



CSURMA EXECUTIVE COMMITTEE MEETING AGENDA

“This is an Open Public Meeting”

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

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 requires routine provision of identification to building security. However, CSURMA 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

Meeting Date: September 8, 2017
Time: 8:30 AM

Primary Location: Alliant Insurance Services
2180 Harvard Street, Suite 460
Sacramento, CA

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

A. CALL TO ORDER

- 1. Approval of the Agenda **A** p. 5
- 2. Introduction of Nada Moeiny, Co-General Counsel for CSURMA **I** p. 6

B. PUBLIC COMMENTS

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will be asked to take action on the consent calendar items as a group; however, a member may request that an item be withdrawn from the Consent Calendar for discussion and action.

- 1. Approval of Minutes – May 5, 2017 **A** p. 7
The Committee will be asked to approve the minutes from its last meetings.
- 2. Adoption of CSURMA Executive Committee and Board of Directors 2018 Meeting Calendar **A** p. 19
The Committee will be asked to take action to set the Committee’s meeting calendar for 2018

D. GENERAL ADMINISTRATION

- 1. Financial Report
 - a. Receipt and Review of the Draft Financial Statements at June 30, 2017 **A** p. 21
 - b. Treasurer’s Report at June 30, 2017 **A** p. 34

- | | |
|---|------------------------------------|
| <p>2. Insurance Renewals Report
 <i>The Committee will receive a report on the completion of insurance renewal negotiations and may take action or provide direction as necessary</i></p> | <p>I <i>p. 41</i></p> |
| <p>3. Actuarial Reports for Liability, Workers' Compensation, and Athletic Injury Medical Expense Programs
 <i>The Committee will be asked to review and accept the FY 17/18 Liability Program, Workers' Compensation, and AIME actuarial reports.</i></p> | <p>A <i>p. 51</i></p> |
| <p>4. FY 2018/19 Rates and Gross Funding Campus Coverage Programs
 <i>The Committee will be asked to recommend to the Board of Directors the campus program rates for the upcoming fiscal year.</i></p> | <p>A <i>p. 58</i></p> |
| <p>5. Campus Risk Pools Funding Status at June 30, 2017</p> <p style="margin-left: 20px;">a. Risk Pools Funding Status
 <i>The Committee will receive a report on the pooled program funding status at June 30, 2017.</i></p> <p style="margin-left: 20px;">b. Evaluation of Potential Campus Risk Pool Dividends and Assessments
 <i>The Committee will consider whether to declare a dividend or assessment from the Campus Risk Pool.</i></p> | <p>A <i>p. 71</i></p> |
| <p>6. Presentation of Workers' Compensation Stewardship Report
 ** Time Certain 11:00 AM **
 <i>Trish Daniels from Sedgwick will present the CSU Workers' Compensation Program Stewardship Report for FY 16/17</i></p> | <p>I <i>p. 80</i></p> |
| <p>7. Campus Liability Risk Pool - Memorandum of Coverage
 <i>The Committee will be asked to approve changes to the Campus Liability Risk Pool memorandum of coverage to be used effective July 1, 2017.</i></p> | <p>A <i>p. 94</i></p> |
| <p>8. Office of General Counsel E-Billing Platform in E-Counsel
 <i>The Committee will be asked to discuss the OGC's proposal and provide direction as appropriate.</i></p> | <p>A <i>p. 116</i></p> |
| <p>9. Liability Claims Administration Audit Results
 <i>The Committee will be asked to review and accept the CSURMA General Liability Claims Administration Audit report</i></p> | <p>A <i>p. 119</i></p> |
| <p>10. Workers' Compensation Claims Administration Service Performance Audit
 <i>The Committee will be asked to review and accept the CSURMA Workers' Compensation Claims Administration Audit report</i></p> | <p>A <i>p. 143</i></p> |
| <p>11. State of California Restricted Travel
 <i>The Committee will be asked to discuss the memorandum to the Campus Presidents from Steve Relyea dated July 27, 2017.</i></p> | <p>I <i>p. 205</i></p> |



California State University Risk Management Authority

12. **CSURMA Loan Request from California Polytechnic State University, San Luis Obispo** A p. 210
The Committee will be asked to discuss the loan request and provide direction to Staff.
13. **Owner Controlled Insurance Program (OCIP) Renewal** A p. 213
The Committee will be asked to delegate authority to renew the OCIP
14. **Campus Workers' Compensation Program Aggregate Stop Loss Coverage Status (PARCEL)** I p. 232
The Committee will review the current workers' compensation aggregate stop loss report.
15. **CSURMA Support for CSU Campus Implementation of UC Risk and Safety Solutions Software Modules** A p. 242
Approval of CSURMA Support for CSU Campus Implementation of UC Risk and Safety Solutions Products.
16. **Development of CSURMA Earthquake Coverage Program** A p. 268
The Committee will be asked to review the proposal for earthquake coverage with a parametric trigger and will provide direction to Staff as appropriate
17. **Workers' Compensation Benchmarking Initiative** A p. 306
The Committee will be asked to discuss workers' compensation projects based on the CWCI data.
18. **Auxiliary Organizations Employee Benefits Program** A p. 318
The Committee will hear an update regarding a benefits program for AORMA members.
19. **Development of Student Health Insurance Program and UC SHIP** A p. 319
The Committee will discuss the viability of forming of a student health program through the UC SHIP
20. **Campus Workers' Compensation Experience Modification Task Group** A p. 320
The Committee will be asked to discuss and provide direction regarding modification of the workers' compensation experience modification calculation.

E. OTHER PROGRAMS

1. **AORMA Programs Update** I p. 325
The Committee will receive a verbal report on the AORMA programs
2. **AIME Program Update** I p. 326
The Committee will receive a verbal report on the AIME



California State University Risk Management Authority

F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1) A

– Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). The matters below may be discussed. The Committee may take action or provide direction to Staff regarding the matters.

1. **Sargent vs Sonoma State University**
2. **Benjamin v. Sonoma State University**
3. **SF Science Building Coverage Claim**
4. **HSU Appeal re: CalPERS**
5. **Apodaca v. CSU (San Marcos)**
6. **Hoffman v. CSU (SF)**
7. **Mandel v. CSU (SF)**

G. INFORMATION ITEMS

- | | | |
|---|----------|---------------|
| 1. FY 2017/2018 Long Range Planning Goals | I | <i>p. 327</i> |
| 2. CSURMA Administrative Service Calendar | I | <i>p. 332</i> |
| 3. 2017 CSURMA Meeting Calendar | I | <i>p. 339</i> |
| 4. CSURMA Executive Committee & Staff Contact List | I | <i>p. 341</i> |

H. ADJOURNMENT

**The next CSURMA Executive Committee meeting is scheduled for October 27, 2017, in the
CSU Chancellor’s Office in Long Beach, CA**

If you have questions regarding the agenda package, please contact

Mimi Long at mlong@alliant.com / (415) 403-1423 or Tevea Him at thim@alliant.com / (415) 403-1416

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 NADA MOEINY, CO-GENERAL COUNSEL FOR
CSURMA**

ISSUE: The Committee will be introduced to Nada Moeiny, the new CSURMA Co-General Counsel from the Office of General Counsel.

RECOMMENDATION: The Committee is being asked to welcome the new Counsel.

FISCAL IMPACT: Travel Expenses for CSURMA members and some Staff are included in the CSURMA annual budget.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MINUTES – MAY 5, 2017

ISSUE: The Executive Committee will be asked to review and approve the draft minutes of its May 5, 2017 meeting.

RECOMMENDATION: It is recommended that the Executive Committee approve the minutes from its May 5, 2017 meeting, including revisions as necessary.

FISCAL IMPACT: None.

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

PUBLICATION: All CSURMA Executive Committee meeting minutes are posted on the CSURMA website once they are approved.

ATTACHMENT(S):

- a. CSURMA EC Meeting Minutes - May 5, 2017

**MINUTES OF THE
CSURMA EXECUTIVE COMMITTEE MEETING**

MAY 5, 2017

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

8:30 AM

MEMBERS PRESENT

Scott Apel, California State University Long Beach
Lisa Chavez (Vice-Chair), California State University Los Angeles
Thom Davis, California State University, Bakersfield
Robert Eaton (Treasurer), California State University, Office of the Chancellor
Mike Lee (Chair), California State University, Sacramento
Kevin Saunders, California State University, Monterey Bay
Jody Van Leuven, California State University, San Bernardino

MEMBERS ABSENT

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

STAFF, GUESTS & CONSULTANTS

Michael Beatty, San Francisco State University
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor
Tevea Him – Alliant Insurance Services, Inc.
Daniel Howell - Alliant Insurance Services, Inc.
Sedong John, CSU Office of the Chancellor, CSURMA Accounting
Alice Kim, CSU Office of the Chancellor, CSURMA Accounting
Rob Leong - Alliant Insurance Services, Inc.
Amy Lightner, Alliant Insurance Services, Inc.
Mimi Long - Alliant Insurance Services, Inc.
Jessica Liu, CSU Office of the Chancellor, CSURMA Accounting
Maria Starn, CSU Office of the Chancellor, Office of General Counsel
Kirtland Stout, CSU Sacramento

A. CALL TO ORDER

The meeting was called to order by the Chair, Mike Lee at 8:30 AM.

A1. Approval of the Agenda

Mike Lee requested that the Humboldt State University member loan item which is a part of the Financial Statement item be moved out of the Consent Calendar for discussion a part of General Administration.

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

MOTION: Lisa Chavez
SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

B. PUBLIC COMMENTS

There were no comments from the public.

C. CONSENT CALENDAR

- C1. Approval of Minutes – March 9 and March 10, 2017**
- C2a Financial Report: Draft Financial Statement at March 31, 2017**
- C2b. Financial Report: Treasurer’s Quarterly Investment Report**
- C3. FY 2017/2018 CSURMA Operating Budget**
- C4. CSURMA October 2017 Meeting Date Proposed Change**
- C5. JPA Operations Management Review**

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

MOTION: Lisa Chavez
SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			

Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D. GENERAL ADMINISTRATION

C2a. Humboldt State University - Member Loan

Robert Eaton explained that CSURMA has received a member loan extension request from Humboldt State University. HSU is looking to convert a HSU Advancement Foundation loan to a Campus loan. HSU would provide CSURMA with a loan pay down amount of \$200,000 as part of the extension. HSU plans to sell the property that was originally purchased with the loan and would use the proceeds to reduce or possibly pay off the loan.

A motion was made to (1) approve a five-year loan extension with a \$200,000 down payment, (2) require that all proceeds of the sale of the property would be used to pay off or pay down the outstanding loan amount, (3) delegate authority to the Treasurer to finalize the loan documents.

MOTION: Scott Apel
 SECOND: Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D1. CSURMA Accounting Team

The Committee was introduced to Sedong John the Director, Systemwide Accounting & Reporting who has replaced Kelly Cox as the director of accounting for CSURMA.

D2. FY 2017/2018 Long Range Action Plan

Daniel Howell reviewed the items on the draft FY 17/18 Long Range Action Plan.

- LRP-1 Special Events Resources Guide
- LRP-2 RMIS Reporting
- LRP-3 Captive Insurer
- LRP-4 Campus Visits
- LRP-5 Accessing and Communicating EIA Resources
- LRP-6 Member Loan Policy
- LRP-7 Allocation of Investment
- LRP-8 Earthquake Coverage
- LRP-9 Risk Management Grant Program
- LRP-10 Workers' Compensation Projects Based on CWCI Data
- LRP-11 Marine Program
- LRP-12 Auxiliary Organization Employee Benefits
- LRP-13 Student Health and UC Ship
- LRP-14 Workers' Compensation Experience Modification Factor

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

MOTION: Robert Eaton

SECOND: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D3. Excess Insurance Renewals Update and Underwriter Meeting Report

Daniel Howell summarized the progress of the excess insurance renewal placements. The Excess Liability has seen loss development in the first excess layers for both the AORMA and Campus programs. Staff expects a 6% increase to the primary layer and a 3% increase to the \$20MM xs \$5MM layer. No increase is expected for the layers in excess of \$20MM. Staff is working with the Bermuda markets to secure pricing quotes for a \$100MM xs \$200MM layer. Within the Property Program, AORMA's property loss experience is at 55% in the primary excess layer and the campus program is at 88%. Staff expects a slight reduction in rate for AORMA and a 5% increase for the campuses. Insured values have risen by 3%. The Builders Risk program is stable and Staff expects a 5% rate reduction at renewal. Rates are down 25% in

recent years. The Fine Arts Program was launched in 2016 and Staff anticipates underwriters will agree to a flat renewal despite losses. Both SPLIP and SAFECLIP have performed exceptionally well with no losses and rates will continue to drop. The Foreign Travel Insurance Program’s loss ratio has stabilized at a level acceptable to underwriters. Staff expects a flat rate renewal. 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, moving the current coverage from the Liability Program. The Medical Malpractice Program is at minimum premiums and therefore, Staff expects a flat renewal with same underwriting team now at Ascot. The Fidelity Program claims are down, despite social engineering (phishing) losses. Staff expects a premium decrease on renewal.

D4. CSURMA Workers’ Compensation Renewal Options

Daniel Howell explained that the current two-year workers’ compensation option through CSAC EIA doesn’t look as desirable because CSURMA is outperforming the actuary’s predictions from the prior year. At the March meeting, action was taken to provide direction to the Program Administrator to work with EIA on the two-year solution asking them to lower the rate and to minimize the potential for an audit premium by providing an agreement to waive an audit if payroll varies by +/-5%. CSAC EIA isn’t able to waive the audit because the other CSAC EIA members don’t get the same deal, and therefore, CSURMA would be getting preferential treatment. CSAC EIA did agree to inflate CSURMA’s payroll by 5.5% and decrease the rate by 2.5%. CSURMA would only pay an additional premium if the actual payroll decreases more than 5.5%.

A motion was made to delegate authority to CSURMA Treasurer and Secretary-Auditor to extend a two-year agreement with CSAC EIA’s EWC Program as proposed above.

MOTION: Robert Eaton
SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D5. Captive Evaluation and Development

Zachary Gifford and Robert Eaton updated the members on the formation of a captive insurance vehicle. CSURMA has retained the services of Skip Myers to perform an assessment and to create a road map. Myers is with a law firm in Washington DC and is a subject matter expert. The goal is to form a captive for the legacy workers’ compensation claims. The expected rate of return is less than 7%; realistically between 2% and 4%.

D6. Risk Management Innovation Grant Program

Zachary Gifford provided a summary of the grant applications received.

CSU Fullerton - CibrTrac eCompliance system for EH&S data management framework. \$9,000.

A motion was made to approve the CSU Fullerton grant proposal.

MOTION: Kevin Saunders
SECOND: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

Channel Islands – NTT Training. NFPA 70E Arc Flash Electrical Safety Training. \$2,143 requested.

A motion was made to approve the CSU Channel Islands grant proposal.

MOTION: Scott Apel
SECOND: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			

Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

Dominguez Hills – Six projects. Training and materiel for equipment operator safety training and workplace safety programs. \$9,383 requested.

A motion was made to approve the CSU Dominguez Hills grant proposal.

MOTION: Kevin Saunders
SECOND: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel			X	
Dwayne Brummett				X
Lisa Chavez			X	
Thom Davis			X	
Robert Eaton			X	
Mike Lee			X	
Frank Mumford				X
Kevin Saunders			X	
Jody Van Leuven			X	

MOTION DID NOT CARRY

Maritime Academy – Articulate eLearning software license to develop EH&S risk management resources training modules. \$700 requested. No motion was made. This grant request was not approved.

Maritime Academy – Materials and supplies for Emergency Preparedness Campaign assisting students to create their own preparedness kit. \$2,000 requested. No motion was made. This grant request was not approved.

Maritime Academy – LaMotte SMART Water Analysis Laboratory, plus Lead Reagent. \$1,750 requested. A motion was made to approve CSU Maritime Academy grant proposal.

MOTION: Robert Eaton
SECOND: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			

Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

Northridge – Terra Dotta Software to manage foreign travel exposure. \$10,000 requested. No motion was made. This grant request was not approved.

San Diego – Campus fall risk assessment related to rooftop fall hazards. \$8,750 requested. No motion was made. This grant request was not approved.

Sonoma – Ongoing air sampling by Campus EH&S. \$10,000 requested. No motion was made. This grant request was not approved.

D7. CSURMA Policy & Procedure No. 21. Risk Management Innovation Grants

Zachary Gifford noted that at its March 10, 2017 Long Range Planning meeting, the Executive Committee approved changes to the Risk Management Innovation Grant program to revise the focus from Campus safety projects to Systemwide safety projects. Grant applications must now be submitted by WERCS affinity groups. A budget of \$150,000 was approved for FY 2017/18 grant awards. The Executive Committee reviewed the revisions to Policy & Procedure No. 21.

A motion was made to approve the proposed revisions to Policy & Procedure No. 21.

MOTION: Scott Apel
SECOND: Kevin Saunders

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

D8. Risk Management Information System (RMIS) / Claims Management Information System (CMIS)

As explained by Zachary Gifford, the CSURMA Executive Committee approved the selection of Ventiv’s RiskConsole Risk Management Information System (RMIS). Implementation of RiskConsole will consolidate CSURMA’s insurance policy database and loss history and provide the campuses access to create dashboards on their programs and benchmarks. Implementation requires a project manager at one half of an FTE for a year and the Chancellor’s Office is not staffed for this. Ventiv has offered a consultant at a cost of \$97,500.

For over a decade CSURMA has contracted for the iVOS Claims Management Information System (CMIS) for the University’s liability claims administration process. The cost of this agreement is allocated solely to the Campus Risk Pool Liability fund. In the course of implementing RMIS it was determined that it made sense to incorporate the CMIS agreement with the RMIS agreement.

Currently the CMIS and RMIS agreements are separate. Staff recommends incorporating the CMIS into the RMIS agreement. If incorporating the two agreements isn’t feasible, Staff recommends drafting an updated CMIS agreement.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to incorporate the CMIS agreement into the RMIS agreement and to approve the additional costs of \$97,500 for the project manager consultant services.

MOTION: Robert Eaton
 SECOND: Thom Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS

E1. AIME Programs Update

Jody Van Leuven provided a brief report of the activities of the AIME Committee.

E2. AORMA Programs Update

Mimi Long provided a brief report of the activities of the AORMA Committee.

F. CLOSED SESSION

1. Benjamin v. CSU (Sonoma)
2. SLO Landslide (property loss)
3. San Francisco State (Science Building) Coverage Claim

A motion was made to enter closed session at 10:14 PM.

MOTION: Robert Eaton

SECOND: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

The Committee left closed session at 10:23 PM. The Chair reported that no action was taken during closed session.

G. INFORMATION ITEMS

The Committee reviewed and discussed the information items.

- G1. Alliant Service Team Update**
- G2. CSURMA Administrative Service Calendar**
- G3. 2017 CSURMA Meeting Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

H. ADJOURNMENT

A motion was made to adjourn the meeting at 10:23 PM.

MOTION: Kevin Saunders

SECOND: Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford				X
Kevin Saunders	X			
Jody Van Leuven	X			

MOTION CARRIED

ADOPTION OF CSURMA EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS 2018 MEETING CALENDAR

ISSUE: Noted below are the proposed 2018 CSURMA Executive Committee (EC) and Board of Directors (BOD) meeting dates.

January 7, 2018 at 3:00 PM (AOA Conference, Sacramento).....	EC
March 8, 2018 at 2:00 PM	EC
March 9, 2018 at 8:30 AM.....	EC LRP
April 25, 2018 at TBD (FTPT Conference, San Diego).....	EC
April 25, 2018 at TBD (FTPT Conference, San Diego).....	BOD
September 7, 2018 at 8:30 AM.....	EC
October 26, 2018 8:30 AM.....	EC
October 26, 2018 10:30 AM.....	BOD
December 7, 2018 at 8:30 AM.....	EC

RECOMMENDATION: Staff recommends approving the proposed 2018 CSURMA meeting calendar, 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
7 - 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 - 24		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

FINANCIAL REPORT
DRAFT FINANCIAL STATEMENT AT JUNE 30, 2017

ISSUE: The Chancellor's Office Financial Services Accounting prepares Financial Statements for CSURMA. The Executive Committee is asked to review the Draft Financial Statement as a part of the Consent Calendar. The Chancellor's Office, Systemwide Accounting and Reporting Staff will be available at the meeting to answer questions.

RECOMMENDATION: It is recommended that the Executive Committee review and accept the Draft Financial Statement at June 30, 2017 as a part of the Consent Calendar.

FISCAL IMPACT: None.

BACKGROUND: Financial Statements provide a status of CSURMA's financial position and are relied upon for decision making by the Executive Committee.

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft Financial Statement at June 30, 2017

California State University Risk Management Authority
Member Aged Accounts Receivable
As of 8/29/2017

Client Name	Current	31-60	61-90	91-120	Over 121	Balance
Associated Students Inc, CPSU San Luis Obispo	\$29,342.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,342.00
Associated Students Inc, CSU Dominguez Hills	\$1,867.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,867.00
Associated Students Inc, CSU East Bay	\$3,856.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,856.00
Associated Students Inc, CSU Northridge	\$16,615.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,615.00
Associated Students of CSU, Chico	\$152,737.00	\$0.00	\$0.00	\$0.00	\$0.00	\$152,737.00
Associated Students, CSU Fullerton	\$82,376.00	\$0.00	\$0.00	\$0.00	\$0.00	\$82,376.00
Associated Students, CSU Los Angeles	\$354.00	\$0.00	\$0.00	\$0.00	\$0.00	\$354.00
Associated Students, San Diego State University	\$217,039.00	\$0.00	\$0.00	\$0.00	\$0.00	\$217,039.00
Cal Poly Foundation	\$9,123.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,123.00
Cal State LA University Auxiliary Services Inc	\$98,036.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,036.00
California Maritime Academy Associated Students	\$4,321.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,321.00
California Maritime Academy Foundation	\$4,716.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,716.00
Capital Public Radio, Inc.	\$42,465.98	\$0.00	\$0.00	\$0.00	\$0.00	\$42,465.98
Channel Islands University Auxiliary Services, Inc.	\$41,809.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41,809.00
CSU Bakersfield Foundation	\$11,968.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,968.00
CSU Bakersfield, Auxiliary for Sponsored Programs Admin	\$10,707.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,707.00
CSU Chico Research Foundation	\$148,602.00	\$0.00	\$0.00	\$0.00	\$0.00	\$148,602.00
CSU Dominguez Hills Foundation	\$73,758.00	\$0.00	\$0.00	\$0.00	\$0.00	\$73,758.00
CSU Dominguez Hills Philanthropic Foundation	\$4,546.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,546.00
CSU Fresno Association	\$4,190.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,190.00
CSU Fresno Athletic Corporation	\$21,162.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,162.00
CSU Fresno Foundation	\$116,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$116,800.00
CSU Fullerton Univ Auxiliary Services Corporation	\$3,832.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,832.00
CSU Long Beach Research Foundation	\$7,040.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,040.00
CSU Northridge Foundation	\$14,910.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,910.00
CSU Northridge North Campus Park Development	\$5,412.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,412.00
CSU San Marcos Foundation	\$4,987.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,987.00
Donald P. & Katherine B. Loker University Student Union, Inc.	\$24,209.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,209.00
Humboldt State University Center	\$63,890.00	\$0.00	\$0.00	\$0.00	\$0.00	\$63,890.00
San Jose State University Research Foundation	\$20,938.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,938.00
Santos Manuel Student Union, CSU San Bernardino	\$50,291.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,291.00
Student Union Inc, San Jose State University	\$3,399.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,399.00
The Agricultural Foundation, CSU Fresno	\$28,428.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,428.00
The University Corporation, CSU Northridge	\$16,133.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,133.00
^a The University Corporation, San Francisco State	\$32,491.00	\$610.00	\$0.00	\$0.00	\$152.00	\$33,253.00
The University Foundation, CSU Chico	\$17,119.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,119.00
University Corporation at Monterey Bay	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60.00
University Enterprises Inc. CSU Sacramento	\$440,045.00	\$0.00	\$0.00	\$0.00	\$0.00	\$440,045.00
University Student Union Board, CSU Los Angeles	\$43,914.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,914.00
Totals:	\$1,873,487.98	\$610.00	\$0.00	\$0.00	\$152.00	\$1,874,249.98

^a Member has indicated that payment will be processed this month.

**California State University Risk Management Authority
Outstanding Member Loan Status
As of 6/30/2017**

Loan Pool: 15% of the overall average cash and investments for the preceding 12 months (July 2016 - June 2017)

\$ 24,267,630.31

Member Name	Maturity Date	Original Issue Date	Original Issue Amount	Outstanding Loan Balance 6/30/2017	Outstanding Loan Balance 06/30/2016
Humboldt State University Advancement Foundation	Oct 2017 (Extension)	Aug 2008	\$ 2,535,000.00	\$ -	\$ 2,000,000.00 **
Humboldt State University	Oct 2022	Jun 2017	\$ 1,800,000.00	\$ 1,800,000.00	\$ - **
CSU Sacramento	Jun 2019	May 2014	\$ 4,000,000.00	\$ 1,225,760.00	\$ 2,353,355.00
CSU Fresno	Sep 2018 (Extension)	Nov 2008	\$ 4,500,000.00	\$ -	\$ 264,012.84 *
Total Loans			\$ 12,835,000.00	\$ 3,025,760.00	\$ 4,617,367.84

Remaining Amount Available for Member Loans

(The remaining amount reflects CSU Sacramento Line of Credit balance of \$2,774,240)

\$ 20,267,630.31

Per CSURMA P&P No. 10:

A single Member loan and its associated Member's Auxiliary Organizations shall not exceed 5% of the overall average cash and investments for the preceding 12 months

\$ 8,089,210.10

*CSU Fresno paid off their loan November 2016

**HSU Advancement Foundation transferred their loan to HSU campus June 2017

**California State University Risk Management Authority
Travel Expenses Report**

Processed from July 1, 2016 to June 30, 2017

Dates of Travel	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
3/31-4/5/2017	Zachary Gifford	London	Underwriter Meetings with Robert Eaton, Daniel Howell & Amy Lightner	\$ 875.44	\$ 182.42	\$ 284.07	\$ 1,341.93
4/1-4/5/2017	Robert Eaton	London	Underwriter Meetings with Zachary Gifford, Daniel Howell & Amy Lightner	\$ 676.14	\$ 164.42	\$ 3,078.05	\$ 3,918.61
4/17/2017	Zachary Gifford	Oakland	UCOP Risk & Safety Solutions Product Demo to CSU with Daniel Howell	\$ -	\$ -	\$ 271.16	\$ 271.16
5/3/2017	Zachary Gifford	Sacramento	CSAC-EIA Underwriting Committee Meeting	\$ -	\$ -	\$ 231.51	\$ 231.51
5/16-5/17/2017	Zachary Gifford	CPSU San Luis Obispo	Campus visit to discuss and tour the mudflow at Fremont Hall with Daniel Howell	\$ 102.03	\$ 7.00	\$ 110.65	\$ 219.68
5/31/2017	Zachary Gifford	Sacramento	CSAC-EIA Underwriting Committee Meeting	\$ -	\$ -	\$ 283.62	\$ 283.62
6/1/2017	Zachary Gifford	San Diego	Presenter at the Academic Resources Conference	\$ -	\$ -	\$ 100.30	\$ 100.30
6/5-6/7/2017	Zachary Gifford	Phoenix, AZ	Presenter at PRIMA 2017 Conference and CSURMA Underwriter Meeting with Daniel Howell	\$ 357.98	\$ 27.18	\$ 593.09	\$ 978.25
6/14-6/16/2017	Joseph Shepler	Palm Spring	UC Risk Summit	\$ 224.48	\$ 51.88	\$ 163.28	\$ 439.64
Total Travel Expenses Processed from 04/01/2017 to 06/30/2017				\$ 2,236.07	\$ 432.90	\$ 5,115.73	\$ 7,784.70
1/8/2017	Zachary Gifford	San Diego	CSURMA EC Meeting at AOA	\$ -	\$ -	\$ 112.35	\$ 112.35
1/17/2017	Zachary Gifford	CSU San Marcos	Praesidium Leadership Workshop	\$ -	\$ -	\$ 92.02	\$ 92.02
1/22-1/24/2017	Joseph Shepler	CSU Fresno	Campus Visit	\$ 257.40	\$ 57.80	\$ 453.55	\$ 768.75
1/26-1/27, 1/30/2017	Zachary Gifford	Oakland/Alhambra	CWCI and Quovant Stewardship, WC Doubleplay, Public Entity Fraud Summit Meetings	\$ 148.16	\$ 36.10	\$ 386.01	\$ 570.27
2/1/2017	Zachary Gifford	Folsom	CSAC-EIA Underwriting Committee Meeting at EIA Office	\$ -	\$ -	\$ 237.09	\$ 237.09
2/3/2017	Zachary Gifford	San Jose	Williams Mediation at Santa Clara Superior Court	\$ -	\$ -	\$ 262.41	\$ 262.41
2/14-2/15/2017	Zachary Gifford	Anaheim /San Francisco	Presenter at PARMA Conference / Presenter at Advisen Cyber Risk Insights Conference	\$ 263.37	\$ 15.18	\$ 290.83	\$ 569.38
2/20-2/24/2017	Zachary Gifford	New York/Bermuda	Underwriter Meetings with Robert Eaton, Daniel Howell, and Amy Lightner	\$ 1,232.96	\$ 80.53	\$ 874.72	\$ 2,188.21
2/20-2/24/2017	Robert Eaton	New York/Bermuda	Underwriter Meetings with Robert Eaton, Daniel Howell, and Amy Lightner	\$ 1,326.60	\$ 154.32	\$ 700.26	\$ 2,181.18
3/1/2017	Zachary Gifford	Sacramento	CSAC-EIA Underwriting Committee Meeting at Hilton Arden West	\$ -	\$ -	\$ 449.66	\$ 449.66
3/3/2017	Zachary Gifford	San Francisco	WC Attorney Panel Review Project Meeting at Alliant Office	\$ -	\$ -	\$ 319.60	\$ 319.60
3/9/2017	Zachary Gifford	San Diego	CSURMA AORMA, EC and EC LRP meetings at Alliant Office	\$ 235.63	\$ 7.00	\$ 172.17	\$ 414.80
3/23/2017	Zachary Gifford	Oakland	CWCI (California Workers' Compensation Institute)	\$ -	\$ -	\$ 296.13	\$ 296.13
Total Travel Expenses Processed from 01/01/2017 to 03/31/2017				\$ 3,464.12	\$ 350.93	\$ 4,646.80	\$ 8,461.85

**California State University Risk Management Authority
Travel Expenses Report**

Processed from July 1, 2016 to June 30, 2017

Dates of Travel	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
10/2-10/3/2016	Zachary Gifford	Sacramento	Presenter at 2016 California Public Higher Education Collaborative Business Conference	\$ 118.46	\$ 29.31	\$ 344.85	\$ 492.62
10/5-10/7/2016	Joseph Shepler	CSUEB/SJSU/SFSU	Campus Orientation EHS visits	\$ -	\$ 94.27	\$ 541.10	\$ 635.37
10/10/2016	Zachary Gifford	Costa Mesa	Presenter at 2016 AOA Financial Services Annual Conference at Avenue of the Arts Costa Mesa	\$ -	\$ -	\$ 29.16	\$ 29.16
10/14/2016	Zachary Gifford	Oakland	WC DoublePlay Meeting at Sedgwick Office	\$ -	\$ -	\$ 340.18	\$ 340.18
10/17/2016	Zachary Gifford	Concord	Meet & Greet with Carl Warren Claim Examiner with Mimi Long (Alliant) at Carl Warren's Office	\$ -	\$ -	\$ 305.20	\$ 305.20
10/19/2016	Zachary Gifford	SJSU	ISAC Face to Face Meeting presentation with Shadi Jaladi (Alliant)	\$ -	\$ -	\$ 491.03	\$ 491.03
10/24-10/27/2016	Joseph Shepler	SDSU/CSUP/CSUF	Campus Orientation EH visits	\$ -	\$ -	\$ 175.18	\$ 175.18
10/31/2016	Zachary Gifford	Oakland	Nevatt Mediation held at Cynthia Remmer's Office	\$ 185.37	\$ 38.00	\$ 325.19	\$ 548.56
11/2-11/4/2016	Rebecca Skidmore	Sacramento	Fitting the Pieces Together Conference	\$ 445.05	\$ 119.11	\$ 188.20	\$ 752.36
11/2-11/4/2016	Zachary Gifford	Sacramento	Fitting the Pieces Together Conference		\$ 14.00	\$ 439.88	\$ 453.88
11/3-11/4/2016	Martha Guiditta	Sacramento	Fitting the Pieces Together Conference	\$ 296.70	\$ 14.00	\$ 160.20	\$ 470.90
11/3-11/4/2016	Leona Ching	Sacramento	Fitting the Pieces Together Conference	\$ 296.70	\$ 33.74	\$ 187.84	\$ 518.28
11/14-11/18/2016	Joseph Shepler	CSUMB/SLO/Fresno /Bakersfield	Campus visit	\$ 359.26	\$ 163.53	\$ 447.12	\$ 969.91
11/18/2016	Zachary Gifford	Rancho Cucamonga	Speaking at CalPrima Educational Luncheon, San Bernardino County of Superintendent of Schools	\$ -	\$ -	\$ 51.84	\$ 51.84
11/18-12/2/2016	Steven Relyea	London	CSURMA Underwriting Meetings	\$ 1,259.84	\$ 222.33	\$ 1,083.07	\$ 2,565.24
11/19-11/23/2016	Robert Eaton	London	CSURMA Underwriting Meetings	\$ 730.68	\$ 214.60	\$ 3,056.37	\$ 4,001.65
11/21-11/22/2016	Joseph Shepler	Sacramento/Maritime	Campus visit	\$ 131.10	\$ 81.20	\$ 508.15	\$ 720.45
11/28-11/30/2016	Joseph Shepler	Chico/Humboldt	Campus visit	\$ 184.28	\$ 136.24	\$ 561.63	\$ 882.15
11/29-11/30/2016	Zachary Gifford	Concord	AORMA Claims Audit and Quarterly Claims Review at Carl Warren Office	\$ 176.08	\$ 11.31	\$ 419.44	\$ 606.83
12/6-12/8/2016	Zachary Gifford	Folsom/CSUS	CSAC-EIA Joint Meeting with Claims Review Committee / CSU Student Health Services Advisory Committee Meeting	\$ 267.02	\$ 71.73	\$ 344.20	\$ 682.95
12/20/2016	Joseph Shepler	Oakland	Meeting with Alliant for January 2017 EC Agenda & campus visit planning	\$ -	\$ -	\$ 325.60	\$ 325.60
Travel Expenses Processed from 10/01/2016 to 12/31/2016				\$ 4,450.54	\$ 1,243.37	\$ 10,325.43	\$ 16,019.34

**California State University Risk Management Authority
Travel Expenses Report**

Processed from July 1, 2016 to June 30, 2017

Dates of Travel	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
7/18-7/20/2016	Zachary Gifford	Oakland/San Francisco	CSURMA Communication to Campus IT Leadership - Cyber Insurance Program Teleconference with Alliant and CO, AORMA Officers Retreat at Alliant Office	\$ 603.22	\$ 45.00	\$ 362.87	\$ 1,011.09
7/27-7/28/2016	Zachary Gifford	Oakland/San Francisco	SFSU Science Bldg and Nevatt Litigation Meeting at Alliant, IRIC Training presentation at Cal Maritime	\$ 252.14	\$ 19.18	\$ 494.13	\$ 765.45
8/10-8/12/2016	Zachary Gifford	Newport Beach/Irvine	WC Stewardship Meeting with Alliant and Sedgwick at Alliant Newport Beach Office and UC-CSU Workers' Compensation Summit at UC Irvine Campus	\$ -	\$ -	\$ 88.02	\$ 88.02
8/17-8/18/2016	Zachary Gifford	LA/Cal Poly Pomona	Alliant/CPDC Claims Advocacy Meeting at Alliant Office and CSURMA IRIC Training presentation at CSPU Pomona	\$ -	\$ -	\$ 85.88	\$ 85.88
8/11-8/12, 8/18, 8/30-8/31/2016	Rebecca Skidmore	UCI/Pomona/LA	UC-CSU Workers' Compensation Summit at UC Irvine, CSURMA Training for IRIC 9.0 at Pomona campus, Ventiv	\$ 230.61	\$ 150.99	\$ -	\$ 381.60
9/6-9/8/2016	Zachary Gifford	Sacramento	CSURMA EC Meeting, AORMA LRP & Committee Meeting at Alliant Offices	\$ 241.10	\$ 57.06	\$ 335.04	\$ 633.20
9/12, 9/18-9/20/2016	Rebecca Skidmore	San Diego	URMIA Conference	\$ 774.84	\$ 22.35	\$ 201.52	\$ 998.71
9/18-9/20/2016	Zachary Gifford	San Diego	URMIA Conference	\$ 315.84	\$ 44.20	\$ 199.39	\$ 559.43
9/23/2016	Zachary Gifford	Costa Mesa	Presenter at 2016 AOA Financial Services Annual Conference at Avenue of the Arts Costa Mesa	\$ -	\$ -	\$ 29.16	\$ 29.16
Travel Expenses Processed from 07/01/2016 to 09/30/2016				\$ 2,417.75	\$ 338.78	\$ 1,796.01	\$ 4,552.54
GRAND TOTAL				\$ 12,568.48	\$ 2,365.98	\$ 21,883.97	\$ 36,818.43

California State University Risk Management Authority

Balance Sheet - Campus Programs as of 6/30/2017

(Unaudited)

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>IDL/NDI/UI</u>	<u>Property</u>	<u>AIME</u>	<u>Auto Liability</u>	<u>Total Campus Programs as of 6/30/2017</u>
Assets:							
Cash and Investments	3,392,136	6,499,209	124,616	715,711	219,949	(141,041)	10,810,580
Other long-term investments	34,191,432	65,508,497	1,254,006	7,213,616	2,216,420	0	110,383,970
Accounts receivable	375,965	1,040,821	0	17,473	0	0	1,434,259
Loan receivable	0	0	0	0	0	0	0
Reinsurance receivable	0	172,447	0	0	0	0	172,447
Accrued interest receivable	(0)	0	0	0	0	0	(0)
Prepaid insurance	15,034	91	33	18,136	2,514	0	35,808
Prepaid expense	44,479	1,023,439	10,495	6,414	647,213	0	1,732,039
Total assets:	<u>38,019,046</u>	<u>74,244,503</u>	<u>1,389,150</u>	<u>7,971,349</u>	<u>3,086,096</u>	<u>(141,041)</u>	<u>124,569,103</u>
Liabilities:							
Accounts payable	292,682	4,188,451	2,112,840	68,531	253,621	0	6,916,125
Unearned revenue	13,536	0	0	0	0	0	13,536
SELF assessment liability	0	8,181,789	0	0	0	0	8,181,789
Reported claims	12,475,774	26,647,833	0	0	110,893	0	39,234,500
Claims incurred but not reported	10,985,689	13,056,845	0	0	2,217,851	0	26,260,385
Total liabilities:	<u>23,767,681</u>	<u>52,074,918</u>	<u>2,112,840</u>	<u>68,531</u>	<u>2,582,365</u>	<u>0</u>	<u>80,606,335</u>
Fund balance	14,251,365	22,169,586	(723,690)	7,902,818	503,731	(141,041)	43,962,769
Total liabilities and fund balance	<u>38,019,046</u>	<u>74,244,503</u>	<u>1,389,150</u>	<u>7,971,349</u>	<u>3,086,096</u>	<u>(141,041)</u>	<u>124,569,103</u>

California State University Risk Management Authority

Balance Sheet - AORMA Programs as of 6/30/2017

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs as of 6/30/2017
Assets:						
Cash and Investments	819,750	1,001,512	191,031	37,231	562,214	2,611,738
Other long-term investments	8,262,732	10,095,134	1,925,399	375,273	5,666,971	26,325,509
Accounts receivable	86,384	94,125	104	0	0	180,614
Loan receivable	0	0	0	0	0	0
Reinsurance receivable	0	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0	0
Prepaid insurance	9	11	6	1	6	33
Prepaid expense	152,838	145,271	1,732	227	9,281	309,348
Total assets:	9,321,713	11,336,053	2,118,272	412,732	6,238,472	29,427,242
Liabilities:						
Accounts payable	900,108	1,050,506	7,202	128	245,829	2,203,773
Unearned revenue	0	0	0	0	0	0
SELF assessment liability	0	0	0	0	0	0
Reported claims	617,924	2,166,536	0	0	0	2,784,460
Claims incurred but not reported	829,780	1,709,404	0	0	0	2,539,184
Total liabilities:	2,347,812	4,926,446	7,202	128	245,829	7,527,417
Fund balance	6,973,901	6,409,607	2,111,069	412,604	5,992,643	21,899,825
Total liabilities and fund balance	9,321,713	11,336,053	2,118,272	412,732	6,238,472	29,427,242

California State University Risk Management Authority

Balance Sheet - Miscellaneous Programs as of 6/30/2017

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Loans	Total Misc Programs as of 6/30/2017	Grand Total All Programs as of 6/30/2017
Assets:						
Cash and Investments	4,881	(156,923)	32,100	(291,346)	(411,289)	13,011,029
Other long-term investments	49,204	(1,581,992)	323,549	(2,734,414)	(3,943,652)	132,765,827
Accounts receivable	2,227	5,491,825	0	0	5,494,052	7,108,925
Loan receivable	0	0	0	3,025,760	3,025,760	3,025,760
Reinsurance receivable	0	0	0	0	0	172,447
Accrued interest receivable	0	0	0	0	0	0
Prepaid insurance	0	3,702,543	15,006	0	3,717,548	3,753,389
Prepaid expense	0	31,990	45,229	0	77,219	2,118,606
Total assets:	56,312	7,487,443	415,884	0	7,959,639	161,955,984
Liabilities:						
Accounts payable	659	411,018	453	0	412,129	9,532,028
Unearned revenue	0	0	29,750	0	29,750	43,285
SELF assessment liability	0	0	0	0	0	8,181,789
Reported claims	0	0	0	0	0	42,018,960
Claims incurred but not reported	0	0	0	0	0	28,799,569
Total liabilities:	659	411,018	30,202	0	441,879	88,575,631
Fund balance	55,653	7,076,425	385,682	0	7,517,760	73,380,353
Total liabilities and fund balance	56,312	7,487,443	415,884	0	7,959,639	161,955,984

California State University Risk Management Authority
Income Statement - Campus Programs as of 6/30/2017
(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs
OPERATING REVENUES:							
Contributions	15,566,383	37,823,215	13,500,000	8,876,391	4,158,323	845,824	80,770,136
Reinsurance premiums	(1,779,231)	0	0	(4,974,028)	0	0	(6,753,259)
Total operating revenues:	13,787,152	37,823,215	13,500,000	3,902,363	4,158,323	845,824	74,016,876
OPERATING EXPENSES:							
DIRECT PROGRAM EXPENSES:							
Claims payment & legal expenses	16,376,915	18,933,568	14,366,451	3,130,850	3,671,148	0	56,478,932
Deductible recoveries	(7,585,565)	0	0	0	0	0	(7,585,565)
Claims administrators	0	3,593,322	72,495	0	205,000	0	3,870,817
Claims management information system	65,615	112,989	26,960	14,924	8,131	0	228,617
Program administrator	265,094	707,608	170,408	213,307	10,430	0	1,366,847
Brokerage commissions	343,587	304,800	252	514,620	2,494	0	1,165,754
Insurance premiums	2,469,110	35,011,262	0	1,178,783	19,278	829,510	39,507,943
Taxes, assessments & fees	235,790	0	0	0	0	0	235,790
Actuarial services	10,163	5,486	798	488	2,996	0	19,930
Claims Audit	5,000	0	0	0	0	0	5,000
Miscellaneous program services	1,876	0	0	0	0	0	1,876
Workshops/training	29,397	56,355	17,699	10,696	0	0	114,146
Loss control	450,521	46,244	0	55,844	0	0	552,609
Reinsurance/excess recovery	(4,500,000)	(12,779,054)	0	0	0	0	(17,279,054)
Program committee	0	0	0	0	557	0	557
Dividend distributions	5,576,910	8,111,485	0	0	0	0	13,688,395
Change in claims losses and loss adjustment expenses	2,680,131	(8,790,005)	0	0	114,802	0	(5,995,072)
Total direct program expenses:	16,424,544	45,314,060	14,655,064	5,119,511	4,034,836	829,510	86,377,523
GENERAL & ADMINISTRATIVE EXPENSES:							
Financial audit	4,382	11,637	4,154	2,538	1,280	0	23,990
Executive committee & board expenses	670	1,780	635	388	196	0	3,670
JPA insurance	2,158	6,026	2,155	1,277	623	0	12,240
Memberships, associations & dues	1,255	30,978	1,225	736	364	0	34,558
Chancellor's office accounting services	51,038	135,553	48,381	29,566	14,904	0	279,443
Risk management expenses	135,095	358,743	128,044	78,246	39,443	0	739,571
JPA legal	15,288	40,604	14,493	8,856	4,465	0	83,706
Miscellaneous indirect services	5,106	11,783	4,161	2,532	1,255	0	24,838
Total general & administrative expenses:	214,992	597,105	203,249	124,140	62,529	0	1,202,015
Total operating expenses:	16,639,536	45,911,165	14,858,312	5,243,651	4,097,365	829,510	87,579,539
NON-OPERATING REVENUES:							
Investment income	(243,271)	(512,956)	(76,302)	(70,975)	(39,075)	0	(942,579)
Total non-operating revenues:	(243,271)	(512,956)	(76,302)	(70,975)	(39,075)	0	(942,579)
BEGINNING RETAINED EARNINGS	17,464,030	30,770,492	710,923	9,315,081	481,847	(157,355)	58,585,019
ADJUSTMENTS TO RETAINED EARNINGS	(117,010)	0	0	0	0	0	(117,010)
TOTAL ADJUSTED RETAINED EARNINGS	17,347,020	30,770,492	710,923	9,315,081	481,847	(157,355)	58,468,009
NET SURPLUS/(DEFICIT)	(3,095,655)	(8,600,906)	(1,434,614)	(1,412,263)	21,883	16,314	(14,505,241)
ENDING RETAINED EARNINGS	14,251,365	22,169,586	(723,690)	7,902,818	503,731	(141,041)	43,962,769

California State University Risk Management Authority
Income Statement - AORMA Programs as of 6/30/2017
(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs
OPERATING REVENUES:						
Contributions	3,816,915	4,867,911	2,445,934	310,538	1,417,698	12,858,996
Reinsurance premiums	(1,285,904)	0	(1,401,411)	0	0	(2,687,315)
Total operating revenues:	2,531,011	4,867,911	1,044,523	310,538	1,417,698	10,171,681
OPERATING EXPENSES:						
DIRECT PROGRAM EXPENSES:						
Claims payment & legal expenses	678,150	2,570,344	247,716	24,217	1,130,790	4,651,218
Deductible recoveries	(134,938)	0	0	0	0	(134,938)
Claims administrators	14,000	219,765	0	0	30,046	263,811
Claims management information system	7,353	8,023	3,785	448	3,454	23,063
Program administrator	600,000	386,477	255,000	25,000	45,000	1,311,477
Brokerage commissions	57,544	30,114	185,212	23,690	51	296,611
Insurance premiums	149,976	3,332,037	64,802	220,737	0	3,767,551
Taxes, assessments & fees	0	44,554	0	0	0	44,554
Actuarial services	5,229	3,767	140	18	153	9,308
Claims Audit	4,400	0	0	0	0	4,400
Miscellaneous program services	0	0	0	0	0	0
Workshops/training	13,989	12,859	6,648	876	6,349	40,721
Loss control	104,458	108,379	16,036	0	0	228,873
Reinsurance/excess recovery	(372,847)	(1,020,521)	0	0	0	(1,393,368)
Program committee	2,483	2,894	1,516	199	1,475	8,568
Dividend distributions	824,133	888,622	0	0	0	1,712,755
Change in claims losses and loss adjustment expenses	(46,046)	(2,066,814)	0	0	0	(2,112,860)
Total direct program expenses:	1,907,886	4,520,500	780,856	295,184	1,217,318	8,721,744
GENERAL & ADMINISTRATIVE EXPENSES:						
Financial audit	1,194	1,392	729	95	655	4,064
Executive committee & board expenses	183	213	111	15	120	641
JPA insurance	612	718	352	48	414	2,144
Memberships, associations & dues	18	21	10	1	12	63
Chancellor's office accounting services	13,908	16,210	8,488	1,111	8,042	47,760
Risk management expenses	36,808	42,899	22,466	2,941	22,497	127,611
JPA legal	4,166	4,855	2,543	332	2,529	14,426
Miscellaneous indirect services	1,190	1,393	730	96	715	4,123
Total general & administrative expenses:	58,079	67,701	35,429	4,639	34,984	200,833
Total operating expenses:	1,965,965	4,588,201	816,285	299,824	1,252,302	8,922,577
NON-OPERATING REVENUES:						
Investment income	(56,317)	(53,499)	(12,178)	(6,691)	(28,395)	(157,080)
Total non-operating revenues:	(56,317)	(53,499)	(12,178)	(6,691)	(28,395)	(157,080)
BEGINNING RETAINED EARNINGS	6,465,172	6,183,396	1,895,009	408,581	5,855,643	20,807,801
ADJUSTMENTS TO RETAINED EARNINGS	0	0	0	0	0	0
TOTAL ADJUSTED RETAINED EARNINGS	6,465,172	6,183,396	1,895,009	408,581	5,855,643	20,807,801
NET SURPLUS/(DEFICIT)	508,729	226,211	216,060	4,023	137,001	1,092,024
ENDING RETAINED EARNINGS	6,973,901	6,409,607	2,111,069	412,604	5,992,643	21,899,825

California State University Risk Management Authority
Income Statement - Miscellaneous Programs as of 6/30/2017
(Unaudited)

	Misc Purchased	OCIP	Club Sports	Total Misc Programs	Grand Total All Programs
OPERATING REVENUES:					
Contributions	399,525	9,064,252	353,840	9,817,617	103,446,749
Reinsurance premiums	0	0	0	0	(9,440,574)
Total operating revenues:	399,525	9,064,252	353,840	9,817,617	94,006,175
OPERATING EXPENSES:					
DIRECT PROGRAM EXPENSES:					
Claims payment & legal expenses	0	0	41,942	41,942	61,172,092
Deductible recoveries	0	0	0	0	(7,720,502)
Claims administrators	0	0	8,000	8,000	4,142,628
Claims management information system	0	11,028	667	11,695	263,375
Program administrator	0	926,177	0	926,177	3,604,501
Brokerage commissions	79,714	27,202	7,358	114,274	1,576,639
Insurance premiums	459,155	8,639,765	180,597	9,279,516	52,555,011
Taxes, assessments & fees	0	0	0	0	280,344
Actuarial services	0	362	21	383	29,621
Claims Audit	0	0	0	0	9,400
Miscellaneous program services	0	0	0	0	1,876
Workshops/training	0	0	0	0	154,868
Loss control	0	0	0	0	781,482
Reinsurance/excess recovery	0	0	0	0	(18,672,422)
Program committee	0	0	0	0	9,124
Dividend distributions	0	0	0	0	15,401,150
Change in claims losses and loss adjustment expenses	0	0	0	0	(8,107,932)
Total direct program expenses:	538,868	9,604,533	238,585	10,381,987	105,481,254
GENERAL & ADMINISTRATIVE EXPENSES:					
Financial audit	0	1,883	63	1,946	30,000
Executive committee & board expenses	0	288	16	304	4,615
JPA insurance	0	977	33	1,010	15,394
Memberships, associations & dues	0	29	1	30	34,650
Chancellor's office accounting services	0	21,927	870	22,797	350,000
Risk management expenses	0	58,031	2,697	60,728	927,910
JPA legal	0	6,568	300	6,868	105,000
Miscellaneous indirect services	0	1,886	69	1,955	30,916
Total general & administrative expenses:	0	91,588	4,048	95,637	1,498,485
Total operating expenses:	538,868	9,696,122	242,634	10,477,624	106,979,739
NON-OPERATING REVENUES:					
Investment income	0	0	(1,482)	(1,482)	(1,101,141)
Total non-operating revenues:	0	0	(1,482)	(1,482)	(1,101,141)
BEGINNING RETAINED EARNINGS	77,987	7,708,294	275,957	8,062,238	87,455,058
ADJUSTMENTS TO RETAINED EARNINGS	117,010	0	0	117,010	0
TOTAL ADJUSTED RETAINED EARNINGS	194,997	7,708,294	275,957	8,179,248	87,455,058
NET SURPLUS/(DEFICIT)	(139,343)	(631,870)	109,725	(661,488)	(14,074,705)
ENDING RETAINED EARNINGS	55,653	7,076,425	385,682	7,517,760	73,380,353

California State University Risk Management Authority

Income Statement as of 6/30/2017

(Unaudited)

	Budget vs. Actual			
	FY 2016/2017	Year-to-Date	Variance	Percent of Budget
	Amended Budget	Ended 06/30/2017		
OPERATING REVENUES:				
Contributions	99,407,630	103,446,749	(4,039,119)	104.06 %
Reinsurance premiums	(9,718,163)	(9,440,574)	(277,589)	97.14 %
Total operating revenues:	89,689,467	94,006,175	(4,316,708)	104.81 %
OPERATING EXPENSES:				
DIRECT PROGRAM EXPENSES:				
Claims payment & legal expenses	62,120,833	61,172,092	948,741	98.47 %
Deductible recoveries	(6,039,744)	(7,720,502)	1,680,758	127.83 %
Claims administrators	4,154,133	4,142,628	11,505	99.72 %
Claims management information system	85,000	263,375	(178,375)	309.85 %
Program administrator	3,760,751	3,604,501	156,250	95.85 %
Brokerage commissions	1,544,465	1,576,639	(32,174)	102.08 %
Insurance premiums	42,997,104	52,555,011	(9,557,907)	122.23 %
Taxes, assessments & fees	265,500	280,344	(14,844)	105.59 %
Actuarial services	386,000	29,621	356,379	7.67 %
Claims Audit	22,000	9,400	12,600	42.73 %
Coverage counsel	16,000	0	16,000	0.00 %
Program legal	24,500	0	24,500	0.00 %
Miscellaneous program services	10,000	1,876	8,124	18.76 %
Workshops/training	329,000	154,868	174,132	47.07 %
Loss control	1,064,466	781,482	282,984	73.42 %
Reinsurance/excess recovery	(14,843,930)	(18,672,422)	3,828,492	125.79 %
Program committee	0	9,124	(9,124)	0.00 %
Dividend distributions	15,401,150	15,401,150	0	100.00 %
Change in claims losses and loss adjustment expenses	0	(8,107,932)	8,107,932	0.00 %
Total direct program expenses:	111,297,228	105,481,254	5,815,974	94.77 %
GENERAL & ADMINISTRATIVE EXPENSES:				
Financial audit	43,000	30,000	13,000	69.77 %
Executive committee & board expenses	34,000	4,615	29,385	13.57 %
JPA insurance	27,500	15,394	12,106	55.98 %
Memberships, associations & dues	35,000	34,650	350	99.00 %
Chancellor's office accounting services	350,000	350,000	0	100.00 %
Risk management expenses	1,013,000	927,910	85,090	91.60 %
JPA legal	105,000	105,000	0	100.00 %
Miscellaneous indirect services	15,000	30,916	(15,916)	206.11 %
Total general & administrative expenses:	1,622,500	1,498,485	124,015	92.36 %
Total operating expenses:	112,919,728	106,979,739	5,939,989	94.74 %
NON-OPERATING REVENUES:				
Investment income	2,500,000	(1,101,141)	3,601,141	(44.05)%
Total non-operating revenues:	2,500,000	(1,101,141)	3,601,141	(44.05)%
NET SURPLUS/(DEFICIT)	(20,730,261)	(14,074,705)	(6,655,556)	67.89 %

FINANCIAL REPORT
TREASURER'S REPORT AT JUNE 30, 2017

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

RECOMMENDATION: It is recommended that the Executive Committee review the Treasurer's Report ending June 30, 2017 as part of the Consent Calendar.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Certification of Funds Letter dated August 28, 2017
- b. CSURMA Investment Report - April 1, 2017 to June 30, 2017



Officers

Ming Tung (Mike) Lee
Chair - 916-278-6312

Lisa Chavez
Vice Chair - 323-343-3500

Robert Eaton
Treasurer - 562-951-4572

Zachary Gifford
Secretary-Auditor - 562-951-4568

To: Executive Committee
CSU Risk Management Authority

From: Robert Eaton
Treasurer
CSU Risk Management Authority

Re: Quarterly Investment Report
Ending June 30, 2016

Date: August 28, 2017

Government Code Section 53646(b)(1) requires the Authority’s Treasurer to submit to the legislative body (Executive Committee), a quarterly investment report. Attached is the quarterly investment report ending June 30, 2017. The report contains a portfolio summary which includes market value, return, yield, weighted average maturity (WAM), and duration for each of CSURMA Investment Portfolios: Fixed Income Portfolio with TCW (Met West) and CSU’s SWIFT Portfolio.

The funds held in investments are sufficient to meet the Authority’s cash-flow needs for the following six (6) months. The investments are in accordance with the investment policy of the Authority, as duly authorized by the Executive Committee.

Robert Eaton
Treasurer
CSU Risk Management Authority

CSURMA

Quarterly Investment Report

April 1, 2017 - June 30, 2017

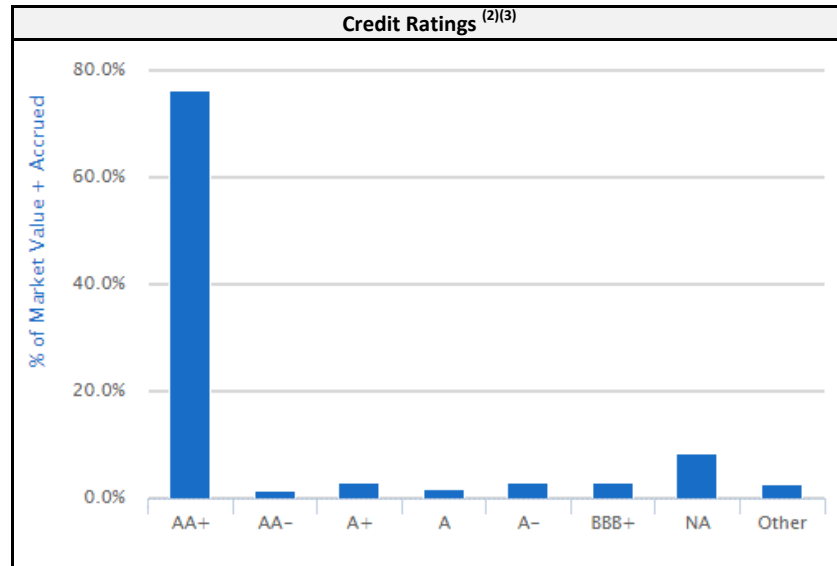
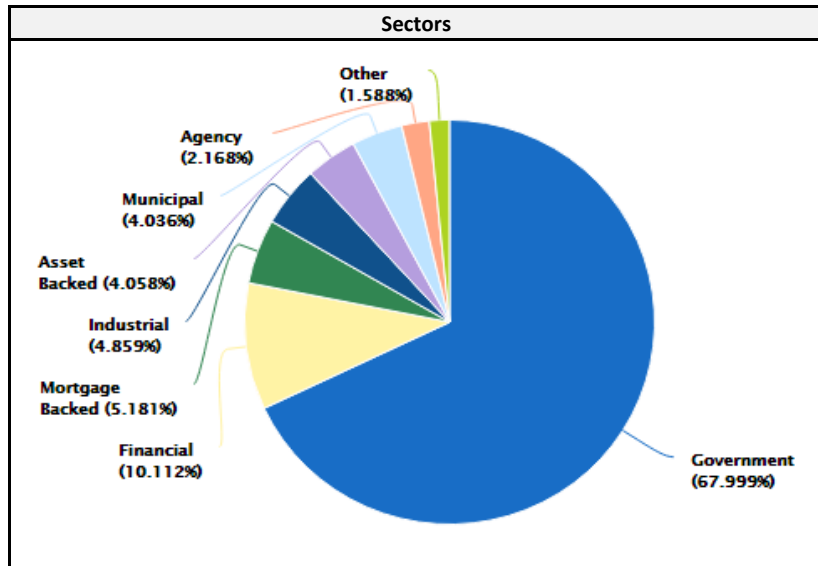
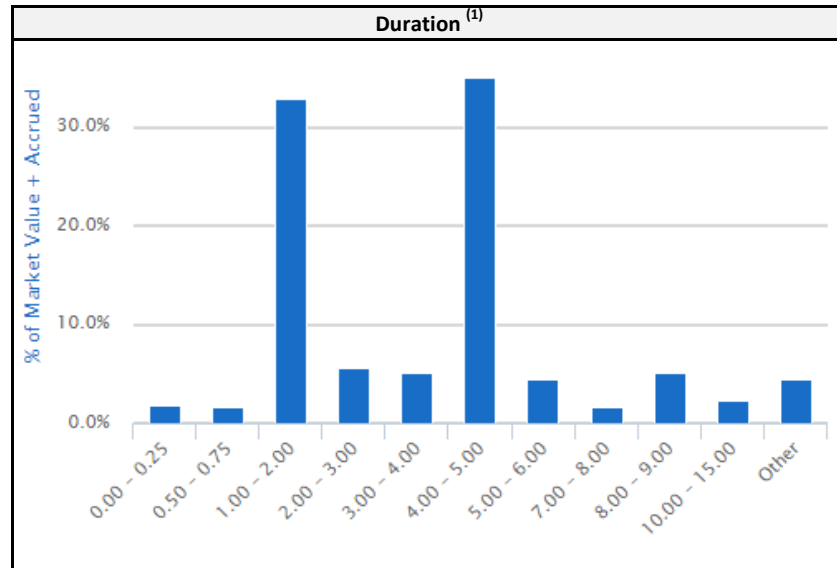
Prepared by Treasury

California State University Risk Management Authority

Fixed Income Portfolio (Auxiliary Investment Platform)

As of 06/30/2017

Portfolio Summary Total	
Total Assets	132,765,827
Duration	3.77
Yield	1.911
Avg Credit Rating	AA-/Aa3
QE Performance	0.628%



(1) The Other category combines duration ranges and in aggregate equals 4.455% of the portfolio.

(2) The Other category contains assets that do not fall within the seven specific charted credit ratings. These assets make up 2.710% of the portfolio and include the following ratings: AAA, AA, BBB, and BBB- .

(3) The NA category contains assets that do not have credit ratings available. These assets make up 8.458% of the portfolio.

California State University Risk Management Authority

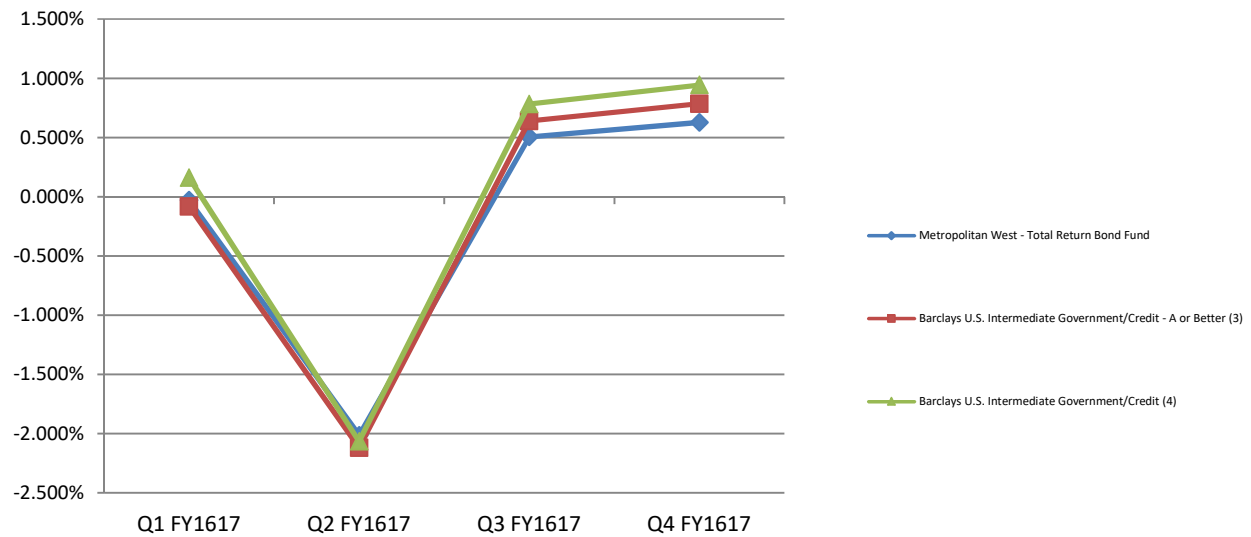
Fixed Income Portfolio (Auxiliary Investment Platform)

Performance Summary

Period Ending 06/30/2017

Account / Index	Market Value	3 Month ⁽¹⁾	Trailing 12 Month ⁽¹⁾	Trailing 3 Year ⁽¹⁾	Trailing 5 Year ⁽¹⁾	Since Inception ⁽¹⁾	Yield	WAM ⁽²⁾	Duration
	06/30/2017	04/01/17 - 06/30/17	07/01/16 - 06/30/17	07/01/14 - 06/30/17	07/01/12 - 06/30/17	07/01/07 - 06/30/17			
Metropolitan West - Total Return Bond Fund	132,765,827	0.628%	-0.929%	1.089%	1.206%	3.537%	1.911	5.478	3.770
Barclays U.S. Intermediate Government/Credit - A or Better ⁽³⁾		0.785%	-0.802%	1.714%	1.463%	2.880%	1.886	4.223	3.940
Barclays U.S. Intermediate Government/Credit ⁽⁴⁾		0.942%	-0.213%	1.914%	1.774%	3.275%	2.077	4.389	4.067

Account / Index	Q1 FY1617	Q2 FY1617	Q3 FY1617	Q4 FY1617	Trailing 12 Month ⁽¹⁾
	07/01/16 - 09/30/16	10/01/16 - 12/31/16	01/01/17 - 03/31/17	04/01/17 - 06/30/17	07/01/16 - 06/30/17
Metropolitan West - Total Return Bond Fund	-0.029%	-2.013%	0.505%	0.628%	-0.929%
Barclays U.S. Intermediate Government/Credit - A or Better ⁽³⁾	-0.083%	-2.119%	0.640%	0.785%	-0.802%
Barclays U.S. Intermediate Government/Credit ⁽⁴⁾	0.159%	-2.067%	0.781%	0.942%	-0.213%



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

(2) Weighted Average Maturity

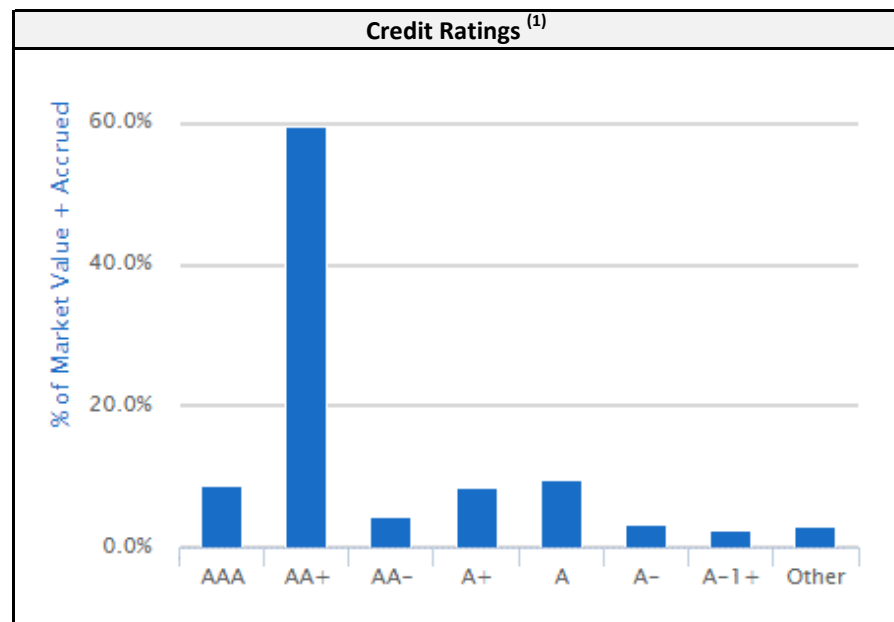
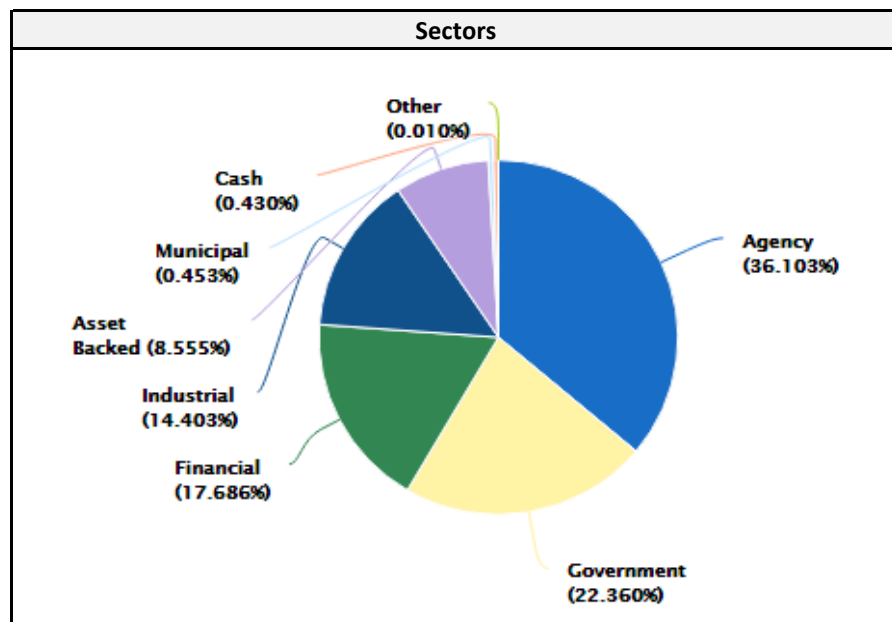
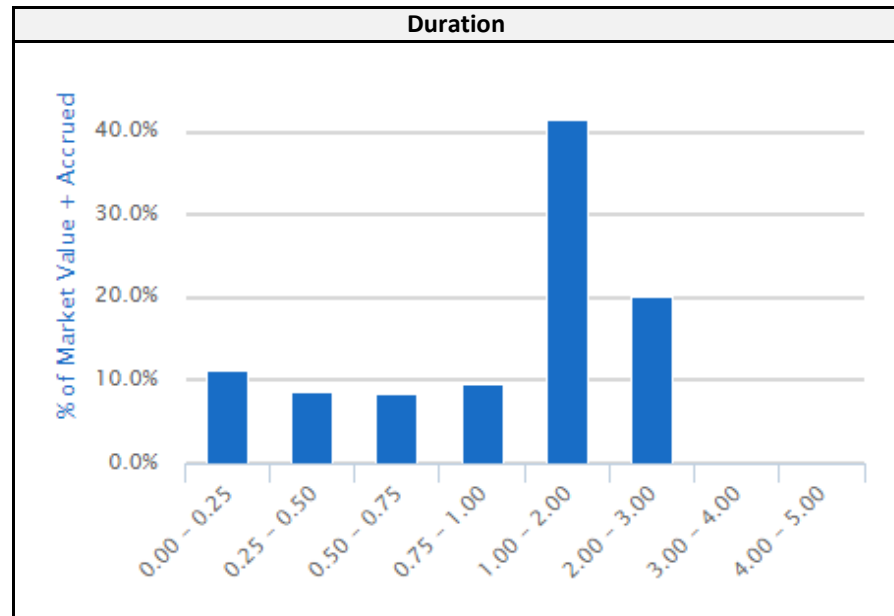
(3) Portfolio Benchmark as of 05/2014.

(4) Portfolio Benchmark prior to 05/2014.

California State University SWIFT Portfolio

As of 06/30/2017

Portfolio Summary Total	
Total Assets	13,134,311
Duration	1.293
Yield	1.453
Avg Credit Rating	AA-/Aa3
QE Performance	0.290%



⁽¹⁾ The other bucket contains assets that do not fall within the top seven credit ratings.

California State University Risk Management Authority

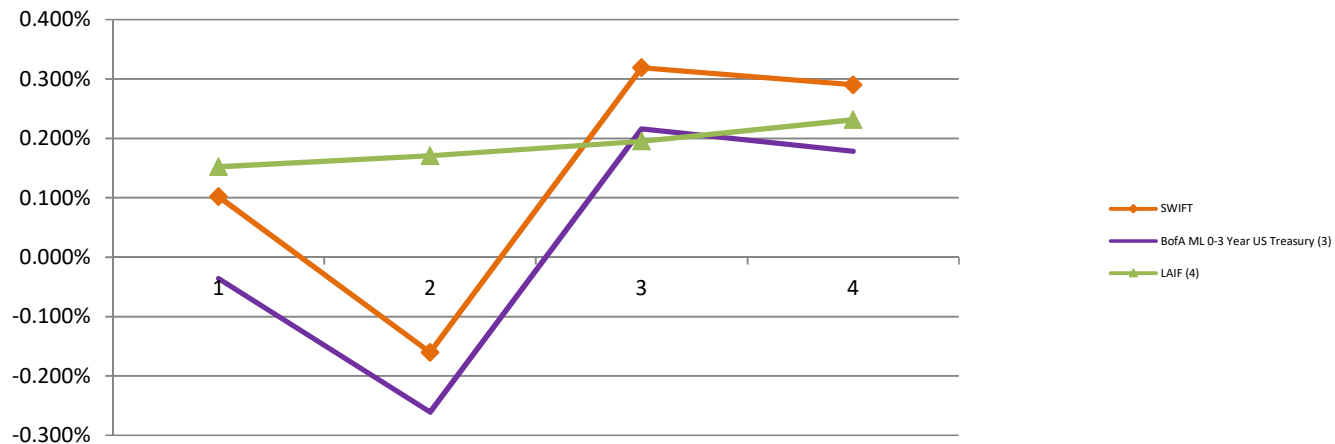
SWIFT Portfolio

Performance Summary

Period Ending 06/30/2017

Account / Index	Market Value	3 Month ⁽¹⁾	Trailing 12 Month ⁽¹⁾	Trailing 3 Year ⁽¹⁾	Trailing 5 Year ⁽¹⁾	Since Inception ⁽¹⁾	Yield	WAM ⁽²⁾	Duration
SWIFT - CSU Systemwide Investment Fund Trust	06/30/17 13,134,311	04/01/17 - 06/30/17 0.290%	07/01/16 - 06/30/17 0.551%	07/01/14 - 06/30/17 0.812%	07/01/12 - 06/30/17 0.740%	07/01/07 - 06/30/17 1.273%	1.453	1.587	1.293
BofA ML 0-3 Year US Treasury ⁽³⁾		0.178%	0.096%	0.584%	0.524%	1.588%	1.331	1.483	1.447
LAIF - Local Agency Investment Fund ⁽⁴⁾		0.231%	0.754%	0.485%	0.402%	1.011%	0.929		

Account / Index	Q1 FY1617	Q2 FY1617	Q3 FY1617	Q4 FY1617	Trailing 12 Month ⁽¹⁾
	7/1/16 - 09/30/16	09/30/16 - 12/31/16	1/1/17 - 3/31/17	04/01/17 - 06/30/17	07/01/16 - 06/30/17
SWIFT	0.102%	-0.160%	0.319%	0.290%	0.551%
BofA ML 0-3 Year US Treasury ⁽³⁾	-0.036%	-0.261%	0.216%	0.178%	0.096%
LAIF ⁽⁴⁾	0.152%	0.171%	0.195%	0.231%	0.754%



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

(2) Weighted Average Maturity

(3) SWIFT Portfolio Benchmark

(4) LAIF returns calculated by CSUCO Treasury

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%
Total	\$ 49,913,926	\$ 47,242,252	\$ 2,671,674	5.66%

**ACTUARIAL REPORTS FOR LIABILITY, WORKERS’
COMPENSATION AND ATHLETIC INJURY MEDICAL EXPENSE
PROGRAMS**

ISSUE: CSURMA retains the services of an independent actuary to evaluate the liabilities of its major campus risk pools. The complete draft reports for General and Errors & Omissions, Workers’ Compensation and Athletic Injury Medical Expense are included separately with the agenda packet. Staff has highlighted in the attachments key findings and exhibits. The information provided by the actuary is used to establish fiscal year-end financial reports, and serves as the starting point to develop rates and funding for FY 2018/19, as well as evaluating potential dividends or assessments.

RECOMMENDATION: The Executive Committee is asked to review the draft actuarial reports and accept the reports for use in CSURMA’s financial reporting, rate setting, and funding evaluations.

FISCAL IMPACT: The action recommended will have the direct effect of establishing liabilities reported in CSURMA’s financial statements. Information from the accepted actuarial studies are used in rate setting and funding forecasts. The Board of Directors will take action on FY 2018/19 rates and funding at its meeting in the Fall.

BACKGROUND: The complete actuarial reports include discussions on the methodology used by the actuary to establish the financial projections for the campus risk pools. Staff will be present at today’s meeting to summarize and comment on the actuary’s findings and recommendations.

PUBLICATION: None.

ATTACHMENT(S):

- a. Charts and graphs from the draft actuarial reports valued at June 30, 2017.
- b. Complete copies of the draft actuarial reports dated August 9, 2017 are included separately with the Agenda packet.

ACTUARY (Reports dated 8/9/17)

CAMPUS LIABILITY

	at 6/30/17	at 6/30/17	at 6/30/18	
Estimated Outstanding Losses (@70% ci)	<i>Estimated</i>	<i>Re-Valued</i>	<i>Estimated</i>	% Chg
Gross of Member Deductibles (<i>undsct</i>)	30,612,643	35,641,223	33,848,344	10.6%
Gross of Member Deductibles (<i>dsct</i>)	29,669,507	34,590,873	32,808,335	10.6%
Net of Member Deductibles (<i>undsct</i>)	17,599,057	24,025,547	20,992,286	19.3%
Net of Member Deductibles (<i>dsct</i>)	17,065,578	23,331,439	20,369,393	19.4%
	FY 17/18	FY 17/18	FY 18/19	
Projected Ultimate Limited Losses (@70% ci)	<i>Estimated</i>	<i>Re-Valued</i>	<i>Estimated</i>	% Chg
Gross of Member Deductibles (<i>undsct</i>)	14,065,000	14,305,000	14,956,000	6.3%
Loss Rate per FTES	34.33	35.23	35.94	4.7%
Gross of Member Deductibles (<i>dsct</i>)	13,265,000	13,490,000	14,104,000	6.3%
Loss Rate per FTES	32.38	33.23	33.89	4.7%
	FY 17/18	FY 17/18	FY 18/19	
Projected Ultimate Limited Losses (@70% ci)	<i>Estimated</i>	<i>Re-Valued</i>	<i>Estimated</i>	% Chg
Net of Member Deductibles (<i>undsct</i>)	8,085,899	9,642,920	9,275,509	11.6%
Loss Rate per FTES	19.74	23.75	22.29	8.6%
Net of Member Deductibles (<i>dsct</i>)	7,625,983	9,093,533	8,747,110	11.5%
Loss Rate per FTES	18.62	22.40	21.02	8.5%

CAMPUS WORKERS' COMPENSATION

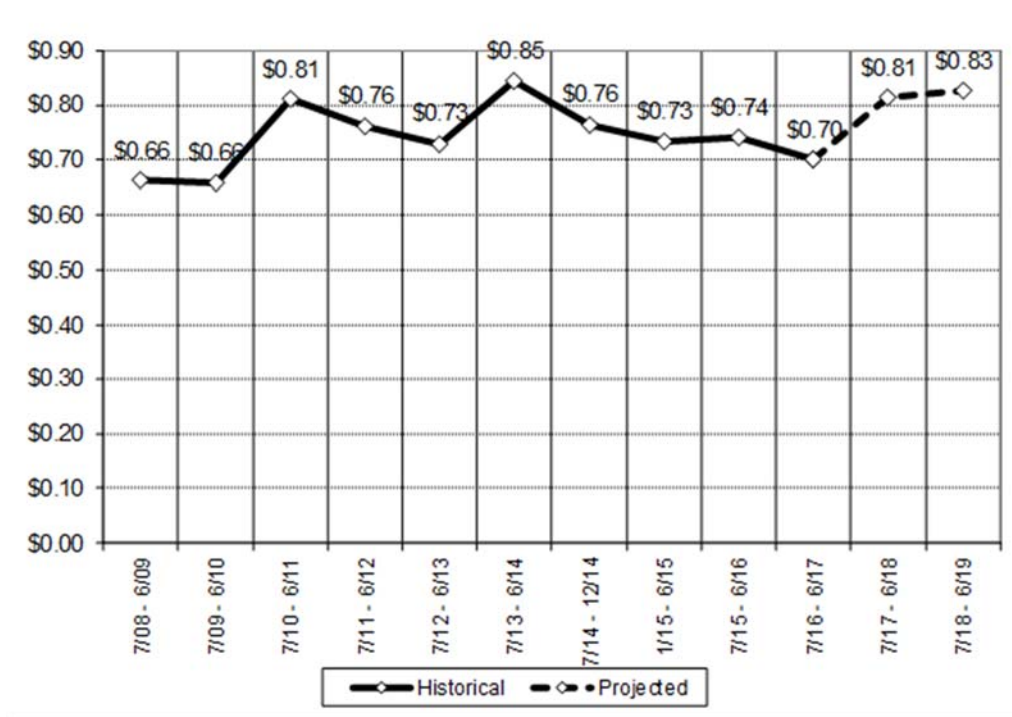
	at 6/30/17	at 6/30/17	at 6/30/18	
Estimated Outstanding Losses (@70% ci)	<i>Estimated</i>	<i>Re-Valued</i>	<i>Estimated</i>	% Chg
Undiscounted	39,270,448	39,326,537	32,643,135	-16.9%
Discounted	35,811,172	35,367,782	29,286,190	-18.2%
	FY 17/18	FY 17/18	FY 18/19	
Projected Ultimate Limited Losses (@70% ci)	<i>Estimated</i>	<i>Re-Valued</i>	<i>Estimated</i>	% Chg
Undiscounted	29,691,000	30,235,000	31,916,000	7.5%
Loss Rate per \$100 Payroll	0.90	0.86	0.87	-3.3%
Discounted	27,206,000	27,666,000	29,205,000	7.3%
Loss Rate per \$100 Payroll	0.83	0.78	0.79	-4.8%

CAMPUS AIME

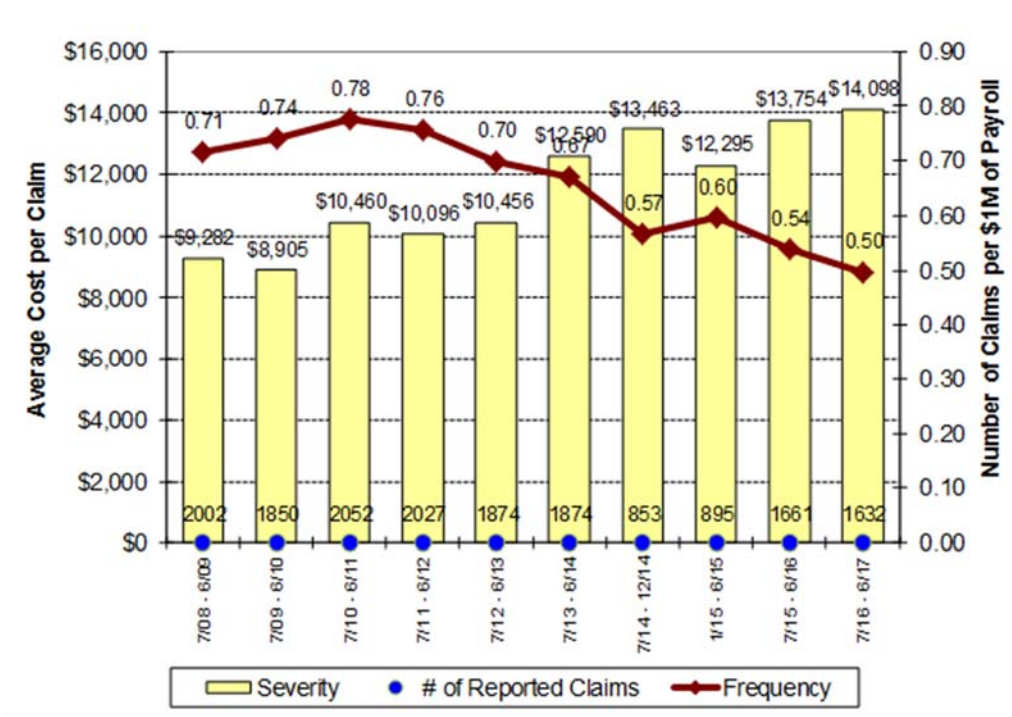
	at 6/30/17	at 6/30/17	at 6/30/18	
Estimated Outstanding Losses (@70% ci)	<i>Estimated</i>	<i>Re-Valued</i>	<i>Estimated</i>	% Chg
Undiscounted	2,389,012	2,350,922	2,493,510	4.4%
Discounted	2,355,740	2,317,763	2,458,417	4.4%
	FY 17/18	FY 17/18	FY 18/19	
Projected Ultimate Limited Losses (@70% ci)	<i>Estimated</i>	<i>Re-Valued</i>	<i>Estimated</i>	% Chg
Undiscounted	3,878,280	3,908,220	4,025,880	3.8%
Loss Rate per Athlete	483.93	480.00	494.40	2.2%
Discounted	3,791,880	3,821,300	3,935,780	3.8%
Loss Rate per Athlete	473.13	469.28	483.36	2.2%

CAMPUS WC ACTUARIAL HIGHLIGHTS

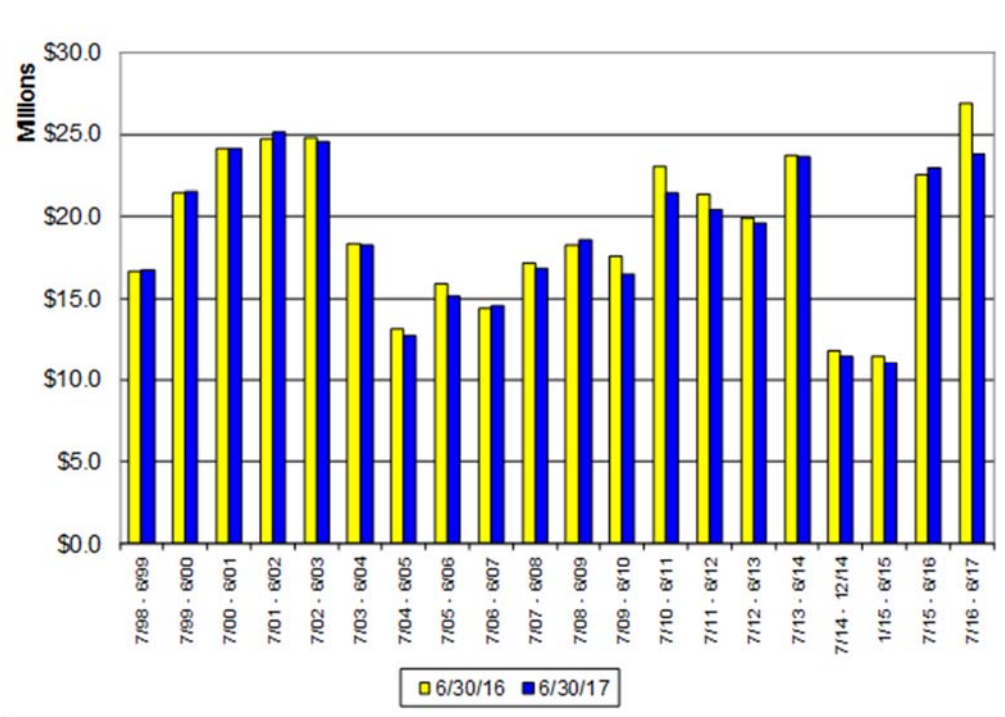
Graph 1 – WC Loss Rate per \$100 Payroll



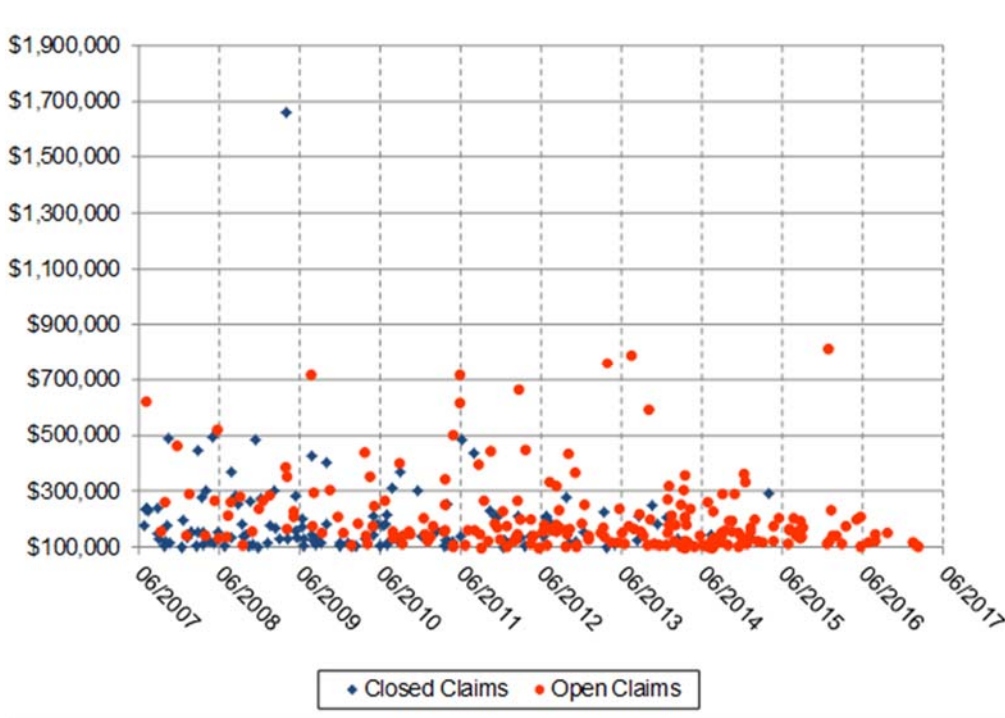
Graph 2 – WC Frequency & Severity



Graph 3 – WC Projected Losses at 6/30/16 & 6/30/17

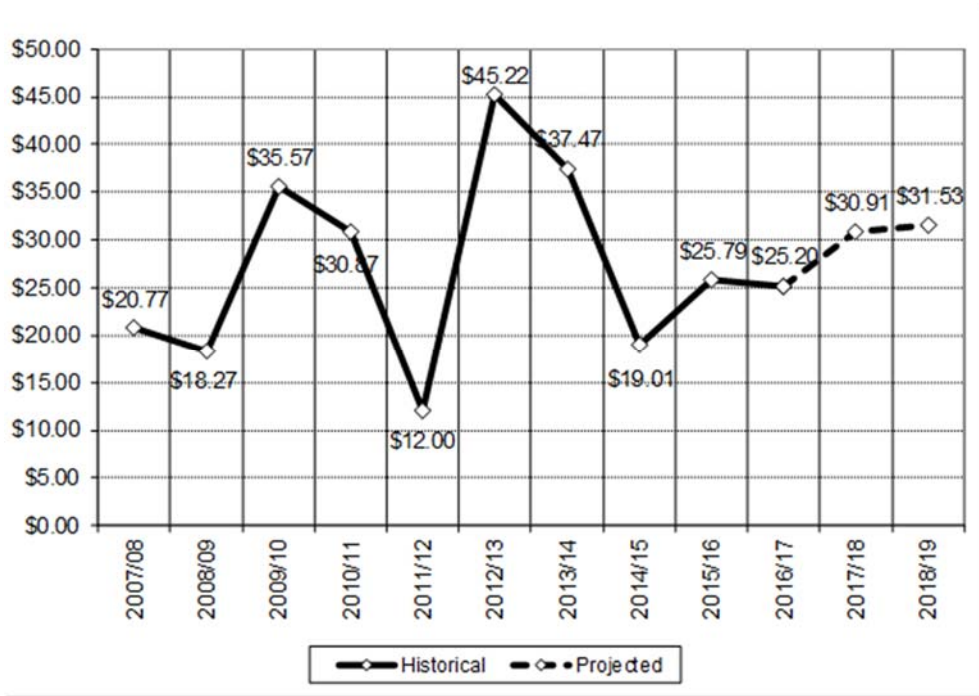


Graph 4 – WC Claims Incurred over \$100,000

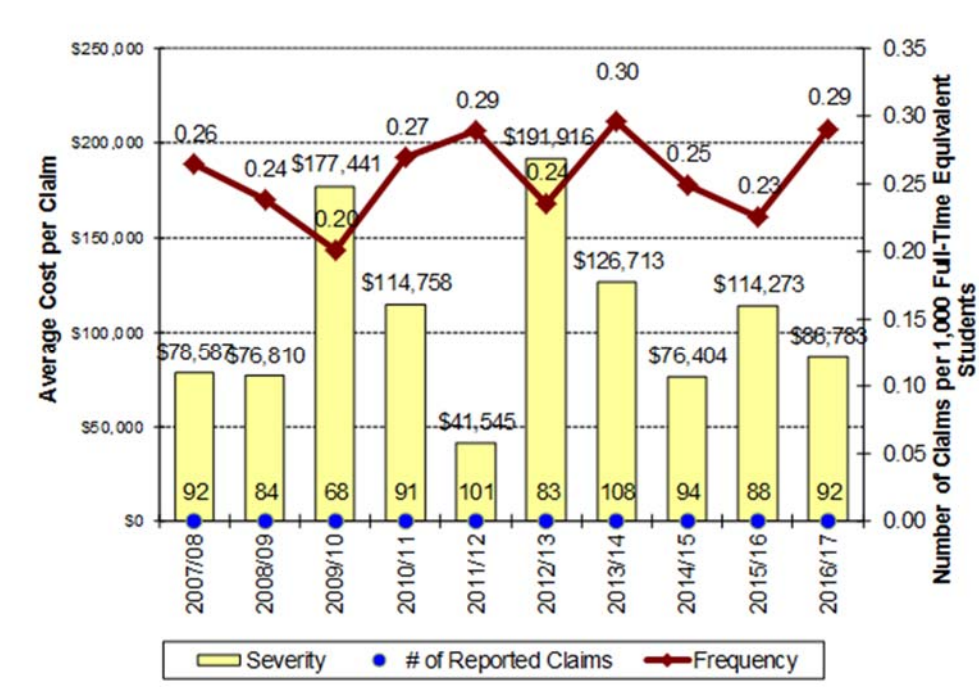


CAMPUS LIABILITY ACTUARIAL HIGHLIGHTS

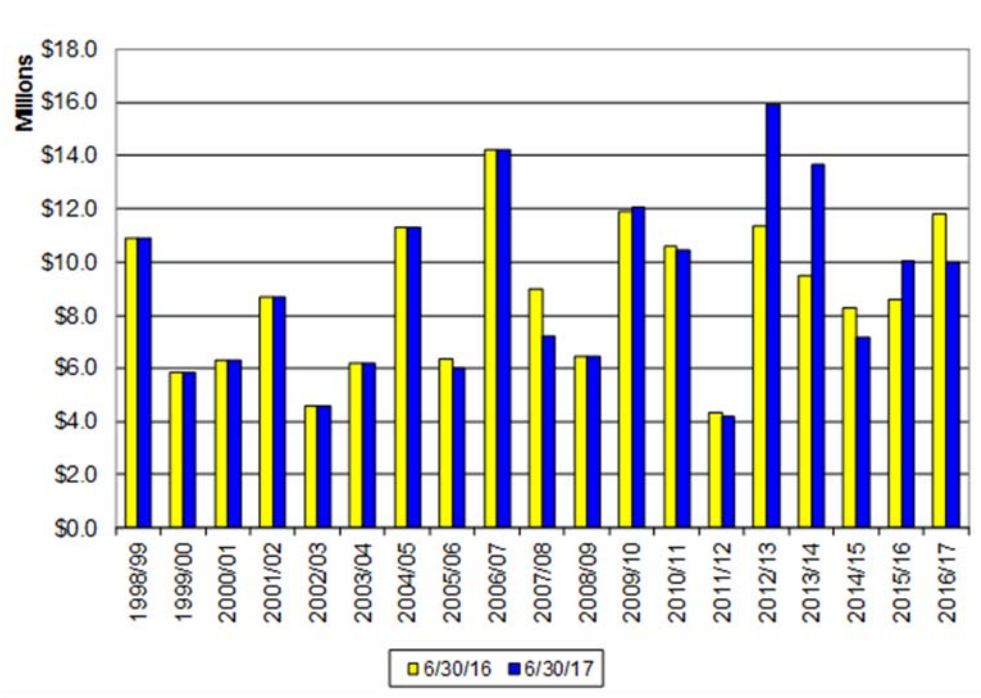
Graph 1 – GL Loss Rate per Full-time Equivalent Student (Gross of Member Deductibles)



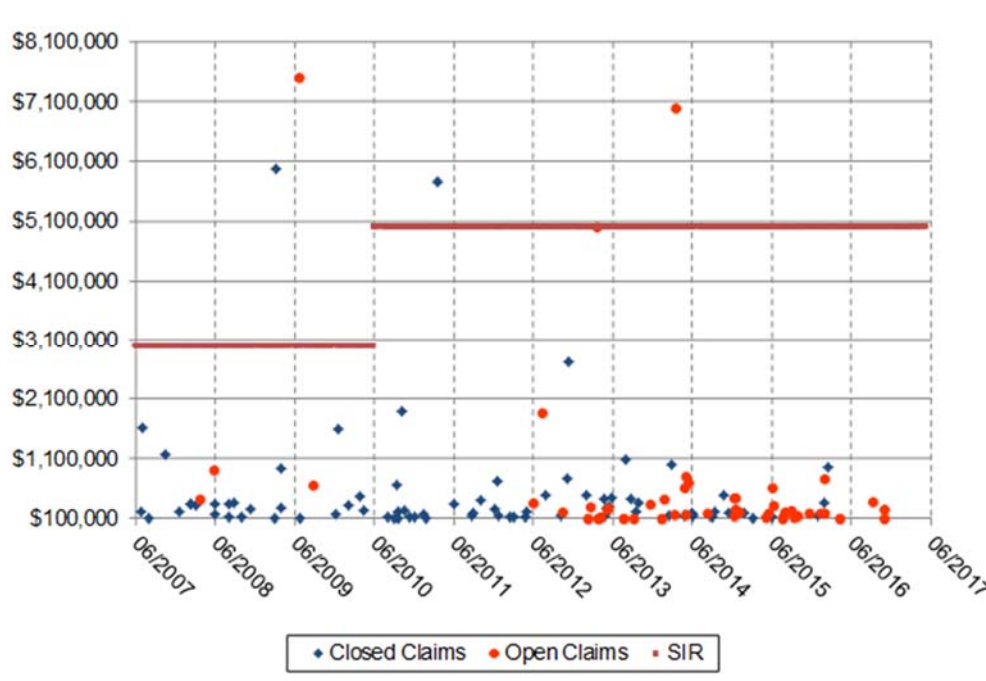
Graph 2 – GL Frequency & Severity (Gross of Member Deductibles)



Graph 3 – GL Projected Limited Losses at 6/30/16 & 6/30/17 (Gross of Member Deductibles)

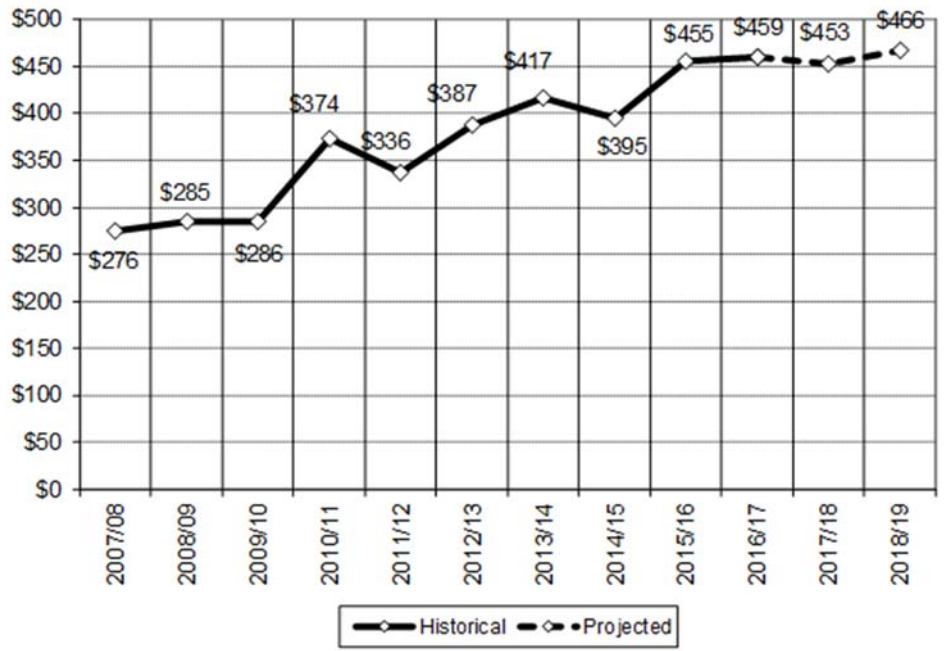


Graph 4 – Incurred Losses above \$100,000



AIME ACTUARIAL HIGHLIGHTS

Graph 1 – Projected Loss rate per Athlete



FY 2018/19 RATES AND GROSS FUNDING
CAMPUS COVERAGE PROGRAMS

ISSUE: Upon the recommendation of the Executive Committee, the Board of Directors adopts rates and funding for the upcoming fiscal year at its Fall meeting. Staff has prepared FY 2018/19 funding recommendations for the Campus Coverage Programs using the draft actuarial reports dated August 9, 2017.

The Campus Liability Program costs include premium deposits for the Student Professional Liability Insurance Program (SPLIP) and the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Campus Property Program costs include Blanket Employee Fidelity coverage, Cyber Risk insurance and Fine Arts Artifacts & Archives insurance (FAAAP). Auto Liability is covered by the State Vehicle Liability Self-Insurance Program (VELSIP), whose cost is determined by the Office of Risk and Insurance Management (ORIM). The costs for the purchased insurance programs (SPLIP, SAFECLIP, Property, Fidelity, and Cyber) are estimates at this time since actual rates will not be known until negotiations are finalized in June 2018.

The following summarizes total program costs, with individual campus costs shown in the attachments to this item:

Campus Coverage Programs
FY 2018/19 Proposed Gross Funding

	FY 2017/18 Actual	FY 18/19 Proposed	\$ Chg	% Chg
Liability	\$ 15,707,457	\$ 16,173,148	\$ 465,691	3.0%
Workers Compensation	36,337,621	38,837,384	2,499,763	6.9%
IDL, NDI, UI	15,000,000	15,500,000	500,000	3.3%
Property	8,250,000	8,450,000	200,000	2.4%
AIME	4,506,330	4,660,547	154,217	3.4%
Auto Liability	829,510	772,833	(56,677)	-6.8%
Total	\$ 80,630,918	\$ 84,393,912	\$ 3,762,994	4.7%

Liability: Undiscounted basis for FY 17/18 and FY 18/19.

Workers' Compensation: Discounted basis for FY 17/18 and FY 18/19.

RECOMMENDATION: The Executive Committee is asked to review and recommend to the Board of Directors adoption of the Campus Coverage programs funding for FY 2018/19 as presented in the table above. It has been the Executive Committee's general practice to recommend funding on an undiscounted basis for the Board's Fall meeting, and to review and adopt final funding on an undiscounted or discounted basis, or combination thereof, at its Spring meeting.

FISCAL IMPACT: Calculations of the recommended funding for the Campus Coverage programs are in accordance with the policies and procedures and rating plans adopted and approved by the Board of Directors.

BACKGROUND: CSURMA employs an independent actuary, Aon Risk Consultants, to project claim costs for its General / Errors & Omissions Liability, Workers' Compensation and Athletic Injury Medical Expense coverage programs. The actuary's reports dated August 9, 2017 were used to calculate funding proposals for FY 2018/19.

The Executive Committee is asked to focus on the aggregate program funding issues at this time. Campuses should contact Rob Leong (415-403-1441) for any specific questions as to how their cost was calculated.

PUBLICATION: None.

ATTACHMENT(S):

- a. FY 2018/19 Campus Coverage Programs Proposed Funding (Draft)
- b. Policy & Procedure No.7 – Self-Insured Program Funding

CSURMA RISK POOL FY 2018/19
Total Program Cost

<i>Campus</i>	<i>Actual FY 17/18</i>	<i>Proposed FY 18/19</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$ 1,626,638	\$ 1,655,252	\$ 28,614	1.8%
Channel Islands	\$ 1,797,797	\$ 1,688,573	(109,224)	-6.1%
Chico	\$ 2,774,609	\$ 2,823,332	48,723	1.8%
Dominguez Hills	\$ 2,658,763	\$ 2,720,968	62,205	2.3%
East Bay	\$ 3,326,616	\$ 3,280,882	(45,734)	-1.4%
Fresno	\$ 3,283,752	\$ 3,506,064	222,312	6.8%
Fullerton	\$ 4,802,717	\$ 5,305,616	502,899	10.5%
Humboldt	\$ 2,134,424	\$ 2,179,419	44,995	2.1%
Long Beach	\$ 6,159,144	\$ 6,167,323	8,179	0.1%
Los Angeles	\$ 4,551,043	\$ 5,164,829	613,786	13.5%
Maritime Academy	\$ 625,499	\$ 613,288	(12,211)	-2.0%
Monterey Bay	\$ 1,615,416	\$ 1,838,984	223,568	13.8%
Northridge	\$ 6,110,798	\$ 6,707,459	596,661	9.8%
Pomona	\$ 4,319,819	\$ 4,242,962	(76,857)	-1.8%
Sacramento	\$ 3,936,446	\$ 4,127,494	191,048	4.9%
San Bernardino	\$ 3,166,204	\$ 3,211,348	45,144	1.4%
San Diego	\$ 5,319,877	\$ 5,684,303	364,426	6.9%
San Francisco	\$ 5,107,824	\$ 5,931,711	823,887	16.1%
San Jose	\$ 5,172,957	\$ 5,382,633	209,676	4.1%
San Luis Obispo	\$ 4,686,675	\$ 4,696,145	9,470	0.2%
San Marcos	\$ 1,921,084	\$ 1,943,372	22,288	1.2%
Sonoma	\$ 2,581,631	\$ 2,819,870	238,239	9.2%
Stanislaus	\$ 1,667,701	\$ 1,609,192	(58,509)	-3.5%
Chancellor's Office	\$ 1,283,484	\$ 1,092,893	(190,591)	-14.8%
Total:	\$ 80,630,918	\$ 84,393,912	\$ 3,762,994	4.7%

Liability program funding for FY 17/18 & FY 18/19 are undiscounted for estimated investment income.

Workers' Comp program funding for FY 17/18 & FY 18/19 are discounted for estimated investment income.

**CSURMA RISK POOL FY 2018/19
Liability Program Cost**

<i>Campus</i>	<i>Actual FY 17/18 undiscounted</i>	<i>Proposed FY 18/19 undiscounted</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$ 256,139	\$ 238,924	\$ (17,215)	-6.7%
Channel Islands	518,623	322,943	(195,680)	-37.7%
Chico	685,604	713,145	27,541	4.0%
Dominguez Hills	594,082	487,843	(106,239)	-17.9%
East Bay	547,545	451,784	(95,761)	-17.5%
Fresno	478,356	534,681	56,325	11.8%
Fullerton	1,088,731	1,227,488	138,757	12.7%
Humboldt	389,093	353,478	(35,615)	-9.2%
Long Beach	857,596	781,658	(75,938)	-8.9%
Los Angeles	855,882	1,227,374	371,492	43.4%
Maritime Academy	222,407	173,592	(48,815)	-21.9%
Monterey Bay	204,416	226,524	22,108	10.8%
Northridge	1,065,954	1,266,648	200,694	18.8%
Pomona	672,465	590,867	(81,598)	-12.1%
Sacramento	820,709	757,460	(63,249)	-7.7%
San Bernardino	975,812	886,047	(89,765)	-9.2%
San Diego	619,322	696,135	76,813	12.4%
San Francisco	875,661	1,342,458	466,797	53.3%
San Jose	895,901	1,025,483	129,582	14.5%
San Luis Obispo	821,065	672,200	(148,865)	-18.1%
San Marcos	419,992	423,641	3,649	0.9%
Sonoma	830,764	980,952	150,188	18.1%
Stanislaus	382,054	357,251	(24,803)	-6.5%
Chancellor's Office	629,284	434,572	(194,712)	-30.9%
Total:	\$ 15,707,457	\$ 16,173,148	\$ 465,691	3.0%

New deductibles effective 7/1/17.

Includes SPLIP & SAFECLIP.

CSURMA RISK POOL FY 2018/19
Liability Program Cost

<i>Campus</i>	<i>Actual</i> <i>FY 17/18</i> <i>undiscounted</i>	<i>Proposed</i> <i>FY 18/19</i> <i>discounted</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$ 256,139	\$ 234,390	\$ (21,749)	-8.5%
Channel Islands	518,623	314,890	(203,733)	-39.3%
Chico	685,604	694,490	8,886	1.3%
Dominguez Hills	594,082	476,194	(117,888)	-19.8%
East Bay	547,545	443,093	(104,452)	-19.1%
Fresno	478,356	525,562	47,206	9.9%
Fullerton	1,088,731	1,198,244	109,513	10.1%
Humboldt	389,093	345,083	(44,010)	-11.3%
Long Beach	857,596	769,474	(88,122)	-10.3%
Los Angeles	855,882	1,192,516	336,634	39.3%
Maritime Academy	222,407	168,434	(53,973)	-24.3%
Monterey Bay	204,416	222,377	17,961	8.8%
Northridge	1,065,954	1,236,239	170,285	16.0%
Pomona	672,465	578,651	(93,814)	-14.0%
Sacramento	820,709	742,481	(78,228)	-9.5%
San Bernardino	975,812	861,206	(114,606)	-11.7%
San Diego	619,322	686,246	66,924	10.8%
San Francisco	875,661	1,305,687	430,026	49.1%
San Jose	895,901	1,001,183	105,282	11.8%
San Luis Obispo	821,065	659,494	(161,571)	-19.7%
San Marcos	419,992	414,373	(5,619)	-1.3%
Sonoma	830,764	949,253	118,489	14.3%
Stanislaus	382,054	348,414	(33,640)	-8.8%
Chancellor's Office	629,284	421,696	(207,588)	-33.0%
Total:	\$ 15,707,457	\$ 15,789,670	\$ 82,213	0.5%

New deductibles effective 7/1/17.

Includes SPLIP & SAFECLIP.

**CSURMA RISK POOL FY 2018/19
Workers' Compensation Program Cost**

<i>Campus</i>	<i>Actual FY 17/18 discounted</i>	<i>Proposed FY 18/19 undiscounted</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$ 734,465	\$ 868,277	\$ 133,812	18.2%
Channel Islands	702,091	807,897	105,806	15.1%
Chico	1,229,320	1,387,567	158,247	12.9%
Dominguez Hills	1,178,179	1,338,505	160,326	13.6%
East Bay	1,802,027	1,970,184	168,157	9.3%
Fresno	1,373,201	1,552,727	179,526	13.1%
Fullerton	2,098,075	2,540,691	442,616	21.1%
Humboldt	857,860	997,751	139,891	16.3%
Long Beach	3,297,593	3,602,401	304,808	9.2%
Los Angeles	2,419,144	2,829,154	410,010	16.9%
Maritime Academy	187,586	236,083	48,497	25.9%
Monterey Bay	641,241	728,223	86,982	13.6%
Northridge	2,827,512	3,382,317	554,805	19.6%
Pomona	2,513,850	2,670,808	156,958	6.2%
Sacramento	1,500,000	1,660,305	160,305	10.7%
San Bernardino	1,285,608	1,480,759	195,151	15.2%
San Diego	2,793,751	3,142,558	348,807	12.5%
San Francisco	2,325,557	2,878,955	553,398	23.8%
San Jose	1,794,650	2,057,197	262,547	14.6%
San Luis Obispo	1,992,203	2,327,132	334,929	16.8%
San Marcos	743,163	804,820	61,657	8.3%
Sonoma	819,708	958,299	138,591	16.9%
Stanislaus	710,618	754,370	43,752	6.2%
Chancellor's Office	510,219	571,405	61,186	12.0%
Total:	\$ 36,337,621	\$ 41,548,385	\$ 5,210,764	12.5%

**CSURMA RISK POOL FY 2018/19
Workers' Compensation Program Cost**

<i>Campus</i>	<i>Actual FY 17/18 discounted</i>	<i>Proposed FY 18/19 discounted</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$ 734,465	\$ 811,282	\$ 76,817	10.5%
Channel Islands	702,091	755,243	53,152	7.6%
Chico	1,229,320	1,298,121	68,801	5.6%
Dominguez Hills	1,178,179	1,249,625	71,446	6.1%
East Bay	1,802,027	1,837,628	35,601	2.0%
Fresno	1,373,201	1,454,412	81,211	5.9%
Fullerton	2,098,075	2,378,904	280,829	13.4%
Humboldt	857,860	932,224	74,364	8.7%
Long Beach	3,297,593	3,362,819	65,226	2.0%
Los Angeles	2,419,144	2,637,717	218,573	9.0%
Maritime Academy	187,586	221,231	33,645	17.9%
Monterey Bay	641,241	681,454	40,213	6.3%
Northridge	2,827,512	3,158,562	331,050	11.7%
Pomona	2,513,850	2,490,233	(23,617)	-0.9%
Sacramento	1,500,000	1,557,550	57,550	3.8%
San Bernardino	1,285,608	1,384,940	99,332	7.7%
San Diego	2,793,751	2,935,608	141,857	5.1%
San Francisco	2,325,557	2,689,598	364,041	15.7%
San Jose	1,794,650	1,928,260	133,610	7.4%
San Luis Obispo	1,992,203	2,176,620	184,417	9.3%
San Marcos	743,163	756,145	12,982	1.7%
Sonoma	819,708	897,045	77,337	9.4%
Stanislaus	710,618	706,284	(4,334)	-0.6%
Chancellor's Office	510,219	535,879	25,660	5.0%
Total:	\$ 36,337,621	\$ 38,837,384	\$ 2,499,763	6.4%

**CSURMA RISK POOL FY 2018/19
IDL/NDI/UI Program Cost**

<i>Campus</i>	<i>Actual FY 17/18</i>	<i>Proposed FY 18/19</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$ 257,072	\$ 244,325	\$ (12,747)	-5.0%
Channel Islands	389,208	415,547	26,339	6.8%
Chico	415,830	436,659	20,829	5.0%
Dominguez Hills	507,745	529,564	21,819	4.3%
East Bay	596,873	642,004	45,131	7.6%
Fresno	534,576	514,093	(20,483)	-3.8%
Fullerton	898,904	975,196	76,292	8.5%
Humboldt	521,878	550,039	28,161	5.4%
Long Beach	1,101,271	1,165,144	63,873	5.8%
Los Angeles	697,144	767,223	70,079	10.1%
Maritime Academy	140,724	146,583	5,859	4.2%
Monterey Bay	415,868	414,547	(1,321)	-0.3%
Northridge	1,264,581	1,363,107	98,526	7.8%
Pomona	597,177	631,701	34,524	5.8%
Sacramento	740,523	757,086	16,563	2.2%
San Bernardino	539,682	594,307	54,625	10.1%
San Diego	791,250	734,182	(57,068)	-7.2%
San Francisco	1,173,634	1,132,166	(41,468)	-3.5%
San Jose	1,097,223	1,155,537	58,314	5.3%
San Luis Obispo	868,671	882,037	13,366	1.5%
San Marcos	458,188	468,775	10,587	2.3%
Sonoma	560,818	583,042	22,224	4.0%
Stanislaus	321,133	305,653	(15,480)	-4.8%
Chancellor's Office	110,027	91,483	(18,544)	-16.9%
Total:	\$ 15,000,000	\$ 15,500,000	\$ 500,000	3.3%

Industrial Disability Leave, Nonindustrial Disability Insurance, Unemployment Insurance

CSURMA RISK POOL FY 2018/19
Property Program Cost

<i>Campus</i>	<i>Actual FY 17/18</i>	<i>Proposed FY 18/19</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$ 135,343	\$ 128,079	\$ (7,264)	-5.4%
Channel Islands	157,463	167,334	9,871	6.3%
Chico	359,256	303,281	(55,975)	-15.6%
Dominguez Hills	167,634	153,243	(14,391)	-8.6%
East Bay	266,297	246,110	(20,187)	-7.6%
Fresno	379,826	436,006	56,180	14.8%
Fullerton	523,758	547,380	23,622	4.5%
Humboldt	237,666	222,528	(15,138)	-6.4%
Long Beach	597,584	571,133	(26,451)	-4.4%
Los Angeles	450,656	414,170	(36,486)	-8.1%
Maritime Academy	49,450	44,963	(4,487)	-9.1%
Monterey Bay	132,636	321,477	188,841	142.4%
Northridge	591,530	589,262	(2,268)	-0.4%
Pomona	441,651	416,807	(24,844)	-5.6%
Sacramento	411,056	449,578	38,522	9.4%
San Bernardino	287,270	269,314	(17,956)	-6.3%
San Diego	484,434	717,276	232,842	48.1%
San Francisco	612,877	640,610	27,733	4.5%
San Jose	862,651	802,543	(60,108)	-7.0%
San Luis Obispo	461,037	417,548	(43,489)	-9.4%
San Marcos	183,544	171,032	(12,512)	-6.8%
Sonoma	275,822	253,625	(22,197)	-8.0%
Stanislaus	147,151	136,055	(11,096)	-7.5%
Chancellor's Office	33,408	30,646	(2,762)	-8.3%
Total:	\$ 8,250,000	\$ 8,450,000	\$ 200,000	2.4%

Beginning FY 17/18, SPWB facilities are campus responsibility as the "Systemwide" central fund has been dissolved.

Does not include adjustments due to addition/deletions of buildings.

Includes Crime (Fidelity), Cyber Risks. Fine Arts

CSURMA RISK POOL FY 2018/19
Athletic Injury Medical Expense Program Cost
(AIME)

<i>Campus</i>	<i>Actual FY 17/18</i>	<i>Proposed FY 18/19</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$ 228,686	\$ 219,827	\$ (8,859)	-3.9%
Channel Islands				
Chico	51,455	44,463	(6,992)	-13.6%
Dominguez Hills	188,177	281,001	92,824	49.3%
East Bay	88,925	82,257	(6,668)	-7.5%
Fresno	442,035	501,076	59,041	13.4%
Fullerton	153,549	137,733	(15,816)	-10.3%
Humboldt	106,802	101,927	(4,875)	-4.6%
Long Beach	254,291	238,746	(15,545)	-6.1%
Los Angeles	101,993	85,525	(16,468)	-16.1%
Maritime Academy	21,326	22,543	1,217	5.7%
Monterey Bay	207,050	178,416	(28,634)	-13.8%
Northridge	318,425	293,465	(24,960)	-7.8%
Pomona	40,044	62,561	22,517	56.2%
Sacramento	426,461	565,342	138,881	32.6%
San Bernardino	40,499	40,325	(174)	-0.4%
San Diego	578,126	555,623	(22,503)	-3.9%
San Francisco	91,504	96,716	5,212	5.7%
San Jose	475,001	430,645	(44,356)	-9.3%
San Luis Obispo	447,000	457,875	10,875	2.4%
San Marcos	101,810	106,900	5,090	5.0%
Sonoma	61,011	74,418	13,407	22.0%
Stanislaus	82,160	83,163	1,003	1.2%
Chancellor's Office				
Total:	\$ 4,506,330	\$ 4,660,547	\$ 154,217	3.4%

**CSURMA RISK POOL FY 2018/19
Auto Liability (VELSIP) Program Cost**

<i>Campus</i>	<i>Actual FY 17/18</i>	<i>Proposed FY 18/19</i>	<i>\$ Chg</i>	<i>% Chg</i>
Bakersfield	\$ 14,933	\$ 12,815	\$ (2,118)	-14.2%
Channel Islands	30,412	27,506	(2,906)	-9.6%
Chico	33,144	27,663	(5,481)	-16.5%
Dominguez Hills	22,946	19,692	(3,254)	-14.2%
East Bay	24,949	21,099	(3,850)	-15.4%
Fresno	75,758	65,796	(9,962)	-13.1%
Fullerton	39,700	38,915	(785)	-2.0%
Humboldt	21,125	19,223	(1,902)	-9.0%
Long Beach	50,809	47,823	(2,986)	-5.9%
Los Angeles	26,224	32,820	6,596	25.2%
Maritime Academy	4,006	4,376	370	9.2%
Monterey Bay	14,205	16,566	2,361	16.6%
Northridge	42,796	36,415	(6,381)	-14.9%
Pomona	54,632	50,793	(3,839)	-7.0%
Sacramento	37,697	40,478	2,781	7.4%
San Bernardino	37,333	36,415	(918)	-2.5%
San Diego	52,994	45,479	(7,515)	-14.2%
San Francisco	28,591	30,163	1,572	5.5%
San Jose	47,531	40,165	(7,366)	-15.5%
San Luis Obispo	96,699	89,865	(6,834)	-7.1%
San Marcos	14,387	16,879	2,492	17.3%
Sonoma	33,508	30,788	(2,720)	-8.1%
Stanislaus	24,585	20,786	(3,799)	-15.5%
Chancellor's Office	546	313	(233)	-42.7%
Total:	\$ 829,510	\$ 772,833	\$ (56,677)	-6.8%

Allocated per reported Fleet count submitted to Chancellor's Office and DGS.

Auto Liability is managed by the State Vehicle Liability Self-Insurance Program (VELSIP), which which also determines the program's total cost each year.



CSURMA

POLICY AND PROCEDURE NO. 7

EFFECTIVE: JANUARY 1, 2000

REVISED: APRIL 27, 2015

SUBJECT: SELF-INSURED PROGRAM FUNDING

ISSUE:

The CSURMA operate various self-insured coverage programs. Generally, these programs include a primary layer of pooling, with excess and reinsurance coverage. Each program is responsible for all costs generated by that program, as well as a proportionate share of the JPA's general administrative costs. It is important that each self-insured program be properly funded to satisfy its liabilities. This policy and procedure continues the policy adopted by the CSURMA Board of Directors on April 24, 1997.

POLICY STATEMENT:

It is the policy of the CSURMA that each self-insured program shall establish budgets with a goal of full funding, including a reasonable risk margin. Such funding shall be determined by the Executive Committee as a part of each year's annual budget based upon the recommendations of a professional actuary and staff.

PROCEDURE:

CSURMA staff is responsible for developing draft budgets for each of the self-insured programs for each fiscal year. As a part of the budget development, staff will work with the CSU and its actuary to determine projected liabilities for the CSURMA's self-insured programs. The actuary's reports shall be used by staff and the Executive Committee to develop recommended rates and funding for each self-insured program.

It is the policy of the CSURMA to fund fully the self-insured programs. Adopted funding shall include sufficient funds projected to pay the following cost elements:

- Administrative expenses shall be funded on a cash basis for each program year;
- Prior year cash deficits (if any) shall be funded on a cash basis;
- Prior years' claims payable shall be funded on a cash basis to the extent accrued reserves do not amount to full funding;
- Current year expected liabilities shall be funded on an accrual (incurred) basis; and
- At such time as all outstanding liabilities are fully funded, a reasonable risk margin shall be funded.



CSURMA

POLICY AND PROCEDURE NO. 7

Staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' funding status in accordance with this Policy & Procedure No. 7.

CAMPUS RISK POOLS FUNDING STATUS AT JUNE 30, 2017

ISSUE: Each year, Staff evaluates the funding status of CSURMA’s major risk pool programs and presents its findings to the Executive Committee. In its evaluation, Staff uses the most recent actuarial reports and financial statements prepared by the Accountant. Staff has completed its evaluation of the funding status for Campus Liability, Campus Workers’ Compensation and Athletic Injury Medical Expense risk pools at June 30, 2017. Funding in excess of the Targeted Funding levels indicate an opportunity to pay return dividends to campus members.

RECOMMENDATION: Target Equity indicates a surplus of \$14,355,217 of which \$7,027,608 are eligible for dividends per the adopted funding policies. The Executive Committee is asked to review the risk pools funding status at June 30, 2017 and take action as it deems appropriate.

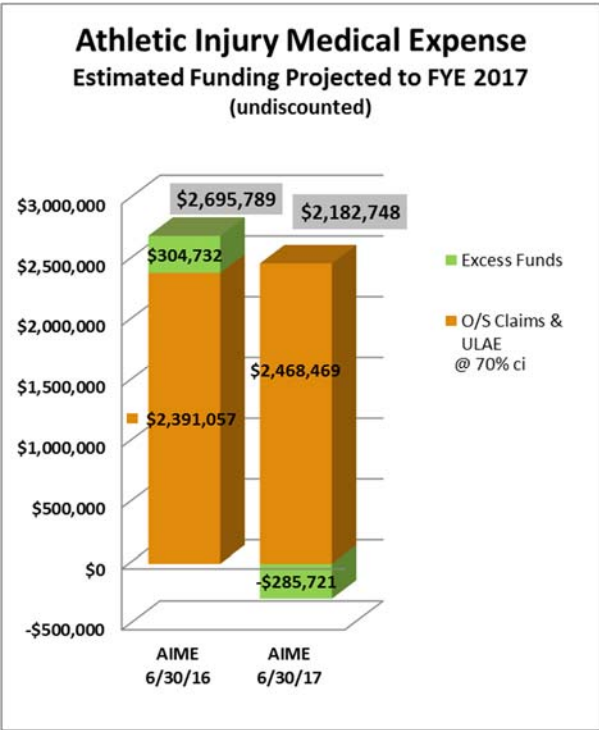
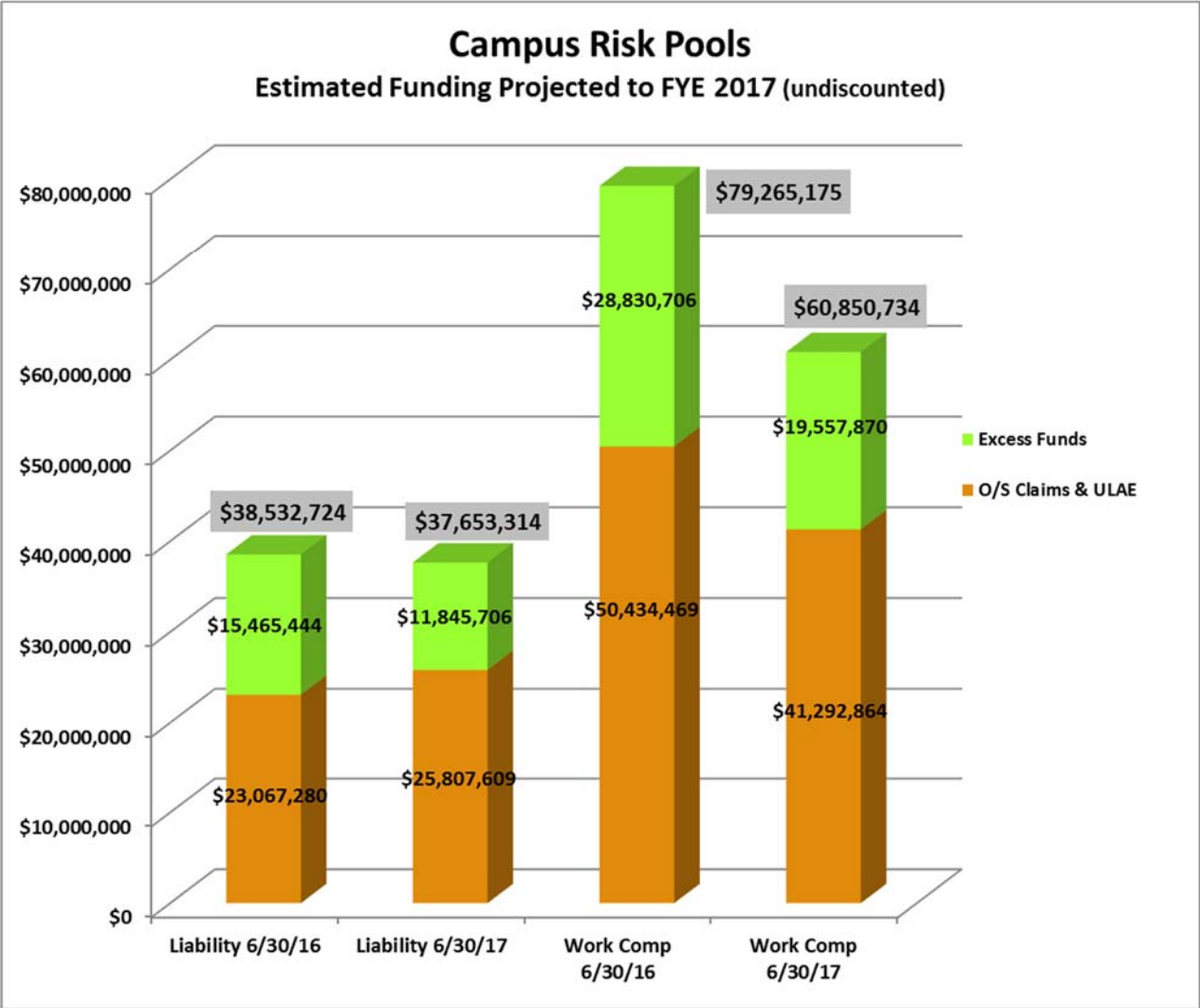
FISCAL IMPACT: Dividend declaration or other action that may be taken have not been included in the adopted budget for FY 2017/18. Thus, any expenditures will reduce pool reserves accordingly.

BACKGROUND: The Executive Committee reviews the funding status of the campus risk pools at December 31 and at June 30 each year. It has been the Executive Committee’s practice to consider dividends and/or assessments upon a review of the risk pools funding status in light of the audited year-end financial statements. Historically, the Executive Committee has declared dividends amounting to one-half of the available funds that are in excess of the Campus Risk Pool Programs Target Reserve Funding Goal.

PUBLICATION: None

ATTACHMENT(S):

- a. Risk Pools Funding Status at 6/30/17 - *unaudited*
- b. Target Surplus Funding at 6/30/17 - *unaudited*
- c. Policy & Procedure No. 13 - Campus Risk Pool Programs Target Reserve Funding Goal



Campus Liability Coverage Fund

Target Surplus Funding Analysis at \$5,000,000 SIR

as of 6/30/17 (unaudited)

Gross Premium (FY 17/18):	\$15,707,457
Maximum Retention:	\$5,000,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/17	\$23,461,462 <i>Expected, ULAE, Undsct, Net of Deductibles</i>
Est. Outstanding Liabilities @ 6/30/17	\$25,807,609 <i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/17	\$37,653,314
Est. Funded Loss & ULAE @ 6/30/17	\$25,807,609 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$11,845,706

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$5,235,819	0.42
Surplus to Retention	> 1:1	\$5,000,000	7.53
O/S Reserve to Surplus	≤ 5:1	\$4,692,292	0.62

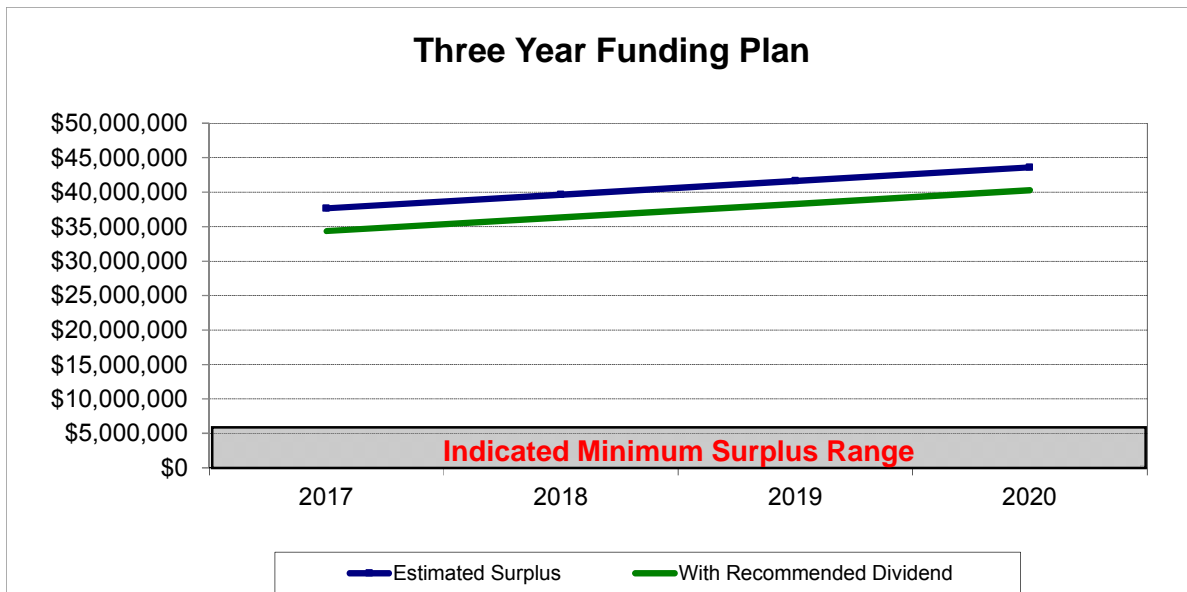
Maximum Dividend Available:	\$6,609,887
Recommended Dividend 50%:	\$3,304,943

2017/18 Pool Funding

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$13,196,700	-
at 70% Actuarial Confidence	1.150	\$15,176,205	\$1,979,505

Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/17	N/A	\$37,653,314	\$34,348,371
2017/18 - Collection @ 70% CL	\$1,979,505	\$39,632,819	\$36,327,876
2018/19 - Collection @ 70% CL	\$1,979,505	\$41,612,324	\$38,307,381
2019/20 - Collection @ 70% CL	\$1,979,505	\$43,591,829	\$40,286,886



Campus Workers' Compensation Coverage Fund
Target Surplus Funding Analysis at \$2,500,000 SIR
as of 6/30/17 (unaudited)

Gross Premium (FY 17/18):	\$36,337,621
Maximum Retention:	\$2,500,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/17	\$39,704,677 <i>Expected, ULAE, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/17	\$41,292,864 <i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/17	\$60,850,734
Est. Funded Loss & ULAE @ 6/30/17	\$41,292,864 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	\$19,557,870

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 3:1	\$12,112,540	0.60
Surplus to Retention	> 2:1	\$5,000,000	24.34
O/S Reserve to Surplus	≤ 5:1	\$7,940,935	0.65

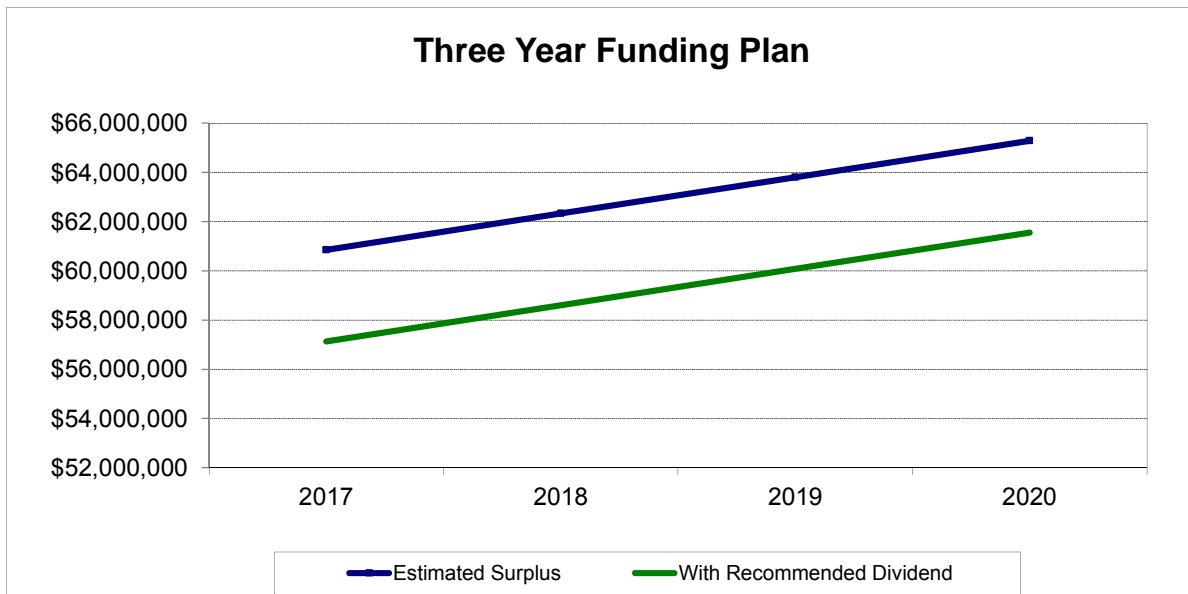
Maximum Dividend Available:	\$7,445,330
Recommended Dividend 50%:	\$3,722,665

2017/18 Pool Funding

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$29,505,525	-
at 70% Actuarial Confidence	1.050	\$30,980,801	\$1,475,276

Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/17	N/A	\$60,850,734	\$57,128,069
2017/18 - Collection @ 70% CL	\$1,475,276	\$62,326,010	\$58,603,345
2018/19 - Collection @ 70% CL	\$1,475,276	\$63,801,287	\$60,078,622
2019/20 - Collection @ 70% CL	\$1,475,276	\$65,276,563	\$61,553,898



Athletic Injury Medical Expense Coverage Fund

Target Surplus Funding Analysis at \$90,000 SIR

as of 6/30/17 (unaudited)

Gross Premium (FY 17/18):	\$4,506,330
Maximum Retention:	\$90,000 <i>each Occurrence</i>
Est. Outstanding Liabilities @ 6/30/17	\$2,328,744 <i>Expected, ULAE, Undiscounted</i>
Est. Outstanding Liabilities @ 6/30/17	\$2,468,469 <i>at 70% Confidence</i>
Est. Fund Balance @ 6/30/17	\$2,182,748
Est. Funded Loss & ULAE @ 6/30/17	\$2,468,469 <i>at 70% Confidence</i>
Est. Funding above 70% Conf Level:	-\$285,721

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium to Surplus	< 6:1	\$751,055	2.06
Surplus to Retention	> 5:1	\$450,000	24.25
O/S Reserve to Surplus	≤ 5:1	\$465,749	1.07

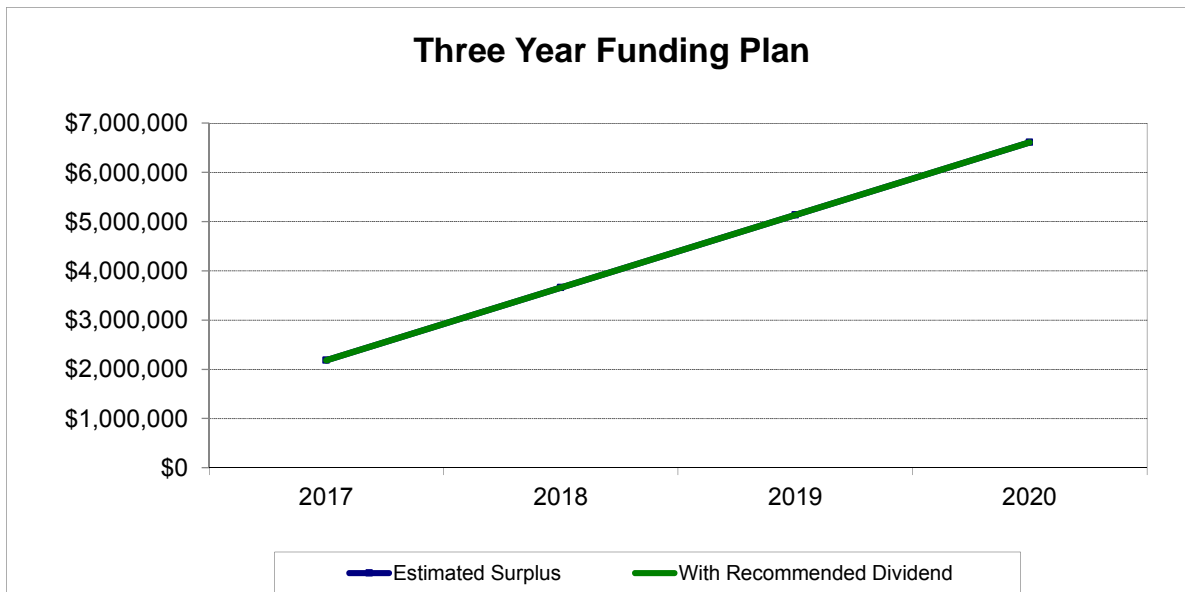
Maximum Dividend Available:	\$0
Recommended Dividend 50%:	\$0

2017/18 Pool Funding

Confidence Levels	Factor	Pool Premium	Surplus
Expected Losses & ULAE Liability	1.000	\$29,505,525	-
at 70% Actuarial Confidence	1.050	\$30,980,801	\$1,475,276

Three Year Funding Plan

	Amount Added to Reserves	Estimated Reserve Balance	Est Reserve Balance Net of Rec'd Dividend
Estimated Balance at 6/30/17	N/A	\$2,182,748	\$2,182,748
2017/18 - Collection @ 70% CL	\$1,475,276	\$3,658,024	\$3,658,024
2018/19 - Collection @ 70% CL	\$1,475,276	\$5,133,300	\$5,133,300
2019/20 - Collection @ 70% CL	\$1,475,276	\$6,608,576	\$6,608,576





CSURMA

POLICY AND PROCEDURE NO. 13

ADOPTED:	OCTOBER 28, 2011
EFFECTIVE:	OCTOBER 28, 2011
REVISED:	APRIL 27, 2015
SUBJECT:	CAMPUS RISK POOL PROGRAMS TARGET RESERVE FUNDING GOAL

In an effort to assure the long term financial strength of the Campus Risk Pool Programs that include an element of self-insurance, the CSURMA Board of Directors 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 Board of Directors desires to establish a Target Reserve Funding Goal that will guide the CSURMA Executive Committee in making annual funding decisions for the Programs.

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

POLICY

The Target Reserve Goal is hereby established to be, at a minimum, the actuarially determined expected liability (approximately 55% confidence level), discounted for investment. In evaluating the Programs' funding position relative to the Target Reserve Funding Goal as a part of each year's ratemaking process, the Committee shall take into consideration the following ratios: Gross Premium to Unencumbered Reserve Ratio, Unencumbered Reserve to Pool Retention Ratio and Outstanding Reserves to Unencumbered Reserve Ratio.

The Committee may take action to set higher or lower confidence levels based on CSURMA's goals to retain more or less risk. The Target Reserve Goal and Target Unencumbered Reserve Ratios described in this policy have been selected to take into account the nature of the Campus Risk Pool programs that include a relatively large and stable exposure and a single covered entity with substantial financial capacity.

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, AIME and Liability Programs. This analysis shall include estimates of the outstanding losses (including IBNR) at various confidence levels as well as estimates of ultimate losses for the upcoming year(s). The analysis shall also compare the current

program funding against the outstanding liabilities and determine the confidence level to which the program is currently funded. Because the Property, SAFECLIP, SPLIP and Crime

Programs have an annual aggregate retention, an actuarial analysis may not be performed. Also, no actuarial study is required for the IDL/NDL/UI Program as that program covers very short tail statutory benefits.

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

Gross Premium to Unencumbered Reserve Ratio: Target <3:1

This ratio is a measure of how the unencumbered reserves are leveraged against possible pricing inaccuracies. A low ratio is desirable.

**Unencumbered Reserve to Pool Retention Ratio: Target >1:1 (LIABILITY)
Target >2:1 (WORKERS' COMP)**

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

Outstanding Reserves to Unencumbered Reserve Ratio: Target ≤ 5:1

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

- 3. Application of Target Surplus Criteria** – After an annual review of the Target Unencumbered Reserve Ratios, the Executive Committee will determine whether it is desirable to increase, decrease, or stabilize reserves. Their recommendations will be forwarded to the Board of Directors. If the Board of Directors desires to decrease reserves, it may approve a funding level below the 55% confidence level. Conversely, a funding decision above the 55% confidence level will indicate a bias toward increasing reserves. A determination to fund at the 55% confidence level will reflect the Executive Committee's desire to keep surplus at the current level.

Because the Property, SAFECLIP, SPLIP and Crime Programs have annual aggregate retentions, and therefore no actuarial study is performed, the Target Reserve Funding shall be the amount of funds that exceed the maximum liability retained by the program for the upcoming program year plus the expected value for all open claims from current and prior years. The Executive Committee will approve the annual funding for each program.

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

4. **Dividends** – Dividends may be available from the amount of reserves exceeding the Target Reserve amount established by the Executive Committee. The allocation of any dividend shall be pursuant to the formula approved by the Executive Committee.

5. **Assessments** – Assessments may be required when the Executive Committee determines that the amount of reserves is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the formula approved by the Executive Committee.

MEMBER APPEAL PROCESS

If a MEMBER wishes to appeal any decision regarding the application of the Target Surplus Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary within 30 days of the disputed decision. The Secretary shall place the Member’s appeal on the Executive Committee’s agenda at its next regularly scheduled meeting. The Executive 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 Executive Committee’s decision, the Member will notify the CSURMA Secretary in writing within 5 business days of receipt of the Executive 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:

CSURMA EXECUTIVE COMMITTEE – The California State University Risk Management Authority Executive Committee, a committee of the CSURMA providing management and oversight to the CSURMA. The Executive Committee is comprised of the Chair, the Vice Chair, and seven “At Large” members.

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

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

IBNR – Incurred but Not Reported losses

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

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

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

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

**PRESENTATION OF WORKERS' COMPENSATION STEWARDSHIP
REPORT**

ISSUE: Sedgwick, CSU's workers' compensation claims administrator, will attend the Executive Committee meeting and present their workers' compensation stewardship report.

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

FISCAL IMPACT: None.

BACKGROUND: Sedgwick CMS has provided workers' compensation third party claims administration for the CSU Campuses since July 1, 2003. The current agreement with Sedgwick has been extended to June 30, 2022.

PUBLICATION: This report will be presented to the CSURMA Board of Directors at its next meeting in October.

ATTACHMENT(S):

- a. Sedgwick's CSU Workers' Compensation Stewardship Report



California State University Workers' Compensation Program Stewardship Report FY 2016-2017



California State University
Workers' Compensation

August 10th, 2017

Table of Contents

- Executive Summary
- Program Statistical Analysis
- Conclusion

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Executive Summary

We are pleased to present our annual stewardship report for the California State University (CSU) Workers' Compensation Program.

We have reviewed the key performance indicators for the program over the last 5 fiscal years. The CSU has experienced a decrease in claim reporting, exclusively in the reporting of First Aid claims. Both Indemnity and Medical Only reports are up slightly. For five years running we have continued to demonstrate a decrease in open Indemnity files at fiscal year (FY) end, as well a steady increase in the percentage of Compromise & Release (C & R) settlements.

Key findings:

- New Medical Only and Indemnity claims up by 1% FY17 over FY16
- New First Aid Claims down by 49% FY17 over FY16
- Open Active Indemnity inventory down 9% FY17 over FY16
- Open Future Medical Inventory down by 3% FY17 over FY16
- Settlements are up 8% FY17 over FY16, with a 20% increase in C & R settlements.
- Cash Flow has increased by 22% FY17 over FY16
 - Related to increased C & R's.
- Medical costs are up by 35% FY17 over FY16
 - Related to increased C & R's.



Program Statistical Analysis

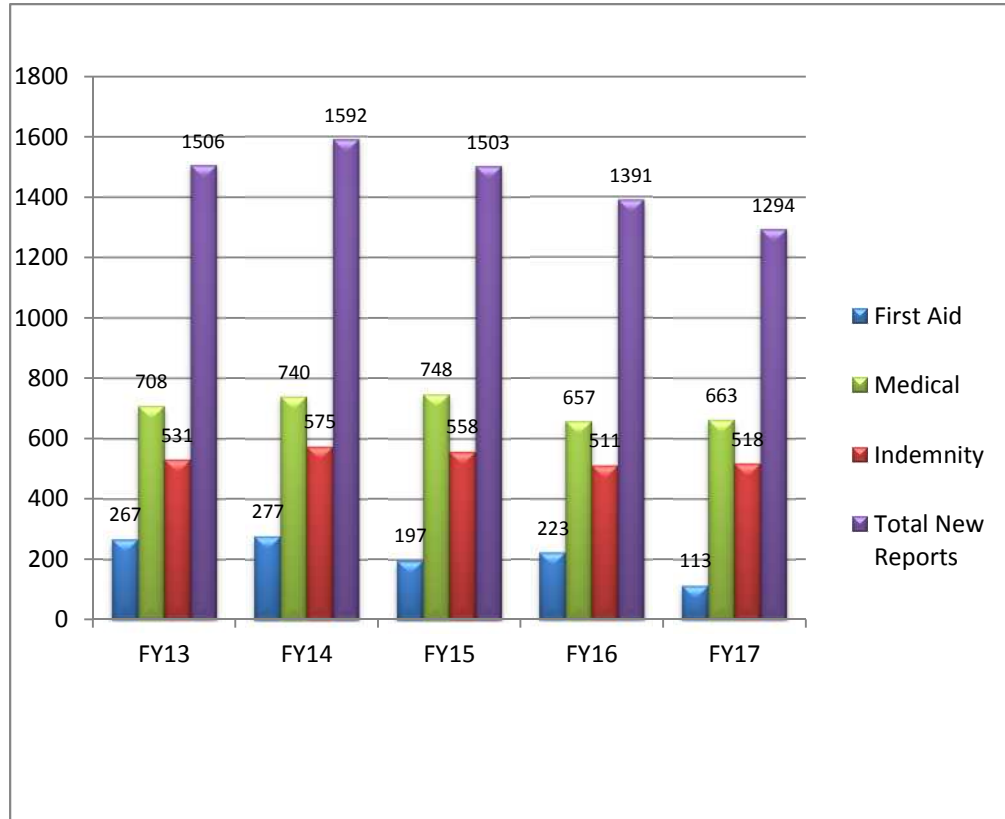
New Claims

The number of new claims reported has decreased by 7%, FY17 over FY16. The number of new indemnity claims has increased by 1%. The number of medical claims has increased by 1%. The new claim reduction comes from the first aid claims, which have decreased by 49%. These numbers demonstrate a continued downward trend in frequency, with severity remaining similar to FY16.

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Total New Reports	FY13	FY14	FY15	FY16	FY17
First Aid	267	277	197	223	113
Medical	708	740	748	657	663
Indemnity	531	575	558	511	518
Total New Reports	1506	1592	1503	1391	1294



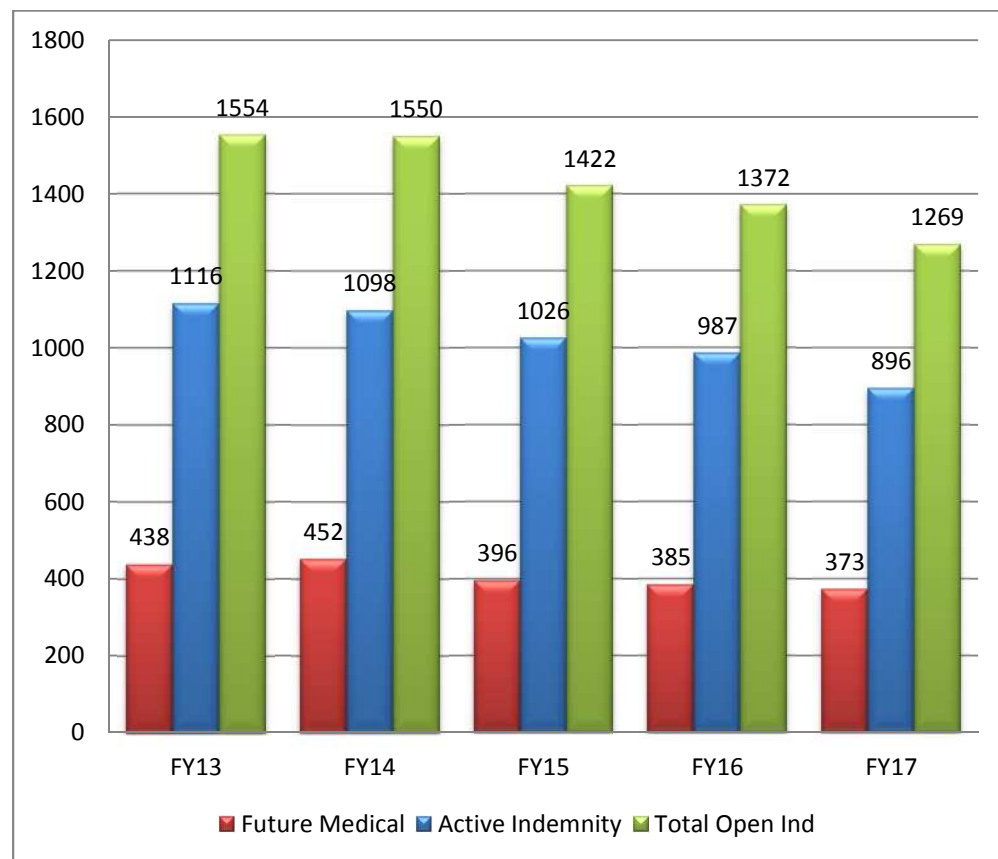
Open Inventory

There has been a 9% decrease in open Active Indemnity inventory FY17 over FY16. When combined with the 3% decrease in open Future Medical claims, this results in an overall open indemnity decrease of 8%.

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Open Ind Inventory	FY13	FY14	FY15	FY16	FY17
Future Medical	438	452	396	385	373
Active Indemnity	1116	1098	1026	987	896
Total Open Ind	1554	1550	1422	1372	1269



Inventory Aging

Age of Open Inventory								
FY	# Claims	% Total	# Ind	# FM	Outstanding	% Total	Avg Out Ind	Avg Out FM
FY 2017	322	25%	319	3	\$ 5,748,799.22	10%	\$ 17,874.82	\$ 15,577.61
FY 2016	196	15%	180	16	\$ 7,173,534.25	13%	\$ 37,146.82	\$ 30,444.15
FY 2015	139	11%	115	24	\$ 5,495,987.71	10%	\$ 40,198.86	\$ 36,379.97
FY 2014	112	9%	87	25	\$ 4,815,499.11	9%	\$ 46,449.39	\$ 30,976.08
FY 2013	68	5%	50	18	\$ 3,534,069.13	6%	\$ 55,784.41	\$ 41,380.49
FY 2012	67	5%	46	21	\$ 3,220,998.01	6%	\$ 47,944.44	\$ 48,359.71
FY 2011	45	4%	27	18	\$ 1,736,373.27	3%	\$ 34,332.05	\$ 44,967.10
FY 2010	39	3%	20	19	\$ 1,950,308.19	4%	\$ 59,506.12	\$ 40,009.77
FY 2009	31	2%	7	24	\$ 1,480,240.89	3%	\$ 84,644.22	\$ 36,988.81
FY 2008	20	2%	6	14	\$ 1,375,463.03	2%	\$ 125,627.99	\$ 44,406.79
FY 2007	28	2%	8	20	\$ 1,970,679.07	4%	\$ 73,173.83	\$ 69,264.42
FY 2006	13	1%	3	10	\$ 989,591.39	2%	\$ 76,957.50	\$ 75,871.89
FY 2005	12	1%	1	11	\$ 829,330.78	2%	\$ 15,616.22	\$ 73,974.05
FY 2004	8	1%	3	5	\$ 426,207.00	1%	\$ 65,449.23	\$ 45,971.86
FY 2003	16	1%	1	15	\$ 866,390.23	2%	\$ 126,213.76	\$ 49,345.10
FY 2002	27	2%	3	24	\$ 2,112,193.26	4%	\$ 51,946.97	\$ 81,514.68
FY 2001	18	1%	3	15	\$ 1,112,479.64	2%	\$ 149,071.25	\$ 44,351.06
FY 2000	21	2%	1	20	\$ 4,455,545.39	8%	\$ 1,085,657.97	\$ 168,494.37
FY 1999	11	1%	3	8	\$ 230,746.34	0%	\$ 5,795.89	\$ 26,669.83
FY 1998	11	1%	3	8	\$ 420,241.10	1%	\$ 13,932.88	\$ 47,305.31
FY 1997	8	1%	1	7	\$ 559,964.00	1%	\$ 6,088.60	\$ 79,125.06
FY 1996	12	1%	0	12	\$ 1,025,296.75	2%	N/A	\$ 85,441.40
FY 1995	6	0%	1	5	\$ 490,371.63	1%	\$ 106,502.38	\$ 76,773.85
FY 1994	6	0%	0	6	\$ 491,284.92	1%	N/A	\$ 81,880.82
FY 1993	1	0%	0	1	\$ 51,931.83	0%	N/A	\$ 51,931.83
FY 1992	5	0%	1	4	\$ 203,556.46	0%	\$ 14,255.08	\$ 47,325.35
FY 1991	6	0%	0	6	\$ 960,408.13	2%	N/A	\$ 160,068.02
FY 1990	3	0%	0	3	\$ 297,475.72	1%	N/A	\$ 99,158.57
FY 1989	3	0%	1	2	\$ 205,843.60	0%	\$ 9,861.46	\$ 97,991.07
FY 1988	1	0%	0	1	\$ 10,115.20	0%	N/A	\$ 10,115.20
FY 1987	3	0%	1	2	\$ 65,264.46	0%	\$ 43,186.79	\$ 11,038.84
FY 1986	1	0%	0	1	\$ 133,184.17	0%	N/A	\$ 133,184.17
FY 1985 & Prior	10	1%	0	10	\$ 588,411.96	1%	N/A	\$ 58,841.20
Totals	1269	100%	891	378	\$ 55,027,785.84	100%	\$ 36,579.94	\$ 59,352.02

Red text indicates years of SELF Excess Ins. Coverage. These claims represent 10% (132 claims) of the total open indemnity claim population. Of the remaining SELF files, 14% (18 claims) are active indemnity files versus 86% (114 claims) future medical files.

The total percentage of open indemnity files from the SELF years has decreased by 18%, FY17 (132) over FY16 (160). These numbers demonstrate continued focus on the resolution of these "SELF years" files.



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Cash Flow

The CSU has seen a pure increase in cash flow in FY17 over FY16 of 22%, or \$4,432,646.

This is due primarily to an increase in Medical Settlement costs, tied to the significant increase in C & R settlements for FY17 over FY16.

When the cash flow numbers for FY13 thru FY17 are adjusted for this (Medical Settlement dollars removed), the cash flow is essentially flat (1% increase) for FY17 over FY16.

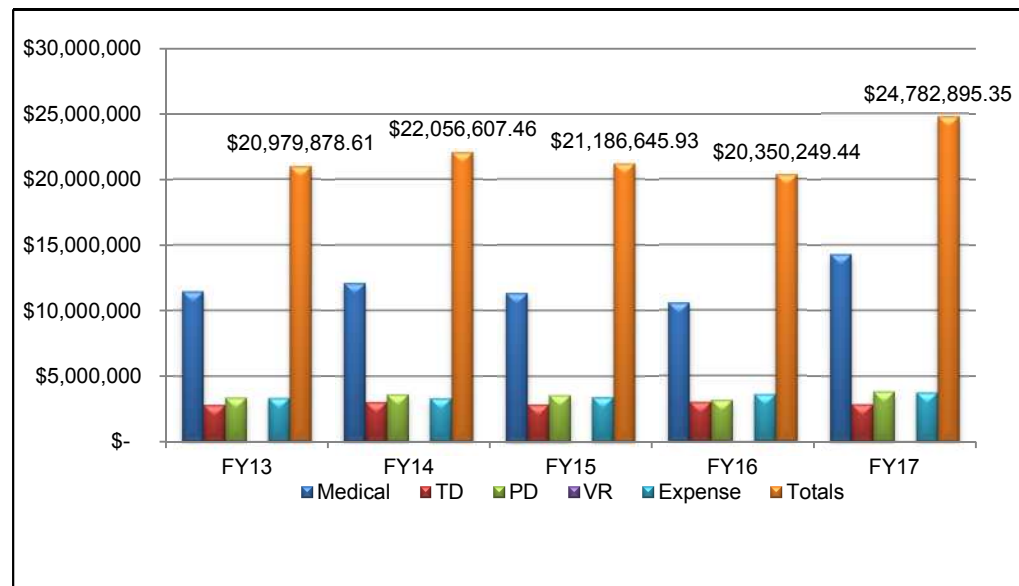
When the Medical cash flow is adjusted in the same way, the result is a 7% decrease in Medical cash flow.

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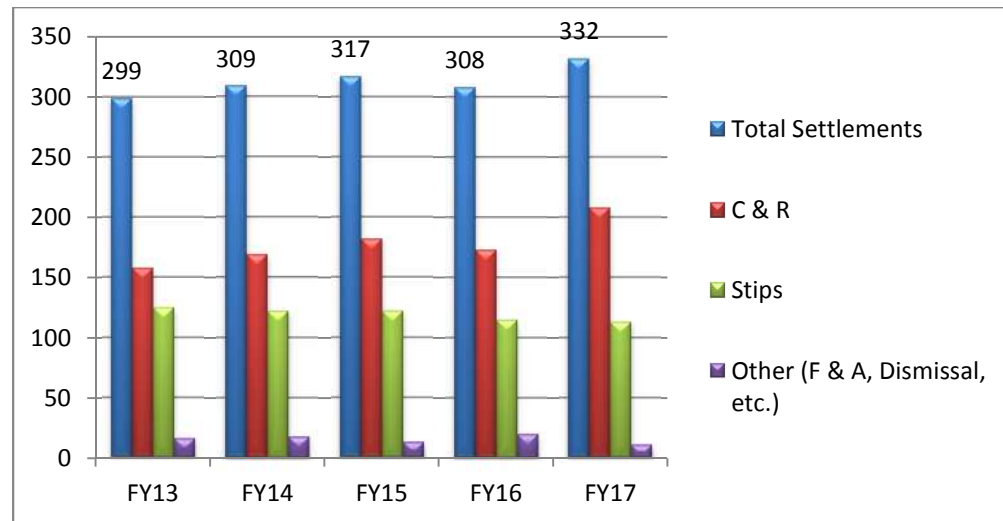
Cash Flow	FY13	FY14	FY15	FY16	FY17
Medical	\$11,450,476	\$12,089,878	\$11,333,300	\$10,573,240	\$14,301,117
TD	\$2,800,048	\$3,019,893	\$2,847,216	\$3,006,402	\$2,860,461
PD	\$3,381,994	\$3,616,782	\$3,576,461	\$3,146,459	\$3,838,049
VR	\$7,566	\$18,145	\$1,769	\$33,913	\$28,600
Expense	\$3,339,795	\$3,311,909	\$3,427,900	\$3,590,236	\$3,754,668
Totals	\$20,979,879	\$22,056,607	\$21,186,646	\$20,350,249	\$24,782,895
Medical Settlements	\$2,608,410	\$3,225,876	\$2,650,833	\$3,297,996	\$7,538,279
Adjusted Cash Flow	\$18,371,469	\$18,830,732	\$18,535,813	\$17,052,253	\$17,244,617



Settlements

The CSU has seen a substantial increase in settlements of 8% for FY17 over FY16. The number of C & R settlements is up 20% for FY17 over FY16. For the fifth straight year, the number of C & R settlements has exceeded all others combined.

Settlements	FY13	FY14	FY15	FY16	FY17
Total Settlements	299	309	317	308	332
C & R	158	169	182	173	208
Stips	125	122	122	115	113
Other (F & A, Dismissal, etc.)	16	18	13	20	11
C & R to total settlements	53%	55%	57%	56%	63%



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Medical Treatment Cost Drivers

The CSU has experienced a pure medical cost increase of 35% for FY17 over FY 16. As discussed in the Cash Flow section of this report, this increase is driven primarily by the Medical Settlement spend, which when adjusted for, leaves an actual 7% decrease in Medical costs. There has been a shift in the Top 5 categories, with "Hospital-Inpatient" and "Pharmacy" being replaced by "Medical Supplies & Equipment" and "Physical Therapy." Below are presented the FY17 Top 5 as a stand-alone, as well as the "apples to apples" comparison of the historical Top 5 with the FY17 numbers.

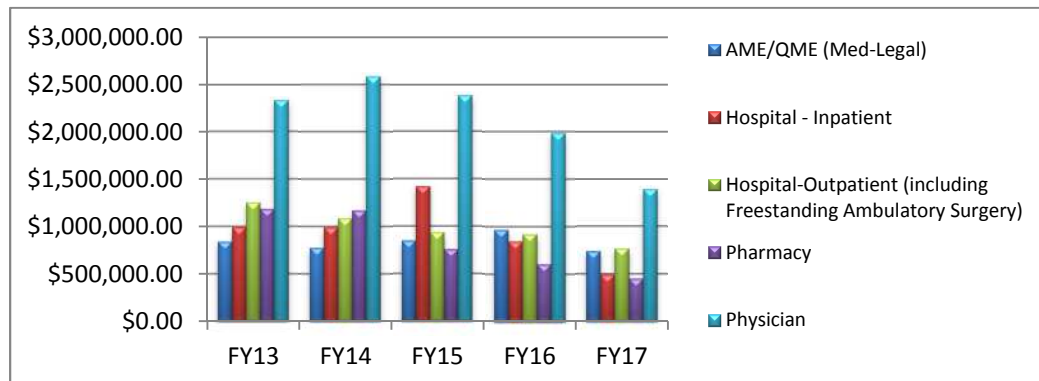
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Type	Total FY17
Physician	\$1,388,292.33
Physical Therapy	\$763,573.02
AME/QME (Med-Legal)	\$739,607.48
Hospital-Outpatient (including Freestanding Ambulatory Surgery)	\$768,590.18
Medical Supplies & Equipment	\$508,702.43
Total	\$4,168,765.44
Total Med (Actual Cashflow)	\$14,301,117
% of Total Med	29%

Type	FY13	FY14	FY15	FY16	FY17*
AME/QME (Med-Legal)	\$843,284	\$777,832	\$852,977	\$970,253	\$739,607
Hospital - Inpatient	\$995,322	\$994,886	\$1,422,420	\$847,854	\$494,085
Hospital - Outpatient ** (including Freestanding Ambulatory Surgery)	\$1,253,936	\$1,088,358	\$938,282	\$923,142	\$768,590
Pharmacy	\$1,185,759	\$1,172,044	\$760,913	\$608,957	\$452,105
Physician	\$2,331,665	\$2,585,940	\$2,381,552	\$1,986,249	\$1,388,292

Total Med (Top Five)	\$6,609,966	\$6,619,059	\$6,356,144	\$5,336,455	\$3,842,680
Total Med (Actual Cashflow)	\$11,450,476	\$12,089,878	\$11,333,300	\$10,573,240	\$14,301,117
% of Total Med	58%	55%	56%	50%	27%



* These numbers provided for direct comparison to prior years. True Top 5 for FY17 is provided in the first table.

** Post-JURIS conversion, the Hospital-Outpatient and Freestanding Ambulatory Surgery must be combined to describe the same treatment types as were covered under Hospital-Outpatient in iVOS. The FY16 numbers have been adjusted in the same manner, as the CSU data was captured in 2 claims systems for that FY.



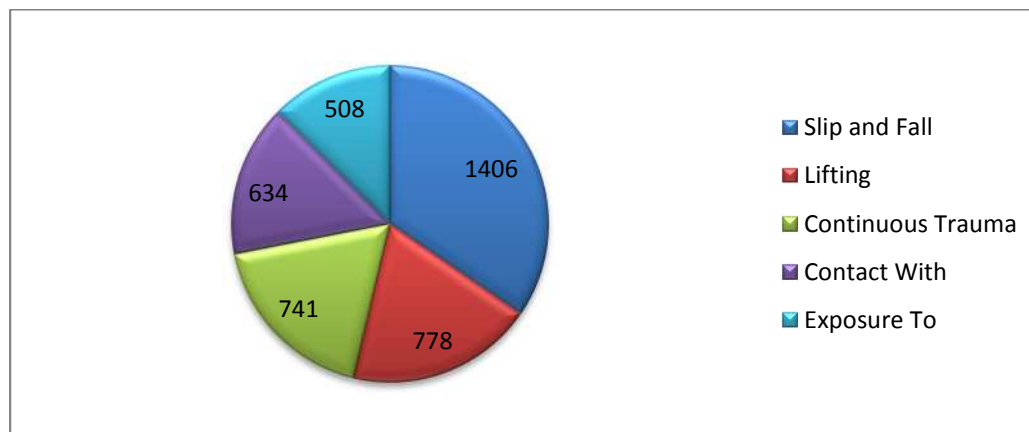
Claims by Source: 5 year total Top 5 FY13 – FY17

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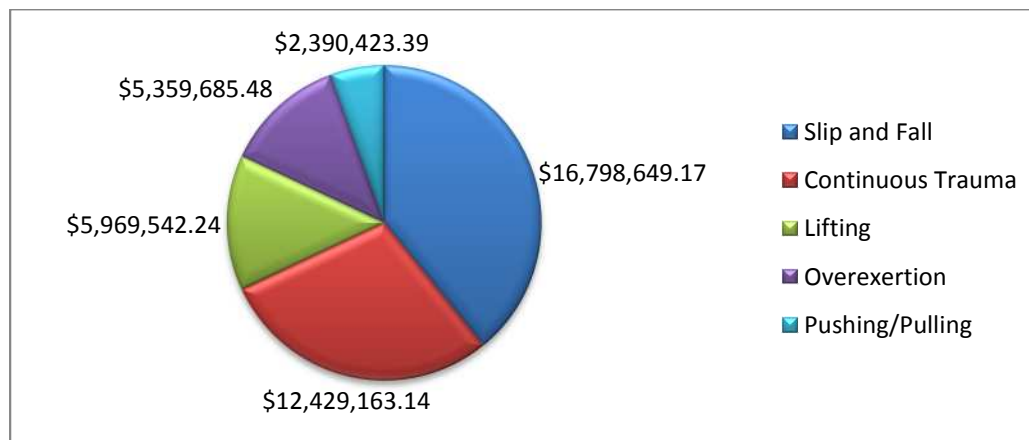
Top Five Source (Frequency – fig. 1)	Frequency	Total Incurred	% of Total Claims
Slip and Fall	1406	\$16,798,649.17	20%
Lifting	778	\$5,969,542.24	11%
Continuous Trauma	741	\$12,429,163.14	11%
Contact With	634	\$1,904,103.57	9%
Exposure To	508	\$1,012,506.57	7%

Figure 1



Top Five Source (Severity – fig. 2)	Frequency	Total Incurred	% of Total Incurred
Slip and Fall	1406	\$16,798,649.17	28%
Continuous Trauma	741	\$12,429,163.14	20%
Lifting	778	\$5,969,542.24	10%
Overexertion	430	\$5,359,685.48	9%
Pushing/Pulling	203	\$2,390,423.39	4%

Figure 2



Claims by Body Part Group: 5 year total Top 5 FY13 – FY17

Body Part Group	Frequency (fig. 3)	% of Total	Total Incurred (fig. 4)	% of Total
Upper Extremities	2,493	36%	\$20,237,733	33%
Lower Extremities	1,682	24%	\$15,239,717	25%
Trunk	1114	16%	\$12,080,254	20%
Head	807	11%	\$2,833,503	5%
Neck	151	2%	\$1,843,076	3%

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Figure 3

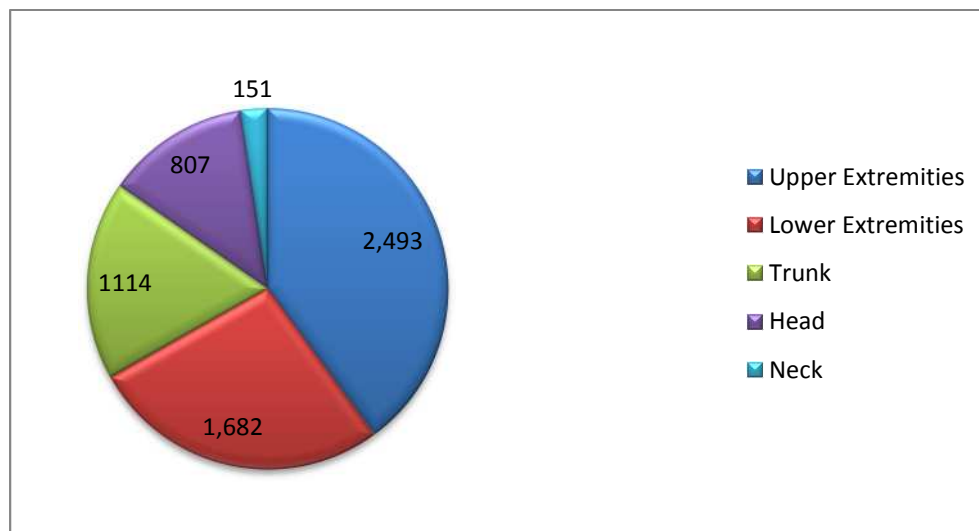
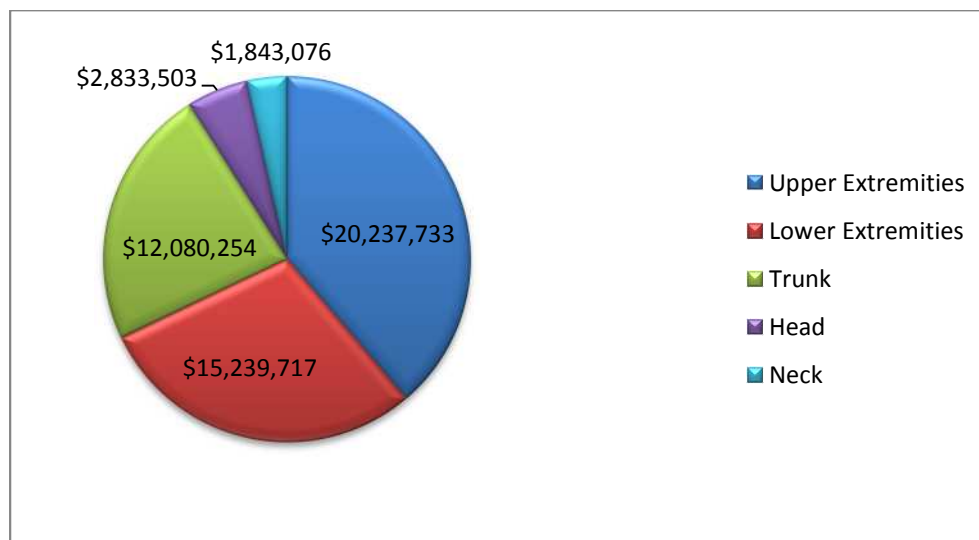


Figure 4



Claims by Age: Frequency & Severity Open as of 6/30/2017

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Age Group	Total Claims (fig. 5)	% of Total Claims	Incurred Total (fig. 6)	% of Total Incurred
18-24	35	3%	\$2,313,252	2%
25-34	96	8%	\$8,893,196	7%
35-44	254	20%	\$29,931,029	22%
45-59	701	55%	\$77,375,384	57%
60+	183	14%	\$16,746,395	12%

Figure 3

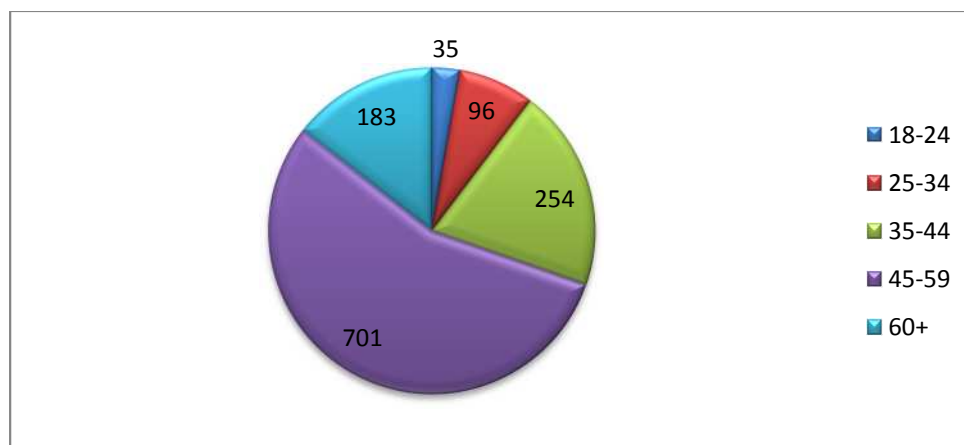
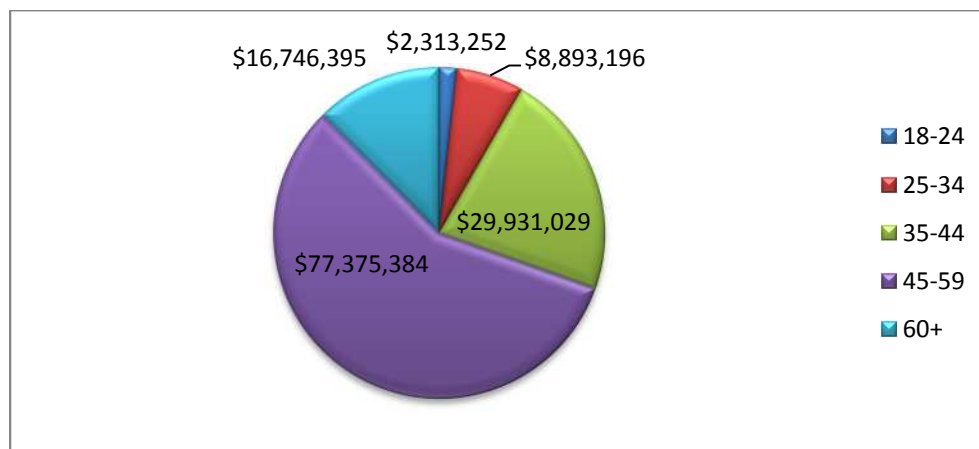


Figure 4



Conclusion

In an ever evolving and complex Workers' Compensation system, the CSU program continues to consistently drive positive results.

Several key vendor partnerships have now been in place for several years and have matured to produce optimal outcomes.

The expansion of the Double Play program has helped to further reduce inventory in the SELF years.

Collaboration with Optum has continued to manage prescription costs as well as foster safe and effective medication usage for CSU's injured employees.

The Defense Attorney Panel was revised in early 2017 and, along with the partnership of Quovant, has helped to further strengthen efficient and effective litigation practices for the program.

Ongoing collaboration with trusted vendors, along with seizing opportunities to develop new strategic partnerships that will cultivate the program's innovative vision, will help to ensure that the program rises to any change or challenge in the California Workers' Compensation System.

Sedgwick is very proud of our longstanding partnership with CSU and Alliant, as well as the continued success of the Workers' Compensation program. We look forward to working together to meet and exceed goals once again in Fiscal Year 2017/2018.

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CAMPUS LIABILITY RISK POOL - MEMORANDUM OF COVERAGE

ISSUE: The Campus Liability Coverage Risk Pool 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.

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.

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. 68% or \$102,000 has been allocated to the Campus members as part of the Liability Risk Pool 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 Campus Liability Risk Pool Memorandum of Coverage (*draft*)



CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

Campus Liability Coverage Program

Memorandum of Coverage

Various provisions in this Memorandum restrict coverage. Read the entire Memorandum carefully to determine Member rights, duties and what is and is not covered.

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 (hereinafter called CSURMA) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500 *et seq.*

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, and none of the parties to the document are 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, acting through the Board of Directors in adopting this document. As the CSURMA 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(s)**, CSURMA agrees:

To pay on behalf of the **Member** those sums for **Ultimate Net Loss** in excess of the **Member’s Deductible(s)** which the **Member** becomes 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 a 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 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 including Unmanned Aerial Vehicle.~~
4. **Automobile** means a licensed land motor vehicle or semi-trailer designed for travel on public roads, including any attached machinery, trailer 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 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,** or
- 6) **Media Wrongful Acts,**

arising from an **Occurrence** or a **Wrongful Act** for which this coverage may apply, 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.
 - A. **Dam** means any artificial barrier together with appurtenant works which:

- B. Is twenty-five feet (25) or more in height from the foot of a natural bed of stream or watercourse at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel or watercourse, to the maximum possible water storage elevation; or
- C. Has water impounding capacity of fifty (50) 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.

10. **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 CSURMA, 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**.

11. **Deductible** means the amount of each **Ultimate Net Loss** which the Member has to pay irrespective of the amount of the **Ultimate Net Loss** as shown on the Declarations page of this document.

12. **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.

13. **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 Benefits 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 retainer, 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.

- 14. **Employee Benefits Liability** means liability for actual or alleged Errors and Omissions in the Administration of a Member's Employee Benefit Program.
- 15. **Employee Benefits 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.
- 16. **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** 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.
17. **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.
18. **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.
19. **Leased Worker** means any **Employee** who is under contract to the **Member** while performing duties defined under the contract with the Member.
20. **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 covered hereunder, including but not limited to CSURMA 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 and others associated with specific **Claims**, but excluding any **Loss Adjustment Expense** and fees paid 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.

Additionally, CSURMA may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** similar to the one against the **Member** and to require that independent counsel have errors and omissions coverage. The **Member** agrees to instruct counsel, whether independent or in-house, to respond to CSURMA request(s) for information regarding the **Claim** in a timely manner.

21. **Media Wrongful Act** 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.
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**.
26. **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**; and
 - F. Assault and battery not committed by or at the direction of, or with consent of the **Member**. However, this does not apply if committed or directed for the purpose of protecting persons from injury or death, or property from damage.
27. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **Waste**. **Waste** includes materials, which are



intended to be or have been 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.

28. **Products Hazard** includes **Bodily Injury** and **Property Damage** arising out of **your** products or reliance upon a representation or warranty with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to **you** and after physical possession of **your** product (s) has been relinquished to others.
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 CSURMA, 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. **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.~~

~~35.~~**34. Wrongful Act** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance and nonfeasance 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.

~~36.~~**35. 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.

~~37.~~**36.** The following definitions are applicable only to **Exclusion 15 – 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.

SECTION III - DEFENSE AND SETTLEMENT

1. **CSURMA** has the right and duty to defend any **Claim** or **Suit** against the **Member** seeking **Damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage applies even if the **Claim** or **Suit** is groundless, false or fraudulent when the **Deductible** has been exhausted by the payment of **Damages** including **Loss Adjustment Expenses** to which this coverage applies and provided further that no insurer has a duty to defend or is defending such **Claim**.
2. **CSURMA** has no duty to defend the **Member** against any **Claim** or **Suit** seeking **Damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage does not apply.
3. When **CSURMA** assumes the defense of any **Claim** or **Suit** on the Member's behalf, **CSURMA** will:
 - A. Investigate, negotiate and settle the **Claim** or suit as **CSURMA** may deem expedient; and
 - B. Pay the following to the extent that they are not covered by any other coverage:
 - 1) Premiums on bonds to release attachments for amounts not exceeding our Limits of Coverage, but **CSURMA** is not obligated to apply for or furnish any such bond;
 - 2) Premiums on appeal bonds required by law to appeal any **Claim** or suit which **CSURMA** defends, but **CSURMA** is not obligated to apply for or furnish any such bond;
 - 3) All reasonable costs taxed against the **Member** in any **Claim** or suit that **CSURMA** defends;
 - 4) Pre-judgment interest awarded against the **Member** on that part of the judgment **CSURMA** pays. If **CSURMA** makes an offer to pay the applicable Limit(s) of Liability, then **CSURMA** will not pay any pre-judgment interest accrued for that period of time after the offer;
 - 5) All interest that accrues after entry of judgment and before **CSURMA** has paid, offered to pay or deposited in court the part of the judgment that is within **CSURMA**'s applicable Limit(s) of Liability; or
 - 6) Reasonable **Member** expenses incurred with **CSURMA**'s consent or at **CSURMA**'s request.
4. **CSURMA** will not defend any **Claim** or **Suit** after our applicable Limit(s) of Liability has been exhausted by payments of judgments or settlements including **Loss Adjustment Expenses**.



5. Except as provided in Paragraph A above, **CSURMA** will have no duty to defend any **Claim** or **Suit** against the **Member**. We will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Memorandum may apply, and the **Member** shall cooperate fully with us in such participation. If **CSURMA** chooses to exercise this right, **CSURMA** will do so at **CSURMA's** own expense.
6. All expenses **CSURMA** may incur in the defense of any **Claim** or **Suit** are included in the Limit of Liability and are not paid in addition to the Limit of Liability.

SECTION IV - LIMITATIONS UPON CSURMA'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's liability for **Damages** is limited as follows:

The CSURMA's liability for **Damages** shall be only for the **Ultimate Net Loss** less the **Member's Deductible(s)** 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 Deductible(s)** 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 Limit of Liability and the **Member's Deductible(s)**, 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 Deductible(s)** 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'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(s)** 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:

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**. This includes individuals appointed and acting as volunteers. Volunteers include students who are enrolled in community service programs, but only while such students are performing services for credit that are valid for the student to meet the university's requirements for college graduation.
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.

SECTION VI – EXCLUSIONS

This Memorandum shall not apply to, and CSURMA 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** capable of flight. This exclusion does not apply to static **Aircraft**, ~~or to an Unmanned Aerial Vehicle.~~
2. Assault and Battery

Arising out of assault and battery, 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**.
3. Automobile

For any liability arising out of the use or entrustment to others of any **Automobile** owned or operated by or rented or loaned to any **Member**, but this exclusion does not apply to parking an **Automobile** on or on the ways next to premises the **Member** owns or rents, provided the **Automobile** is not owned by or rented or loaned to the **Member**.
4. Automobile Physical Damage



For any liability for damages to or destruction of any **Automobile** owned by, rented to, leased to or in charge of the **Member**.

5. Aviation Activities

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

- A. **Aircraft**
- B. Airfields;
- C. Runways;
- D. Hangars; or
- E. Buildings of other properties in connection with aviation activities.
- F. Liability for **Damages** arising out of in-flight operations of **Aircraft** by or in the interest of the **Covered Party** except with respect to operations performed by scheduled common carriers or operations of **Aircraft** owned or operated by the United States government or the State of California. The term in-flight as used in the foregoing means the period of time the **Aircraft** moves forward in taking off or in an attempt to take off until it has completed its landing run.

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**.~~

6. 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 Practices 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.

7. CSU Managed Construction Projects

For any liability for damages assumed by the **Covered Parties** under any construction project contracts managed by the Chancellor's Office of the California State University or managed by a campus of the California State University, or both. However, CSURMA shall defend any actions or suits brought against any Member for such causes of action.

8. 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.

9. 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.

10. 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 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.

11. Intentional Conduct

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

12. 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;

13. 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 shall defend the **Covered Party** up to an amount not exceeding \$1,000,000 **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 Limits of Liability stated in the Declarations page.

14. 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.

15. 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 **Member** under the Memorandum is also a **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 3. 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** or California State University.

16. 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 (B.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 Risk Manager 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 Risk Manager 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.

17. 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 disabled 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

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.
- D. Rowing or sculling shells regardless of length.

18. Under Errors and Omissions Liability;

- A. Based on **Covered Party's** obtaining of financial gain to which the **Covered Party** 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.



19. 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**;

SECTION VII – CONDITIONS

- 1. Action Against CSURMA - No action shall lie against CSURMA 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. 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 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 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 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 fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within thirty (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 without its written consent and endorsed hereon.
4. 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, the Bylaws and the Policies and Procedures.
5. 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, unless and until a written endorsement which expressly amends this Memorandum or waives a provision thereof has been duly issued by CSURMA and made a part of this Memorandum, unless the CSURMA Policies and Procedures regarding claims reporting and claims administration and litigation management have been amended by CSURMA.
6. Claims Settlement: As stated in the CSURMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management.
7. 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's rules and rates. CSURMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
8. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit: The following provisions and the provisions of the CSURMA 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.
- 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 CSURMA 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.
- 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 CSURMA Claims Administrator and authorize CSURMA to obtain records and other information;
- D. The **Member** and any other involved **Covered Party** will cooperate with CSURMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA, 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.
9. Inspection and Audit: CSURMA 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 at the end of the **Coverage Period** and at such times during the **Coverage Period** as we may direct. CSURMA may examine and audit **Member's** books and records as they relate to this Memorandum at any time during the **Coverage Period** and extensions thereof and within three (3) years after the final termination of this Policy.
10. 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.
- With respect to **Employment Practices Liability**, as stated in CSURMA Policy and Procedure on Claims Reporting, in no event shall any payments be made by CSURMA 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 CSURMA.
- Moreover, no settlement of any **Claim** shall be paid by CSURMA without prior written authorization of CSURMA.
11. Other Coverage: It being recognized that similar coverage contracts contain Other Insurance Clauses, it is therefore intended, understood and agreed that:
- A. Notwithstanding the terms and conditions of any Other Insurance Clause of Clauses in any policy or policies where other coverage is available to the **Covered Party** (whether such policy is issued to the **Covered Party** or extends to it as employer, employee or agent in any other capacity), the coverage afforded hereunder is intended to be, and shall be, excess coverage; and under no circumstances shall the coverage afforded hereunder be considered pro-rata, concurring or co-existent.



- B. If any other coverage is available to the **Covered Party**, whether such coverage is called excess over, or pro-rata with other valid and collectible insurance or not, the coverage afforded hereunder shall not apply until such other coverage has been exhausted, provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this document.
12. Separation of Covered Parties: Except with respect to the Section III – Limitations Upon CSURMA’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.
13. 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.
14. Subrogation/Transfer of Rights of Recovery Against Others to CSURMA: CSURMA 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 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(s)** plus the Limit of Liability hereunder shall be reimbursed first to the extent of actual payment. CSURMA 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.

OFFICE OF GENERAL COUNSEL
E-BILLING PLATFORM IN E-COUNSEL

ISSUE: OGC has requested funding from CSURMA for the implementation of the eBilling platform which is a component of eCounsel. OGC estimates that the eBilling service will save up to 15% of legal fees annually and as such CSURMA benefits directly from the service. The implementation cost would be \$53,005 if eBillings is able integrate with CSURMA's accounts payable. The annual license fee is \$17,500.

OGC is requesting CSURMA to fund the implementation costs of a maximum of \$53,005 and OGC would cover the annual license fee of \$17,500.

RECOMMENDATION: Staff recommends that the Committee approve the eBillings service and approve the total cost of up to \$53,005 to be funded by CSURMA.

FISCAL IMPACT: The implementation costs would vary depending on whether eBilling is able to integrate with CSURMA's accounts payable. The maximum cost would be \$53,005 which would include the accounts payable integration. The implementation without integration would be \$33,765. The annual license fee of \$17,500 would be funded by OGC.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. eBillings implementation costs

INCEPTION**Installation and Set Up**

Set up of validation environment	IC	8	\$185	\$1,480
Set up of Test Env in Bridgeway Cloud	IC	8	185	1480
Inception Total		16		\$2,960

ELABORATION**Current Process Review and Requirements**

Conduct current process review session for legal invoicing	SBA	4	\$225	\$900
	BA	4	\$185	\$740
Review and organize session notes & collect reports	BA	4	\$185	\$740

Application Design - Design Validation and Prototype Creation

Conduct design session for legal invoicing	SBA	4	\$225	\$900
	BA	2	\$185	\$370
Conduct design session for legal operations	SBA	0	\$225	\$0
	BA	0	\$185	\$0
Documentation and Revisions - Design Document	BA	12	\$185	\$2,220

Application Design - Design Validation and Prototype Creation

Design build	BA	12	\$185	\$2,220
Prototype delivery and review	STC	2	\$200	\$400
	IC	2	\$185	\$370
Invoice Routing and approval workflow set-up	SBA	6	\$225	\$1,350
Review and resolve design issues	SBA	2	\$225	\$450
Deliver final design configuration	STC	4	\$200	\$800
Functional specification for custom Accounts Payable Integration	BA	32	\$185	\$5,920

Elaboration Total		90		\$17,380
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CONSTRUCTION**Development**

Development of custom Accounts Payable Integration	TC	40	\$185	\$7,400
Testing of custom Accounts Payable Integration	TC	32	\$185	\$5,920

Construction Total		72		\$13,320
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TRANSITION

User Acceptance Testing					
Review client UAT plans	BA	4	\$185	\$740	
Review client system acceptance testing	SBA	2	\$225	\$450	
Issue Resolution	BA	8	\$185	\$1,480	

Deployment					
Floor Support	BA	0	\$185	\$0	
Transition to Support	BA	4	\$185	\$740	
Populate design changes into PROD	BA	8	\$185	\$1,480	
Transition Total		26		\$4,890	

ADOPTION	Hours				
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Training					
End User Training	BA	12	\$185	\$2,220	
System Administrator Training	BA	4	\$185	\$740	
Adoption Total		16		\$2,960	

OTHER MODULES	Hours				
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Secretariat Standard Implementation		0		\$0	
--	--	----------	--	------------	--

Sub-Total Labor Hours and Cost		220		\$41,510	
Project Management		44	\$200	\$8,800	
Project Admin (SBA, STC)		7	\$200	\$1,400	
Project Admin (BA, TC, IC)		7	\$185	\$1,295	
Total Project Cost		264		\$53,005	

LIABILITY CLAIMS ADMINISTRATION AUDIT RESULTS

ISSUE: The Executive Committee engaged Dennis Mitchell of Bickmore Risk Servicers (BRS) to conduct a performance review of its claims administrators for Campus Liability Program (Chancellor's Office) and AORMA Liability Program (Carl Warren and Company). The review was performed in June and the Auditor has submitted draft reports of its findings and recommendations for review at today's meeting.

BRS performed the last claim audits for Campus Liability and AORMA Liability in 2015. To ensure consistency of review, the Executive Committee authorized the Secretary-Auditor to engage BRS as claims auditor for 2017. The claims audit for AIME has been deferred to 2018, due to the change of its TPA agreement.

RECOMMENDATION: The Executive Committee will be asked to accept the Campus and AORMA Liability Claims Audit Reports.

FISCAL IMPACT: None; the cost for the audits were included within the FY 16/17 CSURMA budget.

BACKGROUND: In accordance with Policy and Procedure No. 5, it is the policy of CSURMA that its third-party claims administrators (TPAs) are to be audited on a periodic basis to ensure that the Authority is receiving high quality services. Further, it is CSURMA's procedure that the audits are performed biennially such that Campus Liability, Campus Worker's Compensation, AIME, and AORMA Liability occur in odd-numbered calendar years; and AORMA Workers' Compensation occurs in even-numbered calendar years.

PUBLICATION: None.

ATTACHMENT(S):

- a. BRS draft audit report summary for AORMA Liability
- b. BRS draft audit report summary for Campus Liability



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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- A - Claims Audit List
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- C - Carl Warren Claims Handling Guidelines
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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

Performance	Score
Superior	96% - 100%
Commendable	91% - 95%
Acceptable	85% - 90%
Requires Improvement	Below 85%

Table I-2
Performance Evaluation Criteria

Evaluation	Grading Criteria
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

Performance Component	Performance Enhancement Recommendations
Plan of Action/ Documentation	Improve timeliness and quality of the plan of action (POA) by requiring adjusters to: <ul style="list-style-type: none"> • 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.
Statutory Compliance	Ensure compliance with MMSEA by: <ul style="list-style-type: none"> • Increasing supervision to ensure Medicare-eligible claimants are identified within the claims system; and • Requiring documentation of confirmation of Medicare-eligibility inquiry response prior to issuing a settlement check for a bodily injury claim.
Claim Disposition and Payment	Improve evaluation and documentation of claim settlements by requiring adjusters to: <ul style="list-style-type: none"> • 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.
Litigation/Recovery Management	Continue to work with defense counsel to improve management of litigation by: <ul style="list-style-type: none"> • 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 recommendations of the prior audit by: <ul style="list-style-type: none"> • 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.

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:	30	Actual Reserve:	\$676,852
Incurred:	\$1,866,153	Recommended Reserve:	\$675,452
Paid:	\$1,189,302	Net Reserve Change:	(\$1,400)

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%
Overall Claims Administration	30	1,166	62	1,052	95%	97%

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

Scoring by Component Summary Graph

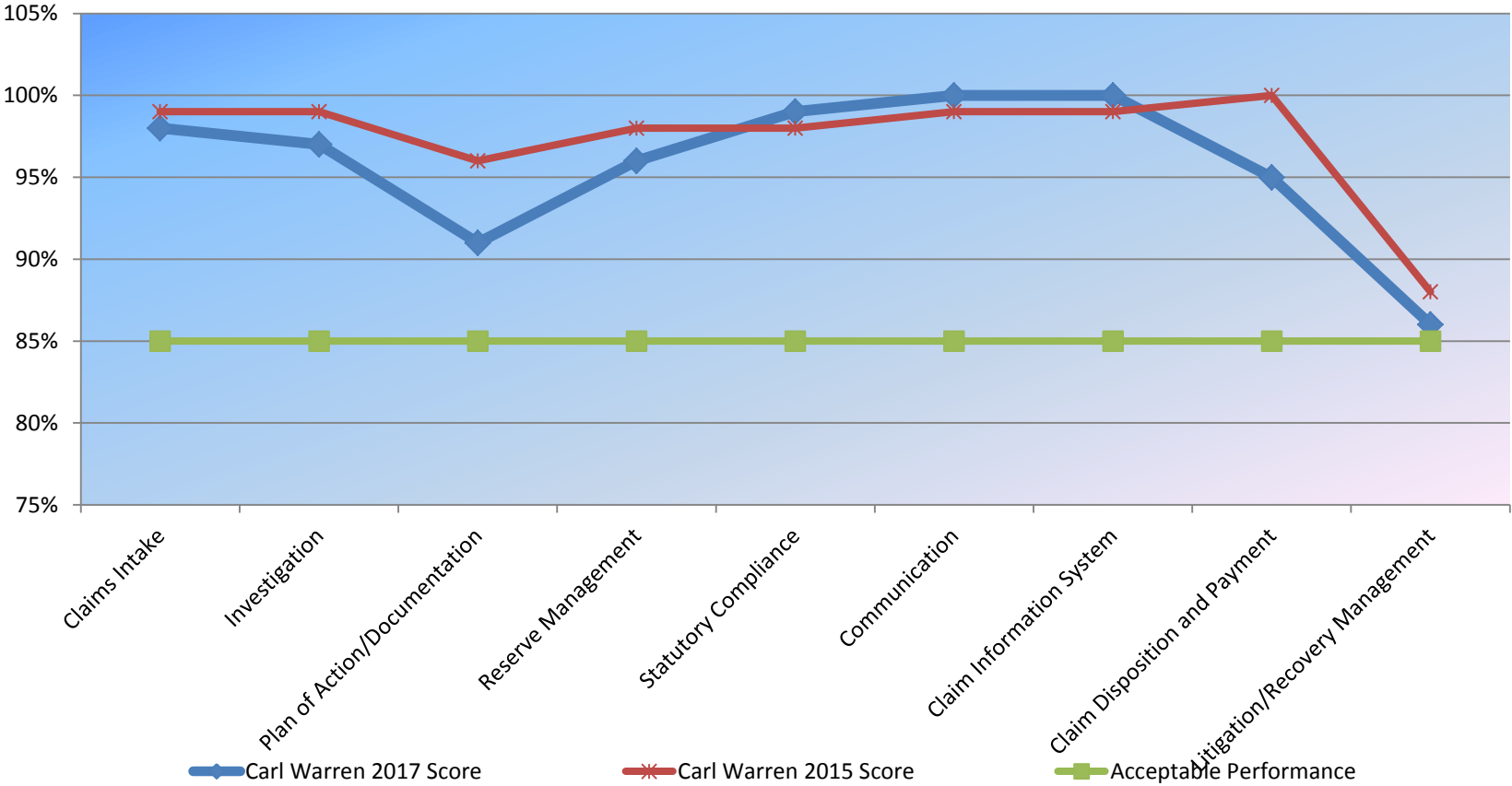
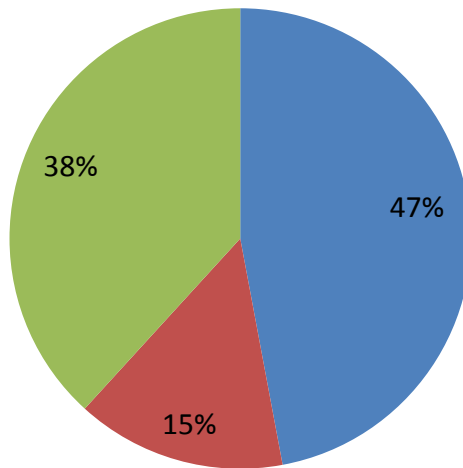


Exhibit I-3

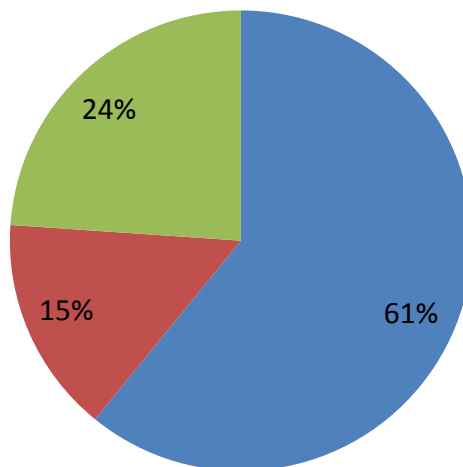
Claim Intake and Pending Analysis

Claim Intake
2014 through 2017



■ GL ■ EPL/PI ■ Other

Claims Pending
As of April 30, 2017



■ GL ■ EPL/PI ■ Other



Bickmore



July 18, 2017

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

RE: **California State University Risk Management Authority
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 Risk Management Authority (CSURMA). This audit examines the claims handling practices of State Risk Management (SRM) in the self-administration of its claims.

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

Bickmore appreciates the opportunity to provide claims program and evaluation services and the assistance received from SRM and Alliant Insurance Services to complete this project.

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

I. Executive Summary

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

The University is the largest four-year public university system in the nation with 49,000 faculty and staff, and 479,000 students at its 23 statewide campus locations and the Chancellor's office.

Claims have been administered by the Systemwide Office of Risk Management (SRM) since 2012 under the management of a Director and three staff members who provide claim oversight and support services. Prior to October 2011 claims were received by the state Victim Compensation and Government Claims Board (VCGCB) and administered by Alliant Insurance Services, Inc. (Alliant). The Claims Director reports to the Assistant Vice Chancellor - Financing, Treasury, and Risk Management. We provide an organization chart in Exhibit I-1.

The Director works closely with the Office of General Counsel (OGC) and campus risk managers. The Board of Trustees (BOT) has delegated settlement authority to General Counsel. While there is no direct reporting relationship between the Director and OGC, effective management of claims made against the University requires creation of an atmosphere of cooperation and mutual respect between both divisions.

The same level of cooperation is required between SRM and each of the campus risk managers to promote effective claims investigation, evaluation and resolution. Campuses may have claim settlement authority of \$100,000 or to the campus deductible, whichever is lower.

Coverage is provided under a Master Coverage Document governing General Liability and Errors and Omissions Coverage which specifies coverage provided to members, definitions, limitations, exclusions, and conditions. A summary document is updated annually and provides member self-insured retention (SIR) levels recorded on the individual member declarations page. Coverage is intentionally broad, providing \$5 million of pooled coverage. CSURMA purchases excess coverage above the pooled layer. Ironshore Specialty Company provides \$5 million excess of the pooled layer and Allied World Assurance Company provides an additional \$10 million.

Auto Liability claims are handled by the California Office of Risk and Insurance Management (ORIM) and Property claims are handled by Alliant.

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

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

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

- Receiving, recording, and acknowledging new claims;
- Coordinating liability investigations with the campus Risk Manager;
- Ensuring reserve accuracy by evaluating claim developments and seeking additional information when appropriate;
- Reporting appropriate claims to the University's excess carriers;
- Promoting case resolution by obtaining settlement authority when appropriate, coordinating resolution, and overseeing check issuance;
- Ensuring closed claims with payments contain sufficient documentation to support the payment(s); and
- Providing campuses with reports on claim activity.

To meet its responsibilities, SRM maintains daily contact with campus Risk Managers and with OGC to gather and exchange information regarding the 176 liability claims they administer annually.

The purpose of this audit is to:

- Verify CSURMA's claims are administered effectively by SRM, and practices meet industry best practices, comply with state law, and internal procedures; and
- Identify opportunities for program improvement and make recommendations to ensure improvement.

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

- Reviewed CSURMA "Liability Claims Administration Guidelines" (Guidelines) dated April 2017, updated since the previous audit and now includes its "Claims Operational Manual;"
- Reviewed CSURMA's "Master Coverage Documents – General Liability and Errors and Omissions;"

- Interviewed SRM claims administration staff regarding:
 - Workflows and administration of claims according to established Guidelines;
 - Communication with campus Risk Managers; and
 - Communication with OGC located in Long Beach and at the campuses.
- Reviewed open and closed claims data and selected the sample of 45 liability claims shown in Appendix A;
- Reviewed the sample claims onsite at the Chancellor’s Office in Long Beach, California from June 13 through June 15, 2017, to determine whether SRM policies and procedures meet industry best practices and are applied;
- Provided feedback communicating our findings on each claim to SRM at the conclusion of the onsite audit; and
- Provided opportunity for SRM Claims Management to rebut individual claim findings.

SRM is led by a Director who reports to the Assistant Vice Chancellor – Financing, Treasury, and Risk Management. Claims administrative staff includes:

- One Claims Examiner, responsible for day-to-day handling of claims under the supervision of the Director;
- One Senior Manager, supporting the team by developing reports and analyzing claims data for both the University and CSURMA;
- One Administrative Analyst responsible for invoice payments, member billing, and workers’ compensation financial support for the University; and
- One Manager of Environment Health and Safety, who reports to the Director, but has no direct claim involvement.

SRM uses *iVOS*[®] software, originally developed by Valley Oak Systems and now supported by Ventiv Technology, to record statistical and financial data in a web-based environment. *iVOS*[®] is a user-friendly system which supports a paperless claims administration environment and allows:

- Documentation of claim activity in an electronic notepad;
- Use of template letters which automatically download electronically to the file;
- Retention of scanned documents through its “sticky notes” feature; and

- Development and issuance of a variety of reports to apprise members and management of claim activity.

Alliant provided a ten-year history of open and closed claims through March 31, 2017. Our analysis of the data reflected 191 open pending claims and we randomly selected 45 open and closed claims for review. Twenty claims (44%) of the sample are litigated, compared to the overall pending litigation rate of 53%.

We find overall performance at 99%, indicating a **Superior** performance level as shown in Table I-1. All components we measure achieved a superior score.

We find:

- SRM complies with industry best practices and its internal procedures for administering liability claims;
- In evaluating the investigation component, we recognize SRM's role is to support campus risk management efforts to investigate claims, rather than conduct investigations or hire a vendor to investigate;
- Because OGC is charged with management of litigation strategy and costs, SRM's role is to ensure continued reserve accuracy by communicating frequently with OGC to obtain current developments impacting the reserve and determining necessity to report to excess carriers;
- Claims are promptly recorded and well-documented;
- SRM's opportunities for improvement all relate to compliance with the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), and include:
 - Accurate completion of the ISO *ClaimSearch*[®] index for all bodily injury claims to promote successful query of Medicare eligibility;
 - Complying with MMSEA reporting requirements which requires the identity of Medicare-Eligible claimants; and
 - Documenting steps taken to verify Medicare eligibility and action taken to protect Medicare's secondary payment status at the time the claim or suit is settled.

To arrive at our findings we compared performance in the nine¹ claims handling component areas for each claim shown in Appendix A against industry standards, state law, and CSURMA's requirements. Results are shown in Exhibit I-2 "Scoring by Component with Financials," and graphically in Exhibit I-3.

¹ There were actually eight categories scored in this audit as the ninth category (Litigation/Recovery Management) is not evaluated for Litigation Management and there were no sample claims with recovery issues.

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

Table I-1
Performance Evaluation Scale

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

Table I-2
Performance Evaluation Criteria

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

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

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

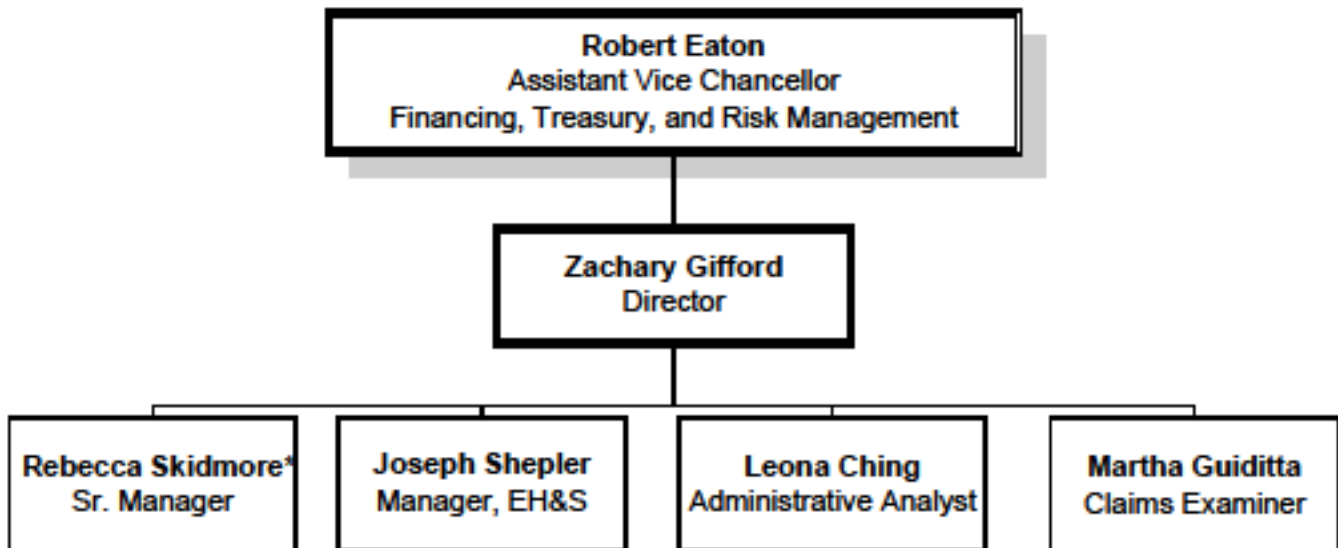
Table I-3
Performance Enhancement Recommendations Summary

Performance Component	Performance Enhancement Recommendations
Investigation	<ul style="list-style-type: none"> • Complete a bodily injury index report for each qualifying claim through <i>ISO ClaimSearch</i>[®], as required by industry best practices and CSU Guidelines to: <ul style="list-style-type: none"> – Develop information on the claimant’s prior injuries; and – Provide data necessary for ISO to query the Centers for Medicare & Medicaid Services (CMS) regarding Medicare eligibility. • Verify sufficient accurate information is provided to ISO. To query for Medicare eligibility, ISO must be provided with the claimant’s: <ul style="list-style-type: none"> – Health Insurance Claim Number (HICN) or at least last five digits of social security number; – Name; – Date of birth; and – Gender.
Statutory Compliance	<ul style="list-style-type: none"> • Ensure all Medicare-eligible claimants are identified by: <ul style="list-style-type: none"> – Flagging the claim in <i>iVOS</i>[®] to identify the claimant as Medicare-eligible; and – Documenting the query’s accuracy and the non-eligible result.
Claim Disposition and Payment	<ul style="list-style-type: none"> • Ensure Medicare eligibility is properly documented prior to issuing a settlement check for a bodily injury claim. • Document and address conflicting eligibility information appearing in claim files. • Verify whether Medicare has made conditional payment(s). • Require release providing the claimant will hold the University and other covered defendants harmless from any liens, including liens filed by Medicare.

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.

Systemwide Risk Management and Public Safety
Organizational Chart
Claims Administration

Systemwide Risk Management
Organizational Chart
FY2016-17



*Scheduled retirement effective June 30, 2017.

Exhibit I-2

Scoring by Component with Financials

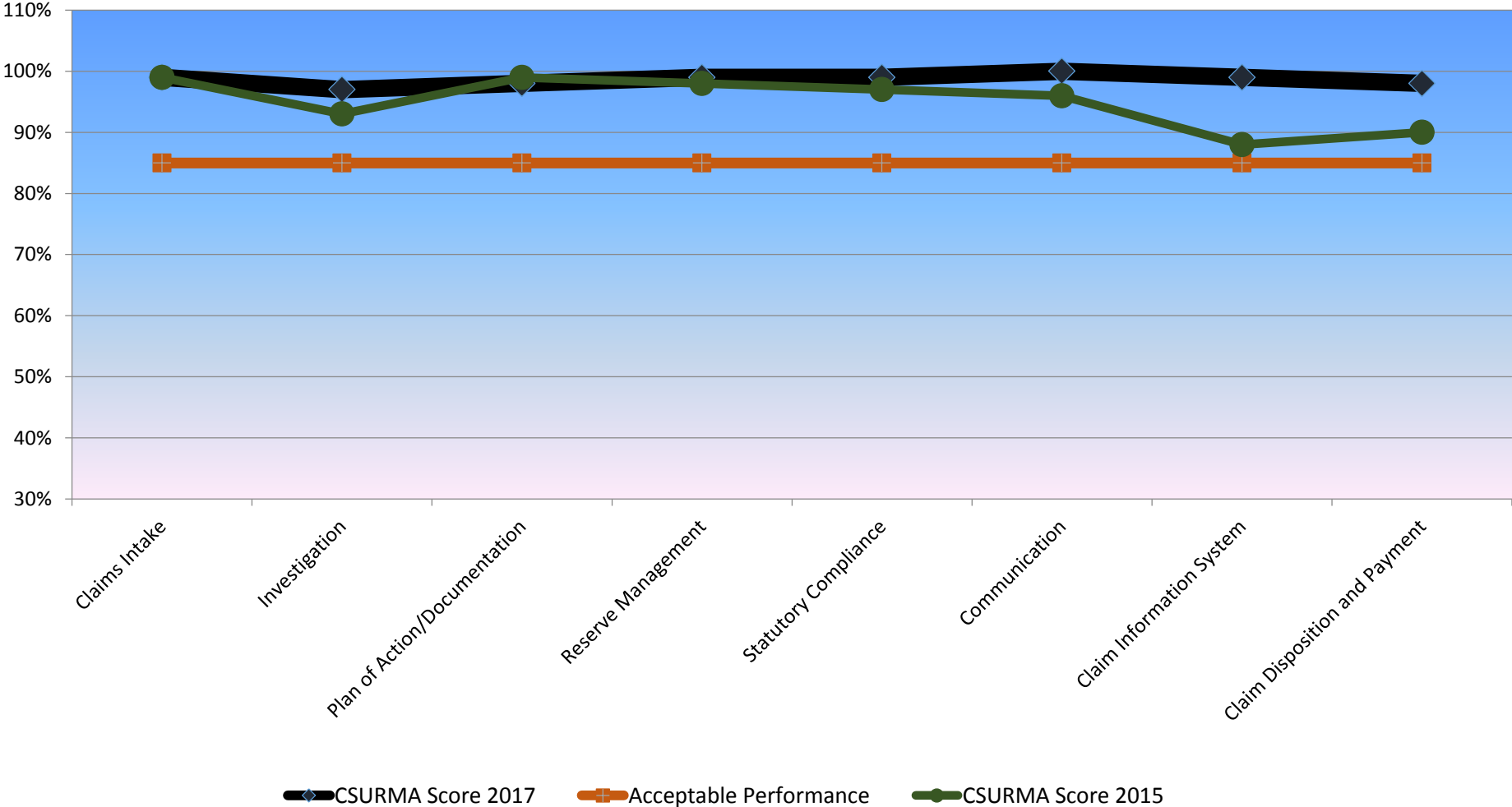
Claims Reviews Completed: **45** Actual Reserve: **\$3,522,778**
 Incurred: **\$11,657,763** Recommended Reserve: **\$3,522,778**
 Paid: **\$8,134,985** Net Reserve Change: **\$0**

Claims Administration Component	Claims Graded	Number of Responses for Component			Score	
		Yes	No	NA	2017	2015
01 Claims Intake	45	258	2	10	99%	99%
02 Investigation	44	187	5	213	97%	93%
03 Plan of Action/Documentation	44	309	5	136	98%	99%
04 Reserve Management	44	274	4	127	99%	98%
05 Statutory Compliance	38	77	1	102	99%	97%
06 Communication	45	82	0	53	100%	96%
07 Claim Management Information System	45	220	2	3	99%	88%
08 Claim Disposition and Payment	35	199	4	517	98%	90%
09. Litigation/Recovery Management	COMPONENT NOT APPLICABLE FOR THIS AUDIT					
Overall Claims Administration	45	1,606	23	1,161	99%	96%

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

Exhibit I-3

Scoring by Component Summary Graph



**WORKERS' COMPENSATION CLAIMS ADMINISTRATOR SERVICE
PERFORMANCE AUDIT**

ISSUE: CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers' Compensation Risk Pool claims. Pursuant to CSURMA Policy and Procedure No. 5, a regular performance audit is performed to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements outlined in the Service Agreement between CSURMA and Sedgwick CMS. A service performance audit for 2017 was completed by Jacki Graf, CSURMA's Senior Workers' Compensation Claims Consultant in June and July of 2017. The draft report is attached for the Executive Committee's review and discussion.

RECOMMENDATION: No specific action is requested; however, the Executive Committee may take action or provide direction as appropriate.

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

BACKGROUND: CSU is permissibly uninsured for Workers' Compensation. An agreement between CSURMA and Sedgwick CMS for Workers' Compensation claims administration contains performance standards required by CSURMA and associated compliance measurement for each party. This report represents the sixth biennial audit conducted of Sedgwick CMS since the inception of the agreement.

PUBLICATION: The Audit is presented to the Executive Committee, and reviewed with the Chancellor's Office and claims administrator for action.

ATTACHMENT(S):

- a. CSU Workers' Compensation Claims TPA Audit - 2017 Report

Confidential
Comment DRAFT

CSU **The California State University**
WORKING FOR CALIFORNIA



**CSU WORKERS' COMPENSATION
CLAIMS TPA
AUDIT
2017 REPORT**



Alliant

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www.alliant.com

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Introduction

1. INTRODUCTION

The California State University (CSU) is permissibly uninsured for purposes of Workers' Compensation as authorized by the State of California. A Service Agreement between California State University Risk Management Authority (CSURMA) and Sedgwick to provide workers' compensation claims administration was entered into on July 1, 2003. Client Service Instructions were developed jointly with CSU and Sedgwick CMS to set forth claim procedures for expected claims handling. The agreement contains performance standards required by CSURMA and the associated compliance measurement for each. This agreement now extends through June 30, 2022.

This report represents the eighth audit conducted of Sedgwick CMS since the inception of the Workers' Compensation Third Party Administrator's Contract in 2003. Six full audits and two "mini" audits have been conducted. The enclosed report reflects the findings of the full audit conducted in June and July of 2017.

Alliant appreciates the opportunity to provide Workers' Compensation auditing services to the CSU.

ALLIANT INSURANCE SERVICES

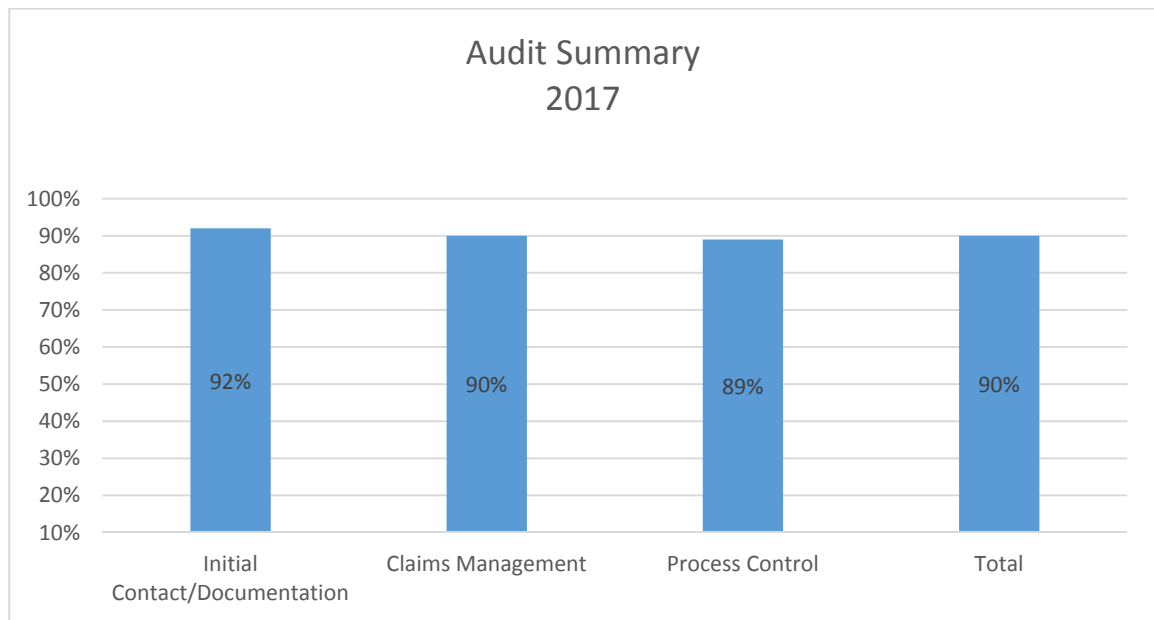
Jacki Graf

2. EXECUTIVE SUMMARY

2.1. OVERVIEW

An audit of 132 workers' compensation files representing 10% of the open indemnity and future medical file population was conducted on files handled by Sedgwick in their Rancho Cordova and Oakland offices. Sedgwick achieved a total audit score of 90% in this review. The average compliance standard required by the Service Agreement with Sedgwick is 90%. Detailed findings and results have been provided to CSU Systemwide Office Risk Management.

The audited areas are subsets of the three major audit categories: Initial Contact and Documentation, Claims Management and Process Control. The table below summarizes the findings in the three major categories:



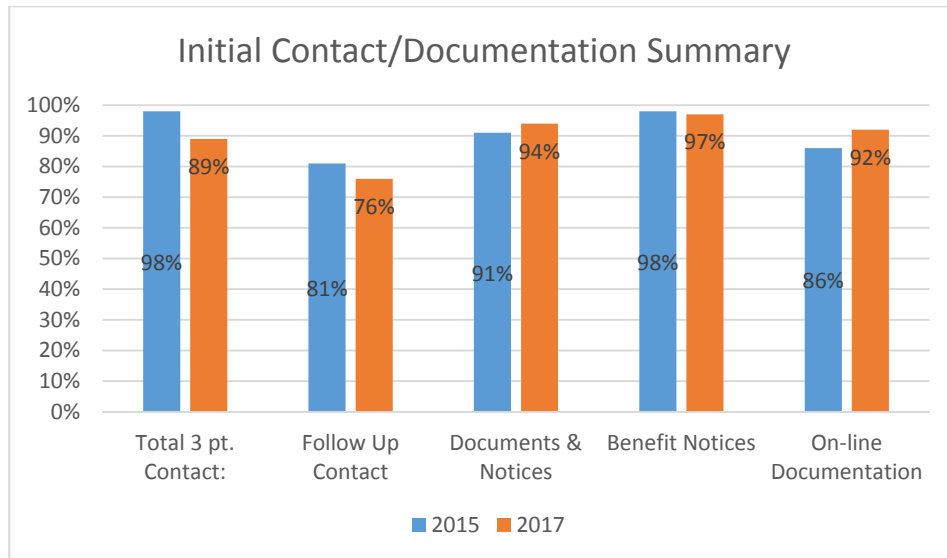
Two of the three major categories met or exceeded the 90% standard with a 92% in Initial Contact/Documentation, 90% in Claim Management. Process Control is 1% shy of goal. This is a very good result. 2015 audit result also achieved 90%.

2.2. FINDINGS

2.2.1. Findings – Initial Contact and Documentation

The 2017 audit resulted in a 1% improvement from the 2015 audit in the category of Initial Contact and Documentation. This area remains a strong area of performance for the CSU team with an excellent result of 92%.

The following chart illustrates the findings in the subsets within the Initial Contact and Documentation category below:



Three of the 5 categories are above goal.

The Three Point Contact category dipped below goal to 89% a drop of 9%. This category found a decline in all areas except for Coordinator Contact Completed which remained high at 98%. There was a 14% drop in On Time Contact for Employee, 22% drop in On Time Supervisor Contact and a 12% drop in On Time Coordinator Contact. Completed contacts for the Employee and the Coordinator were attained in 98% of the applicable files and the Supervisor contact was completed in 85% the cases reviewed. Although the optional medical Facility contact was achieved in 92% of the cases, the result in 2017 in this line item was 100%.

The Follow-Up Contact category evaluates whether ongoing contact is maintained with injured workers throughout the life of the file per the standards outlined in the CSU Client Service Instructions. The performance in this sub category in the prior three audits was found to be below standard. Ground has been lost in this audit period on this item again. The score fell from 81% in 2015 to 76% in 2017.

However, ten out of the campus inventories achieved 100% in this category. This clearly shows that many of the examiners are committed to maintaining an ongoing dialogue throughout the life of the file through resolution. Other inventories did not demonstrate a consistent performance in this area. This standard requires compliance by all examiners in the program. CSU values communication with the injured worker. Maintaining an ongoing dialogue through file resolution will reduce litigation and timely closure.

The Documents and Notices category above goal at 94% is a 3% increase from the 2015 result.

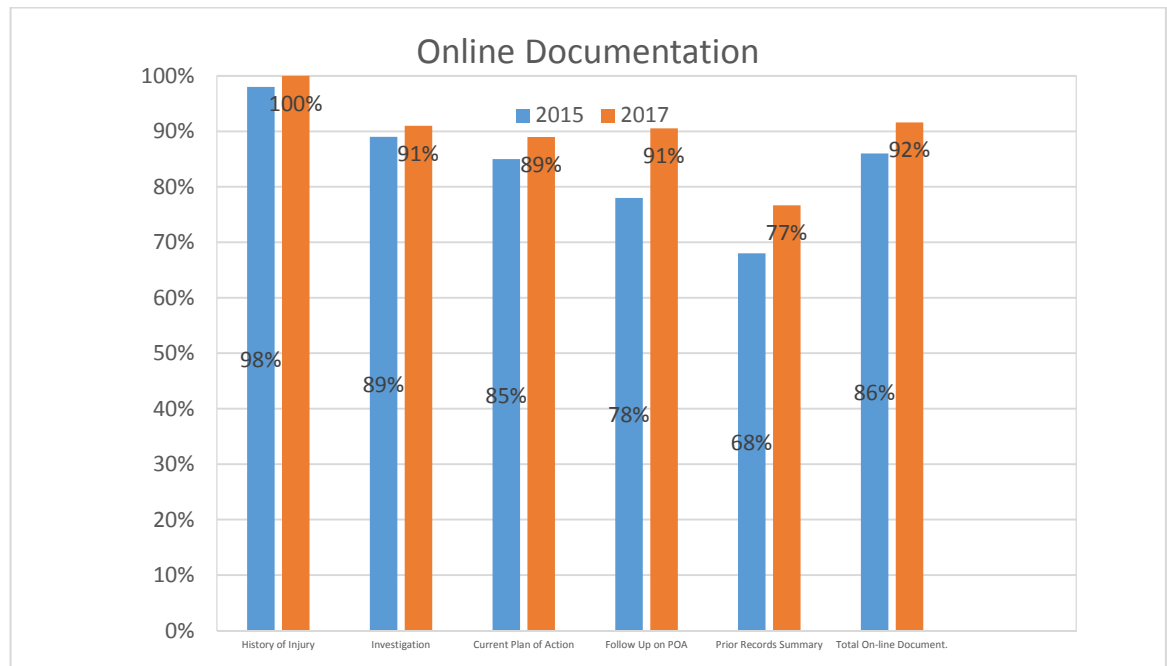
Claim Form documentation is consistently noted in the files at this time.

The Benefit Notices category result is excellent at 97%.

The On-line Documentation category looks good at 92%. This area evaluates the documentation of the life of a file through concise summary of pertinent issues and the plan, steps or strategy to resolve same.

This category evaluates the documentation of the History of the Injury 100%, Investigation 91%, Current Plan of Action 89%, Follow Up on the Plan of Action 91% and Prior Record Summary 77%.

I am pleased to note every area improved during this review period.



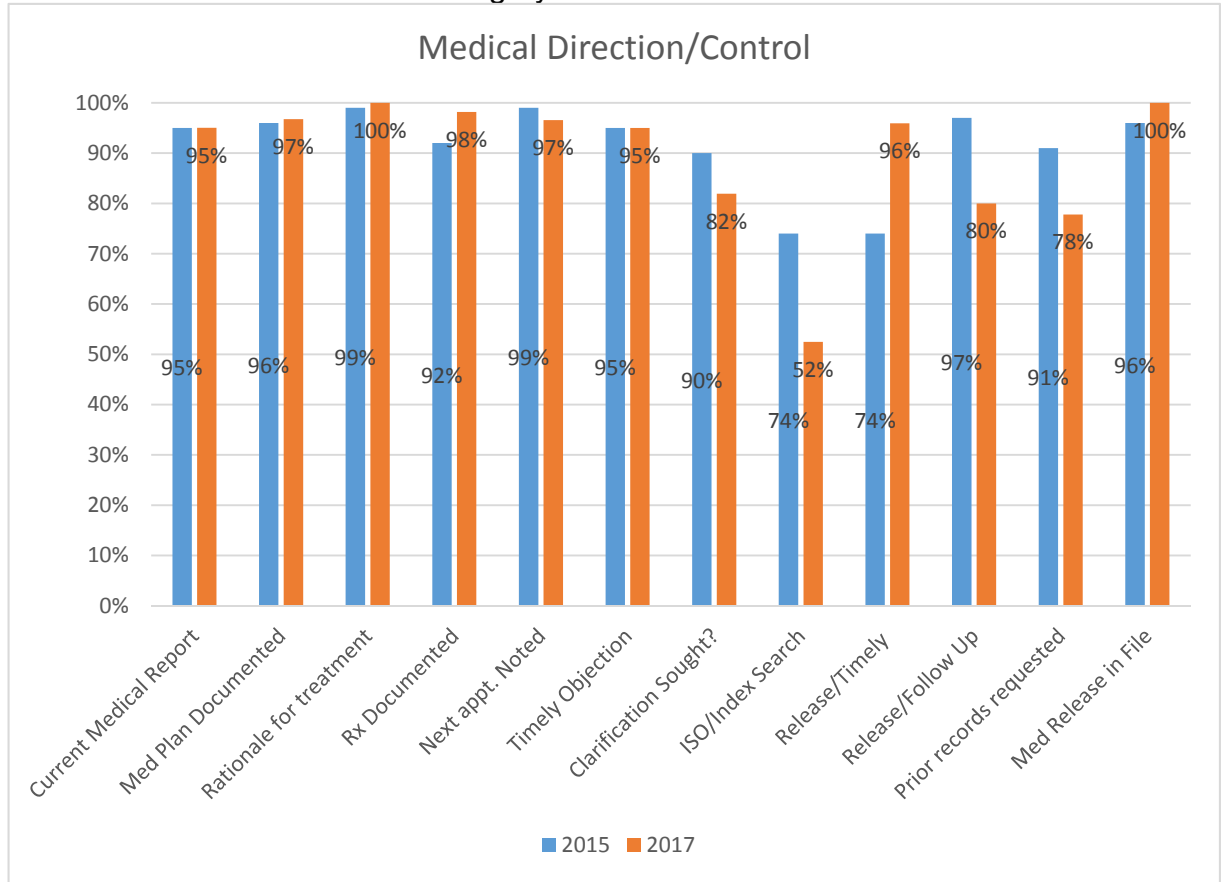
The area with the most change (+13%) from the last audit is in the area of Follow up on POA (Plan of Action). The files reviewed demonstrated that there was progress achieved in file movement from POA to POA and this was documented in the action plans. Prior record summary also recorded positive change with a 9% improvement from last review.

2.2.2. Findings – Claims Management

Sedgwick achieved a score of 90% in the Claims Management category in this audit. This represents a 2% decrease in this category since 2015. The Claims Management category is composed of two sub categories: Medical Direction/Control and Litigation Management. The results in the sub-

categories are 89% in Medical Direction/Control and 91% in Litigation Management.

The chart below illustrates the results for the sub-categories that comprise the Medical Direction/Control category.



All sub category results surpass the standard. This is an area of strength for the claims staff. Medical Direction of the claim file is critical to the claim result as Workers' Compensation benefit eligibility is based upon medical evidence.

Medical Management/Control is the heart of claim management and the categories Current Medical Report through Clarification Sought evaluate the medical aspect of this area of claims management. Indemnity benefits are determined and verified by medical reporting. Recovery from injury or residuals are based on medical reports. Medical reports drive the case file.

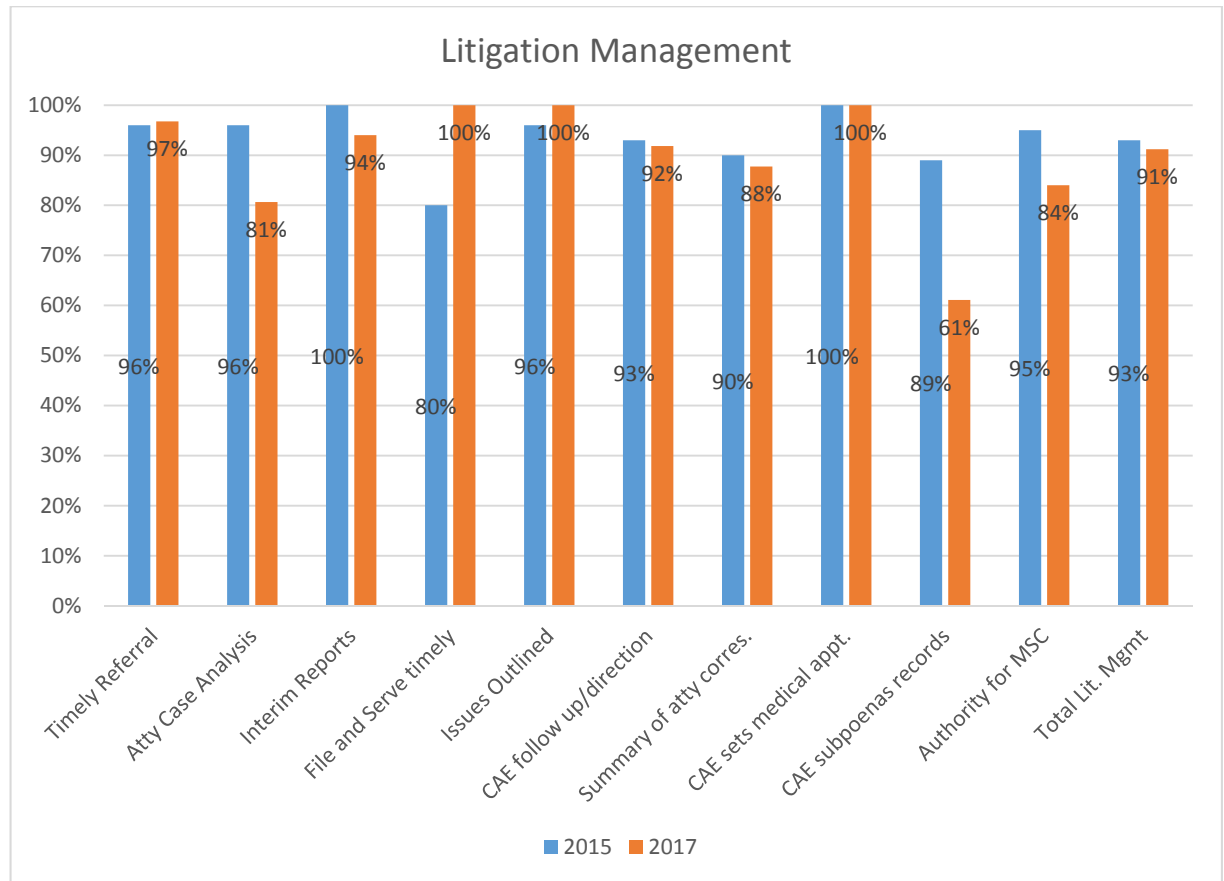
While overall category dropped 2% this review, the medical reporting categories are all at acceptable levels.

The other sub categories in the Medical Direction/Control area concerns indexing for prior claims and obtaining medical records for prior claims/pre-existing conditions.

There was significant decline in the area of ISO index search (-22%). Some of this decline is due to the change in claim systems. In the Juris system, the index system did not become live after conversion. While I understand this was recently corrected, there are still a large group of files without a current index report. The breakdown in indexing when it had already been identified as an area that needed improvement is disappointing.

On the flip side of this area of discovery, the sending of Medical Releases at the claim onset has improved by 22% to a score of 96%. The follow-up on the medical releases declined 17% to 80%. Where medical releases were obtained the request for prior records has dropped 13% to 78%. The documentation of the medical release once obtained is 100%.

The second component in the overall Claims Management Category is Litigation Management. Sub category results in 2017 compared with 2015 are shown below.



Litigation Management decreased by 2% from 2015. The result remains quite strong at 91%. Six out of the ten subcategories are above standard. This demonstrates strong legal management in the claims files.

There is noted improvement in the area of Filing and Serving medical reports; now scoring 100%; a 20% improvement from the last review. This area is certainly on track in this review.

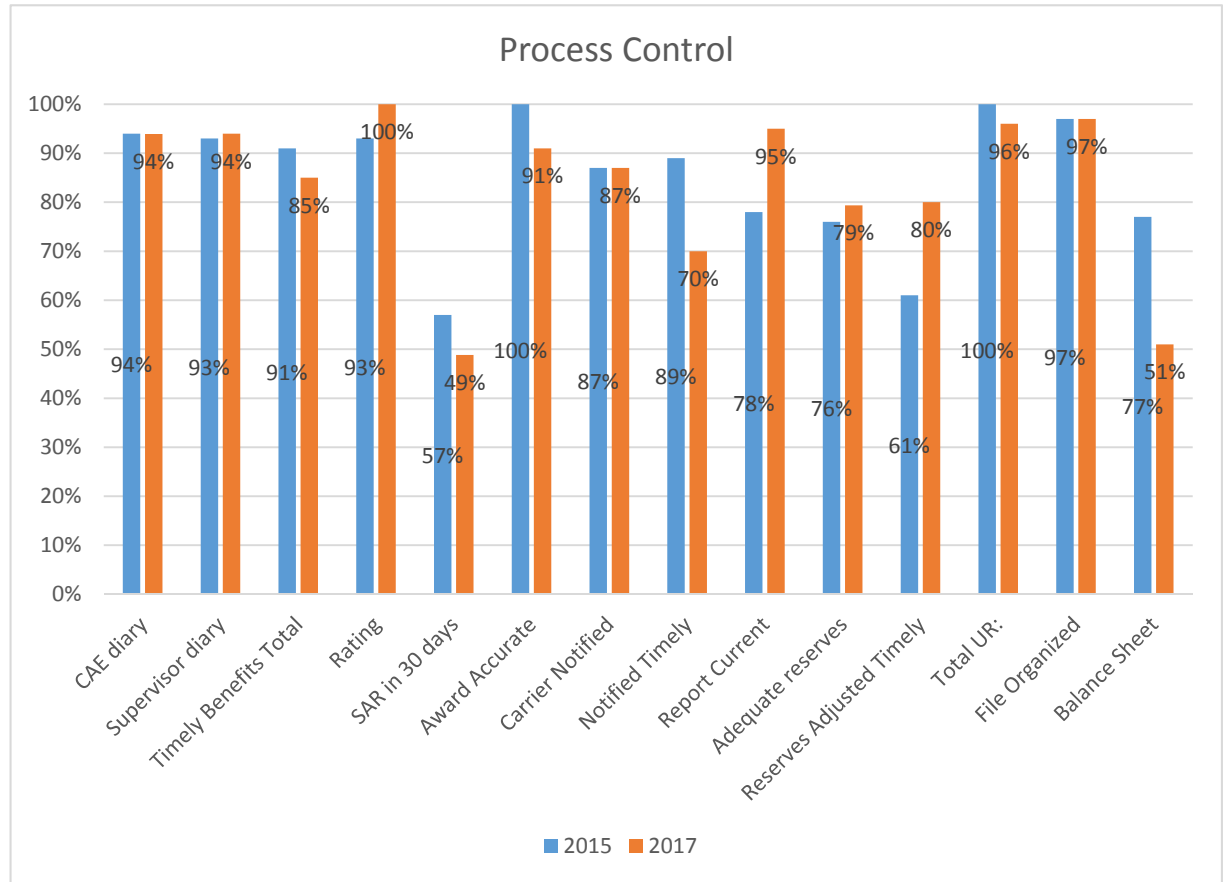
Three areas decreased more than 10% points over last review.

- Attorney case analysis decreased 15% to 81%. This category requires that the defense attorney initial analysis be received and posted to the note section of the claims system within 30 days of the file transmittal. This occurred in 25 of the 31 applicable files. While most of the time the attorney did send the analysis within 30 days, there were files where the examiner never posted a summary of the analysis to the claim file. The legal analysis of the claim issues should be a touchstone in the file for further claims handling.
- The documentation of the of claims examiner subpoenaing the medical records rather than the defense attorney is down 28% for a score of 61%. When the defense attorney subpoenaed the records directly, I could not find evidence of a discussion with the examiner as to why this was necessary. This should only be done in rare cases, and if the DA is instructed to do so by the examiner the reasons for same should be well documented in the claims file. This electronic documentation on this was lacking.
- Authority for MSC has lost nearly all the gains that were evidenced in the 2015 review. Current result is 84% and the 2015 result had achieved 95%. Settlement Authority should be proactive on a claims file and not a reactive rush response to the WCAB calendar conference date.

2.2.3. Findings – Process Control

The overall score in the Process Control category for the 2017 audit is 89%. This is unchanged from the 2015 review.

The chart below displays the findings in the individual sub-categories in Process Control.



The following categories met or exceeded standard: Diary 94%, Total UR(Utilization Review) 96%, and Organization 97%.

The following areas did not meet standard: Finalization 78%, Excess Reporting 85%, Reserves 79% and Reconciliation (Balance Sheet) 51%.

Comments:

Diary – Above standard; No overall change from last review. 94%

Timely Benefit Administration –Below standard: 6% decrease from 2015. There were some duplicate payments in one inventory where live Temporary Disability checks were paid concurrently while authorizing Industrial Disability Leave. While a few of these files came to light pre-audit, additional instances were identified in this review.

Finalization Result – Below standard

Ratings are obtained timely with an excellent 100% result. The SAR's are not being completed through the approval process in 30 days. This category lost

ground from 57% to 49% this review. This area has historically been below standard.

The examiners generally prepare the SAR within 30 days of the rating, but when the internal review process requires operations manager approval this extends beyond the 30 day window. When revisions are requested the SAR process can extend well beyond the 30 days. This internal process should be reviewed to determine how the 30 day target can be met in all situations. While effort has been made by Sedgwick to use IT resources to track SAR submissions, the internal approval time when management oversight is involved extends beyond 30 days.

Excess Reporting – Below Standard 85%

This category reviews both timely reporting to the Excess Carriers and Chancellor Office. There were 4 files where the initial report to the excess carrier was missed or late at the time the reserve reporting threshold was met. Seven of the eleven files in the Notified Timely section represent Chancellor Report files.

Overall Reserve Awareness – Below Standard 79%

This category has improved overall 11%. There is still significant room for improvement. The examiners need to more timely recognize the pace/pattern of use of medical care and have a reasonable expectation of permanent disability residuals especially in litigated claims.

Reconciliation- The task of balancing indemnity payments on the claim file lost significant ground from 77% in 2015 to 51% in 2017. The reason for this regression is unclear.

The CSI's require that a claim file have a Claims Balance Worksheet completed annually for claims where indemnity benefits have been paid. This ensures that benefits are properly calculated. It was noted that 6 campuses had a 100% finding of compliance in this area.

2.2.4. Findings – Staff Commentary

There has been changes in the staff since the last review. Both supervisors are consistently performing diary timely.

12 of the campus inventories overall result are above 90%. By virtue of the overall audit score of 90% it is clear that staff is doing a good job of complying with Client Service Instructions.

2.3. RECOMMENDATION

Listed below are recommendations by category:

2.3.1. CSI Compliance Review

As always, an annual CSI refresher training review should be arranged. Given the audit findings this should particularly highlight the following areas: Claimant Timely (initial contacts), Follow Up Contact, Prior Record Summary,

ISO/Index Search, Follow-up Medical Release Timely, Initial Attorney Analysis, Examiner Subpoena Records, Authority for MSC, SAR in 30 days, Excess Report Current, Reserves Adequate and Timely, and Reconciliation. Corrective action is required on the inventory with TD benefit delivery issues.

2.3.2. CSI Update

The CSI document will be reviewed with Sedgwick to determine if any changes are recommended to ensure compliance.

2.3.3. Training and Development

Specific training and development should be provided where individual examiner performance is not at standard.

Conclusion:

This audit documents that Sedgwick is performing at a high level and continues to maintain good performance. Campus client feedback indicates an overall high level of Client Satisfaction.

THE AUDIT

3. THE AUDIT

Criteria for the audit encompassed the following three major categories:

- **INITIAL CONTACT AND DOCUMENTATION**
- **CLAIMS MANAGEMENT**
- **PROCESS CONTROL**

Each criterion was assessed primarily on a quantitative assessment of whether appropriate documentation was present. In some instances, a degree of qualitative assessment was necessary to decide if documentation was adequate. Percentage scores were calculated for each criterion as well as for each category.

Results in each category are compared to the standards set forth in the Service Agreement and Client Service Instructions.

4. AUDIT FORMAT

Detailed findings for each major category, as well as each criterion, are presented in the following pages of this section. The presentation follows the format below:

MAJOR CATEGORY

CRITERION: (1 through X)

OVERVIEW: A brief statement describing the importance of this criterion.

ASSESSMENT: Statement of performance requirement for this criterion as called for in the Service Agreement. Description of approach used to assess compliance.

SCORE: Numerical findings.

SUMMARY AND RECOMMENDATIONS: Suggestions for improved performance in this major category.

5. AUDIT RESULTS

5.1. INITIAL CONTACT AND DOCUMENTATION

The Initial Contact and Documentation categories are made up of sub-groups consisting of: Three Point Contact, Follow-Up Contact, Documents and Notices, Benefit Notices and On-line Documentation.

5.1.1. Initial Contact and Documentation, Three Point Contact

OVERVIEW: To make a determination of compensability on each claim, an examiner must investigate all the facts of the injury. This requires communication with the injured worker, the employer and the physician. The injured worker relates the facts of the injury, the employer verifies these facts and the physician gives an opinion as to whether the injury is consistent with the facts as related by the injured worker.

CSU believes that the first contact with the injured worker is the most significant step in initializing a claim. Speaking directly to the injured worker is the best way to get the most information about the facts of the claim. The investigation process is critical to making informed compensability decisions. Direct contact also provides the opportunity to give the most accurate information to the employee regarding the process. Most injured workers have a very limited understanding of the workers' compensation process. Personal contact by the examiner can relieve anxiety and can give the employee confidence that their claim will be handled professionally and in a timely manner.

Contacting the employer at the time a new report of injury is received enables the adjuster to verify all pertinent information. It allows the employer to share any concerns about the facts of the injury and to give the adjuster any additional information not addressed in the Form 5020, Employer's First Report of Injury.

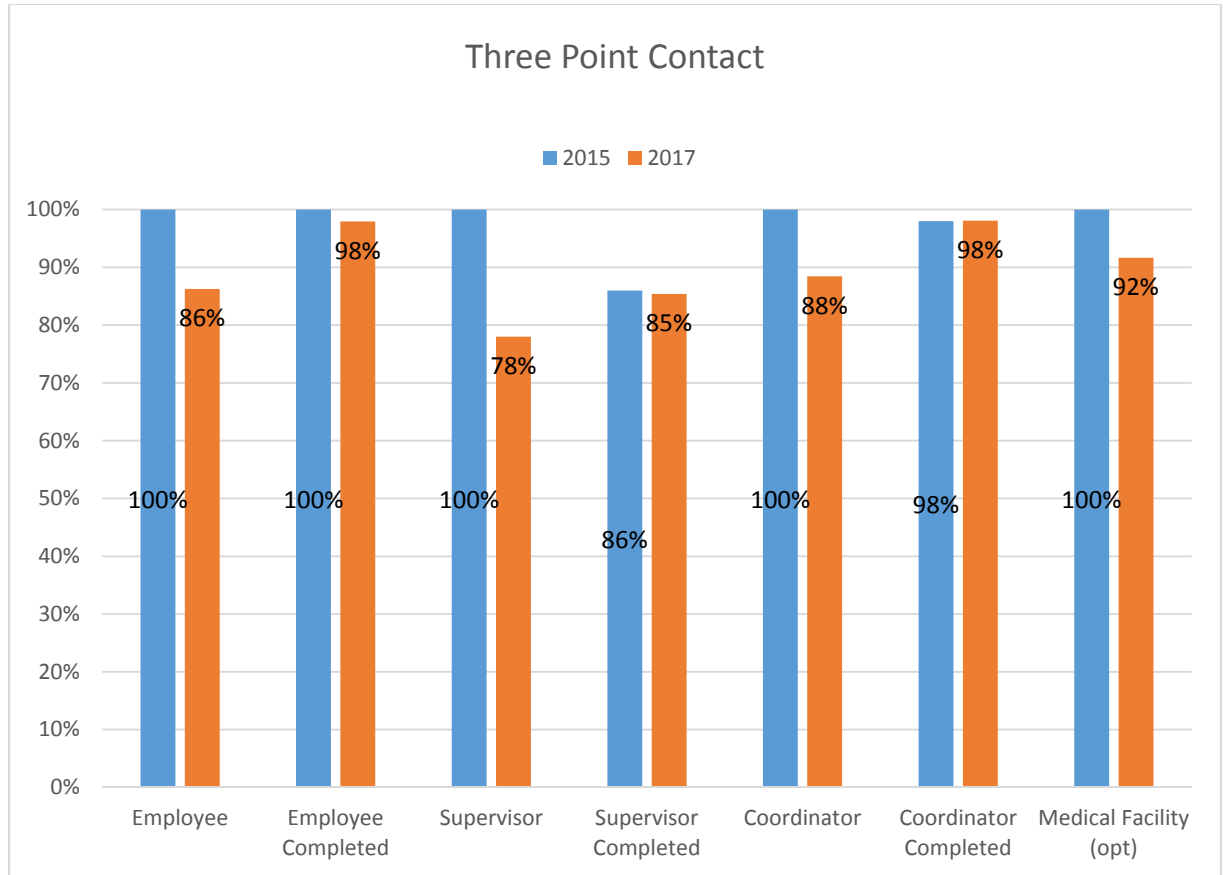
Contact with the supervisor provides an opportunity to validate the injured workers history of events, gather information about the physical requirements of the job and possible modified duty options and give a broader picture of the injured worker as an employee.

The Client Service Instructions do not require physician contact within one day of notice of claim. This is optional, if the medical information is available by medical report. If the Doctor's First Report of Injury (Form 5021) is not available, a discussion with the physician or medical office will provide necessary information on diagnosis, work status and treatment.

ASSESSMENT: The Service Agreement and the CSI require that Sedgwick contact the key individuals: Employee (EE), Workers' Compensation Coordinator (WCC), and Supervisor, within one working day of Sedgwick CMS's knowledge of the injury. If the Claims Examiner is unable to make

AUDIT RESULTS

contact on the first day, subsequent calls should be made until each of the individuals is contacted. A compliance of 90% is required.



SCORE: 89% - The initial investigation of a claim file has historically been an area of strength for the Sedgwick claims staff. The current scores in these items ranged from 86% to 98%. Initial Contact (Employee and Supervisor) are below goal. Employee Contacts are completed per protocol, whereas the Supervisor contact remains below standard, as it did in the last review.

If it has been determined that the information from the WC Coordinator is sufficient to determine compensability without completing the Supervisor contact, the file should be so documented. In most instances, the Supervisor will be a good source of information, given the daily contact with the employee, the knowledge of the work schedule and duties so this completed contact would add to the knowledge of the claim file and the employee's motivations.

Early contact ensures that both employee's and employer's concerns are addressed and that an investigation is undertaken to determine that benefits are appropriate. The importance of timely early initial contact needs to be re-emphasized with those staff members that are failing to achieve goal. The

majority of the staff are surpassing the standards in this area. There are a handful of campus locations where the standard was not achieved in this review.

5.1.2. Initial Contact and Documentation – Follow-up Contact

OVERVIEW: The Customer Service Instructions require that unrepresented employees be contacted every 14 days when losing time from work. For all other employees, contact shall be maintained at 60 day intervals.

ASSESSMENT: The on-line notes were reviewed to determine if phone contact was made at the sixty day interval on unrepresented employees during the last 180 days or at the 14 day intervals as defined in the CSI.

SCORE: 76% - did not meet standard

SUMMARY AND RECOMMENDATIONS: This category declined from the prior review where the result was 81%. It should be noted that on 10 campus inventories the category scored 100%. Clearly this is not a universal issue.

Claims where the contact remains active throughout the life of the file will have less litigation and more opportunity to manage the claims process proactively. I noted that by and large, the examiners routinely maintain contact with the injured worker while they are paying IDL or temporary disability. The communication is not maintained once the employee becomes Permanent & Stationary or back to work. At that point in the claim, the expectation is contact at 60 day intervals. Continued contact at this juncture will keep the employee informed of the steps necessary to resolve the claim and eliminate the need for attorney representation.

5.1.3. Benefit Notices

OVERVIEW: State mandated Benefit notices are required whenever there is a decision point in the benefit delivery for Workers' Compensation. Benefit notices are sent when claims or benefits start, stop, or change; and are delayed or denied. Benefit notices are sent regarding the entitlement to indemnity benefits: Temporary Disability, Industrial Disability Leave, Permanent Disability, and Supplemental Job Displacement benefits.

ASSESSMENT: In the confines of this audit review, files were examined to see that the correct notice was sent timely.

SCORE: 97% Excellent result

5.1.4. On-line Documentation

OVERVIEW: Sedgwick converted to the Juris claims system from the iVOS System over the last year. The client portal to view the claim documentation is in the Via One system.

As this access to claim information is CSU's primary tool for monitoring claims, it is critical that details be documented clearly and accurately. The CSI states that all entries will contain appropriate detail, identify the issues of the claim

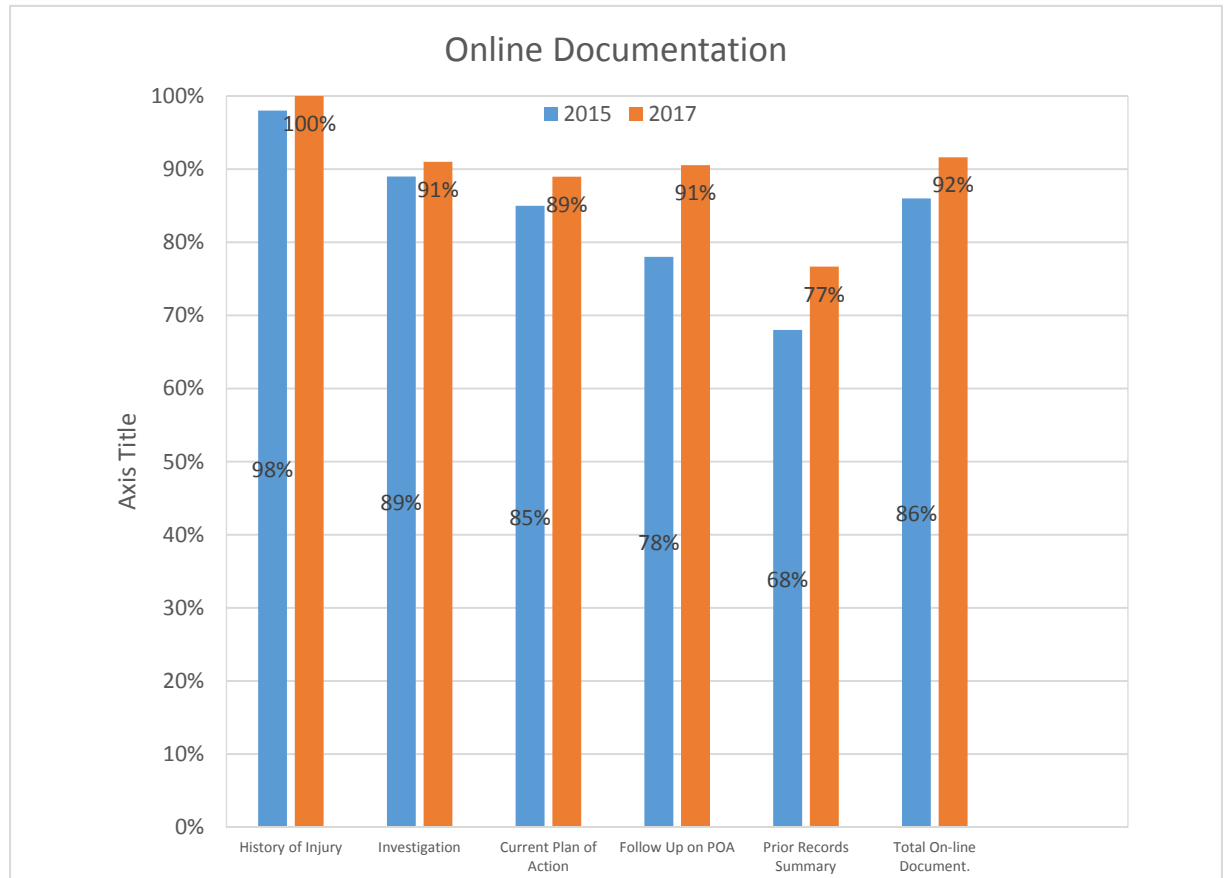
AUDIT RESULTS

and describe the plan of action being undertaken to resolve these issues. An Action Plan will be documented in the notepad every 90 days on indemnity files and at 180 day intervals on Future Medical files.

Medical records received via medical release or subpoena will be summarized on Notepad.

ASSESSMENT: The file documentation in the notepad was reviewed in the following areas: History of Injury, Investigation, Plans of Action (POA); Current POA, Follow-Up POA and Prior Record Summary. The file documentation was reviewed to determine if there was a clear picture of claim events. The file was also reviewed for documentation summarizing subpoenaed medical records and how these records impact the claim exposure. The Service Agreement requires 90% compliance.

SCORE: 92% (+6% from 2015 findings)



There has been improvement in every area of this category.

Only 2 areas are below goal: Follow up on POA and Prior Record Summary documentation.

Follow up on POA – This area achieved 89%. The pattern of cut and paste without new action or activity is no longer a pervasive issue. There are pockets

of this type of rote documentation that should be addressed with specific examiners. A number of the examiners' documentation is thorough, useful and well thought out.

Prior record summary documentation needs to be emphasized with staff to ensure full efforts are made to mitigate injury exposure and achieve apportionment wherever possible. When records are obtained it is essential that they are reviewed and any pertinent history documented in the notepad. This area remains an item for continued improvement.

5.2. CLAIMS MANAGEMENT

Overall CLAIMS MANAGEMENT: The Claims Management category directs and controls the path of the claim to resolution. Directing the medical process determines injury compensability and subsequent benefit eligibility benefits, as well as, the nature and scope of medical care. The goal of claim management is to resolve treatment issues, bring the medical condition to a stable status, return the employee to work, and finalize Permanent Disability benefits. This is done through a process of diary management and issue resolution strategy. Claim management requires effective communication with employee, physician, employer and attorney. Effective claims management requires competency in Workers' Compensation laws, strong analytical skills, effective time management and good communication.

Claims Management is divided into two overall categories: Medical Direction/Control and Litigation Management.

5.2.1. Medical Direction/Control

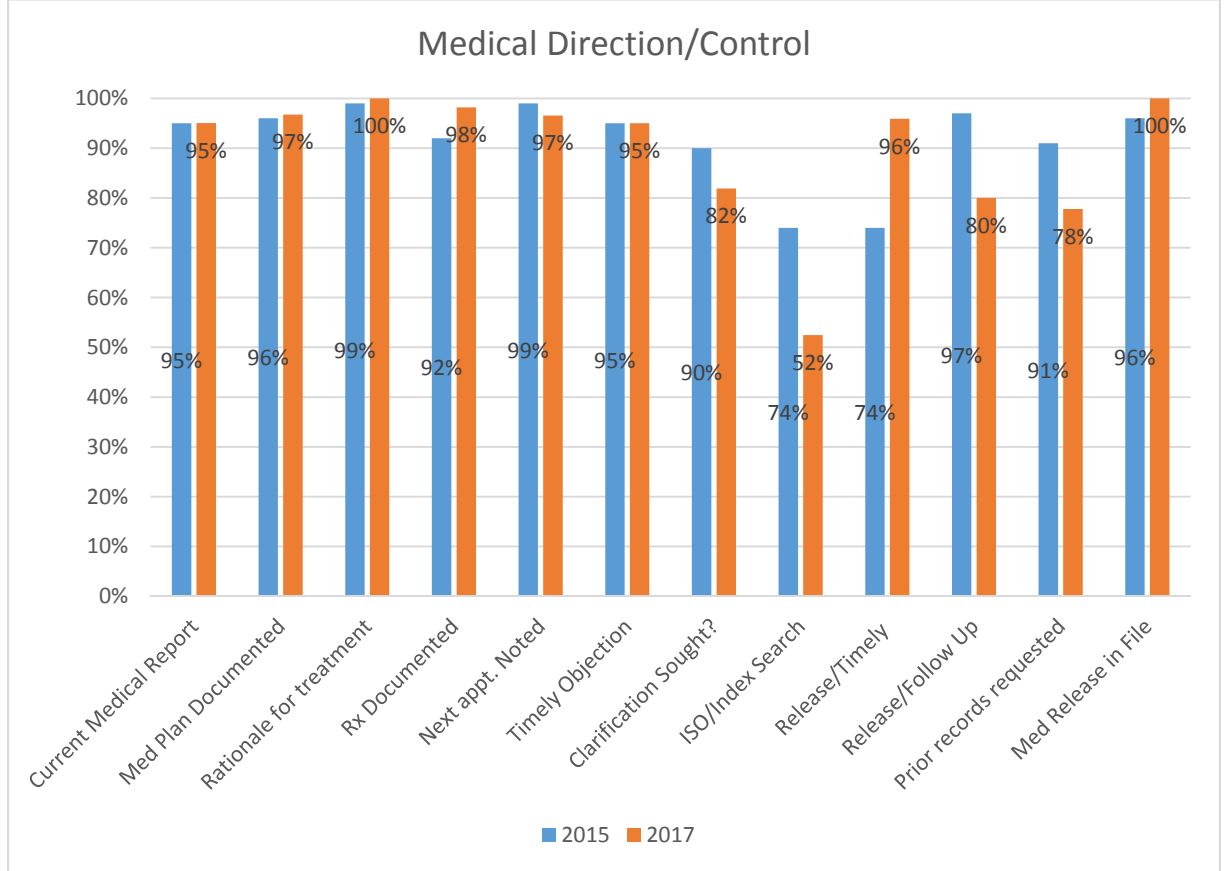
OVERVIEW: While effective and efficient management of all aspects of the case is the key to lowering the cost of the claim; medical management is the most critical. This is because the merits of the claim are primarily based upon the medical evidence. In addition, if treatment is not authorized promptly, the recovery period for the injured employee is prolonged. If there is not a current medical report in the file, the case cannot move to finalization.

All physicians must have a complete medical picture. If an employee has had prior injuries to the same body part, the physician should have those records to evaluate the disability of the current injury. In addition, Reform Legislation provides for apportionment for pre-existing conditions and prior awards. This can mitigate the financial exposure of the claim. The Examiner must provide the physician a clear and complete presentation of the medical issues affecting case exposure.

ASSESSMENT: This audit determined if the categories scored below met the standards set in the CSI agreement by online file review.

AUDIT RESULTS

SCORE: 89%



RECOMMENDATIONS:

Four areas in this overall category are below goal.

At this time I would like to comment on the 4 areas where there was a significant change in score from last review, three of these were decreases in score and the remainder was an increase in score.

Med Releases Timely improved significantly rising 22%. This is an excellent rebound. Previously, it was found that the two most common situations where the medical releases were not sent out to the injured worker: Medical-Only to Indemnity conversion files and indemnity files where initially no lost time occurred but treatment continued beyond 30 days. This still is the area where the med releases are missed, but to a far lesser degree.

Index Search: It was recommended in prior audits that Business Rules should be added to create diaries to ISO/Index Search when files change from Medical Only to Indemnity and when either Indemnity or Future Medical files reopen. Again in this audit review sample it appears that indexing has fallen off the radar in the regular file handling. Long term files are also not indexed

consistently on an annual basis. It quite disappointing that the problem persists when this has been an audit finding in prior reviews. The conversion to the Juris system compounded the issue because the automatic index feature failed. The discovery of this failure took many months to determine, which from this reviewer's point of view reinforces the lack of awareness of the need for an ongoing index process. Even with the Juris issue, there were three campus inventories that achieved 100% in the category and one achieved 90%.

5.2.2. Litigation Management

OVERVIEW: Once an applicant's (employee's) attorney becomes involved in a claim, the average cost of the claim rises, due both to the cost of defending the case and the higher average settlement values obtained. When an attorney does become involved, legal costs can be minimized by involving the adjuster in performing as many tasks as possible that lead to the defense of the claim and final resolution. Complex issues can benefit by defense attorney involvement to direct the case appropriately. Proactive management on the claim examiner's part is essential in controlling legal costs.

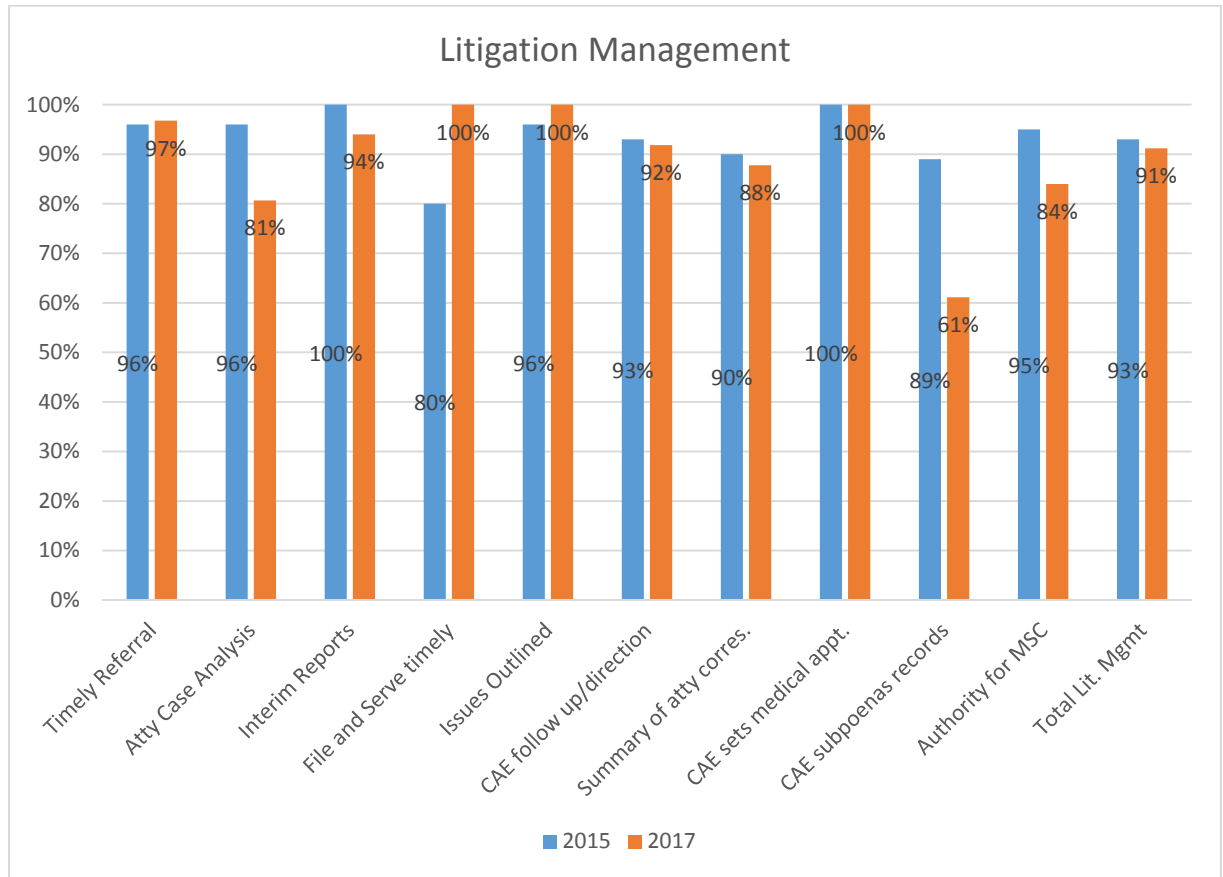
ASSESSMENT:

- **Timely Referral:** The audit evaluated whether an attorney was assigned at the appropriate time in the file events.
- **Attorney Case Analysis:** The CSI's and the Service Agreement requires defense counsel to submit a case analysis within thirty days of assignment. The file was reviewed for documentation of this initial case analysis.
- **Interim Reports:** The assessment was two-fold in this area: whether the defense attorney provided interim reports timely based upon case events and whether the examiner posted a pertinent summary of the reports to the notepad timely.
- **File and Serve Timely:** The audit assessed whether the claims examiner served medical reports and other information as required on the parties to the litigation or the WCAB as necessary.
- **Issues Outlined:** The file was reviewed to determine if the pertinent issues were documented in the notepad.
- **Claims Examiner Follow up/Direction:** The notepad was reviewed to determine if the examiner performed the tasks recommended by the defense attorney.
- **Summary of Attorney Correspondence:** The file was reviewed for same. It is now common practice by most of the examiners to paste a complete copy of the attorney's correspondence in the notepad.

AUDIT RESULTS

- Examiner Sets Medical Appt: As addressed in the CSI, the claims examiner will continue to manage the file, including performing administrative tasks, such as setting medical appointments, sending appointment letters and medical record requests. These tasks are to be completed by Sedgwick staff with few exceptions.
- Examiner Subpoenas Records: See above
- Authority for MSC: Settlement authority must be obtained well before the Mandatory Settlement Conference date. The WCAB procedures require that a Declaration for Readiness to Proceed (DOR) be filed to seek a hearing date before the board. The timing of the SAR, therefore, is tied to the timing of the DOR. The CSI prohibit settlement negotiations without a Settlement Authority Request authorized by the campus and/or the Chancellor's office as necessary. The SAR must be presented to CSU 30 days prior to the defense attorney filing a Declarations or Readiness. If the DOR is filed by the applicant, the SAR must be submitted within five days of receipt of notification.

SCORE: 91%



SUMMARY AND RECOMMENDATIONS:

LITIGATION MANAGEMENT – Overall the result in this category is very good; Total Litigation Management is 91%. Four areas do not meet goal: Attorney Analysis 81%, Summary of Correspondence 88%, CA Subpoenas records 61% and Authority for MSC 83%.

Of note are the 4 categories with significant shifts in scores from prior review. These are:

File and Serve Timely – This area scored 80% at last review and now is found to be 100% in compliance. Excellent result.

Attorney Analysis – 81%. This category fell in score 15%. This is the documentation of the Defense Attorney's initial case analysis. The attorney is to provide this within 30 days of the case referral and the examiner is to document same upon receipt. This was not consistently documented by all examining staff. This is an important document in the file and serves as the guide for future claim strategy and resolution. I cannot stress enough the need to document the initial case analysis. Nine campus inventories attained 100% in this category.

CAE Subpoenas Records 61%; a decline of 28%. At last review, this category attained a presentable 89%. The fall from grace is dramatic. Clearly this needs to be a focus in ongoing handling. The documentation as to why an attorney was directly obtaining the records rather than the examiner was absent in the files. All attorneys have been offered refresher training on the CSU guidelines and should be well aware of the need to have approval for this task.

This task can be done more cost effectively by the examiner than allowing the defense attorney to do so and charge for the service. The examiner needs to ensure that the defense attorney understands clearly that in the CSU program the ordering of records is the responsibility of the claims examiner with few exceptions.

Authority for MSC fell from 95% to 83%. The SAR process must be timely for authority to be provided prior to the Mandatory Settlement Conference. The awareness of this time sensitive issue needs to be raised. I do not know if this may be a function of the claim system change. The iVOS system had a legal calendar screen. A system solution to timely identifying upcoming conference settings should be explored.

5.3. PROCESS CONTROL

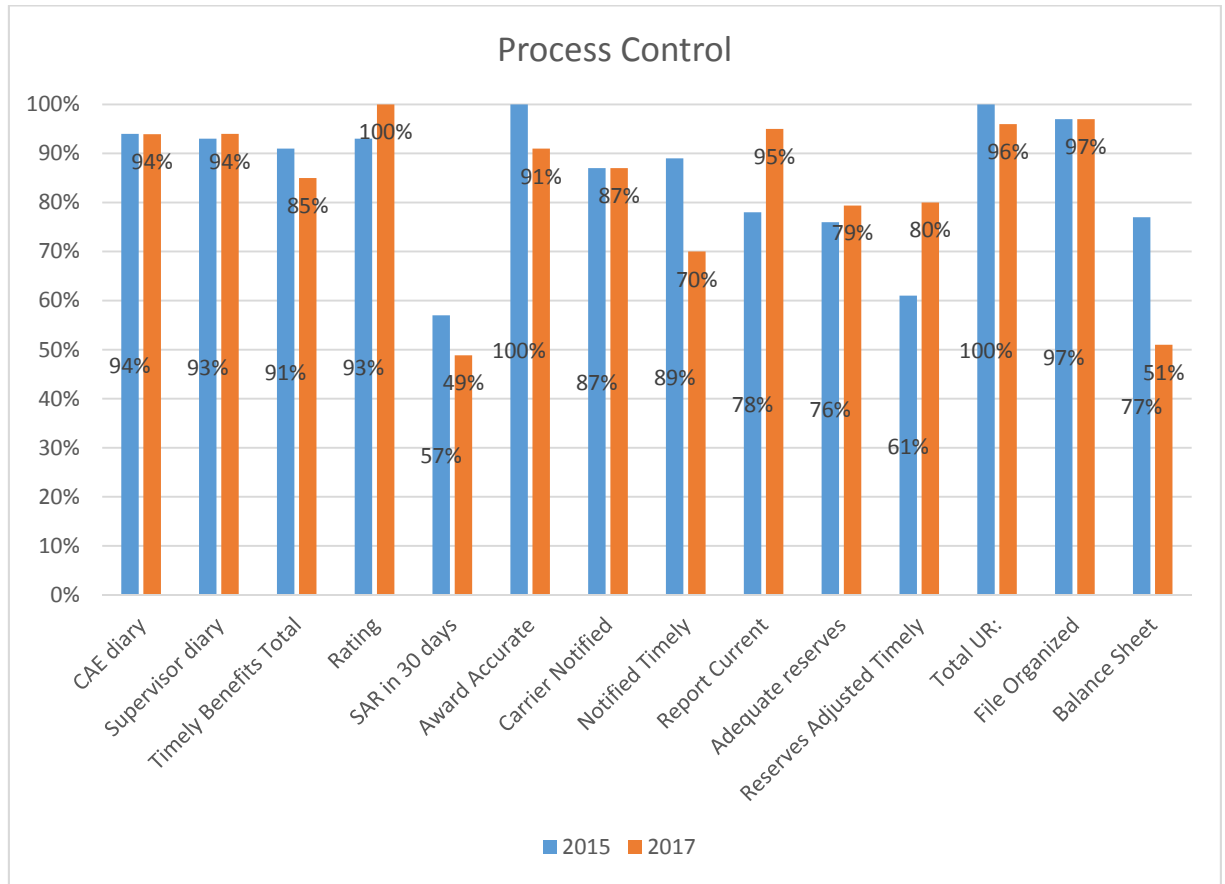
OVERVIEW: The Process Control Section evaluates that diary oversight is performed by the examiner and supervisor at CSU prescribed intervals, that benefits are timely delivered to injured workers, that appropriate steps are taken to bring files to resolution upon receipt of a Permanent and Stationary

AUDIT RESULTS

(P & S) report, that excess reporting requirements are met, that reserves are adequate and timely adjusted, that Utilization Review process is timely, files are organized and that a claims balance/reconciliation is conducted at intervals specified in the CSI.

- **Diary** - Examiners are to maintain a 30 day oversight diary on open files. For files where disability is being paid, the file must document that there is medical verification for disability at 14 day intervals consistent with payments. The supervisor is responsible for reviewing new files at five days, and delayed files throughout the delay process up to and including any denial decisions. Supervisor oversight diary is to be conducted every 90 days on indemnity files. Future medical files require daily oversight at 180 day intervals.
- **Timely Benefits** - The files were reviewed to determine if payments were made on time and/or penalties were paid for late payments.
- **Finalization** - Upon receipt of a P & S report, files were reviewed to determine if the examiner rated the report within 30 days of receipt of the report, drew up a Settlement Authorization Request (SAR) within 30 days of the rating and paid the award correctly/timely once approved.
- **Excess Reporting** - Files meeting excess reportable criteria were reviewed for notification to the excess carrier, that the notice was timely and the reports were current. Should the excess carrier close their file, Chancellor Office reporting should be maintained pursuant to reserve criteria until file closure.
- **Reserves** – Reserves should reflect the most probable outcome of the claim based on information readily available at any point in time. As that information changes, reserves should be adjusted accordingly. All reserve calculations should be clearly reflected in the file. The Service Agreement requires that reserves be evaluated and adjusted on a regular basis, but at a minimum, any time the medical prognosis changes. The online reserve screen was reviewed for adequacy and timeliness. A reserve change is considered timely if it is posted thirty days from the event causing the change in the financial outlook of the claim. The rationale should also be documented on the reserve screen and PD ratings should be adjusted for age in occupation to support the PD estimate.

SCORE: 89% - Overall Process Control. No change from 2015.



5.3.1. Diary

SCORE: 94% - both sub categories are above goal

5.3.2. Timely Benefits

SCORE: 85% - above standard

This category lost ground; -6%. The primary issue was the payment of live TD checks concurrent with IDL payments by the campus. This was identified as an issue with one examiner pre-audit. The audit uncovered additional examples of this with the same examiner.

5.3.3. Finalization

SCORE: 78% - below standard. Same result in 2015.

The rating component of the finalization score has remained above goal since at least 2010 and in this review was found to be at 100%. The SAR in 30 days component continues to struggle to achieve goal with a 66% score in 2010, 33% score in 2013 and 57% in 2015 and 49% score in 2017. In 2015, there were 10 campus locations that achieved a 100% score in the SAR in 30 days category. In 2017, there were four.

As indicated in the Executive Summary section of this report, the review process once the Examiner completes the SAR initially can take more than 30 days. Some changes should be considered in the process so that the review from SAR inception to completed approved review can be accomplished in the 30 day time frame. While Sedgwick has developed some tracking tools to assist in monitoring the SAR approval process, these have only recently become available. The reports had to be recreated with the Juris conversion in April 2016. The approval delay occurs when files require review at the Operations level.

5.3.4. Excess Reporting

SCORE: 85% - below standard (+2%)

The Excess Reporting category looks at both the timely reporting to the excess carriers pursuant to their respective requirements and the reporting of claims to the Chancellor's Office when reserve thresholds exceed \$175,000.

This category looks at three areas:

Carrier Notified: 87%; NO CHANGE

Notified Timely: 70%; -19%

Report Current: 95%; +17%%

There were 4 files where the excess reporting threshold was reached and no report issued or was issued late. Late Chancellor Office represent 7 of the 11 files in the Notified Timely category. There has been good improvement in maintaining timely reporting once a case is initially reported

As with SAR oversight, Sedgwick has developed reports recently to track Excess and Chancellor Office reports. Steps have been taken to improve compliance in this area. It is anticipated that these steps will be successful for compliance in reporting.

5.3.5. Reserves

SCORE: 79% - below standard; +11%

Reserves were found to be adequate and timely in 79% of the files reviewed in the sample. This is an improvement over last review, but there remains additional opportunity for improvement.

I note that permanent disability was not recognized timely as a probable outcome by some examiners particularly in litigated or surgical files. The full realistic cost of lifetime medical exposure was not always recognized. The pace or pattern of use of medical care needs to be monitored routinely to ensure reserve adequacy. This should be part of the regular diary review.

5.3.6. Utilization Review**SCORE –96%**

Files were found to have proper and timely UR documentation in all files where UR was appropriate. UR is noted to be used more frequently in the management of prescription drugs with positive impact. There was only one file where UR was not utilized.

5.3.7. Organization**SCORE: 97%**

Files have the appropriate documentation. One file was identified with documentation that related to a different claimant.

I would like to suggest that a more uniform use of Note and Image categories be implemented by the program. The same type of notice could be found in multiple different headings by the same examiner. Some examiners utilize the Medication Approved heading in Note and others do not. The State required forms may be found under the State heading and may be found under other headings. I have suggested to Sedgwick that there needs to be a more universal categorization of notes and images. This will assist anyone who has a need to review a file. Sedgwick is working on this project at this time.

5.3.8. Reconciliation**SCORE: 51%**

The act of completing a claims balance worksheet is not an integral part of the claims documentation process, and declined by 26% over the last review. This is a reversal of the improvement noted in 2015. Six of the campus locations achieved 100% in this category. In 2015, 11 locations had achieved 100%.

The supervisors need to monitor this activity as part of their routine diary review.

5.3.9. Summary and Recommendations

Process control has remained unchanged in the overall score since the last review audit. The categories to target for improvement are SAR in 30 days, reserves, reconciliation and excess reporting.

PROCESS CONTROL SUMMARY AND RECOMMENDATION

DIARY – above goal. Maintain result

TIMELY BENEFITS – Review TD payment process

FINALIZATION –Sedgwick has developed a process and control oversight to ensure that SARs are timely and appropriately completed upon receipt of a Permanent and Stationary report. This is newly enacted and the impact has yet to be felt.

EXCESS REPORTING – A refresher on all Excess, Chancellor Office reporting requirements, and thresholds need to be conducted each year for claims staff. Excess Reporting Reference Charts should be made available to all claims staff.

RESERVES – There is a need to realistically estimate the probable ultimate cost of the claim file timely. Adjustments should be made timely (within 30 days) of an event that changes the financial exposure of a claim. Such events can be indications for surgery, loss time from work, litigation, pattern of medical treatment use etc.

Reserve activity in the last year was reviewed. Supervisors need to monitor reserve awareness more thoroughly and ensure their recommendations are followed timely

UTILIZATION REVIEW – No recommendations

ORGANIZATION – See discussion on universal labelling of Notes and Images.

RECONCILIATION – The Service Agreement requires balancing of each file annually and at time of closing. This item has fallen off the radar. Compliance needs to be addressed at Supervisor diary.

6. STAFFING**OVERVIEW**

The attached spreadsheet indicates the campus assignments, and inventory count of each Claims Examiner. It also provides the years of experience in workers' compensation, years of experience with Sedgwick, Self-Insurance Plans Certificate and any other designation.

The Service Agreement requires that all adjusters have an equivalent of five years of experience handling workers' compensation claims. All must attain a Self-Insured Plans Certificate within six months of hire date. Supervisors at Sedgwick must have a minimum of 10 years of experience handling/supervising claims.

Two graduates of the Sedgwick examiner training program are on staff in the program with CSU approval and both are meeting standards for the program.

ASSESSMENT:

The average caseload assignment as of June 30, 2017 was 98 files. The average caseload ranged from 102 to 109 throughout Fiscal Year 2016/2017.

The target caseload is 125. The caseloads have remained well below the target throughout FY 2016/2017. This represents a very reasonable workload and that staffing levels are adequate.

There were staffing changes since the last review. Two new examiners have joined the program; one in November of 2015 and one in July 2016. These were both experienced hires.

The trainee floater examiner who joined the program in July 2015 left the program in November 2016. This position has not been replaced given the average caseload in the program.

SUMMARY AND RECOMMENDATIONS:

With caseloads at such reasonable levels the work product should remain strong. Caseload management should be reviewed no less than quarterly by Sedgwick. When new examiners join the team it is essential that the service requirements of the CSU be met and that the campus contacts are satisfied with the examiner performance. Supervisory oversight ensures compliance and that inventories are well tended by all staff. The program runs well and produces good results. This is expected to continue with the staff, systems and oversight that is in place.

Office	Position	Campus/inventory	Caseload	Exp yrs	Sedgwick DOH	SIP	Designations	
CSU WC Program	Program Mgr			2001	2005	Y	BS	Trish Daniels
Oakland	Claim Supervisor	Fresno, Chico, Long Beach, LA, Fullerton, Stanislaus, Pomona, San Francisco, CA Maritime, Humboldt, Sonoma, San Marcos, San Jose, Monterey, SB		2001	2010	Y	BS	Stephen Purves
	Examiner	San Francisco State and Stanislaus	99	2004	2014	Y		Jennifer Knorr
	Examiner	Long Beach	116	1998	2006	Y	WCCA	Daniel Lee
	Examiner	Humboldt, Sonoma, CA Maritime	94	2001	2009	Y	WCCA, BS	Randy Gee
	Examiner	Fresno, Fullerton	107	2014	2010	Y	WCCA, BS	Jessica Carroll
	Examiner	Pomona, San Marcos, Monterey	109	2005	2014	Y	BA	Randi Wilson
	Examiner	San Jose and San Bernardino	98	2007	1997	Y	WCCA, WCCP, AA	Yvonne Rivera
	Examiner	CSULA, Chico	107	2005	2004	Y	WCCA, WCCP	Megan Warren
Rancho Cordova	Claim Supervisor	Sacto, Channel Islands, CO, SLO, SD, CSUN, DH, Bakersfield, East Bay		2004	2006	Y	WCCP, BA	Brian Montagnese
	Examiner	Bakersfield, Sacramento	93	2014	2012	Y	AA	Shanita Drippon
	Examiner	East Bay, Dominguez Hills	107	2008	2014	Y	AA, WCCA	Ezra Sprenger
	Examiner	Northridge	91(CSU) 30 (AO)	2000	2006	Y	WCCP	Susan Neville
	Examiner	San Diego, CI	118	1986	1986	Y	WCCA	Joanne Michaels
	Examiner	SLO,CO	97	2002	1998	Y	BA	Ginger Pierce
	Examiner	Various-High Exposure for program	70	2002	2005	Y	BS	Gabrielle Haas

**CSU Sedgwick Claims Audit
Systemwide Data • Comparison: Campus-by-Campus**

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Initial Contact/Documentation																									
3 pt. Contact:																									
Employee	86%	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	-	60%	100%	100%	67%	50%	60%	100%	100%	100%	100%	100%
Employee Completed	98%	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	-	100%	100%	100%	100%	100%	50%	100%	100%	100%	100%	100%
Supervisor	78%	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%	0%	-	67%	100%	100%	33%	50%	60%	0%	100%	100%	100%	100%
Supervisor Completed	85%	-	-	-	50%	100%	0%	50%	100%	100%	100%	100%	0%	-	100%	100%	100%	67%	100%	100%	0%	100%	100%	100%	100%
Coordinator	88%	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	-	67%	100%	100%	67%	50%	80%	100%	100%	100%	100%	100%
Coordinator Completed	98%	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	-	100%	100%	100%	67%	100%	100%	100%	100%	100%	100%	100%
Medical Facility (opt)	92%	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	-	80%	100%	100%	100%	100%	40%	100%	100%	100%	100%	100%
Total 3 pt. Contact:	89%	-	-	-	93%	100%	86%	93%	100%	100%	100%	100%	69%	-	82%	100%	100%	70%	79%	77%	75%	100%	100%	100%	100%
Total Follow Up Contact:	76%	100%	100%	100%	100%	100%	100%	100%	86%	67%	43%	100%	0%	100%	67%	38%	71%	50%	81%	67%	58%	100%	33%	25%	67%
Documents and Notices:																									
DWC-1	91%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	50%	100%	78%	83%	83%	80%	88%	100%	100%	86%	50%	75%	100%
5020	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5021	93%	100%	100%	100%	100%	100%	100%	75%	86%	100%	100%	100%	100%	33%	100%	83%	100%	80%	100%	100%	100%	50%	100%	100%	
Total Documents:	94%	100%	100%	100%	100%	100%	100%	93%	95%	100%	100%	100%	83%	78%	93%	72%	94%	87%	96%	100%	100%	95%	67%	92%	100%
Benefit Notices:																									
# Accurate	97%	100%	100%	86%	100%	100%	100%	100%	100%	100%	100%	100%	88%	100%	100%	100%	100%	75%	100%	93%	91%	100%	100%	100%	100%
#Timely	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-	-	-	-	-	-	-	-	-
Total Benefit Notices:	97%	100%	100%	86%	100%	100%	100%	100%	100%	100%	100%	100%	88%	100%	96%	100%	100%	75%	100%	93%	91%	100%	100%	100%	100%
On-line Documentation:																									
History of Injury	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Investigation	91%	100%	100%	50%	100%	100%	80%	100%	86%	100%	88%	100%	0%	100%	90%	100%	86%	40%	100%	100%	100%	100%	100%	75%	100%
Current Plan of Action	89%	67%	100%	50%	100%	100%	100%	100%	100%	100%	75%	100%	100%	100%	90%	86%	100%	33%	100%	100%	40%	100%	100%	100%	67%
Follow Up on POA	91%	100%	100%	100%	80%	100%	100%	100%	100%	100%	63%	100%	100%	67%	90%	57%	71%	83%	100%	100%	100%	100%	100%	100%	100%
Prior Records Summary	77%	100%	100%	-	100%	67%	100%	100%	100%	-	100%	-	-	0%	100%	100%	50%	-	50%	-	100%	-	-	-	-
Total On-line Document.	92%	92%	100%	75%	95%	96%	96%	100%	97%	100%	81%	100%	75%	92%	84%	86%	90%	64%	100%	98%	85%	100%	100%	94%	92%
Totals:	91%	97%	100%	89%	97%	98%	97%	97%	96%	94%	89%	100%	71%	91%	85%	84%	92%	71%	93%	89%	82%	99%	86%	83%	93%

**CSU Sedgwick Claims Audit
Systemwide Data • Comparison: Campus-by-Campus**

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Claims Management																									
Med Direction/Control																									
Current Medical Report	95%	100%	100%	100%	100%	100%	100%	100%	100%	67%	86%	100%	100%	67%	100%	100%	100%	100%	78%	100%	80%	100%	100%	100%	100%
Med Plan Documented	97%	67%	100%	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	89%	90%	100%	100%	100%	100%	100%
Rationale for treatment	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rx Documented	98%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	-	50%	100%	100%	100%	100%	89%	100%	100%	100%	100%	100%	100%
Next appt. Noted	97%	100%	100%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	88%	100%	75%	100%	100%	100%	100%
Timely Objection	95%	100%	100%	0%	100%	100%	100%	100%	100%	100%	80%	100%	-	100%	100%	75%	-	100%	100%	100%	100%	80%	-	-	-
Clarification Sought?	82%	100%	100%	0%	100%	100%	80%	100%	100%	100%	57%	75%	0%	100%	78%	67%	100%	75%	67%	100%	80%	80%	100%	50%	100%
ISO/Index Search	52%	0%	0%	0%	100%	60%	40%	40%	57%	25%	14%	100%	100%	0%	60%	33%	71%	33%	56%	90%	60%	43%	50%	50%	33%
Release/Timely	96%	-	-	-	100%	100%	100%	100%	100%	0%	100%	100%	50%	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	-
Release/Follow Up	80%	-	-	-	-	100%	-	-	67%	-	100%	100%	0%	-	100%	50%	100%	-	50%	100%	100%	100%	50%	-	100%
Prior records requested	78%	-	100%	-	100%	100%	100%	100%	100%	-	0%	100%	-	-	100%	100%	100%	0%	-	50%	-	67%	-	0%	-
Med Release in File	100%	-	-	-	100%	100%	100%	100%	100%	-	100%	100%	100%	-	100%	-	100%	100%	100%	100%	100%	100%	-	100%	-
Total Med Dir/Control	89%	83%	87%	50%	100%	95%	90%	93%	94%	81%	78%	97%	79%	75%	93%	85%	96%	87%	83%	96%	88%	89%	88%	86%	89%
Litigation Mgmt.																									
Timely Referral	97%	-	100%	-	100%	100%	100%	-	50%	-	100%	100%	100%	100%	100%	100%	-	100%	100%	100%	100%	100%	-	-	-
Atty Case Analysis	81%	-	-	-	67%	50%	100%	-	100%	-	100%	100%	100%	0%	100%	-	75%	0%	67%	100%	100%	-	-	-	-
Interim Reports	94%	100%	-	-	100%	67%	100%	100%	75%	100%	100%	100%	-	100%	100%	100%	-	100%	100%	75%	100%	100%	-	-	100%
File and Serve timely	100%	100%	-	-	100%	100%	100%	100%	100%	100%	100%	100%	-	100%	100%	100%	-	100%	100%	100%	100%	100%	-	-	-
Issues Outlined	100%	100%	-	-	100%	100%	100%	100%	100%	100%	100%	100%	-	100%	100%	100%	-	100%	100%	100%	100%	100%	-	-	100%
CAE follow up/direction	92%	100%	-	-	100%	100%	100%	100%	100%	100%	100%	100%	0%	100%	75%	100%	-	100%	100%	75%	75%	100%	-	-	100%
Summary of atty corres.	88%	100%	-	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	75%	100%	-	75%	33%	50%	100%	100%	-	-	-	100%
CAE sets medical appt.	100%	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	100%	-	-	-	-
CAE subpoenas records	61%	100%	-	-	100%	50%	-	-	100%	-	50%	100%	-	-	0%	100%	-	33%	-	50%	-	100%	-	-	-
Authority for MSC	84%	-	-	-	-	100%	-	100%	100%	-	100%	33%	-	100%	100%	100%	-	-	100%	100%	0%	-	-	-	100%
Total Lit. Mgmt	91%	100%	100%	-	95%	86%	100%	100%	93%	100%	96%	90%	75%	100%	77%	100%	-	87%	79%	80%	93%	100%	-	-	100%
Totals:	90%	88%	88%	50%	98%	92%	94%	94%	93%	84%	83%	95%	78%	85%	90%	89%	96%	87%	82%	92%	90%	91%	88%	86%	92%

CSU Sedgwick Claims Audit Systemwide Data • Comparison: Campus-by-Campus

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Process Control																									
Diary:																									
CAE	94%	95%	100%	93%	100%	100%	100%	100%	98%	93%	92%	100%	94%	94%	97%	84%	93%	73%	93%	100%	90%	100%	100%	87%	71%
Supervisor	94%	100%	100%	100%	100%	86%	100%	100%	100%	80%	100%	100%	100%	100%	96%	100%	100%	83%	100%	86%	100%	100%	100%	100%	100%
Total Diary:	94%	96%	100%	94%	100%	97%	100%	100%	99%	91%	93%	100%	95%	95%	97%	86%	95%	75%	94%	98%	91%	100%	100%	89%	75%
Timely Benefits Total	85%	75%	-	100%	100%	100%	100%	50%	100%	100%	100%	100%	67%	0%	100%	100%	100%	50%	100%	80%	67%	100%	100%	100%	50%
Finalization:																									
Rating	100%	-	100%	100%	100%	100%	100%	100%	100%	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
SAR in 30 days	49%	-	-	0%	50%	50%	67%	50%	33%	-	0%	50%	100%	67%	33%	60%	0%	0%	75%	50%	0%	100%	100%	50%	0%
Award Accurate	91%	-	-	0%	100%	-	100%	100%	100%	-	-	100%	-	50%	100%	100%	-	-	100%	100%	-	100%	-	100%	100%
Total Finalization:	78%	-	100%	33%	83%	75%	83%	80%	71%	-	80%	80%	100%	71%	71%	78%	50%	50%	90%	88%	50%	100%	100%	80%	67%
Excess Reporting																									
Carrier Notified	87%	100%	100%	100%	100%	100%	100%	100%	-	0%	-	100%	100%	-	100%	100%	100%	50%	100%	100%	100%	100%	100%	0%	0%
Notified Timely	70%	0%	100%	100%	100%	-	100%	50%	100%	0%	-	100%	100%	0%	100%	100%	100%	0%	100%	100%	50%	100%	100%	0%	0%
Report Current	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	100%	100%	75%	100%	100%	100%	100%	100%	100%	100%	-	100%
Total Excess:	85%	67%	100%	100%	100%	100%	100%	83%	100%	50%	100%	100%	67%	50%	100%	86%	100%	40%	100%	100%	80%	100%	100%	0%	33%
Reserves:																									
Adequate	79%	67%	100%	100%	80%	100%	60%	100%	86%	75%	63%	83%	100%	67%	70%	86%	86%	67%	78%	90%	60%	71%	100%	100%	67%
Adjusted Timely	80%	67%	100%	100%	80%	100%	60%	80%	86%	75%	63%	83%	100%	100%	80%	100%	100%	17%	89%	80%	40%	71%	100%	100%	100%
Total Reserves	80%	67%	100%	100%	80%	100%	60%	90%	86%	75%	63%	83%	100%	83%	75%	93%	93%	42%	83%	85%	50%	71%	100%	100%	83%
Total UR:	96%	100%	100%	100%	100%	100%	100%	100%	88%	100%	100%	80%	100%	50%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Organization:																									
File Organized	97%	100%	100%	100%	100%	80%	100%	100%	100%	75%	100%	100%	50%	100%	100%	100%	100%	80%	100%	100%	100%	100%	100%	100%	100%
Reconciliation:																									
Balance Sheet	51%	50%	100%	50%	100%	50%	0%	100%	83%	0%	100%	100%	-	0%	20%	50%	100%	0%	89%	0%	0%	100%	0%	33%	0%
Totals:	89%	86%	100%	88%	96%	94%	89%	91%	94%	81%	90%	95%	89%	82%	90%	88%	95%	67%	94%	90%	79%	96%	97%	86%	72%
Grand Total:	90%	90%	97%	81%	97%	95%	93%	94%	95%	86%	88%	97%	80%	85%	88%	87%	94%	74%	91%	90%	83%	96%	90%	85%	83%

**CSU Sedgwick Claims Audit
CSU Summary Data Sheet — June 2017**

Initial Contact/Documentation				Claims Management				Process Control			
3 pt. Contact:	Yes	Total	%	Med Direction/Control	Yes	Total	%	Diary:	Yes	Total	%
Employee	44	51	86%	Current Medical Report	119	125	95%	CAE	896	952	94%
Employee Completed	48	49	98%	Med Plan Documented	123	127	97%	Supervisor	189	201	94%
Supervisor	39	50	78%	Rationale for treatment	126	126	100%	Total Diary:	1085	1153	94%
Supervisor Completed	41	48	85%	Rx Documented	113	115	98%	Timely Benefits Total	94	110	85%
Coordinator	46	52	88%	Next appt. Noted	88	91	97%	Finalization:			
Coordinator Completed	51	52	98%	Timely Objection	69	73	95%	Rating	45	45	100%
Medical Facility (opt)	44	48	92%	Clarification Sought?	79	96	82%	SAR in 30 days	21	43	49%
Total 3 pt. Contact:	313	350	89%	ISO/Index Search	65	126	52%	Award Accurate	20	22	91%
Total Follow Up Contact:	183	241	76%	Release/Timely	47	49	96%	Total Finalization:	87	111	78%
Documents and Notices:				Release/Follow Up	20	25	80%	Excess Reporting			
DWC-1	99	109	91%	Prior records requested	21	27	78%	Carrier Notified	26	30	87%
5020	110	113	97%	Med Release in File	34	34	100%	Notified Timely	21	30	70%
5021	96	103	93%	Total Med Dir/Control	904	1014	89%	Report Current	39	41	95%
Total Documents:	305	325	94%	Litigation Mgmt.				Total Excess:	86	101	85%
Benefit Notices:				Timely Referral	30	31	97%	Reserves:			
# Accurate	334	343	97%	Atty Case Analysis	25	31	81%	Adequate	104	131	79%
Total Benefit Notices:	334	344	97%	Interim Reports	49	52	94%	Adjusted Timely	104	130	80%
On-line Documentation:				File and Serve timely	46	46	100%	Total Reserves	208	261	80%
History of Injury	132	132	100%	Issues Outlined	50	50	100%	Total UR:	113	118	96%
Investigation	119	131	91%	CAE follow up/direction	47	51	92%	Organization:			
Current Plan of Action	117	132	89%	Summary of atty corres.	45	51	88%	File Organized	127	131	97%
Follow Up on POA	120	132	91%	CAE sets medical appt.	2	2	100%	Reconciliation:			
Prior Records Summary	23	30	77%	CAE subpoenas records	11	18	61%	Balance Sheet	41	81	51%
Total On-line Document.	511	557	92%	Authority for MSC	16	19	84%	Totals:	1841	2066	89%
Totals:	1646	1817	91%	Total Lit. Mgmt	321	351	91%	Grand Total:	4712	5248	90%
				Totals:	1225	1365	90%				

**CSU Sedgwick Claims Audit
CAT desk Data Sheet — June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	0	of	0	—	Current Medical Report	4	of	4	100%	CAE	28	of	28	100%
Employee Completed	0	of	0	—	Med Plan Documented	4	of	4	100%	Supervisor	0	of	5	0%
Supervisor	0	of	0	—	Rationale for treatment	4	of	4	100%	Total Diary:	28	of	33	85%
Supervisor Completed	0	of	0	—	Rx Documented	4	of	4	100%	Timely Benefits Total	4	of	4	100%
Coordinator	0	of	0	—	Next appt. Noted	4	of	4	100%					
Coordinator Completed	0	of	0	—	Timely Objection	3	of	3	100%	Finalization:				
Medical Facility (opt)	0	of	0	—	Clarification Sought?	2	of	2	100%	Rating	0	of	0	—
Total 3 pt. Contact:	0	of	0	—	ISO/Index Search	1	of	4	25%	SAR in 30 days	0	of	0	—
					Release/Timely	0	of	0	—	Award Accurate	1	of	1	100%
Total Follow Up Contact:	7	of	8	88%	Release/Follow Up	0	of	0	—	Total Finalization:	1	of	1	100%
					Prior records requested	0	of	0	—					
Documents and Notices:					Med Release in File	0	of	0	—	Excess Reporting				
DWC-1	0	of	0	—	Total Med Dir/Control	26	of	29	90%	Carrier Notified	0	of	0	—
5020	0	of	0	—						Notified Timely	0	of	0	—
5021	0	of	0	—	Litigation Mgmt.					Report Current	5	of	5	100%
Total Documents:	0	of	0	—	Timely Referral	0	of	0	—	Total Excess:	5	of	5	100%
					Atty Case Analysis	0	of	0	—					
Benefit Notices:					Interim Reports	2	of	2	100%	Reserves:				
# Notices required	0	of	0	—	File and Serve timely	1	of	1	100%	Adequate	4	of	5	80%
# Accurate	0	of	0	—	Issues Outlined	2	of	2	100%	Adjusted Timely	5	of	5	100%
Total Benefit Notices:	0	of	0	—	CAE follow up/direction	2	of	2	100%	Total Reserves	9	of	10	90%
					Summary of atty corres.	2	of	2	100%					
On-line Documentation:					CAE sets medical appt.	0	of	0	—	Total UR:	4	of	4	100%
History of Injury	5	of	5	100%	CAE subpoenas records	0	of	0	—					
Investigation	5	of	5	100%	Authority for MSC	1	of	1	100%	Organization:				
Current Plan of Action	4	of	5	80%	Total Lit. Mgmt	10	of	10	100%	File Organized	5	of	5	100%
Follow Up on POA	5	of	5	100%						Reconciliation:				
Prior Records Summary	0	of	0	—						Balance Sheet	0	of	0	—
Total On-line Document.	19	of	20	95%						Totals:	56	of	62	90%
Totals:	26	of	28	93%	Totals:	36	of	39	92%	Totals:	118	of	129	91%
										Grand Total:				

**CSU Sedgwick Claims Audit
Unit 1 Summary Data Sheet – June 2017**

Initial Contact/Documentation				Claims Management				Process Control			
3 pt. Contact:	Yes	Total	%	Med Direction/Control	Yes	Total	%	Diary:	Yes	Total	%
Employee	16	20	80%	Current Medical Report	48	50	96%	CAE	365	377	97%
Employee Completed	19	19	100%	Med Plan Documented	49	52	94%	Supervisor	81	83	98%
Supervisor	16	20	80%	Rationale for treatment	51	51	100%	Total Diary:	446	460	97%
Supervisor Completed	19	20	95%	Rx Documented	44	45	98%	Timely Benefits Total	40	41	98%
Coordinator	17	21	81%	Next appt. Noted	32	34	94%	Finalization:			
Coordinator Completed	21	21	100%	Timely Objection	24	26	92%	Rating	17	17	100%
Medical Facility (opt)	19	20	95%	Clarification Sought?	29	36	81%	SAR in 30 days	9	16	56%
Total 3 pt. Contact:	127	141	90%	ISO/Index Search	25	51	49%	Award Accurate	7	8	88%
Total Follow Up Contact:	90	106	85%	Release/Timely	23	23	100%	Total Finalization:	33	41	80%
Documents and Notices:				Release/Follow Up	10	12	83%	Excess Reporting			
DWC-1	41	47	87%	Prior records requested	12	13	92%	Carrier Notified	13	13	100%
5020	49	49	100%	Med Release in File	17	17	100%	Notified Timely	10	11	91%
5021	43	44	98%	Total Med Dir/Control	364	410	89%	Report Current	14	14	100%
Total Documents:	133	140	95%	Litigation Mgmt.				Total Excess:	37	38	97%
Benefit Notices:				Timely Referral	11	11	100%	Reserves:			
# Accurate	155	156	99%	Atty Case Analysis	6	9	67%	Adequate	40	51	78%
#Timely	0	1	0%	Interim Reports	15	16	94%	Adjusted Timely	43	51	84%
Total Benefit Notices:	155	157	99%	File and Serve timely	14	14	100%	Total Reserves	83	102	81%
On-line Documentation:				Issues Outlined	14	14	100%	Total UR:	42	44	95%
History of Injury	52	52	100%	CAE follow up/direction	13	14	93%	Organization:			
Investigation	48	52	92%	Summary of atty corres.	12	15	80%	File Organized	51	52	98%
Current Plan of Action	49	52	94%	CAE sets medical appt.	0	0	-	Reconciliation:			
Follow Up on POA	49	52	94%	CAE subpoenas records	4	7	57%	Balance Sheet	20	34	59%
Prior Records Summary	12	17	71%	Authority for MSC	3	3	100%	Totals:	752	812	93%
Total On-line Document.	210	225	93%	Total Lit. Mgmt	92	103	89%	Grand Total:	1923	2094	92%
Totals:	715	769	93%	Totals:	456	513	89%				

**CSU Sedgwick Claims Audit
Unit 2 Summary Data Sheet – June 2017**

Initial Contact/Documentation				Claims Management				Process Control			
3 pt. Contact:	Yes	Total	%	Med Direction/Control	Yes	Total	%	Diary:	Yes	Total	%
Employee	28	31	90%	Current Medical Report	67	71	94%	CAE	503	547	92%
Employee Completed	29	30	97%	Med Plan Documented	70	71	99%	Supervisor	108	113	96%
Supervisor	23	30	77%	Rationale for treatment	71	71	100%	Total Diary:	611	660	93%
Supervisor Completed	22	28	79%	Rx Documented	65	66	98%	Timely Benefits Total	50	65	77%
Coordinator	29	31	94%	Next appt. Noted	52	53	98%	Finalization:			
Coordinator Completed	30	31	97%	Timely Objection	42	44	95%	Rating	28	28	100%
Medical Facility (opt)	25	28	89%	Clarification Sought?	48	58	83%	SAR in 30 days	12	27	44%
Total 3 pt. Contact:	186	209	89%	ISO/Index Search	39	71	55%	Award Accurate	12	13	92%
Total Follow Up Contact:	86	127	68%	Release/Timely	24	26	92%	Total Finalization:	52	68	76%
Documents and Notices:				Release/Follow Up	10	13	77%	Excess Reporting			
DWC-1	58	62	94%	Prior records requested	9	14	64%	Carrier Notified	13	17	76%
5020	61	64	95%	Med Release in File	17	17	100%	Notified Timely	11	19	58%
5021	53	59	90%	Total Med Dir/Control	514	575	89%	Report Current	20	22	91%
Total Documents:	172	185	93%	Litigation Mgmt.				Total Excess:	44	58	76%
Benefit Notices:				Timely Referral	19	20	95%	Reserves:			
# Accurate	179	187	96%	Atty Case Analysis	19	22	86%	Adequate	60	75	80%
#Timely	0	0	-	Interim Reports	32	34	94%	Adjusted Timely	56	74	76%
Total Benefit Notices:	179	187	96%	File and Serve timely	31	31	100%	Total Reserves	116	149	78%
On-line Documentation:				Issues Outlined	34	34	100%	Total UR:	67	70	96%
History of Injury	75	75	100%	CAE follow up/direction	32	35	91%	Organization:			
Investigation	66	74	89%	Summary of atty corres.	31	34	91%	File Organized	71	74	96%
Current Plan of Action	64	75	85%	CAE sets medical appt.	2	2	100%	Reconciliation:			
Follow Up on POA	66	75	88%	CAE subpoenas records	7	11	64%	Balance Sheet	21	47	45%
Prior Records Summary	11	13	85%	Authority for MSC	12	15	80%	Totals:	1032	1191	87%
Total On-line Document.	282	312	90%	Total Lit. Mgmt	219	238	92%	Grand Total:	2670	3024	88%
Totals:	905	1020	89%	Totals:	733	813	90%				

**CSU Sedgwick Claims Audit
Bakersfield Data Sheet — June 2017**

Initial Contact/Documentation					Claims Management				Process Control					
3 pt. Contact:					Medical Direction/Control				Diary:					
Employee	0	of	0	–	Current Medical Report	2	of	2	100%	CAE	20	of	21	95%
Employee Completed	0	of	0	–	Med Plan Documented	2	of	3	67%	Supervisor	3	of	3	100%
Supervisor	0	of	0	–	Rationale for treatment	3	of	3	100%	Total Diary:	23	of	24	96%
Supervisor Completed	0	of	0	–	Rx Documented	2	of	2	100%	Timely Benefits Total	3	of	4	75%
Coordinator	0	of	0	–	Next appt. Noted	2	of	2	100%	Finalization:				
Coordinator Completed	0	of	0	–	Timely Objection	2	of	2	100%	Rating	0	of	0	–
Medical Facility (opt)	0	of	0	–	Clarification Sought?	2	of	2	100%	SAR in 30 days	0	of	0	–
Total 3 pt. Contact:	0	of	0	–	ISO/Index Search	0	of	2	0%	Award Accurate	0	of	0	–
Total Follow Up Contact:	5	of	5	100%	Release/Timely	0	of	0	–	Total Finalization:	0	of	0	–
Documents and Notices:					Release/Follow Up	0	of	0	–	Excess Reporting				
DWC-1	2	of	2	100%	Prior records requested	0	of	0	–	Carrier Notified	1	of	1	100%
5020	2	of	2	100%	Med Release in File	0	of	0	–	Notified Timely	0	of	1	0%
5021	2	of	2	100%	Total Med Dir/Control	15	of	18	83%	Report Current	1	of	1	100%
Total Documents:	6	of	6	100%	Litigation Mgmt.					Total Excess:	2	of	3	67%
Benefit Notices:					Timely Referral	0	of	0	–	Reserves:				
# Notices required	8	of	8	100%	Atty Case Analysis	0	of	0	–	Adequate	2	of	3	67%
# Accurate	0	of	0	–	Interim Reports	1	of	1	100%	Adjusted Timely	2	of	3	67%
Total Benefit Notices:	8	of	8	100%	File and Serve timely	1	of	1	100%	Total Reserves	4	of	6	67%
On-line Documentation:					Issues Outlined	1	of	1	100%	Total UR:	2	of	2	100%
History of Injury	3	of	3	100%	CAE follow up/direction	1	of	1	100%	Organization:				
Investigation	3	of	3	100%	Summary of atty corres.	1	of	1	100%	File Organized	3	of	3	100%
Current Plan of Action	2	of	3	67%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	3	of	3	100%	CAE subpoenas records	1	of	1	100%	Balance Sheet	1	of	2	50%
Prior Records Summary	1	of	1	100%	Authority for MSC	0	of	0	–	Totals:	38	of	44	86%
Total On-line Document.	12	of	13	92%	Total Lit. Mgmt	6	of	6	100%	Grand Total:	90	of	100	90%
Totals:	31	of	32	97%	Totals:	21	of	24	88%					

**CSU Sedgwick Claims Audit
Chancellors Office Data Sheet — June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	0	of	0	–	Current Medical Report	2	of	2	100%	CAE	12	of	12	100%
Employee Completed	0	of	0	–	Med Plan Documented	2	of	2	100%	Supervisor	1	of	1	100%
Supervisor	0	of	0	–	Rationale for treatment	2	of	2	100%	Total Diary:	13	of	13	100%
Supervisor Completed	0	of	0	–	Rx Documented	1	of	1	100%	Timely Benefits Total	0	of	0	–
Coordinator	0	of	0	–	Next appt. Noted	1	of	1	100%	Finalization:				
Coordinator Completed	0	of	0	–	Timely Objection	2	of	2	100%	Rating	1	of	1	100%
Medical Facility (opt)	0	of	0	–	Clarification Sought?	2	of	2	100%	SAR in 30 days	0	of	0	–
Total 3 pt. Contact:	0	of	0	–	ISO/Index Search	0	of	2	0%	Award Accurate	0	of	0	–
Total Follow Up Contact:	6	of	6	100%	Release/Timely	0	of	0	–	Total Finalization:	1	of	1	100%
Documents and Notices:					Release/Follow Up	0	of	0	–	Excess Reporting				
DWC-1	2	of	2	100%	Prior records requested	1	of	1	100%	Carrier Notified	1	of	1	100%
5020	2	of	2	100%	Med Release in File	0	of	0	–	Notified Timely	1	of	1	100%
5021	2	of	2	100%	Total Med Dir/Control	13	of	15	87%	Report Current	1	of	1	100%
Total Documents:	6	of	6	100%	Litigation Mgmt.					Total Excess:	3	of	3	100%
Benefit Notices:					Timely Referral	1	of	1	100%	Reserves:				
# Notices required	7	of	7	100%	Atty Case Analysis	0	of	0	–	Adequate	2	of	2	100%
# Accurate	0	of	0	–	Interim Reports	0	of	0	–	Adjusted Timely	2	of	2	100%
Total Benefit Notices:	7	of	7	100%	File and Serve timely	0	of	0	–	Total Reserves	4	of	4	100%
On-line Documentation:					Issues Outlined	0	of	0	–	Total UR:	2	of	2	100%
History of Injury	2	of	2	100%	CAE follow up/direction	0	of	0	–	Organization:				
Investigation	2	of	2	100%	Summary of atty corres.	0	of	0	–	File Organized	2	of	2	100%
Current Plan of Action	2	of	2	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	2	of	2	100%	CAE subpoenas records	0	of	0	–	Balance Sheet	2	of	2	100%
Prior Records Summary	1	of	1	100%	Authority for MSC	0	of	0	–	Totals:	27	of	27	100%
Total On-line Document.	9	of	9	100%	Total Lit. Mgmt	1	of	1	100%	Grand Total:	69	of	71	97%
Totals:	28	of	28	100%	Totals:	14	of	16	88%					

**CSU Sedgwick Claims Audit
Channel Islands Data Sheet – June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	0	of	0	–	Current Medical Report	2	of	2	100%	CAE	14	of	15	93%
Employee Completed	0	of	0	–	Med Plan Documented	1	of	2	50%	Supervisor	2	of	2	100%
Supervisor	0	of	0	–	Rationale for treatment	2	of	2	100%	Total Diary:	16	of	17	94%
Supervisor Completed	0	of	0	–	Rx Documented	2	of	2	100%	Timely Benefits Total	2	of	2	100%
Coordinator	0	of	0	–	Next appt. Noted	0	of	1	0%	Finalization:				
Coordinator Completed	0	of	0	–	Timely Objection	0	of	1	0%	Rating	1	of	1	100%
Medical Facility (opt)	0	of	0	–	Clarification Sought?	0	of	2	0%	SAR in 30 days	0	of	1	0%
Total 3 pt. Contact:	0	of	0	–	ISO/Index Search	0	of	2	0%	Award Accurate	0	of	1	0%
Total Follow Up Contact:	6	of	6	100%	Release/Timely	0	of	0	–	Total Finalization:	1	of	3	33%
Documents and Notices:					Release/Follow Up	0	of	0	–	Excess Reporting				
DWC-1	2	of	2	100%	Prior records requested	0	of	0	–	Carrier Notified	1	of	1	100%
5020	2	of	2	100%	Med Release in File	0	of	0	–	Notified Timely	1	of	1	100%
5021	2	of	2	100%	Total Med Dir/Control	7	of	14	50%	Report Current	1	of	1	100%
Total Documents:	6	of	6	100%	Litigation Mgmt.					Total Excess:	3	of	3	100%
Benefit Notices:					Timely Referral	0	of	0	–	Reserves:				
# Notices required	6	of	7	86%	Atty Case Analysis	0	of	0	–	Adequate	2	of	2	100%
# Accurate	0	of	0	–	Interim Reports	0	of	0	–	Adjusted Timely	2	of	2	100%
Total Benefit Notices:	6	of	7	86%	File and Serve timely	0	of	0	–	Total Reserves	4	of	4	100%
On-line Documentation:					Issues Outlined	0	of	0	–	Total UR:	1	of	1	100%
History of Injury	2	of	2	100%	CAE follow up/direction	0	of	0	–	Organization:				
Investigation	1	of	2	50%	Summary of atty corres.	0	of	0	–	File Organized	2	of	2	100%
Current Plan of Action	1	of	2	50%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	2	of	2	100%	CAE subpoenas records	0	of	0	–	Balance Sheet	1	of	2	50%
Prior Records Summary	0	of	0	–	Authority for MSC	0	of	0	–	Totals:	30	of	34	88%
Total On-line Document.	6	of	8	75%	Total Lit. Mgmt	0	of	0	–	Grand Total:	61	of	75	81%
Totals:	24	of	27	89%	Totals:	7	of	14	50%					

**CSU Sedgwick Claims Audit
Dominguez Hills Data Sheet — June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	2	of	2	100%	Current Medical Report	5	of	5	100%	CAE	28	of	28	100%
Employee Completed	2	of	2	100%	Med Plan Documented	5	of	5	100%	Supervisor	6	of	7	86%
Supervisor	1	of	1	100%	Rationale for treatment	5	of	5	100%	Total Diary:	34	of	35	97%
Supervisor Completed	1	of	1	100%	Rx Documented	5	of	5	100%	Timely Benefits Total	4	of	4	100%
Coordinator	2	of	2	100%	Next appt. Noted	4	of	4	100%	Finalization:				
Coordinator Completed	2	of	2	100%	Timely Objection	4	of	4	100%	Rating	2	of	2	100%
Medical Facility (opt)	2	of	2	100%	Clarification Sought?	4	of	4	100%	SAR in 30 days	1	of	2	50%
Total 3 pt. Contact:	12	of	12	100%	ISO/Index Search	3	of	5	60%	Award Accurate	0	of	0	—
Total Follow Up Contact:	4	of	4	100%	Release/Timely	2	of	2	100%	Total Finalization:	3	of	4	75%
Documents and Notices:					Release/Follow Up	1	of	1	100%	Excess Reporting				
DWC-1	4	of	4	100%	Prior records requested	2	of	2	100%	Carrier Notified	2	of	2	100%
5020	4	of	4	100%	Med Release in File	2	of	2	100%	Notified Timely	0	of	0	—
5021	4	of	4	100%	Total Med Dir/Control	42	of	44	95%	Report Current	2	of	2	100%
Total Documents:	12	of	12	100%	Litigation Mgmt.					Total Excess:	4	of	4	100%
Benefit Notices:					Timely Referral	2	of	2	100%	Reserves:				
# Notices required	13	of	13	100%	Atty Case Analysis	1	of	2	50%	Adequate	4	of	4	100%
# Accurate	0	of	0	—	Interim Reports	2	of	3	67%	Adjusted Timely	4	of	4	100%
Total Benefit Notices:	13	of	13	100%	File and Serve timely	3	of	3	100%	Total Reserves	8	of	8	100%
On-line Documentation:					Issues Outlined	3	of	3	100%	Total UR:	5	of	5	100%
History of Injury	5	of	5	100%	CAE follow up/direction	3	of	3	100%	Organization:				
Investigation	5	of	5	100%	Summary of atty corres.	3	of	3	100%	File Organized	4	of	5	80%
Current Plan of Action	5	of	5	100%	CAE sets medical appt.	0	of	0	—	Reconciliation:				
Follow Up on POA	5	of	5	100%	CAE subpoenas records	1	of	2	50%	Balance Sheet	1	of	2	50%
Prior Records Summary	2	of	3	67%	Authority for MSC	1	of	1	100%	Totals:	63	of	67	94%
Total On-line Document.	22	of	23	96%	Total Lit. Mgmt	19	of	22	86%	Grand Total:	187	of	197	95%
Totals:	63	of	64	98%	Totals:	61	of	66	92%					

**CSU Sedgwick Claims Audit
East Bay Data Sheet – June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	1	of	1	100%	Current Medical Report	5	of	5	100%	CAE	45	of	45	100%
Employee Completed	1	of	1	100%	Med Plan Documented	5	of	5	100%	Supervisor	6	of	6	100%
Supervisor	1	of	1	100%	Rationale for treatment	5	of	5	100%	Total Diary:	51	of	51	100%
Supervisor Completed	0	of	1	0%	Rx Documented	5	of	5	100%	Timely Benefits Total	5	of	5	100%
Coordinator	1	of	1	100%	Next appt. Noted	3	of	3	100%	Finalization:				
Coordinator Completed	1	of	1	100%	Timely Objection	2	of	2	100%	Rating	1	of	1	100%
Medical Facility (opt)	1	of	1	100%	Clarification Sought?	4	of	5	80%	SAR in 30 days	2	of	3	67%
Total 3 pt. Contact:	6	of	7	86%	ISO/Index Search	2	of	5	40%	Award Accurate	2	of	2	100%
Total Follow Up Contact:	12	of	12	100%	Release/Timely	2	of	2	100%	Total Finalization:	5	of	6	83%
Documents and Notices:					Release/Follow Up	0	of	0	–	Excess Reporting				
DWC-1	5	of	5	100%	Prior records requested	2	of	2	100%	Carrier Notified	2	of	2	100%
5020	5	of	5	100%	Med Release in File	2	of	2	100%	Notified Timely	2	of	2	100%
5021	4	of	4	100%	Total Med Dir/Control	37	of	41	90%	Report Current	1	of	1	100%
Total Documents:	14	of	14	100%	Litigation Mgmt.					Total Excess:	5	of	5	100%
Benefit Notices:					Timely Referral	3	of	3	100%	Reserves:				
# Notices required	11	of	11	100%	Atty Case Analysis	3	of	3	100%	Adequate	3	of	5	60%
# Accurate	0	of	0	–	Interim Reports	4	of	4	100%	Adjusted Timely	3	of	5	60%
Total Benefit Notices:	11	of	11	100%	File and Serve timely	4	of	4	100%	Total Reserves	6	of	10	60%
On-line Documentation:					Issues Outlined	3	of	3	100%	Total UR:	5	of	5	100%
History of Injury	5	of	5	100%	CAE follow up/direction	3	of	3	100%	Organization:				
Investigation	4	of	5	80%	Summary of atty corres.	2	of	2	100%	File Organized	5	of	5	100%
Current Plan of Action	5	of	5	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	5	of	5	100%	CAE subpoenas records	0	of	0	–	Balance Sheet	0	of	5	0%
Prior Records Summary	3	of	3	100%	Authority for MSC	0	of	0	–	Totals:	82	of	92	89%
Total On-line Document.	22	of	23	96%	Total Lit. Mgmt	22	of	22	100%	Grand Total:	206	of	222	93%
Totals:	65	of	67	97%	Totals:	59	of	63	94%					

**CSU Sedgwick Claims Audit
Sacramento Data Sheet – June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	5	of	5	100%	Current Medical Report	7	of	7	100%	CAE	40	of	43	93%
Employee Completed	4	of	4	100%	Med Plan Documented	7	of	7	100%	Supervisor	17	of	17	100%
Supervisor	5	of	5	100%	Rationale for treatment	7	of	7	100%	Total Diary:	57	of	60	95%
Supervisor Completed	5	of	5	100%	Rx Documented	6	of	6	100%	Timely Benefits Total	3	of	3	100%
Coordinator	5	of	5	100%	Next appt. Noted	3	of	3	100%	Finalization:				
Coordinator Completed	5	of	5	100%	Timely Objection	0	of	0	–	Rating	1	of	1	100%
Medical Facility (opt)	5	of	5	100%	Clarification Sought?	3	of	3	100%	SAR in 30 days	0	of	1	0%
Total 3 pt. Contact:	34	of	34	100%	ISO/Index Search	5	of	7	71%	Award Accurate	0	of	0	–
Total Follow Up Contact:	12	of	17	71%	Release/Timely	5	of	5	100%	Total Finalization:	1	of	2	50%
Documents and Notices:					Release/Follow Up	2	of	2	100%	Excess Reporting				
DWC-1	5	of	6	83%	Prior records requested	2	of	2	100%	Carrier Notified	1	of	1	100%
5020	6	of	6	100%	Med Release in File	2	of	2	100%	Notified Timely	1	of	1	100%
5021	6	of	6	100%	Total Med Dir/Control	49	of	51	96%	Report Current	2	of	2	100%
Total Documents:	17	of	18	94%	Litigation Mgmt.					Total Excess:	4	of	4	100%
Benefit Notices:					Timely Referral	0	of	0	–	Reserves:				
# Notices required	20	of	20	100%	Atty Case Analysis	0	of	0	–	Adequate	6	of	7	86%
# Accurate	0	of	0	–	Interim Reports	0	of	0	–	Adjusted Timely	7	of	7	100%
Total Benefit Notices:	20	of	20	100%	File and Serve timely	0	of	0	–	Total Reserves	13	of	14	93%
On-line Documentation:					Issues Outlined	0	of	0	–	Total UR:	4	of	4	100%
History of Injury	7	of	7	100%	CAE follow up/direction	0	of	0	–	Organization:				
Investigation	6	of	7	86%	Summary of atty corres.	0	of	0	–	File Organized	7	of	7	100%
Current Plan of Action	7	of	7	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	5	of	7	71%	CAE subpoenas records	0	of	0	–	Balance Sheet	2	of	2	100%
Prior Records Summary	2	of	2	100%	Authority for MSC	0	of	0	–	Totals:	91	of	96	95%
Total On-line Document.	27	of	30	90%	Total Lit. Mgmt	0	of	0	–	Grand Total:	250	of	266	94%
Totals:	110	of	119	92%	Totals:	49	of	51	96%					

**CSU Sedgwick Claims Audit
San Diego Data Sheet — June 2017**

Initial Contact/Documentation					Claims Management				Process Control					
3 pt. Contact:					Medical Direction/Control				Diary:					
Employee	2	of	4	50%	Current Medical Report	7	of	9	78%	CAE	70	of	75	93%
Employee Completed	4	of	4	100%	Med Plan Documented	8	of	9	89%	Supervisor	13	of	13	100%
Supervisor	2	of	4	50%	Rationale for treatment	8	of	8	100%	Total Diary:	83	of	88	94%
Supervisor Completed	4	of	4	100%	Rx Documented	8	of	9	89%	Timely Benefits Total	8	of	8	100%
Coordinator	2	of	4	50%	Next appt. Noted	7	of	8	88%	Finalization:				
Coordinator Completed	4	of	4	100%	Timely Objection	2	of	2	100%	Rating	3	of	3	100%
Medical Facility (opt)	4	of	4	100%	Clarification Sought?	2	of	3	67%	SAR in 30 days	3	of	4	75%
Total 3 pt. Contact:	22	of	28	79%	ISO/Index Search	5	of	9	56%	Award Accurate	3	of	3	100%
Total Follow Up Contact:	13	of	16	81%	Release/Timely	4	of	4	100%	Total Finalization:	9	of	10	90%
Documents and Notices:					Release/Follow Up	1	of	2	50%	Excess Reporting				
DWC-1	7	of	8	88%	Prior records requested	0	of	0	—	Carrier Notified	2	of	2	100%
5020	9	of	9	100%	Med Release in File	2	of	2	100%	Notified Timely	2	of	2	100%
5021	7	of	7	100%	Total Med Dir/Control	54	of	65	83%	Report Current	2	of	2	100%
Total Documents:	23	of	24	96%	Litigation Mgmt.					Total Excess:	6	of	6	100%
Benefit Notices:					Timely Referral	2	of	2	100%	Reserves:				
# Notices required	34	of	34	100%	Atty Case Analysis	0	of	1	0%	Adequate	7	of	9	78%
# Accurate	0	of	0	—	Interim Reports	3	of	3	100%	Adjusted Timely	8	of	9	89%
Total Benefit Notices:	34	of	34	100%	File and Serve timely	1	of	1	100%	Total Reserves	15	of	18	83%
On-line Documentation:					Issues Outlined	2	of	2	100%	Total UR:	9	of	9	100%
History of Injury	9	of	9	100%	CAE follow up/direction	1	of	1	100%	Organization:				
Investigation	9	of	9	100%	Summary of atty corres.	1	of	3	33%	File Organized	9	of	9	100%
Current Plan of Action	9	of	9	100%	CAE sets medical appt.	0	of	0	—	Reconciliation:				
Follow Up on POA	9	of	9	100%	CAE subpoenas records	0	of	0	—	Balance Sheet	8	of	9	89%
Prior Records Summary	0	of	0	—	Authority for MSC	1	of	1	100%	Totals:	147	of	157	94%
Total On-line Document.	36	of	36	100%	Total Lit. Mgmt	11	of	14	79%	Grand Total:	340	of	374	91%
Totals:	128	of	138	93%	Totals:	65	of	79	82%					

**CSU Sedgwick Claims Audit
San Luis Obispo Data Sheet – June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	2	of	2	100%	Current Medical Report	7	of	7	100%	CAE	50	of	50	100%
Employee Completed	2	of	2	100%	Med Plan Documented	7	of	7	100%	Supervisor	9	of	9	100%
Supervisor	2	of	2	100%	Rationale for treatment	7	of	7	100%	Total Diary:	59	of	59	100%
Supervisor Completed	2	of	2	100%	Rx Documented	5	of	5	100%	Timely Benefits Total	7	of	7	100%
Coordinator	2	of	2	100%	Next appt. Noted	5	of	5	100%	Finalization:				
Coordinator Completed	2	of	2	100%	Timely Objection	4	of	5	80%	Rating	4	of	4	100%
Medical Facility (opt)	2	of	2	100%	Clarification Sought?	4	of	5	80%	SAR in 30 days	1	of	1	100%
Total 3 pt. Contact:	14	of	14	100%	ISO/Index Search	3	of	7	43%	Award Accurate	1	of	1	100%
Total Follow Up Contact:	19	of	19	100%	Release/Timely	4	of	4	100%	Total Finalization:	6	of	6	100%
Documents and Notices:					Release/Follow Up	4	of	4	100%	Excess Reporting				
DWC-1	6	of	7	86%	Prior records requested	2	of	3	67%	Carrier Notified	1	of	1	100%
5020	7	of	7	100%	Med Release in File	4	of	4	100%	Notified Timely	1	of	1	100%
5021	7	of	7	100%	Total Med Dir/Control	56	of	63	89%	Report Current	1	of	1	100%
Total Documents:	20	of	21	95%	Litigation Mgmt.					Total Excess:	3	of	3	100%
Benefit Notices:					Timely Referral	2	of	2	100%	Reserves:				
# Notices required	30	of	30	100%	Atty Case Analysis	2	of	2	100%	Adequate	5	of	7	71%
# Accurate	0	of	0	–	Interim Reports	2	of	2	100%	Adjusted Timely	5	of	7	71%
Total Benefit Notices:	30	of	30	100%	File and Serve timely	2	of	2	100%	Total Reserves	10	of	14	71%
On-line Documentation:					Issues Outlined	2	of	2	100%	Total UR:	6	of	6	100%
History of Injury	7	of	7	100%	CAE follow up/direction	2	of	2	100%	Organization:				
Investigation	7	of	7	100%	Summary of atty corres.	2	of	2	100%	File Organized	7	of	7	100%
Current Plan of Action	7	of	7	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	7	of	7	100%	CAE subpoenas records	2	of	2	100%	Balance Sheet	4	of	4	100%
Prior Records Summary	3	of	3	100%	Authority for MSC	0	of	0	–	Totals:	102	of	106	96%
Total On-line Document.	31	of	31	100%	Total Lit. Mgmt	16	of	16	100%	Grand Total:	288	of	300	96%
Totals:	114	of	115	99%	Totals:	72	of	79	91%					

**CSU Sedgwick Claims Audit
San Marcos Data Sheet — June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	1	of	1	100%	Current Medical Report	2	of	2	100%	CAE	12	of	12	100%
Employee Completed	1	of	1	100%	Med Plan Documented	2	of	2	100%	Supervisor	2	of	2	100%
Supervisor	1	of	1	100%	Rationale for treatment	2	of	2	100%	Total Diary:	14	of	14	100%
Supervisor Completed	1	of	1	100%	Rx Documented	2	of	2	100%	Timely Benefits Total	1	of	1	100%
Coordinator	1	of	1	100%	Next appt. Noted	2	of	2	100%	Finalization:				
Coordinator Completed	1	of	1	100%	Timely Objection	0	of	0	–	Rating	1	of	1	100%
Medical Facility (opt)	1	of	1	100%	Clarification Sought?	1	of	1	100%	SAR in 30 days	1	of	1	100%
Total 3 pt. Contact:	7	of	7	100%	ISO/Index Search	1	of	2	50%	Award Accurate	0	of	0	–
Total Follow Up Contact:	1	of	3	33%	Release/Timely	1	of	1	100%	Total Finalization:	2	of	2	100%
Documents and Notices:					Release/Follow Up	1	of	2	50%	Excess Reporting				
DWC-1	1	of	2	50%	Prior records requested	0	of	0	–	Carrier Notified	1	of	1	100%
5020	2	of	2	100%	Med Release in File	0	of	0	–	Notified Timely	1	of	1	100%
5021	1	of	2	50%	Total Med Dir/Control	14	of	16	88%	Report Current	1	of	1	100%
Total Documents:	4	of	6	67%	Litigation Mgmt.					Total Excess:	3	of	3	100%
Benefit Notices:					Timely Referral	0	of	0	–	Reserves:				
# Notices required	4	of	4	100%	Atty Case Analysis	0	of	0	–	Adequate	2	of	2	100%
# Accurate	0	of	0	–	Interim Reports	0	of	0	–	Adjusted Timely	2	of	2	100%
Total Benefit Notices:	4	of	4	100%	File and Serve timely	0	of	0	–	Total Reserves	4	of	4	100%
On-line Documentation:					Issues Outlined	0	of	0	–	Total UR:	2	of	2	100%
History of Injury	2	of	2	100%	CAE follow up/direction	0	of	0	–	Organization:				
Investigation	2	of	2	100%	Summary of atty corres.	0	of	0	–	File Organized	2	of	2	100%
Current Plan of Action	2	of	2	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	2	of	2	100%	CAE subpoenas records	0	of	0	–	Balance Sheet	0	of	1	0%
Prior Records Summary	0	of	0	–	Authority for MSC	0	of	0	–	Totals:	28	of	29	97%
Total On-line Document.	8	of	8	100%	Total Lit. Mgmt	0	of	0	–	Grand Total:	66	of	73	90%
Totals:	24	of	28	86%	Totals:	14	of	16	88%					

**CSU Sedgwick Claims Audit
Northridge Data Sheet — June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	3	of	5	60%	Current Medical Report	9	of	9	100%	CAE	74	of	76	97%
Employee Completed	5	of	5	100%	Med Plan Documented	10	of	10	100%	Supervisor	22	of	23	96%
Supervisor	4	of	6	67%	Rationale for treatment	10	of	10	100%	Total Diary:	96	of	99	97%
Supervisor Completed	6	of	6	100%	Rx Documented	8	of	8	100%	Timely Benefits Total	7	of	7	100%
Coordinator	4	of	6	67%	Next appt. Noted	5	of	5	100%	Finalization:				
Coordinator Completed	6	of	6	100%	Timely Objection	8	of	8	100%	Rating	3	of	3	100%
Medical Facility (opt)	4	of	5	80%	Clarification Sought?	7	of	9	78%	SAR in 30 days	1	of	3	33%
Total 3 pt. Contact:	32	of	39	82%	ISO/Index Search	6	of	10	60%	Award Accurate	1	of	1	100%
Total Follow Up Contact:	12	of	18	67%	Release/Timely	5	of	5	100%	Total Finalization:	5	of	7	71%
Documents and Notices:					Release/Follow Up	1	of	1	100%	Excess Reporting				
DWC-1	7	of	9	78%	Prior records requested	3	of	3	100%	Carrier Notified	1	of	1	100%
5020	10	of	10	100%	Med Release in File	5	of	5	100%	Notified Timely	1	of	1	100%
5021	8	of	8	100%	Total Med Dir/Control	77	of	83	93%	Report Current	2	of	2	100%
Total Documents:	25	of	27	93%	Litigation Mgmt.					Total Excess:	4	of	4	100%
Benefit Notices:					Timely Referral	1	of	1	100%	Reserves:				
# Notices required	22	of	22	100%	Atty Case Analysis	0	of	1	0%	Adequate	7	of	10	70%
# Accurate	0	of	1	0%	Interim Reports	3	of	3	100%	Adjusted Timely	8	of	10	80%
Total Benefit Notices:	22	of	23	96%	File and Serve timely	3	of	3	100%	Total Reserves	15	of	20	75%
On-line Documentation:					Issues Outlined	3	of	3	100%	Total UR:	6	of	8	75%
History of Injury	10	of	10	100%	CAE follow up/direction	3	of	4	75%	Organization:				
Investigation	9	of	10	90%	Summary of atty corres.	3	of	4	75%	File Organized	10	of	10	100%
Current Plan of Action	9	of	10	90%	CAE sets medical appt.	0	of	0	—	Reconciliation:				
Follow Up on POA	9	of	10	90%	CAE subpoenas records	0	of	2	0%	Balance Sheet	1	of	5	20%
Prior Records Summary	0	of	4	0%	Authority for MSC	1	of	1	100%	Totals:	144	of	160	90%
Total On-line Document.	37	of	44	84%	Total Lit. Mgmt	17	of	22	77%	Grand Total:	366	of	416	88%
Totals:	128	of	151	85%	Totals:	94	of	105	90%					

**CSU Sedgwick Claims Audit
Chico Data Sheet – June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	2	of	2	100%	Current Medical Report	5	of	5	100%	CAE	36	of	36	100%
Employee Completed	2	of	2	100%	Med Plan Documented	5	of	5	100%	Supervisor	10	of	10	100%
Supervisor	2	of	2	100%	Rationale for treatment	5	of	5	100%	Total Diary:	46	of	46	100%
Supervisor Completed	1	of	2	50%	Rx Documented	5	of	5	100%	Timely Benefits Total	3	of	3	100%
Coordinator	2	of	2	100%	Next appt. Noted	4	of	4	100%	Finalization:				
Coordinator Completed	2	of	2	100%	Timely Objection	4	of	4	100%	Rating	3	of	3	100%
Medical Facility (opt)	2	of	2	100%	Clarification Sought?	4	of	4	100%	SAR in 30 days	1	of	2	50%
Total 3 pt. Contact:	13	of	14	93%	ISO/Index Search	5	of	5	100%	Award Accurate	1	of	1	100%
Total Follow Up Contact:	12	of	12	100%	Release/Timely	2	of	2	100%	Total Finalization:	5	of	6	83%
Documents and Notices:					Release/Follow Up	0	of	0	–	Excess Reporting				
DWC-1	2	of	2	100%	Prior records requested	2	of	2	100%	Carrier Notified	2	of	2	100%
5020	2	of	2	100%	Med Release in File	2	of	2	100%	Notified Timely	1	of	1	100%
5021	2	of	2	100%	Total Med Dir/Control	43	of	43	100%	Report Current	2	of	2	100%
Total Documents:	6	of	6	100%	Litigation Mgmt.					Total Excess:	5	of	5	100%
Benefit Notices:					Timely Referral	2	of	2	100%	Reserves:				
# Notices required	8	of	8	100%	Atty Case Analysis	2	of	3	67%	Adequate	4	of	5	80%
# Accurate	0	of	0	–	Interim Reports	3	of	3	100%	Adjusted Timely	4	of	5	80%
Total Benefit Notices:	8	of	8	100%	File and Serve timely	4	of	4	100%	Total Reserves	8	of	10	80%
On-line Documentation:					Issues Outlined	3	of	3	100%	Total UR:	4	of	4	100%
History of Injury	5	of	5	100%	CAE follow up/direction	3	of	3	100%	Organization:				
Investigation	5	of	5	100%	Summary of atty corres.	3	of	3	100%	File Organized	5	of	5	100%
Current Plan of Action	5	of	5	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	4	of	5	80%	CAE subpoenas records	1	of	1	100%	Balance Sheet	2	of	2	100%
Prior Records Summary	2	of	2	100%	Authority for MSC	0	of	0	–	Totals:	78	of	81	96%
Total On-line Document.	21	of	22	95%	Total Lit. Mgmt	21	of	22	95%	Grand Total:	202	of	208	97%
Totals:	60	of	62	97%	Totals:	64	of	65	98%					

**CSU Sedgwick Claims Audit
Fresno Data Sheet — June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	2	of	2	100%	Current Medical Report	5	of	5	100%	CAE	40	of	40	100%
Employee Completed	2	of	2	100%	Med Plan Documented	5	of	5	100%	Supervisor	7	of	7	100%
Supervisor	2	of	2	100%	Rationale for treatment	5	of	5	100%	Total Diary:	47	of	47	100%
Supervisor Completed	1	of	2	50%	Rx Documented	5	of	5	100%	Timely Benefits Total	5	of	10	50%
Coordinator	2	of	2	100%	Next appt. Noted	4	of	4	100%	Finalization:				
Coordinator Completed	2	of	2	100%	Timely Objection	2	of	2	100%	Rating	1	of	1	100%
Medical Facility (opt)	2	of	2	100%	Clarification Sought?	3	of	3	100%	SAR in 30 days	1	of	2	50%
Total 3 pt. Contact:	13	of	14	93%	ISO/Index Search	2	of	5	40%	Award Accurate	2	of	2	100%
Total Follow Up Contact:	9	of	9	100%	Release/Timely	2	of	2	100%	Total Finalization:	4	of	5	80%
Documents and Notices:					Release/Follow Up	0	of	0	—	Excess Reporting				
DWC-1	5	of	5	100%	Prior records requested	2	of	2	100%	Carrier Notified	2	of	2	100%
5020	5	of	5	100%	Med Release in File	2	of	2	100%	Notified Timely	1	of	2	50%
5021	3	of	4	75%	Total Med Dir/Control	37	of	40	93%	Report Current	2	of	2	100%
Total Documents:	13	of	14	93%	Litigation Mgmt.					Total Excess:	5	of	6	83%
Benefit Notices:					Timely Referral	0	of	0	—	Reserves:				
# Notices required	13	of	13	100%	Atty Case Analysis	0	of	0	—	Adequate	5	of	5	100%
# Accurate	0	of	0	—	Interim Reports	2	of	2	100%	Adjusted Timely	4	of	5	80%
Total Benefit Notices:	13	of	13	100%	File and Serve timely	2	of	2	100%	Total Reserves	9	of	10	90%
On-line Documentation:					Issues Outlined	2	of	2	100%	Total UR:	5	of	5	100%
History of Injury	5	of	5	100%	CAE follow up/direction	2	of	2	100%	Organization:				
Investigation	5	of	5	100%	Summary of atty corres.	2	of	2	100%	File Organized	5	of	5	100%
Current Plan of Action	5	of	5	100%	CAE sets medical appt.	0	of	0	—	Reconciliation:				
Follow Up on POA	5	of	5	100%	CAE subpoenas records	0	of	0	—	Balance Sheet	1	of	1	100%
Prior Records Summary	2	of	2	100%	Authority for MSC	1	of	1	100%	Totals:	81	of	89	91%
Total On-line Document.	22	of	22	100%	Total Lit. Mgmt	11	of	11	100%	Totals:	70	of	72	97%
Totals:	70	of	72	97%	Totals:	48	of	51	94%	Grand Total:	199	of	212	94%

**CSU Sedgwick Claims Audit
Fullerton Data Sheet — June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	4	of	4	100%	Current Medical Report	7	of	7	100%	CAE	56	of	57	98%
Employee Completed	4	of	4	100%	Med Plan Documented	7	of	7	100%	Supervisor	11	of	11	100%
Supervisor	4	of	4	100%	Rationale for treatment	7	of	7	100%	Total Diary:	67	of	68	99%
Supervisor Completed	3	of	3	100%	Rx Documented	7	of	7	100%	Timely Benefits Total	6	of	6	100%
Coordinator	4	of	4	100%	Next appt. Noted	6	of	6	100%	Finalization:				
Coordinator Completed	4	of	4	100%	Timely Objection	5	of	5	100%	Rating	3	of	3	100%
Medical Facility (opt)	4	of	4	100%	Clarification Sought?	7	of	7	100%	SAR in 30 days	1	of	3	33%
Total 3 pt. Contact:	27	of	27	100%	ISO/Index Search	4	of	7	57%	Award Accurate	1	of	1	100%
Total Follow Up Contact:	12	of	14	86%	Release/Timely	4	of	4	100%	Total Finalization:	5	of	7	71%
Documents and Notices:					Release/Follow Up	2	of	3	67%	Excess Reporting				
DWC-1	7	of	7	100%	Prior records requested	2	of	2	100%	Carrier Notified	0	of	0	–
5020	7	of	7	100%	Med Release in File	2	of	2	100%	Notified Timely	1	of	1	100%
5021	6	of	7	86%	Total Med Dir/Control	60	of	64	94%	Report Current	1	of	1	100%
Total Documents:	20	of	21	95%	Litigation Mgmt.					Total Excess:	2	of	2	100%
Benefit Notices:					Timely Referral	1	of	2	50%	Reserves:				
# Notices required	19	of	19	100%	Atty Case Analysis	3	of	3	100%	Adequate	6	of	7	86%
# Accurate	0	of	0	–	Interim Reports	3	of	4	75%	Adjusted Timely	6	of	7	86%
Total Benefit Notices:	19	of	19	100%	File and Serve timely	3	of	3	100%	Total Reserves	12	of	14	86%
On-line Documentation:					Issues Outlined	4	of	4	100%	Total UR:	7	of	8	88%
History of Injury	7	of	7	100%	CAE follow up/direction	4	of	4	100%	Organization:				
Investigation	6	of	7	86%	Summary of atty corres.	4	of	4	100%	File Organized	7	of	7	100%
Current Plan of Action	7	of	7	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	7	of	7	100%	CAE subpoenas records	1	of	1	100%	Balance Sheet	5	of	6	83%
Prior Records Summary	3	of	3	100%	Authority for MSC	2	of	2	100%	Totals:	111	of	118	94%
Total On-line Document.	30	of	31	97%	Total Lit. Mgmt	25	of	27	93%	Grand Total:	304	of	321	95%
Totals:	108	of	112	96%	Totals:	85	of	91	93%					

**CSU Sedgwick Claims Audit
Humboldt Data Sheet — June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	1	of	1	100%	Current Medical Report	2	of	3	67%	CAE	27	of	29	93%
Employee Completed	1	of	1	100%	Med Plan Documented	4	of	4	100%	Supervisor	4	of	5	80%
Supervisor	1	of	1	100%	Rationale for treatment	4	of	4	100%	Total Diary:	31	of	34	91%
Supervisor Completed	1	of	1	100%	Rx Documented	4	of	4	100%	Timely Benefits Total	3	of	3	100%
Coordinator	1	of	1	100%	Next appt. Noted	2	of	2	100%	Finalization:				
Coordinator Completed	1	of	1	100%	Timely Objection	1	of	1	100%	Rating	0	of	0	—
Medical Facility (opt)	1	of	1	100%	Clarification Sought?	3	of	3	100%	SAR in 30 days	0	of	0	—
Total 3 pt. Contact:	7	of	7	100%	ISO/Index Search	1	of	4	25%	Award Accurate	0	of	0	—
Total Follow Up Contact:	6	of	9	67%	Release/Timely	0	of	1	0%	Total Finalization:	0	of	0	—
Documents and Notices:					Release/Follow Up	0	of	0	—	Excess Reporting				
DWC-1	3	of	3	100%	Prior records requested	0	of	0	—	Carrier Notified	0	of	1	0%
5020	3	of	3	100%	Med Release in File	0	of	0	—	Notified Timely	0	of	1	0%
5021	3	of	3	100%	Total Med Dir/Control	21	of	26	81%	Report Current	2	of	2	100%
Total Documents:	9	of	9	100%	Litigation Mgmt.					Total Excess:	2	of	4	50%
Benefit Notices:					Timely Referral	0	of	0	—	Reserves:				
# Notices required	7	of	7	100%	Atty Case Analysis	0	of	0	—	Adequate	3	of	4	75%
# Accurate	0	of	0	—	Interim Reports	1	of	1	100%	Adjusted Timely	3	of	4	75%
Total Benefit Notices:	7	of	7	100%	File and Serve timely	1	of	1	100%	Total Reserves	6	of	8	75%
On-line Documentation:					Issues Outlined	1	of	1	100%	Total UR:	3	of	3	100%
History of Injury	4	of	4	100%	CAE follow up/direction	1	of	1	100%	Organization:				
Investigation	4	of	4	100%	Summary of atty corres.	1	of	1	100%	File Organized	3	of	4	75%
Current Plan of Action	4	of	4	100%	CAE sets medical appt.	0	of	0	—	Reconciliation:				
Follow Up on POA	4	of	4	100%	CAE subpoenas records	0	of	0	—	Balance Sheet	0	of	3	0%
Prior Records Summary	0	of	0	—	Authority for MSC	0	of	0	—	Totals:	48	of	59	81%
Total On-line Document.	16	of	16	100%	Total Lit. Mgmt	5	of	5	100%	Grand Total:	119	of	138	86%
Totals:	45	of	48	94%	Totals:	26	of	31	84%					

**CSU Sedgwick Claims Audit
Long Beach Data Sheet – June 2017**

Initial Contact/Documentation					Claims Management				Process Control					
3 pt. Contact:					Medical Direction/Control				Diary:					
Employee	3	of	3	100%	Current Medical Report	6	of	7	86%	CAE	45	of	49	92%
Employee Completed	3	of	3	100%	Med Plan Documented	7	of	7	100%	Supervisor	11	of	11	100%
Supervisor	3	of	3	100%	Rationale for treatment	7	of	7	100%	Total Diary:	56	of	60	93%
Supervisor Completed	2	of	2	100%	Rx Documented	6	of	6	100%	Timely Benefits Total	5	of	5	100%
Coordinator	3	of	3	100%	Next appt. Noted	6	of	6	100%	Finalization:				
Coordinator Completed	3	of	3	100%	Timely Objection	4	of	5	80%	Rating	4	of	4	100%
Medical Facility (opt)	3	of	3	100%	Clarification Sought?	4	of	7	57%	SAR in 30 days	0	of	1	0%
Total 3 pt. Contact:	20	of	20	100%	ISO/Index Search	1	of	7	14%	Award Accurate	0	of	0	–
Total Follow Up Contact:	3	of	7	43%	Release/Timely	2	of	2	100%	Total Finalization:	4	of	5	80%
Documents and Notices:					Release/Follow Up	1	of	1	100%	Excess Reporting				
DWC-1	6	of	6	100%	Prior records requested	0	of	2	0%	Carrier Notified	0	of	0	–
5020	6	of	6	100%	Med Release in File	2	of	2	100%	Notified Timely	0	of	0	–
5021	6	of	6	100%	Total Med Dir/Control	46	of	59	78%	Report Current	2	of	2	100%
Total Documents:	18	of	18	100%	Litigation Mgmt.					Total Excess:	2	of	2	100%
Benefit Notices:					Timely Referral	1	of	1	100%	Reserves:				
# Notices required	17	of	17	100%	Atty Case Analysis	1	of	1	100%	Adequate	5	of	8	63%
# Accurate	0	of	0	–	Interim Reports	4	of	4	100%	Adjusted Timely	5	of	8	63%
Total Benefit Notices:	17	of	17	100%	File and Serve timely	3	of	3	100%	Total Reserves	10	of	16	63%
On-line Documentation:					Issues Outlined	4	of	4	100%	Total UR:	7	of	7	100%
History of Injury	8	of	8	100%	CAE follow up/direction	4	of	4	100%	Organization:				
Investigation	7	of	8	88%	Summary of atty corres.	4	of	4	100%	File Organized	8	of	8	100%
Current Plan of Action	6	of	8	75%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	5	of	8	63%	CAE subpoenas records	1	of	2	50%	Balance Sheet	6	of	6	100%
Prior Records Summary	0	of	0	–	Authority for MSC	1	of	1	100%	Totals:	98	of	109	90%
Total On-line Document.	26	of	32	81%	Total Lit. Mgmt	23	of	24	96%	Grand Total:	251	of	286	88%
Totals:	84	of	94	89%	Totals:	69	of	83	83%					

**CSU Sedgwick Claims Audit
Los Angeles Data Sheet — June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	2	of	2	100%	Current Medical Report	4	of	4	100%	CAE	37	of	37	100%
Employee Completed	2	of	2	100%	Med Plan Documented	4	of	4	100%	Supervisor	11	of	11	100%
Supervisor	2	of	2	100%	Rationale for treatment	4	of	4	100%	Total Diary:	48	of	48	100%
Supervisor Completed	2	of	2	100%	Rx Documented	4	of	4	100%	Timely Benefits Total	1	of	1	100%
Coordinator	2	of	2	100%	Next appt. Noted	4	of	4	100%	Finalization:				
Coordinator Completed	2	of	2	100%	Timely Objection	4	of	4	100%	Rating	2	of	2	100%
Medical Facility (opt)	1	of	1	100%	Clarification Sought?	3	of	4	75%	SAR in 30 days	1	of	2	50%
Total 3 pt. Contact:	13	of	13	100%	ISO/Index Search	5	of	5	100%	Award Accurate	1	of	1	100%
Total Follow Up Contact:	8	of	8	100%	Release/Timely	2	of	2	100%	Total Finalization:	4	of	5	80%
Documents and Notices:					Release/Follow Up	2	of	2	100%	Excess Reporting				
DWC-1	4	of	4	100%	Prior records requested	1	of	1	100%	Carrier Notified	1	of	1	100%
5020	5	of	5	100%	Med Release in File	1	of	1	100%	Notified Timely	1	of	1	100%
5021	3	of	3	100%	Total Med Dir/Control	38	of	39	97%	Report Current	1	of	1	100%
Total Documents:	12	of	12	100%	Litigation Mgmt.					Total Excess:	3	of	3	100%
Benefit Notices:					Timely Referral	1	of	1	100%	Reserves:				
# Notices required	17	of	17	100%	Atty Case Analysis	1	of	1	100%	Adequate	5	of	6	83%
# Accurate	0	of	0	—	Interim Reports	3	of	3	100%	Adjusted Timely	5	of	6	83%
Total Benefit Notices:	17	of	17	100%	File and Serve timely	3	of	3	100%	Total Reserves	10	of	12	83%
On-line Documentation:					Issues Outlined	3	of	3	100%	Total UR:	4	of	5	80%
History of Injury	6	of	6	100%	CAE follow up/direction	3	of	3	100%	Organization:				
Investigation	6	of	6	100%	Summary of atty corres.	2	of	2	100%	File Organized	6	of	6	100%
Current Plan of Action	6	of	6	100%	CAE sets medical appt.	1	of	1	100%	Reconciliation:				
Follow Up on POA	6	of	6	100%	CAE subpoenas records	1	of	1	100%	Balance Sheet	4	of	4	100%
Prior Records Summary	1	of	1	100%	Authority for MSC	1	of	3	33%	Totals:	80	of	84	95%
Total On-line Document.	25	of	25	100%	Total Lit. Mgmt	19	of	21	90%	Grand Total:	212	of	219	97%
Totals:	75	of	75	100%	Totals:	57	of	60	95%					

**CSU Sedgwick Claims Audit
Maritime Academy Data Sheet – June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	2	of	2	100%	Current Medical Report	2	of	2	100%	CAE	17	of	18	94%
Employee Completed	2	of	2	100%	Med Plan Documented	2	of	2	100%	Supervisor	4	of	4	100%
Supervisor	0	of	2	0%	Rationale for treatment	2	of	2	100%	Total Diary:	21	of	22	95%
Supervisor Completed	0	of	2	0%	Rx Documented	0	of	0	–	Timely Benefits Total	2	of	3	67%
Coordinator	2	of	2	100%	Next appt. Noted	1	of	1	100%	Finalization:				
Coordinator Completed	2	of	2	100%	Timely Objection	0	of	0	–	Rating	1	of	1	100%
Medical Facility (opt)	1	of	1	100%	Clarification Sought?	0	of	1	0%	SAR in 30 days	1	of	1	100%
Total 3 pt. Contact:	9	of	13	69%	ISO/Index Search	2	of	2	100%	Award Accurate	0	of	0	–
Total Follow Up Contact:	0	of	3	0%	Release/Timely	1	of	2	50%	Total Finalization:	3	of	3	100%
Documents and Notices:					Release/Follow Up	0	of	1	0%	Excess Reporting				
DWC-1	1	of	2	50%	Prior records requested	0	of	0	–	Carrier Notified	1	of	1	100%
5020	2	of	2	100%	Med Release in File	1	of	1	100%	Notified Timely	1	of	1	100%
5021	2	of	2	100%	Total Med Dir/Control	11	of	14	79%	Report Current	0	of	1	0%
Total Documents:	5	of	6	83%	Litigation Mgmt.					Total Excess:	2	of	3	67%
Benefit Notices:					Timely Referral	1	of	1	100%	Reserves:				
# Notices required	7	of	8	88%	Atty Case Analysis	1	of	1	100%	Adequate	2	of	2	100%
# Accurate	0	of	0	–	Interim Reports	0	of	0	–	Adjusted Timely	1	of	1	100%
Total Benefit Notices:	7	of	8	88%	File and Serve timely	0	of	0	–	Total Reserves	3	of	3	100%
On-line Documentation:					Issues Outlined	0	of	0	–	Total UR:	2	of	2	100%
History of Injury	2	of	2	100%	CAE follow up/direction	0	of	1	0%	Organization:				
Investigation	0	of	2	0%	Summary of atty corres.	1	of	1	100%	File Organized	1	of	2	50%
Current Plan of Action	2	of	2	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	2	of	2	100%	CAE subpoenas records	0	of	0	–	Balance Sheet	0	of	0	–
Prior Records Summary	0	of	0	–	Authority for MSC	0	of	0	–	Totals:	34	of	38	89%
Total On-line Document.	6	of	8	75%	Total Lit. Mgmt	3	of	4	75%	Grand Total:	75	of	94	80%
Totals:	27	of	38	71%	Totals:	14	of	18	78%					

**CSU Sedgwick Claims Audit
Monterey Bay Data Sheet — June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	0	of	0	–	Current Medical Report	2	of	3	67%	CAE	17	of	18	94%
Employee Completed	0	of	0	–	Med Plan Documented	2	of	2	100%	Supervisor	4	of	4	100%
Supervisor	0	of	0	–	Rationale for treatment	2	of	2	100%	Total Diary:	21	of	22	95%
Supervisor Completed	0	of	0	–	Rx Documented	1	of	2	50%	Timely Benefits Total	0	of	1	0%
Coordinator	0	of	0	–	Next appt. Noted	1	of	1	100%	Finalization:				
Coordinator Completed	0	of	0	–	Timely Objection	2	of	2	100%	Rating	2	of	2	100%
Medical Facility (opt)	0	of	0	–	Clarification Sought?	2	of	2	100%	SAR in 30 days	2	of	3	67%
Total 3 pt. Contact:	0	of	0	–	ISO/Index Search	0	of	2	0%	Award Accurate	1	of	2	50%
Total Follow Up Contact:	6	of	6	100%	Release/Timely	0	of	0	–	Total Finalization:	5	of	7	71%
Documents and Notices:					Release/Follow Up	0	of	0	–	Excess Reporting				
DWC-1	3	of	3	100%	Prior records requested	0	of	0	–	Carrier Notified	0	of	0	–
5020	3	of	3	100%	Med Release in File	0	of	0	–	Notified Timely	0	of	1	0%
5021	1	of	3	33%	Total Med Dir/Control	12	of	16	75%	Report Current	1	of	1	100%
Total Documents:	7	of	9	78%	Litigation Mgmt.					Total Excess:	1	of	2	50%
Benefit Notices:					Timely Referral	2	of	2	100%	Reserves:				
# Notices required	5	of	5	100%	Atty Case Analysis	2	of	2	100%	Adequate	2	of	3	67%
# Accurate	0	of	0	–	Interim Reports	1	of	1	100%	Adjusted Timely	3	of	3	100%
Total Benefit Notices:	5	of	5	100%	File and Serve timely	1	of	1	100%	Total Reserves	5	of	6	83%
On-line Documentation:					Issues Outlined	1	of	1	100%	Total UR:	1	of	2	50%
History of Injury	3	of	3	100%	CAE follow up/direction	1	of	1	100%	Organization:				
Investigation	3	of	3	100%	Summary of atty corres.	1	of	1	100%	File Organized	3	of	3	100%
Current Plan of Action	3	of	3	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	2	of	3	67%	CAE subpoenas records	0	of	0	–	Balance Sheet	0	of	1	0%
Prior Records Summary	0	of	0	–	Authority for MSC	1	of	1	100%	Totals:	36	of	44	82%
Total On-line Document.	11	of	12	92%	Total Lit. Mgmt	10	of	10	100%	Grand Total:	87	of	102	85%
Totals:	29	of	32	91%	Totals:	22	of	26	85%					

**CSU Sedgwick Claims Audit
Pomona Data Sheet – June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	2	of	2	100%	Current Medical Report	7	of	7	100%	CAE	36	of	43	84%
Employee Completed	2	of	2	100%	Med Plan Documented	7	of	7	100%	Supervisor	7	of	7	100%
Supervisor	2	of	2	100%	Rationale for treatment	7	of	7	100%	Total Diary:	43	of	50	86%
Supervisor Completed	2	of	2	100%	Rx Documented	6	of	6	100%	Timely Benefits Total	7	of	7	100%
Coordinator	2	of	2	100%	Next appt. Noted	6	of	6	100%	Finalization:				
Coordinator Completed	2	of	2	100%	Timely Objection	3	of	4	75%	Rating	3	of	3	100%
Medical Facility (opt)	2	of	2	100%	Clarification Sought?	4	of	6	67%	SAR in 30 days	3	of	5	60%
Total 3 pt. Contact:	14	of	14	100%	ISO/Index Search	2	of	6	33%	Award Accurate	1	of	1	100%
Total Follow Up Contact:	3	of	8	38%	Release/Timely	2	of	2	100%	Total Finalization:	7	of	9	78%
Documents and Notices:					Release/Follow Up	1	of	2	50%	Excess Reporting				
DWC-1	5	of	6	83%	Prior records requested	1	of	1	100%	Carrier Notified	1	of	1	100%
5020	3	of	6	50%	Med Release in File	0	of	0	–	Notified Timely	2	of	2	100%
5021	5	of	6	83%	Total Med Dir/Control	46	of	54	85%	Report Current	3	of	4	75%
Total Documents:	13	of	18	72%	Litigation Mgmt.					Total Excess:	6	of	7	86%
Benefit Notices:					Timely Referral	1	of	1	100%	Reserves:				
# Notices required	19	of	19	100%	Atty Case Analysis	1	of	1	100%	Adequate	6	of	7	86%
# Accurate	0	of	0	–	Interim Reports	3	of	3	100%	Adjusted Timely	7	of	7	100%
Total Benefit Notices:	19	of	19	100%	File and Serve timely	3	of	3	100%	Total Reserves	13	of	14	93%
On-line Documentation:					Issues Outlined	3	of	3	100%	Total UR:	6	of	6	100%
History of Injury	7	of	7	100%	CAE follow up/direction	3	of	3	100%	Organization:				
Investigation	7	of	7	100%	Summary of atty corres.	3	of	3	100%	File Organized	7	of	7	100%
Current Plan of Action	6	of	7	86%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	4	of	7	57%	CAE subpoenas records	1	of	1	100%	Balance Sheet	2	of	4	50%
Prior Records Summary	1	of	1	100%	Authority for MSC	3	of	3	100%	Totals:	91	of	104	88%
Total On-line Document.	25	of	29	86%	Total Lit. Mgmt	21	of	21	100%	Grand Total:	232	of	267	87%
Totals:	74	of	88	84%	Totals:	67	of	75	89%					

**CSU Sedgwick Claims Audit
San Bernardino Data Sheet – June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	2	of	3	67%	Current Medical Report	6	of	6	100%	CAE	35	of	48	73%
Employee Completed	2	of	2	100%	Med Plan Documented	6	of	6	100%	Supervisor	10	of	12	83%
Supervisor	1	of	3	33%	Rationale for treatment	6	of	6	100%	Total Diary:	45	of	60	75%
Supervisor Completed	2	of	3	67%	Rx Documented	6	of	6	100%	Timely Benefits Total	3	of	6	50%
Coordinator	2	of	3	67%	Next appt. Noted	5	of	5	100%	Finalization:				
Coordinator Completed	2	of	3	67%	Timely Objection	4	of	4	100%	Rating	1	of	1	100%
Medical Facility (opt)	3	of	3	100%	Clarification Sought?	3	of	4	75%	SAR in 30 days	0	of	1	0%
Total 3 pt. Contact:	14	of	20	70%	ISO/Index Search	2	of	6	33%	Award Accurate	0	of	0	–
Total Follow Up Contact:	3	of	6	50%	Release/Timely	2	of	2	100%	Total Finalization:	1	of	2	50%
Documents and Notices:					Release/Follow Up	0	of	0	–	Excess Reporting				
DWC-1	4	of	5	80%	Prior records requested	0	of	1	0%	Carrier Notified	1	of	2	50%
5020	5	of	5	100%	Med Release in File	1	of	1	100%	Notified Timely	0	of	2	0%
5021	4	of	5	80%	Total Med Dir/Control	41	of	47	87%	Report Current	1	of	1	100%
Total Documents:	13	of	15	87%	Litigation Mgmt.					Total Excess:	2	of	5	40%
Benefit Notices:					Timely Referral	4	of	4	100%	Reserves:				
# Notices required	12	of	16	75%	Atty Case Analysis	3	of	4	75%	Adequate	4	of	6	67%
# Accurate	0	of	0	–	Interim Reports	4	of	4	100%	Adjusted Timely	1	of	6	17%
Total Benefit Notices:	12	of	16	75%	File and Serve timely	4	of	4	100%	Total Reserves	5	of	12	42%
On-line Documentation:					Issues Outlined	4	of	4	100%	Total UR:	6	of	6	100%
History of Injury	6	of	6	100%	CAE follow up/direction	4	of	4	100%	Organization:				
Investigation	2	of	5	40%	Summary of atty corres.	3	of	4	75%	File Organized	4	of	5	80%
Current Plan of Action	2	of	6	33%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	5	of	6	83%	CAE subpoenas records	1	of	3	33%	Balance Sheet	0	of	3	0%
Prior Records Summary	1	of	2	50%	Authority for MSC	0	of	0	–	Totals:	66	of	99	67%
Total On-line Document.	16	of	25	64%	Total Lit. Mgmt	27	of	31	87%	Grand Total:	192	of	259	74%
Totals:	58	of	82	71%	Totals:	68	of	78	87%					

**CSU Sedgwick Claims Audit
San Francisco Data Sheet – June 2017**

Initial Contact/Documentation					Claims Management					Process Control				
3 pt. Contact:					Medical Direction/Control					Diary:				
Employee	3	of	5	60%	Current Medical Report	10	of	10	100%	CAE	78	of	78	100%
Employee Completed	5	of	5	100%	Med Plan Documented	9	of	10	90%	Supervisor	12	of	14	86%
Supervisor	3	of	5	60%	Rationale for treatment	10	of	10	100%	Total Diary:	90	of	92	98%
Supervisor Completed	5	of	5	100%	Rx Documented	9	of	9	100%	Timely Benefits Total	8	of	10	80%
Coordinator	4	of	5	80%	Next appt. Noted	6	of	6	100%	Finalization:				
Coordinator Completed	5	of	5	100%	Timely Objection	10	of	10	100%	Rating	3	of	3	100%
Medical Facility (opt)	2	of	5	40%	Clarification Sought?	9	of	9	100%	SAR in 30 days	1	of	2	50%
Total 3 pt. Contact:	27	of	35	77%	ISO/Index Search	9	of	10	90%	Award Accurate	3	of	3	100%
Total Follow Up Contact:	10	of	15	67%	Release/Timely	3	of	3	100%	Total Finalization:	7	of	8	88%
Documents and Notices:					Release/Follow Up	2	of	2	100%	Excess Reporting				
DWC-1	9	of	9	100%	Prior records requested	1	of	2	50%	Carrier Notified	3	of	3	100%
5020	9	of	9	100%	Med Release in File	3	of	3	100%	Notified Timely	3	of	3	100%
5021	8	of	8	100%	Total Med Dir/Control	81	of	84	96%	Report Current	3	of	3	100%
Total Documents:	26	of	26	100%	Litigation Mgmt.					Total Excess:	9	of	9	100%
Benefit Notices:					Timely Referral	3	of	3	100%	Reserves:				
# Notices required	25	of	27	93%	Atty Case Analysis	2	of	3	67%	Adequate	9	of	10	90%
# Accurate	0	of	0	–	Interim Reports	3	of	4	75%	Adjusted Timely	8	of	10	80%
Total Benefit Notices:	25	of	27	93%	File and Serve timely	4	of	4	100%	Total Reserves	17	of	20	85%
On-line Documentation:					Issues Outlined	4	of	4	100%	Total UR:	10	of	10	100%
History of Injury	10	of	10	100%	CAE follow up/direction	3	of	4	75%	Organization:				
Investigation	10	of	10	100%	Summary of atty corres.	2	of	4	50%	File Organized	10	of	10	100%
Current Plan of Action	10	of	10	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	10	of	10	100%	CAE subpoenas records	1	of	2	50%	Balance Sheet	0	of	8	0%
Prior Records Summary	1	of	2	50%	Authority for MSC	2	of	2	100%	Totals:	151	of	167	90%
Total On-line Document.	41	of	42	98%	Total Lit. Mgmt	24	of	30	80%	Grand Total:	385	of	426	90%
Totals:	129	of	145	89%	Totals:	105	of	114	92%					

**CSU Sedgwick Claims Audit
San José Data Sheet – June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	2	of	2	100%	Current Medical Report	4	of	5	80%	CAE	36	of	40	90%
Employee Completed	1	of	2	50%	Med Plan Documented	5	of	5	100%	Supervisor	7	of	7	100%
Supervisor	0	of	1	0%	Rationale for treatment	5	of	5	100%	Total Diary:	43	of	47	91%
Supervisor Completed	0	of	1	0%	Rx Documented	5	of	5	100%	Timely Benefits Total	4	of	6	67%
Coordinator	2	of	2	100%	Next appt. Noted	3	of	4	75%	Finalization:				
Coordinator Completed	2	of	2	100%	Timely Objection	3	of	3	100%	Rating	2	of	2	100%
Medical Facility (opt)	2	of	2	100%	Clarification Sought?	4	of	5	80%	SAR in 30 days	0	of	2	0%
Total 3 pt. Contact:	9	of	12	75%	ISO/Index Search	3	of	5	60%	Award Accurate	0	of	0	–
Total Follow Up Contact:	7	of	12	58%	Release/Timely	2	of	2	100%	Total Finalization:	2	of	4	50%
Documents and Notices:					Release/Follow Up	1	of	1	100%	Excess Reporting				
DWC-1	4	of	4	100%	Prior records requested	0	of	0	–	Carrier Notified	2	of	2	100%
5020	5	of	5	100%	Med Release in File	1	of	1	100%	Notified Timely	1	of	2	50%
5021	4	of	4	100%	Total Med Dir/Control	36	of	41	88%	Report Current	1	of	1	100%
Total Documents:	13	of	13	100%	Litigation Mgmt.					Total Excess:	4	of	5	80%
Benefit Notices:					Timely Referral	3	of	3	100%	Reserves:				
# Notices required	10	of	11	91%	Atty Case Analysis	3	of	3	100%	Adequate	3	of	5	60%
# Accurate	0	of	0	–	Interim Reports	4	of	4	100%	Adjusted Timely	2	of	5	40%
Total Benefit Notices:	10	of	11	91%	File and Serve timely	3	of	3	100%	Total Reserves	5	of	10	50%
On-line Documentation:					Issues Outlined	4	of	4	100%	Total UR:	5	of	5	100%
History of Injury	5	of	5	100%	CAE follow up/direction	3	of	4	75%	Organization:				
Investigation	5	of	5	100%	Summary of atty corres.	4	of	4	100%	File Organized	5	of	5	100%
Current Plan of Action	2	of	5	40%	CAE sets medical appt.	1	of	1	100%	Reconciliation:				
Follow Up on POA	5	of	5	100%	CAE subpoenas records	0	of	0	–	Balance Sheet	0	of	4	0%
Prior Records Summary	0	of	0	–	Authority for MSC	0	of	1	0%	Totals:	68	of	86	79%
Total On-line Document.	17	of	20	85%	Total Lit. Mgmt	25	of	27	93%	Grand Total:	185	of	222	83%
Totals:	56	of	68	82%	Totals:	61	of	68	90%					

**CSU Sedgwick Claims Audit
Sonoma Data Sheet — June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	2	of	2	100%	Current Medical Report	4	of	4	100%	CAE	26	of	30	87%
Employee Completed	2	of	2	100%	Med Plan Documented	4	of	4	100%	Supervisor	6	of	6	100%
Supervisor	2	of	2	100%	Rationale for treatment	4	of	4	100%	Total Diary:	32	of	36	89%
Supervisor Completed	2	of	2	100%	Rx Documented	4	of	4	100%	Timely Benefits Total	2	of	2	100%
Coordinator	2	of	2	100%	Next appt. Noted	2	of	2	100%	Finalization:				
Coordinator Completed	2	of	2	100%	Timely Objection	0	of	0	–	Rating	2	of	2	100%
Medical Facility (opt)	1	of	1	100%	Clarification Sought?	1	of	2	50%	SAR in 30 days	1	of	2	50%
Total 3 pt. Contact:	13	of	13	100%	ISO/Index Search	2	of	4	50%	Award Accurate	1	of	1	100%
Total Follow Up Contact:	3	of	12	25%	Release/Timely	2	of	2	100%	Total Finalization:	4	of	5	80%
Documents and Notices:					Release/Follow Up	0	of	0	–	Excess Reporting				
DWC-1	3	of	4	75%	Prior records requested	0	of	1	0%	Carrier Notified	0	of	1	0%
5020	4	of	4	100%	Med Release in File	2	of	2	100%	Notified Timely	0	of	1	0%
5021	4	of	4	100%	Total Med Dir/Control	25	of	29	86%	Report Current	0	of	0	–
Total Documents:	11	of	12	92%	Litigation Mgmt.					Total Excess:	0	of	2	0%
Benefit Notices:					Timely Referral	0	of	0	–	Reserves:				
# Notices required	10	of	10	100%	Atty Case Analysis	0	of	0	–	Adequate	4	of	4	100%
# Accurate	0	of	0	–	Interim Reports	0	of	0	–	Adjusted Timely	4	of	4	100%
Total Benefit Notices:	10	of	10	100%	File and Serve timely	0	of	0	–	Total Reserves	8	of	8	100%
On-line Documentation:					Issues Outlined	0	of	0	–	Total UR:	4	of	4	100%
History of Injury	4	of	4	100%	CAE follow up/direction	0	of	0	–	Organization:				
Investigation	3	of	4	75%	Summary of atty corres.	0	of	0	–	File Organized	4	of	4	100%
Current Plan of Action	4	of	4	100%	CAE sets medical appt.	0	of	0	–	Reconciliation:				
Follow Up on POA	4	of	4	100%	CAE subpoenas records	0	of	0	–	Balance Sheet	1	of	3	33%
Prior Records Summary	0	of	0	–	Authority for MSC	0	of	0	–	Totals:	55	of	64	86%
Total On-line Document.	15	of	16	94%	Total Lit. Mgmt	0	of	0	–	Grand Total:	132	of	156	85%
Totals:	52	of	63	83%	Totals:	25	of	29	86%					

**CSU Sedgwick Claims Audit
Stanislaus Data Sheet — June 2017**

Initial Contact/Documentation				Claims Management				Process Control						
3 pt. Contact:				Medical Direction/Control				Diary:						
Employee	1	of	1	100%	Current Medical Report	3	of	3	100%	CAE	17	of	24	71%
Employee Completed	1	of	1	100%	Med Plan Documented	3	of	3	100%	Supervisor	4	of	4	100%
Supervisor	1	of	1	100%	Rationale for treatment	3	of	3	100%	Total Diary:	21	of	28	75%
Supervisor Completed	1	of	1	100%	Rx Documented	3	of	3	100%	Timely Benefits Total	1	of	2	50%
Coordinator	1	of	1	100%	Next appt. Noted	2	of	2	100%	Finalization:				
Coordinator Completed	1	of	1	100%	Timely Objection	0	of	0	—	Rating	1	of	1	100%
Medical Facility (opt)	1	of	1	100%	Clarification Sought?	1	of	1	100%	SAR in 30 days	0	of	1	0%
Total 3 pt. Contact:	7	of	7	100%	ISO/Index Search	1	of	3	33%	Award Accurate	1	of	1	100%
Total Follow Up Contact:	4	of	6	67%	Release/Timely	0	of	0	—	Total Finalization:	2	of	3	67%
Documents and Notices:					Release/Follow Up	1	of	1	100%	Excess Reporting				
DWC-1	2	of	2	100%	Prior records requested	0	of	0	—	Carrier Notified	0	of	1	0%
5020	2	of	2	100%	Med Release in File	0	of	0	—	Notified Timely	0	of	1	0%
5021	2	of	2	100%	Total Med Dir/Control	17	of	19	89%	Report Current	1	of	1	100%
Total Documents:	6	of	6	100%	Litigation Mgmt.					Total Excess:	1	of	3	33%
Benefit Notices:					Timely Referral	0	of	0	—	Reserves:				
# Notices required	10	of	10	100%	Atty Case Analysis	0	of	0	—	Adequate	2	of	3	67%
# Accurate	0	of	0	—	Interim Reports	1	of	1	100%	Adjusted Timely	3	of	3	100%
Total Benefit Notices:	10	of	10	100%	File and Serve timely	0	of	0	—	Total Reserves	5	of	6	83%
On-line Documentation:					Issues Outlined	1	of	1	100%	Total UR:	3	of	3	100%
History of Injury	3	of	3	100%	CAE follow up/direction	1	of	1	100%	Organization:				
Investigation	3	of	3	100%	Summary of atty corres.	1	of	1	100%	File Organized	3	of	3	100%
Current Plan of Action	2	of	3	67%	CAE sets medical appt.	0	of	0	—	Reconciliation:				
Follow Up on POA	3	of	3	100%	CAE subpoenas records	0	of	0	—	Balance Sheet	0	of	2	0%
Prior Records Summary	0	of	0	—	Authority for MSC	1	of	1	100%	Totals:	36	of	50	72%
Total On-line Document.	11	of	12	92%	Total Lit. Mgmt	5	of	5	100%	Grand Total:	96	of	115	83%
Totals:	38	of	41	93%	Totals:	22	of	24	92%					

STATE OF CALIFORNIA RESTRICTED TRAVEL

ISSUE: CSURMA adopted a travel policy that says that CSURMA travelers follow the travel requirements of their organization. The State of California has eliminated travel to certain states and CSURMA will follow this restriction.

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

FISCAL IMPACT: No fiscal impact at this meeting.


BACKGROUND: Please refer to attached report.

PUBLICATION: None.

ATTACHMENT(S):

- a. Memorandum dated July 27, 2017

www.calstate.edu

DATE: July 27, 2017
TO: CSU Presidents
FROM: Steve Relyea 
Executive Vice Chancellor and
Chief Financial Officer
SUBJECT: Travel Ban and Monies Under GC 1139.8

Recently the California Attorney General added four additional states to the state travel ban list. This brings the total number of states to the eight listed below:

1. Alabama
2. Kansas
3. Kentucky
4. Mississippi
5. North Carolina
6. South Dakota
7. Tennessee
8. Texas

The ban includes language that provides for exceptions when the travel at issue is to participate in meetings or training required by grants, or to meet contractual obligations incurred before January 1, 2017. Such contractual obligations may, depending on the circumstances, include contracts entered into prior to January 1, 2017, in order to attend and participate in athletic or academic events. This restriction only applies to reimbursable travel expenses, not to other expenses such as salaries.

During the recent offsite meeting of the Council of Presidents, the issue arose regarding what monies may be used to pay expenses incurred for travel subject to Government Code Section 11139.8, which prohibits the use of "state funds" for travel to the identified states.

Monies that are appropriated by the legislature, either as part of the budget process or continuously appropriated (e.g., tuition and fees) may not be used to pay for travel to the current list of banned states unless the travel falls under one of the exceptions noted in the legislation and also listed at the bottom of this communication. Monies received by a campus auxiliary organization may be used for such travel, consistent with campus and auxiliary policies. Private funds may also be used for such travel.

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

Questions about this memo may be directed to Assistant Vice Chancellor and Chief Counsel Andrea Gunn Eaton at aeaton@calstate.edu or Assistant Vice Chancellor and Controller Mary Ek at mek@calstate.edu.

SR:jw

c: Timothy P. White, Chancellor, Chancellor's Office
Chief Administration and Business Officers
Fram Virjee, Executive Vice Chancellor and General Counsel, Chancellor's Office
Loren Blanchard, Executive Vice Chancellor, Academic and Student Affairs,
Chancellor's Office
Larry Mandel, Vice Chancellor and Chief Audit Officer, Chancellor's Office
Garrett Ashley, Vice Chancellor, University Relations and Advancement,
Chancellor's Office
Melissa Bard, Vice Chancellor, Human Resources, Chancellor's Office

Exceptions to the travel ban may be granted for the following purposes:

- 1) Enforcement of California law, including auditing and revenue collection.
- 2) Litigation.
- 3) To meet contractual obligations incurred before January 1, 2017.
- 4) To comply with requests by the federal government to appear before committees.
- 5) To participate in meetings or training required by a grant or required to maintain grant funding.
- 6) To complete job-required training necessary to maintain licensure or similar standards required for holding a position, in the event that comparable training cannot be obtained in California or a different state not affected.
- 7) For the protection of public health, welfare, or safety, as determined by the CSU or other state agencies.

401 Golden Shore, 5th Floor
Long Beach, CA 90802-4210


Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

562-951-4600
srelyea@calstate.edu

www.calstate.edu

DATE: October 18, 2016

TO: CSU Presidents
Chief Administrators and Business Officers

FROM: Steve Relyea 
Executive Vice Chancellor and
Chief Financial Officer

SUBJECT: CSU Travel Restrictions – Assembly Bill 1887

Assembly Bill 1887 approved by the Governor Jerry Brown and filed with the Secretary of State on September 27, 2016, added Section 11139.8 to the Government Code relating to discrimination. As a result of this new law, as of January 1, 2017, the CSU will be restricted from requiring employees to travel to certain states. Additionally, CSU is prohibited from approving state-funded or state-sponsored travel to those states. A current example of a state subject to these travel prohibitions is North Carolina, which in 2016 passed a law which prevents local governments from passing anti-discrimination rules to grant protections to gay and transgender people. The complete list of affected states will be maintained on the California State Attorney General's website, [State of California Department of Justice](#), and travelers and approvers are required to check the website for the current list when planning out-of-state travel.

Exceptions to the new travel prohibitions may be granted for the following purposes:

- 1) Enforcement of California law, including auditing and revenue collection.
- 2) Litigation.
- 3) To meet contractual obligations incurred before January 1, 2017.
- 4) To comply with requests by the federal government to appear before committees.
- 5) To participate in meetings or training required by a grant or required to maintain grant funding.

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

CSU Presidents and CABO
October 18, 2016
Page 2

- 6) To complete job-required training necessary to maintain licensure or similar standards required for holding a position, in the event that comparable training cannot be obtained in California or a different state not affected.
- 7) For the protection of public health, welfare, or safety, as determined by the CSU or other state agencies.

Travelers are required to document any exceptions on their travel authorization and/or travel expense documentation. The CSU Travel Policy has been updated to reflect this new law.

The text of the new law is shown below.

The California State University and other state agencies are prohibited from doing either of the following:

- 1) *Requiring employees to travel to any state that after June 26, 2015, has enacted a law that voids or repeals, or has the effect of voiding or repealing, existing state or local protections against discrimination on the basis of sexual orientation, gender identity, or gender expression, or has enacted a law that authorizes or requires discrimination against same-sex couples or their families or on the basis of sexual orientation, gender identity, or gender expression, including any law that creates an exemption to antidiscrimination laws in order to permit discrimination against same-sex couples or their families or on the basis of sexual orientation, gender identity, or gender expression.*
- 2) *Approving a request for state-funded or state-sponsored travel to a state that, after June 26, 2015, has taken the same actions as described in subsection 1) above.*

Should you have any questions please contact Assistant Vice Chancellor / Controller Mary Ek at mek@calstate.edu or (562) 951-4610.

SR:dt

c: Chancellor Timothy White
Fram Virjee, Executive Vice Chancellor and General Counsel
Loren Blanchard, Executive Vice Chancellor, Academic and Student Affairs
Larry Mandel, Vice Chancellor and Chief Audit Officer
Garrett Ashley, Vice Chancellor, University Relations and Advancement
Andrew Jones, Interim Vice Chancellor, Human Resources

**CSURMA LOAN REQUEST FROM
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**

ISSUE: CSURMA has received a member loan request from Cal Poly, San Luis Obispo. Under Policy and Procedure No. 10 and upon recommendation of the CSURMA Treasurer, the CSURMA Executive Committee is authorized to extend loans to CSURMA members. Cal Poly has requested a loan to provide cash flow for the Fremont hillside remediation and stability effort. The loan amount proposed is not to exceed \$5,000,000.

The CSURMA Treasurer will be present at today's meeting to discuss the requested loans.

RECOMMENDATION: It is recommended that the CSURMA Executive Committee review the proposed member loan requests and take action as appropriate.

FISCAL IMPACT: The proposed loan would change CSURMA non-current assets from invested funds to member loans. Member loans include an interest rate intended to maintain CSURMA's return on investment rate.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Member Loan Request from Cal Poly dated August 15, 2017

August 15, 2017

Mr. Robert Eaton
Assistant Vice Chancellor - Finance, Treasury and Risk Management
California State University, Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802

Subject: CSURMA Member Loan – Cal Poly Fremont Hillside

Dear Robert:

This memo serves as our written request to seek a Member Loan in an amount not to exceed \$5,000,000. Proposed terms would be a five-year period at the current CSU Consolidated Investment Pool rate of return earned by the Authority with principal and interest due and payable quarterly, payable 30 days following the end of each calendar quarter.

The purpose of the loan is to provide cash flow for Fremont hillside remediation and stabilization effort. This project will return the hill to a safe incline, repair the impacted wall of the study room within Fremont Hall, implement drainage solutions to divert subsurface water, and construct an earthen buttress to stabilize the hillside. Collateral and source of repayment will be the campus general operating fund. However, it is anticipated that a significant portion of the costs associated with this event will be recovered through a combination of CSURMA insurance, Cal OES, and FEMA reimbursements.

Background

The winter season of 2017 proved to be one of the rainiest seasons on record for most of California. In February, numerous reoccurring storm systems saturated the Central Coast and resulted in large-scale damage across the area. Cal Poly was substantially impacted and sustained damage to various campus sites. The largest damage site was the result of a landslide immediately behind the Fremont Hall dormitory.

During late January and early February, landslide debris within the hillside east of Fremont Hall became unstable. The debris encroached on Fremont Hall requiring the evacuation of the student residents. To address the immediate earth movement, and alleviate distress to the building from the soil mass, earthmoving equipment was mobilized to remove the soil that was directly against the building. Additionally, some upper slope soil from the hillside was contributing to the instability and was, likewise, removed.

Mitigation of the landslide to provide an acceptable level of safety against future movement will require considerable design and construction. Cal Poly Facilities Management, along with their engineering consultants, have structured the tasks of mitigating the landslide into four general phases as follows:

1. *Initial Respond (Winter/Spring 2017)* – Phase 1 entailed the initial engineering consultation and earth moving operations as described above. Additionally, monitoring of slope movement and preparing designs for mitigation began in this phase and is ongoing.
2. *Design of Subdrain System (Fall 2017)* – Phase 2 involves addressing sources and locations where subsurface water is penetrating the soil mass and creating instability. Prior to performing temporary or permanent mitigation, the sub-surface water needs to be addressed. A surface and subsurface drainage system has been designed and will be constructed to intercept the sources of water.
3. *Winterization of Existing Slope (Fall 2017)* – This phase will involve preparing the site for the upcoming winter season with regard to proper storm water runoff and discharge, and minimizing the infiltration of unwanted water into the unstable soil mass.
4. *Construction of Engineered Design (Spring/Summer 2018)* – The mitigation methods designed by the project civil and geotechnical engineers will be performed during the spring and summer of 2018. Construction will include the earthwork to construct an earthen buttress.

Total mitigation and construction costs as outlined above are roughly estimated to be \$7.3M. Total expenditures incurred to date are approximately \$875,000.

Should you require additional information or have any questions, please contact Victor Brancart, Associate Vice President, Administration and Finance at 805-756-7416.

Sincerely,



Cynthia Vizcaíno Villa
Senior Vice President
Administration and Finance

OWNER CONTROLLED INSURANCE PROGRAM (OCIP) RENEWAL

ISSUE: Working with CSU Chancellor's Office Capital Planning Design and Construction (CPDC), CSURMA launched in 2012 an Owner Controlled Insurance Program (OCIP). As described in the attached presentation, the initial five-year term has been successful, with coverage enhancements and savings projected to exceed \$10 million for the initial five-year term.

As part of the renewal discussions, campus feedback has generated suggestions for improvements that CSURMA would develop working with CPDC and Systemwide Risk Management. One request involves arranging for CSURMA to fund insurer premiums and recoup those premiums from the projects as the project funding becomes available. This would solve a timing issue that burdens the projects. This proposed funding alignment needs further development for the potential financial impact to CSURMA.

Policy and Procedure No. 20 delegates authority to the CSURMA Secretary-Auditor to renew existing programs.

RECOMMENDATION: It is recommended that the Executive Committee delegate authority to renew the OCIP subject to the concurrence of the CSURMA Treasurer and Assistant Vice Chancellor, CPDC.

FISCAL IMPACT: The cost of the OCIP is paid from project funds for enrolled projects.

BACKGROUND: Please refer to attached presentation.

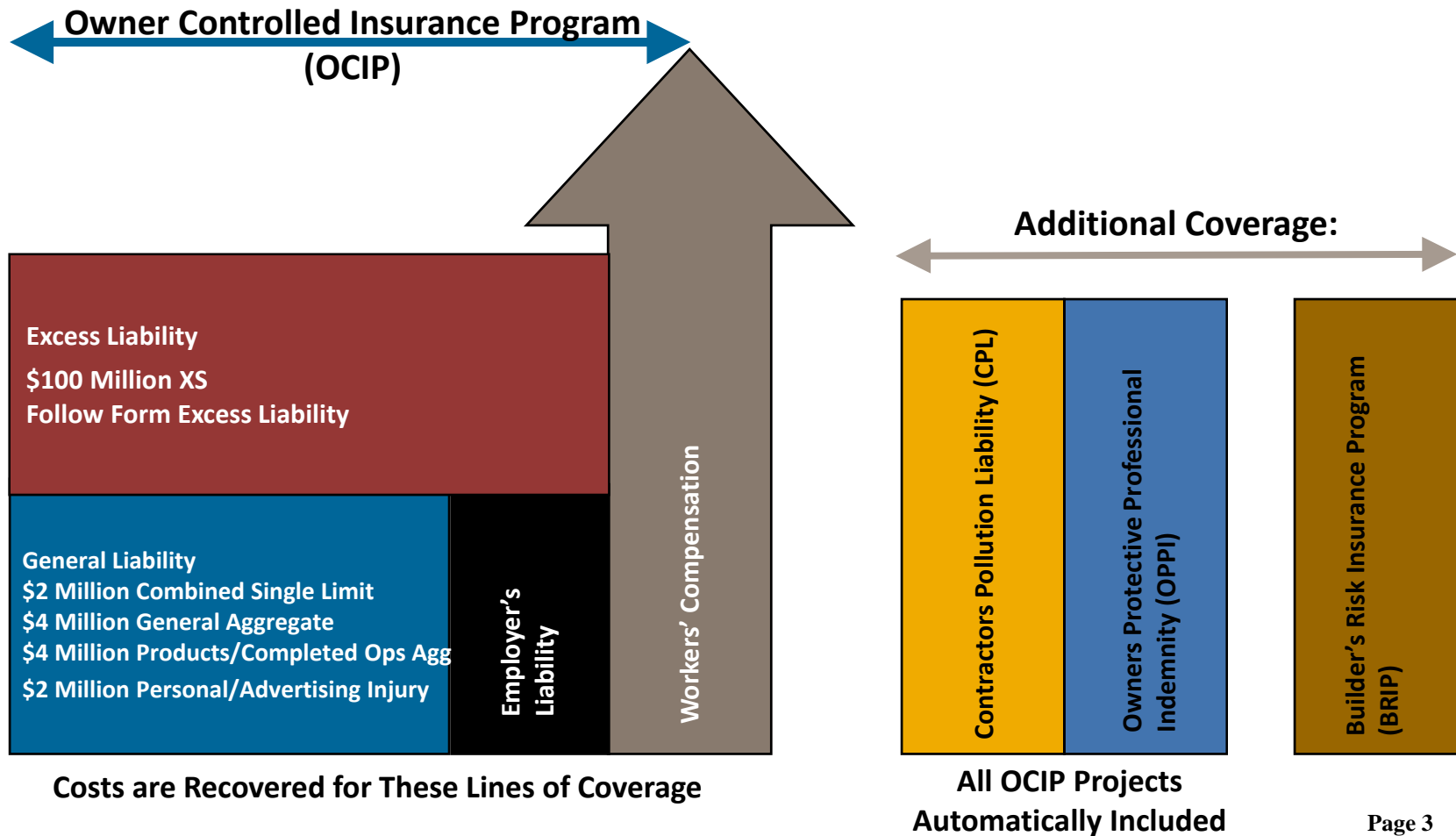
PUBLICATION: None.

ATTACHMENT(S):

- a. OCIP Renewal Presentation to CABO, August 16, 2017
- b. Policy and Procedure No. 20 – Owner Controlled Insurance Program

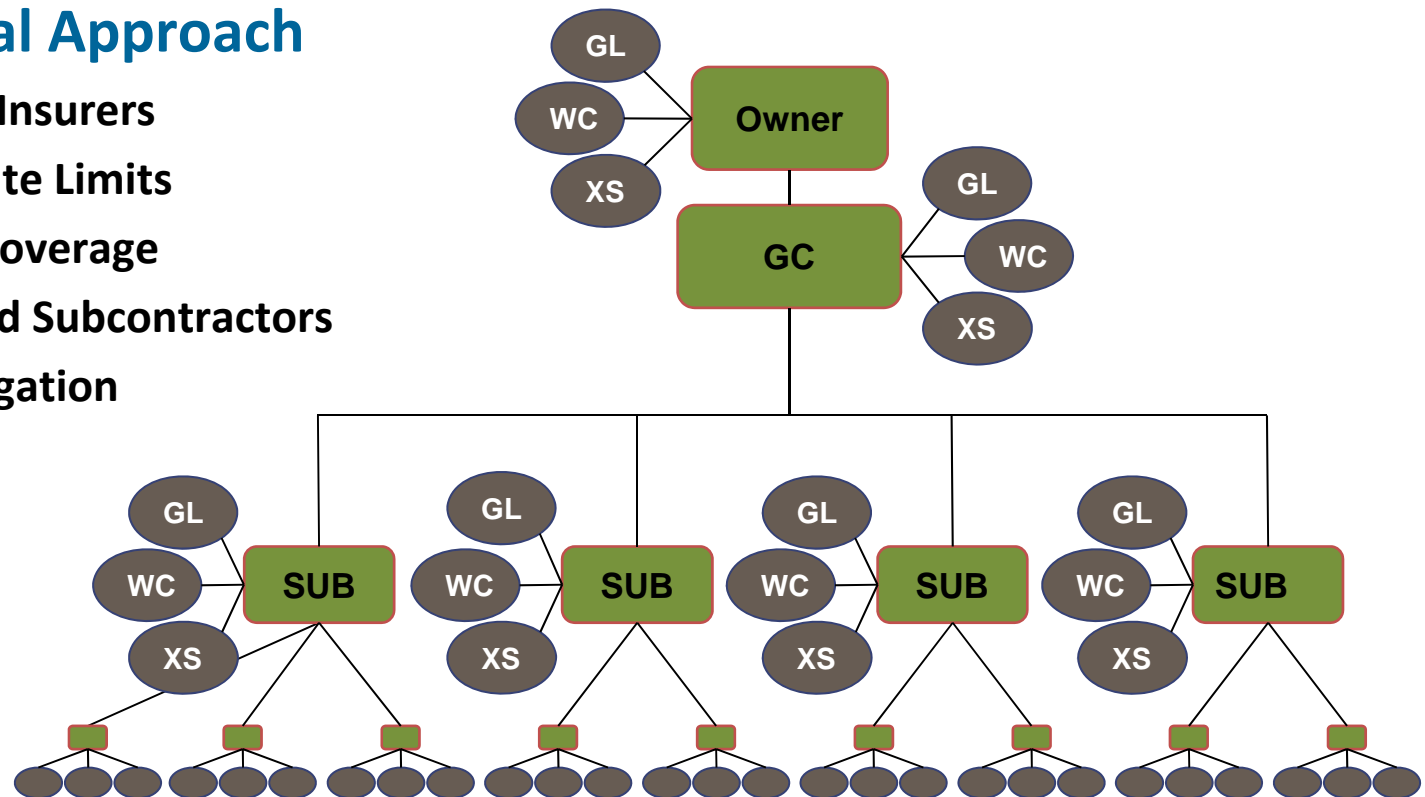
CSU Owner Controlled Insurance Program (OCIP)
Program Update
Presentation to CABO, August 16, 2017

1. **Construction Insurance Program Overview**
2. **OCIP Overview**
3. **OCIP Financial Performance**
4. **Issues & Solutions**
5. **Timeline**



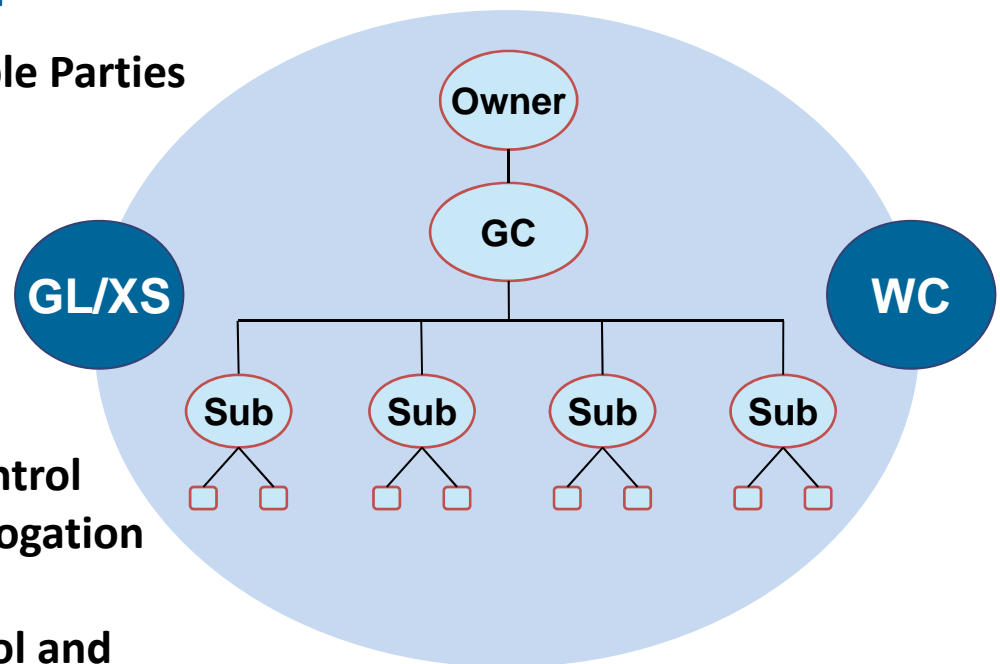
Traditional Approach

- Multiple Insurers
- Inadequate Limits
- Gaps in Coverage
- Uninsured Subcontractors
- Cross Litigation



Owner Controlled Program

- One Primary Carrier for All Eligible Parties
- Control of Claims
- Cost Reduction
- Elimination of Redundant costs and contractor mark-up
- Higher Limits
- Consistent Coverage
- Coordinated Claims and Loss Control
- Minimizes Cross Litigation/ Subrogation
- Public Relations
- Potentially Larger Contractor Pool and Opportunities for Small Contractors



PROJECTS	
Construction Value	\$ 1,520,212,477
Payroll (23% of CV) (Original Estimate was 20%)	\$ 348,128,657

ESTIMATED CONTRACTOR INSURANCE COSTS	PREMIUM	% OF CV
Trade Contractor Workers Compensation	\$ 24,323,400	1.60%
Trade Contractor General Liability	\$ 7,601,062	0.50%
General Contractor General Liability	\$ 6,080,850	0.40%
Total	\$ 38,005,312	2.50%

OCIP PROGRAM COSTS	FIXED COST	LOSS AGGREGATE (DEDUCTIBLE POOL)	MAX COST	% of CV (@max)
Primary WC/GL Premium Rate (per \$100 of payroll)	\$ 3.10	\$ 4.72	\$ 7.82	
Primary WC/GL Premium	\$ 10,791,988	\$ 16,427,147	\$ 27,219,135	1.79%
Excess Premium (\$100M)	\$ 3,587,701	\$	\$ 3,587,701	0.24%
Administration / Claims Management / Loss Control	\$ 3,790,691	\$	\$ 3,790,691	0.25%
Total OCIP Program Costs	\$ 18,170,381	\$ 16,427,147	\$ 34,597,528	2.28%
	% of CV 1.20%	1.08%	2.28%	

LOSS LEVEL % OF AGG.	LOSSES	PROGRAM COSTS PLUS LOSSES	INSURANCE CREDITS	PROGRAM SAVINGS	SAVINGS % OF CV	COST VS NON-OCIP
0%	\$ -	\$ 18,170,381	\$ 38,005,312	\$ 19,834,931	1.30%	48%
10%	\$ 1,642,715	\$ 19,813,096	\$ 38,005,312	\$ 18,192,216	1.20%	52%
14.8%	\$ 2,426,331	\$ 20,596,712	\$ 38,005,312	\$ 17,408,600	1.15%	54%
20%	\$ 3,285,429	\$ 21,455,810	\$ 38,005,312	\$ 16,549,502	1.09%	56%
20.4%	\$ 3,354,070	\$ 21,524,451	\$ 38,005,312	\$ 16,480,861	1.08%	57%
30%	\$ 4,928,144	\$ 23,098,525	\$ 38,005,312	\$ 14,906,787	0.98%	61%
40%	\$ 6,570,859	\$ 24,741,240	\$ 38,005,312	\$ 13,264,072	0.87%	65%
60%	\$ 9,856,288	\$ 28,026,669	\$ 38,005,312	\$ 9,978,643	0.66%	74%
80%	\$ 13,141,718	\$ 31,312,098	\$ 38,005,312	\$ 6,693,214	0.44%	82%
100%	\$ 16,427,147	\$ 34,597,528	\$ 38,005,312	\$ 3,407,784	0.22%	91%

Deductibles Paid to-Date

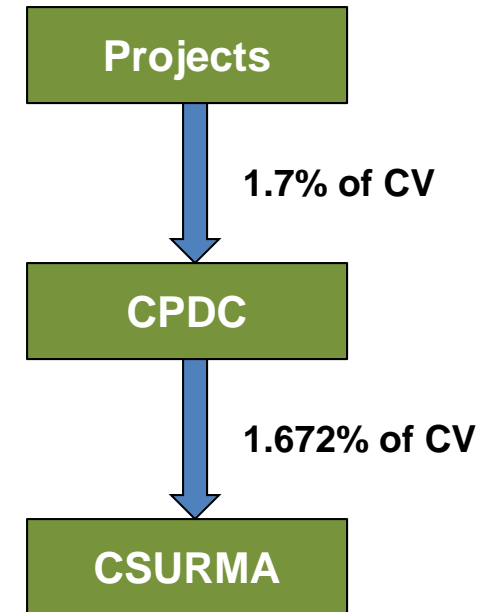
Paid Plus Reserves to-Date

Forecast for Ultimate Losses on \$1.52B

Approaches	Details	Contractor Insurance Cost
A. Original Alliant Pro Forma	2011 Estimate for First \$500M	2.25%
B. Net Bid with Audit of Contractors' Actual Insurance Cost	2014 Audit of 77% of Enrolled Construction Value on 8 Projects	2.52%
C. Bid Credit Tracking with Change Orders (CSU discounts credit by 15%)	9 Projects Underway 3 Projects With Data	2.00% - 2.60% 1.70% - 2.20% (after discount) (estimated ultimate credit on 3 projects)
D. Turner Proposed CCIP	San Marcos PPP	2.80%
E. Level 10 CCIP	Typical Charge as per CFO	2.50%
F. CCIPs	Typical Commercial / Institutional Projects in CA	1.9% - 2.8% (CCIP pricing would not include CPL / OPPI)

		Contractor Insurance Credits				
		2.00%	2.25%	2.50%	2.75%	3.00%
		\$30,404,250	\$34,204,781	\$38,005,312	\$41,805,843	\$45,606,374
Loss Level	Savings					
20%	8,948,439	12,748,971	16,549,502	20,350,033	24,150,564	
30%	7,305,725	11,106,256	14,906,787	18,707,318	22,507,849	
40%	5,663,010	9,463,541	13,264,072	17,064,604	20,865,135	
50%	4,020,295	7,820,826	11,621,358	15,421,889	19,222,420	
60%	2,377,581	6,178,112	9,978,643	13,779,174	17,579,705	
70%	734,866	4,535,397	8,335,928	12,136,459	15,936,991	

OCIP	Cost as Percentage of CV	Non-OCIP Lines	Cost as Percentage of CV
Fixed WC/GL Primary Premium	0.71%	Contractors Pollution Liability (CPL)	0.045%
Loss Aggregate Including Claims Expenses	1.08%	Owners Protective Professional Indemnity (OPPI)	0.100%
Excess Liability	0.236%	Excess OPPI/CPL	0.094%
Loss Control / Admin / Claims	0.25%	TOTAL	0.239%
OCIP MAX	2.28%		



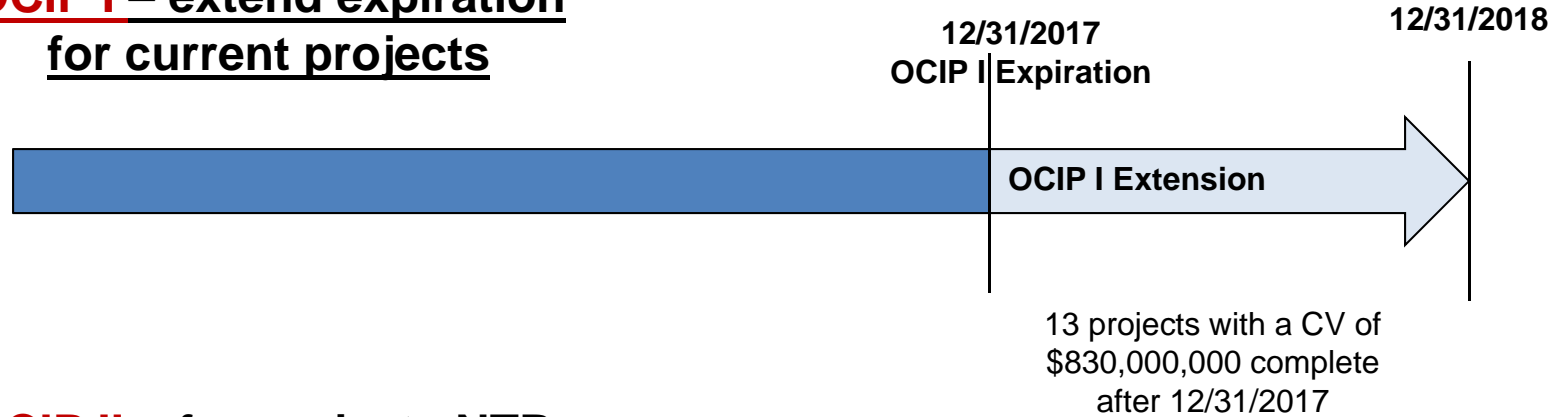
ISSUE	SOLUTION(S)
<p>1. Administrative burden on campus project teams</p>	<p>CPDC, Campuses and Alliant to work at earlier project identification and engagement to inform project teams and minimize administrative burden, participation in pre-bid conferences</p>
<p>2. CPDC not fully equipped to administer the OCIP program</p>	<p>Increased role for Alliant and CSU Systemwide Risk Management</p>
<p>3. Initial project costs for premiums create a cash flow problem for projects</p>	<p>CSURMA exploring options to align project charges to project funding and bid credits</p>
<p>4. Concerns around whether financial benefit exceeds administrative burden</p>	<p>Reducing burden on project teams and improving cash flow should help mitigate these concerns</p>

ISSUE	SOLUTION(S)
<p>5. OCIP loss rate is hovering near rate charged to campuses</p>	<p>Loss projections indicate an ultimate loss ratio of 30%. Charge may need to be adjusted; however, improvements to timing of project charges should help reduce impact to projects</p>
<p>6. Difficulty in coordinating between OCIP, Builders Risk and Property policy claims</p>	<p>Alliant has assigned a single point-of-contact for CSU for addressing all construction related claims</p>
<p>7. Confusion over drug testing program</p>	<p>Alliant to assume administration of the periodic random drug testing program</p>
<p>8. Negative overall impression of OCIP program at the campus level</p>	<p>The above changes combined with more education as to program benefits</p>

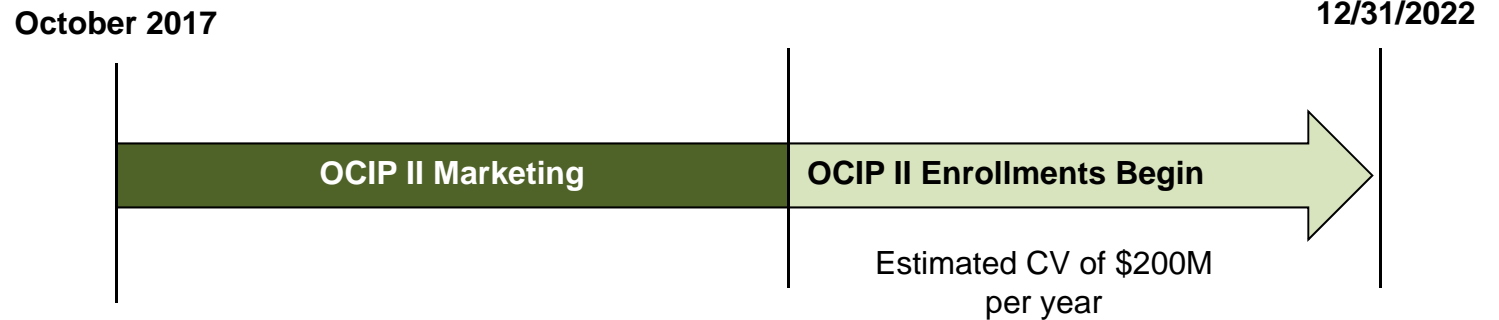
We will not be successful unless campuses want to utilize the OCIP and realize its benefits

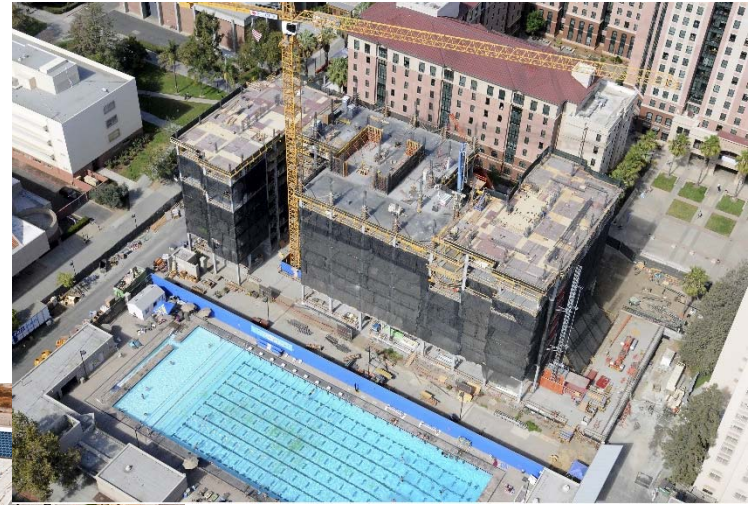
- **Control of Claims**
- **Cost Reduction**
- **Elimination of Redundant costs and contractor mark-up**
- **Higher Limits**
- **Consistent Coverage**
- **Coordinated Claims and Loss Control**
- **Minimized Cross Litigation/ Subrogation**
- **Public Relations**
- **Potentially Larger Contractor Pool and Opportunities for Small Contractors**

OCIP I – extend expiration for current projects



OCIP II – for projects NTP CY 2018-2022





ADOPTED: September 13, 2013

AMENDED: November 6, 2013, May 6, 2016

EFFECTIVE: January 1, 2012

SUBJECT: Owner Controlled Insurance Program

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

PURPOSE:

CSURMA launched the Owner Controlled Insurance Program (OCIP) to realize a cost savings, improve coverage, and efficiently administer General Liability, Completed Operations Liability, Workers' Compensation, environmental and design professional coverages for all CSU's Major Capital Outlay construction projects over \$10,000,000 as established by the CSU Chancellor's Office Capital Planning, Design and Construction Office (CPDC). The purpose of this Policy and Procedure is to describe the operation of the OCIP program and provide a process for CSURMA and CPDC to collaborate on administering the programs efficiently and effectively.

POLICY:

It is the policy of CSURMA that the Program Administrator, Alliant Insurance Services, Inc., Chancellor's Office Accounting Department (Accounting) and Systemwide Office of Risk Management will collaborate with CPDC to administer the OCIP as described in this Policy and Procedure.

PROCEDURE:

Section 1: General Procedures

1. CSURMA shall pay the insurance premiums and deductible collateral up front to the Program Administrator, and CSURMA will recover the advanced monies on a project-by-project basis, through CPDC, as described herein.
2. The Program Administrator shall manage the OCIP carrier contracts, collect required data from the contractors directly each month, and develop and maintain a quarterly report which will be used by CSURMA to invoice CPDC for the cost of the OCIP on a per-project basis. The quarterly report shall contain:
 - Projects started, continuing, or completed in each quarter
 - Completed projects shall not drop off report
 - Project start and completion dates
 - CPDC project name and CPDC project number
 - Initial Construction Contract Value, which varies by procurement method as follows:
 - For CM at Risk or Design-Bid-Build: Total construction contract award amount
 - For Design-Build: Total contract award minus pre-construction and design costs
 - Initial premiums and deductible collateral for each project

-
- Updated, final / completed premiums and deductible collateral for each project based on final labor costs and loss rates.
 - Total premiums and deductible collateral for all projects
 - Audited final labor costs
 - Final labor costs as a percentage of the Initial Construction Contract Value for each project
 - Estimated final value for reduced contractor insurance costs for each project
 - Claims & loss report with actual to date loss rate (provided separately).
3. For the initial Program Period (OCIP I), the Program Administrator's billings to CSURMA will be based on the programs' fixed premiums and a 68% loss rate of the maximum aggregate deductible, which equates to a 2.072% project billing rate relative to the Initial Construction Contract Value (a total of \$10,358,204.00 program cost).
 4. CSURMA's billings to CPDC will be based on a pro-rata portion of the fixed premiums at a 1.672% project billing rate relative to the Initial Construction Contract Value of projects as enrolled.
 5. For OCIP I, CPDC will provide a guarantee for \$1,519,400 of Deductible Collateral and Loss Adjusting Factor to cover the difference between the 68% loss rate CSURMA has billed for and the 100% loss rate. This guarantee will be backed by CPDC's seismic self-insured trust fund account. If OCIP I's loss rate exceeds a 68% loss rate, CPDC will reimburse CSURMA the actual cost difference up to \$1,519,400.
 6. For OCIP I, CSURMA will underwrite an additional \$2,000,000 to bring the total of the Deductible Collateral and Loss Conversion Factor costs down. This equates to a 25.5% Loss Rate and a total 1.672% billing rate relative to the Initial Construction Contract Value of projects as enrolled.
 7. When the Program Administrator reconciles the total program costs for OCIP I with CSURMA based on actual percentage loss of the deductible collateral, CSURMA shall reconcile its invoicing to CPDC to reflect those adjusted actual costs, and, if the loss rate is under 25%, CSURMA shall credit CPDC as appropriate for the actual program costs. Reconciliation of OCIP I is expected 18-24 months after the completion of the initial 5-year program, but may happen sooner.
 8. If there is a credit described in Paragraph 6 above, the credit may, upon agreement by CPDC, be applied to a second OCIP II program, and/or any unapplied funds shall be returned by CSURMA to CPDC for deposit in the system-wide seismic self-insured trust fund account.

Section 2: OCIP Enrollment and Invoicing

1. The Program Administrator shall enroll new projects in OCIP with an Initial Construction Contract Value of \$10,000,000 or more during the construction contract award process. There will be a pre-enrollment period for contractors and their subcontractors in the months leading up to a construction contract award. During this time the contractors will receive enrollment and safety information and will submit cost of insurance documentation for the policies the CSURMA OCIP will replace.
2. Projects with an Initial Construction Contract Value that is less than \$10,000,000 may enroll in OCIP upon the recommendation of CPDC and approval by the Program Underwriters.
3. The Program Administrator shall provide a quarterly report, adding new projects that have started construction during the quarter, along with the initial premium for each project. The Program Administrator will also provide updated information to the existing projects in the quarterly report. The Program Administrator shall submit the quarterly report to Accounting and CPDC program administrators simultaneously for review and approval.

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4. When CPDC and CSURMA approve the quarterly reports Accounting will use them as the basis to invoice CPDC for the initial insurance costs of the enrolled projects based on a 1.672% of Initial Construction Contract Value. CPDC will approve or reject CSURMA invoices via email within 10 business days of receipt.
 5. All invoicing shall be done on templates as agreed upon by CPDC and CSURMA.
 6. Upon approval of the invoices by CPDC, CSURMA shall collect the monies invoiced for the projects via Cash Posting Order (CPO).
 7. CPDC shall maintain a separate account for OCIP, and CSURMA shall collect the monies invoiced from that account via CPO.

Section 3: OCIP Project Completion Activities

1. At the completion of a project The Program Administrator shall add to the quarterly report:
 - Final labor costs
 - Project completion date
 - Final premium amounts
 - Confirmation that all contractor closeout materials have been submitted. Within 30 days of completion the Program Administrator shall separately provide a clearance letter to CPDC for release of contractor retention.
 - Other required information as described in “Procedure” Section #2.
2. As described above, the Program Administrator shall submit the quarterly report to Accounting and CPDC for review and approval.
3. The Program Administrator’s quarterly reports will be used as the basis for Accounting to invoice CPDC for the final additive or deductive reconciliation of insurance costs for the enrolled projects, based on final labor costs.
4. To benefit enrolled projects with predictable OCIP insurance costs, there shall be no premium adjustment for projects that are completed within five percent (5%) of their original projected premium cost. Projects that are completed with a final calculated premium cost exceeding 105% of their original projected premium cost shall be invoiced at 0.73% of the amount exceeding 105%. Projects that are completed with a final calculated premium cost lower than 95% of their original projected premium cost shall be credited the amount less than the original projected premium cost.
5. Upon CPDC’s approval of the invoices, CSURMA shall collect the monies invoiced via CPO to recover, or credit as necessary, the final premiums from the project.

Section 4: OCIP Program Closeout

1. After completion of a project, and over the duration of OCIP policy coverage, the Program Administrator shall continue to administer project claims.
2. Following completion of the initial OCIP I program term (expected to achieve program target enrollment by 36 months from January 1, 2012), CSU, acting through CPDC, may close out or re-enroll in a second CSURMA OCIP II program with the Program Administrator and the carrier(s). At that time premium dividends and deductible obligations will be subject to a final settlement based on total construction value and actual loss rates. During and after this time the Program Administrator and the

carriers may still be actively involved with outstanding claims, but the projects' premiums and dividends may be closed.

3. Any additive or deductive adjustments made to the total program costs based on the reconciliation(s) described above shall be passed through to CPDC via a CSURMA reconciliation billing. This is expected no later than 18-24 months after the CSURMA OCIP I program closeout.
4. In no case shall CPDC pay in excess of CSURMA's actual costs for OCIP I, as identified in Section 1 (3). These actual costs are anticipated to be \$10,358,204 as adjusted by actual loss rates and the total cost of enrolled projects.
5. Because the benefits of the OCIP apply systemwide, CSURMA shall not allocate a charge for missed investment income on advanced premiums.

Section 5: Definitions

As used in this Policy and Procedure, the following terms are defined:

Accounting (Department): CSURMA has engaged the CSU Chancellor's Office Department of Financial Services to perform OCIP and BRIP accounting duties on behalf of the CSURMA.

CSURMA: CSURMA is the California State University Risk Management Authority which is a joint powers authority separate from the CSU and its participating auxiliary organizations. CSURMA has established various programs for insurance and self-insurance to serve the University and the OCIP program is a program of the CSURMA.

CPDC: CSU's Department of Capital Planning, Design and Construction in the Chancellor's Office is the primary client for the OCIP program and the designated representative for managing the programs internal to the CSU.

OCIP Initial Construction Contract Value - varies by procurement method as follows:

- For CM at Risk or Design-Bid-Build: total construction contract award amount
- For Design-Build: total contract award less pre-construction and design costs

Program Administrator: CSURMA has appointed Alliant Insurance Services, Inc. as Program Administrator responsible for designing and implementing the programs serving the CSU and auxiliary organization participants.

Program Underwriters: The insurance companies that underwrite the OCIP insurance policies.

Systemwide Office of Risk Management: CSURMA has engaged the CSU Chancellor's Office Department of Risk Management and Public Safety to provide risk management consulting services to the CSURMA including oversight of programs.

CAMPUS WORKERS' COMPENSATION PROGRAM
AGGREGATE STOP LOSS COVERAGE STATUS (PARCEL)

ISSUE: CSURMA purchased an Aggregate Stop Loss insurance policy known as the Pool Aggregate Retention Casualty Excess Loss (PARCEL) from Safety National Casualty Company. PARCEL caps the Campus Workers' Compensation risk pool's claims liabilities to a maximum of \$101,000,000 total for the six (6) year period beginning July 1, 2002 to June 30, 2008. Thereafter, PARCEL pays up to \$16,000,000 in additional claim liabilities. PARCEL is triggered once \$101,000,000 has been paid by the Campus WC risk pool on claims with dates of injury within the six year coverage period. PARCEL reduces the Campus WC risk pool's claim liabilities and solidifies CSURMA's financial position, thus assuring program stability and campus budget stability. The additional coverage limit boosts the risk pool's funding from 70% to 90% actuarial confidence. Staff will provide a status report on claims payments as of June 30, 2017 and the ongoing claims monitoring process as respects PARCEL.

RECOMMENDATION: No action requested. This item serves to inform the Executive Committee on the aggregate claim status as respects PARCEL.

FISCAL IMPACT: None. The cost for PARCEL was paid in FY 2009-10.

BACKGROUND: CSURMA has been providing coverage for the Campus Workers' Compensation program since 1997, including all prior Workers' Compensation claim liabilities from the campuses. CSURMA's liability is limited to a Self-Retention limit, which has increased from \$350,000 to \$2,500,000 over the years. Claims in excess of the Self-Retention limit are covered by commercial excess carriers.

PUBLICATIONS: None

ATTACHMENT(S):

- a. 2002-08 Campus WC Aggregate Loss Status at June 30, 2017
- b. PARCEL Terms of Coverage

CSURMA - Campus WC Aggregate Stop Loss Coverage
Safety National (PARCEL)
Policy #: FCA-3E22-CA

Policy Year	SIR	LIMITED PAID LOSSES			
		at 6/30/2008	at 6/30/2015	at 6/30/2016	at 6/30/2017
2002-03	\$ 350,000	20,527,681	23,400,074	23,889,595	24,401,336
2003-04	\$ 1,000,000	14,192,136	17,077,476	17,896,911	18,309,708
2004-05	\$ 2,500,000	7,919,171	11,476,662	11,674,938	11,752,356
2005-06	\$ 2,500,000	6,718,466	13,101,908	13,453,073	13,846,035
2006-07	\$ 2,500,000	5,279,080	11,554,757	11,907,086	12,302,348
2007-08	\$ 2,500,000	2,200,918	13,782,629	14,369,269	14,908,313
TOTAL		\$ 56,837,453	\$ 90,393,506	\$ 93,190,872	\$ 95,520,096
		Annual Chg	\$ 1,594,629	\$ 2,797,366	\$ 2,329,223
		% Chg	1.8%	3.1%	2.5%
Aggregate Attachment:		\$101,000,000			
Aggregate Balance:		\$44,162,547	\$10,606,494	\$7,809,128	\$5,479,904

Policy Year	SIR	LIMITED INCURRED LOSSES			
		at 6/30/2008	at 6/30/2015	at 6/30/2016	at 6/30/2017
2002-03	\$ 350,000	23,311,559	24,795,213	24,704,944	25,267,726
2003-04	\$ 1,000,000	16,725,359	18,799,146	18,648,550	18,735,915
2004-05	\$ 2,500,000	10,432,672	12,185,061	12,829,192	12,581,687
2005-06	\$ 2,500,000	9,496,860	14,769,790	15,542,352	14,835,626
2006-07	\$ 2,500,000	9,306,296	13,291,754	13,967,833	14,273,027
2007-08	\$ 2,500,000	7,306,312	16,153,052	16,513,475	16,283,776
TOTAL		\$ 76,579,058	\$ 99,994,016	\$ 102,206,347	\$ 101,977,757
Aggregate Attachment:		\$101,000,000			
Aggregate Balance:		\$24,420,942	\$1,005,984	(\$1,206,347)	(\$977,757)

Coverage Limit Excess of Stop Loss: \$16,000,000

PARCEL applies to Policy Years 7/1/02 to 6/30/08 (Liability Period)

Claims Reporting: Quarterly Loss Runs concurrent with the Liability Period

Source: CSU WC Claims Runs (Sedgwick CMS)

**WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY
AGGREGATE EXCESS RETROACTIVE REINSURANCE
AGREEMENT
EFFECTIVE JULY 1, 2009**

Issued to

**CALIFORNIA STATE UNIVERSITY,
(hereinafter the "Employer")**

By

**SAFETY NATIONAL CASUALTY CORPORATION
(Hereinafter the "Reinsurer")**

ARTICLE I – BUSINESS COVERED

This Agreement applies only to Loss sustained by the Employer because of liability imposed upon the Employer by the Workers' Compensation or Employers' Liability Laws of the State of California, or such other states, provided that the Loss shall not be greater than it would have been had liability been imposed by the State of California; on account of bodily injury by accident or bodily injury by occupational disease due to Occurrences taking place within the Liability Period to Employees of the Employer engaged in the business operations and all other operations necessary, incidental, or appurtenant thereto. Bodily injury includes resulting death.

ARTICLE II – COVER

The Reinsurer agrees to be liable for the Employer's Loss on account of all Occurrences taking place within the Liability period, but excluding Loss per Occurrence in excess of the amounts specified in the Schedule below as the Employer's Self-Insured Retention for each year of the Liability Period, which is in excess of an aggregate amount, hereinafter called the Aggregate Loss Fund, subject to a Maximum Limit of Indemnity of \$16,000,000.00 United States dollars.

POLICY YEAR	SELF-INSURED RETENTION
7/1/02-6/30/03	\$ 350,000
7/1/03-6/30/04	\$1,000,000
7/1/04-6/30/05	\$2,500,000
7/1/05-6/30/06	\$2,500,000
7/1/06-6/30/07	\$2,500,000
7/1/07-6/30/08	\$2,500,000

ARTICLE III – LIABILITY PERIOD

The liability of the Reinsurer for Loss hereunder shall be determined on an aggregate basis for Loss paid during each year of the Liability Period. The Liability Period shall commence at 12:01 A.M. on July 1, 2002 and end at 12:01 A.M. on June 30, 2008, both dates inclusive. All time is stated in Western Standard Time.

ARTICLE IV – EXCLUSIONS

- 1) Salaries, wages, and remuneration provided to Employees;
- 2) Fees to the Employer's Service Company and/or costs of administration of claims;
- 3) Punitive or exemplary damages as they relate to claims made under the Employers' Liability coverage provided by this Agreement;

- 4) Fines or penalties assessed against the Employer for any violation by the Employer, or its representative(s), of any statute or regulation, unless the fines or penalties result from a reasonable dispute as to Workers' Compensation benefits owed by the Employer;
- 5) Assessments and taxes made upon the Employer as a self-insurer, whether imposed by statute, regulation or otherwise;
- 6) Any amounts required to be paid by the Employer because of:
 - (a) Serious and willful misconduct of the Employer, including intentional torts and intentional acts or omissions resulting in injury, acts or omissions taken with reckless disregard of the possible occurrence of an injury or acts or omissions taken that are substantially certain to result in injury, regardless of whether or not said actions may be classified in the State(s) as intentional torts,
 - (b) Coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee and/or related personnel practices, policies, acts or omissions by the Employer,
 - (c) Knowingly employing an Employee in violation of law, and/or
 - (d) Rejection by the Employer of any Workers' Compensation Law, Failure to comply with any health, safety, or notification law or regulation;
- 7) Loss voluntarily assumed by the Employer under any contract or agreement, whether express or implied;
- 8) Loss for which the Employer carries a full coverage Workers' Compensation and Employers' Liability policy; and
- 9) Any amount owed by the Employer pursuant to provision of any law that provides non-occupational disability benefits.

ARTICLE V -- DEFINITIONS

"Loss" -- shall mean actual payments, less recoveries, legally made by the Employer to Employees and their dependents in satisfaction of: (a) statutory benefits, (b) settlements of suits and claims, and (c) awards and judgments. Loss shall also include Claim Expenses, paid by the Employer, as defined below. The term Loss shall not include the items specifically excluded by Article IV of this Agreement.

"Claim Expenses" -- shall mean court costs, interest upon awards and judgments and the reasonable costs of investigation, adjustment, defense, and appeal, including pension or appeal bond costs (provided that the prosecution of such appeal and/or the posting of such pension or appeal bond is approved by the Reinsurer), of claims, suits or other proceedings brought against the Employer under the Workers' Compensation or Employers' Liability Laws of the State of California, or other State(s), as provided in Article I, even though such claims, suits, proceedings or demands are wholly groundless, false or fraudulent. Claim Expenses shall not include fees to the Employer's Service Company.

"Aggregate Loss Fund" or "Loss Fund" – shall mean \$101,000,000.00 United States dollars.

"Employers' Liability" – shall mean coverage for the Employer against claims for damages, which arise out of the injuries to Employees in the course of their work. Employers' Liability provides protection in cases not covered by the Workers' Compensation law of the State of California.

"Occurrence" – shall mean accident. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the Workers' Compensation and Employers' Liability Laws of the appropriate State(s). Bodily injury by occupational disease sustained by each Employee shall be deemed to be a separate Occurrence unless such disease results directly from an accident.

"Employee" – as respects liability imposed upon the Employer by the Workers' Compensation Law of any State, the word Employee shall mean any person performing work which renders the Employer liable under the Workers' Compensation Law of the State of California, which is the State of the injured Employee's normal employment, for bodily injuries or occupational disease sustained by such person.

"Service Company" – shall mean Sedgwick Claims Management Services, Inc.

"State" – shall mean any state, territory, or possession of the United States of America and the District of Columbia.

ARTICLE VI – REIMBURSEMENT

Should the Employer pay any loss in excess of the Aggregate Loss Fund created for the Liability Period, the Reinsurer shall reimburse the Employer upon receipt of a formal proof of Loss and other such evidence acceptable to Reinsurer of such payment. Within a reasonable period of time, reimbursement shall be made by the Reinsurer.

ARTICLE VII – PREMIUM

The premium paid to the Reinsurer in the amount of \$2,824,729 shall be paid in a single installment within forty-five (45) days after the Effective Date of this Agreement. Failure to pay premium in accordance with the provisions of this Article shall void the terms and conditions of this Agreement.

ARTICLE VIII – SELF-INSURER

The Employer, by acceptance of this Agreement, warrants that it was an agency of the State of California and thereby was permissibly uninsured in the State of California during the Liability Period and continues to maintain its status as permissibly uninsured in the State of California as of the Effective Date of this Agreement.

ARTICLE IX – SERVICE AND ADMINISTRATION

This Agreement contemplates the concurrent and continued existence of a separate service agreement between the Employer and the Service Company, its designated representative, providing services approved by the Reinsurer. The Employer agrees that its Service Company shall furnish the Reinsurer with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the Employer of its reporting obligations as set forth in Section XI of this Agreement. Any change in Service Company by the Employer must be communicated to Reinsurer prior to the change of the Service Company.

ARTICLE X – OTHER INSURANCE

The Employer may carry any other insurance, reinsurance or indemnity with any other insurer or reinsurer provided, however, that if the Employer carries other insurance, reinsurance, or indemnity with any other insurer or reinsurer covering a Loss also covered by this Agreement, the insurance afforded by this Agreement shall apply in excess of and shall not contribute with such other insurance or reinsurance.

ARTICLE XI – DEFENSE OF CLAIMS

The Employer shall investigate and settle or defend all claims and shall conduct the defense and appeal of all actions, suits, and proceedings commenced against it. The Employer shall forward promptly to the Reinsurer copies of any pleadings or reports as may be requested. The Reinsurer shall not be obliged to assume charge of the investigation, defense, appeal or settlement of any claim, suit, or proceeding brought against the Employer, but the Reinsurer shall be given the opportunity to investigate, defend or participate with the Employer in the investigation and defense of any claim, if, in the opinion of the Reinsurer, its liability under this Agreement might be involved.

ARTICLE XII – GOOD FAITH CLAIMS ADMINISTRATION

The Employer shall use diligence, prudence, and good faith in the investigation, defense, pursuit of recovery from others and settlement of all claims. The Employer shall not unreasonably refuse to settle any claim which, in the exercise of sound judgment with respect to the entire claim, should be settled, provided, however, that the Employer shall not make any payment or agree to any settlement for any sum which would involve the limits of the Reinsurer's liability hereunder without the approval of the Reinsurer. If the Reinsurer is prejudiced by the Employer's failure to exercise diligence, prudence, and good faith, the Reinsurer may elect to disclaim coverage for Loss from such claim.

ARTICLE XIII – INSPECTION AND AUDIT

The Reinsurer shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the Employer and of its agents and representatives, including all records relating to claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement.

ARTICLE XIV -- RECOVERY FROM OTHERS

The Employer agrees to prosecute any and all valid claims the Employer may have against any other party or source that may mitigate any Loss under this Agreement and return to the Reinsurer any amount so recovered, less the reasonable expense of collecting such amounts.

The Reinsurer shall have the Employer's rights to prosecute any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. The Employer agrees that it will assist the Reinsurer in any prosecution of any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. Any amounts recovered by the Reinsurer from any other party or source that may mitigate Loss under this Agreement shall first be used to pay the expenses of collection and to reimburse the Reinsurer for any amount it may have paid the Employer for the Liability Period concerned, and all remaining amounts collected shall be paid to the Employer.

ARTICLE XV -- CHANGE IN AGREEMENT

No condition, provision, or declaration of this Agreement shall be waived or altered at any time except by an addendum signed by both parties to this Agreement. This Agreement hereby terminates, supersedes, and replaces all previously issued Workers' Compensation Insurance or Reinsurance Agreements, as amended, between the Employer and the Reinsurer.

If terms of this Agreement are in conflict with any law applicable to this Agreement, this statement amends this Agreement to conform to such law. In addition, in the event any terms are in conflict with applicable laws, the remaining terms of the Agreement shall be enforceable.

ARTICLE XVI -- ARBITRATION

- 1) Any dispute arising out of the interpretation, performance or breach of this Agreement, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.
- 2) One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within thirty (30) days after being requested to do so by the other party, the latter, after ten (10) days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.
- 3) If the two arbitrators do not agree on a third arbitrator within sixty (60) days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society -- U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

- 4) Within thirty (30) days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.
- 5) The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Agreement, the arbitrators may at their discretion consider underwriting and placement information provided by the Employer to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Agreement. The arbitration shall take place in such location as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.
- 6) The panel shall interpret this Agreement as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.
- 7) Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE XVI – ASSIGNMENT

An assignment of interest under this Agreement will not bind the Reinsurer unless an addendum signed by an authorized representative of the Reinsurer assigning interest under this Agreement is issued by the Reinsurer.

ARTICLE XVII – BANKRUPTCY OR INSOLVENCY OF EMPLOYER

The bankruptcy or insolvency of the Employer will not relieve the Reinsurer or the Employer of its duties and liabilities under this Agreement. After payments have been made by or on behalf of the Employer, reimbursements due under this Agreement will be made by the Reinsurer as if the Employer had not become bankrupt or insolvent, but not in excess of the Reinsurer's limit of indemnity.

ARTICLE XVIII – ACCEPTANCE

By acceptance of this Agreement, the Employer agrees that the statements in this Agreement are the Employer's representations; that this Agreement is issued in reliance upon such representations; that this Agreement embodies all agreements existing between the Employer and the Reinsurer, or any of its agents, relating to this excess insurance, and that full compliance by the Employer with all terms of this Agreement is a condition precedent to the Reinsurer's liability hereunder.

THIS SECTION INTENTIONALLY LEFT BLANK

CALIFORNIA STATE UNIVERSITY

(Employer)

BY: Charles Merick

TITLE: Secy

DATE: 6-10-290

SAFETY NATIONAL CASUALTY CORPORATION

(Reinsurer)

BY: Donald R. Scott

TITLE: President

DATE: 6/15/10

CSURMA SUPPORT OF CSU CAMPUS IMPLEMENTATION OF UC RISK AND SAFETY SOLUTIONS SOFTWARE MODULES

ISSUE: UC Risk and Safety Solutions (RSS) is a software and service provider to the UC that has developed products tailored to higher education and healthcare providers and is now selling products and services outside of the UC. The Systemwide Office of Risk Management and campus EH&S leadership have identified the value of RSS's offerings and has been working with UC RSS to develop a master services agreement by which campuses could obtain discounted access to the UC's various safety training and monitoring modules. After much discussion and negotiation we have a proposal that staff believes offers value to the CSU, enhanced by CSURMA's support. Key elements of the proposal are:

- Campuses would elect to participate in this non-mandatory Software as a Service Licensing.
- CSURMA would support implementation at up to seven campuses per year at a one-time cost to CSURMA of \$20,000 per campus for implementation.
- Campuses will have a free one-year trial of one module, additional modules and renewals will be available at 60% of UC RSS's list price.
- CSURMA would serve as the single point of billing contact for RSS and then bill the campuses.

A few CSU campuses are already in the process of implementing UC RSS products and services and RSS has agreed to honor the discounted pricing offered to CSU retroactive to current year implementations and licensing.

RECOMMENDATION: It is recommended that the Executive Committee delegate authority to the CSURMA Secretary-Auditor to execute the proposed agreements and memoranda of understanding subject to CSURMA General Counsel final approval and take action to establish a budget not to exceed \$140,000 for FY 17/18 for implementation at up to seven campuses.

FISCAL IMPACT: CSURMA has a budget item for the campus grant program and staff proposes that this budget item be increased to allow for the RSS master enabling agreement at a cost not to exceed \$140,000 for FY 17/18. This item will be included in the mid-year budget adjustment item presented to the CSURMA EC in March, 2018.

BACKGROUND: None

PUBLICATION: None.

ATTACHMENT(S):

- a. Proposed DRAFT CSURMA – UC RSS Agreements

MASTER ENABLING AGREEMENT

AGREEMENT NUMBER	AM. NO.
TAXPAYERS FEDERAL / EMPLOYER IDENTIFICATION NUMBER 0000009366	

THIS AGREEMENT, made and entered into this TBD in the State of California, by and between the Trustees of the California State University, which is the State of California acting in a higher education capacity, through its duly appointed and acting officer, hereinafter called CSU and

CONTRACTOR'S NAME

University of California (Risk and Safety Solutions), hereafter called Contractor,

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements, and stipulation of the University hereinafter expressed, does hereby agree to furnish to the University services and materials as follows:

This is a Master Enabling Agreement for Software Services, under which each campus administrative office of the California State University may participate. Campuses shall execute individual service orders for specific personnel placement assignments and will reference the master agreement number. Invoices issued shall reference the service order number. The University makes no commitments regarding the exact total expenditure for this agreement.

Contractor shall provide _____ in accordance with _____, contractors bid submittal received on _____, and the following Riders, which are hereby incorporated by reference and made part of this Agreement. To the extent that any provision of any Rider may conflict with this Agreement or any Riders herein, the order of precedence shall be as follows:

- Rider A – Risk & Safety Solutions Master Service Agreement, consisting of thirteen pages.
- Rider B – Scope of Work, consisting of two pages.
- Rider C – Product Overview, consisting of five pages.
- Rider D – 2017 Full Suite Price List, consisting of two pages.
- Rider E – Technical Requirements, consisting of two pages.

The term of this Agreement shall be for three (3) years, commencing _____ through _____ with _____ () one-year renewal options subject to the discretion of the CSU, and upon acceptable contractor performance.

This agreement does not confer an exclusive right to provide temporary personnel services.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

UNIVERSITY		CONTRACTOR	
Trustees of the California State University			
BY (AUTHORIZED SIGNATURE)	DATE	BY (AUTHORIZED SIGNATURE)	DATE
➤		➤	
PRINTED NAME AND TITLE OF PERSON SIGNING		PRINTED NAME AND TITLE OF PERSON SIGNING	
ADDRESS 401 Golden Shore Long Beach, CA 90802		ADDRESS	

University of California - Risk & Safety Solutions
Master Subscription Agreement
(U.S. Locations Only)

THIS AGREEMENT GOVERNS YOUR ACQUISITION AND USE OF OUR SERVICES.

IF YOU REGISTER FOR A FREE TRIAL FOR OUR SERVICES, THE APPLICABLE PROVISIONS OF THIS AGREEMENT WILL ALSO GOVERN THAT FREE TRIAL.

BY ACCEPTING THIS AGREEMENT, EITHER BY CLICKING A BOX INDICATING YOUR ACCEPTANCE OR BY EXECUTING AN ORDER FORM THAT REFERENCES THIS AGREEMENT, YOU AGREE TO THE TERMS OF THIS AGREEMENT. IF YOU ARE ENTERING INTO THIS AGREEMENT ON BEHALF OF A COMPANY OR OTHER LEGAL ENTITY, YOU REPRESENT THAT YOU HAVE THE AUTHORITY TO BIND SUCH ENTITY AND ITS AFFILIATES TO THESE TERMS AND CONDITIONS, IN WHICH CASE THE TERMS "YOU" OR "YOUR" SHALL REFER TO SUCH ENTITY AND ITS AFFILIATES. IF YOU DO NOT HAVE SUCH AUTHORITY, OR IF YOU DO NOT AGREE WITH THESE TERMS AND CONDITIONS, YOU MUST NOT ACCEPT THIS AGREEMENT AND MAY NOT USE THE SERVICES.

You may not access the Services for purposes of monitoring their availability, performance or functionality, or for any other benchmarking or competitive purposes.

This Agreement is effective between You and Us as of the date of You accepting this Agreement.

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1. DEFINITIONS

"**Affiliate**" means any entity that directly or indirectly controls, is controlled by, or is under common control with the subject entity. "Control," for purposes of this definition, means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity.

"**Agreement**" means this Master Subscription Agreement.

"**Beta Services**" means UC-RSS services or functionality that may be made available to Customer to try at its option at no additional charge which is designated as beta, pilot, limited release, developer preview, non-production, evaluation, or by a similar description.

"**Content**" means information obtained by UC-RSS from publicly available sources or third party content providers and made available to Customer through the Services, Beta Services or pursuant to an Order Form, as more fully described in the Documentation.

"**Documentation**" means the applicable Service's documentation, and its usage guides and policies, as updated from time to time, and currently accessible at UC-RSS website (<http://risksafety.universityofcalifornia.edu/p/>).

"**Malicious Code**" means code, files, scripts, agents or programs intended to do harm, including, for example, viruses, worms, time bombs and Trojan horses.

"**Non-UC-RSS Application**" means a Web-based, mobile, offline or other software application functionality that is provided by You or a third party and interoperates with a Service, including, for example, an application that is developed by or for You.

"**Order Form**" means an ordering document or online order specifying the Services to be provided hereunder that is entered into between You and Us or any of Our Affiliates, including any addenda and supplements thereto. By entering into an Order Form hereunder, an Affiliate agrees to be bound by the terms of this Agreement as if it were an original party hereto.

"**Purchased Services**" means Services that You or Your Affiliate purchase under an Order Form, as distinguished from those provided pursuant to a free trial.

"**Services**" means the products and services that are ordered by You under an Order Form or provided to You under a free trial, and made available online by Us, including associated UC-RSS offline or mobile components, as described in the Documentation. "Services" exclude Content and Non-UC-RSS products and services.

"**User**" means an individual who is authorized by You to use a Service, for whom You have purchased a subscription (or in the case of any Services provided by Us without charge, for whom a Service has been provisioned), and to whom You (or, when applicable, Us at Your request) have supplied a user identification and password (for Services utilizing authentication). Users may include, for example, Your employees, consultants, contractors and agents, so long as they are using the Service on Your behalf.

"**We**", "**Us**", "**Our**", "**UC-RSS**" or the "**University**" means The Regents of the University of California, a California public corporation, acting on behalf of its Risk & Safety Solutions unit.

"**You**," "**Your**" or "**Customer**" means the company or other legal entity for which you are accepting this Agreement, and Affiliates of that company or entity which have signed Order

Forms.

"Your Data" means electronic data and information submitted by or for Customer to the Services, excluding Content and Non-UC-RSS Applications.

2. FREE TRIAL

If You register on Our website for a free trial, We will make one or more Services available to You on a trial basis free of charge until the earlier of (a) the end of the free trial period for which You registered to use the applicable Services, or (b) the start date of any Purchased Service subscriptions ordered by You for such Services, or (c) termination by Us in our sole discretion. Additional trial terms and conditions may appear on the trial registration web page. Any such additional terms and conditions are incorporated into this Agreement by reference and are legally binding.

ANY DATA YOU ENTER INTO THE SERVICES, AND ANY CUSTOMIZATIONS MADE TO THE SERVICES BY OR FOR YOU, DURING YOUR FREE TRIAL WILL BE PERMANENTLY LOST UNLESS YOU PURCHASE A SUBSCRIPTION TO THE SAME SERVICES AS THOSE COVERED BY THE TRIAL, PURCHASE APPLICABLE UPGRADED SERVICES, OR EXPORT SUCH DATA, BEFORE THE END OF THE TRIAL PERIOD. YOU CANNOT TRANSFER DATA ENTERED OR CUSTOMIZATIONS MADE DURING THE FREE TRIAL TO A SERVICE THAT WOULD BE A DOWNGRADE FROM THAT COVERED BY THE TRIAL; THEREFORE, IF YOU PURCHASE A SERVICE THAT WOULD BE A DOWNGRADE FROM THAT COVERED BY THE TRIAL, YOU MUST EXPORT YOUR DATA BEFORE THE END OF THE TRIAL PERIOD OR YOUR DATA WILL BE PERMANENTLY LOST.

NOTWITHSTANDING SECTION 9 (REPRESENTATIONS, WARRANTIES, EXCLUSIVE REMEDIES AND DISCLAIMERS), DURING THE FREE TRIAL THE SERVICES ARE PROVIDED "AS-IS" WITHOUT ANY WARRANTY.

Please review the applicable Service's Documentation during the trial period so that You become familiar with the features and functions of the Services before You make Your purchase.

3. OUR RESPONSIBILITIES

3.1. Provision of Purchased Services. We will (a) make the Services and Content available to You pursuant to this Agreement and the applicable Order Forms, (b) provide applicable UC-RSS standard support for the Services to You at no additional charge, and/or upgraded support if purchased, (c) use commercially reasonable efforts to make the online Services available 24 hours a day, 7 days a week, except for: (i) planned downtime (of which We shall give advance electronic notice), and (ii) any unavailability caused by circumstances beyond Our reasonable control, including, for example, an act of God, act of government, flood, fire, earthquake, civil unrest, act of terror, strike or other labor problem (other than one involving Our employees), Internet service provider failure or delay, Non-UC-RSS Application, or denial of service attack.

3.2. Protection of Your Data. We will maintain administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Your Data, in a commercially reasonable manner. Those safeguards will include, but will not be limited to, measures for preventing access, use, modification or disclosure of Your Data by Our personnel except (a) to provide the Purchased Services and prevent or address service or technical problems, (b) as compelled by law in accordance with Section 8.3 (Compelled Disclosure) below, or (c) as You expressly permit in writing.

3.3. Our Personnel. We will be responsible for the performance of Our personnel (including Our employees and contractors) and their compliance with Our obligations under this Agreement, except as otherwise specified herein.

3.4. Beta Services. From time to time, we may make Beta Services available to You at no charge. You may choose to try such Beta Services or not in Your sole discretion. Beta Services are intended for evaluation purposes and not for production use, are not supported, and may be subject to additional terms. Beta Services are not considered "Services" under this Agreement; however, all restrictions, Our reservation of rights and Your obligations concerning the Services, and use of any related Non-UC-RSS Applications and Content, shall apply equally to Your use of Beta Services. Unless otherwise stated, any Beta Services trial period will expire upon the earlier of one year from the trial start date or the date that a version of the Beta Services becomes generally available without the applicable Beta Services designation. We may discontinue Beta Services at any time in Our sole discretion and may never make them generally available. We will have no liability for any harm or damage arising out of or in connection with a Beta Service.

4. USE OF SERVICES & CONTENT

4.1 Subscriptions. Unless otherwise provided in the applicable Order Form or Documentation, (a) Services and access to Content are purchased as subscriptions, (b) subscriptions may be added during a subscription term at the same pricing as the underlying subscription pricing, prorated for the portion of that subscription term remaining at the time the subscriptions are added, and (c) any added subscriptions will terminate on the same date as the underlying subscriptions.

4.2 Usage Limits. Services and Content are subject to usage limits, including, for example, the quantities specified in Order Forms and Documentation. Unless otherwise specified, (a) a quantity in an Order Form refers to Users, and the Service or Content may not be accessed by more than that number of Users, (b) a User's password may not be shared with any other individual, and (c) except as set forth in an Order Form, a User identification may only be reassigned to a new individual replacing one who will no longer use the Service or Content. If You exceed a contractual usage limit, we may work with You to seek to reduce Your usage so that it conforms to that limit. If, notwithstanding Our efforts, you are unable or unwilling to abide by a contractual usage limit, you will execute an Order Form for additional quantities of the applicable Services or Content promptly upon Our request, and/or pay any invoice for excess usage in accordance with Section 6.2 (Invoicing and Payment).

4.3 Your Responsibilities. You will (a) be responsible for Users' compliance with this Agreement, Documentation and Order Forms, (b) be responsible for the accuracy, quality and legality of Your Data and the means by which You acquired Your Data, (c) use commercially

reasonable efforts to prevent unauthorized access to or use of Services and Content, and notify Us promptly of any such unauthorized access or use, (d) use Services and Content only in accordance with this Agreement, Documentation, Order Forms and applicable laws and government regulations, and (e) comply with terms of service of any Non-UC-RSS Applications with which You use Services or Content.

4.4 Usage Restrictions. You will not (a) make any Service or Content available to, or use any Service or Content for the benefit of, anyone other than You or Users, unless expressly stated otherwise in an Order Form or the Documentation, (b) sell, resell, license, sublicense, distribute, make available, rent or lease any Service or Content, or include any Service or Content in a service bureau or outsourcing offering, (c) use a Service or Non-UC-RSS Application to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights, (d) use a Service or Non-UC-RSS Application to store or transmit Malicious Code, (e) interfere with or disrupt the integrity or performance of any Service or third-party data contained therein, (f) attempt to gain unauthorized access to any Service or Content or its related systems or networks, (g) permit direct or indirect access to or use of any Service or Content in a way that circumvents a contractual usage limit, or use any of Our Services to access or use any of Our intellectual property except as permitted under this Agreement, an Order Form, or the Documentation, (h) copy a Service or any part, feature, function or user interface thereof, (i) copy Content except as permitted herein or in an Order Form or the Documentation, (j) frame or mirror any part of any Service or Content, other than framing on Your own intranets or otherwise for Your own internal business purposes or as permitted in the Documentation, (k) access any Service or Content in order to build a competitive product or service or to benchmark with a Non-UC-RSS product or service, or (l) reverse engineer any Service (to the extent such restriction is permitted by law). Any use of the Services in breach of this Agreement, Documentation or Order Forms, by You or Users that in Our judgment threatens the security, integrity or availability of Our services, may result in Our immediate suspension of the Services, however We will use commercially reasonable efforts under the circumstances to provide You with notice and an opportunity to remedy such violation or threat prior to such suspension.

4.5 Removal of Content and Non-UC-RSS Applications. If We are required by a licensor to remove Content, or receive information that Content provided to You may violate applicable law or third-party rights, We may so notify You and in such event You will promptly remove such Content from Your systems. If We receive information that a Non-UC-RSS Application hosted on a Service by You may violate applicable law or third-party rights, We may so notify You and in such event You will promptly disable such Non-UC-RSS Application or modify the Non-UC-RSS Application to resolve the potential violation. If You do not take required action in accordance with the above, We may disable the applicable Content, Service and/or Non-UC-RSS Application until the potential violation is resolved.

5. NON-UC-RSS PROVIDERS

5.1 We or third parties may make available third-party products or services, including, for example, Non-UC-RSS Applications and implementation and other consulting services. Any acquisition by You of such products or services, and any exchange of data between You and any Non-UC-RSS provider, product or service is solely between You and the applicable Non-UC-RSS provider. We do not warrant or support Non-UC-RSS Applications or other

Non-UC-RSS products or services, whether or not they are designated by Us as "certified" or otherwise, unless expressly provided otherwise in an Order Form.

5.2 Non-UC-RSS Applications and Your Data. If You choose to use a Non-UC-RSS Application with a Service, You grant Us permission to allow the Non-UC-RSS Application and its provider to access Your Data as required for the interoperation of that Non-UC-RSS Application with the Service. We are not responsible for any disclosure, modification or deletion of Your Data resulting from access by such Non-UC-RSS Application or its provider.

5.3 Integration with Non-UC-RSS Applications. The Services may contain features designed to interoperate with Non-UC-RSS Applications. To use such features, You may be required to obtain access to such Non-UC-RSS Applications from their providers, and may be required to grant Us access to Your accounts on such Non-UC-RSS Applications. We cannot guarantee the continued availability of such Service features, and may cease providing them without entitling You to any refund, credit, or other compensation, if for example and without limitation, the provider of a Non-UC-RSS Application ceases to make the Non-UC-RSS Application available for interoperation with the corresponding Service features in a manner acceptable to Us.

6. FEES & PAYMENT FOR PURCHASED SERVICES

6.1. Fees. You will pay all fees specified in Order Forms. Except as otherwise specified herein or in an Order Form, (i) fees are based on Services and Content subscriptions purchased and not actual usage, (ii) payment obligations are non-cancelable and fees paid are non-refundable, and (iii) quantities purchased cannot be decreased during the relevant subscription term.

6.2. Invoicing and Payment. Payments will be payable to "The Regents of the University of California" in the manner set forth in the applicable invoice or Order Form. You will provide Us with a valid purchase order or alternative document reasonably acceptable to Us. We will invoice You in advance and otherwise in accordance with the relevant Order Form for all Purchased Services listed in the Order Form for the initial subscription term and any renewal subscription term or terms as set forth in Section 12.2 (Term of Subscriptions). Such invoices shall be issued in advance, either annually or in accordance with any different billing frequency stated in the applicable Order Form. Unless otherwise stated in the Order Form, invoiced charges are due net 30 days from the invoice date. You are responsible for providing complete and accurate billing and contact information to Us and notifying Us of any changes to such information.

6.3. Overdue Charges. If any invoiced amount is not received by Us by the due date, then without limiting Our rights or remedies, (a) those charges may accrue late interest at the rate of 1.5% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower, and/or (b) We may condition future subscription renewals and Order Forms on payment terms shorter than those specified in Section 6.2 (Invoicing and Payment).

6.4. Suspension of Service and Acceleration. If any amount owing by You under this or any other agreement for Our services is 30 or more days overdue, We may, without limiting Our other rights and remedies, accelerate Your unpaid fee obligations under such agreements so that all such obligations become immediately due and payable, and suspend Our services to You

until such amounts are paid in full. We will give You at least 10 days' prior notice that your account is overdue, in accordance with Section 13.1 for billing notices, before suspending services to You.

6.5. Payment Disputes. We will not exercise Our rights under Section 6.3 (Overdue Charges) or 6.4 (Suspension of Service and Acceleration) above if You are disputing the applicable charges reasonably and in good faith and are cooperating diligently to resolve the dispute.

6.6. Taxes. Our fees do not include any taxes, levies, duties or similar governmental assessments of any nature, including, for example, value-added, sales, use or withholding taxes, assessable by any jurisdiction whatsoever (collectively, "Taxes"). You are responsible for paying all Taxes associated with Your purchases hereunder. If We have the legal obligation to pay or collect Taxes for which You are responsible under this Section 6.6, We will invoice You and You will pay that amount unless You provide Us with a valid tax exemption certificate authorized by the appropriate taxing authority. For clarity, We are solely responsible for taxes assessable against Us based on Our income, property and employees.

6.7. Future Functionality. You agree that Your purchases are not contingent on the delivery of any future functionality or features, or dependent on any oral or written public comments made by Us regarding future functionality or features.

7. PROPRIETARY RIGHTS & LICENSES

7.1. Reservation of Rights. Subject to the limited rights expressly granted hereunder, We and Our licensors and Content Providers reserve all of Our/their right, title and interest in and to the Services and Content, including all of Our/their related intellectual property rights. No rights are granted to You hereunder other than as expressly set forth herein.

7.2. Access to and Use of Content. You have the right to access and use applicable Content subject to the terms of applicable Order Forms, this Agreement and the Documentation.

7.3. License to Host Your Data and Applications. You grant Us, Our Affiliates and applicable contractors a worldwide, limited-term license to host, copy, transmit and display Your Data, and any Non-UC-RSS Applications and program code created by or for You using a Service or for use by You with the Services, as reasonably necessary for Us to provide the Services in accordance with this Agreement. Subject to the limited licenses granted herein, We acquire no right, title or interest from You or Your licensors under this Agreement in or to any of Your Data, Non-UC-RSS Application or such program code.

7.4. License to Use Feedback. You grant to Us and Our Affiliates a worldwide, perpetual, irrevocable, royalty-free license to use and incorporate into Our and/or Our Affiliates' services any suggestion, enhancement request, recommendation, correction or other feedback provided by You or Users relating to the operation of Our or Our Affiliates' services.

7.5. Federal Government End Use Provisions. We provide the Services, including related software and technology, for ultimate federal government end use in accordance with the following: Government technical data and software rights related to the Services include only those rights customarily provided to the public as defined in this Agreement. This customary

commercial license is provided in accordance with FAR 12.211 (Technical Data) and FAR 12.212 (Software) and, for Department of Defense transactions, DFAR 252.227-7015 (Technical Data – Commercial Items) and DFAR 227.7202-3 (Rights in Commercial Computer Software or Computer Software Documentation). If a government agency has a need for rights not granted under these terms, it must negotiate with Us to determine if there are acceptable terms for granting those rights, and a mutually acceptable written addendum specifically granting those rights must be included in any applicable agreement.

8. CONFIDENTIALITY

8.1. Definition of Confidential Information. "Confidential Information" means all information disclosed by a party ("**Disclosing Party**") to the other party ("**Receiving Party**"), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Your Confidential Information includes Your Data; Our Confidential Information includes the Services and Content; and Confidential Information of each party includes the terms and conditions of this Agreement and all Order Forms (including pricing), as well as business and marketing plans, technology and technical information, product plans and designs, and business processes disclosed by such party. However, Confidential Information does not include any information that (i) is or becomes generally known to the public without breach of any obligation owed to the Disclosing Party, (ii) was known to the Receiving Party prior to its disclosure by the Disclosing Party without breach of any obligation owed to the Disclosing Party, (iii) is received from a third party without breach of any obligation owed to the Disclosing Party, or (iv) was independently developed by the Receiving Party.

8.2. The Receiving Party will use the same degree of care that it uses to protect the confidentiality of its own confidential information of like kind (but not less than reasonable care) to (i) not use any Confidential Information of the Disclosing Party for any purpose outside the scope of this Agreement and (ii) except as otherwise authorized by the Disclosing Party in writing, limit access to Confidential Information of the Disclosing Party to those of its and its Affiliates' employees and contractors who need that access for purposes consistent with this Agreement and who have signed confidentiality agreements with the Receiving Party containing protections not materially less protective of the Confidential Information than those herein. Neither party will disclose the terms of this Agreement or any Order Form to any third party other than its Affiliates, legal counsel and accountants without the other party's prior written consent, provided that a party that makes any such disclosure to its Affiliate, legal counsel or accountants will remain responsible for such Affiliate's, legal counsel's or accountant's compliance with this "Confidentiality" section. Notwithstanding the foregoing, We may disclose the terms of this Agreement and any applicable Order Form to a subcontractor or Non-UC-RSS Application Provider to the extent necessary to perform Our obligations to You under this Agreement, under terms of confidentiality materially as protective as set forth herein.

8.3. Compelled Disclosure. The Receiving Party may disclose Confidential Information of the Disclosing Party to the extent compelled by law to do so, provided the Receiving Party gives the Disclosing Party prior notice of the compelled disclosure (to the extent legally permitted) and reasonable assistance, at the Disclosing Party's cost, if the Disclosing Party wishes to contest the disclosure. If the Receiving Party is compelled by law to disclose the Disclosing Party's Confidential Information as part of a civil proceeding to which the Disclosing Party is a party,

and the Disclosing Party is not contesting the disclosure, the Disclosing Party will reimburse the Receiving Party for its reasonable cost of compiling and providing secure access to that Confidential Information. Customer acknowledges and agrees that UC-RSS is subject to compliance with the requirements of the California Public Records Act, Government Code Section 6250 *et seq.*, and that any Confidential Information or non-public terms or conditions of this Agreement may be subject to disclosure in the absence of applicable statutory exemptions for such confidential information.

9. REPRESENTATIONS, WARRANTIES, EXCLUSIVE REMEDIES AND DISCLAIMERS

9.1. Representations. Each party represents that it has validly entered into this Agreement and has the legal power to do so.

9.2. Our Warranties. We warrant that during an applicable subscription term (a) the Services will perform materially in accordance with the applicable Documentation, (b) We will not materially decrease the overall security of the Services, and (c) subject to the "Integration with Non-UC-RSS Applications" Section 5.3 above, we will not materially decrease the overall functionality of the Services. For any breach of a warranty above, your exclusive remedies are those described in the "Termination" and "Refund or Payment upon Termination" sections below.

9.3. Disclaimers. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY MAKES ANY WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. CONTENT AND BETA SERVICES ARE PROVIDED "AS IS," EXCLUSIVE OF ANY WARRANTY WHATSOEVER. EACH PARTY DISCLAIMS ALL LIABILITY AND INDEMNIFICATION OBLIGATIONS FOR ANY HARM OR DAMAGES CAUSED BY ANY THIRD-PARTY HOSTING PROVIDERS.

10. MUTUAL INDEMNIFICATION

10.1. Indemnification by Us. We will defend, indemnify, and hold You and Your officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims from third parties for injury or damages arising out of the performance of this Agreement ("**Claim Against You**"), but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of Us or Our officers, employees or agents; provided that You (a) promptly give Us written notice of the Claim Against You, (b) give Us sole control of the defense and settlement of the Claim Against You (except that We may not settle any Claim Against You unless it unconditionally releases You of all liability), and (c) give Us all reasonable assistance, at Our expense.

10.2. Indemnification by You. You shall defend, indemnify, and hold Us and Our officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims from third parties for injury or damages arising out of the

performance of this Agreement (“**Claim Against Us**”), but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of You or Your officers, employees or agents; provided that We (a) promptly give You written notice of the Claim Against Us, (b) give You sole control of the defense and settlement of the Claim Against Us (except that You may not settle any Claim Against Us unless it unconditionally releases Us of all liability), and (c) give You all reasonable assistance, at Your expense.

10.3. Exclusive Remedy. This Section 10 states the indemnifying party’s sole liability to, and the indemnified party’s exclusive remedy against, the other party for any type of claim described in this Section 10.

11. LIMITATION OF LIABILITY

11.1. Limitation of Liability. IN NO EVENT SHALL THE AGGREGATE LIABILITY OF EACH PARTY TOGETHER WITH ALL OF ITS AFFILIATES ARISING OUT OF OR RELATED TO THIS AGREEMENT EXCEED THE TOTAL AMOUNT PAID BY YOU AND YOUR AFFILIATES HEREUNDER FOR THE SERVICES GIVING RISE TO THE LIABILITY IN THE TWELVE MONTHS PRECEDING THE FIRST INCIDENT OUT OF WHICH THE LIABILITY AROSE. THE FOREGOING LIMITATION WILL APPLY WHETHER AN ACTION IS IN CONTRACT OR TORT AND REGARDLESS OF THE THEORY OF LIABILITY, BUT WILL NOT LIMIT YOUR AND YOUR AFFILIATES’ PAYMENT OBLIGATIONS UNDER THE "FEES AND PAYMENT" SECTION ABOVE.

11.2. Exclusion of Consequential and Related Damages. IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES HAVE ANY LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT FOR ANY LOST PROFITS, REVENUES, GOODWILL, OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, COVER, BUSINESS INTERRUPTION OR PUNITIVE DAMAGES, WHETHER AN ACTION IS IN CONTRACT OR TORT AND REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF A PARTY OR ITS AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF A PARTY’S OR ITS AFFILIATES’ REMEDY OTHERWISE FAILS OF ITS ESSENTIAL PURPOSE. THE FOREGOING DISCLAIMER WILL NOT APPLY TO THE EXTENT PROHIBITED BY LAW.

12. TERM & TERMINATION

12.1 Term of Agreement. This Agreement commences on the date You first accept it and continues until all subscriptions hereunder have expired or have been terminated.

12.2. Term of Subscriptions. The term of each subscription shall be as specified in the applicable Order Form. Except as otherwise specified in an Order Form, subscriptions will automatically renew for additional periods equal to the expiring subscription term or one year (whichever is shorter), unless either party gives the other notice of non-renewal at least 30 days before the end of the relevant subscription term. The per-unit pricing during any renewal term will increase by up to 7% above the applicable pricing in the prior term, unless We provide You notice of different pricing at least 60 days prior to the applicable renewal term. Except as expressly provided in the applicable Order Form, renewal of promotional or one-time priced

subscriptions will be at Our applicable list price in effect at the time of the applicable renewal. Notwithstanding anything to the contrary, any renewal in which subscription volume for any Services has decreased from the prior term will result in re-pricing at renewal without regard to the prior term's per-unit pricing.

12.3. Termination. A party may terminate this Agreement for cause (i) upon 30 days written notice to the other party of a material breach if such breach remains uncured at the expiration of such 30-day period, or (ii) if the other party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors.

12.4. Refund or Payment upon Termination. If this Agreement is terminated by You in accordance with Section 12.3. (Termination), We will refund You any prepaid fees covering the remainder of the term of all Order Forms after the effective date of termination. If this Agreement is terminated by Us in accordance with Section 12.3, You will pay any unpaid fees covering the remainder of the term of all Order Forms. In no event will termination relieve You of Your obligation to pay any fees payable to Us for the period prior to the effective date of termination.

12.5. Your Data Portability and Deletion. Upon request by You made within 30 days after the effective date of termination or expiration of this Agreement, we will make Your Data available to You for export or download as provided in the Documentation; provided, however, that complex data export or download projects may incur additional fees based on the additional effort required. After such 30-day period, We will have no obligation to maintain or provide any Your Data, and as provided in the Documentation will thereafter delete or destroy all copies of Your Data in Our systems or otherwise in Our possession or control, unless legally prohibited.

12.6 Surviving Provisions. The sections titled "Fees and Payment," "Proprietary Rights and Licenses," "Confidentiality," "Disclaimers," "Mutual Indemnification," "Limitation of Liability," "Refund or Payment upon Termination," "Customer Data Portability and Deletion," "Removal of Content and Non-UC-RSS Applications," "Surviving Provisions" and "General Provisions" will survive any termination or expiration of this Agreement.

13. NOTICES, GOVERNING LAW AND JURISDICTION

13.1. Notice. Billing-related notices to You will be addressed to the relevant billing contact designated by You. All other notices to You will be addressed to the relevant Services system administrator designated by You.

13.2. Any notice required to be given hereunder shall be in writing and delivered by electronic mail (with written acknowledgement confirming receipt by return email), personally or by overnight delivery or sent by registered or certified mail, return receipt requested, at the applicable addresses listed below, or at such other addresses as a party may hereafter designate to the other:

If to UC-RSS:

University of California, Office of the President
Office of Risk Services
1111 Franklin Street, 10th floor

Oakland, CA 94607
Attention: Executive Director – Risk & Safety Solutions

If to Customer:
As specified in the Order Form

Notices sent as provided above will be effective upon receipt or upon receipt of written confirmation of refusal of delivery.

13.3. Governing Law and Jurisdiction. The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its conflicts of laws principles. Each party consents and voluntarily submits to personal jurisdiction of the State of California and in the state courts in Alameda County, and any courts that have jurisdiction to hear appeals from such courts, and the parties hereby waive any right to object to any proceedings being brought in those courts.

13.4. No Agency. Subject to any permitted assignment under Section 14.4, the obligations owed by Us under this Agreement shall be owed to You solely by Us, and the obligations owed by You under this Agreement shall be owed solely to Us.

14. GENERAL PROVISIONS

14.1. Export Compliance. The Services, Content, other technology We make available, and derivatives thereof may be subject to export laws and regulations of the United States and other jurisdictions. Each party represents that it is not named on any U.S. government denied-party list. You shall not permit Users to access or use any Service or Content in a U.S. embargoed country (currently Cuba, Iran, North Korea, Sudan, Syria or Crimea) or in violation of any U.S. export law or regulation.

14.2. Anti-Corruption. You agree that You have not received or been offered any illegal or improper bribe, kickback, payment, gift, or thing of value from any of Our employees or agents in connection with this Agreement. Reasonable gifts and entertainment provided in the ordinary course of business do not violate the above restriction. If You learn of any violation of the above restriction, You will use reasonable efforts to promptly notify the Office of General Counsel (further information available at <http://www.ucop.edu/general-counsel/index.html>).

14.3 Entire Agreement and Order of Precedence. This Agreement is the entire agreement between You and Us regarding Your use of Services and Content and supersedes all prior and contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter. Except as otherwise provided herein, no modification, amendment, or waiver of any provision of this Agreement will be effective unless in writing and signed by the party against whom the modification, amendment or waiver is to be asserted. The parties agree that any term or condition stated in Your purchase order or in any other of Your order documentation (excluding Order Forms) is void. In the event of any conflict or inconsistency among the following documents, the order of precedence shall be: (1) this Agreement, (2) the applicable Order Form and (3) the Documentation.

14.4. Assignment. Neither party may assign any of its rights or obligations hereunder, whether

by operation of law or otherwise, without the other party's prior written consent (not to be unreasonably withheld); provided, however, either party may assign or otherwise transfer this Agreement in its entirety (together with all Order Forms), without the other party's consent to its Affiliate or in connection with a merger, acquisition, corporate reorganization, spin-out, spin-off or sale of all or substantially all of its assets (an "Extraordinary Transaction"); provided, further, that UC-RSS may assign or otherwise transfer, without Customer's consent, this Agreement in its entirety (together with all Order Forms) to a successor entity acquiring a significant portion of UC-RSS's Services business, through an Extraordinary Transaction or otherwise. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their respective successors and permitted assigns.

14.5. Relationship of the Parties. The parties are independent contractors. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the parties.

14.6. Third-Party Beneficiaries. There are no third-party beneficiaries under this Agreement.

14.7. Waiver. No failure or delay by either party in exercising any right under this Agreement will constitute a waiver of that right.

14.8. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision will be deemed null and void, and the remaining provisions of this Agreement will remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective date by their duly authorized representatives.

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA

CALIFORNIA STATE UNIVERSITY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exempt purchase, pursuant to APM Section A8.220, Exemption No. 10.

SCOPE OF WORK

The scope of work for this document addresses the terms of services performed by Risk and Safety Solutions (RSS) in support of THE CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (CSURMA) clients; i.e. California State University Campuses.

RSS agrees to provide its software products and services to interested CSU campuses under the following conditions:

- Implement up to seven interested CSU campuses per year.
- RSS will enter into individual Memorandum of Understanding with each campus for the products of interest to them.
- RSS will offer a one-year free trial to one of the RSS modules. Please see list of modules available in RSS price list.
- RSS will offer a 60% discount from the latest available price list of all commercially available products.
- RSS will prioritize CSU Campus's interest in order of "first come basis."
- Unless stated otherwise in the MOU for a specific campus, access is available to unlimited users on each campus.
- RSS will not initiate an implementation for any campus expecting CSURMA support before obtaining written or electronic approval from the CSURMA Secretary.

CSURMA agrees to fulfill the following obligations:

- Onetime grant of \$20,000 payable to RSS per each CSU campus to cover the initial setup, configuration, integration, and implementation cost of the Core Services module for RSS safety suite.
- CSURMA will centrally manage contract agreements and payments of invoices to RSS.
- CSURMA will serve as the clearinghouse for invoicing and reimbursement to RSS.

RSS services include the following:

CSU access to all subscribed EH&S and Risk Management solutions listed in the Product Overview. The software will be delivered as a service.

Access to all the features available in the current web-based version and iOS/Android version (where applicable) in all EH&S and Risk Management solutions.

Access to relevant features in Core Services and Authentication Services that are required for all EH&S and Risk Management solutions listed in this proposal. These features include user management and facilities information (room, floors, building, etc.).

Software Hosting

- Hosting and monitoring of the software on RSS's hosting platform(s).
- Installation, maintenance and upgrade of the software and the client data.
- Daily backup of software and data.
- System monitoring.
- Access to all available training materials, including communications, graphics and training videos.
- Service Desk access between 8 am and 5 pm PST for up to five assigned technical contacts from CSU.
- A guaranteed minimum of 99% system availability.

PRODUCT OVERVIEW

RSS Product List:

A. Environmental Health and Safety Solutions

MyBoard

The current installation allows quick access to important deadlines, recent notifications, a user's profile groups, the Service Desk contact information and links to the application that are in use at your organization. Future phases include the ability to customize the dashboard based on a user's role and permissions.

Core Services

The application is the central information hub for contact and personnel information shared across the RSS suite of applications. Customers will be able to edit their email, phone numbers, and their associated co-workers and locations.

LHAT

The Laboratory Hazard Assessment Tool (LHAT) allows Principal Investigators to conduct a hazard assessment relevant to their research environment to ensure that lab personnel are properly protected in their work environment. LHAT provides an online solution facilitating reviews of lab risks, as well as the ongoing distribution of Personal Protective Equipment.

Key features include:

- Identify hazards associated with a particular lab.
- Provides training on how to use PPE properly.
- Allows administrative personnel to track hazard assessments, required trainings and PPE distribution.
- Dashboard function enables a user to conduct a comparative analysis on specific locations data related to labs, assessments and PPE.

Chemicals

The chemical inventory management module, called Chemicals, is a cloud based tool which includes both a mobile app (available on iOS and Android) and a desktop version. The system has a full inventory management functionality, including (but not limited to) barcoding, import/export capabilities, tracking of inventory items (including sub-location), sharing of chemicals with other labs, reconciliation and compliance and regulatory reporting. The simple interface and ability to manage inventory and access SDS on a mobile device quickly are what set the system apart from others in the market.

Key features include:

- View detailed chemical and safety data sheet (SDS) information.
- Automatic barcoding reconciliation process.
- Chemicals provides real time data for EH&S, Department Safety Coordinators and Emergency Responders as to what hazardous materials are located within a lab in case of emergency.
- On-staff Cheminformatics, to review problems and maintain up-to-date chemical information.

Procedures

Procedures is a flexible, customizable procedure management system that allows users to manage procedures for a variety of work settings. Examples include Lock Out Tag Out (LOTO), chemical experiments and chemical banding. It includes a searchable library of procedures that can be cloned and edited to fit specific user needs. Procedures is available for mobile phones (iPhone and Android) as well as for tablets or desktops.

Key features include:

- Creating new procedures: using a variety of available templates, you can create new procedures that fit your needs.
- Photo attachment and annotations: take photos and intuitively draw or add text to emphasize what is important.
- Geolocation: use your device's GPS to record where a piece of equipment is located.
- Offline use: when you are not online, you can still create, edit and view procedures. Any changes will automatically sync when you are back online.

Radiation

Radiation is an online tool for managing the use of radioactive substances within labs from the initial use authorization to the final waste pickup.

Key features include:

- Web-based Radiation Use Authorization (RUA) streamlines the application and amendment process.
- Track lab limits, inventory (use log) and automatically calculates decay of your radioactive materials; no more manual calculations.
- Integrated with the hazard assessment and the hazardous waste modules.
- Real-time regulatory reports.

WASTE

Waste Accumulation Storage Tracking electronically (WASTE) is a web-based system that facilitates regulatory compliant labeling, tracking, collecting and disposal of hazardous wastes. This application will provide an interface between Principal Investigators (PIs), lab staff and other generators of regulated wastes and the waste management staff.

Key features include:

- Create a tag in less than one minute that provides all required components of labeling hazardous waste.
- Automatically notifies EH&S staff to pick up waste when the accumulation limit is reached (date limit is customizable per campus).
- Delegates can manage lab personnel and storage locations on behalf of the Responsible Persons.

- Creates tags for chemical, radioactive, mixed, biological and universal waste.
- Dashboards and Reports provide a historical analysis of the time between waste tag generation, tag pick-up and tag shipment. Users can compare and contrast the time between each activity to track overall performance and identify whether goals are being met.

OHSS

Occupational Health Surveillance System (OHSS) provides an automated mechanism for conducting a risk assessment and corresponding medical evaluation for employees with exposure to animal biohazards and other workplace or laboratory exposures.

Key features include:

- Web-based--employees and supervisors can see where they are at in the process from any browser.
- Allows appropriate levels of access to data and information.
- System is housed on secure servers to safeguard protected health information (PHI).
- Allows clarification on medical questions through the system between the Medical Professional and the employee.

Inspect

Inspect is a cloud-based inspection tool that provides streamlined inspections using a mobile device, as well as a desktop component for managing completed inspection reports. The flexible workflow allows for single inspector, multiple inspector (for cross-discipline involvement) and self-led inspections. Inspect also comes with a reporting dashboard that provides trend analysis to identify top concerns and improve results.

Key features include:

- Create inspections without internet access; perfect for working in locations with spotty or no connectivity.
- Self-inspections.
- Customize and edit checklists, locations and people.
- Easily record issues and track resolutions.

B. Risk Management Solutions

Monitor

Monitor tracks data related to the monitoring of campus research personnel for chemical exposures.

Key features include:

- Exposure monitoring of current employees.
- Archived exposure records for reference.
- Cloning records for easy data input.
- Customizable in-app library of chemicals for monitoring.

Accommodate

Accommodate is disability management system that tracks all efforts related to getting employees back to work following time off due to injury, including a history of work accommodations and consultation notes.

Key features include:

- Reminders and tracking for diary entries.
- Client history search.
- Client dashboard for personal information and history.
- Track and add progress notes and attachments.

Away

Away allows an employee to register a work-related trip with their employer and provides them with travel resources to help identify and minimize risk.

Key features include:

- Wizard type user interface to quickly and easily step the user through the process of entering their travel itinerary and participant information.
- Provides risk managers with reporting features that can be used to identify scheduled travel for campus associates for use in emergencies.
- Transmits the user's data to the coverage provider and instantly provides detailed travel-related information about the destination.
- Printable insurance ID card as well as information about the benefits of the travel coverage.

Abroad

Abroad is an online interactive course that offers up-to-date travel tips and information on vaccinations and illnesses, food safety, situational awareness and more.

Key features include:

- Trip registration to gain access to 24-hour emergency contact information and worldwide alerts.
- Location-specific information for 20 countries on five continents.

Employer's First Report of Injury

Employer's First Report of Injury (EFR) allows administrators, supervisors and department representatives to efficiently submit, monitor and resolve the initial causes and resulting disability periods from work injuries.

Key features include:

- Complies with Cal/OSHA regulations and form 5020 reporting.
- Tracks incidents, actions and follow-ups.
- Tracks and monitors work status.
- Electronic claim submission to third party claims management system.

Drone Management System

Centralized registration for Unmanned Aircraft Systems (UAS), pilots and flights. Allows access to flight and incident reporting.

Key features include:

- Register UAS and authorizations online.
- Monitor and track UAS activity.
- Ensure compliance with FAA regulations.
- Provides data on incidents caused by weather or human error.



2017 FULL SUITE PRICE LIST

Effective through Dec 31, 2017.

SYSTEM APPLICATION	PRICE
Core Services	
Core Services	\$20,000.00
CHEMICAL MANAGEMENT	
Chemicals*	\$20,000.00
ChemAdmin	\$20,000.00
Safety Data Sheets (SDS)- This depends on the contracts available with each customer	TBD
ASSESSMENT	
Laboratory Hazard Assessment Tool (LHAT)	\$60,000.00
Laboratory Hazard Assessment Tool (LHAT) - Dashboard	Included
Monitor (LHAT)	Included
Procedures (price per modules) Chemical, Lock Out Tag Out, etc.	\$15,000.00
USE AUTHORIZATION MANAGEMENT	
Biosafety Information Online	\$70,000.00
Biosafety Information Online Dashboard	Included
Radiation	\$50,000.00
INSPECTIONS	
Inspect (price for first base module)	\$40,000.00
AED	\$10,000.00
Biosafety	\$10,000.00
Ergonomics	\$10,000.00
Eyewash Station	\$10,000.00
Fire Safety	\$10,000.00
Food Safety	\$10,000.00
Forklift/Ladder Safety	\$10,000.00
Lab Safety	\$10,000.00
Radiation Safety	\$10,000.00
Shop Safety	\$10,000.00
Theater Safety	\$10,000.00
Waste Accumulation Area (WAA)	\$10,000.00
Workplace Violence	\$10,000.00
Inspect - Dashboard	Included

HAZARDOUS WASTE MANAGEMENT	
Waste Accumulation Storage Tracking electronically (WASTE)	\$40,000.00
Waste Accumulation Storage Tracking electronically (WASTE) - Dashboard	Included
HEALTH SCREENING	
Occupational Health Surveillance System (OHSS)	\$50,000.00
CLAIMS MANAGEMENT	
Employer's First Report (EFR)	\$70,000.00
Accommodate	\$70,000.00
TRAVEL SAFETY	
Away	\$15,000.00
UC Abroad	\$15,000.00
LIABILITY & INSURANCE	
Minors (B2H) 4% of annual generated revenues	\$ -
Waivers	\$20,000.00
UAS FLEET MANAGEMENT	
Drones	\$10,000.00

*If using the chemical application, compatible barcodes are available for purchase at \$50/Roll of 500.

TECHNICAL REQUIREMENTS

Template for People and Facilities Data

People Data

Field	Optional	Description
userId	NO	Unique person identifier exposed by authentication provider (must be immutable)
firstName	NO	Person first name
lastName	NO	Person last name
phoneNumber1	YES	Primary phone number [Format: (530)760-4009 x1234. Note: Area Code is required, Extension is optional]
phoneNumber2	YES	Secondary phone number
systemEmail	NO	Official work email address
alternateEmail	YES	Personal email address
employeeId	YES	Employee identification number

Facilities Data

Field	Optional	Type	Description
buildingKey	NO	varchar(32)	Unique primary key associated with building
code	YES	varchar(32)	Internal code of the building (ENGR 2 for Engineering II / UNIV CENTER for University Center)
name	NO	varchar(128)	Internal name of the building
displayName	YES	varchar(128)	Name of building displayed to public
category	YES	varchar(64)	Classification purpose of the building - general, residential, etc
ubcCode	YES	varchar(32)	Uniform Building Code - building code
assetNumber	YES	varchar(32)	Internal asset number
primaryUsage	YES	varchar(128)	Primary usage and purpose of the building
address	YES	varchar(128)	Building Address
city	YES	varchar(64)	Building City
county	YES	varchar(64)	Building County
state	YES	varchar(32)	Building State
postalCode	YES	varchar(32)	Building Zip Code
size	YES	int(11)	Total sq ft space of building
numFloors	YES	int(11)	Total number of floors in building

code, category, ubccode, assetnumber, primaryusage are fields used for various cases across the 10 UC campuses. They are not necessary. building/floor/room are separated in our database, hence the 3 different tabs

Floor Data

Field	Optional	Type	Description
buildingKey	NO	varchar(32)	Unique primary key associated with building
floorKey	NO	varchar(32)	Unique primary key associated with floor
code	YES	varchar(32)	Floor code/number (1, 2, 3)
name	NO	varchar(128)	Name of the floor (e.g. '1st Floor,' 'Basement')
size	YES	int(11)	Total sq ft size of the floor

Room Data

Field	Optional	Type	Description
buildingKey	NO	varchar(32)	Unique primary key associated with building
floorKey	NO	varchar(32)	Unique primary key associated with floor
roomKey	NO	varchar(32)	Unique primary key associated with room
roomNumber	NO	varchar(32)	Number of room
name	NO	varchar(128)	Name of the room (if different from number)
size	YES	int(11)	Total sq ft size of the room

DEVELOPMENT OF CSURMA EARTHQUAKE COVERAGE PROGRAM

ISSUE: CSURMA's long range plan included directing staff to evaluate potential for CSURMA to launch an earthquake insurance program using non-traditional approaches. Staff has been working with Swiss Re on a proposal that uses a shake intensity trigger rather than per structure percentage of damage deductible. The attached presentation has been reviewed with the Chancellor's Office and staff will be on hand at today's meeting to discuss the conceptual proposal.

RECOMMENDATION: The CSURMA Treasurer and Secretary-Auditor will advise the CSURMA Executive Committee on the next steps recommended if a program is to be pursued, including approval by the CSURMA Board of Directors at their October 27, 2017 meeting.

FISCAL IMPACT: The cost of earthquake coverage would be allocated to the campus and AORMA property funds and premiums for the upcoming FY 18/19 would include a charge for coverage.

BACKGROUND: Please refer to attached presentation.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSU Parametric Earthquake Insurance Presentation

California State University

Parametric Earthquake Insurance



Notice

- **Terms and conditions contained herein are non-binding to facilitate discussions with respect to a transaction as described herein. Any final transaction between the parties shall be subject to Policy by the parties to final documentation.**
- **This presentation provides terms and conditions which we may formalize into a separate Quote. This is intended to present some, but not all, of the terms and conditions which we may choose to include on a formal Quote document.**

CSU detail

- CSU is the largest four-year public university system in the United States
 - Twenty three campuses
 - Enrolling over 478,000 students
 - 24,405 faculty
 - 23,012 staff



The Challenge and Need?

It is said that the **first ninety days following a disaster** are the most critical in determining the path of our recovery. Having the ability to secure the **necessary financial resources** in the immediate aftermath is paramount to this success. The ability to act quickly and with certainty can make all the difference.

When an earthquake strikes, there is a direct correlation between the ground shake intensity and the losses suffered on the ground. However, **Higher Education entities face liquidity challenges** as there can be a substantial delay from various reimbursement sources. In some circumstances, **expenses may not be covered by either the federal government or traditional insurance coverage.** Access to pre-agreed funds can provide budgetary clarity and stability during challenging times.

Swiss Re has developed parametric index insurance solutions designed to provide a **rapid disbursement of funds** to assist with the **expenses** that Higher Education entities incur immediately after an earthquake.



Direct vs. Indirect Costs



Direct

- Lost lives
- Capital/Asset losses
- Property Damage
- Infrastructure repair



Indirect

- Extra Expenses
- Fiscal impact
ratings → interest rates
- Lost revenues
- Growth potential
- Spending reduction
(ripple effect)

Non-reimbursed Disaster Expenses: Samples of what FEMA Doesn't Cover

Increased expenses, "clawbacks" and
loss of business revenue

Communication and
IT infrastructure
interruption

Compliance audits by
FEMA and others can
result in return of
received funds

Employee and
student relocation,
unavailability of
transportation &
facilities

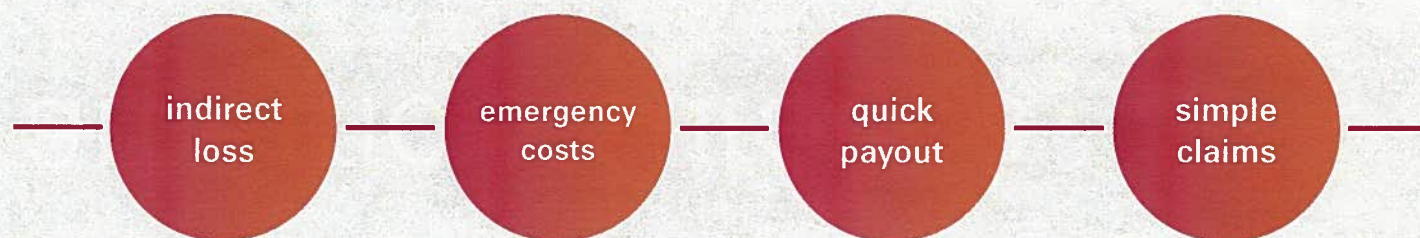
Lost revenue from
scheduled Events
including sports
activities

Parametric Insurance

Drivers For Parametric Insurance

- **Key drivers for buyers**

- Protect against indirect economic loss
- Supplement traditional insurance
- Cover underinsured or uninsurable risk
- Quick payout, improves liquidity
- Simple and transparent claims process
- Assist with post-event emergency costs



What Is A Parametric Insurance Product?*

- Pre-defined **event triggers** and a table of payout factors are established
- A final **policy is agreed** to containing the details of the transaction and the requirements of the two parties (including trigger and payouts)*
- If an event occurs that meets or exceeds the pre-defined event trigger, then the product pays according to the **payout table**
- At a subsequent point in time (generally within 12 months of the event), insured **attests** that actual covered losses and expenses are greater than or equal to payout received.



**Note: This slide is a very simplistic explanation of the product, the full policy will have all stipulations and details of the contract.*

Earthquake: Magnitude vs. Intensity Trigger

- **Magnitude:** Earthquake magnitude is a quantitative measure of the amount of energy released by the earthquake at its source. Various magnitude scales exist; the most common are the **Moment Magnitude Scale** (reported by the United States Geological Survey; USGS) and **Richter Magnitude Scale**.
- **Intensity:** The effect of an earthquake on the Earth's surface is called the intensity. The severity of earthquake shaking is assessed using a descriptive scale – the **Modified Mercalli Intensity Scale (MMI)**. MMI communicates the perceived effects of an earthquake on the Earth's surface, humans, objects of nature, and man-made structures on a scale from I (not felt) to XII (total destruction).



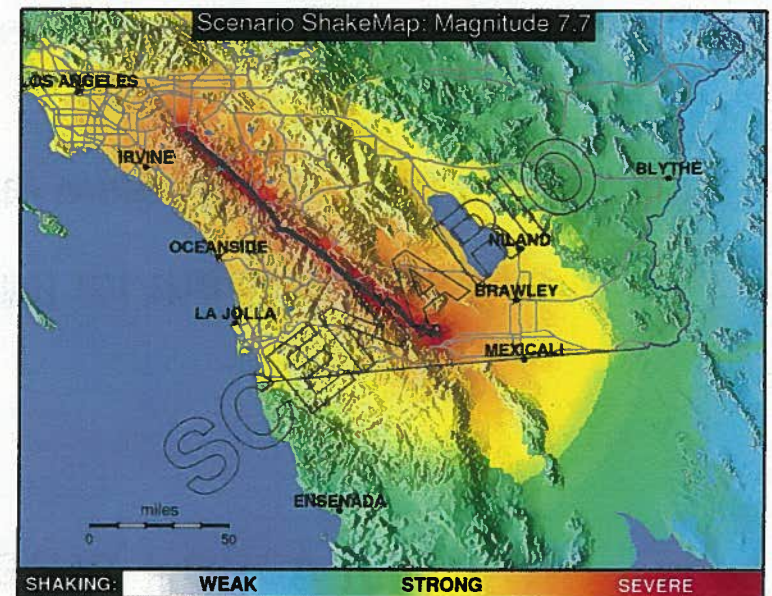
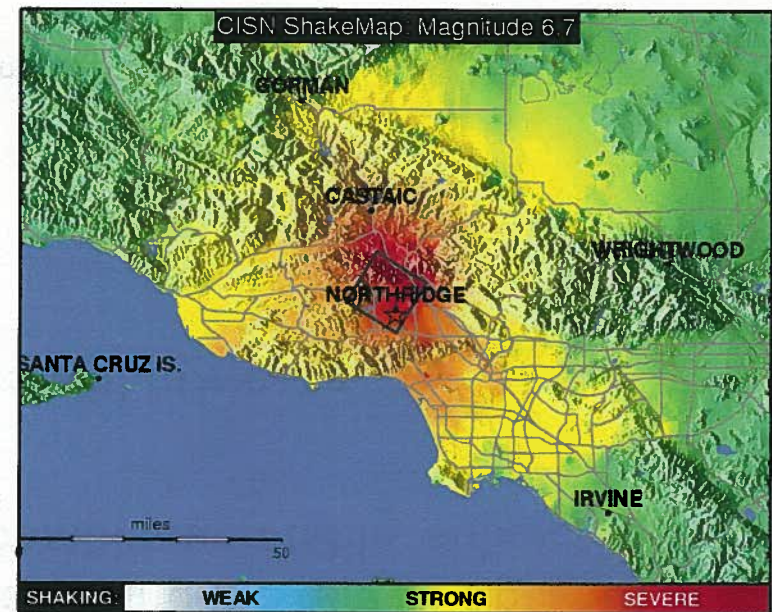
A certain **Magnitude** measured at the Epicenter on an Earthquake unfolds into different **Intensities (MMI)** in affected areas.

Why an intensity trigger?

It's easy, transparent and tailored to your needs

- A simple earthquake magnitude trigger does not necessarily capture localized impacts.
- A moderate magnitude earthquake directly beneath a campus can cause as much damage as a significant earthquake tens of miles away
- Swiss Re's intensity parametric earthquake products use independent, 3rd party sources, to determine ground shaking intensity at your location.
- Intensity metrics are calculated and reported based on seismic networks, peer-reviewed and published calculation methodologies.
- Payout based on the severity of ground shaking at your locations.

Image: Two ShakeMaps for Southern California. The top map is the ShakeMap for the 1994 Mw 6.7 Northridge earthquake, and the bottom is a hypothetical and physically possible Mw 7.7 earthquake near the California/Mexico border. Both cause strong shaking in the Los Angeles area, despite their different locations and intensities.



Source: USGS

How the Swiss Re QUAKE Parametric Policy Would Respond in an Eligible Event

- Earthquake occurs
- USGS publishes the ShakeMap showing MMI for the affected region
- Using that map we determine what Intensity was experienced at the client's zip codes (centers).
- For each zip code, if MMI measurement is equal to or higher than pre-determined trigger we would pay the Insured using the relevant payout factor associated with the event/zip code combination table, subject to all other terms and conditions of the policy
- Once payout is determined, payment occurs within weeks

Note: the full policy will have all stipulations and details of the contract.

Limit Summary

Limit Summary by Campus

- Parametric limit assigned to Twenty Three CSU campuses (plus Chancellor's Office).
- Limit by campus proportional to each campus TiV
- Two largest earthquake areas (Bay Area and LA Metro) each have \$25m total limit across area campuses

	TiV	Parametric Limit
Bay Area		25,000,000
CALIFORNIA MARITIME ACADEMY	108,524,322	700,000
CSU EAST BAY	586,759,488	3,700,000
SAN FRANCISCO STATE UNIVERSITY	1,304,702,585	8,300,000
SAN JOSE STATE UNIVERSITY	1,946,807,114	12,300,000
Central Coast		10,000,000
CALIFORNIA POLYTECHNIC STATE UNIVERSITY	1,078,924,591	5,800,000
CSU MONTEREY BAY	793,776,855	4,200,000
LA Metro		25,000,000
CALIFORNIA STATE POLYTECHNIC UNIVERSITY	1,063,712,210	3,500,000
CSU CHANCELLOR'S OFFICE	67,455,634	200,000
CSU CHANNEL ISLANDS	341,675,315	1,100,000
CSU DOMINGUEZ HILLS	363,918,480	1,200,000
CSU FULLERTON	1,288,519,288	4,300,000
CSU LONG BEACH	1,430,672,365	4,700,000
CSU LOS ANGELES	1,028,095,369	3,400,000
CSU NORTHRIDGE	1,354,805,766	4,500,000
CSU SAN BERNARDINO	625,409,128	2,100,000
Sacramento Valley		10,000,000
CSU CHICO	810,637,707	2,700,000
CSU SACRAMENTO	1,091,567,575	3,500,000
HUMBOLDT STATE UNIVERSITY	536,162,549	1,800,000
SONOMA STATE UNIVERSITY	608,327,709	2,000,000
San Diego area		15,000,000
CSU SAN MARCOS	967,742,708	4,900,000
SAN DIEGO STATE UNIVERSITY	2,011,161,880	10,100,000
San Joaquin Valley		10,000,000
CSU BAKERSFIELD	319,051,392	1,900,000
CSU FRESNO	1,070,431,374	6,200,000
CSU STANISLAUS	330,375,988	1,900,000

Illustration of Structure

(sample: greater Los Angeles Metro area)

Detailed Limits and Payouts by zip code: (LA Metro Area)

LA Metro	Sum of Limit	LA Metro	Sum of Limit
CA STATE POLYTECHNIC	3,500,000	CSU LONG BEACH	4,700,000
90039	5,000	90803	5,000
91767	10,000	90804	90,000
91768	3,465,000	90813	5,000
92211	5,000	90815	240,000
92860	10,000	90840	4,355,000
93060	5,000	91768	5,000
CSU CHANCELLOR'S OFFICE	200,000	CSU LOS ANGELES	3,400,000
90802	180,000	90017	10,000
90803	10,000	90032	3,390,000
95819	10,000	CSU NORTHRIDGE	4,500,000
CSU CHANNEL ISLANDS	1,100,000	91321	5,000
93012	1,100,000	91324	50,000
CSU DOMINGUEZ HILLS	1,200,000	91325	10,000
90747	1,200,000	91330	4,430,000
CSU FULLERTON	4,300,000	91411	5,000
90621	50,000	CSU SAN BERNARDINO	2,100,000
92309	5,000	92211	120,000
92618	120,000	92260	5,000
92701	5,000	92394	5,000
92831	70,000	92407	1,960,000
92832	5,000	92408	5,000
92834	4,040,000	92553	5,000
92837	5,000		

MMI Payouts by zip Code

6.50 – 7.49: 25% of the limit

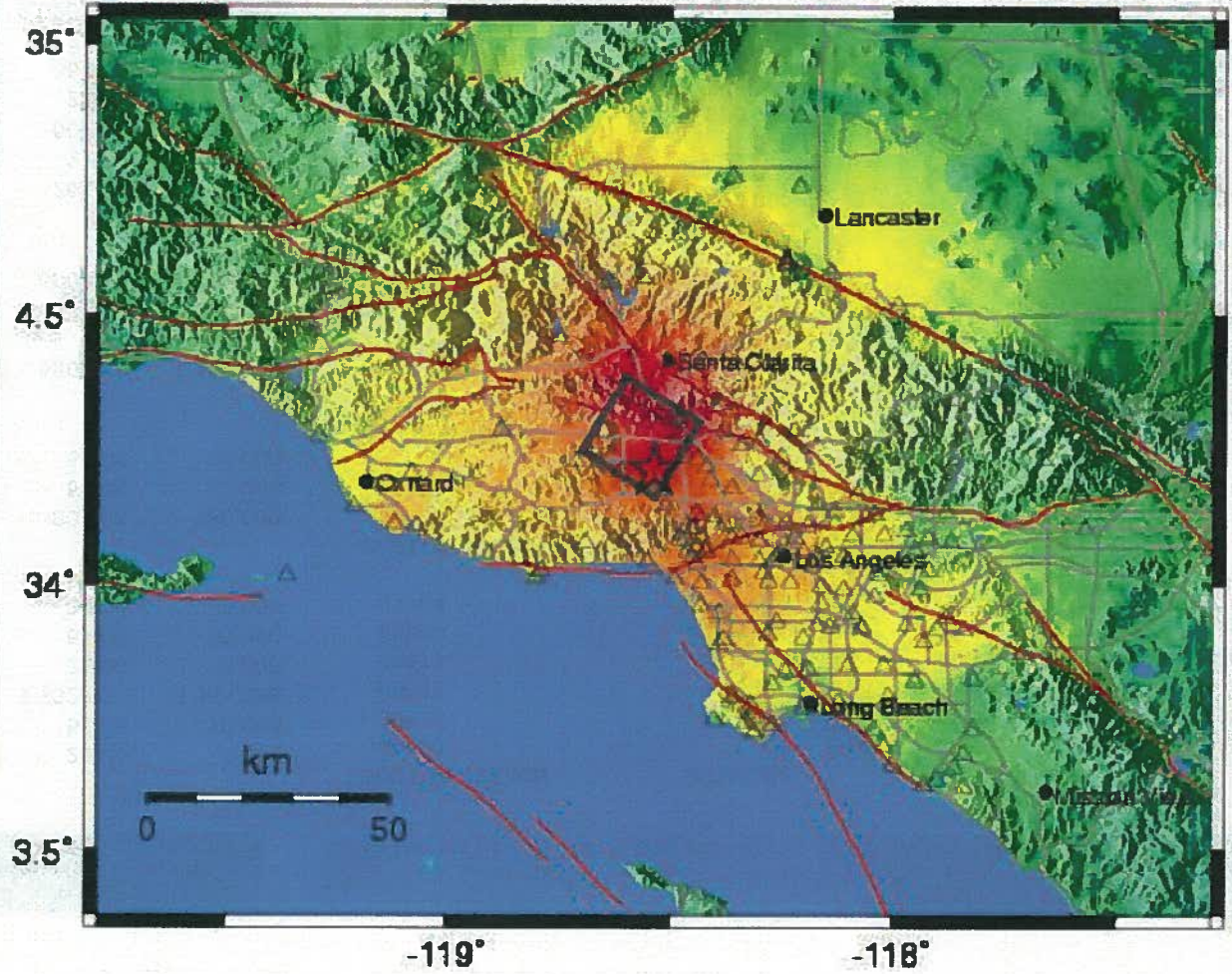
7.50 – 8.49: 50% of the limit

8.5+: 100% of the limit

Sample ShakeMap

- Northridge: 1994
- Magnitude: Mw 6.7
- MMI: Varies by geographic location (see map illustrating MMI at locations across the region)

CISN ShakeMap for Northridge Earthquake
 Mon Jan 17, 1994 04:30:55 AM PST M 6.7 N34.21 W118.54 Depth: 18.0km ID:Northridge



PERCEIVED SHAKING	Not felt	Weak	Light	Moderate	Strong	Very strong	Severe	Violent	Extreme
INSTRUMENTAL INTENSITY	I	II-III	IV	V	VI	VII	VIII	IX	X+



Earthquake Hazards Program

<http://usgs.github.io/shakemap/>



Sample Payout

1994 Northridge Earthquake (Mw 6.7)

Confidential

Event Payout: \$5,683,750
Event Limit: \$25,000,000

LA Metro	Sum of Limit	MMI	Payouts			LA Metro	Sum of Limit	MMI	Payouts		
			MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+				MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CA STATE POLYTECHNIC	3,500,000					CSU LONG BEACH	4,700,000				
90039	5,000	7.16	1,250	2,500	5,000	90803	5,000	6.02	1,250	2,500	5,000
91767	10,000	5.55	2,500	5,000	10,000	90804	90,000	5.74	22,500	45,000	90,000
91768	3,465,000	5.73	866,250	1,732,500	3,465,000	90813	5,000	5.49	1,250	2,500	5,000
92211	5,000	<5	1,250	2,500	5,000	90815	240,000	6.09	60,000	120,000	240,000
92860	10,000	5.3	2,500	5,000	10,000	90840	4,355,000	6.09	1,088,750	2,177,500	4,355,000
93060	5,000	6.13	1,250	2,500	5,000	91768	5,000	5.73	1,250	2,500	5,000
CSU CHANCELLOR'S OFFICE	200,000					CSU LOS ANGELES	3,400,000				
90802	180,000	5.71	45,000	90,000	180,000	90017	10,000	6.43	2,500	5,000	10,000
90803	10,000	6.02	2,500	5,000	10,000	90032	3,390,000	6.75	847,500	1,695,000	3,390,000
95819	10,000	<5	2,500	5,000	10,000	CSU NORTHRIDGE	4,500,000				
CSU CHANNEL ISLANDS	1,100,000					91321	5,000	8.97	1,250	2,500	5,000
93012	1,100,000	6.6	275,000	550,000	1,100,000	91324	50,000	8.95	12,500	25,000	50,000
CSU DOMINGUEZ HILLS	1,200,000					91325	10,000	8.93	2,500	5,000	10,000
90747	1,200,000	5.96	300,000	600,000	1,200,000	91330	4,430,000	9.06	1,107,500	2,215,000	4,430,000
CSU FULLERTON	4,300,000					91411	5,000	8.21	1,250	2,500	5,000
90621	50,000	6.02	12,500	25,000	50,000	CSU SAN BERNARDINO	2,100,000				
92309	5,000	<5	1,250	2,500	5,000	92211	120,000	<5	30,000	60,000	120,000
92618	120,000	5.39	30,000	60,000	120,000	92260	5,000	<5	1,250	2,500	5,000
92701	5,000	5.38	1,250	2,500	5,000	92394	5,000	5.14	1,250	2,500	5,000
92831	70,000	6.14	17,500	35,000	70,000	92407	1,960,000	<5	490,000	980,000	1,960,000
92832	5,000	6.2	1,250	2,500	5,000	92408	5,000	5.35	1,250	2,500	5,000
92834	4,040,000	6.2	1,010,000	2,020,000	4,040,000	92553	5,000	5.15	1,250	2,500	5,000
92837	5,000	6.2	1,250	2,500	5,000						

Note: CSU San Marcos has exposures coded to 93012 (channel islands) and triggered \$62,500 payment for this event (included in total)

Full Limit and Payout Details (by zip code: all campuses)

Detailed Limits and Payouts by zip code

LA Metro	Sum of Limit	Payouts			LA Metro	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+			MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CA STATE POLYTECHNIC	3,500,000				CSU LONG BEACH	4,700,000			
90039	5,000	1,250	2,500	5,000	90803	5,000	1,250	2,500	5,000
91767	10,000	2,500	5,000	10,000	90804	90,000	22,500	45,000	90,000
91768	3,465,000	866,250	1,732,500	3,465,000	90813	5,000	1,250	2,500	5,000
92211	5,000	1,250	2,500	5,000	90815	240,000	60,000	120,000	240,000
92860	10,000	2,500	5,000	10,000	90840	4,355,000	1,088,750	2,177,500	4,355,000
93060	5,000	1,250	2,500	5,000	91768	5,000	1,250	2,500	5,000
CSU CHANCELLOR'S OFFICE	200,000				CSU LOS ANGELES	3,400,000			
90802	180,000	45,000	90,000	180,000	90017	10,000	2,500	5,000	10,000
90803	10,000	2,500	5,000	10,000	90032	3,390,000	847,500	1,695,000	3,390,000
95819	10,000	2,500	5,000	10,000	CSU NORTHRIDGE	4,500,000			
CSU CHANNEL ISLANDS	1,100,000				91321	5,000	1,250	2,500	5,000
93012	1,100,000	275,000	550,000	1,100,000	91324	50,000	12,500	25,000	50,000
CSU DOMINGUEZ HILLS	1,200,000				91325	10,000	2,500	5,000	10,000
90747	1,200,000	300,000	600,000	1,200,000	91330	4,430,000	1,107,500	2,215,000	4,430,000
CSU FULLERTON	4,300,000				91411	5,000	1,250	2,500	5,000
90621	50,000	12,500	25,000	50,000	CSU SAN BERNARDINO	2,100,000			
92309	5,000	1,250	2,500	5,000	92211	120,000	30,000	60,000	120,000
92618	120,000	30,000	60,000	120,000	92260	5,000	1,250	2,500	5,000
92701	5,000	1,250	2,500	5,000	92394	5,000	1,250	2,500	5,000
92831	70,000	17,500	35,000	70,000	92407	1,960,000	490,000	980,000	1,960,000
92832	5,000	1,250	2,500	5,000	92408	5,000	1,250	2,500	5,000
92834	4,040,000	1,010,000	2,020,000	4,040,000	92553	5,000	1,250	2,500	5,000
92837	5,000	1,250	2,500	5,000					

Detailed Limits and Payouts by zip code

Bay Area	Sum of Limit	Payouts			Sacramento Valley	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+			MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CALIFORNIA MARITIME	700,000				CSU CHICO	2,700,000			
94590	700,000	175,000	350,000	700,000	95926	20,000	5,000	10,000	20,000
CSU EAST BAY	3,700,000				95928	80,000	20,000	40,000	80,000
94521	140,000	35,000	70,000	140,000	95929	2,595,000	648,750	1,297,500	2,595,000
94542	3,410,000	852,500	1,705,000	3,410,000	95942	5,000	1,250	2,500	5,000
94545	150,000	37,500	75,000	150,000	CSU SACRAMENTO	3,500,000			
SAN FRANCISCO STATE	8,300,000				95211	5,000	1,250	2,500	5,000
94103	100,000	25,000	50,000	100,000	95383	5,000	1,250	2,500	5,000
94131	20,000	5,000	10,000	20,000	95616	5,000	1,250	2,500	5,000
94132	8,065,000	2,016,250	4,032,500	8,065,000	95626	5,000	1,250	2,500	5,000
94601	10,000	2,500	5,000	10,000	95670	10,000	2,500	5,000	10,000
94920	100,000	25,000	50,000	100,000	95690	5,000	1,250	2,500	5,000
96124	5,000	1,250	2,500	5,000	95811	5,000	1,250	2,500	5,000
SAN JOSE STATE	12,300,000				95814	20,000	5,000	10,000	20,000
94608	5,000	1,250	2,500	5,000	95816	5,000	1,250	2,500	5,000
95039	200,000	50,000	100,000	200,000	95819	3,400,000	850,000	1,700,000	3,400,000
95112	240,000	60,000	120,000	240,000	95826	30,000	7,500	15,000	30,000
95113	10,000	2,500	5,000	10,000	95971	5,000	1,250	2,500	5,000
95172	30,000	7,500	15,000	30,000	HUMBOLDT STATE	1,800,000			
95192	11,815,000	2,953,750	5,907,500	11,815,000	95501	20,000	5,000	10,000	20,000
					95521	1,765,000	441,250	882,500	1,765,000
					95555	5,000	1,250	2,500	5,000
					95570	10,000	2,500	5,000	10,000
					SONOMA STATE	2,000,000			
					94542	210,000	52,500	105,000	210,000
					94928	1,785,000	446,250	892,500	1,785,000
					95404	5,000	1,250	2,500	5,000

Detailed Limits and Payouts by zip code

San Diego area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
SAN DIEGO STATE	10,100,000			
91910	5,000	1,250	2,500	5,000
91948	5,000	1,250	2,500	5,000
91977	5,000	1,250	2,500	5,000
92019	5,000	1,250	2,500	5,000
92025	5,000	1,250	2,500	5,000
92026	5,000	1,250	2,500	5,000
92028	10,000	2,500	5,000	10,000
92037	5,000	1,250	2,500	5,000
92069	5,000	1,250	2,500	5,000
92075	5,000	1,250	2,500	5,000
92082	5,000	1,250	2,500	5,000
92084	5,000	1,250	2,500	5,000
92101	80,000	20,000	40,000	80,000
92102	5,000	1,250	2,500	5,000
92105	90,000	22,500	45,000	90,000
92109	30,000	7,500	15,000	30,000
92110	20,000	5,000	10,000	20,000
92113	5,000	1,250	2,500	5,000
92115	550,000	137,500	275,000	550,000
92117	5,000	1,250	2,500	5,000
92118	5,000	1,250	2,500	5,000
92119	5,000	1,250	2,500	5,000
92120	30,000	7,500	15,000	30,000
92123	60,000	15,000	30,000	60,000

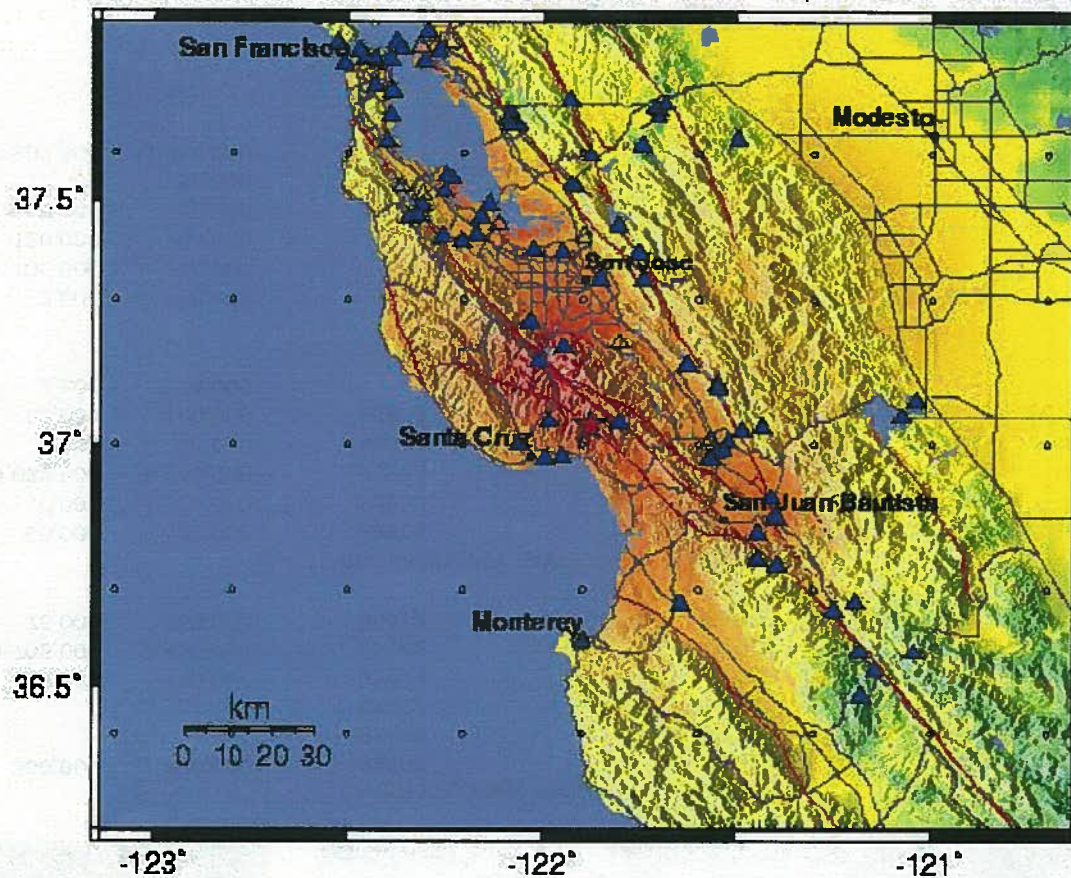
San Diego area	Sum of Limit	Payouts		
		MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
92126	5,000	1,250	2,500	5,000
92182	9,005,000	2,251,250	4,502,500	9,005,000
92192	10,000	2,500	5,000	10,000
92227	10,000	2,500	5,000	10,000
92231	80,000	20,000	40,000	80,000
92243	5,000	1,250	2,500	5,000
92501	5,000	1,250	2,500	5,000
92590	5,000	1,250	2,500	5,000
94501	20,000	5,000	10,000	20,000
95249	5,000	1,250	2,500	5,000
CSU SAN MARCOS	4,900,000			
92078	310,000	77,500	155,000	310,000
92096	2,235,000	558,750	1,117,500	2,235,000
92831	5,000	1,250	2,500	5,000
93012	250,000	62,500	125,000	250,000
93407	1,780,000	445,000	890,000	1,780,000
95202	320,000	80,000	160,000	320,000

Additional Payout Examples

Sample ShakeMap

- Loma Prieta: 1989
- Magnitude: Mw 6.9
- MMI: Varies by geographic location (see map illustrating MMI at locations across the region)

CISN Rapid Instrumental Intensity Map for LomaPrieta Earthquake
 Tue Oct 17, 1989 05:04:00 PM PDT M 6.9 N37.04 W121.88 Depth: 18.0km ID:LomaPrieta



PERCEIVED SHAKING	Not felt	Weak	Light	Moderate	Strong	Very strong	Severe	Violent	Extreme
INSTRUMENTAL INTENSITY	I	II-III	IV	V	VI	VII	VIII	IX	X



Earthquake Hazards Program

<http://usgs.github.io/shakemap/>



Sample Payout

1989 Loma Prieta Earthquake (Mw 6.9)

Confidential

Event Payout: \$3,212,500
Event Limit: \$25,000,000

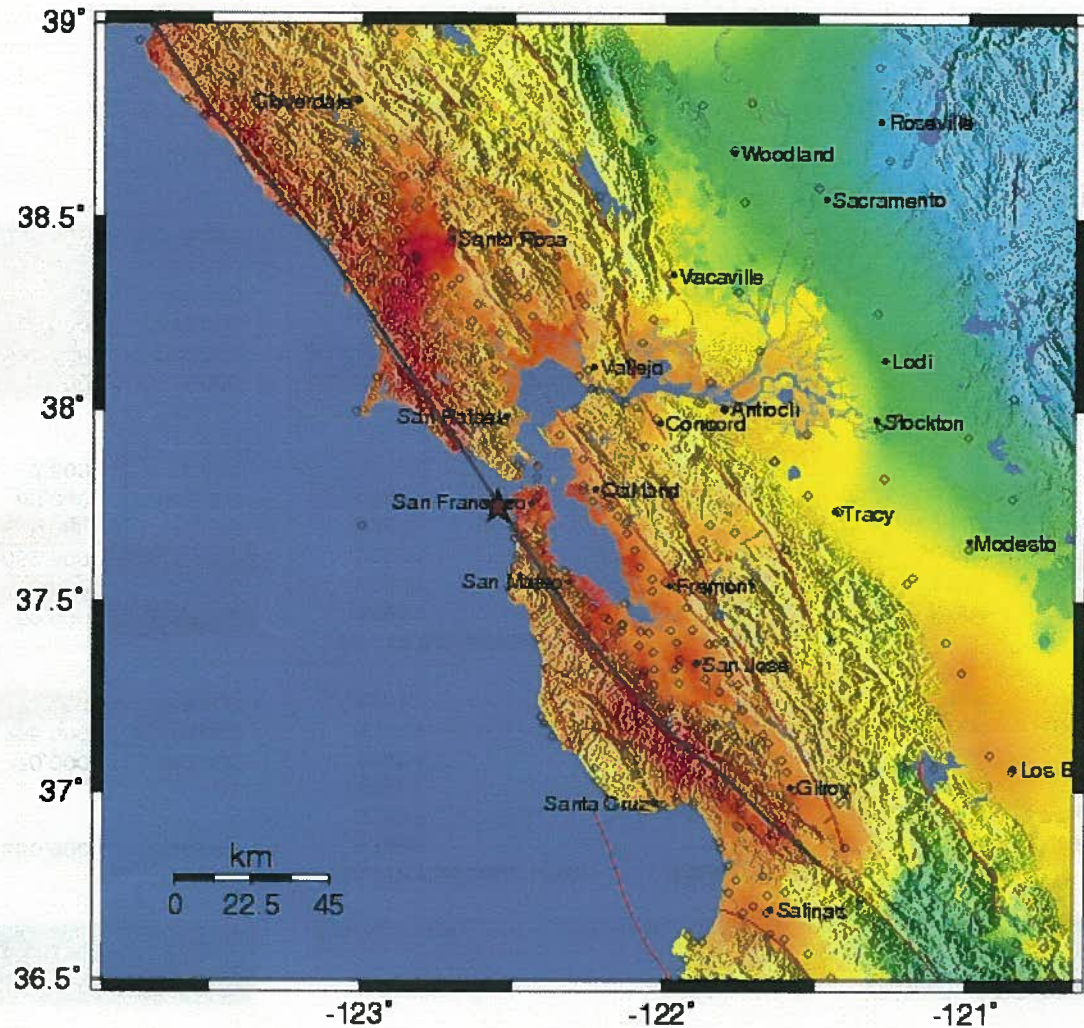
Bay Area	Sum of Limit	MMI	Payouts			Central Coast	Sum of Limit	MMI	Payouts		
			MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+				MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CALIFORNIA MARITIME	700,000					CA POLYTECHNIC STATE	5,800,000				
94590	700,000	5.83	175,000	350,000	700,000	93405	20,000	<5	5,000	10,000	20,000
CSU EAST BAY	3,700,000					93407	5,550,000	<5	1,387,500	2,775,000	5,550,000
94521	140,000	5.35	35,000	70,000	140,000	93422	5,000	<5	1,250	2,500	5,000
94542	3,410,000	5.78	852,500	1,705,000	3,410,000	93424	5,000	<5	1,250	2,500	5,000
94545	150,000	6.88	37,500	75,000	150,000	93445	180,000	<5	45,000	90,000	180,000
SAN FRANCISCO STATE	8,300,000					95017	10,000	6.91	2,500	5,000	10,000
94103	100,000	6.75	25,000	50,000	100,000	CSU MONTEREY BAY	4,200,000				
94131	20,000	6.73	5,000	10,000	20,000	93901	20,000	6.78	5,000	10,000	20,000
94132	8,065,000	6.19	2,016,250	4,032,500	8,065,000	93930	5,000	5.39	1,250	2,500	5,000
94601	10,000	6.5	2,500	5,000	10,000	93933	120,000	6.64	30,000	60,000	120,000
94920	100,000	6.87	25,000	50,000	100,000	93940	30,000	5.62	7,500	15,000	30,000
96124	5,000	<5	1,250	2,500	5,000	93955	4,025,000	5.95	1,006,250	2,012,500	4,025,000
SAN JOSE STATE	12,300,000										
94608	5,000	6.73	1,250	2,500	5,000						
95039	200,000	7.23	50,000	100,000	200,000						
95112	240,000	6.71	60,000	120,000	240,000						
95113	10,000	6.71	2,500	5,000	10,000						
95172	30,000	6.71	7,500	15,000	30,000						
95192	11,815,000	6.71	2,953,750	5,907,500	11,815,000						

Note: San Diego State has exposures coded to 94501 and triggered \$5,000 payment for this event (included in total)

Sample ShakeMap

- San Francisco: 1906
- Magnitude: Mw 7.8
- MMI: Varies by geographic location (see map illustrating MMI at locations across the region)

1906 Earthquake, M7.8, Depth 10 km, Epicenter N37.75 W122.55

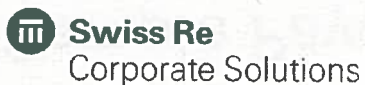


PERCEIVED SHAKING	Not felt	Weak	Light	Moderate	Strong	Very strong	Severe	Violent	Extreme
INSTRUMENTAL INTENSITY	I	II-III	IV	V	VI	VII	VIII	IX	X



Earthquake Hazards Program

<http://usgs.github.io/shakemap/>



Sample Payout

1906 San Francisco Earthquake (Mw 7.8)

Confidential

Event Payout: \$17,497,500
Event Limit: \$25,000,000

Bay Area	Sum of Limit	Payouts			
		MMI	MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CALIFORNIA MARITIME	700,000				
94590	700,000	6.63	175,000	350,000	700,000
CSU EAST BAY	3,700,000				
94521	140,000	6.39	35,000	70,000	140,000
94542	3,410,000	7.06	852,500	1,705,000	3,410,000
94545	150,000	8.03	37,500	75,000	150,000
SAN FRANCISCO STATE	8,300,000				
94103	100,000	8.84	25,000	50,000	100,000
94131	20,000	8.31	5,000	10,000	20,000
94132	8,065,000	8.61	2,016,250	4,032,500	8,065,000
94601	10,000	7.7	2,500	5,000	10,000
94920	100,000	6.93	25,000	50,000	100,000
96124	5,000	<5	1,250	2,500	5,000
SAN JOSE STATE	12,300,000				
94608	5,000	8.06	1,250	2,500	5,000
95039	200,000	7.52	50,000	100,000	200,000
95112	240,000	8.06	60,000	120,000	240,000
95113	10,000	8.13	2,500	5,000	10,000
95172	30,000	8.06	7,500	15,000	30,000
95192	11,815,000	8.06	2,953,750	5,907,500	11,815,000

Central Coast	Sum of Limit	Payouts			
		MMI	MMI 6.50-7.49	MMI 7.50-8.49	MMI 8.50+
CA POLYTECHNIC STATE	5,800,000				
93405	20,000	<5	5,000	10,000	20,000
93407	5,550,000	<5	1,387,500	2,775,000	5,550,000
93422	5,000	<5	1,250	2,500	5,000
93424	5,000	<5	1,250	2,500	5,000
93445	180,000	<5	45,000	90,000	180,000
95017	10,000	7.15	2,500	5,000	10,000
CSU MONTEREY BAY	4,200,000				
93901	20,000	7.62	5,000	10,000	20,000
93930	5,000	5.71	1,250	2,500	5,000
93933	120,000	7.63	30,000	60,000	120,000
93940	30,000	5.57	7,500	15,000	30,000
93955	4,025,000	7.17	1,006,250	2,012,500	4,025,000
Sacramento Valley	Sum of Limit	MMI	MMI 6.50-7.49	MMI 6.50-7.49	MMI 6.50-7.49
HUMBOLDT STATE	1,800,000				
95501	20,000	7.07	5,000	10,000	20,000
95521	1,765,000	6.49	441,250	882,500	1,765,000
95555	5,000	5.19	1,250	2,500	5,000
95570	10,000	5.69	2,500	5,000	10,000
SONOMA STATE	2,000,000				
94542	210,000	7.06	52,500	105,000	210,000
94928	1,785,000	7.85	446,250	892,500	1,785,000
95404	5,000	7.15	1,250	2,500	5,000

Notes:

- Intensities for 1906 San Francisco Earthquake based on models. No seismic stations at the time.
- San Diego State has exposures coded to 94501 and triggered \$10,000 payment for this event (included in total)

Proposed Solution

Summary of Proposed Structure For California State University

- Parametric Earthquake Property Insurance Policy
- **Form:** Insurance
- **Effective Date:** TBD
- **Term:** 3-years (*other term lengths available*)
- **Swiss Re Share:** 100%
- **Limit:** \$25,000,000 per occurrence and term aggregate
- **Payout:**
 - Applicable by zip code.
 - Payout amounts vary by zip code in relation to TIV and MMI measured at each zip code (center)
 - See Tables on previous slides
- **Gross Premium:**
 - Estimated Annual Premium: \$1,625,000 - \$1,700,000
 - Inclusive of 7.5% brokerage, net of Taxes and Fees

Key Features of Proposed Solution

- **Broad Scope:** Limits available to all CA locations, large and small
- **Independent Data Provider:** MMI from post-event ShakeMap provided by sound, independent 3rd party source (USGS)
- **Timing:** Fast payout to assist with immediate financial needs
- **Insurance Form:** Coverage provided on insurance form. Insured permitted 12 months post event to determine full extent of financial loss and to sign letter attesting actual financial burden at least as great as payment received.
- **Broad Coverage:** Payments can be used for immediate emergency needs, business expenses not covered elsewhere, building damage, etc.
- **Deductible:** None

Appendix

Comparison of Traditional Insurance to Parametric Insurance Product

	Traditional Insurance	Parametric / Index based Cover
Trigger	Loss or damage to physical asset	Event occurrence exceeding pre-defined threshold or trigger
Recovery	Reimbursement of actual loss sustained	Pre-agreed payment structure based on event parameters
Basis Risk*	Policy conditions, deductibles and exclusions	Correlation of chosen trigger structure with actual exposure
Loss Assessment and Payment	Months to several years – depending on complexity of loss	Very transparent and settlement usually within 30 days
Term	Usually annual, multi-year difficult	Single or multi-year (up to three years)
Structure	Standard products and contract wordings	Customized product with high structuring flexibility (single trigger, multi-trigger)
Form	Insurance Contract	Insurance Contract

*Risk that Client's collected payout is not equal to your actual loss.

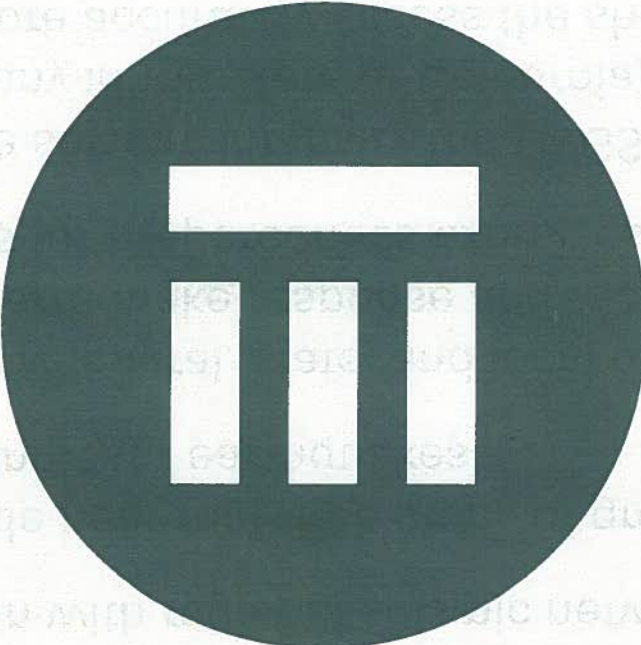
Modified Mercalli Intensity Scale

Intensity	Shaking	Description/Damage
I	Not felt	Not felt except by a very few under especially favorable conditions.
II	Weak	Felt only by a few persons at rest, especially on upper floors of buildings.
III	Weak	Felt quite noticeably by persons indoors, especially on upper floors of buildings. Many people do not recognize it as an earthquake. Standing motor cars may rock slightly. Vibrations similar to the passing of a truck. Duration estimated.
IV	Light	Felt indoors by many, outdoors by few during the day. At night, some awakened. Dishes, windows, doors disturbed; walls make cracking sound. Sensation like heavy truck striking building. Standing motor cars rocked noticeably.
V	Moderate	Felt by nearly everyone; many awakened. Some dishes, windows broken. Unstable objects overturned. Pendulum clocks may stop.
VI	Strong	Felt by all, many frightened. Some heavy furniture moved; a few instances of fallen plaster. Damage slight.
VII	Very strong	Damage negligible in buildings of good design and construction; slight to moderate in well-built ordinary structures; considerable damage in poorly built or badly designed structures; some chimneys broken.
VIII	Severe	Damage slight in specially designed structures; considerable damage in ordinary substantial buildings with partial collapse. Damage great in poorly built structures. Fall of chimneys, factory stacks, columns, monuments, walls. Heavy furniture overturned.
	Violent	Damage considerable in specially designed structures; well-designed frame structures thrown out of plumb. Damage great in substantial buildings, with partial collapse. Buildings shifted off foundations.
	Extreme	Some well-built wooden structures destroyed; most masonry and frame structures destroyed with foundations. Rails bent.

PERCEIVED SHAKING	Not felt	Weak	Light	Moderate	Strong	Very strong	Severe	Violent	Extreme
POTENTIAL DAMAGE	none	none	none	Very light	Light	Moderate	Moderate/Heavy	Heavy	Very Heavy
PEAK ACC (%g)	<0.17	0.17-1.4	1.4-3.9	3.9-9.2	9.2-18	18-34	34-65	65-124	>124
PEAK VEL (cm/s)	<0.1	0.1-1.1	1.1-3.4	3.4-8.1	8.1-16	16-31	31-60	60-116	>116
INSTRUMENTAL INTENSITY	I	II-III	IV	V	VI	VII	VIII	IX	X

USGS ShakeMaps

- ShakeMap is a product of the U.S. Geological Survey Earthquake Hazards Program in conjunction with regional seismic network operators.
- ShakeMap sites provide near-real-time maps of ground motion and shaking intensity following significant earthquakes.
- These maps are used by federal, state, and local organizations, both public and private, for post-earthquake response and recovery, public and scientific information, as well as for preparedness exercises and disaster planning.
- In order to develop the seismic intensity the USGS relies on reporting stations (of which there are many in the State of California) as well as other tools it has found useful to more accurately assess the shake intensity at a given site. See full detail in the link included below.
- **USGS ShakeMap Website:** <http://usgs.github.io/shakemap/introduction.html>



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WORKERS' COMPENSATION BENCHMARKING INITIATIVE

ISSUE: The Committee will be asked to discuss workers' compensation projects based on the CWCI data.

RECOMMENDATION: None

FISCAL IMPACT: Annual Membership Fee \$27,500 + \$50 annual dues.

BACKGROUND: CSU's Director of Systemwide Risk Management proposed that CSURMA become an Associate Member of the California Workers' Compensation Research Institute (CWCI) to the May 2015 CSURMA Executive Committee. This was approved. CSURMA joined the CWCI in July 2015 as an Associate Member.

CWCI is a private non-profit organization of insurers licensed to write workers' compensation in California, as well as public and private self-insureds who serve as associate members. The function of CWCI is to generate reliable, objective data that can be used to monitor California Workers' Compensation trends, assist members in assessing their own operations, and analyze key workers' compensation issues of interest. CWCI produces a variety of research studies, and training to assist the workers' compensation community. In addition, CWCI provides a forum for the community to consider and work together to improve the system through representation on various committees and regulatory review.

Data calls are semi-annually to update the CWCI Industry Research Information System (IRIS) for data through June and December respectively.

Staff has been working with Zachary Gifford on the use of the CWCI database to review CSU results by campus, educational services industry sector and all industries represented in CWCI database. It is anticipated that selected charts will be part of the CSU dashboard project once that project is completed. Examples of the CWCI benchmark charts for the CSU system as a whole compared to the educational services industry sector and all industries are attached.

These charts display:

- Average total paid for all claims
- % of closed claims

- Average total paid by geographic sector in the Heat Map – the enclosed example highlights the LA region.

Staff has prepared campus specific charts such as the above for campus visits.

In addition, CWCI produces:

- Regulatory updates
- Research studies on areas on interest to the California Workers' Compensation community.
- Legal Briefs on emerging cases of interest
- Bulletins on issues of interest
- Regional Scorecards

Staff has shared these communications with the respective campus Workers' Compensation Coordinators, and through the monthly conference calls. The following is a list of the items shared with the campus Workers' Compensation Coordinators.

Research Reports/Bulletins:

- CWCI IRIS Regional Score Card: San Francisco Bay Area Claims
- CWCI IRIS Regional Score Card: San Diego County Claims
- CWCI IRIS Regional Score Card: Central Coast Claims
- CWCI IRIS Regional Score Card: Claims from the Northern Counties
- IMR Decisions: January 2014 Through December 2016
- Spinal Fusion Claims in California Workers' Compensation
- CWCI IRIS Regional Score Card: Sierra Claims
- California WC Formulary - Part II: A Review of the July 2017 Proposed Formulary Drug List of Exempt and Non-Exempt Drugs

Legal Briefs -CWCI Summary Significant Decisions:

- CITY OF JACKSON V WCAG
- HIKIDA V. WCAB (COSTCO)
- MAXHAM V. DEPT. OF CORRECTIONS
- STEVENS V. WCAB

Samples of the above items are included for review.

PUBLICATION: None at this time.

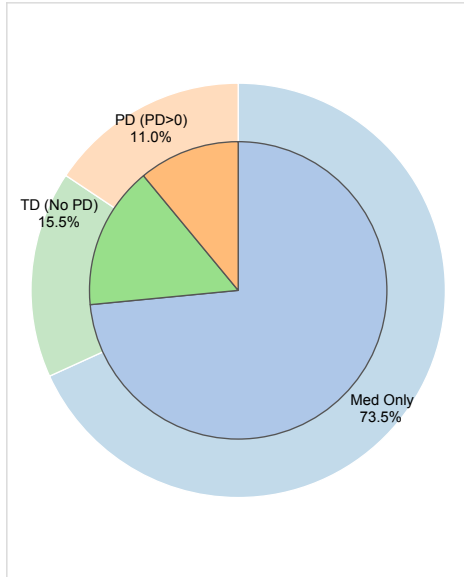
ATTACHMENT(S):

- a. CWCI exhibits

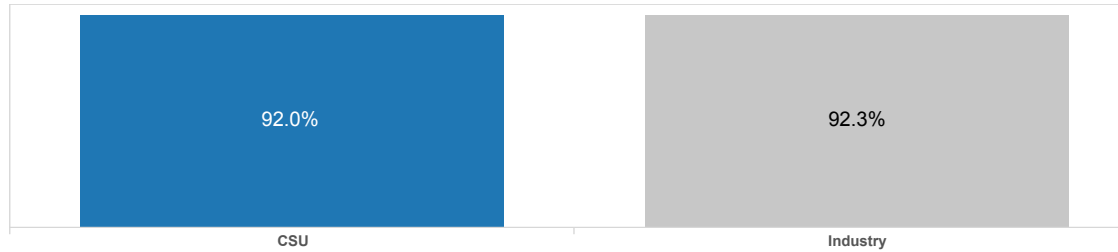
Industry Research Information System 18B (valued as of December 31, 2016)

Organization Selection
All

Claim Type as Percent of Selected Claims



Claim Status - Percent Closed



Select Clm Status Measure

- Percent w Attny Involv
- Percent Closed

Claim Type
All

Claim Status
All

Attorney Involvement
All

Inj Year
All

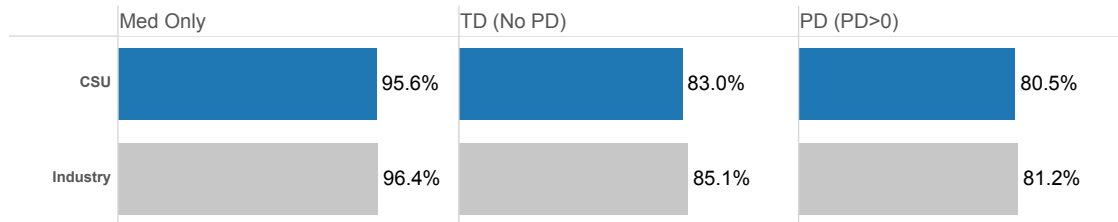
Governing Class Group
All

Region1
All

Premium Size
All

Denial Flag
All

Percent Closed By Claim Type



Percent Closed by Injury Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
CSU	98.4%	97.8%	98.1%	97.6%	96.2%	95.4%	94.1%	92.3%	88.0%	83.7%	66.3%
Industry	97.9%	97.8%	97.2%	96.6%	95.8%	94.4%	92.8%	90.8%	86.5%	80.4%	67.1%

Claim Type as Percent of Selected Claims

	Med Only	TD (No PD)	PD (PD>0)
CSU	73.2%	15.7%	11.1%
Industry	68.2%	16.1%	15.6%

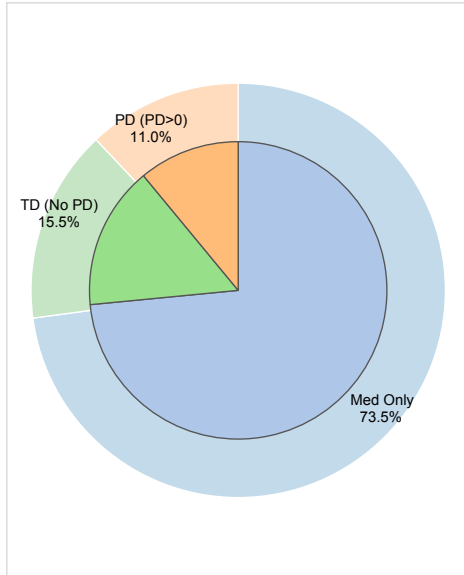
Reliability High

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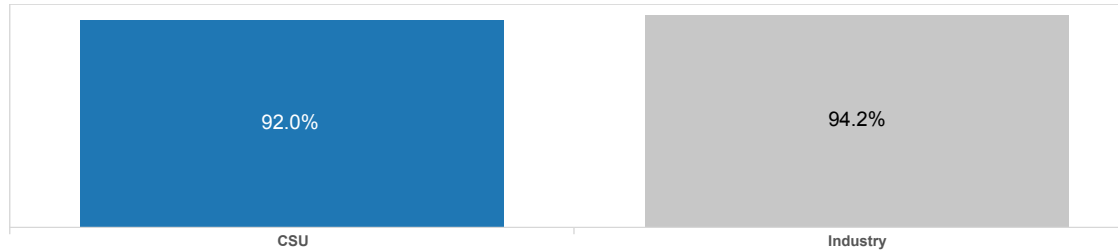
Industry Research Information System 18B (valued as of December 31, 2016)

Organization Selection
All

Claim Type as Percent of Selected Claims



Claim Status - Percent Closed



Select Clm Status Measure

- Percent w Attny Involv
- Percent Closed

Claim Type
All

Claim Status
All

Attorney Involvement
All

Inj Year
All

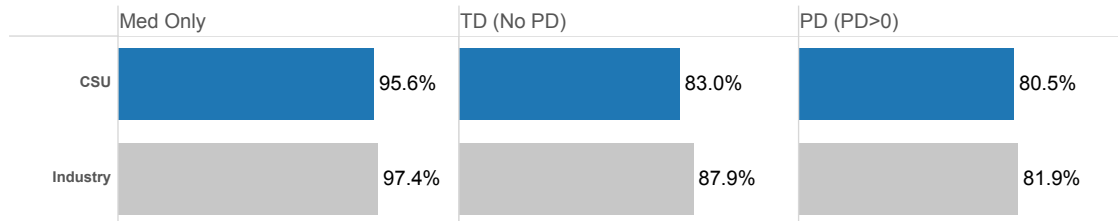
Governing Class Group
Educational Services

Region1
All

Premium Size
All

Denial Flag
All

Percent Closed By Claim Type



Percent Closed by Injury Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
CSU	98.4%	97.8%	98.1%	97.6%	96.2%	95.4%	94.1%	92.3%	88.0%	83.7%	66.3%
Industry	98.5%	98.5%	98.1%	97.5%	97.0%	96.2%	95.1%	93.0%	89.3%	84.7%	73.1%

Claim Type as Percent of Selected Claims

	Med Only	TD (No PD)	PD (PD>0)
CSU	73.2%	15.7%	11.1%
Industry	72.8%	15.2%	12.1%

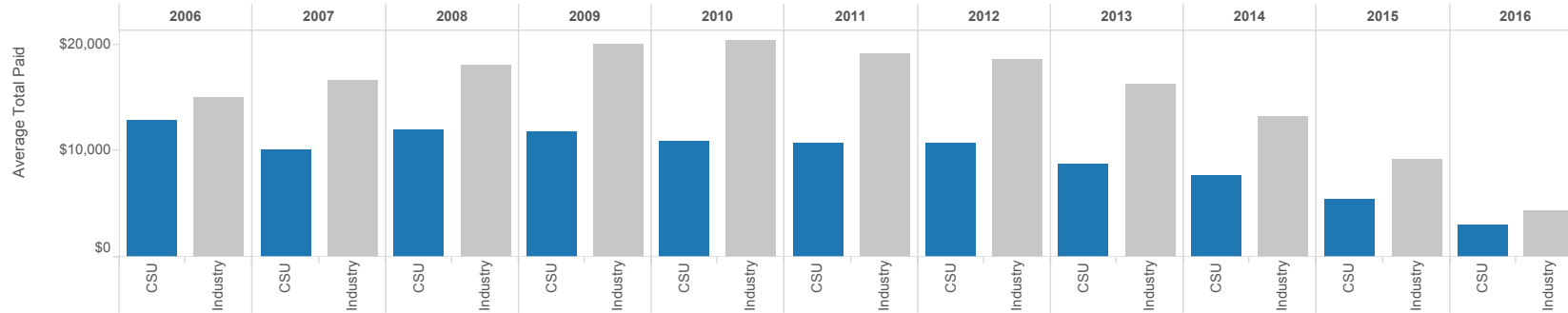
Reliability High

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Industry Research Information System 18B (valued as of December 31, 2016)

Organization Selection
All

Average Paid per Claim - California State University v IRIS Industry by Injury Year



- Select Paid Measure
- Average Medical Paid
 - Average TD Paid
 - Average PD Paid
 - Average Total Paid
 - Average Indemnity Pd

Claim Type
All

Claim Status
All

Average Total Paid for Claims with and without Attorney Involvement by Injury Year

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
No	CSU	\$1,804	\$1,898	\$1,666	\$1,786	\$1,819	\$2,204	\$1,669	\$3,032	\$2,527	\$3,218	\$2,502
	Industry	\$2,584	\$2,813	\$3,141	\$3,614	\$3,872	\$3,939	\$4,086	\$4,218	\$4,438	\$4,627	\$3,292
Yes	CSU	\$55,405	\$47,952	\$55,109	\$48,551	\$42,976	\$46,459	\$47,389	\$37,555	\$34,953	\$24,870	\$14,278
	Industry	\$73,463	\$76,618	\$77,103	\$78,466	\$76,051	\$68,679	\$60,140	\$51,172	\$40,135	\$26,121	\$10,784

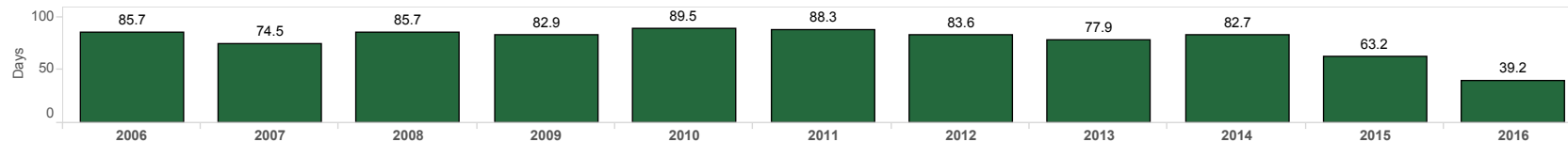
Attorney Involvement
All

Inj Year
All

Gov Class Group
All

Reliability ■ High ■ Moderate

California State University Average TD Days By Injury Year - Claims w TD Days - Color Represents Difference from Industry



■ 20% or More Lower

If Org Not All - Comparison to:
Industry

Region1
All

Premium Size
All

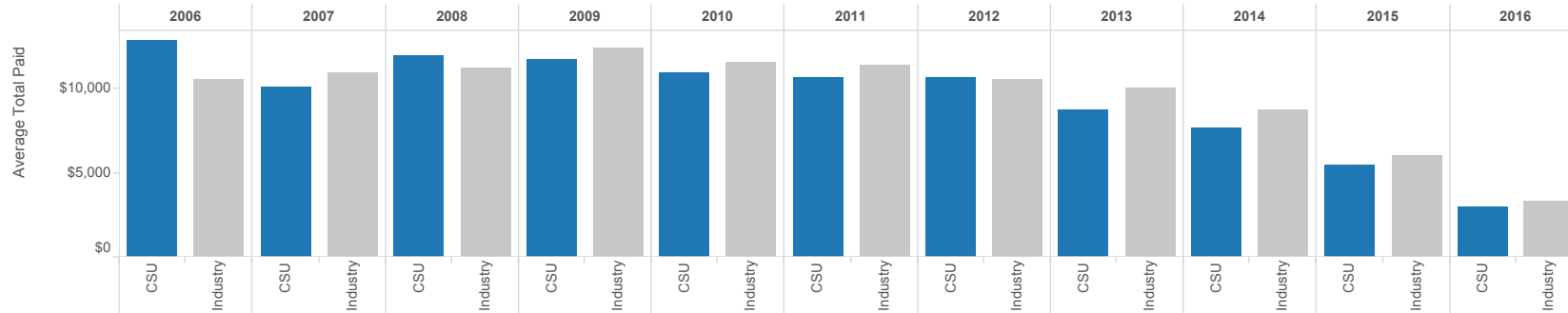
Denial Flag
All

Truncation Level: 1,000,000
Min Case Value: \$35

Industry Research Information System 18B (valued as of December 31, 2016)

Organization Selection
All

Average Paid per Claim - California State University v IRIS Industry by Injury Year



- Select Paid Measure
- Average Medical Paid
 - Average TD Paid
 - Average PD Paid
 - Average Total Paid
 - Average Indemnity Pd

Claim Type
All

Claim Status
All

Average Total Paid for Claims with and without Attorney Involvement by Injury Year

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
No	CSU	\$1,804	\$1,898	\$1,666	\$1,786	\$1,819	\$2,204	\$1,669	\$3,032	\$2,527	\$3,218	\$2,502
	Industry	\$2,208	\$2,225	\$2,606	\$2,563	\$2,566	\$2,886	\$3,006	\$3,258	\$3,651	\$3,687	\$2,586
Yes	CSU	\$55,405	\$47,952	\$55,109	\$48,551	\$42,976	\$46,459	\$47,389	\$37,555	\$34,953	\$24,870	\$14,278
	Industry	\$61,150	\$66,180	\$64,900	\$69,650	\$61,852	\$61,608	\$54,997	\$50,961	\$41,038	\$28,350	\$16,427

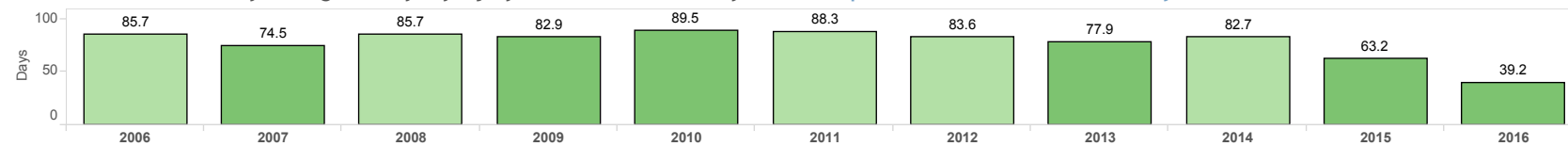
Attorney Involvement
All

Inj Year
All

Gov Class Group
Educational Services

Reliability High Moderate

California State University Average TD Days By Injury Year - Claims w TD Days - Color Represents Difference from Industry



10%-20% Lower 5%-10% Lower

If Org Not All - Comparison to:
Industry

Region1
All

Premium Size
All

Denial Flag
All

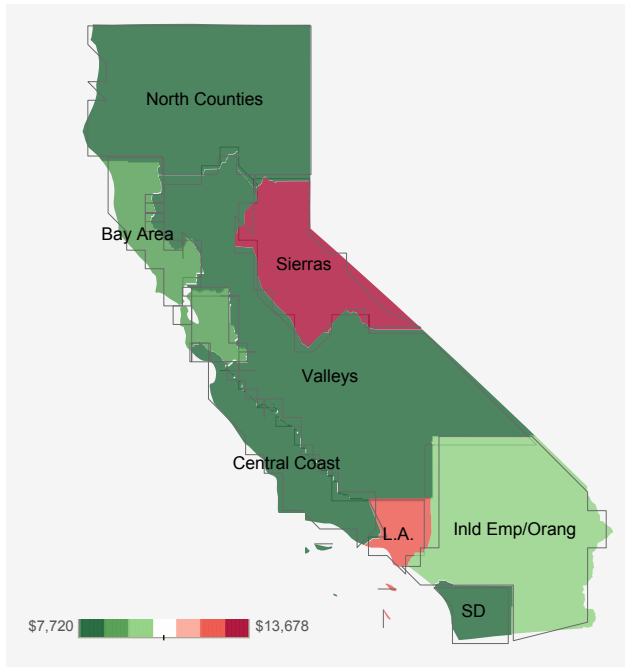
Truncation Level: 1,000,000
Min Case Value: \$35

Industry Research Information System 18B (valued as of December 31, 2016)

Select Region Name for More Detail

Organization Selection (For % of Claims & Region Detail)
All

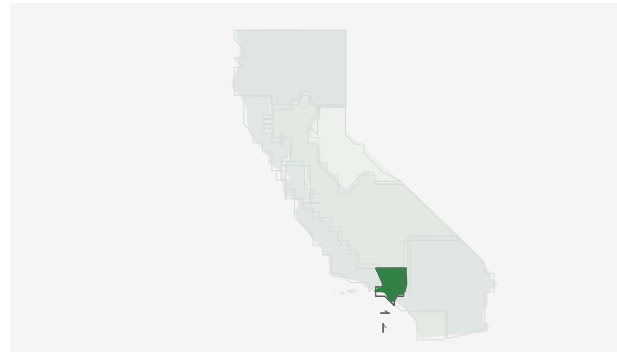
CSU Avg Total Paid



Percent of Claims (CA Residents)

	CSU	Industry
Los Angeles	25.8%	25.2%
Bay Area	20.6%	19.2%
Valleys	19.9%	19.8%
Central Coast	12.2%	6.5%
San Diego	9.3%	8.1%
Imperial/Orange	8.4%	18.4%
No. Counties	3.6%	1.6%
Sierras	0.0%	1.2%

Avg Total Paid Difference from Industry



Bay Area	-37.9%
Central Coast	-44.5%
Imperial/Ora..	-43.8%
Los Angeles	-38.1%
No. Counties	-47.6%
San Diego	-31.6%
Sierras	-3.5%
Valleys	-34.2%

Measure for Heat Map

- Percent w Attrny Involv
- Percent Closed
- Avg Total Paid

Claim Type
All

Claim Status
All

Attorney Involvement
All

Inj Year
All

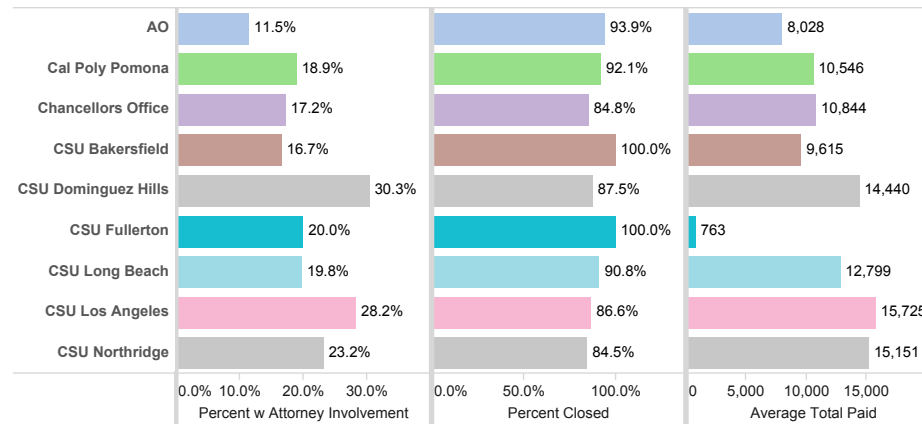
Governing Class Group
All

Premium Size
All

Denial Flag
All

Min # of Claims
5

Region Selection - L.A.
Diff from Industry by Gov Class Group with minimum of 5 claims

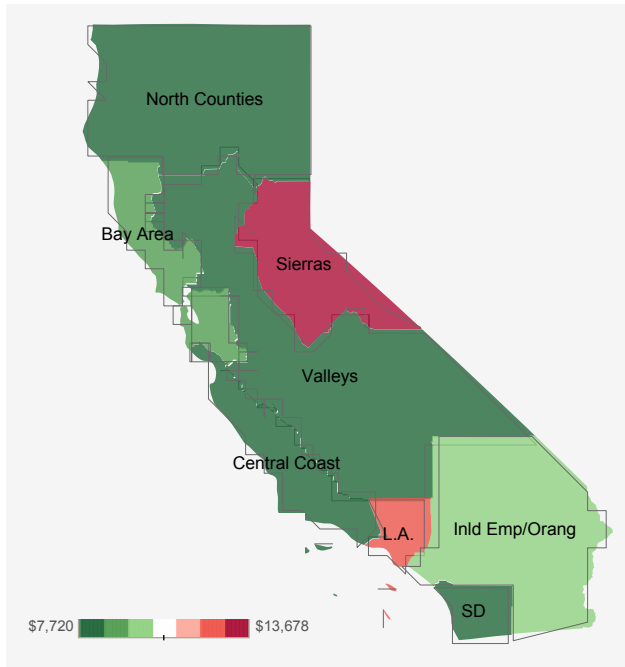


Industry Research Information System 18B (valued as of December 31, 2016)

Select Region Name for More Detail

Organization Selection (For % of Claims & Region Detail)
All

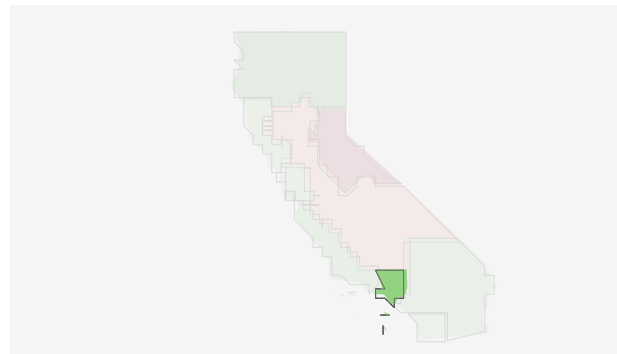
CSU Avg Total Paid



Percent of Claims (CA Residents)

	CSU	Industry
Los Angeles	25.8%	19.5%
Bay Area	20.6%	29.3%
Valleys	19.9%	22.2%
Central Coast	12.2%	6.0%
San Diego	9.3%	8.9%
Imperial/Orange	8.4%	9.8%
No. Counties	3.6%	2.4%
Sierras	0.0%	1.8%

Avg Total Paid Difference from Industry



Bay Area	-9.0%
Central Coast	-20.6%
Imperial/Ora..	-10.1%
Los Angeles	-10.3%
No. Counties	-39.9%
San Diego	-4.9%
Sierras	78.8%
Valleys	19.8%

Measure for Heat Map

- Percent w Attrny Involv
- Percent Closed
- Avg Total Paid

Claim Type
All

Claim Status
All

Attorney Involvement
All

Inj Year
All

Governing Class Group
Educational Services

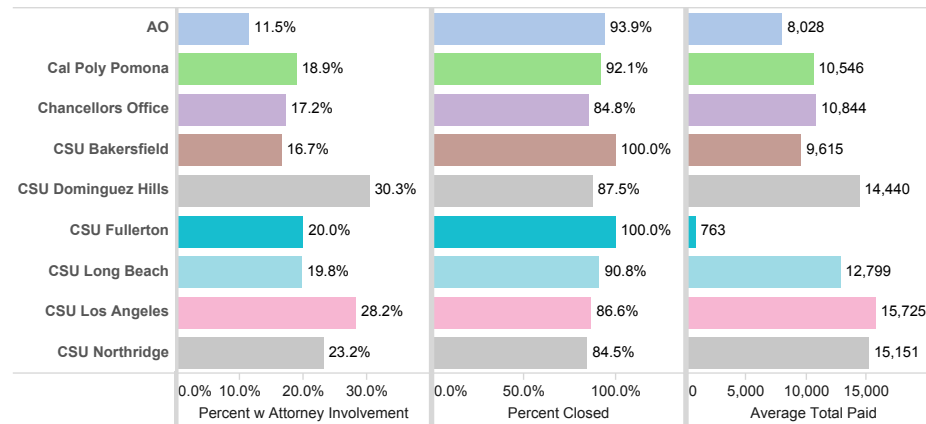
Premium Size
All

Denial Flag
All

Min # of Claims
5

Region Selection - L.A.

Diff from Industry by Gov Class Group with minimum of 5 claims



Press Release

Welcome, Jacki Graf

[News > Press Release](#)

Contact:

Bob Young
510-251-9470

For Release:

January 23, 2017

CWCI Score Card Looks at Why San Diego Work Comp Claims Cost Less

Oakland – The California Workers' Compensation Institute (CWCI) has published its fifth Regional Score Card, providing detailed data on claims filed by workers from San Diego County for job injuries that occurred between 2005 and 2015. The Score Card, which features data from more than 154,000 claims that resulted in \$1.83 billion in payments for medical and indemnity benefits shows that for the 11-year period ending in 2015, San Diego County residents filed 8.1% of California job injury claims, but because the average amount of indemnity paid per claim was among the lowest in the state, they accounted for only 6.2% of paid benefits.

The Score Card identifies several characteristics that differentiate San Diego claims from those in the rest of the state, including the mix of claims by industry, which revealed that a high proportion of claims from the region involve health care, hotel and food service, and retail workers, and that San Diego County has the highest percentage of claims filed by women in the state. In addition, compared to nearby regions such as Orange County, the Inland Empire, and Los Angeles where claim costs are higher and claim durations are longer, San Diego claims are more likely to be medical-only cases and less likely to result in permanent disability; fewer of them involve attorneys; and the time lags between the injury date and the employer and claims administrator notification, and the initial medical treatment is less – all factors that are associated with less expensive claims. The San Diego claims also involved fewer visits for evaluation and management and Medicine Section services (which include cardiovascular, nerve and muscle testing, and psych testing and psychotherapy). At two years post injury, average amounts paid on the San Diego County claims were less than in other regions across six major treatment categories, with the biggest differences being in the amounts paid for Medicine Section services (\$151 less); radiology (\$57 less) and physical therapy (\$42 less). Comparing AY 2011 – 2012 paid losses at 36 months post injury, the Score Card found that average benefit payments on the San Diego claims were more than 10% less than in the rest of the state, as average medical payments were \$17,786, or 10.3% less, and average indemnity payments were \$14,575, or 10.3% less.

CWCI's Regional Score Cards include more than two dozen exhibits with data and analyses on a wide range of metrics, including claim distributions by industry; premium size; claim type; nature and cause of injury; and diagnosis. Several exhibits compare claim results for San Diego against those for all other regions, and many also show statewide results, offering a wealth of data on workers' comp experience for the region and for the entire state. Regional Score Cards are available to Institute members and subscribers who log on to <http://www.cwci.org/>. Others wishing to subscribe or to purchase individual Score Cards may do so on CWCI's online Store. The next Score Card in the series will look at claims filed by residents of the Central Coast, ranging from Ventura County in the south to Santa Cruz County in the north.

* * * * *

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California Workers' Compensation Institute

1333 Broadway Suite 510, Oakland, CA 94612 • Tel: (510) 251-9470 • Fax: (510) 763-1592

October 29, 2015

Significant Decision 15-06

STEVENS V WCAB
COURT OF APPEAL, FIRST APPELLATE DISTRICT,
DIVISION ONE
A143043

FILED: OCTOBER 28, 2015

The independent medical review process is a constitutional exercise of the Legislature's plenary power.

SIGNIFICANCE: The court found that the structure and application of the review process for medical treatment, utilization review and independent medical review (IMR), are a constitutional exercise of the Legislature's authority to create a complete workers' compensation system.

FACTS: The case involved a 100% PD award with extensive future medical care for a 1997 lower extremity injury with psychiatric overlay and chronic pain. The treating physician prescribed pain medication and home health care, which UR denied in July of 2013. IMR upheld the denial in February 2014. The petition alleges that section 4610.6 is a denial of due process because it violates the right to a fair hearing and the right to cross examine the reviewing physician.

HOLDING: The court ruled that Steven's state constitutional challenges "failed because the Legislature has plenary powers over the workers' compensation system under article XIV, section 4 of the state Constitution (Section 4)." The federal due process challenge failed as well because the UR/IMR process is "fundamentally fair and affords workers sufficient opportunities to present evidence and be heard."

The court remanded the question of the need for home health care to the Board to consider whether the request was denied without authority.

DISCUSSION: The court addressed every assertion by the injured worker and rejected each in turn. The court was methodical and precise in its rationale, which bodes well for the other cases challenging the UR/IMR process on similar grounds. The court began its review by focusing on the litigious and lengthy dispute resolution process prior to the reforms instituted in 2003. In the CWCI/PCI brief, we chronicled the chaotic environment for the determination of medical necessity and the clear intent of the specific reforms contained in SB 228, SB 899 and SB 863.

The Court noted that the medical treatment review, including the appeals process, was structured to ensure review by physicians and protect the injured worker by permitting the employee to file any evidence and appeal the IMR determinations on various grounds.

The court reviewed the constitutional challenges one by one and rejected the injured worker's arguments regarding separation of powers, due process, the right to cross examine the reviewer, and the section 4 mandate that the workers' compensation system provide "substantial justice in all cases expeditiously, inexpensively and without encumbrance of any character." This comprehensive opinion thoroughly documents the Legislature's power to address system failures and delays in a variety of ways.

With regard to the assertion that the inability to enforce the statutory time limits for IMR is unconstitutional, the court reasoned in accordance with Commissioner Zalewski's opinion in the Arredondo panel decision: "In the absence of a penalty, consequence, or contrary intent, a time limit is typically considered to be directory, and its violation does not require the invalidation of the action to which the time limit applies." This rationale may be helpful when the Third Appellate District Court of Appeal addresses this issue in the Hallmark case.

With regard to the issue of home health care, the court held that if the IMR determination upheld the UR denial based on an erroneous interpretation of the MTUS and there was no other basis supporting the denial, the Board would have the authority to reverse that determination and send it back through the IMR process.

MMc/

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 Executive Committee consider the report of the AORMA representatives and take action as appropriate which may include a recommendation to the CSURMA Board of Directors at their October 27, 2017 meeting that the AORMA Committee be authorized to form a new employee benefits program and a program oversight standing committee.

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.

ATTACHMENT(S): None.

**DEVELOPMENT OF STUDENT HEALTH INSURANCE PROGRAM
AND UC SHIP**

ISSUE: The CSU has a history of offering student health insurance directed to incoming international students. Because the CSU does not have a “hard waiver” directing domestic students to buy coverage, there have only been a handful of domestic students buying coverage. With this year’s renewals, the insurance markets refused to offer coverage to domestic students due to adverse selection resulting in high claims levels. The resulting cancellation created concerns about how CSU can best serve the student population’s need for student health insurance. For FY 17/18, the majority of campuses are referring domestic students to Covered California.

In the past, CSU’s Systemwide Risk Management office has had discussions with the University of California about the potential for CSU to participate in the UC’s Student Health Insurance Program (SHIP). UC’s administrators of the SHIP expressed interest provided CSU’s campuses came in as a group. Participation would require delivery to UC SHIP of census and claim information maintained by the current insurers via the current retail brokers, which has been problematic to obtain.

RECOMMENDATION: It is recommended that the Executive Committee consider the potential of CSURMA providing a solution to the Student Health Insurance needs of the CSU’s students.

FISCAL IMPACT: No cost is anticipated from action at today’s meeting and if a program were developed it is expected that the program would be self-sustaining from student paid health insurance premiums.

BACKGROUND: None

PUBLICATION: None.

ATTACHMENT(S): None.

CAMPUS WORKERS' COMPENSATION
EXPERIENCE MODIFICATION TASK GROUP

ISSUE: The Executive Committee established the Campus WC X-Mod Task Group on March 9, 2017 to review the Experience Rating methodology currently in use for the Campus Workers' Compensation program, and to recommend refinements to the formula as it deems appropriate and fair for all campus members. Staff developed several alternative methods to address the concern of some members that large settlements adversely impact their X-Mods. The WC X-Mod Task Group met on July 19, 2017 to review and discuss staff's analyses. Following that meeting, staff drafted and the task group approved the written report attached to this item. Staff and task group members will present a verbal summary and be available to address questions at today's meeting.

RECOMMENDATION: The Executive Committee is asked to review the task group's recommendation regarding the Campus WC X-Mod calculation method, and take action as it deems appropriate.

FISCAL IMPACT: None. The X-Mod rating plan serves to distribute budgeted costs to members using calculation formulae approved by the Board of Directors.

BACKGROUND: In accordance with the rating plan adopted by the Board of Directors, the Campus Workers' Compensation program employs an Experience Modification Factor (X-Mod) to provide incentives for members to actively manage their claims, and thereby improve the cost of claims over time. Recently, a few campuses have avoided utilizing compromise & release settlements (C&Rs) or stipulated settlements on some claims because of the consequential impact in their X-Mods.

PUBLICATIONS: None

ATTACHMENT(S):

- a. Campus WC X-Mod Task Group Report dated July 25, 2017

**CAMPUS WORKERS COMPENSATION EXPERIENCE RATING
TASK GROUP REPORT
July 25, 2017**

A. Purpose

The Executive Committee established the Campus WC X-Mod Task Group to review the current experience rating methodology and to explore alternative methods as it deems appropriate. The Executive Committee included this task as a long range plan item for 2017-18. The task group's recommendations, if any, for refinements to the rating plan and/or the funding policy, are to be used for calculating the annual contributions for each campus beginning FY 2018/19.

B. Background

In accordance with the rating plan adopted by the Board of Directors, the Campus Workers' Compensation program employs an Experience Modification Factor (X-Mod) to provide incentives for members to actively manage their claims, and thereby improve the cost of claims over time. A few campus members have avoided utilizing compromise & release (C&R) or stipulated settlements because they perceived these settlement types adversely impact their X-Mods.

C. Task Group Members

1. The task group consisted of:

- Kevin Saunders, *Vice President, Administration & Finance*
CSU, Monterey Bay; CSURMA Executive Committee
- Lisa Chavez, *Vice President, Administration / CFO*
CSU, Los Angeles; CSURMA Executive Committee
- Scott Apel, *Associate Vice President, Human Resources*
CSU Long Beach, CSURMA Executive Committee
- Thom Davis, *Vice President, Business & Administrative Services*
CSU, Bakersfield; CSURMA Executive Committee

2. The task group was supported by:

- Zachary Gifford, *Director, Systemwide Risk Management,*
CSU Office of the Chancellor, CSURMA Secretary-Auditor

3. The task group was staffed by:

- Robert Leong, *CSURMA Program Administrator*
First Vice President, Alliant Insurance Services
- Jacki Graf, *CSURMA WC Claims Consultant*
Vice President, Alliant Insurance Services
- Daniel Howell, *CSURMA Program Director*
Senior Executive Vice President, Alliant Insurance Services

D. Meetings

The Executive Committee held an initial discussion at its meeting on March 9, 2017 wherein staff presented suggested refinements to the X-Mod formula. The committee felt additional work was needed. A task group was appointed to work with staff to finalize modifications to the X-Mod formula and to present its recommendations to the committee at its meeting on September 8, 2017.

The task group met via teleconference on July 20, 2017. Staff presented two X-Mod rating alternatives, which also took into account the committee's desire that any change in the X-Mod formula do not negatively impact campuses.

E. CSURMA Rating Plans Philosophy

CSURMA's rating plans have as a goal to balance campus accountability for performance with the need for rate stability. Accountability is needed to encourage campus loss control efforts. Rate stability is a goal so that campuses can project annual costs for budget preparation and management purposes. Overall, the rating plans should fairly allocate the cost of the programs to the campuses.

The task group's findings and recommendations ***will not affect aggregate funding*** of the Campus WC program. Aggregate funding is based on an independent actuarial analysis, which develops cost projections for the program. However, the task group's recommendations, if any, ***will affect how that aggregate funding is shared among the campuses***. The rating plans define how the costs for each coverage program are allocated to each campus.

F. Current X-Mod Rating Plan and Alternative Rating Formulas Considered

Further to the Executive Committee discussion on March 9, 2017, staff presented on July 20, 2017 a review of the current Campus WC X-Mod formula, and two possible alternatives to refine the formula in respect of claims that are settled by compromise & release or stipulated payments.

The X-Mod rating refinements considered were:

1. Setting a maximum per loss on all claims; i.e., “Loss Cap”
2. Discounting C&R Settlements

G. Alternative X-Mod Rating Formulas Reviewed

Staff calculated a range of premium deposits for each campus based on the suggested refinements, and compared its findings to the current X-Mod rating.

For the first X-Mod rating refinement, staff calculated amended deposits based on Loss Caps, setting the maximum amount per loss used for X-Mod rating at \$100,000; \$200,000; \$250,000; and \$300,000. Capping losses above \$300,000 provided no significant change. Loss caps were defined by the actual total amount paid per loss at fiscal year-end, respectively for each of the five years of the rating period.

For the second X-mod rating refinement, staff calculated amended deposits based on a discount factor applied to C&R settlements. The C&R settlements were credited against the total amount of claim payments each year. C&R discounts were taken at 20%, 25%, 30%, 40%, and 50%. Discounting C&R losses above 50% would result in aggregate funding below CSURMA’s adopted funding policy, which may endanger the WC Fund’s ability to pay its outstanding claims liability.

H. Findings

Because the Executive Committee desired that any refinement to the X-Mod rating formula do not cause an adverse impact to campuses, any refinement to the X-Mod rating formula will result in a funding shortfall since decreases in X-Mods will be allowed, but increases in X-Mods will be exempted; i.e., campuses are to be locked in at the original X-Mod if the recalculated X-Mod results in a higher percentage. Staff and the task group determined that any resultant shortfall should be no more than \$500,000.

Utilizing the Loss Cap method, the funding shortfall ranges from \$139,682 to \$270,824 depending on the size of the loss cap. Utilizing the C&R Discount method, the funding shortfall ranges from \$187,200 to \$495,661 depending on the percentage discount.

Staff and the task group also determined the X-mod refinements will benefit only a handful of campuses, and these do not include those campuses who have been reluctant to employ strategic claim settlement strategies.

I. Recommendations

The task group finds that the current X-Mod rating plan continues to serve its purpose, and therefore a refinement to the current formula is unnecessary. Further, the benefit to a few campuses do not outweigh the efforts required to parse and sort claims that are

necessary to calculate alternative premium deposits, and also the claims data may not contain the level of claims coding required to identify claims subject to the refined formula.

J. Conclusion

“No Further Action” is recommended.

DRAFT

AORMA PROGRAMS UPDATE

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

The AORMA Chair, will report on the activities of the AORMA Committee.

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

FISCAL IMPACT: None.

BACKGROUND: The AORMA was first marketed to CSU Auxiliary Organizations in 1998. Since that time, the program has grown from 12 members to 86 members, and represents 100% participation.

PUBLICATION: None.

ATTACHMENT(S): None.

AIME PROGRAMS UPDATE

ISSUE: The Athletic Injury Medical Expense (AIME) program continues to address the insurance and risk management needs of its members.

The Executive Committee Liaison for AIME, will report on the activities of the AIME Committee.

RECOMMENDATION: This item is for information only; no action is required on this item at today's meeting.

FISCAL IMPACT: None.

BACKGROUND: AIME is designed to cover medical expenses arising from injuries to student athletes while practicing or competing in inter-collegiate sports programs of the university.

PUBLICATION: None.

ATTACHMENT(S): None.

FY 2017/2018 LONG RANGE PLANNING GOALS

ISSUE: Each year the Executive Committee conducts a Long Range Action Planning meeting to gauge progress and to re-evaluate where efforts should be focused.

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

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

BACKGROUND: The CSURMA Executive Committee adopts the FY 2017/2018 Long Range Planning goals to be accomplished. The Committee will receive a report from Staff on the assigned responsibilities and deadlines of the FY 2017/2018 Long Range Planning goals.

PUBLICATION: None.

ATTACHMENT(S):

- a. FY 2017/2018 CSURMA Long Range Action Plan

FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-1 SPECIAL EVENTS RESOURCE GUIDE					
Create a Special Events Resource Guide. Implement risk management training for special events.	1	Identify and engage consultant to create Special Events Risk Management Manual and training modules.	SRM	Aug-15	Completed
	2	Consultant presents Special Event Management Project at Fitting the Pieces Together Conference	SRM	Nov-16	Completed
	3	Develop subject content for special events risk management manual.	SRM	Apr-17	Completed
	4	Oversee design and development of special events risk management manual.	SRM	Apr-17	In Process
	5	Consultant develops training module(s) for CSU LMS	SRM	Jan-18	
	6	Roll out manual to all campus and auxiliary organization staff	SRM	Jan-18	
	7	Post manual on the CSURMA website.	PA	Jan-18	
	8	Roll out special events training on the CSU LMS.	SRM	May-18	
LRP-2 RMIS REPORTING					
Implement a Risk Management Information System and Provide Regular Reporting	1	Populate Ventiv database with hierarchy structure.	PA	17-Oct	In Process
	2	Populate Ventiv database with Phase 1 policy data.	PA	17-Dec	
	3	Present Phase 1 project results and recommendations for Phase 2.	SRM, PA	17-Dec	
	4	Implement initial benchmarking project.	SRM, PA	18-Jan	
	5	Approve Phase 2 and ongoing database maintenance plan.	EC	18-Mar	
	6	Initial report to EC and BOD.	SRM, PA	18-Apr	
	7	Presentation of sustainable long term benchmarking program.	SRM, PA	18-Oct	
	8	Approval of long term benchmarking project scope and costs.	EC	19-Jan	
LRP-3 CAPTIVE INSURER					
Complete cost / benefits analysis for a captive insurance company to operate within CSURMA.	1	Identify and engage consultant to evaluate CSURMA's captive utilization options.	EC, SRM, PA	Jan-16	Completed
	2	Review the Pinnacle Actuarial Resources initial evaluation of CSURMA's captive utilization options.	EC	May-16	Completed
	3	Present further evaluation to EC for direction.	EC	Sep-16	Completed
	4	Report on project to EC and BOD.	BOD	Nov-16	Completed
	5	Approval of the use of a captive for the legacy workers' compensation claims.	EC	Mar-17	Completed
	6	Report on project to the BOD	PA	May-17	In Process
	7	Oversee development of a captive cell.	SRM, PA	Jan-18	
LRP-4 CAMPUS VISITS					
Visit Campus VPs to provide updates on CSURMA	1	Schedule meetings with all Campus VPs.	PA	Aug-16	In discussion
	2	RPTG will meet to review risk pool rating plans.	SRM, RPTG, PA	Oct-16	Completed
	3	Cost of Risk Analysis received from Actuary.	PA	Oct-16	Pending

FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
	4 Completion of Campus VP presentation.	PA	Nov-16	Completed
	5 Completion Campus visits.	SRM , PA	Mar-17	In process
LRP-5 ACCESSING AND COMMUNICATING EIA RESOURCES				
Provide information to the membership regarding the risk management and loss control services available through CSAC-EIA	1 Report on CSAC-EIA resources to the BOD	PA	May-17	Completed
	2 Prepare informational bulletin to be distributed to the members	PA, SRM	Sep-17	In process
	3 Forward informational bulletins to the members on a quarterly basis	PA	Sep-17	
LRP-6 MEMBER LOAN POLICY				
Revise member loan policy to apply to risk management projects	1 Report of Project to the BOD	PA, CO	May-17	Pending
	2 Review parameters of current loan policy	PA	Aug-17	
	3 Revise Policy and Procedure No. 10 to provide a clear description of the types of risk management projects that may be approved	PA, CO	Sep-17	
	4 Approve revisions to Policy and Procedure No. 10	EC	Sep-17	
	5 Report on the changes to the member loan policy and the changes to Policy and Procedure No. 10 to the BOD	PA	Oct-17	
LRP-7 ALLOCATION OF INVESTMENTS				
Explore and evaluate alternate investment strategies.	1 Discuss alternate investment strategies.	EC	Mar-17	Completed
	2 Review CSU's new investment flexibility with legal counsel as it pertains to CSURMA.	SRM	Sep-17	
	3 Report on project to EC and BOD.	CO	Oct-17	
	4 Approval of alternate investment options.	EC	Oct-17	
	5 Report on final project to BOD	PA	May-18	
LRP-8 EARTHQUAKE COVERAGE				
Review and consider the purchase of Systemwide earthquake coverage with a parametric trigger	1 Report on project to the BOD	PA	May-17	
	2 Prepare marketing specifications for earthquake coverage with a parametric trigger	Pa	Jul-17	
	3 Set-up and organize a presentation by the insurer(s) at the CO	PA	Aug-17	
	4 Solicit quotations	PA	Aug-17	
	5 Present coverage and premium quotation to the EC for approval (if moving forward)	PA	Sep-17	

FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-9 RISK MANAGEMENT GRANT PROGRAM					
Revise the Risk Management Innovation Grant Program to apply only to projects proposed by the affinity groups	1	Update the Risk Management Innovation Grant Program application and Policy and Procedure No. 21 to apply only to projects proposed by the affinity groups	PA, SRM	Apr-17	Completed
	2	Present changes to the EC for approval	PA, SRM	May-17	Pending
	3	Report on project to BOD	PA, SRM	May-17	Pending
	4	Send out a bulletin to the membership explaining the change to the risk management grant program	PA, SRM	May-17	Pending
LRP-10 WORKERS' COMPENSATION PROJECTS BASED ON CWCI DATA					
Create risk management / loss control workers' compensation projects based on the CWCI data	1	Report on project to BOD	PA, SRM	May-17	
	2	Review CWCI benchmarking results and reports for the CSURMA dashboard	PA, SRM	Jul-17	
	3	Identify campus / auxiliary organization outliers and suggest action to be taken	PA, SRM	Sep-17	
LRP-11 MARINE PROGRAM					
Create a marine program to cover watercraft owned by campus and auxiliary organization members	1	Review and update watercraft schedule, as appropriate	PA	Nov-16	Completed
	2	Create marine program coverage specifications	PA	Nov-16	Completed
	3	Report on project to the BOD	PA	May-17	Pending
	4	Obtain coverage options, and pricing, for program and present to the EC	PA	Jun-17	
	5	Present final program design	PA	Jul-17	
	6	Disseminate the Marine Program information to CSURMA members	PA	Jul-17	
LRP-12 AUXILIARY ORGANIZATIONS EMPLOYEE BENEFITS					
Provide assistance and oversight to the AOA	1	Report on project to the BOD Pending Completion of the AOA Benefits User Group RFP	PA	May-17	Pending
LRP-13 STUDENT HEALTH AND UC SHIP					
Formation of a student health program	1	Report on project to the BOD	PA	May-17	Pending
LRP-14 WORKERS' COMPENSATION EXPERIENCE MODIFICATION FACTOR					
Review and modification if	1	Appoint a task group to review the current workers' compensation experience modification	EC	Mar-17	Completed

FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
appropriate the Workers' Compensation Experience Modification calculation	2	Review current calculation to address the disincentive for members to negotiate claim	SRM, PA	Mar-17	Completed
	3	Report on project to BOD.	BOD	May-17	Pending
	4	Meet with the task group to finalize recommendations for change.	Task Group	Jun-17	
	5	Report and recommendation for change to EC	EC	Sep-17	
	6	Final report on project to BOD	BOD	Oct-17	

BOD: CSURMA Board of Directors

CABO: CSU Chief Administrators and Business Officers

CO: Chancellor's Office

CPDC: CO Capital Planning Design & Construction

EC: CSURMA Executive Committee

OGC: CSU Office of General Counsel

PA: CSURMA Program Administrator

SRM: CSU Systemwide Risk Management

CSURMA ADMINISTRATIVE SERVICE CALENDAR

ISSUE: This item is provided as information to advise the Executive 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 Executive Committee and Board of Directors. It is to be provided for information with each agenda packet.

RECOMMENDATION: It is recommended that the Executive 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	
JANUARY 2017				
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
FEBRUARY 2017				
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>
MARCH 2017				
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
03/09/17	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
03/09/17	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
03/10/17	CSURMA EC LRP Meeting	Alliant Staff	Mimi Long	Completed
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
APRIL 2017				
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
MAY 2017				
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
05/01/17	AIME Committee Meeting	Alliant Staff	Stacey Weeks	Completed
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
05/04/17	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
05/04/17	CSURMA BOD NMO Meeting via Teleconference	Alliant Staff	Mimi Long	Completed
05/04/17	Receive back all AORMA Committee ballots for the term beginning on July 1, 2017	Alliant Staff	Tevea Him	in process
05/05/17	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
05/05/17	CSURMA BOD Meeting	Alliant Staff	Mimi Long	Completed
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
JUNE 2017				
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	AORMA Program Committee Meeting (Teleconference)	Alliant Staff	Mimi Long	Completed
06/30/17	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	Completed
06/30/17	<i>Expiring Contract: Carl Warren & 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
JULY 2017				
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
07/17-18/2017	AORMA Officers Retreat – San Diego, CA	AORMA Officers	Mimi Long	Completed
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	
AUGUST				
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
SEPTEMBER			
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
OCTOBER			
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
NOVEMBER			

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
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	<i>AORMA Program Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
DECEMBER			
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	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
12/08/17	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>
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	<i>Expiring Contract: Enterprises Rent A Car - January 1, 2016 - December 31, 2016</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>

2017 CSURMA MEETING CALENDAR

ISSUE: The Program Administrator includes a current copy of the CSURMA meeting calendar in every agenda.

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA – 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 EXECUTIVE COMMITTEE AND STAFF CONTACT LIST

ISSUE: Attached is a list of CSURMA Executive Committee members and the Program Administrators.

RECOMMENDATION: It is recommended that members review the list at each meeting for accuracy, making revisions as appropriate. If there are any changes, please contact Tevea Him at thim@alliant.com.

FISCAL IMPACT: None.

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

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA Executive Committee and Staff Contact List

CSURMA EXECUTIVE COMMITTEE MEMBERS
Effective at July 1, 2017

Seat	Member	Position	Campus	Organization	E-Mail	Telephone Number
Chair	Ming Tung (Mike) Lee	Vice President, Administration and Chief Financial Officer	Sacramento	California State University Sacramento	mikelee@csus.edu	916-278-6312
Vice Chair	Lisa Chavez	Vice-President, Administration and Chief Financial Officer	Los Angeles	California State University Los Angeles	lisa.chavez@calstatela.edu	323-343-3500
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