars,            and additional content for CSU publications may also be            available upon further request and discussion.</i>	<i>Praesidium can provide 2 webinars and access to            Praesidium's tips/updates at no cost.</i> \$500 for each additional webinar
<i>Know Your Score!</i> Online Self Assessment	\$2,000 per campus, per year Includes: <ul style="list-style-type: none"> <li>• 10 assessments initiated in the <i>KYS!</i> system (regardless of whether an assessment is completed or archived)</li> <li>• <i>KYS!</i> demonstrative and marketing webinars</li> <li>• Existing written sample resources</li> </ul> Additional assessments: \$500 per assessment initiated in the <i>KYS!</i> system (regardless of whether an assessment is completed or archived)
Comprehensive On-Site Risk Assessment with Praesidium Accreditation	\$5,000+ <i>Depends on number of programs and locations</i>
On-Site Management Systems Review	Ranges from \$4,000 to \$10,000 <i>Depends on number of programs and locations. Note            that in addition to discussions with leadership, pricing            also includes one training for leadership during the on-            site portion of the review.</i>
Minors on Campus Survey	Ranges from \$6,000+ <i>Depends on level of customization</i>
Toll-Free Confidential Helpline	\$1,000 one-time initial set up fee \$500 annual maintenance fee \$250 per call
Crisis Management and On-Site Victim's Assistance	\$2,000 per day on-site \$250 per hour for off-site consultation

Criminal Background Checks <sup>4,5</sup>	
<i>À la Carte Pricing</i>	
Employment Credit	\$7.00
Multi State Criminal Database w/Name and Address Locator	\$10.00
7 Year County Criminal Records Search: 1 County	\$7.00
7 Year County Criminal Records Search: All Counties Provided/Developed	\$25.00
County Civil Records Search (upper): 1 County	\$12.00
Statewide Criminal Search: 1 State	\$9.00
Federal Criminal Records Search: 1 State, All Districts	\$9.00
Federal Civil Records Search: 1 State, All Districts	\$12.00
DOJ National Sex Offender Registry Search	\$4.00
Motor Vehicle Records Search	\$4.00
Employment Verification: 1 Position	\$11.00
Education Verification: 1 Degree	\$10.00
Personal Reference: 1 Reference	\$13.00
Professional Reference: 1 Reference	\$14.00
Professional License Verification: 1 License	\$9.00
International Criminal Search: 1 Jurisdiction	\$25 + In country Acquisition Fee
<i>Packaged Pricing</i>	
Screening and Selection Toolkit	Available upon further consultation
	\$6,000
	<i>Price includes one day of on-site training related to screening and selection.</i>

### **ADDITIONAL PRICING NOTES:**

1. Pricing does not include reasonable travel costs and expenses. Reasonable travel costs and expenses will be separately billed.
2. Certified Praesidium Guardian pricing for California-based classes reflects client's responsibility to secure an on-site location for the 3-day workshop and provide on-site catering and hospitality for faculty and attendees. Praesidium anticipates participation of 3-4 faculty members with each CPG on-site workshop.
3. Pricing for Armatus<sup>®</sup> usage may be billed on a monthly or quarterly basis.
4. Third-party record keeper fees may apply and will be passed on at cost when incurred.
5. Criminal records found in the Multi State Database check are subject to verification at the source and additional costs may apply.

**Appendix 2**  
**Armatus® Learn to Protect Course Listing**

<b>CORE COURSES</b>	
<b>Meet Sam</b> * ^	<b>It Happened to Me</b> * ^
<p>Sam molests children. Hear him tell how he gets away with it.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• The three types of offenders</li> <li>• The three things offenders need in order to offend</li> <li>• The types of boundaries offenders often violate</li> </ul>	<p>Anger. Failing grades. Depression. These are just some of the effects of sexual abuse.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• The long-term effects of abuse</li> <li>• Which children are most vulnerable to abuse</li> <li>• Why children don't report abuse</li> <li>• What to do if a child discloses abuse</li> </ul>
<b>Duty to Report: Mandated Reporter</b> * ^	<b>Abuse Risk Management for Volunteers</b> * ^
<p>Adults have a moral responsibility—and in many cases a legal responsibility—to report suspected child abuse or neglect.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Why reporting is critical</li> <li>• What their legal obligation is to report</li> <li>• What types of conduct must be reported</li> <li>• How to report</li> <li>• How to respond if a child discloses abuse or neglect</li> </ul>	<p>Volunteers give their precious time to their organization to serve others. They need to know how to protect those they serve from abuse.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• The facts about sexual abuse</li> <li>• Steps they can take to keep kids safe</li> <li>• How to protect themselves from false allegations of abuse</li> </ul>
<b>Preventing Sexual Activity Between Young Children</b> *	<b>Preventing Sexual Activity Between Adolescents</b>
<p>Statistics show that incidents of sexual acting out between children have increased 300% in recent years.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• How – and where – sexual activity between children typically occurs</li> <li>• Steps to prevent sexual activity between children</li> <li>• How to respond if sexual activity between children occurs</li> </ul>	<p>When adolescents bully or act out sexually with one another, these behaviors not only violate policy, they can become abusive.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• What peer pressure and bullying can do to influence sexual behavior in adolescents</li> <li>• Where sexual behavior between adolescents is likely to occur</li> <li>• Steps they can take to prevent sexual activity between adolescents</li> <li>• How to respond if sexual activity between adolescents occurs</li> </ul>

\* Denotes course available in Spanish  
^ Denotes course available in Canadian-French



<b>CORE COURSES</b>	
<b><i>Social Media</i></b>	<b><i>Preventing Bullying</i></b> *
<p>Social media increases opportunities for sexual abusers to communicate with their intended victims.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• The different types of abuse risks that organizations face</li> <li>• How to educate parents and youths on healthy social media use</li> <li>• How to protect themselves from false allegations of abuse</li> <li>• How to respond to warning signs and incidents of abuse</li> </ul>	<p>Bullying, in some way, is a part of everybody's childhood memories. However, the severity of recent bullying incidents has shown that bullying can no longer be a "normal" part of growing up.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• What bullying is</li> <li>• How bullying happens</li> <li>• The impact of bullying</li> <li>• What they can do to stop bullying</li> <li>• What to do if they are a supervisor</li> </ul>
<b><i>Abuse Prevention Refresher</i></b> * ^	
<p>Once employees and volunteers know the basics about preventing abuse in their organization, it's time for real- life application.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• The importance of acting on warning signs, and how to do so</li> <li>• How to keep themselves and co-workers safe from false allegations</li> </ul> <p>How to apply their knowledge to real-life scenarios</p>	

\* Denotes course available in Spanish  
 ^ Denotes course available in Canadian-French

<b>INDUSTRY-SPECIFIC COURSES</b>	
<b><i>Keeping Your School Safe</i></b> *	<b><i>Keeping Your Foster Care Program Safe</i></b>
<p>Parents send their children to school to have fun, meet challenges, make friends, practice skills, and learn. They also expect them to be safe.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• When, where, and by whom child abuse is most likely to occur at school</li> <li>• Specific steps to take to keep children safe at school</li> <li>• How to prevent false allegations of abuse</li> </ul>	<p>Approximately half of the children in foster care have been sexually abused and almost a third are abused again while in care.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Techniques to establish effective relationships with foster parents and children</li> <li>• What to watch for when making home visits</li> <li>• Six tested methods to keep foster children safe</li> </ul>
<b><i>Keeping Your Foster Home Safe</i></b>	<b><i>Keeping Your Church Safe</i></b> * ^
<p>Foster parents open their hearts and homes to provide for those in need. But in some cases, foster parents may also be vulnerable to false allegations of abuse.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Unique risks that exist in foster care homes</li> <li>• How to protect children in care from abuse, including abuse between children</li> <li>• How to protect foster parents from false allegations of abuse</li> </ul>	<p>God has entrusted church staff with something precious to Him – His children.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Five specific actions to keep children safe</li> <li>• The importance of keeping a watchful eye</li> <li>• What to do in the case of suspicious behaviors</li> <li>• How to respond to inappropriate behavior</li> </ul>
<b><i>Keeping Your Camp Safe</i></b> * ^	<b><i>A Day at Day Camp</i></b> * ^
<p>Camp can be a wonderful experience for kids – but not if they are abused by a counselor or a peer.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Abuse risks at a residential camp</li> <li>• Six locations where abuse is most likely to happen at a residential camp</li> <li>• How all employees and volunteers can make a difference</li> </ul>	<p>This course spotlights various activities and associated risks in a typical day at camp.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• How to keep day campers safe from sexual abuse</li> <li>• How to protect themselves from false allegations of abuse</li> <li>• How to identify and manage high-risk situations at day camp</li> <li>• What to do if they see something suspicious or inappropriate</li> </ul>

\* Denotes course available in Spanish  
 ^ Denotes course available in Canadian-French

## INDUSTRY-SPECIFIC COURSES

 <b><i>Athlete Protection</i></b>	 <b><i>Athlete Protection: Swim Edition</i></b>
<p>This course teaches coaches and other adults who work in youth sports how to keep athletes safe.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Types of offenders and how they operate</li> <li>• Scope and effects of abuse in sports and how to maintain a healthy coach-athlete relationship</li> <li>• High-risk situations and how to manage them</li> <li>• How to report abuse and red-flag behaviors</li> <li>• How to protect against false allegations of abuse</li> </ul>	<p>This course teaches coaches and other adults who work with youths in swim clubs and organizations how to keep athletes safe.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Types of offenders and how they operate</li> <li>• Scope and effects of abuse in sports and how to maintain a healthy coach-athlete relationship</li> <li>• High-risk situations and how to manage them</li> <li>• How to report abuse and red-flag behaviors</li> <li>• How to protect against false allegations of abuse</li> </ul>
<b><i>Preventing Elder Abuse and Neglect (USA version)</i></b>	<b><i>Preventing Abuse against Adults with Disabilities (USA version)</i></b>
<p>It's hard to believe that anyone would hurt the elderly. Fortunately, federal and state laws and regulations help protect vulnerable adults from abuse.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Facts about abuse and neglect</li> <li>• How to recognize risk factors, warning signs, and red-flag behaviors</li> <li>• Steps to take to keep residents safe</li> <li>• Steps to protect care givers from false allegations</li> <li>• Steps administrators can take to prevent abuse and neglect</li> </ul>	<p>Providing care to people with disabilities is rewarding and challenging work. However, some caregivers psychologically abuse, physically abuse, steal from those they care for, and some even sexually abuse people in their care.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Facts about abuse of people with disabilities</li> <li>• Characteristics of potential victims</li> <li>• Awareness of potential abusers and high-risk environments</li> <li>• Steps to keep clients safe</li> <li>• How to prevent false allegations</li> </ul>




\* Denotes course available in Spanish

^ Denotes course available in Canadian-French

<b>INDUSTRY-SPECIFIC COURSES</b>	
<b><i>Preventing Elder Abuse and Neglect (Canada version)</i></b> <sup>^</sup>	<b><i>Preventing Abuse against Adults with Disabilities (Canada version)</i></b>
<p>It's hard to believe that anyone would hurt the elderly. Fortunately, federal, provincial, and territorial laws and regulations help protect vulnerable adults from abuse.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Facts about abuse and neglect</li> <li>• How to recognize risk factors, warning signs, and red-flag behaviors</li> <li>• Steps to take to keep residents safe</li> <li>• Steps to protect care givers from false allegations</li> <li>• Steps administrators can take to prevent abuse and neglect</li> </ul>	<p>Providing care to people with disabilities is rewarding and challenging work. However, some caregivers psychologically abuse, physically abuse, steal from those they care for, and some even sexually abuse people in their care.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Facts about abuse of people with disabilities</li> <li>• Characteristics of potential victims</li> <li>• Awareness of potential abusers and high-risk environments</li> <li>• Steps to keep clients safe</li> <li>• How to prevent false allegations</li> </ul>
<div style="position: relative;"> <div style="position: absolute; top: -10px; left: -10px; background-color: #0070c0; color: white; padding: 2px; transform: rotate(-45deg); font-size: 8px;">coming soon</div> <b><i>Preventing Abuse and Exploitation in Pastoral Ministry</i></b> </div>	
<p>When a pastoral relationship becomes sexualized or exploitative, it is harmful to the individuals involved, their families, and to the people in the church.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Effects of sexual abuse and exploitation</li> <li>• Factors that contribute to abuse and exploitation</li> <li>• Types of offenders</li> <li>• Red flags in abuse and exploitation</li> <li>• How to prevent and respond to abuse and exploitation</li> </ul>	

\* Denotes course available in Spanish  
<sup>^</sup> Denotes course available in Canadian-French

## INTERPERSONAL /PERSONAL SAFETY COURSES

 <b>Behavior Management</b>	<b>Bloodborne Pathogens</b>
<p>Teachers, counselors, and caregivers face a daily challenge of influencing and responding to the behavior of the youths in their care. By using basic techniques to teach appropriate behaviors and eliminate negative behaviors, adults can create a positive, productive environment in the organization.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• Behavior management basics</li> <li>• What to do when nothing else works</li> <li>• How to determine if a youth should be removed from the program</li> <li>• Tips for self-management</li> </ul>	<p>Bloodborne pathogens cause diseases that are difficult to treat and cannot be cured. That’s why it is so important to know how to reduce the risk of contracting a bloodborne disease.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• What bloodborne pathogens are</li> <li>• Standards businesses must follow</li> <li>• How bloodborne pathogens might enter one’s body</li> <li>• Common exposures that could occur at an organization</li> <li>• The three most common diseases caused by bloodborne pathogens</li> <li>• How to protect themselves from bloodborne pathogens</li> <li>• What to do if they are exposed to bloodborne pathogens</li> </ul>
 <b>Preventing Sexual Harassment: Employee Edition</b>	 <b>Supervising for a Positive Work Environment</b>
<p>All employees want to work in an environment free of sexual harassment.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• How to recognize different types of harassment</li> <li>• How to determine if a situation is or is not sexual harassment</li> <li>• How to prevent and respond to sexual harassment</li> </ul>	<p>Supervisors play an important role in complying with employment laws and encouraging a positive workplace environment.</p> <p>Participants learn:</p> <ul style="list-style-type: none"> <li>• What constitutes workplace discrimination, harassment, and retaliation</li> <li>• What the law requires of supervisors to prevent, stop, and respond to discrimination, harassment, and retaliation</li> <li>• What supervisors should do if they are accused of discrimination, harassment, or retaliation</li> </ul>

<b>CUSTOM COURSES</b>	
<i>Your Policies</i>	<i>Core and Advanced Courses</i>
<p>Policies allow your organization to define what’s acceptable – and what isn’t. To complete this course, users read the organization’s policies and confirm online that they understand and agree to comply with these policies.</p>	<p>Many of Praesidium’s core and advanced courses can be customized to the needs of your organization. This will allow you to include your company-specific policies, scenarios, case studies, and examples.</p> <p>Inquire with your account manager for availability and pricing.</p>

<b>PRAESIDIUM SAFETY EQUATION® COURSES</b>	
<b>new</b>	<i>The Praesidium Safety Equation Series</i>
<p>The Praesidium Safety Equation® is the foundation for all of Praesidium’s abuse-prevention work. This set of nine courses provides individual focus on each operation of the Safety Equation:</p>	
<ul style="list-style-type: none"> <li>✓ Policies</li> <li>✓ Training</li> <li>✓ Internal Feedback System</li> <li>✓ Responding</li> </ul>	<ul style="list-style-type: none"> <li>✓ Screening and Selection</li> <li>✓ Monitoring and Supervision</li> <li>✓ Consumer Participation</li> <li>✓ Administrative Practices</li> </ul>
<p>Participants learn:</p> <ul style="list-style-type: none"> <li>• How and why Praesidium developed the Safety Equation</li> <li>• How each of the operations help organizations decrease the risk of abuse by employees, volunteers, and program participants</li> <li>• Strategies and best practices for implementation of the Safety Equation</li> </ul>	
<p>Inquire with your account manager for availability and pricing.</p>	

**CSURMA AORMA 2017 MEETING CALENDAR**

**ISSUE:** The Program Administrator includes a current copy of the CSURMA AORMA meeting calendar in every agenda.

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA AORMA – 2017 Meeting Calendar



California State University Risk Management Authority

## 2017 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
8	3:00 PM	EC (AOA Conference)	San Diego	23	9:00 AM	PC	San Francisco	9	10:00 AM	AORMA	San Diego
8 - 11		AOA Annual Conference	San Diego					9	2:30 PM	EC	San Diego
11	10:30 AM	AIME	San Diego					10	8:30 AM	EC LRP	San Diego
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
				1	10:30 AM	AIME	San Francisco	TBD		AOA EC	TBD
				3	2:00 PM	BOD Orientation	Teleconference	22	1:00 PM	PC	Teleconference
				4	10:00 AM	AORMA	Long Beach				
				5	8:30 AM	EC	Long Beach				
				5	10:30 AM	BOD	Long Beach				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
17-18	11:00 AM	AORMA Officers Retreat	San Diego	TBD		AOA EC	TBD	6	9:00 AM	AORMA New Member	Sacramento
								6	10:00 AM	AORMA LRP	Sacramento
								7	9:00 AM	AORMA	Sacramento
								7	4:00 PM	EC Orientation	Sacramento
								8	8:30 AM	EC	Sacramento
								28	1:00 PM	PC	Teleconference
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
16	10:30 AM	AIME	Fullerton	TBD		AOA EC	TBD	7	10:00 AM	AORMA	TBD
18	2:00 PM	BOD Orientation	Teleconference	30	8:00 AM	PC	San Francisco	8	8:30 AM	EC	TBD
26	10:00 AM	AORMA	Long Beach					7	8:00 AM	PC	San Francisco
27	8:30 AM	EC	Long Beach								
27	10:30 AM	BOD	Long Beach								

AORMA = Auxiliary Organizations Risk Management Alliance Committee

AIME = Athletic Injury Medical Expense Committee

AORMA LRP = AORMA Long Range Planning Meeting

PC = AORMA Programs Committee

AOA = CSU Auxiliary Organizations Association

BOD = CSURMA Board of Directors

EC = CSURMA Executive Committee

EC LRP = EC Long Range Planning Meeting

**Note: The AOA EC meets the third Friday in the months of March, June, August and November and the Saturday afternoon before the January AOA Conference.**

**CSURMA AORMA PROGRAM ADMINISTRATOR’S CONTACT LISTS**

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

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Program Administrator - Contact List
- b. Claims Reporting Contacts

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
<b>Certificate of Insurance Requests</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>General CSURMA Coverage Questions</b>	<b>Robert Leong Van Rin Amy Lightner Daniel Howell</b>	rleong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>General AORMA Coverage Questions</b>	<b>Mimi Long Van Rin Amy Lightner Daniel Howell</b>	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Inland Marine</b>	<b>Van Rin Mimi Long</b>	vrin@alliant.com mlong@alliant.com	415-403-1408 415-403-1423	415-874-4810 415-874-4810
<b>Participant Accident Insurance (PAI)</b>	<b>Van Rin Tevea Him</b>	vrin@alliant.com thim@alliant.com	415-403-1408 415-403-1416	415-874-4810 415-874-4810
<b>Special Events Insurance</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>Foreign Travel Program</b>	<b>Stacey Weeks Van Rin</b>	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
<b>General Risk Management Questions</b>	<b>Mimi Long Van Rin Amy Lightner Daniel Howell</b>	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
<b>Workers' Compensation Claims Consultant</b>	<b>Jacki Graf</b>	jgraf@alliant.com	415-403-1438	415-874-4810
<b>Alliant Claims Consulting</b>	<b>Robert Frey Diana Walizada Elaine (Kim) Tizon Sheila McClenaghan</b>	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com sheila.mcclenaghan@alliant.com	415-403-1445 415-403-1453 415-403-1458 415-403-1492	415-403-1466 415-403-1466 415-403-1466 415-403-1466
<b>Form 700</b>	<b>Tevea Him</b>	thim@alliant.com	415-403-1416	415-402-0773
<b>Website and Technology Questions</b>	<b>Yung Lam Tevea Him Myron Leavell</b>	ylam@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1461 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

### CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>CSU Chancellor's Office</b>				
CSU Chancellor's Office	<b>Leona Ching</b>	lching@calstate.edu	562-951-4580	562-951-4859
	<b>Robert Eaton</b>	reaton@calstate.edu	562-951-4572	562-951-4971
	<b>Zachary Gifford</b>	zgifford@calstate.edu	562-951-4568	562-951-4859
	<b>Martha Guiditta</b>	mguiditta@calstate.edu	562-951-4557	562-951-4859
	<b>Audra Reed</b>	areed@calstate.edu	562-951-4564	562-951-4971
	<b>Steve Relyea</b>	srelyea@calstate.edu	562-951-4600	562-951-4971
CSU Chancellor's Office Office of General Counsel	<b>William Hsu</b> <b>Nada Moeiny</b>	whsu@calstate.edu nmoeiny@calstate.edu	562-951-4500 562-951-4500	562-951-4956 562-951-4956
CSU Chancellor's Office Financial Services Division Systemwide Accounting & Reporting	<b>Sedong John</b> <b>Alice Kim</b> <b>Cindi Le</b> <b>Jessica Liu</b>	sjohn@calstate.edu akim@calstate.edu cle@calstate.edu jliu@calstate.edu	562-951-4577 562-951-4627 562-951-4651 562-951-4621	562-951-4865 562-951-4865
Chancellor's Office Systemwide Professional Development	<b>David Kervella</b> <b>Chris Fondacaro</b>	dkervella@calstate.edu cfondacaro@calstate.edu	562-951-4403 562-951-4403p	

Coverage	Contact	E-Mail Address	Office	Fax
<b>Loss Control Consultants – Alliant Risk Control</b>				
Alliant Risk Control Consulting	<b>John Owen</b> <b>Archie Lazar</b> <b>Kristina Loiselle</b> <b>Tim Leech</b>	jowen@alliant.com archie.lazar@alliant.com kloiselle@alliant.com tleech@alliant.com	916-643-2736 949-660-5980 949-260-5042 949-260-5008	

### CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>Unemployment Insurance Claims Administrator – Employers Edge</b>				
Client Services	Angie Hansen	ahansen@employersedge.com	720-891-4900 x116	720-420-7356
Unemployment Claims Operations, Claim Specialist	Reina Gonzales	rgonzales@employersedge.com	720-891-4900 x139	720-420-7390
Tax Analyst	John Mansfield	jmansfield@employersedge.com	720-891-4900 x128	720-420-7430
Appellate Level	Jen Venable Jamie Clark	jvenable@employersedge.com jclark@employersedge.com	720-891-4900 x114 720-891-4900 x122	720-420-7354 720-420-7396
Account Management	Steve Bell	sbell@employersedge.com	720-891-4900 x101	720-420-7431

Coverage	Contact	E-Mail Address	Office	Fax
<b>Human Resources Consulting – Employers Group</b>				
Helpline	Mark Nelson	mnelson@employersgroup.com	213-765-3952 or 800-748-8484	
Client Service	Bill Stephens	bstephens@employersgroup.com	805-807-9922	213-226-0216
Reference Library	Robert Campbell	rcampbell@employersgroup.com	800-748-8484 Ext. 3430	
Unemployment Questions	Mark Nelson	mnelson@employersgroup.com	213-765-3952	
Affirmative Action Plans	Suzanne Oliva	soliva@employersgroup.com	213-765-3918	
Leave Management	Helpline	helpline@employersgroup.com	800-748-8484	
Research and Surveys	Juan Garcia	jpgarcia@employersgroup.com	213-765-3969	
Employee Opinion Survey	Megan Vallone	mvallone@employersgroup.com	213-765-3920	
Training Services	Somaly Heng	sheng@employersgroup.com	213-765-3962	
Employer Advocacy	Ken Tiratira	ktiratira@employersgroup.com	213-765-3915	

**AORMA’S TRAVEL REIMBURSEMENT POLICY**

**ISSUE:** Reasonable expenses associated with travel to and from the AORMA Committee meetings and CSURMA Board of Directors meetings are reimbursable by CSURMA. Attached is Policy & Procedure A-7 - CSURMA AORMA Travel Reimbursement Policy.

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** Please contact Mimi Long should you have any questions regarding your travel expenses.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Policy & Procedure A-7 - CSURMA AORMA Travel Reimbursement Policy



## **CSURMA AORMA**

## **POLICY AND PROCEDURE NO. A-7**

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**SUBJECT:** CSURMA AORMA TRAVEL REIMBURSEMENT POLICY

**ADOPTED:** MARCH 21, 2013

**AMENDED:** MARCH 19, 2015

MARCH 9, 2017

**EFFECTIVE:** MARCH 21, 2013

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### **PURPOSE:**

CSURMA AORMA members benefit from the work of their elected and appointed representatives who give their time to participate in the governance and development of CSURMA programs. Committee Member in person attendance at the AORMA Committee, standing committee meetings and task group meetings is preferred. This Policy and Procedure is intended to formalize the prior existing practices of CSURMA.

### **POLICY:**

It is the policy of the CSURMA AORMA Committee that reasonable and actual expenses incurred by AUTHORIZED TRAVELERS for COVERED PURPOSES related to operation of CSURMA's programs shall be reimbursed. The method of approving travel, and reporting and calculating the reimbursable amount shall be in accordance with the travel reimbursement policy of the California State University or the AUTHORIZED TRAVELER's member auxiliary organization at the time of the travel.

### **PROCEDURE:**

1. Reimbursement requests will be reported on the AUTHORIZED TRAVELER's completed State of California – Travel Expense Claim form or the form utilized by the AUTHORIZED TRAVELER's member auxiliary organization. The claim form should be forwarded to the AUTHORIZED TRAVELER's member auxiliary organization accounting department for reimbursement. The member auxiliary organization's accounting department should then seek reimbursement from CSURMA.
2. The AUTHORIZED TRAVELER's accounting department should send the following documents to CSURMA c/o the Systemwide Office of Risk Management:
  - a) Invoices for all reasonable expenses
  - b) Completed State of California (or AUTHORIZED TRAVELER's member auxiliary organization) – Travel Expense Claim form



- c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the AUTHORIZED TRAVELER attended.

**DEFINITIONS:**

**AUTHORIZED TRAVELER** – includes AORMA Committee members and officers, standing committee members and participants in duly established task groups. Other persons traveling on CSURMA AORMA related travel shall be reimbursed pursuant to this Policy and Procedure No. A-7 as agreed under separate agreement in advance of the travel. Independent consultants shall not be considered AUTHORIZED TRAVELERS under this Policy and Procedure No. A-7 and any travel expenses incurred by independent consultants may be reimbursed as provided under separate consulting agreements.

**COVERED EXPENSES** – includes reasonable expenses incurred by the AUTHORIZED TRAVELER as provided under the travel reimbursement policy of the California State University or the AUTHORIZED TRAVELER’s member auxiliary organization travel reimbursement policy requirements.

**COVERED PURPOSES** – covered purposes shall include attendance at meetings of the CSURMA AORMA Committee, standing committees, task group meetings, program presentations, member meetings, and approved professional development trainings. Any other COVERED PURPOSES must be approved for reimbursement by the AORMA Committee. The AORMA Committee Chair or designee is expected to attend the AOA Executive Committee meetings as the representative of the AORMA Committee and therefore reasonable expenses associated with travel to and from as well as participation in the AOA Executive Committee meetings are reimbursable by CSURMA. If there is travel to an event that would otherwise be a COVERED PURPOSE in conjunction with another event the AUTHORIZED TRAVELER would otherwise attend such as the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference, the AUTHORIZED TRAVELER is eligible for reimbursement of COVERED EXPENSES to attend the COVERED PURPOSE meeting only and there will be no CSURMA reimbursement of the expenses the AUTHORIZED TRAVELER would have normally incurred to attend the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference.

## **AORMA COMMITTEE MEMBERS**

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** Contact lists are provided at every meeting.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. AORMA Committee Roster - Effective at July 1, 2017

**AORMA Committee**  
**Ten voting members - two alternates - twelve members total**  
**Effective at July 1, 2017**

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA	First Vice Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	Second Vice Chair	Gigi Kiama	Human Resources Director	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
AORMA	Seat 1	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
AORMA	Seat 2						
AORMA	Seat 3	Todd Summer	CEO	San Diego	Aztec Shops, Ltd.	todd.summer@sdsu.edu	619-594-7539
AORMA	Seat 4	Bella Newberg	Executive Director	San Marcos	University Auxiliary and Research Services Corporation	newberg@csusm.edu	760-750-4700
AORMA	Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
AORMA	Seat 6	Starr Lee	Director, Administration and Legal	San Luis Obispo	Cal Poly Corporation	selee@calpoly.edu	805-756-1451
AORMA	Seat 7	Bill Olmsted	Associate Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744

*On March 1, 2017, Dwayne Brummett was appointed to complete Guy Dalpe's term. Dwayne's first complete term will be 7/1/17 to 6/30/19.*

*On July 1, 2015, Dave Nakamura was appointed to complete Mark Day's term. Dave's first complete term will be 7/01/16 to 6/30/18.*

*On October 1, 2015, Dave Nirenberg was appointed to complete Melinda Coil's term. Dave's first term will be 7/01/17 to 6/30/19.*

*On December 20, 2016, Bella Newberg was appointed to complete Cheree's Aguilar's term. Bella's first term will be 7/01/17 to 6/30/19.*

*On March 1, 2017, Starr Lee was appointed to complete Leslie Davis' term. Starr's first term will be 7/1/18 to 6/30/20.*

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
PC	Chair	Gigi Kiama	Human Resources Director	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
PC	At Large	Bill Olmsted	Associate Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	jporth@sfsu.edu	415-338-6880
PC	At Large	Jun Reina	Chief Operating Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925
PC	At Large	Russel Statham	Chief Operating Officer and Chief Financial Officer	Dominguez Hills	California State University, Dominguez Hills Foundation	rdstatham@csudh.edu	310-243-3255
PC	At Large	Raven Tyson	Human Resources & Risk Manager	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760

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

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

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

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

## **CSURMA ADMINISTRATIVE SERVICE CALENDAR**

**ISSUE:** This item is provided as information to advise the AORMA Committee of the various recurring administrative activities and when they take place over the course of the year. It includes items noting when they appear before the AORMA Committee, Executive Committee and Board of Directors. It is to be provided for information with each agenda packet.

**RECOMMENDATION:** It is recommended that the Committee review the CSURMA Administrative Service Calendar and provide direction to staff as appropriate.

**FISCAL IMPACT:** No direct fiscal impact is expected.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Administrative Service Calendar

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
<b>JANUARY 2017</b>				
01/01/17	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
01/01/17	FTIP: Order FTIP loss run and IP loss run valued at 12/31	Alliant Staff	Stacey Weeks/Robert Leong	Completed
01/02/17	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed
01/06/17	Statement of Facts – Roster of Public Agencies - file with Secretary of State	Alliant Staff	Tevea Him	Pending
01/07/17	Announce the new AORMA Committee Vice Chair as well as open seats on the AORMA Committee	Nominations Committee	Mimi Long	Completed
<i>01/08/17</i>	<i>CSURMA AOA CONFERENCE</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
<i>01/08/17</i>	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
<i>01/11/17</i>	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>	<i>Completed</i>
01/15/17	FORM 700 - JPA ADMIN sends Form 700 to CSURMA FILERS, including EC, BOD, AORMA, Standing Committees, and designated consultants, including identified Alliant personnel	Alliant Staff	Tevea Him	Completed
01/31/17	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed
01/31/17	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
<b>FEBRUARY 2017</b>				
02/01/17	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
02/01/17	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 12/31	Alliant Staff	Tevea Him	Completed
02/01/17	UIP - Send EDD Claims Information to Individual Members	Alliant Staff	Tevea Him	Completed
02/01/17	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	Completed
02/01/17	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Jacki Graf	Completed
02/01/17	AORMA Workers' Compensation program claims administration audit (every even year)	Alliant Staff	Jacki Graf	N/A
02/01/17	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	N/A
02/01/17	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long	Completed
02/01/17	FTIP: Prepare loss summaries, review with SRM to determine renewal strategy (market or not, etc)	Alliant Staff	Stacey Weeks/Robert Leong	Completed
02/15/17	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
<i>02/23/17</i>	<i>AORMA Program Committee Meeting (Teleconference)</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
<b>MARCH 2017</b>				
03/01/17	Annual Review of (1) Data Security Policies and (2) the Integrated CSU Administration Manual	Alliant Staff	Mimi Long	Completed
03/01/17	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	Completed
03/01/17	Chancellor's Office Services Budget Proposals	Alliant Staff	Mimi Long	Completed
03/01/17	CSURMA Budget (EC and AORMA Approval)	Alliant Staff	Robert Leong	Completed
03/01/17	Review of the CSURMA Master Investment Policy	Alliant Staff	Mimi Long	Completed
03/01/17	CSURMA Mid-Term Budget Amendments	Alliant Staff	Robert Leong	Completed
03/01/17	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
03/01/17	Review the Auxiliary Service Provider Report	Alliant Staff	Mimi Long	Completed
03/01/17	Appointment of the Campus Programs RPTG - Spring 2017 (FY 2018/2019)	Alliant Staff	Robert Leong	

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
03/01/17	FTIP: Obtain initial feedback from underwriters on renewal pricing, prepare item for EC and obtain renewal for overall renewal pricing	Alliant Staff	Stacey Weeks/Robert Leong	Completed
<b>03/09/17</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>03/09/17</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>03/10/17</b>	<b>CSURMA EC LRP Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
03/15/17	FORM 700 - Follow up - JPA ADMIN follows up with FILER, prepares status report for CSURMA EC review at Long Range Planning meeting	Alliant Staff	Tevea Him	Completed
03/15/17	Quarterly Risk Management Report	Alliant Staff	Mimi Long	Completed
03/19/17	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
03/20/17	Forward slate of nominees to fill the open seats on the AORMA Committee	Alliant Staff	Mimi Long	Completed
03/31/17	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him	Completed
03/31/17	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	Completed
<b>APRIL 2017</b>				
04/01/17	Campus Risk Pool Administrator verifies Campus Primary and Alternate representative remain in place by contacting campus representatives ( i.e. ensure no leave of absence, retirement, change in duties, etc.)	Alliant Staff	Tevea Him	Completed
04/01/17	FORM 700 - JPA ADMIN sends all forms received to FPPC for processing	Alliant Staff	Tevea Him	Completed
04/01/17	Send out ballot for AORMA Committee term beginning on July 1, 2017	Alliant Staff	Tevea Him	Completed
04/01/17	FTIP: Announce upcoming FY rates to campuses, continue renewal marketing/negotiations	Alliant Staff	Stacey Weeks/Robert Leong	Completed
04/30/17	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
<b>MAY 2017</b>				
05/01/17	FTIP: Include renewal rates/coverage summary to board of directors, finish underwriter negotiations, bind program with underwriters	Alliant Staff	Stacey Weeks/Robert Leong	Completed
<b>05/01/17</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	<b>Completed</b>
05/01/17	Approval by EC Resolution allowing Treasurer to invest or reinvest funds (annual approval required - see Res 01-15 BOD)	BOD and Alliant Staff	Tevea Him	Completed
05/01/17	Approval of Conflict of Interest Code by BOD every even-number year - File with FPPC as required.	BOD and Alliant Staff	Tevea Him	Completed
<b>05/04/17</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>05/04/17</b>	<b>CSURMA BOD NMO Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
05/04/17	Receive back all AORMA Committee ballots for the term beginning on July 1, 2017	Alliant Staff	Tevea Him	in process
<b>05/05/17</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
<b>05/05/17</b>	<b>CSURMA BOD Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>
05/11/17	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
05/15/17	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
05/30/17	Send out appointment letters to the newly appointed AORMA Standing Committee Chairs for the term beginning on July 1, 2017	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/17	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2017	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/17	Send out appointment letters to the newly elected Executive Committee members for the term beginning on July 1, 2017	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/17	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 3/31/17	Alliant Staff	Tevea Him	Completed
05/30/17	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2017	Alliant Staff	Tevea Him	Completed
05/30/17	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2017	Alliant Staff	Mimi Long	Completed
<b>JUNE 2017</b>				
06/01/17	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	Completed
06/01/17	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
06/23/17	<b>AORMA Program Committee Meeting (Teleconference)</b>	Alliant Staff	Mimi Long	<b>Completed</b>
06/30/17	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	Completed
06/30/17	<i>Expiring Contract: Carl Warren &amp; Company - July 1, 2016 to June 30, 2019, plus two options to June 30, 2020 and June 30, 2021</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: CO Enterprise Accounting / Financial Services - July 1, 2016 to June 30, 2017</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: UC Office of Risk Services Performing Arts Center of Excellence - November 1, 2013 to June 30, 2017</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: A-G Administrator (AIME) - July 1, 2009 to June 30, 2017</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Alliant Loss Control Services - July 1, 2017 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: CO OGC / Legal - July 1, 2017 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: CO Risk Management - July 1, 2017 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Praesidium - July 1, 2017 to June 30, 2020</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Target Safety dba Target Solutions - June 30, 2017</i>	Alliant Staff	Mimi Long	N/A
06/30/17	<i>Expiring Contract: Employers Group - July 1, 2017 to June 30, 2020</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Employers Risk - July 1, 2013 to June 30, 2018</i>	Alliant Staff	Mimi Long	N/A
06/30/17	<i>Expiring Contract: HSR - July 1, 2015 to June 30, 2019</i>	Alliant Staff	Mimi Long	N/A
06/30/17	<i>Expiring Contract: Agility - July 1, 2017 to June 30, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/17	<i>Expiring Contract: Sedgwick - July 1, 2013 to June 30, 2018</i>	Alliant Staff	Mimi Long	N/A
06/30/17	Request COI from all vendor's contract	Alliant Staff	Andrew Gaspari	in process
<b>JULY 2017</b>				
07/01/17	OCIP Renewal (5 year program)	Alliant Staff	Daniel Howell/ Mimi Long	Completed
07/01/17	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin	Pending
07/01/17	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	Completed
07/04/17	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin	Completed

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
07/05/17	Request a review of the claims activity within the UIP – claims activity variations of more than 10% above or below pricing levels used will resulting in a pricing adjustment	Alliant Staff	Mimi Long	Completed
07/05/17	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	Completed
07/07/17	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	Completed
07/14/17	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/15/17	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong	Completed
07/15/17	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	Completed
<b>07/17-18/2017</b>	<b>AORMA Officers Retreat – San Diego, CA</b>	<b>AORMA Officers</b>	<b>Mimi Long</b>	<b>Completed</b>
07/21/17	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/28/17	FORM 700 - FORMS DUE TO FPPC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him	Completed
07/31/17	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong	Completed
07/31/17	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report - Present to EC in Sept	Alliant Staff	Robert Leong	Completed
07/31/17	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	Completed
07/31/17	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Tevea Him	in process
07/31/17	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate (every three years)	Liability TPA	Mimi Long	in process
07/31/17	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
07/31/17	Appointment of the Campus Programs RPTG - 2019 (FY 2021/2022)	Alliant Staff	Robert Leong	
<b>AUGUST</b>				
08/01/17	FORM 700 - JPA ADMIN sends entering and leaving office notices to AORMA FILERS who will be taking office on AORMA and Standing Committees	Alliant Staff	Tevea Him	Completed
08/01/17	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him	in process
08/01/17	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him	in process
08/01/17	Send out letter to regarding Foreign Travel Authority Confirmation	Alliant Staff	Tevea Him/ Stacey Weeks	in process
08/01/17	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long	Completed
08/01/17	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	Completed
08/11/17	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	
08/15/17	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	Completed
08/31/17	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff	Mimi Long	Pending
08/31/17	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long	Completed
08/31/17	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long	Completed
08/31/17	Completion of Financial Audit	CSU Accounting	Mimi Long	in process
08/31/17	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff	Tevea Him	Completed

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD
Begin Task	Completion of the Public Self-Insurer's Annual Report for CSURMA (must be filed with the state by Oct 1st.)	Alliant Staff	Mimi Long
Begin Task	AORMA Workers' Compensation Desk Audit	Alliant Staff	Mimi Long
<b>SEPTEMBER</b>			
09/01/17	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long
09/01/17	Stewardship Report	Alliant Staff	Mimi Long
09/06/17	<i>AORMA Long Range Plan meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
09/06/17	<i>AORMA New Committee Member Orientation meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
09/07/17	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
09/07/17	<i>CSURMA EC Orientation Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
09/08/17	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
09/12/17	<i>CAJPA Fall Conference and Training Seminar -South Lake Tahoe</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
09/14/17	CAJPA Standards review (2017 and every 3 years thereafter)	Alliant Staff	Mimi Long
09/15/17	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Van Rin
09/15/17	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell
09/28/17	<i>AORMA Program Committee Meeting (Teleconference)</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
09/30/17	CSURMA Quarterly EPL Deductible Recoverys ending September 30 (Begin Task)	Alliant Staff	Van Rin
09/30/17	Completion of the AORMA Committee (September Letter) updating all AORMA members on the funding and dividends approved for the upcoming fiscal year	Alliant Staff/AORMA Chair	Mimi Long
<b>OCTOBER</b>			
10/01/17	Request completion of the Liability application	Alliant Staff	Mimi Long
10/01/17	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long
10/01/17	Government Compensation Report (request from CSU Accounting and post on CSURMA website)	Accounting	Tevea Him
10/15/17	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him
10/15/17	Poll eligible AORMA Committee members to determine which members are willing to be nominated for the Vice Chair position	Nominations Committee	Mimi Long
10/16/17	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>
10/26/17	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
10/26/17	<i>CSURMA BOD NMO Meeting via Teleconference</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
10/27/17	<i>CSURMA BOD Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
10/27/17	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
10/31/17	Create Government Compensation Report page on CSURMA website for public viewing	Alliant Staff	Tevea Him
10/31/17	<i>Expiring Contract: Praesidium - October 31, 2015 to October 1, 2016 ??</i>	Alliant Staff	Mimi Long
10/31/17	Government Compensation Report (request from CSU Accounting)	Accounting	Tevea Him
10/31/17	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him
<b>NOVEMBER</b>			

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	
11/01/17	FORM 700 - Campus Risk Pool Administrator sends request to campus president to confirm appointments of primary and alternate representative to BOD (Note: AORMA Representatives are maintained through their election process)	Alliant Staff	Tevea Him	
11/28/17	Campus Risk Pool Deductible - Confirm (every 3 years - 2014, 2017, 2020)	Alliant Staff	Robert Leong	
11/28/17	Send campus risk pool renewal budget (Budget)	Alliant Staff	Robert Leong	
11/28/17	Send campus risk pool renewal budget (Early Bird Renewal Letter)	Alliant Staff	Robert Leong	
11/28/17	Campus Risk Pool Deductible - Confirm (every 3 years - 2017, 2020)	Alliant Staff	Robert Leong	Completed
11/30/17	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	
11/30/17	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30	Alliant Staff	Tevea Him	
11/30/17	Research the single bond approach & report back at the September meeting	Alliant Staff	Rob Leong	
11/30/17	<b>AORMA Program Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
<b>DECEMBER</b>				
12/01/17	2018 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Rebecca Skidmore	
12/01/17	Appointment of the Club Sport Insurance Programs RPTG - Spring 2018 (FY 2018/2019)	Alliant Staff	Robert Leong	
12/01/17	AORMA Liability Program - Reinsurance Recovery (verify w/ Mauri)	Carl Warren	Mimi Long	
12/07/17	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
12/08/17	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	
12/15/17	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff	Tevea Him	
12/15/17	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
12/30/17	Financial Audit - mail to Secretary of State and County Auditor	Alliant Staff/Accounting	Tevea Him	
12/31/17	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	
12/31/17	<b>Expiring Contract: Enterprises Rent A Car - January 1, 2016 - December 31, 2016</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	