

- 7. **Crime Program Member Allocation for FY 18/19** A p. 70
The Committee will be asked to approve the member allocation for FY 18/19
 - 8. **Unemployment Insurance Program Member Allocation for FY 18/19** A p. 80
The Committee will be asked to approve the member allocation for FY 18/19
 - 9. **Discussion and Recommendation for New Programs Committee Chair and New Members for the Programs Committee** A p. 87
The Committee will be asked to recommend a new Programs Committee Chair to the AORMA Committee Chair for appointment as well as discuss prospects to join the Programs Committee
 - 10. **Unemployment Insurance Program Claims Administration** I p. 95
The Committee will hear an update regarding the decisions made by the AORMA Committee with regard to the UIP claims administration contract for the term beginning July 1, 2018
- D. INFORMATION ITEMS**
- 1. **2018 CSURMA AORMA Meeting Calendar** I p. 97
 - 2. **FY 17 18 AORMA Long Range Action Plan** I p. 99
 - 3. **AORMA Committee and Standing Committee Roster** I p. 102
- E. ADJOURNMENT**

The next Programs Committee meeting is scheduled for February 22, 2018 via teleconference
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 ORDER

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MEETING MINUTES – SEPTEMBER 28, 2017

ISSUE: The Committee will be asked to review and approve the draft minutes from the September 28, 2017, Programs Committee meeting.

RECOMMENDATION: Staff recommends approving the minutes, including revisions as necessary.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Programs Committee Meeting Minutes – September 28, 2017

**MINUTES OF THE CSURMA AORMA
PROGRAMS COMMITTEE MEETING**

SEPTEMBER 28, 2017

TELECONFERENCE MEETING

1:00 PM

MEMBERS PRESENT

Bill Olmsted, University Union Operation of CSUS, Inc.
Jason Porth, The University Corporation, San Francisco State University
Jun Reina, Capital Public Radio, Inc., CSU Sacramento
Russel Statham, CSU, Dominguez Hills Foundation
Raven Tyson, Associated Students of San Diego State University

ABSENT MEMBERS

Gigi Kiama, University Corporation, CSU Monterey Bay

STAFF, GUESTS AND CONSULTANTS

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

A. CALL TO ORDER

The meeting was called to order by Bill Olmsted at 1:00 PM.

A1. Approval of the Agenda Order

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

First: Jason Porth
Second: Russel Statham

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama				X
Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson	X			

Motion carried.

B. PUBLIC COMMENTS

There were no public comments.

C. GENERAL ADMINISTRATION

C1. Approval of Minutes – June 22, 2017

A motion was made to approve the minutes of the June 22, 2017 meeting.

First: Jason Porth
Second: Jun Reina

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama				X
Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson		X		

Motion carried.

C2. Employment Practices Liability Member Deductibles for FY 18/19

Seven auxiliary organizations are subject to an EPL deductible higher than the minimum of \$25,000. According to Policy & Procedure L-7, the Programs Committee is responsible for approving the EPL deductible calculation.

Below are the proposed FY 18/19 EPL deductibles in excess of \$25,000.

Auxiliary Organization	FY 18/19
CSU, Fresno Foundation	\$75,000
CSU, Long Beach Research Foundation	\$50,000
The Cal Poly Pomona Foundation, Inc.	\$100,000
University Enterprises, Inc., CSU Sacramento	\$50,000
Associated Students, SDSU	\$50,000
SDSU Research Foundation	\$100,000
San Jose State University Research Foundation	\$100,000

The Committee reviewed the EPL deductible schedule, calculation and Policy & Procedure L-7.

A motion was made to approve the calculation and the seven auxiliaries' EPL deductibles in excess of \$25,000 for FY 18/19.

First: Raven Tyson
Second: Russel Statham

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama				X
Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson	X			

Motion carried.

C3. Liability and Workers’ Compensation Dividends

At its September 7, 2017 meetings, the AORMA Committee approved the following dividends to be distributed in July, 2018:

- a. Liability – \$1,118,476
- b. Workers’ Compensation – \$531,921

The Committee reviewed the liability and workers’ compensation dividend allocation calculation.

A motion was made to approve the liability and workers’ compensation dividends to be payable in July, 2018. The total dividend payable in July, 2018 is \$1,650,097.

First: Russel Statham
Second: Raven Tyson

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama				X
Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson	X			

Motion carried.

C4. Workers’ Compensation Program Volunteer Claims

Policy and Procedure W-6, confirms that a workers’ compensation program member may elect to extent its workers’ compensation coverage to its volunteers. It also outlines the procedures to be

followed in order to extend coverage, and it notes that the volunteer losses may be reviewed annually to ensure the rating integrity of the workers’ compensation program.

Currently, the workers’ compensation member allocation formula does not include a premium charge for volunteers. Since inception of the AORMA workers’ compensation program in 2005, the total incurred for volunteer losses is \$202,626. Only five losses are in excess of \$1,500.

A motion was made to accept continuation of no charge for volunteers.

First: Jason Porth
Second: Jun Reina

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama				X
Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson	X			

Motion carried.

C5. 2018 Meeting Dates for the CSURMA AORMA Programs Committee

Below are the proposed 2018 AORMA Programs Committee meeting dates:

Description	Date	Day	Time	Location
Programs Committee	February 22	Thursday	1:00 pm	Teleconference
Programs Committee	June 21	Thursday	1:00 pm	Teleconference
Programs Committee	September 27	Thursday	1:00 pm	Teleconference
Programs Committee	November 29	Thursday	1:00 pm	San Francisco

Due to vacation schedules, Staff is requesting that the November 30th meeting be moved to late December, 2017 or early January, 2018.

A motion was made to approve the cancellation of the November 30, 2017 meeting date and to reschedule to a date during the 2018 AOA Conference. A motion was also made to approve the 2018 Programs Committee meetings as presented.

First: Russel Statham
Second: Raven Tyson

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama				X

Bill Olmsted	X			
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson	X			

Motion carried.

D. INFORMATION ITEMS

The Committee Members reviewed the information items.

- D1. 2017 CSURMA AORMA Meeting Calendar**
- D2. FY 16/17 Long Range Action Plan**
- D3. CSURMA AORMA Committee and Standing Committee Roster**

E. ADJOURNMENT

A motion was made to adjourn the meeting at 1:46 PM

**WORKERS' COMPENSATION SUPPLEMENTAL ACTUARIAL
REPORTS (EXPERIENCE MODIFICATION FACTORS) AND THE
AORMA CLASS CODE RATES**

ISSUE: CSURMA's retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2017, and (2) Projected Ultimate Limited Losses for FY 18/19. These reports were approved by the AORMA Committee in September, 2017. The actuary also calculates each member's experience modification factor (EMF). The Committee will be asked to accept the supplemental EMF report to be used in the FY 18/19 Workers' Compensation Program Member Allocation.

RECOMMENDATION: Staff recommends that the Committee accept the Workers' Compensation 2018/19 EMF supplemental report dated November 29, 2017 to be used in the FY 18/19 Workers' Compensation Program Member Allocation.

FISCAL IMPACT: The EMF's are used in the FY 18/19 Workers' Compensation Member Allocation. Each member's EMF has the potential of increasing 20%; however, there is no limit on the percentage decrease.

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

The AORMA Committee adopted the current published Workers' Compensation Insurance Rating Bureau (WCIRB) experience rating method for use in establishing the Members' EMF's. (*The WCIRB is California's objective provider of actuarially-based information and research, advisory pure premium rates, and education services integral to California's workers' compensation system.*) Effective January 1, 2017, the WCIRB revised its EMF rating plan. The actuary calculated each Member's EMF using this revised formula. The changes to the formula are discussed in the attached EMF supplemental report and Staff will be on hand to provide additional information.

As recommended by the Programs Committee and approved by the AORMA Committee, the EMF's have been normalized to 1.00 and will be capped at a maximum change of +20% from the prior (normalized) EMF. The EMF's will not include a maximum decrease cap.

PUBLICATION: Each member's EMF calculation will be sent out once the Committee accepts the supplemental report.

ATTACHMENT(S):

- a. Workers' Compensation 2018/19 Experience Modification Factors supplemental report dated November 29, 2017 (*complete report provided as a handout*)
- b. Policy and Procedure W-1 – Workers' Compensation Program Member Allocation Formula

November 29, 2017

California State University Risk Management Authority
CSURMA Auxiliary Organizations Risk Management Alliance Workers Compensation
Program
c/o Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, California 94111-5101

Attn: Ms. Mimi Long

**CSURMA Auxiliary Organization
Risk Management Alliance
Workers Compensation
2018/19 Experience Modification Factors**

Introduction

Aon Risk Consultants, Inc. (Aon) has calculated workers compensation experience modification factors for the CSURMA Auxiliary Organizations Risk Management Alliance Workers Compensation Program (CSURMA AORMA-Comp) for 2018/19. CSURMA AORMA-Comp began operations on May 1, 2004 and currently has 49 members.

Each section and appendix of the study is an integral part of the whole. We recommend a review of the entire study prior to reliance upon this study. No key personnel have a relationship with the CSURMA AORMA-Comp that may impair our objectivity.

Data

The loss data provided for this study by Alliant Insurance Services, Inc. (Alliant) consisted of individual claim detail valued as of June 30, 2017. The data included claim number, injury date, WCIRB class code, auxiliary organization (i.e. member), and incurred loss amount, among other fields. Alliant also provided payroll by member and WCIRB class code for each year 2014/15 through 2017/18. We projected the 2018/19 payroll assuming a 2% annual trend.

In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss data by the CSURMA AORMA-Comp or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

Methodology

The experience modification factors were calculated using the WCIRB's Workers' Compensation Experience Rating Plan, which had a revision to its method effective January 1, 2017 (the "new" plan). For comparison, we also calculated the experience modification factors using the prior method (the "old" plan). The old plan parameters were not updated by the WCIRB, as such we necessarily relied on those used in the prior study.

The experience modification factor for each member is based on the 2014/15 through 2016/17 claim experience and the following formula:

$$\frac{\left(\frac{\text{Total Actual Primary Losses}}{\text{Primary Losses}} \times \left(\frac{\text{Primary}}{\text{Credibility}} \right) + \left(\frac{\text{Total Expected Primary Losses}}{\text{Primary Losses}} \right) \times \left(1 - \frac{\text{Primary}}{\text{Credibility}} \right) \right) + \left(\frac{\text{Total Actual Excess Losses}}{\text{Excess Losses}} \times \left(\frac{\text{Excess}}{\text{Credibility}} \right) + \left(\frac{\text{Total Expected Excess Losses}}{\text{Excess Losses}} \right) \times \left(1 - \frac{\text{Excess}}{\text{Credibility}} \right) \right)}{\text{Total Expected Losses}}$$

For each member, the following items were calculated:

1. Actual primary losses (amounts less than the split point, or "primary threshold")
2. Actual excess losses (amounts above the split point)
3. Expected primary losses
4. Expected excess losses

The changes between old and new plans are highlighted in the table below:

Old Plan	New Plan
One split point for all sizes of employers	Split point varies based on the size of the employer (total expected losses)
Split point = \$7,000	Split points from \$4,500 to \$75,000
1 split point + 1 table of D-Ratio values for each classification code	Approximately 90 split points, each with a unique table of D-Ratio values
Large impact of a single claim on smaller employers	Impact of large shock loss is generally reduced
Weight given to claims in excess of \$7,000 ranges from 0.00 to 0.78	No weight given to claims in excess of the variable split point
Claim frequency is weighted more heavily than claim severity	Even more weight given to claim frequency and less to claim severity

The old plan's primary loss for each claim was the lesser of the total incurred amount and \$7,000; the excess loss was the portion above \$7,000, up to a maximum of \$175,000. The expected primary and excess losses were based on each member's payroll, expected loss ratio (ELR), and D-ratio. The primary credibility was fixed at 1.00, and the excess credibility varied by total expected losses.

The new plan's split point varies from \$4,500 to \$75,000 based on the size of employer. Only the claim amounts up to the split point are used in the calculation, essentially eliminating the excess losses and solely depending on the primary losses.

Conclusions

The following exhibits are attached:

- Exhibit WC-SUM-1 compares the 2018/19 experience modification factors based on the old and new plans. The experience modification factor differed by less than 10% for 5 of CSURMA AORMA-Comp's 49 members. The detailed calculations for each plan are shown in the WC-OLD and WC-NEW exhibit series and are described below.
- Exhibit WC-ExMod-1 (page 1): Experience modification factors calculated in our prior study and the current study, as well as the indicated change. The factors shown have not been adjusted for the off-balance or capped to limit the change from prior.
- Exhibit WC-ExMod-1 (page 2): Experience modification factors adjusted for the off-balance and capped at a maximum change of +20% from the prior (balanced) factor. There is no cap on the maximum decrease.
- Exhibits WC-ExMod-2: The loss data for all members used for the current experience modification factor calculations.
- Exhibits WC-ExMod-3: The current experience modification factor calculations for each individual member.

In order to obtain the total projected loss funding fiscal year 2018/19, CSURMA AORMA-Comp should multiply the program 2018/19 limited loss rate by each member's total payroll and experience modification factor, and then sum across all members. If necessary, an additional off-balance factor should be applied to obtain the total required funding amount. Expenses are additional. Our understanding is that AORMA-Comp completes the funding allocation and applies the necessary off-balance factor.

Please call if you have any questions. Thank you for the opportunity to be of service.

Respectfully submitted,

Aon Risk Consultants, Inc.

Mujtaba Dato, ACAS, MAAA, FCA
Actuarial Practice Leader

Tracy Fleck, ACAS, MAAA
Consultant and Actuary

Ziruo Wang
Senior Actuarial Analyst

MD/TF

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Comparison of 2016 and 2017 WCIRB Experience Rating Plans

Auxiliary Organization (1)	2018/19 Balanced, Uncapped Experience Modification Factor		2017 Plan (4)		2016 Plan (3)		2018/19 Balanced, Capped Experience Modification Factor		Difference (8)
	2018 Plan (2)	Difference (5)	2017 Plan (4)	Difference (5)	2016 Plan (3)	Difference (5)	2016 Plan (6)	2017 Plan (7)	
California State University, Bakersfield Auxiliary for Sponsored Programs and Administration					0.93	-0.7%	0.94	0.94	-0.4%
California State University, Bakersfield Foundation					0.98	8.0%	0.99	1.07	8.3%
University Glen Corporation, CSU Channel Islands					1.09	-4.7%	1.06	1.06	-4.4%
Associated Students of California State University, Chico					0.95	-3.8%	0.91	0.92	-3.5%
The CSU, Chico Research Foundation					0.92	2.3%	0.94	0.96	2.6%
Associated Students, California State University, Dominguez Hills					0.99	8.1%	1.07	1.09	8.4%
California State University, Dominguez Hills Foundation					1.06	0.2%	1.07	1.08	0.4%
The Donald P. and Katherine B. Loker University Student Union, Inc.					1.40	5.1%	1.40	1.08	0.0%
Associated Students, California State University, East Bay					1.34	7.5%	1.25	1.25	0.0%
California State University, Fresno Association, Inc.					1.02	-13.2%	1.09	1.03	7.8%
The California State University, Fresno Athletic Corporation					0.74	6.1%	0.64	0.75	-13.0%
Associated Students, California State University, Fullerton, Inc.					0.83	-8.7%	0.88	0.84	6.4%
CSU Fullerton Auxiliary Services Corporation					0.81	-8.7%	0.74	0.81	-8.5%
Humboldt State University Center					1.18	-16.5%	0.98	1.19	-16.3%
Humboldt State University Sponsored Programs Foundation					1.49	15.4%	1.72	1.42	0.0%
Associated Students, Humboldt State University					0.97	1.2%	0.98	1.42	0.0%
Associated Students, Humboldt State University					4.18	-20.1%	3.34	1.15	1.5%
California State University Long Beach Research Foundation					0.87	-2.1%	0.85	0.88	-1.8%
Forty-Niner Shops, Inc., CSU Long Beach					0.78	-9.2%	0.71	0.79	-8.9%
Cal State L.A. University Auxiliary Services, Inc.					0.98	10.2%	1.08	0.99	10.5%
The University Student Union Board, California State University, Los Angeles					0.90	5.0%	0.95	0.96	5.3%
The University Corporation at Monterey Bay					0.82	-5.8%	0.77	0.83	-5.6%
Associated Students, California State University, Northridge, Inc.					0.67	-10.6%	0.76	0.78	-10.3%
The University Corporation, CSU Northridge					1.08	5.6%	1.08	1.03	5.9%
University Student Union of California State University, Northridge					0.99	4.1%	1.03	1.09	4.4%
Associated Students Inc., California State Polytechnic University, Pomona					1.04	7.3%	1.12	1.05	4.0%
The Cal Poly Pomona Foundation, Inc.					1.02	5.2%	1.07	1.09	5.5%
Associated Students of California State University, Sacramento					1.25	3.3%	1.30	1.27	3.6%
University Enterprises, Inc., CSU Sacramento					1.32	11.5%	1.48	1.33	0.0%
Capital Public Radio					0.94	-5.7%	0.89	0.96	-5.4%
University Enterprises Corporation at CSUSB					1.64	2.8%	1.64	1.25	0.0%
Santos Manuel Student Union of California State University, San Bernardino					1.36	8.2%	1.47	1.15	0.0%
Aztec Shops, Ltd., San Diego State University					1.37	24.3%	1.70	1.36	24.6%
Associated Students, Inc., San Francisco State University					1.16	9.7%	1.27	1.17	10.1%
The University Corporation, San Francisco State					1.21	-10.3%	1.08	1.22	-10.1%
Associated Student, San Jose State University					0.89	-1.6%	0.88	0.90	-1.3%
San Jose State University Research Foundation					0.82	-6.3%	0.77	0.83	-6.0%
Spurian Shops, Inc., San Jose State University					0.87	-1.1%	0.86	0.88	-0.8%
The Student Union of San Jose State University					0.92	-3.6%	0.89	0.93	-3.3%
Associated Students, Inc., California Polytechnic State University at San Luis Obispo					0.77	-4.1%	0.77	0.78	-4.5%
Cal Poly Corporation					0.89	-20.0%	1.10	0.90	0.0%
Associated Students of Sonoma State University					1.47	-2.1%	1.47	1.09	-1.8%
Sonoma State Enterprises					0.94	1.0%	0.92	0.95	1.3%
University Student Union of California State University, Stanislaus					1.12	3.3%	1.15	1.13	3.6%
Stanislaus					1.01	9.3%	1.10	1.02	9.6%
Stanislaus					1.28	8.0%	1.39	1.30	8.4%
Stanislaus					0.97	8.1%	1.05	0.98	8.4%
Stanislaus					1.06	9.1%	1.06	1.07	9.4%
Stanislaus					1.42	9.2%	1.55	1.43	1.5%

(3) is from Exhibit WC-ExMod-Old-1 (page 2) (6)

(4) is from Exhibit WC-ExMod-New-1 (page 2) (6)

(8) is from Exhibit WC-ExMod-Old-1 (page 2) (8)

(7) is from Exhibit WC-ExMod-New-1 (page 2) (8)

Un capped 2018/19 Experience Modification Factors

Auxiliary Organization (1)	Campout (2)	Unbalanced		Un capped Percent Change (4)/(3)-100% (5)
		2017/18 Un capped Experience Modification Factor (3)	2018/19 Un capped Experience Modification Factor (4)	
California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	Bakersfield	0.77	0.73	-6.3%
California State University, Bakersfield Foundation	Bakersfield	0.76	0.83	8.2%
University Glen Corporation, CSU Channel Islands	Camarillo	0.89	0.81	-8.6%
Associated Students of California State University, Chico	Chico	0.66	0.71	7.4%
The CSU, Chico Research Foundation	Chico	0.69	0.74	7.3%
Associated Students, California State University, Dominguez Hills	Dominguez Hills	0.90	0.84	-7.3%
California State University, Dominguez Hills Foundation	Dominguez Hills	0.76	0.84	9.3%
The Donald P. and Katherine B. Loker University Student Union, Inc	Dominguez Hills	1.02	1.10	7.7%
Associated Students, California State University, East Bay	East Bay	0.90	0.86	-4.9%
California State University, Fresno Association, Inc	Fresno	0.58	0.50	-13.1%
The California State University, Fresno Athletic Corporation	Fresno	0.62	0.69	11.1%
Associated Students, California State University, Fullerton, Inc	Fullerton	0.67	0.58	-14.5%
CSU Fullerton Auxiliary Services Corporation	Fullerton	0.93	0.77	-17.7%
Humboldt State University Center	Humboldt	0.94	1.35	43.2%
Humboldt State University Sponsored Programs Foundalor	Humboldt	0.68	0.77	13.5%
Associated Students, Humboldt State University	Humboldt	0.77	2.62	241.4%
Associated Students, California State University, Long Beach	Long Beach	0.82	0.67	-18.7%
California State University Long Beach Research Foundalor	Long Beach	0.72	0.56	-22.2%
Forty-Niner Shops, Inc., CSU Long Beach	Long Beach	0.71	0.85	20.1%
Cal State L.A. University Auxiliary Services, Inc	Los Angeles	0.71	0.74	4.5%
University-Student Union Board, California State University, Los Angeles	Los Angeles	0.64	0.60	-6.2%
The University Corporation at Monterey Bay	Monterey Bay	0.71	0.52	-26.3%
Associated Students, California State University, Northridge, Inc	Northridge	0.80	0.84	5.0%
The University Corporation, CSU Northridge	Northridge	1.02	0.80	-21.4%
University Student Union of California State University, Northridge	Northridge	0.73	0.88	20.2%
Associated Students Inc., California State Polytechnic University, Pomona	Pomona	0.78	0.84	8.3%
The Cal Poly Pomona Foundation, Inc.	Pomona	0.96	1.01	5.5%
Associated Students of California State University, Sacramento	Sacramento	0.89	1.16	30.3%
University Enterprises, Inc., CSU Sacramento	Sacramento	0.66	0.70	6.2%
Capital Public Radio	Sacramento	0.92	1.29	40.4%
Associated Students Inc., California State University, San Bernardino	San Bernardino	0.77	1.15	48.8%
University Enterprises Corporation at CSUSB	San Bernardino	1.26	1.33	5.6%
Santos Manuel Student Union of California State University, San Bernardino	San Bernardino	0.96	0.99	4.0%
Associated Students, San Diego State University	San Diego	0.85	0.85	-0.5%
Aztec Shops, Ltd., San Diego State University	San Diego	0.63	0.69	9.3%
Associated Students, Inc., San Francisco State University	San Francisco	0.65	0.60	-8.8%
The University Corporation, San Francisco State	San Francisco	0.69	0.67	-2.1%
Associated Student, San Jose State University	San Jose	0.73	0.70	-4.6%
San Jose State University Research Foundation	San Jose	0.64	0.60	-6.4%
Spartan Shops, Inc., San Jose State University	San Jose	0.76	0.66	-12.2%
The Student Union of San Jose State University	San Jose	0.72	0.92	27.4%
The Tower Foundation, San Jose State University	San Jose	0.69	0.72	5.5%
Associated Students, Inc., California Polytechnic State University at San Luis Obispo	San Luis Obispo	0.93	0.69	-26.0%
Cal Poly Corporation	San Luis Obispo	0.88	0.90	2.2%
University Auxiliary and Research Services Corporation	San Marcos	0.88	0.86	-2.3%
Associated Students of Sonoma State University	Sonoma	0.76	1.09	42.6%
Sonoma State Enterprises	Sonoma	N/A	0.82	
Associated Students, Inc., California State University, Stanislaus	Stanislaus	0.76	0.83	9.1%
University Student Union of California State University, Stanislaus	Stanislaus	0.97	1.21	25.3%
Total		0.79	0.78	

(3) was provided by Alliant and is based on our prior ex-mod calculation using the WC/IRB method

(4) is from Exhibit WC-ExMod-New-3

(3) and (4) have not been balanced to an overall a.mod of 1.000

Capped 2018/19 Experience Modification Factors

Auditory Organization (1)	Campus (2)	2017/18 Balanced, Capped Experience Modification Factor (3)	2018/19 Unbalanced, Uncapped Experience Modification Factor (4)	2018/19 Payroll (5)	2018/19 Balanced, Uncapped Experience Modification Factor (6)	2018/19 Balanced, Capped Experience Modification Factor (8)	Capped Change Percent (9)/(3)-100% (9)
California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	Bakersfield	0.97	0.73	\$1,868,946	0.93	0.94	-3.1%
California State University, Bakersfield Foundation	Bakersfield	1.01	0.83	20,400	1.06	1.07	5.9%
University Glen Corporation, CSU Channel Islands	Canermito	1.12	0.81	3,164,527	1.04	1.06	-5.5%
Associated Students of California State University, Chico	Chico	0.86	0.71	8,356,776	0.91	0.92	11.1%
The CSU, Chico Research Foundation	Chico	0.86	0.74	14,115,313	0.94	0.96	11.0%
Associated Students, California State University, Dominguez Hills	Dominguez Hills	1.08	0.84	606,614	1.07	1.09	0.2%
California State University, Dominguez Hills Foundation	Dominguez Hills	0.94	0.84	6,231,828	1.07	1.08	15.5%
The Donald P. and Katherine B. Loker University Student Union, Inc.	Dominguez Hills	1.04	1.10	1,268,345	1.40	1.25	20.0%
Associated Students, California State University, East Bay	East Bay	1.13	0.86	508,666	1.09	1.11	-1.6%
California State University, Fresno Association, Inc.	Fresno	0.73	0.50	7,212,420	0.64	0.65	-10.3%
The California State University, Fresno Athletic Corporation	Fresno	0.75	0.69	5,591,283	0.88	0.89	19.3%
Associated Students, California State University, Fullerton, Inc.	Fullerton	0.84	0.75	6,074,334	0.74	0.75	-11.6%
CSU Fullerton Auxiliary Services Corporation	Fullerton	0.99	0.77	17,286,497	0.96	1.00	0.1%
Humboldt State University Center	Humboldt	1.18	1.35	4,039,200	1.72	1.42	20.0%
Humboldt State University Sponsored Programs Foundation	Humboldt	1.10	0.77	9,321,752	0.96	1.00	-9.0%
Associated Students, Humboldt State University	Humboldt	0.96	2.62	129,540	3.34	1.15	20.0%
California State University Long Beach Research Foundation	Long Beach	1.03	0.67	6,474,372	0.85	0.87	-16.0%
California State University Long Beach	Long Beach	0.98	0.56	17,408,759	0.71	0.72	-26.2%
Forty-Niner Shops, Inc., CSU Long Beach	Long Beach	1.04	0.85	10,200,000	1.08	1.10	5.7%
Cal State L.A. University Auxiliary Services, Inc.	Los Angeles	0.99	0.74	9,384,000	0.95	0.96	8.1%
University-Student Union Board, California State University, Los Angeles	Los Angeles	0.80	0.62	2,983,704	0.77	0.78	-3.0%
The University Corporation at Monterey Bay	Monterey Bay	0.80	0.52	10,984,735	0.67	0.68	-23.8%
Associated Students, California State University, Northridge, Inc.	Northridge	1.01	0.94	4,182,000	1.06	1.08	8.5%
The University Corporation, CSU Northridge	Northridge	1.28	0.80	20,027,700	1.03	1.04	-18.7%
University Student Union of California State University, Northridge	Northridge	0.81	0.88	7,851,868	1.12	1.10	20.0%
Associated Students Inc., California State Polytechnic University, Pomona	Pomona	0.97	0.84	6,964,438	1.07	1.09	12.0%
The Cal Poly Pomona Foundation, Inc.	Pomona	1.20	1.01	18,591,239	1.30	1.31	9.1%
Associated Students of California State University, Sacramento	Sacramento	1.11	1.18	4,416,492	1.48	1.33	20.0%
University Enterprises, Inc., CSU Sacramento	Sacramento	0.86	0.70	29,243,794	0.86	0.90	4.6%
Capital Public Radio	Sacramento	1.04	1.29	4,702,200	1.64	1.25	20.0%
Associated Students Inc., California State University, San Bernardino	San Bernardino	0.86	1.15	457,198	1.47	1.15	20.0%
University Enterprises Corporation at CSUSB	San Bernardino	1.44	1.33	10,265,011	1.70	1.72	19.6%
Santos Manual Student Union of California State University, San Bernardino	San Bernardino	1.23	0.99	2,213,066	1.27	1.29	4.5%
Associated Students, San Diego State University	San Diego	1.07	0.85	10,847,460	1.08	1.10	2.8%
Aztec Shops, Ltd., San Diego State University	San Diego	0.80	0.69	14,116,204	0.88	0.89	12.0%
Associated Students, Inc., San Francisco State University	San Francisco	0.91	0.60	4,107,528	0.77	0.78	-14.3%
The University Corporation, San Francisco State	San Francisco	0.86	0.67	2,040,000	0.86	0.87	1.2%
Associated Student, San Jose State University	San Jose	0.82	0.70	3,425,160	0.89	0.90	-1.4%
San Jose State University Research Foundation	San Jose	0.81	0.60	28,735,723	0.77	0.78	-3.3%
Spartan Shops, Inc., San Jose State University	San Jose	0.95	0.66	8,140,643	0.85	0.86	-9.2%
The Student Union of San Jose State University	San Jose	0.90	0.92	4,134,229	1.17	1.09	20.0%
The Tower Foundation, San Jose State University	San Jose	0.86	0.72	2,960,381	0.82	0.84	9.0%
Associated Students, Inc., California Polytechnic State University at San Luis Obispo	San Luis Obispo	1.19	0.69	6,049,040	0.86	0.89	-25.5%
Cal Poly Corporation	San Luis Obispo	1.11	0.90	25,464,300	1.15	1.17	5.7%
University Auxiliary and Research Services Corporation	San Marcos	1.11	0.86	6,969,660	1.10	1.12	1.0%
Associated Students of Sonoma State University	Sonoma	1.96	1.09	698,560	1.39	1.41	-24.3%
Sonoma State Enterprises	Sonoma	0.99	0.83	540,600	1.05	1.06	7.3%
Associated Students, Inc., California State University, Stanislaus	Stanislaus	0.85	0.83	401,567	1.06	1.07	12.8%
University Student Union of California State University, Stanislaus	Stanislaus	1.21	1.21	472,523	1.55	1.46	20.0%
Total		1.00	0.78	\$370,465,502	1.00		

(3) is from Exhibit WC-ExMod-New-1 (page 1), Column (3), subject to an off-balance factor.

(4) is from Exhibit WC-ExMod-New-1 (page 1), Column (4).

(5) is based on the projected 2017/18 payroll and a 2% trend.

(6) = (4), subject to an off-balance factor.

(8) = (6), subject to an off-balance factor and capped to +20.0% of (3).

Reported Incurred Losses as of 06/30/17

	Loss Data				Ex-Mod Data				
	Auxiliary Organization (1)	Campus (2)	Claim Period (3)	Total Unlimited Losses (4)	Total Incurred Capped at \$175,000 (5)	Primary Threshold (6)	Actual Primary Losses (7)	Actual Excess Losses (5) - (7) (8)	Total (7) + (8) (9)
California State University, Bakersfield Auxiliary for Sponsored Programs and Administration		Bakersfield	2014/15	\$0	\$0	\$10,000	\$0	\$0	\$0
			2015/16	0	0	10,000	0	0	0
			2016/17	348	348	10,000	348	0	348
California State University, Bakersfield Foundation		Bakersfield	2014/15	47	47	4,500	47	0	47
			2015/16	0	0	4,500	0	0	0
			2016/17	0	0	4,500	0	0	0
University Glen Corporation, CSU Channel Islands		Camarillo	2014/15	69,513	69,513	21,500	27,776	41,737	69,513
			2015/16	768	768	21,500	768	0	768
			2016/17	2,119	2,119	21,500	2,119	0	2,119
Associated Students of California State University, Chico		Chico	2014/15	69,128	69,128	33,000	48,689	20,439	69,128
			2015/16	15,613	15,613	33,000	15,613	0	15,613
			2016/17	20,137	20,137	33,000	20,137	0	20,137
The CSU, Chico Research Foundation		Chico	2014/15	69,898	69,898	30,000	31,984	37,904	69,898
			2015/16	42,407	42,407	30,000	30,550	11,858	42,407
			2016/17	2,671	2,671	30,000	2,671	0	2,671
Associated Students, California State University, Dominguez Hills		Dominguez Hills	2014/15	0	0	4,500	0	0	0
			2015/16	0	0	4,500	0	0	0
			2016/17	0	0	4,500	0	0	0
California State University, Dominguez Hills Foundation		Dominguez Hills	2014/15	2,362	2,362	19,500	2,362	0	2,362
			2015/16	52,275	52,275	19,500	19,500	32,775	52,275
			2016/17	1,449	1,449	19,500	1,449	0	1,449
The Donald P. and Katherine B. Loker University Student Union, Inc.		Dominguez Hills	2014/15	0	0	8,000	0	0	0
			2015/16	3,753	3,753	8,000	3,753	0	3,753
			2016/17	2,453	2,453	8,000	2,453	0	2,453
Associated Students, California State University, East Bay		East Bay	2014/15	0	86	4,500	0	0	86
			2015/16	86	86	4,500	86	0	86
			2016/17	0	0	4,500	0	0	0
California State University, Fresno Association, Inc.		Fresno	2014/15	4,355	4,355	28,000	4,355	0	4,355
			2015/16	3,105	3,105	28,000	3,105	0	3,105
			2016/17	3,761	3,761	28,000	3,761	0	3,761
The California State University, Fresno Athletic Corporation		Fresno	2014/15	1,224	1,224	29,000	1,224	0	1,224
			2015/16	50,637	50,637	29,000	44,118	6,520	50,637
			2016/17	0	0	29,000	0	0	0
Associated Students, California State University, Fullerton, Inc.		Fullerton	2014/15	6,759	6,759	27,000	6,759	0	6,759
			2015/16	1,027	1,027	27,000	1,027	0	1,027
			2016/17	6,354	6,354	27,000	6,354	0	6,354
CSU Fullerton Auxiliary Services Corporation		Fullerton	2014/15	29,925	29,925	30,000	29,925	0	29,925
			2015/16	798,747	185,357	30,000	40,357	145,000	185,357
			2016/17	3,528	3,528	30,000	3,528	0	3,528
Humboldt State University Center		Humboldt	2014/15	55,390	55,390	24,500	36,345	19,045	55,390
			2015/16	86,568	86,568	24,500	58,253	28,315	86,568
			2016/17	18,456	18,456	24,500	18,456	0	18,456
Humboldt State University Sponsored Programs Foundation		Humboldt	2014/15	4,517	4,517	22,500	4,517	0	4,517
			2015/16	21,815	21,815	22,500	21,815	0	21,815
			2016/17	387	387	22,500	387	0	387

Reported Incurred Losses as of 06/30/17

Auxiliary Organization (1)	Campus (2)	Claim Period (3)	Loss Data			Ex-Mod Data			Total (7) + (8) (9)
			Total Unlimited Losses (4)	Total Incurred Capped at \$175,000 (5)	Primary Threshold (6)	Actual Primary Losses (7)	Actual Excess Losses (5) - (7) (8)		
Associated Students, Humboldt State University	Humboldt	2014/15	0	0	4,500	0	0	0	0
		2015/16	8	8	4,500	8	0	8	8
Associated Students, California State University, Long Beach	Long Beach	2016/17	9,363	9,363	4,500	4,500	4,863	9,363	9,363
		2014/15	60,881	60,881	28,000	30,135	30,747	60,881	60,881
		2015/16	2,348	2,348	28,000	2,348	0	2,348	2,348
California State University Long Beach Research Foundation	Long Beach	2016/17	2,147	2,147	28,000	2,147	0	2,147	2,147
		2014/15	224	224	24,000	224	0	224	224
		2015/16	5,308	5,308	24,000	5,308	0	5,308	5,308
Forty-Niner Shops, Inc., CSU Long Beach	Long Beach	2016/17	0	0	24,000	0	0	0	0
		2014/15	49,858	49,858	33,000	41,352	8,506	49,858	49,858
		2015/16	15,035	15,035	33,000	15,035	0	15,035	15,035
Cal State L.A. University Auxiliary Services, Inc.	Los Angeles	2016/17	72,702	72,702	33,000	72,702	0	72,702	72,702
		2014/15	64,966	64,966	30,000	33,821	31,145	64,966	64,966
		2015/16	660	660	30,000	660	0	660	660
University-Student Union Board, California State University, Los Angeles	Los Angeles	2016/17	31,560	31,560	30,000	31,560	0	31,560	31,560
		2014/15	0	0	18,500	0	0	0	0
		2015/16	333	333	18,500	333	0	333	333
The University Corporation at Monterey Bay	Monterey Bay	2016/17	220	220	18,500	220	0	220	220
		2014/15	2,277	2,277	26,000	2,277	0	2,277	2,277
		2015/16	1,998	1,998	26,000	1,998	0	1,998	1,998
Associated Students, California State University, Northridge, Inc.	Northridge	2016/17	585	585	26,000	585	0	585	585
		2014/15	38,386	38,386	21,000	21,000	17,386	38,386	38,386
		2015/16	4,793	4,793	21,000	4,793	0	4,793	4,793
The University Corporation, CSU Northridge	Northridge	2016/17	22,133	22,133	35,000	22,133	0	22,133	22,133
		2014/15	96,878	96,878	35,000	96,878	0	96,878	96,878
		2015/16	29,418	29,418	35,000	29,418	0	29,418	29,418
University Student Union of California State University, Northridge	Northridge	2016/17	24,137	24,137	28,000	24,137	0	24,137	24,137
		2014/15	18,759	18,759	28,000	18,759	0	18,759	18,759
		2015/16	28,452	28,452	28,000	28,452	0	28,452	28,452
Associated Students Inc., California State Polytechnic University, Pomona	Pomona	2016/17	9,176	9,176	26,000	9,176	0	9,176	9,176
		2014/15	7,496	7,496	26,000	7,496	0	7,496	7,496
		2015/16	33,603	33,603	26,000	33,603	0	33,603	33,603
The Cal Poly Pomona Foundation, Inc.	Pomona	2016/17	74,991	74,991	37,000	74,991	0	74,991	74,991
		2014/15	166,093	166,093	37,000	111,544	54,549	166,093	166,093
		2015/16	78,847	78,847	37,000	78,847	0	78,847	78,847
Associated Students of California State University, Sacramento	Sacramento	2016/17	41,444	41,444	22,500	24,529	16,915	41,444	41,444
		2014/15	12,417	12,417	22,500	12,417	0	12,417	12,417
		2015/16	56,052	56,052	22,500	29,412	26,640	56,052	56,052
University Enterprises, Inc., CSU Sacramento	Sacramento	2016/17	35,544	35,544	37,000	35,544	0	35,544	35,544
		2014/15	41,796	41,796	37,000	41,796	0	41,796	41,796
		2015/16	142,011	142,011	37,000	53,559	88,453	142,011	142,011
Capital Public Radio	Sacramento	2016/17	814	814	7,500	814	0	814	814
		2014/15	500	500	7,500	500	0	500	500
		2015/16	45,250	45,250	7,500	7,500	37,750	45,250	45,250

Reported Incurred Losses as of 06/30/17

	Loss Data				Ex-Mod Data				
	Auxiliary Organization (1)	Campus (2)	Claim Period (3)	Total Unlimited Losses (4)	Total Incurred Capped at \$175,000 (5)	Primary Threshold (6)	Actual Primary Losses (7)	Actual Excess Losses (5) - (7) (8)	Total (7) + (8) (9)
Associated Students, Inc., California State University, San Bernardino		San Bernardino	2014/15	0	0	4,500	0	0	0
			2015/16	0	0	4,500	0	0	0
			2016/17	727	727	4,500	727	0	727
University Enterprises Corporation at CSUSB		San Bernardino	2014/15	28,773	28,773	20,500	23,933	4,840	28,773
			2015/16	21,220	21,220	20,500	21,220	0	21,220
			2016/17	25,112	25,112	20,500	25,112	0	25,112
Santos Manuel Student Union of California State University, San Bernardino		San Bernardino	2014/15	32,371	32,371	14,500	14,500	17,871	32,371
			2015/16	0	0	14,500	0	0	0
			2016/17	1,482	1,482	14,500	1,482	0	1,482
Associated Students, San Diego State University		San Diego	2014/15	56,701	56,701	32,000	47,284	9,417	56,701
			2015/16	19,185	19,185	32,000	19,185	0	19,185
			2016/17	227,891	184,723	32,000	41,723	143,000	184,723
Aztec Shops, Ltd., San Diego State University		San Diego	2014/15	47,836	47,836	38,000	47,836	0	47,836
			2015/16	48,364	48,364	38,000	48,364	0	48,364
			2016/17	68,899	68,899	38,000	59,504	9,395	68,899
Associated Students, Inc., San Francisco State University		San Francisco	2014/15	1,959	1,959	19,500	1,959	0	1,959
			2015/16	270	270	19,500	270	0	270
			2016/17	256	256	19,500	256	0	256
The University Corporation, San Francisco State		San Francisco	2014/15	0	0	12,500	0	0	0
			2015/16	0	0	12,500	0	0	0
			2016/17	0	0	12,500	0	0	0
Associated Student, San Jose State University		San Jose	2014/15	1,878	1,878	16,500	1,878	0	1,878
			2015/16	1,803	1,803	16,500	1,803	0	1,803
			2016/17	985	985	16,500	985	0	985
San Jose State University Research Foundation		San Jose	2014/15	31,342	31,342	35,000	31,342	0	31,342
			2015/16	35,506	35,506	35,000	35,506	0	35,506
			2016/17	1,053	1,053	35,000	1,053	0	1,053
Spartan Shops, Inc., San Jose State University		San Jose	2014/15	7,893	7,893	34,000	7,893	0	7,893
			2015/16	41,453	41,453	34,000	41,453	0	41,453
			2016/17	46,010	46,010	34,000	46,010	0	46,010
The Student Union of San Jose State University		San Jose	2014/15	1,572	1,572	20,000	1,572	0	1,572
			2015/16	7,137	7,137	20,000	7,137	0	7,137
			2016/17	266,702	176,327	20,000	21,327	155,000	176,327
The Tower Foundation, San Jose State University		San Jose	2014/15	0	0	11,500	0	0	0
			2015/16	0	0	11,500	0	0	0
			2016/17	835	835	11,500	835	0	835
Associated Students, Inc., California Polytechnic State University at San Luis Obispo		San Luis Obispo	2014/15	22,968	22,968	27,000	22,968	0	22,968
			2015/16	7,117	7,117	27,000	7,117	0	7,117
			2016/17	2,903	2,903	27,000	2,903	0	2,903
Cal Poly Corporation		San Luis Obispo	2014/15	348,173	340,549	45,000	205,384	135,165	340,549
			2015/16	169,008	169,008	45,000	141,866	27,142	169,008
			2016/17	101,019	101,019	45,000	101,019	0	101,019
University Auxiliary and Research Services Corporation		San Marcos	2014/15	1,024	1,024	19,500	1,024	0	1,024
			2015/16	3,356	3,356	19,500	3,356	0	3,356
			2016/17	27,301	27,301	19,500	19,500	7,801	27,301

Reported Incurred Losses as of 06/30/17

	Loss Data				Ex-Mod Data				
	Auxiliary Organization (1)	Campus (2)	Claim Period (3)	Total Unlimited Losses (4)	Total Incurred Capped at \$175,000 (5)	Primary Threshold (6)	Actual Primary Losses (7)	Actual Excess Losses (5) - (7) (8)	Total (7) + (8) (9)
Associated Students of Sonoma State University		Sonoma	2014/15 2015/16 2016/17	0 0 1,369	0 0 1,369	4,500 4,500 4,500	0 0 1,369	0 0 0	0 0 1,369
Sonoma State Enterprises		Sonoma	2014/15 2015/16 2016/17	0 0 0	0 0 0	4,500 4,500 4,500	0 0 0	0 0 0	0 0 0
Associated Students, Inc., California State University, Stanislaus		Stanislaus	2014/15 2015/16 2016/17	0 0 0	0 0 0	4,500 4,500 4,500	0 0 0	0 0 0	0 0 0
University Student Union of California State University, Stanislaus		Stanislaus	2014/15 2015/16 2016/17	956 335 1,326	956 335 1,326	4,500 4,500 4,500	956 335 1,326	0 0 0	956 335 1,326
Total				\$4,494,037	\$3,739,480		\$2,569,303	\$1,170,177	\$3,739,480

All amounts were based on the claim detail provided by CSURMA - AO-COMP.

(7) includes the first (6) of each claim.



CSURMA AORMA

POLICY AND PROCEDURE NO. W - 1

SUBJECT: WORKERS' COMPENSATION MEMBER ALLOCATION FORMULA

ADOPTED: MAY 15, 2008

EFFECTIVE: JULY 1, 2018

**AMENDED: DECEMBER 8, 2009
SEPTEMBER 10, 2015
MAY 5, 2016
MARCH 9, 2017
MAY 4, 2017**

PURPOSE:

It shall be the policy of the CSURMA Auxiliary Organizations Risk Management Alliance (AORMA) to determine each MEMBER's allocation of the workers' compensation TOTAL PROGRAM FUNDING as outlined in the Workers' Compensation Member Allocation Formula noted below:

PROCEDURE:

Annually, in September, the AORMA COMMITTEE will approve the TOTAL PROGRAM FUNDING for the workers' compensation program for the upcoming fiscal year.

Annually, in December, the PROGRAMS COMMITTEE will approve or accept the following allocation distribution criteria with the Workers' Compensation Member Allocation Formula:

1. AORMA BASIC RATES for each class code.
2. EXPERIENCE MODIFICATION FACTOR (EMF) as determined by the actuary.
3. Minimum Premium.

ALLOCATION FORMULA:

1. The MEMBER's EXPERIENCE MODIFICATION FACTOR is applied separately to each of the AORMA BASIC RATES. Result – Member's modified rates.
2. MEMBER's modified rates are applied separately to the MEMBER's estimated payroll, separated by class code, for the upcoming fiscal year. Result – Member's final modified deposit premium.
3. The minimum premium is applied if the Member's final modified deposit premium is less

than the approved minimum premium.

**** Example ****

1001	.50	*	.95	=	.48
1002	1.00	*	.95	=	.95
1004	1.50	*	.95	=	1.43
1005	3.00	*	.95	=	2.85
1006	4.00	*	.95	=	3.80
1007	5.00	*	.95	=	4.75
AORMA basic rates			Experience modification factor		Modified rates
1001	.48	*	\$1,000,000	=	\$4,800
1002	.95	*	\$800,000	=	\$7,600
1004	1.43	*	\$0	=	\$0
1005	2.85	*	\$0	=	\$0
1006	3.80	*	\$0	=	\$0
1007	4.75	*	\$0	=	\$0
					\$12,400
Modified rates			Estimated payroll		Final modified deposit premium

ANNUAL PAYROLL AUDIT:

The MEMBER's final payroll separated by AORMA class code will be requested at the end of each program year. The MEMBER's final workers' compensation premium will be calculated by multiplying the MEMBER's actual payroll per class code by the MEMBER's modified rates. The MEMBER will receive either a refund or additional deposit billing based on how their audited contribution compares with their initial deposit. MEMBERS will allocate their payroll to each of the AORMA class codes as outlined in the (1) AORMA Workers' Compensation Explanation of Classification Codes and (2) AORMA Workers' Compensation Payroll Rules to Follow publications. For those MEMBERS involved in federally sponsored programs, the refund can be retained on account with CSURMA to be used to lower contributions for the upcoming or current fiscal year. If the MEMBER chooses to receive the refund, then the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federally sponsored programs to determine what percentage of the dividend will need to be returned to the federal government.

If the final audit or the renewal application is not received by the deadline, then the Program Administrator may increase that MEMBERS payrolls by the average payroll increase for all MEMBERS for the prior two years.

MEMBER APPEAL PROCESS:

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

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

DEFINITIONS:

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

AORMA COMMITTEE – The governing body of AORMA.

AORMA BASIC RATES – The AORMA Basic Rates will be approved annually by the PROGRAMS COMMITTEE. The WCIRB class code rates shown below will be utilized when determining the AORMA BASIC RATES. A normalization factor will be added to the WCIRB class code rates in order to achieve the TOTAL PROGRAM FUNDING required as approved by the AORMA COMMITTEE.

Class Code Description	AORMA	WCIRB
Clerical	1001	8810
Off-site activities / professional / student activities	1002	8868
Retail	1004	8071
Sports / day care	1005	9053
Food service	1006	9079
Manual labor	1007	9101

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

CSURMA EXECUTIVE COMMITTEE – The California State University Risk Management Authority Executive Committee.

EXPERIENCE MODIFICATION FACTOR (EMF) – The experience rating system is a merit rating system intended to provide MEMBERS a direct financial incentive to reduce work-related accidents. The experience rating system objectively distributes the cost of the workers’ compensation program more equitably among the MEMBERS. An EMF less than 100% reflects better than average experience. The actuary will determine each MEMBER’s EMF based on the current published WCIRB method. The EMF will be adjusted for the normalization factor and capped at a maximum change of +20% from the prior (normalized) EMF. The EMF will not include a maximum decrease cap.

MEMBER – The Member is a signatory to the CSURMA Joint Powers Authority as well as the AORMA Workers’ Compensation Program Participation Agreement.

MEMORANDUM OF COVERAGE – The AORMA Liability Program MEMORANDUM OF COVERAGE is a governing document which outlines the AORMA Liability Program’s definitions, coverages, exclusions and provisions. The AORMA Liability Program MEMORANDUM OF COVERAGE does not provide insurance, but instead provides for pooled-insurance. The



MEMORANDUM OF COVERAGE is a negotiated agreement among the MEMBERS of CSURMA AORMA.

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

PROGRAMS COMMITTEE - The Programs Committee oversees the management of all programs not otherwise assigned to another committee, including, but not limited to, the Liability, Workers' Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and Foreign Travel Liability Programs, as well as new program development. The Committee will assist in the review of annual actuarial reports and the development of rating plans for allocation of annual costs, policies and coverage documents. Training, service provider RFP development and selection will also be handled by this Committee. The Programs Committee will act as a liaison to the AOA Human Resources Committee.

TOTAL PROGRAM FUNDING - The Total Program Funding costs will include (1) the pooled layer funding requirement, as recommended by the actuary, (2) administrative costs and (3) excess insurance or reinsurance costs.

**WORKERS' COMPENSATION PROGRAM MEMBER ALLOCATION
 FOR FY 2018/2019**

ISSUE: At its September, 2017 meeting, the AORMA Committee approved the FY 18/19 Workers' Compensation Program funding. The Programs Committee must now (1) approve the FY 18/19 workers' compensation rates and (2) approve the allocation of the total program costs to the workers' compensation program members. Costs are allocated to the members based on their estimated payroll for FY 18/19 and their experience modification factor (EMF) as determined by the CSURMA actuary.

RECOMMENDATION: Staff recommends that the Committee approve the FY 18/19 rates shown below, as well as the FY 18/19 Workers' Compensation Program Member Allocation as presented on the attached spreadsheet allowing Staff to revise the allocation with updated member payroll information as appropriate.

AORMA Class Code	1001	1002	1004	1005	1006	1007
FY 17 18 Rates	.28	.67	1.08	2.30	3.18	3.97

FISCAL IMPACT: The total funding required for the FY 18/19 program is \$5,005,003. As compared to the premium collected for FY 17/18 of \$4,826,377, the total premium costs have increased by \$178,626 or 3.7%. This increase is due primarily to the increase in the pooled layer from \$500,000 to \$750,000, and loss experience within the pooled and excess layers.

BACKGROUND: The AORMA workers' compensation program rates are established by starting with the corresponding WCIRB rate approved for use as the AORMA class code rate and then applying a normalization factor to develop the total amount of funding required. TABLE 1 below demonstrates how each WCIRB rate was reduced by between 7% and 35% in order to establish the proposed AORMA FY 18/19 rates.

TABLE 1						
Normalization Calculation						
AORMA Class Codes	1001	1002	1004	1005	1006	1007
WCIRB Class Codes	8810	8868	8071	9053	9079	9101
WCIRB FY 18 19 Rates	0.35	0.87	1.66	2.47	3.98	5.59
Normalization Factor	-20%	-23%	-35%	-7%	-20%	-29%
AORMA FY 18 19 Rates (Proposed)	0.28	0.67	1.08	2.30	3.18	3.97

As shown below in Table 2, all of the WCIRB base rates will decrease effective January 1, 2018, except for Class Code 8071 (1004) which will increase 8%.

AORMA Class Codes	1001	1002	1004	1005	1006	1007
WCIRB Class Codes	8810	8868	8071	9053	9079	9101
WCIRB Rates at 1/01/2017	0.42	1.01	1.53	3.77	4.83	5.96
WCIRB Rates at 1/01/2018	0.35	0.88	1.66	2.47	3.98	5.59
Difference	-17%	-13%	8%	-34%	-18%	-6%

With the goal in mind of keeping all rate changes to +/- 10%, and to move the rates in the direction of the WCIRB rate changes, as shown in Table 3, all of AORMA's rates received a discount of between 1% and 9% (compared to the FY 17/18 AORMA rates) except 1004 which went up by 4%.

AORMA Class Codes	1001	1002	1004	1005	1006	1007
AORMA FY 17 18 Rates (Approved)	0.29	0.69	1.04	2.54	3.28	4.02
AORMA FY 18 19 Rates (Proposed)	0.28	0.67	1.08	2.30	3.18	3.97
Difference	-3%	-3%	4%	-9%	-3%	-1%

In order to establish rate stability, effective July 1, 2015, the AORMA workers' compensation program began using the WCIRB rates as a starting point when determining the AORMA rates. Prior to July 1, 2015, AORMA's own claims history was used to establish rates; however, this method proved to be too volatile as AORMA members did not have enough claims to establish reliable rates. TABLE 4 shows how the WCIRB rates have been trending over the past six years.

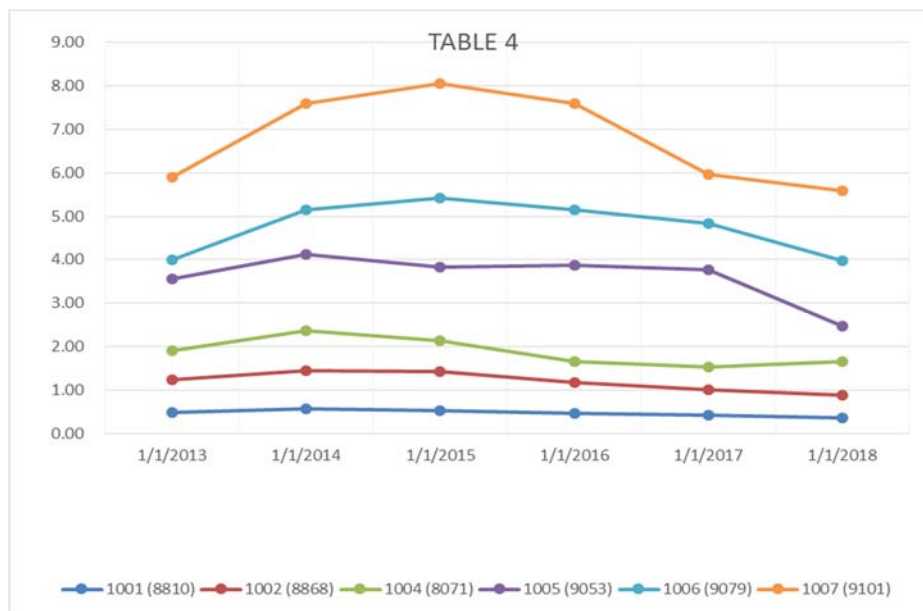


TABLE 5 below shows a comparison of the program’s historical rates. By using the WCIRB rates as a starting point, AORMA has been able to provide rate stability.

TABLE 5						
Coverage Term	AORMA Workers' Compensation Class Code					
	1001	1002	1004	1005	1006	1007
FY 11 12	0.34	0.73	1.67	2.10	2.37	3.34
FY 12 13	0.56	1.00	2.09	2.22	3.79	2.70
Diff	63%	36%	25%	6%	60%	-19%
FY 12 13	0.56	1.00	2.09	2.22	3.79	2.70
FY 13 14	0.58	1.01	1.93	2.09	3.64	2.74
Diff	3%	1%	-8%	-6%	-4%	2%
FY 13 14	0.58	1.01	1.93	2.09	3.64	2.74
FY 14 15	0.56	1.43	2.36	3.27	5.15	3.89
Diff	-3%	42%	22%	57%	42%	42%
FY 14 15	0.56	1.43	2.36	3.27	5.15	3.89
FY 15 16	0.36	0.94	1.38	2.53	3.47	5.00
Diff	-36%	-34%	-42%	-23%	-33%	29%
FY 15 16	0.36	0.94	1.38	2.53	3.47	5.00
FY 16 17	0.30	0.76	1.07	2.50	3.32	4.90
Diff	-17%	-19%	-22%	-1%	-4%	-2%
FY 16 17	0.30	0.76	1.07	2.50	3.32	4.90
FY 17 18	0.29	0.69	1.04	2.54	3.28	4.02
Diff	-3%	-9%	-3%	2%	-1%	-18%
FY 17 18	0.29	0.69	1.04	2.54	3.28	4.02
FY 18 19	0.28	0.67	1.08	2.30	3.18	3.97
Diff	-3%	-3%	4%	-9%	-3%	-1%

PUBLICATION: The final approved premiums / rates will be sent out to the program members at the end of January, 2018.

ATTACHMENT(S):

- a. FY 18/19 Workers’ Compensation Program Member Allocation – Comparison
- b. FY 18/19 – Total Funding Approved
- c. Policy and Procedure W-1 – Workers’ Compensation Program Member Allocation Formula

**CSURMA AORMA Workers' Compensation Insurance Program
FY 18 19 Rating Allocation - Comparison**

Member Information		Ex Mods			Payroll			Premium			
Campus	Auxiliary Organization	FY 17 18	FY 18 19	% Diff	FY 17 18	FY 18 19	% Diff	FY 17 18	FY 18 19	\$ Diff	% Diff
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.97	0.94	-3%	1,832,300	1,373,000	-25%	13,685	11,328	(2,357)	-17%
Bakersfield	California State University, Bakersfield Foundation	1.01	1.07	6%	20,000	7,000	-65%	99	1,000	901	910%
Channel Islands	CI University Auxiliary Services, Inc.	1.12	1.06	-5%	3,102,477	3,243,586	5%	63,386	70,301	6,915	11%
Chico	Associated Students of California State University, Chico	0.83	0.92	11%	8,192,918	8,637,850	5%	156,506	178,768	22,262	14%
Chico	The CSU, Chico Research Foundation	0.86	0.96	12%	13,838,542	14,174,383	2%	108,124	117,165	9,041	8%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	1.08	1.09	1%	596,680	626,641	5%	7,466	7,125	(341)	-5%
Dominguez Hills	California State University, Dominguez Hills Foundation	0.94	1.08	15%	6,109,635	7,906,071	29%	46,696	64,972	18,276	39%
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	1.04	1.25	20%	1,243,475	1,145,871	-8%	22,984	17,423	(5,561)	-24%
East Bay	Associated Students, California State University, East Bay	1.13	1.11	-2%	498,692	543,598	9%	2,038	2,251	213	10%
Fresno	California State University, Fresno Association, Inc.	0.73	0.65	-11%	7,071,000	6,780,000	-4%	89,405	75,370	(14,035)	-16%
Fresno	The California State University, Fresno Athletic Corporation	0.75	0.89	19%	5,481,660	6,651,821	21%	84,408	119,890	35,482	42%
Fullerton	Associated Students, California State University, Fullerton, Inc.	0.84	0.75	-11%	5,955,229	6,310,917	6%	84,691	80,549	(4,142)	-5%
Fullerton	CSU Fullerton Auxiliary Services Corporation	0.99	1.00	1%	16,950,487	17,459,265	3%	134,563	136,721	2,158	2%
Humboldt	Humboldt State University Center	1.18	1.42	20%	3,960,000	4,355,000	10%	110,414	156,602	46,188	42%
Humboldt	Humboldt State University Sponsored Programs Foundation	1.10	1.00	-9%	9,138,973	10,546,044	15%	99,588	102,423	2,835	3%
Humboldt	Associated Students, Humboldt State University	0.96	1.15	20%	127,000	122,000	-4%	1,550	1,000	(550)	-35%
Long Beach	Associated Students, California State University, Long Beach	1.03	0.87	-16%	6,347,423	6,776,510	7%	119,946	103,622	(16,324)	-14%
Long Beach	California State University Long Beach Research Foundation	0.98	0.72	-27%	17,067,411	17,210,619	1%	85,061	56,675	(28,386)	-33%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	1.04	1.10	6%	10,000,000	10,473,400	5%	206,080	224,097	18,017	9%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	0.89	0.96	8%	9,200,000	9,770,000	6%	117,870	128,367	10,497	9%
Los Angeles	University-Student Union Board, California State University, Los Angeles	0.80	0.78	-3%	2,925,200	3,013,800	3%	37,669	36,746	(923)	-2%
Monterey Bay	The University Corporation at Monterey Bay	0.89	0.68	-24%	9,896,799	11,813,500	19%	79,208	66,772	(12,436)	-16%
Northridge	Associated Students, California State University, Northridge, Inc.	1.01	1.09	8%	4,100,000	4,275,000	4%	66,459	69,935	3,476	5%
Northridge	The University Corporation, CSU Northridge	1.28	1.04	-19%	19,635,000	20,616,750	5%	278,699	231,844	(46,855)	-17%
Northridge	University Student Union of California State University, Northridge	0.91	1.10	21%	7,795,950	8,077,523	4%	107,032	125,142	18,110	17%

**CSURMA AORMA Workers' Compensation Insurance Program
FY 18 19 Rating Allocation - Comparison**

Member Information		Ex Mods			Payroll			Premium			
Campus	Auxiliary Organization	FY 17 18	FY 18 19	% Diff	FY 17 18	FY 18 19	% Diff	FY 17 18	FY 18 19	\$ Diff	% Diff
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	0.97	1.09	12%	6,827,880	7,091,364	4%	128,838	132,666	3,828	3%
Pomona	The Cal Poly Pomona Foundation, Inc.	1.20	1.31	9%	18,226,704	19,862,374	9%	314,265	359,540	45,275	14%
Sacramento	Associated Students of California State University, Sacramento	1.11	1.33	20%	4,329,894	4,935,209	14%	80,294	79,004	(1,290)	-2%
Sacramento	University Enterprises, Inc., CSU Sacramento	0.86	0.90	5%	28,670,387	34,584,576	21%	225,991	277,731	51,740	23%
Sacramento	Capital Public Radio	1.04	1.25	20%	4,610,000	4,748,300	3%	13,830	16,619	2,789	20%
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.96	1.15	20%	448,231	466,884	4%	1,594	1,877	283	18%
San Bernardino	University Enterprises Corporation at CSUSB	1.44	1.72	19%	10,063,736	11,070,110	10%	91,925	113,653	21,728	24%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	1.23	1.29	5%	2,169,673	2,685,588	24%	33,176	43,256	10,080	30%
San Diego	Associated Students, San Diego State University	1.07	1.10	3%	10,634,765	11,538,720	8%	209,161	219,557	10,396	5%
San Diego	Aztec Shops, Ltd., San Diego State University	0.63	0.89	41%	13,839,416	15,050,171	9%	167,141	245,438	78,297	47%
San Francisco	Associated Students, Inc., San Francisco State University	0.91	0.78	-14%	4,026,988	4,469,402	11%	41,921	26,666	(15,255)	-36%
San Francisco	The University Corporation, San Francisco State	0.86	0.87	1%	2,000,000	2,000,000	0%	18,700	18,035	(665)	-4%
San Jose	Associated Student, San Jose State University	0.92	0.90	-2%	3,358,000	3,480,000	4%	36,809	34,894	(1,915)	-5%
San Jose	San Jose State University Research Foundation	0.81	0.78	-4%	28,172,278	25,074,826	-11%	157,922	121,384	(36,538)	-23%
San Jose	Spartan Shops, Inc., San Jose State University	0.95	0.86	-9%	7,981,023	12,229,307	53%	202,927	288,205	85,278	42%
San Jose	The Student Union of San Jose State University	0.90	1.09	21%	4,053,166	4,235,559	5%	76,386	93,515	17,129	22%
San Jose	The Tower Foundation, San Jose State University	0.86	0.94	9%	2,902,334	3,337,684	15%	10,420	12,340	1,920	18%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	1.19	0.89	-25%	5,930,431	6,545,019	10%	117,367	97,997	(19,370)	-17%
San Luis Obispo	Cal Poly Corporation	1.11	1.17	5%	24,965,000	24,925,000	0%	530,953	561,970	31,017	6%
San Marcos	California State University San Marcos Corporation (UARSC)	1.11	1.12	1%	6,833,000	7,970,500	17%	48,687	64,980	16,293	33%
Sonoma	Associated Students of Sonoma State University	1.86	1.41	-24%	684,863	750,886	10%	6,537	7,103	566	9%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	0.95	1.07	13%	393,693	331,619	-16%	2,066	1,978	(88)	-4%
Stanislaus	University Student Union of California State University, Stanislaus	1.21	1.46	21%	463,258	242,315	-48%	5,332	1,719	(3,613)	-68%
Totals	49				360,839,271	389,535,562		4,645,869	5,006,215	360,346	8%

**CSURMA AORMA
FY 2018/2019 Workers' Compensation Program**

Approved 09/07/17

Table 1

Expense Item	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Total Estimated Funding - CSAC EIA Reinsurance Program Costs					
Pooled Layer Funding (#1)	1,554,375	-	-	-	-
CSAC-EIA Reinsurance	1,254,375	2,900,599	3,153,341	4,302,129	4,763,672
Claims Administration	211,231	215,456	219,765	224,160	230,885
JPA Program Administration	529,743	552,131	590,100	607,000	625,210
Excess Insurance	483,420	Included	Included	Included	Included
Mid-Term Changes		34,444			
Payroll Audit	12,668	196,058	473,860	145,545	
Total Program Costs:	4,033,144	3,898,688	4,437,066	5,278,834	5,619,767
Difference from prior year:	-7.59%	-3.33%	13.81%	18.97%	6.46%
CSAC EIA Rate	0.82	0.97	1.04	1.18	1.18
CSAC EIA - Total Program Rate	1.34	1.20	1.27	1.45	1.39
Estimated Payroll (#3)	299,516,119	302,998,904	303,772,228	363,201,571	403,701,054
Actual Payroll (#2)	301,764,349	325,493,578	349,335,688	375,535,865	
Difference	2,248,230	22,494,674	45,563,460	12,334,294	

Table 2

Total Estimated Funding - AORMA Funding at a 70% Confidence Level					
Expense Item	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Pooled Layer	\$500,000	\$500,000	\$500,000	\$750,000	\$750,000
Pooled Layer Funding (#1)	3,108,750	3,208,750	3,236,000	3,486,735	3,714,050
CSAC-EIA Reinsurance					
Claims Administration	211,231	215,456	219,765	224,160	230,885
JPA Program Administration	529,743	552,131	590,100	607,000	625,210
Excess Insurance	483,420	485,365	487,555	508,482	565,181
Audit and Mid-Year Payroll Changes (#2)	158,892	176,081	621,175	232,415	-
Total Program Costs	4,492,036	4,637,783	4,762,560	5,058,792	5,135,326
Difference from prior year:	2.92%	3.24%	2.69%	6.22%	1.51%
Actuary's Original Rate (used to establish funding)	1.04	1.08	1.08	0.96	0.92
AORMA - Total Program Rate	1.49	1.42	1.36	1.39	1.27
Estimated Payroll (#3)	299,516,119	302,998,904	324,612,400	363,201,571	403,701,054
Actual Payroll (#2)	301,764,349	325,493,578	349,335,688	375,535,865	-
Difference	2,248,230	22,494,674	45,563,460	12,334,294	-

#1 - The Pooled Layer was funded at an 80% confidence level for FY 14/15 and 15/16; FY 16/17 and 17/18 are funded at a 70% confidence level.

#2 - The actual payroll for FY 16/17 is an estimate (five members have not provided final payroll.)

#3 - 7.5% trend was added to the payroll for FY 17/18 (actual) and FY 18/19 (estimate).

Table 3

Cost Comparison CSAC EIA Reinsurance Program Costs vs. AORMA Funding at a 70% Confidence Level					
Fiscal Period	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Total CSAC-EIA Costs	4,492,036	4,637,783	4,762,560	5,058,792	5,135,326
Total AORMA Funding	4,033,144	3,898,688	4,437,066	5,278,834	5,619,767
Difference between CSAC-EIA and AORMA					
Total Program Costs:	458,892	739,095	325,494	(220,042)	(484,441)



CSURMA AORMA

POLICY AND PROCEDURE NO. W - 1

SUBJECT: WORKERS' COMPENSATION MEMBER ALLOCATION FORMULA

ADOPTED: MAY 15, 2008

EFFECTIVE: JULY 1, 2018

**AMENDED: DECEMBER 8, 2009
SEPTEMBER 10, 2015
MAY 5, 2016
MARCH 9, 2017
MAY 4, 2017**

PURPOSE:

It shall be the policy of the CSURMA Auxiliary Organizations Risk Management Alliance (AORMA) to determine each MEMBER's allocation of the workers' compensation TOTAL PROGRAM FUNDING as outlined in the Workers' Compensation Member Allocation Formula noted below:

PROCEDURE:

Annually, in September, the AORMA COMMITTEE will approve the TOTAL PROGRAM FUNDING for the workers' compensation program for the upcoming fiscal year.

Annually, in December, the PROGRAMS COMMITTEE will approve or accept the following allocation distribution criteria with the Workers' Compensation Member Allocation Formula:

1. AORMA BASIC RATES for each class code.
2. EXPERIENCE MODIFICATION FACTOR (EMF) as determined by the actuary.
3. Minimum Premium.

ALLOCATION FORMULA:

1. The MEMBER's EXPERIENCE MODIFICATION FACTOR is applied separately to each of the AORMA BASIC RATES. Result – Member's modified rates.
2. MEMBER's modified rates are applied separately to the MEMBER's estimated payroll, separated by class code, for the upcoming fiscal year. Result – Member's final modified deposit premium.
3. The minimum premium is applied if the Member's final modified deposit premium is less

than the approved minimum premium.

**** Example ****

1001	.50	*	.95	=	.48
1002	1.00	*	.95	=	.95
1004	1.50	*	.95	=	1.43
1005	3.00	*	.95	=	2.85
1006	4.00	*	.95	=	3.80
1007	5.00	*	.95	=	4.75
AORMA basic rates			Experience modification factor		Modified rates
1001	.48	*	\$1,000,000	=	\$4,800
1002	.95	*	\$800,000	=	\$7,600
1004	1.43	*	\$0	=	\$0
1005	2.85	*	\$0	=	\$0
1006	3.80	*	\$0	=	\$0
1007	4.75	*	\$0	=	\$0
					\$12,400
Modified rates			Estimated payroll		Final modified deposit premium

ANNUAL PAYROLL AUDIT:

The MEMBER's final payroll separated by AORMA class code will be requested at the end of each program year. The MEMBER's final workers' compensation premium will be calculated by multiplying the MEMBER's actual payroll per class code by the MEMBER's modified rates. The MEMBER will receive either a refund or additional deposit billing based on how their audited contribution compares with their initial deposit. MEMBERS will allocate their payroll to each of the AORMA class codes as outlined in the (1) AORMA Workers' Compensation Explanation of Classification Codes and (2) AORMA Workers' Compensation Payroll Rules to Follow publications. For those MEMBERS involved in federally sponsored programs, the refund can be retained on account with CSURMA to be used to lower contributions for the upcoming or current fiscal year. If the MEMBER chooses to receive the refund, then the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federally sponsored programs to determine what percentage of the dividend will need to be returned to the federal government.

If the final audit or the renewal application is not received by the deadline, then the Program Administrator may increase that MEMBERS payrolls by the average payroll increase for all MEMBERS for the prior two years.

MEMBER APPEAL PROCESS:

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

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



DEFINITIONS:

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

AORMA COMMITTEE – The governing body of AORMA.

AORMA BASIC RATES – The AORMA Basic Rates will be approved annually by the PROGRAMS COMMITTEE. The WCIRB class code rates shown below will be utilized when determining the AORMA BASIC RATES. A normalization factor will be added to the WCIRB class code rates in order to achieve the TOTAL PROGRAM FUNDING required as approved by the AORMA COMMITTEE.

Class Code Description	AORMA	WCIRB
Clerical	1001	8810
Off-site activities / professional / student activities	1002	8868
Retail	1004	8071
Sports / day care	1005	9053
Food service	1006	9079
Manual labor	1007	9101

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

CSURMA EXECUTIVE COMMITTEE – The California State University Risk Management Authority Executive Committee.

EXPERIENCE MODIFICATION FACTOR (EMF) – The experience rating system is a merit rating system intended to provide MEMBERS a direct financial incentive to reduce work-related accidents. The experience rating system objectively distributes the cost of the workers’ compensation program more equitably among the MEMBERS. An EMF less than 100% reflects better than average experience. The actuary will determine each MEMBER’s EMF based on the current published WCIRB method. The EMF will be adjusted for the normalization factor and capped at a maximum change of +20% from the prior (normalized) EMF. The EMF will not include a maximum decrease cap.

MEMBER – The Member is a signatory to the CSURMA Joint Powers Authority as well as the AORMA Workers’ Compensation Program Participation Agreement.

MEMORANDUM OF COVERAGE – The AORMA Liability Program MEMORANDUM OF COVERAGE is a governing document which outlines the AORMA Liability Program’s definitions, coverages, exclusions and provisions. The AORMA Liability Program MEMORANDUM OF COVERAGE does not provide insurance, but instead provides for pooled-insurance. The



MEMORANDUM OF COVERAGE is a negotiated agreement among the MEMBERS of CSURMA AORMA.

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

PROGRAMS COMMITTEE - The Programs Committee oversees the management of all programs not otherwise assigned to another committee, including, but not limited to, the Liability, Workers' Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and Foreign Travel Liability Programs, as well as new program development. The Committee will assist in the review of annual actuarial reports and the development of rating plans for allocation of annual costs, policies and coverage documents. Training, service provider RFP development and selection will also be handled by this Committee. The Programs Committee will act as a liaison to the AOA Human Resources Committee.

TOTAL PROGRAM FUNDING - The Total Program Funding costs will include (1) the pooled layer funding requirement, as recommended by the actuary, (2) administrative costs and (3) excess insurance or reinsurance costs.

LIABILITY PROGRAM SUPPLEMENTAL ACTUARIAL REPORTS

ISSUE: CSURMA’s retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2017, and (2) Projected Ultimate Limited Losses for FY 18/19. These reports were approved by the AORMA Committee in September, 2017. The actuary also provides the following supplemental reports:

1. Experience Modification Factor (EMF)
2. Employment Practices Liability (EPL) Deductible Credits
3. Program Rates for EPL, Auto Liability, Premises Liability and All Other

The Committee will be asked to accept the supplemental reports to be used in the FY 18/19 Liability Program Member Allocation.

RECOMMENDATION: Staff recommends that the Committee accept the Liability Program 18/19 Rates and Experience Modification Factors report dated November 29, 2017 and Employment Practices Liability Indicated Deductible Credits report dated November 14, 2017.

FISCAL IMPACT: The EMF’s, EPL deductibles credits and the four exposure rates are used in the Liability Program Member Allocation and will have a direct fiscal impact on the FY 18/19 liability premium.

BACKGROUND: As shown below in TABLE 1, the actuary calculates the EPL deductible credits using the program’s prior EPL loss experience.

TABLE 1				
Employment Practices Liability - Deductible Credits				
Deductibles	FY 15/16	FY 16/17	FY 17/18	FY 18/19
25,000	22%	20%	20%	20%
50,000	35%	33%	32%	32%
75,000	48%	45%	43%	43%
100,000	58%	55%	53%	53%

TABLE 2, is a comparison of the actuary’s recommended rates for the four exposure categories.

Actuary's Recommended Rates (Present Value)									
Exposure	FY 15/16	FY 16/17	% Diff	FY 16/17	FY 17/18	% Diff	FY 17/18	FY 18/19	% Diff
Auto Liability	143	151	6%	151	143	-5%	143	161	12%
Premises Liability	35	40	12%	40	38	-4%	38	35	-8%
Other Liability	126	134	6%	134	168	26%	168	124	-27%
EPL	2,450	2,219	-9%	2,219	2,052	-8%	2,052	1,800	-12%

TABLE 3 attached, compares the member's EMF's for FY 17/18 and FY 18/19. The EMF formula is designed to be loss sensitive as well providing stability. To calculate the EMF's, the actuary uses five years of exposure data and loss data. To stabilize the EMF's, all losses are capped at \$100,000. The actuary first calculates each member's portion of the total losses compared to its portion of the total risk exposures. The actuary then adds a credibility weight based on each member's size. This assumes that the historical loss information of larger members is more predictive of future claim experience compared to that of small members. The two largest members were assigned a weight of 75%, and the remaining members were given proportionally lower weights.

To provide greater stability, the minimum and maximum experience modification factors (EMF) are limited to between .50 and 2.00. (Note: the minimum EMF was changed from .75 to .50 effective July 1, 2018. This change was recommended by Staff and approved by the AORMA Committee because enough Members were bumping up against the .75 minimum and the allocation formula is designed to incentivize the Members to minimize loss experience. Within the FY 18/19 allocation, four Members are capped at the maximum EMF of 2.00 and five Members are capped at the minimum EMF of .50.)

PUBLICATION: The factors within the supplemental reports will be included in the Liability Program Member Allocation, but will not be distributed to each member separately.

ATTACHMENT(S):

- a. TABLE 3 – EMF Comparison
- b. Liability Program 18/19 Rates and Experience Modification Factors report dated November 29, 2017
- c. Employment Practices Liability Indicated Deductible Credits report dated November 14, 2017

TABLE 3

Historical Liability Experience Modification Factors

Campus	Auxiliary Organization	FY 15/16	FY 16/17	FY 17/18	FY 18/19	% Diff
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	0.973	0.988	0.985	0.987	0%
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.881	0.858	0.874	0.886	1%
Bakersfield	California State University, Bakersfield Foundation	0.892	0.908	0.905	0.915	1%
Bakersfield	California State University, Bakersfield Student Union, Inc.	0.898	0.897	0.890	0.900	1%
Chancellor's Office	California State University Foundation	0.993	0.987	0.979	0.979	0%
Chancellor's Office	California State University Institute	0.990	0.990	0.988	0.991	0%
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	0.986	0.967	0.965	0.961	0%
Channel Islands	California State University Channel Islands Foundation	0.988	0.990	0.988	0.985	0%
Channel Islands	CI Auxiliary Services Corporation, Inc. (University Glen Corp)	1.935	1.857	0.811	0.816	1%
Chico	Associated Students of California State University, Chico	0.750	0.750	0.750	0.571	-24%
Chico	Auxiliary Organization Associations	0.998	0.998	0.997	0.998	0%
Chico	The CSU, Chico Research Foundation	2.000	2.000	2.000	2.000	0%
Chico	The University Foundation, California State University, Chico	0.962	0.956	0.920	0.922	0%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	0.961	0.953	0.951	0.947	0%
Dominguez Hills	California State University, Dominguez Hills Foundation	0.784	0.945	0.875	2.000	129%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	0.952	0.941	0.903	0.907	0%
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	1.000	1.000	0.998	0.997	0%
East Bay	Associated Students, California State University, East Bay	0.856	0.930	0.930	0.957	3%
East Bay	Cal State East Bay Educational Foundation	1.000	0.992	0.990	0.992	0%
East Bay	California State University, East Bay Foundation, Inc.	0.881	0.838	0.859	0.901	5%
Fresno	Associated Students, Inc. of California State University, Fresno	0.986	0.940	0.935	0.930	-1%
Fresno	Fresno State Programs for Children, Inc.	0.940	0.913	0.912	0.907	-1%
Fresno	The Agricultural Foundation of California State University, Fresno	0.954	0.953	0.958	1.098	15%
Fresno	The California State University, Fresno Athletic Corporation	0.816	0.861	0.766	0.880	15%
Fresno	California State University, Fresno Association, Inc.	0.767	0.750	0.750	0.507	-32%
Fresno	California State University, Fresno Foundation	1.676	1.053	1.145	0.500	-56%
Fullerton	Associated Students, California State University, Fullerton, Inc.	0.750	0.750	0.750	0.929	24%
Fullerton	Cal State Fullerton Philanthropic Foundation	0.973	0.972	0.970	0.967	0%
Fullerton	CSU Fullerton Auxiliary Services Corporation	0.750	1.124	1.247	1.364	9%
Humboldt	Associated Students, Humboldt State University	0.973	0.974	0.972	0.975	0%
Humboldt	Humboldt State University Advancement Foundation	0.906	0.997	0.996	0.976	-2%
Humboldt	Humboldt State University Center Board of Directors	0.750	0.837	0.781	0.785	1%
Humboldt	Humboldt State University Sponsored Programs Foundation	0.928	0.930	0.750	0.753	0%
Long Beach	Associated Students, California State University, Long Beach	1.368	1.537	1.475	0.743	-50%

TABLE 3

Historical Liability Experience Modification Factors

Campus	Auxiliary Organization	FY 15/16	FY 16/17	FY 17/18	FY 18/19	% Diff
Long Beach	California State University, Long Beach Research Foundation	1.590	1.499	1.084	0.500	-54%
Long Beach	CSULB 49er Foundation	0.993	1.019	0.987	0.999	1%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	0.750	0.838	0.793	0.870	10%
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	1.101	1.006	1.007	0.991	-2%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	0.750	0.750	0.750	0.551	-27%
Los Angeles	California State University, Los Angeles Foundation	0.995	0.991	0.990	0.992	0%
Los Angeles	University-Student Union Board, California State University, Los Angeles	0.773	0.750	0.750	0.724	-3%
Maritime	California Maritime Academy Foundation, Inc.	0.998	0.995	0.998	0.993	-1%
Maritime	The Associated Students of the California Maritime Academy	1.000	0.998	0.995	0.998	0%
Monterey	Foundation of California State University, Monterey Bay	1.000	0.999	0.999	0.999	0%
Monterey	The University Corporation at Monterey Bay	0.750	0.750	1.041	0.500	-52%
Monterey	Otter Student Union at CSU Monterey Bay	1.000	1.000	1.000	0.998	0%
Northridge	Associated Students, California State University, Northridge, Inc.	1.223	1.197	0.887	0.814	-8%
Northridge	California State University, Northridge Foundation	0.980	0.972	0.963	0.964	0%
Northridge	North Campus University Park Development Corporation	0.996	0.999	0.999	0.999	0%
Northridge	The University Corporation, CSU Northridge	0.934	0.750	0.750	0.555	-26%
Northridge	University Student Union of California State University, Northridge	2.000	2.000	2.000	1.752	-12%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	0.867	0.863	1.333	1.737	30%
Pomona	The Cal Poly Pomona Foundation, Inc.	1.443	1.752	1.961	1.399	-29%
Sacramento	Associated Students of California State University, Sacramento	0.868	0.923	1.053	2.000	90%
Sacramento	Capital Public Radio, Inc., CSU Sacramento	0.944	0.937	0.943	1.539	63%
Sacramento	The University Foundation at Sacramento State	0.995	0.990	0.989	0.987	0%
Sacramento	University Enterprises, Inc., CSU Sacramento	0.750	0.786	0.831	0.500	-40%
Sacramento	University Union Operation of CSUS, Inc.	0.872	0.790	0.806	0.748	-7%
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.970	0.973	0.970	0.966	0%
San Bernardino	CSUSB Philanthropic Foundation	0.863	0.990	0.983	0.972	-1%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	0.814	1.819	1.538	1.919	25%
San Bernardino	University Enterprises Corporation at CSUSB	0.750	0.750	0.750	0.619	-17%
San Diego	Associated Students, San Diego State University	1.292	1.029	1.516	1.323	-13%
San Diego	Aztec Shops, Ltd., San Diego State University	0.750	0.750	0.750	1.070	43%
San Diego	San Diego State University Research Foundation	1.234	1.025	1.083	0.618	-43%
San Francisco	Associated Students, Inc., San Francisco State University	0.864	0.828	0.794	0.806	2%
San Francisco	San Francisco State University Foundation	0.950	0.947	0.996	0.996	0%
San Francisco	The University Corporation, San Francisco State	1.380	0.982	1.010	1.105	9%
San Jose	Associated Student, San Jose State University	0.935	0.947	0.996	1.098	10%
San Jose	San Jose State University Research Foundation	1.155	1.002	0.750	0.661	-12%
San Jose	Spartan Shops, Inc., San Jose State University	0.854	0.825	0.854	0.798	-7%
San Jose	The Student Union of San Jose State University	0.750	0.970	1.512	1.676	11%
San Jose	The Tower Foundation, San Jose State University	0.814	0.793	0.800	0.799	0%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	1.244	1.031	0.750	0.567	-24%
San Luis Obispo	Cal Poly Corporation	0.750	0.750	0.750	0.500	-33%
San Luis Obispo	California Polytechnic State University Foundation	0.942	0.951	0.909	0.917	1%
San Marcos	California State University San Marcos Foundation	0.994	0.987	0.980	0.981	0%

TABLE 3**Historical Liability Experience Modification Factors**

Campus	Auxiliary Organization	FY 15/16	FY 16/17	FY 17/18	FY 18/19	% Diff
San Marcos	The Associated Students of California State University, San Marcos	0.985	0.988	0.986	0.985	0%
San Marcos	California State University San Marcos Corporation	0.750	1.343	1.433	2.000	40%
Sonoma	Associated Students of Sonoma State University	0.991	1.004	1.008	0.950	-6%
Sonoma	Sonoma State Enterprises, Inc.	0.882	0.798	0.840	0.836	0%
Sonoma	Sonoma State University Foundation (Ademnic Foundation)	0.750	0.985	0.984	0.984	0%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	0.970	0.982	0.983	0.968	-2%
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	0.959	0.990	0.986	0.975	-1%
Stanislaus	California State University, Stanislaus Foundation	0.961	0.977	0.988	0.990	0%
Stanislaus	University Student Union of California State University, Stanislaus	0.930	0.964	0.961	0.956	-1%

November 29, 2017

CSU Auxiliary Organizations Risk Management Alliance
c/o Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, California 94111-5101

Attn: Ms. Mimi Long

**CSU Auxiliary Organizations
Risk Management Alliance
Liability Program
2018/19 Rates and Experience Modification Factors**

Introduction

Aon Risk Consultants, Inc. (Aon) conducted an actuarial study of the CSU Auxiliary Organizations Risk Management Alliance Liability Program (AORMA) based on data valued as of June 30, 2017 (the "Actuarial Study", report dated September 12, 2017). We were subsequently asked to allocate the projected 2018/19 loss rate by coverage (automobile, premises, employment practices, and other liability) and to update the experience modification factors. This letter presents the results of this additional analysis.

Each section and exhibit of the study is an integral part of the whole. We recommend a review of the entire study prior to reliance upon this study. No key personnel have a relationship with the AORMA that may impair our objectivity.

Data

The exposure data provided for this study by Alliant Insurance Services, Inc. (Alliant) consisted of vehicles and square feet information for 2012/13 through 2016/17, as well as 2012/13 through 2017/18 payroll by member. Alliant also provided 2012/13 through 2015/16 expenditures by member.

We relied on the claim data valued as of June 30, 2017 provided by Alliant for the Actuarial Study. In addition, Alliant provided the projected 2015/16 program expenses for a prior study, which we projected to 2018/19 assuming a 3% trend.

In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss data by the AORMA or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

Conclusions

1. Loss Rates by Coverage

The projected 2018/19 loss rates by coverage are shown in Table 1.

Table 1
Projected Limited Loss Rates
Gross of Deductibles
2018/19

Coverage (1)	Projected Exposure (2)	Full Value		Present Value	
		Projected Losses (3)	Loss Rate (4)	Projected Losses (5)	Loss Rate (6)
(A) Automobile Liability	488 Vehicles	\$81,950	\$168.07	\$78,300	\$160.58
(B) Premises Liability	12,898,497 Square Feet	475,310	36.85	454,140	35.21
(C) Employment Practices Liability	\$461,027,863 Payroll	868,670	1,884.20	829,980	1,800.28
(D) Other Liability	\$1,645,335,663 Expenditures	213,070	129.50	203,580	123.73
(E) Total		\$1,639,000		\$1,566,000	

Note: All amounts are from Exhibit LI-ALLOC-1.
 Automobile loss rates are per vehicle.
 Premises loss rates are per 1,000 square feet.
 Employment practices loss rates are per \$1 million of payroll.
 Other liability loss rates are per \$1 million of expenditures.

The foregoing total projected limited losses were developed in the Actuarial Study (Exhibit LI-14, page 2). We allocated the ultimate amounts by coverage based on the 2012/13 through 2016/17 reported claim experience valued as of June 30, 2017 and actuarial judgment, as shown in Exhibit LI-ALLOC-1, Section I. The amounts reflect an assumed self-insured retention of \$350,000 per claim and are gross of applicable EPL, D&O, and E&O member deductibles. The estimates are at the expected (i.e. approximately 50-55%) confidence level.

The present value of the projected ultimate limited losses is the amount of money, discounted for investment income, required to meet claims. It is calculated based on a 2.0% yield on investments, as provided by Alliant.

2. Experience Modification Plan

Experience modification factors are based on actuarial principles and incorporate some judgment that reflects a pool's philosophy on sharing and pooling of risks. The experience rating factor formula aims to balance responsiveness and stability. The proposed plan uses a five year experience period to provide responsiveness to each member's claims, while losses are capped at \$100,000 to dampen the annual change for each member and provide stability.

The experience rating factors are calculated in Exhibits LI-XMOD-1 through LI-XMOD-7. For each member, the indicated experience rating factor was based on its portion of the total losses compared to its portion of risk-adjusted exposure. The risk-adjusted exposure is a composite of each member's vehicle count, square footage, payroll, and expenditures. Compared to using only expenditures, the risk-adjusted exposure better reflects each member's true exposure to losses and thus provides a better basis for comparing the claim experience among members. The risk adjustment factors are shown in Exhibit LI-ALLOC-1, Section IV.

For example, member #15 accounted for 0.18% of all losses and 0.41% of all risk-adjusted exposure during the 2012/13 to 2016/17 experience period (Exhibit LI-XMOD-7, Columns 3 and 4), giving an indicated experience modification factor of 0.443 ($= 0.18\% / 0.41\%$).

We then incorporated credibility weights to reflect the various member sizes. This method assumes that the historical claim experience of members with relatively large exposure is more predictive of future claim experience compared to that of smaller members. The two largest members were assigned a weight of 75%, and the remaining members were given proportionally lower weights. The balance of the credibility weight was assigned 1.000. Continuing the example from above, the credibility weight for member #15 was estimated to be 16.8%, resulting in a credibility-weighted experience modification factor of 0.907 ($= 0.442 \times 16.8\% + 1.000 \times [1 - 16.8\%]$), as shown in Columns 6 and 7.

To provide greater stability to the members' premiums, we suggest setting minimum and maximum experience rating modification factors. In the attached exhibits, as an example, we limited the factors to be between 0.50 and 2.00.

3. Sample Premium Calculation

The 2018/19 premium for each member can then be calculated based on the projected loss rates, exposure, indicated experience modification factors, and projected program expenses. Doing so for each member was beyond the scope of this project; however, a sample member premium calculation is provided in Exhibit LI-XMOD-8. The projected losses are calculated as the product of the member's 2018/19 exposure and loss rate by coverage, as shown in Section A of the exhibit. Note that applicable deductible credits are applied to the employment practices liability amounts. The total projected losses are then adjusted by the credibility-weighted experience rating factor and adjusted for any off-balance, so that the total of the member projected losses equals the total for the program (net of deductibles). Program expenses are allocated to the member based on the projected losses, as directed by Alliant. The sample premium calculation includes minimum and maximum expense amounts, as discussed with Alliant. These caps are for illustrative and discussion purposes only and have not been confirmed by Alliant. Imposition of such caps may require an additional off-balance adjustment, so that the premium collected

equals the required funding amount. The sum of the projected losses and expenses yields the indicated premium by member.

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We appreciate the opportunity to be of service to AORMA, and are available to answer any questions.

Respectfully submitted,

Aon Risk Consultants, Inc.

Mujtaba Dato, ACAS, MAAA, FCA
Actuarial Practice Leader

Tracy Fleck, ACAS, MAAA
Consultant and Actuary

MD/TF:zw

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2018/19 Experience Modification Factors

Member Number (1)	Member Name (2)	2012/13 - 2016/17 % of Total Reported Income		Capped at \$100,000 per Claim (3)	Total Risk-Adjusted Exposure (4)	Indicated Experience Modification Factor (5)	Credibility Weight (6)	Credibility-Weighted Experience Modification Factor (7)	Capped Experience Modification Factor (8)
		Losses as of 06/30/17 -	Losses as of 06/30/17 -						
1	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.00%	0.26%	0.000	0.000	0.000	11.4%	0.886	0.886
2	Associated Students, California State University, Bakersfield, Inc.	0.00%	1.3%	0.000	0.000	0.000	1.3%	0.987	0.987
3	California State University, Bakersfield Foundation	0.00%	0.19%	0.000	0.000	0.000	8.5%	0.915	0.915
4	California State University, Bakersfield Student Union	0.00%	0.23%	0.000	0.000	0.000	10.0%	0.900	0.900
5	California State University Foundation	0.00%	0.04%	0.000	0.000	0.000	2.1%	0.979	0.979
6	California State University Institute	0.00%	0.02%	0.000	0.000	0.000	0.9%	0.991	0.991
7	Associated Students of California State University, Channel Islands	0.00%	0.08%	0.000	0.000	0.000	3.9%	0.961	0.961
8	California State University, Channel Islands Foundation	0.00%	0.03%	0.000	0.000	0.000	1.5%	0.985	0.985
9	Channel Islands University Auxiliary Services, Inc.	0.17%	0.67%	0.256	0.256	0.256	24.8%	0.816	0.816
10	Channel Islands University, Chico	0.32%	2.09%	0.153	0.153	0.153	50.6%	0.571	0.571
11	The University Foundation, California State University, Chico	0.00%	0.17%	0.000	0.000	0.000	7.8%	0.922	0.922
12	The CSU, Chico Research Foundation	15.02%	2.35%	6.391	6.391	6.391	53.5%	3.886	2.000
13	Auxiliary Organization Associations c/o CSU Chico Research Foundation	0.00%	0.00%	0.000	0.000	0.000	0.2%	0.998	0.998
14	Auxiliary Organization Associations, California State University, Dominguez Hills	0.00%	0.11%	0.000	0.000	0.000	5.3%	0.947	0.947
15	The Donald P. and Katherine B. Loker University Student Union, Inc.	0.18%	0.41%	0.443	0.443	0.443	16.8%	0.907	0.907
16	California State University, Dominguez Hills Foundation	8.11%	0.98%	8.262	8.262	8.262	32.5%	3.359	2.000
17	California State University, Dominguez Hills Philanthropic Foundation	0.00%	0.01%	0.000	0.000	0.000	0.3%	0.997	0.997
18	California State University, East Bay Foundation, Inc.	0.09%	0.32%	0.274	0.274	0.274	13.7%	0.901	0.901
19	Associated Students, California State University, East Bay	0.06%	0.16%	0.393	0.393	0.393	7.1%	0.957	0.957
20	Cal State East Bay, Educational Foundation, Inc.	0.00%	0.02%	0.000	0.000	0.000	0.8%	0.992	0.992
21	Associated Students, California State University, Fresno	0.00%	0.15%	0.000	0.000	0.000	7.0%	0.930	0.930
22	California State University, Fresno Association, Inc.	0.60%	3.17%	0.190	0.190	0.190	60.9%	0.507	0.507
23	California State University, Fresno Foundation	0.16%	2.76%	0.058	0.058	0.058	57.5%	0.458	0.500
24	Fresno State Programs for Children, Inc.	0.00%	0.21%	0.000	0.000	0.000	9.3%	0.907	0.907
25	The Agricultural Foundation of California State University, Fresno	0.30%	0.09%	3.404	3.404	3.404	4.1%	1.098	0.988
26	The California State University, Fresno Athletic Corporation	1.54%	2.03%	0.760	0.760	0.760	49.9%	0.880	0.880
27	Associated Students, California State University, Fullerton, Inc.	1.18%	1.43%	0.828	0.828	0.828	41.1%	0.929	0.929
28	CSU Fullerton Auxiliary Services Corporation	5.75%	3.67%	1.567	1.567	1.567	64.3%	1.364	1.364
29	Cal State Fullerton Philanthropic Foundation	0.00%	0.07%	0.000	0.000	0.000	3.3%	0.987	0.987
30	Associated Students, Humboldt State University	0.00%	0.05%	0.000	0.000	0.000	2.5%	0.975	0.975
31	Humboldt State University Advancement Foundation	0.00%	0.05%	0.000	0.000	0.000	2.4%	0.976	0.976
32	Humboldt State University Sponsored Programs Foundation	0.38%	1.17%	0.322	0.322	0.322	36.4%	0.753	0.753
33	Humboldt State University Center	0.21%	0.82%	0.253	0.253	0.253	28.7%	0.785	0.785
34	Associated Students, California State University, Long Beach	0.80%	1.78%	0.447	0.447	0.447	46.6%	0.743	0.743
35	California State University, Long Beach Research Foundation	0.08%	3.08%	0.026	0.026	0.026	60.2%	0.414	0.500
36	Forty-Niner Shops, Inc., CSU Long Beach	1.22%	1.70%	0.714	0.714	0.714	45.5%	0.870	0.870
37	CSULB 49er Foundation	0.07%	0.07%	0.970	0.970	0.970	3.4%	0.999	0.999
38	Associated Students, California State University, Los Angeles, Inc.	0.00%	0.02%	0.000	0.000	0.000	0.9%	0.991	0.991
39	Cal State L.A., University Auxiliary Services, Inc.	0.00%	1.66%	0.000	0.000	0.000	44.9%	0.551	0.551
40	California State University, Los Angeles Foundation	0.00%	0.02%	0.000	0.000	0.000	0.8%	0.992	0.992
41	University-Student Union Board, California State University, Los Angeles	0.00%	0.78%	0.000	0.000	0.000	27.6%	0.724	0.724
42	The Associated Students of the California Maritime Academy	0.00%	0.00%	0.000	0.000	0.000	0.2%	0.999	0.999
43	California Maritime Academy Foundation, Inc.	0.00%	0.01%	0.000	0.000	0.000	0.7%	0.993	0.993
44	Foundation of California State University, Monterey Bay	0.00%	0.00%	0.000	0.000	0.000	0.1%	0.999	0.999
45	The University Corporation at Monterey Bay	0.00%	3.94%	0.144	0.144	0.144	65.9%	0.437	0.500
46	Otter Student Union at CSU Monterey Bay	0.00%	0.00%	0.000	0.000	0.000	0.2%	0.998	0.998
47	Associated Students, California State University, Northridge, Inc.	0.15%	0.65%	0.231	0.231	0.231	24.1%	0.814	0.814
48	California State University, Northridge Foundation	0.00%	0.08%	0.000	0.000	0.000	3.6%	0.964	0.964
49	North Campus University Park Development Corporation	0.00%	0.00%	0.000	0.000	0.000	0.1%	0.999	0.999
50	The University Corporation, CSU Northridge	1.00%	3.43%	0.291	0.291	0.291	62.7%	0.555	0.555
51	University Student Union of California State University, Northridge	5.32%	2.16%	2.462	2.462	2.462	51.4%	1.752	1.752

2018/19 Experience Modification Factors

Member Number (1)	Member Name (2)	2012/13 - 2016/17 % of Total Reported Incurred Losses as of 06/30/17 -		Total Risk-Adjusted Exposure (4)	Indicated Experience Modification Factor (5)	Credibility Weight (6)	Credibility-Weighted Experience Modification Factor (7)	Capped Experience Modification Factor (8)
		Capped at \$100,000 per Claim (3)						
52	Associated Students, Inc., California State Polytechnic University, Pomona	3.60%	1.21%	2,982	2.982	37.2%	1.737	1.737
53	The Cal Poly Pomona Foundation, Inc.	7.27%	4.62%	1,575	1.575	69.4%	1.399	1.399
54	Associated Students of California State University, Sacramento	4.86%	0.83%	5,823	5.823	29.0%	2.399	2.000
55	Capital Public Radio, Inc., CSU Sacramento	2.00%	0.99%	3,415	3.415	22.3%	1.539	1.539
56	The University Foundation at Sacramento State	0.00%	0.03%	0.000	0.000	1.3%	0.987	0.987
57	University Enterprises, Inc., CSU Sacramento	0.99%	6.12%	0.162	0.162	75.0%	0.372	0.500
58	University Union Operation of CSUS, Inc.	0.16%	0.91%	0.180	0.180	30.8%	0.748	0.748
59	Associated Students, Inc., California State University, San Bernardino	0.00%	0.07%	0.000	0.000	3.4%	0.966	0.966
60	Santos Manual Student Union of California State University, San Bernardino	3.04%	0.81%	5,015	5.015	22.9%	1.919	1.919
61	University Enterprises Corporation at CSUSB	0.13%	1.46%	0.087	0.087	41.7%	0.619	0.619
62	CSUSB Philanthropic Foundation	0.00%	0.06%	0.000	0.000	2.8%	0.972	0.972
63	Associated Students, San Diego State University	4.43%	2.85%	1,554	1.554	58.3%	1.323	1.323
64	Aztec Shops, Ltd., San Diego State University	4.34%	3.92%	1,106	1.106	65.8%	1.070	1.070
65	San Diego State University Research Foundation	7.18%	14.64%	0.490	0.490	75.0%	0.618	0.618
66	Associated Students, Inc., San Francisco State University	0.16%	0.69%	0.231	0.231	25.2%	0.806	0.806
67	San Francisco State University Foundation	0.00%	0.01%	0.000	0.000	0.4%	0.996	0.996
68	The University Corporation, San Francisco State	0.75%	0.49%	1,540	1.540	19.4%	1.105	1.105
69	Associated Student, San Jose State University	0.78%	0.53%	1,472	1.472	20.7%	1.098	1.098
70	San Jose State University Research Foundation	2.29%	4.90%	0.508	0.508	68.8%	0.661	0.661
71	Spartan Shops, Inc., San Jose State University	0.67%	1.35%	0.495	0.495	39.9%	0.798	0.798
72	The Student Union of San Jose State University	4.10%	1.62%	2,525	2.525	44.3%	1.676	1.676
73	The Tower Foundation, San Jose State University	0.00%	0.51%	0.000	0.000	20.1%	0.799	0.799
74	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	0.01%	1.57%	0.005	0.005	43.6%	0.567	0.567
75	Cal Poly Corporation	1.02%	4.70%	0.217	0.217	69.7%	0.454	0.500
76	California Polytechnic State University Foundation	0.03%	0.22%	0.151	0.151	9.7%	0.917	0.917
77	Associated Students of California State University, San Marcos	0.00%	0.03%	0.011	0.011	1.5%	0.985	0.985
78	The California State University San Marcos Foundation	0.00%	0.04%	0.000	0.000	1.9%	0.981	0.981
79	The University Corporation of CSU San Marcos	0.45%	0.54%	0.827	0.827	21.1%	0.964	0.964
80	University Auxiliary and Research Services Corporation	8.33%	1.09%	7,671	7.671	34.7%	3.318	2.000
81	Associated Students of Sonoma State University	0.00%	0.11%	0.000	0.000	5.0%	0.950	0.950
82	Sonoma State Enterprises, Inc.	0.12%	0.54%	0.217	0.217	20.9%	0.836	0.836
83	Sonoma State University Academic Foundation, Inc.	0.00%	0.03%	0.000	0.000	1.6%	0.984	0.984
84	Associated Students, Inc., California State University, Stanislaus	0.00%	0.07%	0.000	0.000	3.2%	0.968	0.968
85	California State University, Stanislaus Auxiliary and Business Services	0.00%	0.05%	0.000	0.000	2.5%	0.975	0.975
86	California State University, Stanislaus Foundation	0.00%	0.02%	0.000	0.000	1.0%	0.990	0.990
87	University Student Union of California State University, Stanislaus	0.00%	0.09%	0.000	0.000	4.4%	0.956	0.956
	Total	100.00%	100.00%					

(3) is from Exhibit LI-XMOD-1.

(4) is from Exhibit LI-XMOD-6.

(5) = (3) / (4)

(6) is based on (4). San Diego State University Research Foundation is the largest member based on expenditures and was given 75% credibility. The next largest member was given 75% weight and the remaining members proportionately less.

(7) = [(6) x (5)] ÷ [(1.0 - (6)) x 1.0]

(8) = (7), subject to a minimum of 0.500 and a maximum of 2.000.

November 14, 2017

299980

CSU Auxiliary Organizations Risk Management Alliance
 c/o Alliant Insurance Services, Inc.
 100 Pine Street, 11th Floor
 San Francisco, California 94111-5101

Attn: Ms. Mimi Long
 JPA Program Administrator

**Actuarial Study of the
 Employment Practices Liability
 Indicated Deductible Credits**

We have completed our analysis of the indicated deductible credits for the employment practices liability claims of the California State University Auxiliary Organizations Risk Management Alliance (CSU-AORMA).

The indicated deductible credits are shown in Table 1. These credits are based on a \$350,000 self-insured retention.

**Table 1
 Indicated Deductible Credits**

	Deductible (1)	Closed Claims Deductible Credit (2)	All Claims Deductible Credit (3)	Recommended by Actuary (4)
(A)	\$25,000	18.5%	18.0%	20.0%
(B)	50,000	31.6%	30.8%	32.0%
(C)	75,000	43.1%	42.1%	43.0%
(D)	100,000	52.8%	51.9%	53.0%

Note: (2) and (3) are based on the current actuarial study.

Please call with any questions you may have. Thank you for the opportunity to be of service.

Respectfully submitted,

Aon Risk Consultants, Inc.

Mujtaba Datto, ACAS, MAAA, FCA
Actuarial Practice Leader

Tracy Fleck, ACAS, MAAA
Consultant and Actuary

Ziruo Wang
Actuarial Analyst

MD/TF:zw

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LIABILITY PROGRAM MEMBER ALLOCATION FOR FY 18/19

ISSUE: In September, 2017, the AORMA Committee approved the total costs for the Liability Program. The Programs Committee is now responsible for approving the Liability Program Member Allocation and the allocation factors for FY 18/19. The total Liability Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure L-8.

RECOMMENDATION: Staff recommends that the Programs Committee approve (1) the FY 18/19 Liability Program Member Allocation and (2) the allocation factors as presented on the attached spreadsheet allowing Staff to revise the allocation with exposure information as appropriate.

FISCAL IMPACT: The AORMA Committee approved the total liability program costs for FY 18/19 of \$4,163,883. The allocation being presented for approval results in total funding of \$4,164,118 which is a difference of \$235. The FY 18/19 funding results in a decrease of 1% compared to FY 17/18.

BACKGROUND: The following factors have been included in the allocation and require approval by the Programs Committee:

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

TABLE 1						
Exposure Category	18/19 Actuary's Recommended Rates	AORMA 18/19 Collared Rates	Diff	AORMA 17/18 Collared Rates	AORMA 18/19 Collared Rates	Diff
Auto Liability	161	165	3%	150	165	10%
Premises Liability	35	37	5%	41	37	-10%
Other Liability	124	356	187%	395	356	-10%
EPL	1,800	1,418	-21%	1,289	1,418	10%

Table 2 below shows the actuary's recommended rates for the four exposure categories for FY 15/16, 16/17, 17/18 and 18/19. This table allows the Programs Committee to see how the rates are trending based on AORMA's historical loss information.

Exposure	FY 15/16	FY 16/17	% Diff	FY 16/17	FY 17/18	% Diff	FY 17/18	FY 18/19	% Diff
Auto Liability	143	151	6%	151	143	-5%	143	161	12%
Premises Liability	35	40	12%	40	38	-4%	38	35	-8%
Other Liability	126	134	6%	134	168	26%	168	124	-27%
EPL	2,450	2,219	-9%	2,219	2,052	-8%	2,052	1,800	-12%

2. **Maximum premium for calculating the size credit.** \$60,000. Staff reduced the maximum premium from \$65,000 to \$60,000 in order to give approximately 10% of the members the maximum size credit. (Nine members received the maximum size credit.)
3. **Maximum size credit rate percentage.** 25%. The size credit was increased from 20% to 25% to allow the larger members to receive a slightly larger size credit.
4. **Maximum collared premium percentage increase.** The maximum increase was reduced from 33% to 30%.
5. **Maximum collared rate percentage decrease.** The maximum decrease was changed from plus 7.6% to an 11% decrease.
6. **Capped excess premium.** The maximum excess premium was increased from \$85,000 to \$89,250 (a 5% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
7. **Minimum administrative costs.** This was increased from \$600 to \$660 (a 10% increase), in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
8. **Maximum administrative costs.** This remains at \$60,000.
9. **Minimum premium.** The minimum premium was increased from \$2,152 to \$2,474 (a 15% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.

PUBLICATION: The liability premiums will be sent out to the members in January, 2018.

ATTACHMENT(S):

- a. The FY 18/19 Liability Program Member Allocation Rating Formula
- b. FY 18/19 - Total Funding Approved
- c. Policy & Procedure L-8 Liability Program Member Allocation Formula

**CSURMA AORMA
FY 18 19 Liability Program
Member Allocation**

Member Information		(Premium Comparison)			
Campus	Auxiliary Organization	FY 18/19	FY 17/18	% Diff	\$ Diff
Bakersfield	Associated Students, California State University, Bakersfield, Inc	5,258	5,914	-11%	(656)
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	9,545	7,342	30%	2,203
Bakersfield	California State University, Bakersfield Foundation	8,197	9,220	-11%	(1,023)
Bakersfield	California State University, Bakersfield Student Union, Inc.	6,427	4,944	30%	1,483
Chancellor's Office	California State University Foundation	3,894	3,591	8%	303
Chancellor's Office	California State University Institute	2,504	2,766	-9%	(262)
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	3,742	3,291	14%	451
Channel Islands	California State University Channel Islands Foundation	2,697	3,034	-11%	(337)
Channel Islands	CI Auxiliary Services Corporation, Inc. (University Glen Corp)	22,125	21,963	1%	162
Chico	Associated Students of California State University, Chicco	108,036	121,525	-11%	(13,489)
Chico	Auxiliary Organization Associations	2,474	2,152	15%	322
Chico	The CSU, Chico Research Foundation	125,515	119,109	5%	6,406
Chico	The University Foundation, California State University, Chicco	10,749	12,091	-11%	(1,342)
Dominguez Hills	Associated Students, California State University, Dominguez Hills	4,805	5,405	-11%	(600)
Dominguez Hills	California State University, Dominguez Hills Foundator	55,224	42,480	30%	12,744
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	16,085	17,006	-5%	(921)
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	2,474	2,152	15%	322
East Bay	Associated Students, California State University, East Bay	13,333	14,998	-11%	(1,665)
East Bay	Cal State East Bay Educational Foundation	2,547	2,152	18%	395
East Bay	California State University, East Bay Foundation, Inc.	32,543	36,606	-11%	(4,063)
Fresno	Associated Students, Inc. of California State University, Fresno	5,863	6,000	-2%	(137)
Fresno	Fresno State Programs for Children, Inc.	8,249	7,899	4%	350
Fresno	The Agricultural Foundation of California State University, Fresno	17,167	19,310	-11%	(2,143)
Fresno	The California State University, Fresno Athletic Corporator	164,275	184,786	-11%	(20,511)
Fresno	California State University, Fresno Association, Inc	195,449	195,449	8%	13,805
Fresno	California State University, Fresno Foundation	101,455	110,274	-8%	(8,819)
Fullerton	Associated Students, California State University, Fullerton, Inc	50,693	44,165	15%	6,528
Fullerton	Cal State Fullerton Philanthropic Foundation	7,881	8,865	-11%	(984)
Fullerton	CSU Fullerton Auxiliary Services Corporator	163,601	125,847	30%	37,754
Humboldt	Associated Students, Humboldt State University	5,247	5,902	-11%	(655)
Humboldt	Humboldt State University Advancement Foundator	4,668	3,591	30%	1,077
Humboldt	Humboldt State University Center Board of Directors	44,190	49,707	-11%	(5,517)
Humboldt	Humboldt State University Sponsored Programs Foundator	47,888	36,837	30%	11,051
Long Beach	Associated Students, California State University, Long Beach	68,245	76,766	-11%	(8,521)
Long Beach	California State University, Long Beach Research Foundator	137,425	154,584	-11%	(17,159)
Long Beach	CSULB 49er Foundation	5,720	4,400	30%	1,320
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	69,508	67,347	3%	2,161
Los Angeles	Associated Students, California State University, Los Angeles, Inc	5,578	6,274	-11%	(696)
Los Angeles	Cal State L.A. University Auxiliary Services, Inc	56,894	54,548	4%	2,346
Los Angeles	California State University, Los Angeles Foundator	3,019	3,396	-11%	(377)
Los Angeles	University-Student Union Board, California State University, Los Angeles	24,436	27,487	-11%	(3,051)
Maritime	California Maritime Academy Foundation, Inc.	2,815	3,166	-11%	(351)
Maritime	The Associated Students of the California Maritime Academy	2,819	3,171	-11%	(352)
Monterey	Foundation of California State University, Monterey Bay	3,168	3,564	-11%	(396)
Monterey	The University Corporation at Monterey Bay	187,169	144,451	30%	42,718
Monterey	Otter Student Union at CSU Monterey Bay	2,474	2,152	15%	322
Northridge	Associated Students, California State University, Northridge, Inc	26,783	23,431	14%	3,352
Northridge	California State University, Northridge Foundation	9,455	10,636	-11%	(1,181)
Northridge	North Campus University Park Development Corporator	4,306	4,844	-11%	(538)
Northridge	The University Corporation, CSU Northridge	112,710	107,981	4%	4,729
Northridge	University Student Union of California State University, Northridge	103,362	116,268	-11%	(12,906)
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	75,551	67,406	12%	8,145
Pomona	The Cal Poly Pomona Foundation, Inc.	213,176	239,793	-11%	(26,617)

**CSURMA AORMA
FY 18 19 Liability Program
Member Allocation**

Member Information		(Premium Comparison)			
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Campus	Auxiliary Organization	FY 18/19	FY 17/18	% Diff	\$ Diff
Sacramento	Associated Students of California State University, Sacramento	81,142	91,273	-11%	(10,131)
Sacramento	Capital Public Radio, Inc., CSU Sacramento	24,700	19,000	30%	5,700
Sacramento	The University Foundation at Sacramento State	4,498	5,060	-11%	(562)
Sacramento	University Enterprises, Inc., CSU Sacramento	180,602	183,542	-2%	(2,940)
Sacramento	University Union Operation of CSUS, Inc.	34,683	39,014	-11%	(4,331)
San Bernardino	Associated Students Inc., California State University, San Bernardinc	7,782	8,754	-11%	(972)
San Bernardino	CSUSB Philanthropic Foundation	4,199	4,723	-11%	(524)
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	33,789	27,628	22%	6,161
San Bernardino	University Enterprises Corporation at CSUSB	58,229	49,607	17%	8,622
San Diego	Associated Students, San Diego State University	148,272	166,785	-11%	(18,513)
San Diego	Aztec Shops, Ltd., San Diego State University	184,352	149,606	23%	34,746
San Diego	San Diego State University Research Foundatior	296,014	332,974	-11%	(36,960)
San Francisco	Associated Students, Inc., San Francisco State University	25,524	22,680	13%	2,844
San Francisco	San Francisco State University Foundation	2,940	3,307	-11%	(367)
San Francisco	The University Corporation, San Francisco State	25,016	28,140	-11%	(3,124)
San Jose	Associated Student, San Jose State University	22,132	19,034	16%	3,098
San Jose	San Jose State University Research Foundatior	99,267	76,359	30%	22,908
San Jose	Spartan Shops, Inc., San Jose State University	69,481	78,156	-11%	(8,675)
San Jose	The Student Union of San Jose State University	101,580	114,263	-11%	(12,683)
San Jose	The Tower Foundation, San Jose State University	6,941	5,339	30%	1,602
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	76,943	86,550	-11%	(9,607)
San Luis Obispo	Cal Poly Corporation	154,286	163,490	-6%	(9,204)
San Luis Obispo	California Polytechnic State University Foundation	4,668	3,591	30%	1,077
San Marcos	California State University San Marcos Foundation	4,387	4,935	-11%	(548)
San Marcos	The Associated Students of California State University, San Marcos	7,741	8,707	-11%	(966)
San Marcos	California State University San Marcos Corporation	62,427	48,021	30%	14,406
Sonoma	Associated Students of Sonoma State University	12,522	14,086	-11%	(1,564)
Sonoma	Sonoma State Enterprises, Inc.	29,091	32,723	-11%	(3,632)
Sonoma	Sonoma State University Foundation (<i>Ademnic Foundation</i>)	12,162	13,681	-11%	(1,519)
Stanislaus	Associated Students, Inc., California State University, Stanislaus	5,294	5,955	-11%	(661)
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	12,628	14,205	-11%	(1,577)
Stanislaus	California State University, Stanislaus Foundation	18,915	21,277	-11%	(2,362)
Stanislaus	University Student Union of California State University, Stanislaus	4,193	4,717	-11%	(524)
86		4,185,813	4,205,220	0%	(19,407)

75% Confidence Level (Discounted)

Approved 09/07/17

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

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

Claims Administration (per the Carl Warren & Company contract)

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

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



CSURMA AORMA

POLICY & PROCEDURE NO. L-8

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

POLICY:

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

PROCEDURE:

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

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

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

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

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

LIABILITY PROGRAM MEMBER ALLOCATION FORMULA:

Basic Rates:

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

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

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

**** Example ****

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

Size Credit:

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

**** Example ****

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

Loss Rating:

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

**** Example ****

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

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

**** Example ****

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

Administrative Costs:

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

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

Final Premium w/o Collars:

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

Collared Premium:

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

**** Example ****

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

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

Minimum Premium:

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

Employment Practices Liability Deductible:

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

PROPERTY PROGRAM MEMBER ALLOCATION FOR FY 18/19

ISSUE: The Programs Committee is responsible for approving the final member allocation and the allocation factors for the FY 18/19 Property Program Member Allocation. The total Property Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure P-1.

RECOMMENDATION: Staff recommends that the Programs Committee approve (1) the FY 18/19 Property Program Allocation Factors as noted below and (2) the member allocation as presented on the attached spreadsheet allowing Staff to revise the allocation with updated property value information when received from the members.

FISCAL IMPACT: The FY 18/19 Property Program Member Allocation results in a total premium of \$2,244,762. This is a 2% (or \$44,755) increased compared to FY 17/18. The total property program premium also includes the costs of the limited earthquake, pollution, and cyber coverage.

BACKGROUND: The following factors have been included in the allocation and require approval by the Programs Committee:

1. **Basic rates:** .1376 for real property and business interruption/rents and .1651 for business personal property. TABLE 1 below notes the program’s historical rates.

TABLE 1						
Property Program Historical Rates						
Coverage	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	% Diff
Real Property, Business Interruption and Rents	0.1730	0.1424	0.1402	0.1340	0.1376	3%
Business Personal Property	0.2076	0.1709	0.1682	0.1608	0.1651	3%

2. **Maximum premium for calculating the size credit:** \$600,000 (*No change from the FY 17/18 calculation.*).
3. **Maximum size credit rate percentage:** 30% (*One member received the entire 30% size credit – no change from the FY 17/18 calculation.*)

4. **Minimum premium:** \$600 (No change from FY 17/18 calculation.)
5. **Loss ratio surcharge schedule:** Revised as shown in Table 2 below. (The loss ratio surcharge schedule was updated as shown below in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.)

TABLE 2		
Loss Ratio Surcharge	FY 17/18	FY 18/19
Less than 40%	None	None
Between 40% and 60%	None	5%
Between 60% and 100%	10%	10%
Between 100% and 150%	20%	20%
Between 150% and 300%	20%	30%
Excess of 300%	20%	40%

PUBLICATION: The Property rates and premiums will be sent out to the members in January, 2018.

ATTACHMENTS:

- a. FY 18/19 Property Rating – Member Allocation (*Comparison Section*)
- b. FY 18/19 Property Program Total Funding
- c. Policy & Procedures P-1 Property Program Member Allocation Formula

CSURMA AORMA

FY 18 19

Property Program Member Allocation

Member Information		Premium			
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Campus	Auxiliary Organization	FY 17/18	FY 18/19	\$ Diff	% Diff
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Bakersfield	Associated Students, California State University, Bakersfield, Inc.	600	600	-	0.00%
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	656	698	42	6.44%
Bakersfield	Student Union, Inc., California State University, Bakersfield	1,577	1,657	80	5.05%
Channel Islands	CI University Auxiliary Services Corporation, Inc	600	600	-	0.00%
Chico	Associated Students of California State University, Chicc	19,929	21,030	1,101	5.53%
Chico	The CSU, Chico Research Foundation	14,961	20,150	5,189	34.69%
Chico	The University Foundation, California State University, Chicc	2,251	2,318	67	2.97%
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	722	758	36	5.00%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State	3,082	3,236	153	4.98%
Dominguez Hills	California State University, Dominguez Hills Foundator	600	-	(600)	-100.00%
Fresno	The Agricultural Foundation of CSU Fresnc	6,378	6,694	316	4.96%
Fresno	Associated Students, Inc., CSU Fresno	600	600	-	0.00%
Fresno	California State University, Fresno Association, Inc	234,484	238,993	4,510	1.92%
Fresno	The Athletic Corporation, CSU Fresno	29,370	29,548	178	0.61%
Fresno	CSU Fresno Foundation	1,802	1,990	187	10.40%
Fresno	Fresno - State Programs for Children	600	600	-	0.00%
Fullerton	Associated Students, California State University, Fullerton, Inc	28,382	29,608	1,226	4.32%
Fullerton	Cal State Fullerton Auxiliary Services Corporator	171,281	177,240	5,959	3.48%
East Bay	Associated Students, Inc., CSU East Bay	600	600	-	0.00%
East Bay	California State University, East Bay Foundation, Inc	15,008	18,097	3,088	20.58%
Long Beach	Associated Students, Inc., CSU Long Beach	13,883	14,451	568	4.09%
Long Beach	Forty Niner Shops, Inc., CSU Long Beach	25,456	26,320	863	3.39%
Long Beach	CSULB Research Foundation	56,753	60,297	3,543	6.24%
Los Angeles	Associated Students, Inc., CSU Los Angeles	600	600	-	0.00%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc	12,952	13,622	670	5.17%
Los Angeles	University Student Union, CSU Los Angeles	3,733	3,917	183	4.91%
Maritime Academy	Associated Students Inc., California Maritime Academy	600	600	-	0.00%
Monterey Bay	The University Corporation at Monterey Bay	471,836	458,085	(13,751)	-2.91%
Northridge	Associated Students Inc., CSU Northridge	4,437	4,718	281	6.32%
Northridge	CSU Northridge Foundation	1,145	1,175	31	2.67%
Northridge	The University Corporation, CSU Northridge	55,282	58,124	2,842	5.14%
Northridge	University Student Union, CSU Northridge	10,878	11,426	548	5.04%
Pomona	Associated Students, Inc., CSU Pomona	2,489	3,009	520	20.90%
Pomona	Cal Poly Pomona Foundation	53,484	55,180	1,696	3.17%
Sacramento	Associated Students, Inc., CSU Sacramento	9,852	10,816	964	9.78%
Sacramento	University Union, CSU Sacramento	15,690	16,519	829	5.28%
Sacramento	University Enterprises, Inc.	243,608	245,911	2,303	0.95%
Sacramento	Capitol Public Radio, CSU Sacramento	13,747	14,275	528	3.84%
San Bernardino	Associated Students Inc., CSU San Bernardino	2,108	2,174	66	3.13%
San Bernardino	University Enterprises Corporation at CSUSB	9,554	10,097	543	5.68%
San Bernardino	Santos Manual Student Union, CSU San Bernardinc	9,208	9,703	495	5.38%
San Bernardino	CSUSB Philanthropic Foundation	7,675	8,065	390	5.07%
San Marcos	Associated Students, Inc., CSU San Marcos	600	600	-	0.00%
San Marcos	University Auxiliary and Research Services Corporation at Cal State University San Marcos	14,431	18,366	3,935	27.26%
Stanislaus	Associated Students, Incorporated, California State University, Stanislaus	600	600	-	0.00%
Stanislaus	CSU Stanislaus Auxiliary & Business Services	6,248	6,526	278	4.45%
Stanislaus	University Student Union of CSU Stanislaus	2,135	2,241	105	4.92%

CSURMA AORMA

FY 18 19

Property Program Member Allocation

Member Information		Premium			
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Campus	Auxiliary Organization	FY 17/18	FY 18/19	\$ Diff	% Diff
Humboldt	Associated Students of Humboldt State University	600	600	-	0.00%
Humboldt	University Center, Humboldt State University	7,951	8,353	402	5.06%
Humboldt	Humboldt State University Sponsored Programs Foundatior	3,558	3,766	207	5.83%
Humboldt	Humboldt State University Advancement Foundatior	13,234	14,069	835	6.31%
San Diego	Associated Students of San Diego State University	42,239	44,585	2,346	5.55%
San Diego	Aztec Shops, LTD, San Diego State University	219,773	222,721	2,947	1.34%
San Diego	San Diego State University Research Foundatior	206,775	207,432	657	0.32%
San Francisco	Associated Students, Inc., San Francisco State University	7,600	8,785	1,185	15.59%
San Francisco	The University Corporation, San Francisco State	786	824	38	4.80%
San Jose	Associated Students, Inc., San Jose State University	11,499	12,142	643	5.59%
San Jose	San Jose State University Research Foundation	26,682	27,886	1,204	4.51%
San Jose	Spartan Shops, Inc., San Jose State University	29,571	30,960	1,390	4.70%
San Jose	Student Union of San Jose State University	16,870	17,669	799	4.74%
San Jose	The Tower Foundation, San Jose State University	819	845	26	3.13%
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	10,494	11,174	679	6.47%
San Luis Obispo	Cal Poly Corporation	49,705	51,697	1,992	4.01%
San Luis Obispo	California Polytechnic State University Foundatior	1,977	762	(1,215)	-61.47%
Sonoma	Sonoma State University Academic Foundatior	4,645	4,937	291	6.27%
Sonoma	Associated Students, Inc., Sonoma State University	600	600	-	0.00%
Sonoma	Sonoma State Enterprises	6,915	7,282	367	5.30%
67		2,244,762	2,289,517	44,755	1.99%

CSURMA AORMA FY 2018/2019 Property Program Total Estimated Funding \$100,000 SIR / \$250,000 Aggregate SIR					
Expense Item	Actual Program Costs FY 14/15	Actual Program Costs FY 15/16	Actual Program Costs FY 16/17	Program Costs FY 17/18	Proposed Program Costs FY 18/19
Estimated Pooled Layer Funding	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Excess Insurance Premium	\$1,717,748	\$1,672,962	\$1,473,347	\$1,422,435	\$1,564,679
Program Administrative Costs	\$296,388	\$313,809	\$318,554	\$320,000	\$320,000
Total Expenses:	\$2,264,136	\$2,236,771	\$2,041,901	\$1,992,435	\$2,134,679
Difference from prior year:	-33.52%	-1.21%	-8.71%	-2.42%	7.14%

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



CSURMA AORMA

POLICY & PROCEDURE NO. P-1

SUBJECT:	PROPERTY PROGRAM MEMBER ALLOCATION FORMULA
ADOPTED:	NOVEMBER 6, 2013
EFFECTIVE:	JULY 1, 2018
AMENDED:	SEPTEMBER 10, 2015 MAY 4, 2017

POLICY:

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

PROCEDURE:

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

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

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

PROPERTY PROGRAM MEMBER ALLOCATION FORMULA:

Basic Rates:

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

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

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

**** Example ****

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

Size Credit:

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

**** Example ****

1.	\$160,000 Basic Premium	/	\$600,000 Maximum Premium for Calculating Size Credit	=	27% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit
2.	27% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit	*	30% Maximum Size Percentage Credit	=	8% Size Credit Percentage
3.	.2133 Basic Rate	-	8% Size Credit Percentage	=	.1960 Basic Rate w/ Size Credit

Loss Rating:

1. Five years paid claims (minus deductible) is divided by total premium for five prior years. *Result – loss ratio.*

2. Member's five-year loss ratio is reviewed against loss ratio surcharge schedule. *Result – loss ratio surcharge is assigned.*
3. Basic rate w/ size credit is increased by loss ratio surcharge. *Result – final rate.*
4. Final rate is multiplied by total TIV. *Result – Final premium.*

**** Example ****

1.	\$125,000	/	\$500,000		25%
	Five Years Paid Claims		Total Premium for Five Prior Years		Loss Ratio
2.	25%			=	5%
	25% Loss Ratio is reviewed against Loss Rating Surcharge Schedule and Surcharge is Assigned.				Loss Ratio Surcharge
3.	5%	+	.1960	=	.2058
	Loss Ratio Surcharge		Basic Rate w/ Size Credit		Final Rate
4.	.2058	*	\$75,000,000	=	\$154,350
	Final Rate (per \$100 in TIV)		Total TIV		Final Premium

Minimum Premium:

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

**** Example ****

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

DEFINITIONS:

1. **RP/BI - Real Property, Business Interruption and Rental Value Basic Rate** – This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year.
2. **BPP – Business Personal Property Basic Rate** - This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year. This rate will be 20% higher than the Real Property, Business Interruption and Rental Value Basic Rate.
3. **Maximum Premium for Calculating Size Credit** – The Maximum Premium for Calculating the Size Credit dollar amount will be approved annually by the Programs Committee. The

Maximum Premium for Calculating Size Credit is used to calculate each member's size credit. The member's basic premium is divided by the Maximum Premium for Calculating Size Credit, as an example - $\$300,000$ (*member's basic premium*) / $\$600,000$ (*Maximum Premium for Calculating Size Credit*) = 50% (*member's percentage of size credit*). This member would be subject to 50% of the total **Size Credit Percentage**.

4. **Size Credit Percentage** – The Size Credit Percentage will be approved annually by the Programs Committee. The Size Credit Percentage represents the maximum size credit available to any one member. As an example – 50% (*member's percentage of size credit*) * 30% (*Size Credit Percentage*) = 15% *member's size credit*.

CRIME PROGRAM MEMBER ALLOCATION FOR FY 18/19

ISSUE: In September, 2017, the AORMA Committee approved the total costs for the Crime Program. The Programs Committee is now responsible for approving the final member allocation and the allocation factors for FY 18/19. The total Crime Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure C-1.

RECOMMENDATION: Staff recommends that the Programs Committee approve (1) the FY 18/19 Crime Program Allocation Factors and (2) the member allocation as presented on the attached spreadsheet allowing Staff to revise the allocation with updated expenditure and/or payroll information as appropriate.

FISCAL IMPACT: The FY 18/19 total cost for the Crime Program is \$231,875 which represents a reduction of \$46,406 or 17% as compared to the FY 17/18 program costs. The Crime Program has an annual aggregate limit of \$100,000. At June 30, 2017, the Crime Program fund balance was \$412,604; therefore, the AORMA Committee waived the pooled layer funding for FY 18/19.

BACKGROUND: The following factors have been included in the allocation and require approval by the Programs Committee:

1. **Basic rate:** .000414. This rate was lowered from .00051 in FY 17/18.
2. **Maximum premium for calculating the size credit:** \$6,000; Staff reduced the maximum premium from \$10,000 to \$6,000 in order to give approximately 10% of the members the maximum 30% size credit. (Ten members received the 30% size credit.)
3. **Maximum size credit rate percentage:** 30% - No change.
4. **Minimum premium:** The minimum premium is applied to those Members with no payroll or whose final premium does not exceed the minimum premium required based on total expenditures. Between FY 16/17 and FY 18/19, the program premium decreased by approximately 30%. In response, the minimum premiums were reduced as well as shown on Table 1 below. In order to reduce the minimum premiums, Staff assigned a minimum premium of between .02% and .016% of the minimum expenditures within each grouping. As noted within Table 3 attached, Staff also reviewed the new minimum premiums against the premiums for those Members with payroll or who are not subject to a minimum premium. The majority of Members with expenditures of less than \$15,000,000 are subject to the minimum premiums.

Expenditures Less Than	FY 17/18 Minimum Premium	Expenditures Less Than	FY 18/19 Minimum Premium	Rate	% Diff	\$ Diff
1,000,000	250	1,000,000	200	0.0200%	-20%	(50)
1,250,000	500	1,250,000	250	0.0200%	-50%	(250)
1,500,000	750	1,500,000	300	0.0200%	-60%	(450)
2,000,000	1,000	2,000,000	400	0.0200%	-60%	(600)
3,000,000	1,250	3,000,000	600	0.0200%	-52%	(650)
4,000,000	1,500	4,000,000	800	0.0200%	-47%	(700)
5,000,000	1,750	5,000,000	1,000	0.0200%	-43%	(750)
6,000,000	2,000	6,000,000	1,200	0.0200%	-40%	(800)
7,000,000	2,250	7,000,000	1,400	0.0200%	-38%	(850)
8,000,000	2,383	8,000,000	1,520	0.0190%	-36%	(863)
9,000,000	2,516	9,000,000	1,620	0.0180%	-36%	(896)
10,000,000	2,649	10,000,000	1,700	0.0170%	-36%	(949)
12,500,000	2,750	12,500,000	2,188	0.0175%	-20%	(563)
15,000,000	2,875	15,000,000	2,550	0.0170%	-11%	(325)
17,500,000	3,000	17,500,000	2,888	0.0165%	-4%	(113)
20,000,000	3,125	Over 17,500,000	3,200	0.0160%	2%	75

5. **Loss ratio surcharge schedule:** The Loss Rating Surcharge Ratios were changed in accordance with the decisions made by the Programs Committee during its every three-year review of the Crime Program member allocation formula. See Table 2 below. Only one Member received a loss surcharge of 40% which increased its premium by \$7,940; however, the final premium is still lower than last year's premium due to the program rate decrease.

Loss Rating Surcharge Schedule		
Surcharge Ratio	FY 17/18	FY 18/19
Less than 50%	0%	0%
Over 50%	10%	0%
Over 100%	20%	20%
Over 200%	20%	40%
Over 300%	20%	50%

PUBLICATION: The crime costs will be sent out to the members in January, 2018.

ATTACHMENTS:

- a. Table 3 FY 18/19 Crime Rating – Member Allocation
- b. FY 18/19 Crime Program Total Funding
- c. Policy & Procedures C-1 Crime Program Member Allocation Formula

TABLE 3

Expenditures (5 Year Average)	Basic Premium or Minimum Premium	Mimumum Premium	Expenditures Range
263,263	200	200	Less than 1,000,000
264,678	200		
290,833	200		
312,740	200		
500,000	200		
570,199	200		
693,693	200		
875,353	200		
1,047,700	250	250	1,000,000 - 1,250,000
1,145,236	250		
1,244,807	250		
1,261,311	300	300	1,250,000 - 1,500,000
1,376,664	300		
1,381,363	300		
1,486,937	300		
1,515,137	445	400	1,500,000 - 2,000,000
1,588,007	400		
1,604,214	400		
1,655,765	400		
1,688,906	400		
2,048,839	600	600	2,000,000 - 3,000,000
2,115,860	600		
2,190,153	600		
2,215,620	600		
2,373,208	600		
2,381,509	600		
2,506,076	600		
2,511,919	600		
2,631,390	600		
3,053,755	800		
3,140,419	800		
3,784,246	800		
4,441,657	1,000	1,000	4,000,000 - 5,000,000
4,467,585	1,170		
4,531,915	1,000		
4,718,165	1,050		
4,886,115	1,000		
5,123,140	1,253	1,200	5,000,000 - 7,000,000
5,639,073	1,679		
5,780,855	1,200		
7,128,036	1,520	1,520	7,000,000 - 8,000,000
7,274,573	1,520		
7,417,795	1,520		
7,698,239	1,520		
7,764,034	1,834		

TABLE 3

Expenditures (5 Year Average)	Basic Premium or Minimum Premium	Minimum Premium	Expenditures Range
8,045,837	2,271	1,620	8,000,000 - 9,000,000
8,125,142	1,620		
8,208,657	1,620		
8,252,277	2,505		
8,430,000	1,620		
8,643,729	1,620		
9,159,900	1,700	1,700	9,000,000 - 10,000,000
9,212,471	1,700		
9,945,538	1,700		
11,011,004	2,188	2,188	10,000,000 - 12,500,000
12,058,537	2,188		
12,131,068	2,785		
13,503,552	2,550	2,550	12,500,000 - 15,000,000
13,818,315	2,755		
13,926,222	2,550		
14,188,024	2,550		
15,078,706	2,888	2,888	15,000,000 - 17,500,000
19,494,941	3,200	3,200	Over 17,500,000
19,629,258	3,781		
21,167,571	3,413		
21,373,259	3,200		
21,952,115	3,636		
22,188,650	3,200		
24,755,665	3,200		
26,024,150	3,533		
29,726,490	3,227		
32,221,258	3,200		
33,084,577	3,396		
34,590,556	3,200		
39,094,286	4,146		
42,913,008	3,695		
48,446,789	5,975		
49,790,000	4,988		
58,772,534	4,362		
63,564,398	7,267		
66,667,529	5,941		
67,196,984	5,060		
67,415,903	5,756		
75,705,083	10,023		
87,507,947	7,223		
170,276,929	27,791		

199,883
 32,000
 231,883

Member Information

(Premium Comparison)

Campus	Auxiliary	FY 17 18	FY 18 19	\$ Diff	% Diff
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	1,517	1,172	(345)	-23%
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	2,517	1,892	(625)	-25%
Bakersfield	California State University, Bakersfield Foundation	2,650	1,892	(758)	-29%
Bakersfield	California State University, Bakersfield Student Union, Inc.	1,767	1,172	(595)	-34%
Chancellor's Office	California State University Foundation	2,267	1,372	(895)	-39%
Chancellor's Office	California State University Institute	1,017	972	(45)	-4%
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	1,017	622	(395)	-39%
Channel Islands	California State University Channel Islands Foundation	2,017	972	(1,045)	-52%
Channel Islands	CI University Auxiliary Services, Inc. (<i>University Glen Corp</i>)	2,267	1,625	(642)	-28%
Chico	Associated Students of California State University, Chico	3,922	3,572	(350)	-9%
Chico	Auxiliary Organization Associations	517	572	55	11%
Chico	The CSU, Chico Research Foundation	5,830	4,518	(1,312)	-23%
Chico	The University Foundation, California State University, Chico	2,650	1,892	(758)	-29%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	1,517	972	(545)	-36%
Dominguez Hills	California State University, Dominguez Hills Foundation	3,392	3,572	180	5%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	1,517	972	(545)	-36%
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	1,267	772	(495)	-39%
East Bay	Associated Students, California State University, East Bay	1,017	972	(45)	-4%
East Bay	Cal State East Bay Educational Foundation	1,017	972	(45)	-4%
East Bay	California State University, East Bay Foundation, Inc.	3,142	2,922	(220)	-7%
Fresno	Associated Students, Inc. of California State University, Fresno	517	572	55	11%
Fresno	Fresno State Programs for Children, Inc.	1,267	817	(450)	-36%
Fresno	The Agricultural Foundation of California State University, Fresno	2,517	1,572	(945)	-38%
Fresno	The California State University, Fresno Athletic Corporation	3,517	3,572	55	2%
Fresno	California State University, Fresno Association, Inc.	3,517	3,572	55	2%
Fresno	California State University, Fresno Foundation	7,193	6,313	(880)	-12%
Fullerton	Associated Students, California State University, Fullerton, Inc.	3,027	2,643	(384)	-13%
Fullerton	Cal State Fullerton Philanthropic Foundation	2,783	1,992	(791)	-28%
Fullerton	CSU Fullerton Auxiliary Services Corporation	6,670	5,432	(1,238)	-19%
Humboldt	Associated Students, Humboldt State University	1,267	672	(595)	-47%
Humboldt	Humboldt State University Advancement Foundation	1,517	772	(745)	-49%
Humboldt	Humboldt State University Center Board of Directors	3,142	2,922	(220)	-7%
Humboldt	Humboldt State University Sponsored Programs Foundation	4,276	3,785	(491)	-11%
Long Beach	Associated Students, California State University, Long Beach	3,267	2,922	(345)	-11%
Long Beach	California State University, Long Beach Research Foundation	6,698	5,360	(1,338)	-20%
Long Beach	CSULB 49er Foundation	2,916	1,992	(924)	-32%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	4,587	3,768	(819)	-18%
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	1,017	622	(395)	-39%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	4,299	3,599	(700)	-16%
Los Angeles	California State University, Los Angeles Foundation	1,017	972	(45)	-4%
Los Angeles	University-Student Union Board, California State University, Los Angeles	2,017	1,542	(475)	-24%
Maritime	California Maritime Academy Foundation, Inc.	1,517	772	(745)	-49%
Maritime	The Associated Students of the California Maritime Academy	517	572	55	11%
Monterey	Foundation of California State University, Monterey Bay	517	572	55	11%
Monterey	The University Corporation at Monterey Bay	4,550	4,067	(483)	-11%
Monterey	Otter Student Union at CSU Monterey Bay	517	572	55	11%
Northridge	Associated Students, California State University, Northridge, Inc.	2,783	1,992	(791)	-28%
Northridge	California State University, Northridge Foundation	3,017	2,072	(945)	-31%
Northridge	North Campus University Park Development Corporation	517	572	55	11%
Northridge	The University Corporation, CSU Northridge	7,277	6,347	(930)	-13%
Northridge	University Student Union of California State University, Northridge	3,769	3,157	(612)	-16%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	3,385	2,877	(508)	-15%
Pomona	The Cal Poly Pomona Foundation, Inc.	6,970	6,128	(842)	-12%
Sacramento	Associated Students of California State University, Sacramento	2,783	2,206	(577)	-21%
Sacramento	Capital Public Radio, Inc., CSU Sacramento	3,017	2,560	(458)	-15%
Sacramento	The University Foundation at Sacramento State	1,767	1,172	(595)	-34%
Sacramento	University Enterprises, Inc., CSU Sacramento	10,502	10,395	(107)	-1%
Sacramento	University Union Operation of CSUS, Inc.	2,916	2,072	(844)	-29%
San Bernardino	Associated Students Inc., California State University, San Bernardino	1,517	772	(745)	-49%
San Bernardino	CSUSB Philanthropic Foundation	1,767	1,372	(395)	-22%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	2,267	1,422	(845)	-37%
San Bernardino	University Enterprises Corporation at CSUSB	4,609	3,905	(704)	-15%

Member Information

(Premium Comparison)

Campus	Auxiliary	FY 17 18	FY 18 19	\$ Diff	% Diff
San Diego	Associated Students, San Diego State University	4,808	4,008	(800)	-17%
San Diego	Aztec Shops, Ltd., San Diego State University	6,309	4,734	(1,575)	-25%
San Diego	San Diego State University Research Foundation	29,035	28,163	(872)	-3%
San Francisco	Associated Students, Inc., San Francisco State University	2,650	2,051	(599)	-23%
San Francisco	San Francisco State University Foundation	517	572	55	11%
San Francisco	The University Corporation, San Francisco State	3,142	2,560	(583)	-19%
San Jose	Associated Student, San Jose State University	2,783	1,892	(891)	-32%
San Jose	San Jose State University Research Foundation	10,325	7,639	(2,686)	-26%
San Jose	Spartan Shops, Inc., San Jose State University	3,840	4,153	313	8%
San Jose	The Student Union of San Jose State University	3,017	2,072	(945)	-31%
San Jose	The Tower Foundation, San Jose State University	3,517	3,572	55	2%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	3,267	3,260	(8)	0%
San Luis Obispo	Cal Poly Corporation	9,180	7,595	(1,585)	-17%
San Luis Obispo	California Polytechnic State University Foundation	3,517	3,572	55	2%
San Marcos	California State University San Marcos Foundation	2,267	1,372	(895)	-39%
San Marcos	The Associated Students of California State University, San Marcos	1,267	672	(595)	-47%
San Marcos	California State University San Marcos Corporation	3,388	3,127	(261)	-8%
Sonoma	Associated Students of Sonoma State University	1,517	972	(545)	-36%
Sonoma	Sonoma State Enterprises, Inc.	3,017	1,992	(1,025)	-34%
Sonoma	Sonoma State University Academic Foundation, Inc.	517	572	55	11%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	767	622	(145)	-19%
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	1,017	672	(345)	-34%
Stanislaus	California State University, Stanislaus Foundation	1,267	972	(295)	-23%
Stanislaus	University Student Union of California State University, Stanislaus	1,017	672	(345)	-34%
86 TOTALS		278,281	231,875	(46,406)	-17%

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

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

Excess Insurance Premium - No change is anticipated.

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



CSURMA AORMA

POLICY & PROCEDURE NO. C-1

SUBJECT: CRIME PROGRAM MEMBER ALLOCATION FORMULA

ADOPTED: NOVEMBER 6, 2013

EFFECTIVE: JULY 1, 2018

**AMENDED: SEPTEMBER 10, 2015
MAY 4, 2017**

POLICY:

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

PROCEDURE:

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

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

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

Basic Rates:

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

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

**** Example ****

1.	\$10,000,000 Payroll	*	.0400 Basic Rate (per \$100 in payroll)	=	\$4,000 Basic Premium
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Size Credit:

1. Basic premium is divided by the **Maximum Premium for Calculating Size Credit**. *Result – percentage of total basic premium compared to the Maximum Premium for Calculating Size Credit.*
2. Percentage of total basic premium compared to **Maximum Premium for Calculating Size Credit** is multiplied by **Maximum Size Credit Percentage**. *Result – size credit percentage.*
3. Basic rate is multiplied by the size credit percentage. *Result – Basic rate with size credit.*
4. Basic rate with size credit is multiplied by the payroll. *Result – Basic premium with size credit.*

**** Example ****

1.	\$4,000 Basic Premium	/	\$10,000 Maximum Premium for Calculating Size Credit	=	40% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit
2.	40% % of Total Basic Premium Compared to Maximum Premium for Calculating Size Credit	*	30% Maximum Size Percentage Credit	=	12% Size Credit Percentage
3.	.0400 Basic Rate	-	12% Size Credit Percentage	=	.0352 Basic Rate w/ Size Credit
4.	.0352 Basic Rate w/ Size Credit	*	\$10,000,000 Payroll	=	\$3,520 Basic Premium w/ Size Credit

Minimum Premium: _____

This Minimum Premium section was moved. The minimum premium will be calculated before applying the loss rating.

The expenditures used within this allocation are the expenditures documented in the member's financial audits.

1. Using the Minimum Premium Schedule, each member is assigned a minimum premium based on their average expenditures for five years. *Result – member's scheduled minimum premium.*
2. Member's basic premium with size credit is compared to the member's scheduled minimum premium. *Result – the minimum premium will be applied if the member's basic premium with size credit is less than the minimum premium.*

Loss Rating:

1. Five years paid claims (minus deductible) is divided by total premium for five prior years. *Result – loss ratio.*
2. Member's five-year loss ratio is reviewed against loss rating surcharge schedule. *Result – loss ratio surcharge is assigned.*
3. Basic premium with w/ size credit, or minimum premium, is increased by loss ratio surcharge. *Result – final premium.*

Administrative Costs:

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

DEFINITIONS:

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

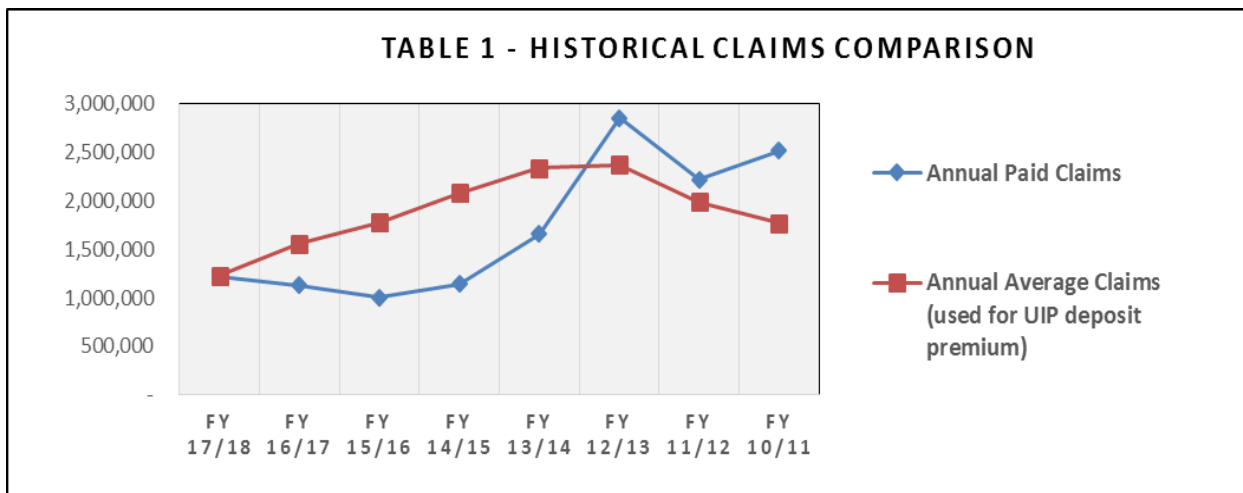
**UNEMPLOYMENT INSURANCE PROGRAM MEMBER ALLOCATION
FOR FY 18/19**

ISSUE: The AORMA Unemployment Insurance Program (UIP) member allocation uses two factors – paid claims and administrative costs – in order to calculate each member’s deposit premium. Each member must maintain a minimum fund balance of two times its average annual losses. If the member’s fund balance is below the minimum, annually, the member will be assessed an amount not to exceed 20% of the additional funding required to achieve the minimum fund balance. The FY 18/19 UIP member allocation has been calculated in accordance with Policy and Procedure UI-1 and is being presented for the Programs Committee’s approval.

RECOMMENDATION: Staff recommends that the Programs Committee review and approve the FY 18/19 UIP member allocation as presented.

FISCAL IMPACT: The UIP member allocation results in a total deposit for FY 18/19 of \$1,739,385. This is a decrease of \$185,170 or 10% compared to FY 17/18.

BACKGROUND: In order to stabilize costs, the premium is based on the member’s average annual claims over a five year period. TABLE 1 below demonstrates how spikes in claims are smoothed out using this allocation method.



Unlike the liability and workers' compensation programs, the Members within the UIP do not share in each other's losses. Therefore, this program is referred to as a banking program rather than a pooled program.

PUBLICATION: The FY 18/19 UIP costs will be sent out to the members in January, 2018.

ATTACHMENTS:

- a. FY 18/19 – UIP Member Allocation
- b. Policy and Procedure UI-1 – Formula for Determining UIP Annual Deposit

CSURMA AORMA
Unemployment Insurance Program (UIP)
FY 18 19

Campus	Member Organization	Comparison		
		Deposit	Deposit	Difference
		FY 17 18	FY 18 19	
Bakersfield	California State University, Bakersfield Foundation	27,495	18,761	(8,734)
Chico	Associated Students of California State University, Chicc	53,901	48,569	(5,332)
Chico	The CSU, Chico Research Foundation	91,740	79,025	(12,715)
Dominguez Hills	Associated Students, California State University, Dominguez Hills	3,261	2,196	(1,065)
Dominguez Hills	California State University, Dominguez Hills Foundation	54,500	47,429	(7,071)
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	9,385	16,561	7,176
East Bay	Associated Students, California State University, East Bay	15,422	10,767	(4,655)
Fresno	California State University, Fresno Association, Inc	77,734	62,537	(15,197)
Fresno	California State University, Fresno Foundation	146,972	131,163	(15,809)
Fullerton	Associated Students, California State University, Fullerton, Inc.	23,404	39,214	15,810
Fullerton	CSU Fullerton Auxiliary Services Corporation	67,402	106,447	39,045
Humboldt	Humboldt State University Center, Board of Directors	20,423	21,960	1,537
Long Beach	Associated Students, California State University, Long Beach	16,922	14,033	(2,889)
Long Beach	California State University, Long Beach Research Foundation	93,035	94,698	1,663
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	30,399	27,042	(3,357)
Los Angeles	Cal State L.A. University Auxiliary Services, Inc	99,719	70,045	(29,674)
Los Angeles	University-Student Union Board, California State University, Los Angeles	11,524	9,281	(2,243)
Monterey Bay	The University Corporation at Monterey Bay	50,752	47,215	(3,537)
Northridge	Associated Students, California State University, Northridge, Inc.	7,248	7,020	(228)
Northridge	The University Corporation, CSU Northridge	125,233	110,442	(14,791)
Northridge	University Student Union of California State University, Northridge	20,331	19,145	(1,186)
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	27,181	23,500	(3,681)
Sacramento	University Enterprises, Inc., CSU Sacramentc	429,165	381,464	(47,701)
Sacramento	Capital Public Radio, Inc., CSU Sacramento	20,479	21,818	1,339
Sacramento	Associated Students of CSU Sacramento <i>(Joined 2012 07 01)</i>	38,141	36,090	(2,051)
San Bernardino	Associated Students Inc., California State University, San Bernardino	2,768	2,668	(100)
San Bernardino	University Enterprises Corporation at CSUSB	86,187	62,034	(24,153)
San Bernardino	Santos Manual Student Union of California State University, San Bernardino	9,676	11,006	1,330
San Francisco	Associated Students, Inc., San Francisco State University	4,433	10,010	5,577
San Francisco	The University Corporation, San Francisco State	17,540	17,756	216

**CSURMA AORMA
Unemployment Insurance Program (UIP)
FY 18 19**

Campus	Member Organization	Comparison		
		Deposit	Deposit	Difference
		FY 17 18	FY 18 19	
San Francisco	Cesar Chaves Student Center, SFSU (<i>Dissolved 2014 06 30</i>)			
San Francisco	Franciscan Shops (<i>Dissolved 2012 06 30</i>)			
San Jose	Associated Students, Inc., San Jose State University	3,934	3,416	(518)
San Jose	San Jose State University Research Foundation	137,724	118,224	(19,500)
San Jose	Spartan Shops, Inc., San Jose State University	27,765	17,086	(10,679)
San Jose	The Student Union of San Jose State University	13,887	6,071	(7,816)
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	6,464	8,817	2,353
San Marcos	University Auxiliary and Research Services Corporation, CSU San Marcos	51,328	34,851	(16,477)
Sonoma	Associated Students of Sonoma State University	1,081	1,024	(57)
Total		1,924,555	1,739,385	(185,170)



CSURMA AORMA

POLICY & PROCEDURE UI-1

SUBJECT: FORMULA FOR DETERMINING THE UNEMPLOYMENT INSURANCE PROGRAM ANNUAL CONTRIBUTIONS

ADOPTED: MAY 12, 2010

EFFECTIVE: JULY 1, 2018

REVISED: DECEMBER 6, 2012
MAY 8, 2014
MAY 5, 2016
MARCH 9, 2017
MAY 4, 2017
DECEMBER 7, 2017

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

POLICY:

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

PROCEDURE:

1. **Deposit Formula** - Paid claims (the MEMBER's average annual paid claims for five years ending 6/30), plus an administrative cost. The administrative costs are allocated to each MEMBER based on its percentage of the total average annual paid claims.
2. **Minimum Fund Balance** - Each MEMBER must maintain in the AORMA UIP a minimum fund balance of two times its average annual losses. If a MEMBER's fund balance is below the minimum, annually, the additional funding required will be calculated and the MEMBER will be assessed at the program anniversary date an amount not to exceed 20% of the additional funding required to achieve the minimum fund balance. The MEMBER will be assessed annually until the MEMBER's fund balance is at the minimum fund balance.

At the end of each fiscal year, the AORMA UIP Fund Balance Report will be distributed to each MEMBER. The Fund Balance Report will include actual paid claims for the fiscal year rather than estimates. If the MEMBER's fund balance exceeds the minimum fund balance required (two times annual average losses) then the MEMBER can request that the excess



funds be returned, retained on account with CSURMA to be used to lower contributions for the upcoming fiscal year.

For those MEMBERS involved in federally sponsored programs, the funds in excess of the minimum required fund balance can be retained on account with CSURMA to be used to lower contributions for the upcoming fiscal year. If the MEMBER chooses to receive a refund of the funds in excess of the minimum required fund balance, then the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federally sponsored programs to determine what percentage of the refund will need to be returned to the federal government.

3. **Minimum Contribution** - There is no minimum contribution based on paid claims. However, a minimum contribution for administrative costs will be applied according to the Minimum Administrative Costs Schedule approved annually by the Programs Committee.
4. **Investment Income / Loss** - The total Investment Income or Loss is allocated to each MEMBER based on its percentage of the total AORMA UIP average fund balance for the preceding fiscal year. The AORMA Committee may decide to defer assessments resulting from unrealized investment losses. For the purpose of calculating the MEMBER's average fund balance, the following formula shall be used:

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

MEMBER APPEAL PROCESS:

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

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



DEFINITIONS:

AORMA COMMITTEE - The governing body of AORMA.

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

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

MEMBER – The MEMBER is a signatory to the CSURMA Joint Powers Authority. Within this Policy and Procedure, MEMBER also means the Auxiliary Organization participating in the AORMA Unemployment Insurance Program.

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

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

UIP – AORMA Unemployment Insurance Program.

**DISCUSSION AND RECOMMENDATION FOR NEW PROGRAMS
COMMITTEE CHAIR AND NEW MEMBERS FOR THE PROGRAMS
COMMITTEE**

ISSUE: Policy and Procedure A-2 notes that the Programs Committee shall have a minimum of five members, and at least two will also serve on the AORMA Committee. Since Gigi Kiama stepped down from the AORMA Committee, only one Programs Committee member, Bill Olmsted, serves on both the Programs Committee and the AORMA Committee. At today's meeting, the Committee members will be asked to recommend to the AORMA Committee Chair that Bill Olmstead be appointed to serve as the new Programs Committee Chair. The Committee members will also be asked to discuss prospects to serve on the AORMA Committee (either new or existing Programs Committee members.)

RECOMMENDATION: Staff recommends that the Committee members recommend to the AORMA Committee Chair, Bill Olmstead as the new Programs Committee Chair. Staff also recommends that the Programs Committee members discuss prospects to serve on the AORMA Committee.

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

BACKGROUND: None

PUBLICATION: None

ATTACHMENT(S):

- a. AORMA Committee Roster @ July 1, 2017
- b. Policy and Procedure A-2 – AORMA Committee and Standing Committee Roles and Responsibilities

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2017

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number	Location	Size of Campus	Type of Campus	Term	Seat Term	1st, 2nd or Final Term	Date Appointed
AORMA	Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768	Central	Medium	Suburban	7/1/17 - 6/30/19	Even	First	3/1/2017
AORMA	First Vice Chair	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878	North	Large	Rural	7/1/16 - 6/30/18	Even	First	7/1/2015
AORMA	Second Vice Chair	Starr Lee	Director of Administration & Legal /Associate Executive Director	Monterey Bay	The University Corporation at Monterey Bay	stlee@csumb.edu	831-582-3000	Central	Medium	Suburban	Completing 7/1/16 - 6/30/18	Even	N/A	3/1/2017
AORMA	Seat 1	Bella Newberg	Associate Vice President, Business Dev	San Marcos	California State University San Marcos Corporation	newberg@csusm.edu	760-750-4700	South	Small	Suburban	7/1/17 - 6/30/19	Odd	First	12/20/2016
AORMA	Seat 2	Open										Even		
AORMA	Seat 3	Todd Summer	CEO	San Diego	Aztec Shops, Ltd.	Todd.Summer@darth.sdsu.edu	619-594-7539	South	Large	Urban	7/1/17 - 6/30/19	Odd	First	7/1/2017
AORMA	Seat 4	Open										Even		
AORMA	Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003	North	Large	Urban	7/1/17 - 6/30/19	Odd	First	7/1/2017
AORMA	Seat 6	Open (Nirenberg)									Completing 7/1/17 - 6/30/19	Even	First	
AORMA	Seat 7	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744	North	Large	Urban	7/1/17 - 6/30/19	Odd	First	7/1/2017

On March 1, 2017, Dwayne Brummett was appointed to complete Guy Dalpe's term. Dwayne's first complete term will be 7/1/17 to 6/30/19.
On July 1, 2015, Dave Nakamura was appointed to complete Mark Day's term. Dave's first complete term will be 7/01/16 to 6/30/18.
On October 1, 2015, Dave Nirenberg was appointed to complete Melinda Coil's term. Dave's first term will be 7/01/17 to 6/30/19.
On December 20, 2016, Bella Newberg was appointed to complete Cheree's Aguilar's term. Bella's first term will be 7/01/17 to 6/30/19.
On March 1, 2017, Starr Lee was appointed to complete Leslie Davis' term. Starr's first term will be 7/1/18 to 6/30/20.

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number	Location	Size of Campus	Type of Campus	Term	Seat Term	1st, 2nd or Final Term	Date Appointed
PC	Chair	Gigi Kiama	Human Resources Director	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301	North	Small	Rural	7/1/13 - 6/30/15		Fourth	
PC	At Large	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744	North	Large	Urban	7/1/15 - 6/30/17		First	10/31/2015
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	jporth@sfsu.edu	415-338-6880	North	Large	Urban	7/1/15 - 6/30/17		First	2/13/2015
PC	At Large	Jun Reina	Chief Operating Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925	North	Large	Urban	7/1/15 - 6/30/17		First	9/15/2014
PC	At Large	Open									7/1/16 - 6/30/19		First	4/13/2017
PC	At Large	Raven Tyson	Human Resources & Risk Manager	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760	South	Large	Urban	7/1/13 - 6/30/15		First	2/23/2013

AORMA Committee Chair serves for a period of four years - Vice Chair, to Chair, to Past President, to Ex-Officio.
Standing Committee Chair serves a one-year term, is appointed by the AORMA Committee Chair, and must be an AORMA Committee member.
AORMA Committee and Standing Committee members may serve a maximum of three consecutive two-year terms (total six years).

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

SUBJECT: AORMA COMMITTEE AND STANDING
COMMITTEE ROLES AND RESPONSIBILITIES

ADOPTED: AUGUST 19, 2003

EFFECTIVE: JULY 1, 2003

AMENDED: DECEMBER 7, 2005
MAY 14, 2009
OCTOBER 29, 2009
JANUARY 11, 2010
SEPTEMBER 16, 2010
SEPTEMBER 13, 2012
MAY 8, 2014
DECEMBER 10, 2015
SEPTEMBER 8, 2016
SEPTEMBER 7, 2017

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

PURPOSE:

The purpose of this policy is to describe the roles and responsibilities of participants in the CSURMA AORMA COMMITTEE and its Standing Committee.

POLICY:

It is the policy of the CSURMA to encourage AORMA members' participation in the AORMA COMMITTEE and Standing Committee that oversee operation of AORMA insurance programs. To that end, CSURMA AORMA has adopted Policy and Procedure A-1 that describes the process of AORMA COMMITTEE elections and representation. This policy further describes the roles and responsibilities of Committee members and officers. It is expected that AORMA COMMITTEE members will commit to meeting attendance and participation needed to conduct CSURMA business.

PROCEDURE:

The AORMA COMMITTEE will conduct elections and appointments in accordance with the CSURMA Joint Powers Agreement, Bylaws and AORMA Policy and Procedure A-1. A copy of Policy and Procedure A-1 describing roles and responsibilities of Committee members will be provided to Committee nominees and participants.

AORMA COMMITTEE Participation in General - The AORMA COMMITTEE holds regularly scheduled meetings in person approximately four times per year with additional teleconference meetings as necessary. Following are considerations as respects AORMA COMMITTEE participation:

1. In person attendance at regularly scheduled AORMA COMMITTEE meetings is preferred. While teleconference attendance can be arranged, the Committee business is best conducted at in-person meetings. Any Committee member or Officer who is not present, either in person or via teleconference, at two or more AORMA COMMITTEE meetings in any one fiscal year, may be removed from the AORMA COMMITTEE upon a majority vote of the AORMA Officers unless that AORMA Officer is the subject of the vote and then that AORMA Officer will be recused.
2. AORMA COMMITTEE at-large member terms are for two years, with a maximum of three terms served before a member is either elected as the Chair, First Vice Chair or Second Vice Chair or termed out and must wait one year before again serving on the Committee. It is expected that members be prepared to serve for at least one complete term because the learning curve on CSURMA's coverage programs is steep.
3. Reasonable travel expenses associated with participation on the AORMA COMMITTEE are reimbursable as provided under CSU's travel reimbursement policy.
4. Representatives elected to the AORMA COMMITTEE are individually elected, not as direct representatives of their respective auxiliary organizations. It is expected that AORMA COMMITTEE members will approach their responsibilities from the perspective of the good of the CSURMA Auxiliary Organizations programs as a whole, rather than just their individual organization's benefit.
5. AORMA COMMITTEE members are expected to attend two (2) CSURMA Board of Directors meetings annually (one in the fall; one in the spring). State law requires timely completion of appropriate paperwork, such as Fair Political Practices Commission Form 700.
6. Develop recommendations for the AORMA COMMITTEE and take action within delegated authority.

AORMA Committee Chair - In addition to the roles and responsibilities of AORMA COMMITTEE participation, in general, the AORMA Committee Chair has the following roles and responsibilities:

1. Representative of the AORMA Committee to the AOA Executive Committee and attendance at AOA Executive Committee meetings.
2. Attendance and participation in CSURMA Executive Committee meetings (approximately four times per year).

3. Availability for regular communication with, and direction of CSURMA Program Administrator staff.
4. Availability to respond to CSURMA Auxiliary Organizations member questions and concerns.
5. A commitment toward professional development in the area of risk management and representation of CSURMA at conferences and meetings, such as the AOA Annual Conference, the CSURMA Fitting the Pieces Together Conference and other conferences as appropriate.
6. Authority to appoint an at-large AORMA Committee member or the First Vice Chair or Second Vice Chair if that seat on the AORMA Committee is vacated mid-term.
7. Authority to establish task groups as necessary.
8. Authority to appoint the Standing Committee Chair, members of the AORMA Standing Committee and task groups (in consultation with the AORMA Standing Committee Chair).
9. Service on Standing Committee, task groups and ad hoc committees as appropriate.
10. Attend and present at CSURMA Board of Directors meetings.
11. Authority to call meetings from time to time and in compliance with applicable open meeting regulations to conduct business and planning for the AORMA program including an AORMA Officer's Retreat.
12. Authority to invite additional attendees to meetings as the Chair deems appropriate and to authorize reimbursement of invitee travel expenses provided the expenses are within amounts budgeted for AORMA expenses and in compliance with AORMA travel expense reimbursement Policy and Procedure.

AORMA Committee First Vice Chair - In addition to items 1 thru 5 and item 9 of the roles and responsibilities of the AORMA Committee Chair, it is expected that the AORMA Committee First Vice Chair will also;

1. Be prepared to serve in the Chair position should the Chair vacate its seat mid-term.
2. Attend and participate in the CSURMA Executive Committee meetings.

AORMA Committee Second Vice Chair - In addition to items 1 thru 5 and item 9 of the roles and responsibilities of the AORMA Committee Chair, it is expected that the AORMA Committee Second Vice Chair will also;

1. Be prepared to serve in the First Vice Chair position should the First Vice Chair vacate its seat mid-term.

AORMA Standing Committees

1. The AORMA Committee reserves the right to create and dissolve any or all Standing Committees at any time. The AORMA Committee shall appoint Standing Committees to provide support to the AORMA Committee. These Standing Committees are as follows:
 - a. Programs Committee
 - b. Executive Officers
2. Standing Committee membership will be as follows:
 - a. Programs Committee – A minimum of five members, at least two of whom shall be AORMA Committee members.
 - b. Executive Officers – The AORMA Committee Chair, First Vice Chair and Second Vice Chair.
3. Every spring, the membership of each Standing Committee will recommend to the AORMA Committee Chair a nominee from the AORMA Committee for the Chair position of their respective Standing Committee.
4. The AORMA Committee Chair shall appoint Standing Chairs annually for a one-year term effective on July 1. The Chair of any Standing Committee must simultaneously be a member of the AORMA Committee.
5. AORMA Standing Committee appointments are at the discretion of the AORMA Committee Chair. It is expected that appointed members be prepared to serve for at least one complete two-year term.
6. No auxiliary organization will have multiple representatives serving simultaneously on any AORMA Standing Committee.
7. Reasonable travel expenses associated with participation on AORMA Standing Committees are reimbursable as provided in CSURMA’s travel reimbursement policy.
8. Representatives are individually appointed, not direct representatives of their respective auxiliary organizations. It is expected that representatives will approach their responsibilities from the perspective of the good of the CSURMA Auxiliary Organizations programs as a whole, rather than just their individual organization’s benefit.
9. Standing Committees shall develop recommendations for the AORMA Committee and take action within delegated authority.
10. Standing Committees shall be responsible for overseeing the completion of special projects as determined by the AORMA Committee. Standing Committees will be asked to present recommendations for discussion and approval by the full AORMA Committee.



11. Any Standing Committee member who is not present, either in person or via teleconference, at two or more Standing Committee meetings in any one fiscal year, may be removed from the Standing Committee upon a majority vote of the AORMA Officers unless that AORMA Officer is the subject of the vote and then that AORMA Officer will be recused.

ADDENDUM

AORMA STANDING COMMITTEE DESCRIPTIONS

This addendum to CSURMA AORMA Policy and Procedure A-2 will summarize the primary roles and responsibilities of the Committees appointed by the AORMA Committee Chair. The Committees will from time to time provide reports on their activities to the AORMA Committee, making recommendations on their areas of expertise.

This addendum may be updated from time to time as the need for changes to the Committee structure are desired by the AORMA Committee.

Executive Officers Committee

The AORMA Executive Officers Committee will provide executive management oversight of AORMA operations and AORMA staff. Comprised of the AORMA Chair, First Vice Chair and Second Vice Chair, the Executive Officers Committee will develop relationships between the CSURMA AORMA and the AOA, manage Committee appointments, leadership and succession planning, and work with staff to develop and update miscellaneous financial, legal, governing and coverage documents. The Executive Committee shall also have claims settlement authority as outlined in AORMA Policies and Procedures L-2 and W-5.

Programs Committee

The Programs Committee will oversee the management of all programs not otherwise assigned to another committee, including, but not limited to, the Liability, Workers' Compensation, Property, Crime, Unemployment Insurance, Participant Accident Insurance and Foreign Travel Liability Programs, as well as new program development. The Committee will assist in the review of annual actuarial reports and the development of rating plans for allocation of annual costs, policies and coverage documents. Training, service provider RFP development and selection will also be handled by this Committee. The Programs Committee will act as a liaison to the AOA Human Resources Committee. The Committee will assist in the development of relationships between the AORMA and the AOA, as well as continue to strengthen the relationships between the CSURMA and its Auxiliary Organization membership. The Committee will utilize newsletters, member surveys, annual reports and other methods of communicating the benefits of AORMA membership to the members. The Committee will direct staff in the development of "value-added" services such as the Certificate Tracking Program, OAYSYS-Net Property database, claims reports, service provider evaluations and the professional development through risk management training of the AORMA membership.

The Committee will assist in the development, implementation and evaluation of various training programs aimed at developing safety and loss control awareness among the AORMA membership. The Committee will also lead professional development of the AORMA membership in the field of risk management and be responsible for the allocation of the risk management budget among the various safety and risk control service providers.

UNEMPLOYMENT INSURANCE PROGRAM CLAIMS ADMINISTRATION

ISSUE: The AORMA Committee met on October 26, 2017 and discussed the recommendation made by the Unemployment Insurance Program (UIP) ad hoc committee to move the UIP claims administration from Employers Edge to Equifax effective July 1, 2018. The AORMA Committee agreed with the ad hoc committee's recommendation and approved a new contract with Equifax.

A motion was made to delegate authority to the CSURMA Secretary-Auditor to finalize the contract with Equifax for claims administration of the unemployment insurance program.

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

FISCAL IMPACT: The cost for the UIP claims administration with Equifax is \$14,000 annually. Employers Edge charges \$30,044 annually.

BACKGROUND: Staff is working with Equifax to complete the following implementation steps:

1. Finalize and Execute the Claims Administration Contract. This item is in process. The contract is being reviewed by CSURMA legal counsel and systemwide risk management. A "start agreement" has been executed so that Equifax can be the transition process.
2. Establish Program Contact Directory. Member information has been sent to Equifax including name, address, primary contact, FEIN and SUI numbers.
3. Client Organizational Information. Information has been sent to Equifax.
4. Power of Attorneys. Equifax is working on the Power of Attorney basic letter for each Member. Staff will forward them in early January.
5. Benefit Charge Information. Staff will forward Equifax historical claims information as the July 1, 2018 transition date approaches.
6. Termination Data. The Members will be given the option of uploading separation information into the Equifax website.
7. Program Communication and Launch. The first official communication will go out in January along with the Power of Attorney request. Monthly emails will be sent to remind Members of the change. Webinar training will be set-up as the transition date approaches.

PUBLICATION: Regular notifications will be sent out to all UIP members to keep them apprised of the transition procedures.

ATTACHMENT(S): None.

2018 CSURMA AORMA MEETING CALENDAR

ISSUE: The Program Administrator includes a current copy of the CSURMA AORMA meeting calendar in every agenda.

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA – 2018 Meeting Calendar



2018 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH							
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location				
7	3:30 PM	EC (AOA Conference)	Sacramento	22	9:00 AM	PC	Teleconference	8	10:00 AM	AORMA	TBD				
9	7:30 AM	PC (AOA Conference)	Sacramento					8	2:30 PM	EC	TBD				
7 - 10		AOA Annual Conference	Sacramento					9	8:30 AM	EC LRP	TBD				
15	10:30 AM	AIME													
APRIL				MAY				JUNE							
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location				
23 - 24		Fitting the Pieces Conference	San Diego	7	10:30 AM	AIME	San Francisco	TBD		AOA EC	TBD				
25	TBD	AORMA	San Diego									21	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				
								27	1:00 PM	PC	Teleconference				
OCTOBER				NOVEMBER				DECEMBER							
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location				
15	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
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

FY 2017/2018 AORMA LONG RANGE ACTION PLAN

ISSUE: The Program Administrator includes a copy of the current AORMA Long Range Action Plan in every agenda.

RECOMMENDATION: No action is requested; this item is for information only.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. FY 2017/2018 AORMA Long Range Action Plan

FY 2017/18 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1 Workers' Compensation Program Growth				
Workers' Compensation Program Growth	1 Obtain underwriting information to finalize coverage and/or funding options for Members	PA	Jan-18	
	2 Present Member funding options to AORMA Committee for approval	PA, AORMA	Feb-18	
	3 Present final quotes to Members	PA	Mar-18	
	4 Provide underwriting information to CSAC EIA for approval	PA	Apr-18	
	5 Bind coverage within the AORMA Workers' Compensation Program	PA	Jun-18	
LRP-2 Formation of Student Clubs Insurance Program				
Student Clubs Insurance Program	1 Identify two or three campuses with very reliable information regarding student clubs	PA	Oct-17	In Process
	2 Create underwriting specifications and program design	PA	Jan-18	In Process
	3 Submit underwriting specifications to various insurers	PA	Feb-18	In Process
	4 Approve the creation of a Student Club Insurance Program	PA, AORMA, EC, BOD	May-18	
	5 Receive coverage proposals	PA	May-18	
	6 Approval to bind coverage	PA, AORMA, EC	Jun-18	
	7 Disseminate information to all Campuses and Auxiliary Members			
	8 Upload information onto the CSURMA website			
LRP-3 Captive Insurer				
Evaluation of participation in the CSU captive vehicle	1 Oversee formation of captive	PA, SRM	Dec-17	In Process
	2 Determine which insurance products can be marketed by the auxiliary organizations	PA, SRM, EC, AORMA	Jul-18	
	3 Design marketing plan	PA, SRM, AORMA	Aug-18	
LRP-4 Recreation Center Good Practices				
Development of Recreation Center Good Practices	1 Survey Campus and Auxiliary members to see what is currently in place	PA	Nov-17	Completed
	2 Research standards and guidelines published by industry experts	PA	Nov-17	In Process
	3 Prepare draft Recreation Center Good Practices for the Programs Committee approval	PA, PC	Jun-18	
	4 Approval of final Recreation Center Good Practices	AORMA	Sep-18	
	5 Disseminate information to all Campus and Auxiliary Members	PA	Oct-18	
	6 Upload information onto the CSURMA website	PA	Oct-18	

FY 2017/18 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-5 AORMA Benefits Program					
Formation of AORMA Benefits Program	1	Authorize formation of AORMA Benefits Program	AORMA, EC	Sep-17	Completed
	2	Authorize formation of AORMA Benefits Program	BOD	Oct-17	In Process
	3	Secure underwriting information and prepare renewal specifications	PA	Jun-18	
	4	Submit underwriting information for a quote through the CSAC EIA benefits program	PA	Jun-18	
	5	Forward benefits pricing to the existing members as well as those members not participating in the AOA Benefits Program	PA	Nov-18	
LRP-6 CSURMA 20th Anniversary Report					
Preparation and Distribute the CSURMA 20th Anniversary Report	1	Compile all background information and prepare the draft 20th anniversary report	PA	Nov-17	Completed
	2	Seek approval of report from Systemwide Risk Management	PA, SRM	Dec-17	Completed
	3	Review with the Executive Committee	EC	Jan-18	
	4	Distribute report to all Campus and Auxiliary staff as listed on the CSURMA rolodex as well as on the AOA distribution list	PA	Jan-18	
	5	Upload report onto the CSURMA website	PA	Jan-18	
	6	Distribute hard copies at the 2018 AOA Conference	PA	Jan-18	
LRP-7 Dissemination of CSAC EIA Risk Management / Safety Services					
Disseminate CSAC EIA Risk Management / Safety Services	1	Choose three or four CSAC EIA Risk Management / Safety Services that may be relevant to the Members' operations	PA	Oct-17	
	2	Write up a summary of the services and distribute to all Members	PA	Oct-17	
	3	Continue to distribute information on a quarterly basis choosing different services each quarter	PA	Jan-18	
	4	Upload bulletin to the CSURMA website	PA	Continuous	

BOD: CSURMA Board of Directors
PC: AORMA Programs Committee
CABO: CSU Chief Administrators and Business Officers
CO: Chancellor's Office
AORMA: AORMA Committee

EC: CSURMA Executive Committee
OGC: CSU Office of General Counsel
PA: CSURMA Program Administrator
SRM: CSU Systemwide Risk Management

AORMA COMMITTEE AND STANDING COMMITTEE ROSTER

ISSUE: Attached for the Committee's review is the AORMA Committee and Standing Committee Roster effective July 1, 2017.

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

FISCAL IMPACT: None.

BACKGROUND: Contact lists are provided at every meeting.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Committee and Standing Committee Roster – Effective 07/01/17

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2017

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	First Vice Chair	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
AORMA	Second Vice Chair	Starr Lee	Director of Administration & Legal /Associate Executive Director	Monterey Bay	The University Corporation at Monterey Bay	stlee@csumb.edu	831-582-3000
AORMA	Seat 1	Bella Newberg	Associate Vice President, Business Dev	San Marcos	California State University San Marcos Corporation	newberg@csusm.edu	760-750-4700
AORMA	Seat 2	Open					
AORMA	Seat 3	Todd Summer	CEO	San Diego	Aztec Shops, Ltd.	Todd.Summer@darth.sdsu.edu	619-594-7539
AORMA	Seat 4	Open					
AORMA	Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
AORMA	Seat 6	Open (Nirenberg)					
AORMA	Seat 7	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744

On March 1, 2017, Dwayne Brummett was appointed to complete Guy Dalpe's term. Dwayne's first complete term will be 7/1/17 to 6/30/19.

On July 1, 2015, Dave Nakamura was appointed to complete Mark Day's term. Dave's first complete term will be 7/01/16 to 6/30/18.

On October 1, 2015, Dave Nirenberg was appointed to complete Melinda Coil's term. Dave's first term will be 7/01/17 to 6/30/19.

On December 20, 2016, Bella Newberg was appointed to complete Cheree's Aguilar's term. Bella's first term will be 7/01/17 to 6/30/19.

On March 1, 2017, Starr Lee was appointed to complete Leslie Davis' term. Starr's first term will be 7/1/18 to 6/30/20.

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

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
PC	Chair	Gigi Kiama	Human Resources Director	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
PC	At Large	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	jporth@sfsu.edu	415-338-6880
PC	At Large	Jun Reina	Chief Operating Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925
PC	At Large	Open					
PC	At Large	Raven Tyson	Human Resources & Risk Manager	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760

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

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

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

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